

## Independent Assurance Statement

### Introduction and Engagement

Godrej Consumer Products Limited (hereafter 'GCPL') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial ESG information disclosed in GCPL's Integrated Report (hereinafter 'the Report') for the period April 01, 2022, to March 31, 2023. This engagement was comprised of a "limited assurance" of GCPL's sustainability information for the applied reporting period. The Report is based on the principles of IIRC Integrated Reporting (<IR>), GRI Standards 2021, ISAE 3000 (revised) standard applied for assurance of the Report.

### Management's Responsibility

GCPL has developed the Report content and is responsible for identification of materiality, corresponding ESG issues, identifying, establishing, reporting performance management, data management, and quality. The management team at GCPL is accountable for the accuracy of the information provided in the Report and the process of collecting, analyzing, and reporting that information in both web-based and printed Reports. This includes the maintenance and integrity of the company's website. Furthermore, GCPL's management team takes responsibility for the accurate preparation of the Report in reference with the applied criteria. They ensure that the Report is free of any intended or unintended material misstatements, so stakeholders can trust the information provided. GCPL will be responsible for archiving and reproducing the disclosed data to the stakeholders upon request.

### Scope and Boundary

The assurance engagement encompasses a thorough review of the quality of information, as well as a review of evidence (on a sample basis) for identified non-financial indicators. Additionally, verification team performed

- i. *Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the Report over the reporting period;*
- ii. *Review of the policies, initiatives, practices and performance described in the Report;*
- iii. *Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards*
- iv. *Verification of the reliability of the GRI Standards Disclosure on environmental and social topics*
- v. *Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;*
- vi. *Confirmation of the fulfilment of the GRI Standards and IIRC framework*

TUVI has verified the below-mentioned disclosures given in the Report:

*Energy consumption within the organization, Energy intensity, Water withdrawal, Water discharge, Water Consumption, Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions, Other indirect (Scope 3) GHG emissions, GHG emissions intensity, Nitrogen oxides (NOx)/sulfide oxides (SOx) and other significant air emissions, Waste generated, Waste diverted from disposal, Waste directed to disposal, Work-related injuries, Average hours of training per year per employee, Operations with local community engagement, impact assessments, and development programs.*

The reporting boundaries for the above topics include 41 (India-19, Bangladesh-1, Srilanka-1, Indonesia-5, south Africa-2, Mozambique – 1, Uganda – 1, Tanzania – 1, Kenya – 4, Nigeria – 2, Ghana – 1, Argentina – 1, Chile –1, US -1) operating sites across 14 countries.

GCPL operates several manufacturing facilities in India spread over seven locations and grouped into four operating clusters. The South cluster has plants in Pondicherry and Chennai, North East cluster has plants in Guwahati and Sikkim, North cluster has manufacturing sites in Kathua (Jammu), Baddi and Katha (Himachal Pradesh), and Central West cluster has flagship plant in Malanpur (Madhya Pradesh).

The assurance activities were carried out together with a desk review and on-site verification. On 25-27<sup>th</sup> April 2023, verification activities are performed at GCPL Head Office, Vikhroli (E), Mumbai. Site visit is performed at Pondicherry and Karaikal plant on dated 12-16 May 2023 and Malanpur plant on site verification conducted on 4-5 May 2023.

Further remote audits were conducted for international locations:

04 - 05 May 2023 at LATAM – Chile, 08 - 09 May 2023 at South Africa - Durban, and 15- 16 May 2023 at Indonesia – Mega 1.

## **Limitations**

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI didn't verified any ESG goals and claim through this assignment. TUVI verified data on a sample basis; the responsibility for the authenticity of data entirely lies with GCPL. TUVI does not accept or assume responsibility for any other person or organization. Any dependence of person or third party may place on the Report is entirely at its own risk.

## **Our Responsibility**

TUVI's responsibility as per assurance engagement is to perform independent assurance and to express a conclusion based on the work performed. We conducted our engagement in reference with ISAE 3000 (revised) for identified non-financial ESG indicators. Our engagement did not include an assessment of the adequacy or the effectiveness of GCPL's strategy or Management of sustainability-related issues or the sufficiency of the Report against principles of IIRC Integrated Reporting (<IR>), GRI Standards, and ISAE 3000 (revised), other than those mentioned in the scope of the assurance. This assurance engagement is based on the assumption that the data and information provided to TUVI by GCPL are complete and true.

## **Verification Methodology**

During the assurance engagement, TUVI adopted a risk-based approach. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- i. TUVI examined and reviewed the documents, data, and other information made available by GCPL for non-financial disclosures;
- ii. TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of GCPL;
- iii. TUVI reviewed the level of adherence to principles of "The <IR> Framework" and GRI standards.

The Report was evaluated against the criteria: adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the "The <IR> Framework", GRI Standards and AA1000AS v.3 along with ISAE 3000 (revised);

TUVI adopted a risk-based approach, focused on verification efforts on the issues of high material relevance to GCPL business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

1. TUVI reviewed the approach adopted by GCPL for the stakeholder engagement and materiality determination process (Double Materiality test). TUVI performed the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;
2. TUVI verified the sustainability -related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
3. TUVI examined and reviewed the documents, data and other information made available by GCPL for the reported disclosures including the disclosure on Management Approach and performance disclosures;
4. TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the GCPL during the remote assessments
5. TUVI performed sample-based reviews of the mechanisms for implementing the ESG related policies, as described in GCPL Report;
6. TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period

## Opportunities for Improvement

The following are the opportunities for improvement reported that are generally consistent with GCPL management's objectives and programmes.

- 1) GCPL already have robust data base system for ESG reporting, in addition GCPL may conduct periodic internal verification of its disclosure data
- 2) The GCPL can utilize the best practices/ requirements of ISO 20400 to develop its sustainable procurement policy. Furthermore, GCPL may conduct ESG assessment of its value chain partners in phased manner
- 3) GCPL can opt for the principles and requirement of ISO 46001:2019 – Water Efficiency Management Standard
- 4) GCPL can implement water positive index initiative and zero waste to landfill initiatives

## Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, and meets the general content and quality requirements of the GRI Standards 2021.

**Disclosures:** TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. GCPL refers to general disclosure to report contextual information about GCPL, while 'Management Approach' is discussed to report the management approach for each material topic.

**Universal Standard:** GCPL followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organization. General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. and GRI 3: Material Topics 2021: Disclosures and guidance about the organization's material topics. GRI3 was selected for Management's Approach on reporting information about how an organization manages a material topic.

**Topic Specific Standard:** 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. *TUVI is of the opinion that the reported material topics and Topic-specific Standards that GCPL used to prepare its Report are appropriately identified and addressed.*

**Assurance Conclusion:** Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards.

TUVI confirms that GCPL has transparently reported major material information pertaining to all its six capitals in line with the <IR> framework, as below

**Financial Capital:** *Net worth, capex, investment spent, the economic value generated, gross revenue, etc.*

**Manufactured Capital:** *Manufacturing facilities, number of new products launched, business verticals, new and existing plants, buildings, infrastructure, etc.*

**Intellectual Capital:** *Knowledge-based intangibles, including intellectual property, R&D activities, patents, designs registered for new product development, etc.*

**Human Capital:** *GCPL's engineers, technicians, skilling and re-skilling of employees to enhance their competencies, safety performance, capabilities, experience, motivations to innovate, etc.*

**Social and Relationship Capital:** *GCPL's relationship with stakeholders such as customers, business partners, regulators, suppliers, business partners, communities, legislators, policymakers, and benefits associated with the brand and reputation, along with GCPL's ability to share information to enhance well-being.*

**Natural Capital:** *Sourcing responsibilities for the majority of renewable and non-renewable environmental resources and processes that provide goods or services. Reporting on the circular economy, emissions, water consumption, waste disposal, etc.*

**Independence:** TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The Assessment Team was safeguarded from any type of intimidation.

**Quality control:** The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In

reference with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In the context of Assurance, the following contemporary principles has been observed:

#### **Evaluation of the adherence to other contemporary Principles**

**Inclusivity:** Stakeholder identification and engagement is carried out by GCPL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

**Materiality:** The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the GCPL range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of GCPL. In our view, the Report meets the requirements.

**Responsiveness:** TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e., disclosures on GCPL's policies and management systems, including governance. In our view, the Report meets the requirements.

**Impact:** GCPL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the environmental, social, ethical and other policies. GCPL reports on sustainability performance to the top management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of GCPL. The Management of the GCPL is responsible for the information provided in the Report as well as the process of collecting, analyzing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in reference with the agreed scope of work which includes non-financial quantitative and qualitative information (ESG KPI) disclosed by GCPL in the Report.

#### **Our Assurance Team and Independence**

TUVI is an independent, neutral third party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with GCPL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited



Manojkumar Borekar  
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Head – Sustainability Assurance Service



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