

Godfrey Phillips India Limited
Environment, Social and Governance (ESG) Policy

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I. Introduction

Godfrey Phillips India Limited (hereinafter known as “GPIL’ or “the Company”) is strong in its commitment to sustainability and its core values have guided its Environment, Social & Governance (ESG) practices, which seek to drive growth and empower communities.

The Company believes that ESG principles are crucial to developing a resilient company that delivers long-term value for its stakeholders.

GPIL works with the firm belief that sustainable business and financial performance go hand-in-hand. This belief coupled with a robust governance mechanism, ensures that Company is continually working towards its ESG commitments to lead change and make a positive difference to people and the planet. The Company is committed to minimizing its negative impact on the environment, promoting social well-being, and maintaining the best-in-class governance standard. To bolster/strengthen this commitment, GPIL has set dedicated ESG targets and are committed to periodically disclosing its performance and continually aiming to improve on the same.

This ESG Policy outlines the Company’s approach to integrating ESG in its business and strategic goals. The ESG Committee will have the overall oversight on the implementation of this Policy.

II. Scope

The Policy is applicable to GPIL and its subsidiaries. It affirms the commitment of all the employees, business associates and suppliers of the Company.

III. Vision

“Work towards building sustainable and responsible business while promoting positive and value driven growth for all stakeholders”.

IV. Key Focus Areas

GPIL is committed to integrating ESG in its business decision-making to promote growth and ensure sustainable development.

As a testament to this commitment, GPIL has constituted an ESG committee of the Board and this Policy will serve as a framework to understand and manage its ESG risks, impacts and opportunities.

Environment

GPIL acknowledges that as an organisation, its operations have direct and indirect impact upon the environment. The Company is committed to prevention, protection, compliance obligation and integration of sustainability and climate risks into all its processes and stages of operations.

The Company will measure and account for its Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions (hereinafter referred to as emissions) and report them in the public domain.

The Company's endeavour will be to continue to reduce the emissions and mitigate the climate change impact, take measures on increasing contribution of renewable energy and use of energy efficient technologies among others. In addition, Company will endeavour to reduce its environmental footprint with reference to water consumption, waste generation and biodiversity impact by ensuring waste and water recycling, conserving, harvesting rainwater, afforestation, etc.

The Company has established an ISO 14001 compliant Environmental Management System ("EMS") to ensure better management of the environment matters.

Social

GPIL core philosophy is 'People First' that ensures all business decisions are taken with people at the core of it. It gives prominence to its employees' interest, safety, development and growth. The Company is taking multiple initiatives to foster best people practices and processes include robust employee engagement programs, nurturing diversity and inclusion, ensuring employee safety and well-being, making consistent and continuous efforts towards focused learning, development and career progression programs for employees.

The 'People First' philosophy extends to the community the Company engages and works with. Acknowledging the importance of the stakeholders like retailers, distributors, farmers, etc. various initiatives have been designed to ensure a support system that enables both economic and social wellbeing of the community it works with. The Company has a strategic CSR program for the marginalised burley tobacco farmers. The Company has a dedicated CSR Committee with Board oversight which is responsible for overseeing and ensuring proper implementation of the CSR projects.

Governance

As a responsible corporate citizen, GPIL strives to conduct its business operation beyond the regulatory compliances. It is committed to ensuring transparency and accountability in business. To maintain best of the corporate governance system, it has a comprehensive 'Code of Business Conduct' which all its employees including the Directors are required to comply with. GPIL provides training to its employees on corporate governance matters such as Code of Conduct, Whistleblower Policy, etc. to reduce risks to its business and align itself with the vision of institutionalising ESG. Additionally, the Company strives to continuously strengthen its risk management framework and integrate ESG, cybersecurity and data-related risks as an integral part of it while developing a mitigation action plan.

V. Governance Structure

The Board of the Company play a critical role in establishing the Company's strategic direction, identifying, minimizing, and managing material ESG concerns. GPIL has a dedicated ESG Committee on Board to manage and provide guidance on ESG-related risks, impacts and opportunities.

The ESG Committee is chaired by the functional Chief Executive Officer of the Company.

The Committee has the following duties:

- To define strategy, goals and opportunities for improvement on high-priority material issues.

- To enhance value and minimise risk for our investors – through understanding of the risks associated with the material issues.
- To guide the organisation towards sustainability best practice.

While performing its duties, the ESG Committee shall have access to all relevant data and records in all offices of the Company. The Committee may also seek assistance or information from one or more experts appointed by the Company.

The ESG Committee shall meet periodically to monitor progress, discuss initiatives and focus on improvement.

To further strengthen the Company's vision and focus on ESG, GPIL has established an Environmental Social & Governance (ESG) Steering Committee, which is a management level committee comprising of senior members across major functions at the Company.

Functionally, the ESG Steering Committee has an ESG Head reporting to them.

The ESG Head leads a team segregated into 3 sub committees for focused discussions and integration.

- Environment: Sets targets and identifies opportunities for improvement in areas of emissions, energy, water and waste and oversees all implementation of initiatives to achieve targets
- Social: Focuses on workplace policies including L&D, Code of Conduct & Human Rights, Diversity & Inclusion, and community relations.
- Governance: Focuses on good corporate governance and policies, transparency, compliance, standards and stakeholder engagement.

VI. Communication of the Policy

The Policy will be available on relevant mediums of communication like intranet and corporate website to ensure the awareness about the Policy amongst internal and external stakeholders of the Company.

VII. Review

The Policy will be reviewed by the ESG Committee through the Company Secretary on an annual basis or as and when it deems necessary or in compliance with any changes to legal, regional and national guidelines and Acts, as applicable. The Policy shall be approved by the Board thereafter.

VIII. Version Control

Version	Change Description	Date
1.0	New policy drafted	27/05/2023
1.1	Addition on targets set, governance structure and communication	11/11/2024