

# **GCPL ESG Factbook**

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### **About the Company**

Godrej Consumer Products, a member of the 126-year-young Godrej Group, upholds strong values like trust, integrity, and respect. As an emerging markets company, we are experiencing rapid growth and pursuing innovative goals. Our purpose is Bringing the goodness of health and beauty to consumers in emerging markets.

### **About the ESG Factbook**

The ESG data book contains an additional of relevant information and material ESG disclosures (Environmental, Social, and Governance). It complements our Annual Integrated Report FY2023-24 and supplements our voluntary disclosures for Corporate Sustainability Assessment by S&P Global.

### **Scope & Reporting Boundary**

The reporting boundary for this ESG factbook covers our global operations unless otherwise stated. All monetary figures, unless specifically stated, are in INR.

## ECONOMIC DIMENSION

### 1. Corporate Governance

Board Type – One-tier system

	Number of members
Executive directors	2
Independent directors	6
Other non-executive directors	3
Total board size	11

We have a one-tier system with 11 board members, of which 2 are Executive, 3 are non-executive and rest are Independent Directors. The total size of the board is 11 members and 55% of our board is independent.

Board Effectiveness (including Board Mandates & Board Performance)

	Indicators/ Measures	Indicator/ Numerical value
<b>Board Meeting Attendance</b>  Number of meetings attended in percentage last business/fiscal year.	Average board meeting attendance (% of meetings of board of directors/supervisory board).	90.26%
	Minimum of attendance for all members required, at least (in %)	50%
<b>Board Mandates</b>  Number of other mandates of the board of directors/supervisory board members. <b>This only applies to non-executive and independent directors, not executive directors or employee representatives.</b>	Number of non-executive/independent directors with 4 or less other mandates	6
	Please provide the names of these directors	Ndidi Nwuneli, Ireena Vittal, Omkar Goswami, Pippa Tubman Armerding, Sumeet Narang and Shalini Puchalapalli
	Number of other mandates for non-executive/independent directors restricted to	7
<b>Board Performance Review</b>  Performance assessment of board of directors/supervisory board members	Regular self-assessment of board performance. Please specify or provide documents	We conduct a formal Board Effectiveness Review as mandated by the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This review is designed and executed by our Corporate HR team in collaboration with the Chairperson and the Nomination and Remuneration Committee of the Board. Each Board member completes a

		confidential online questionnaire, providing feedback on the Board's operations and potential improvement areas. Additionally, they perform a self-assessment of their effectiveness, ensuring a comprehensive and balanced evaluation of the Board's performance.
	Regular independent assessment of board performance. Please specify or provide supporting documents	None
<b>Board Election Process</b>	Board members are elected and re-elected on an annual basis	One third of the non-executive directors (other than independent directors) retire every year and their candidature is considered for re-appointment by the shareholders.
	Board members are elected individually (as opposed to elected by slate)	Independent Directors are appointed individually by shareholders for a tenure not exceeding 5 years. Executive Directors are appointed for a term as per the individual contracts.

#### CEO-to-Employee Ratio

<b>CEO Compensation</b>	<b>Total CEO Compensation</b>	
Please indicate the total annual compensation* of the Chief Executive Officer (or any equivalent position):	19,02,00,000	
	<b>Median Employee Compensation</b>	<b>Mean Employee Compensation</b>
<b>Employee Compensation</b>	5,25,000	20,31,000
<b>The ratio between the total annual compensation of the Chief Executive Officer and the mean or median employee compensation:</b>	362	93
Currency	INR	

Note: Total compensation includes fixed and variable compensation as well as all other parts of compensation which are required to be included in total remuneration reporting according to national accounting standards

## 2. Business Ethics

### 2.1. Codes of conduct: systems and procedures

In our commitment to uphold the highest standards of integrity and ethical conduct, we have established a direct link between adherence to our Code of Conduct and the remuneration of our employees. We firmly believe that this linkage is essential to foster a culture of ethical behaviour and accountability across our organisation.

Any breach of our Code of Conduct will have significant implications on various elements of the remuneration package of the concerned individual. This could range from a reduction in bonuses to a reconsideration of salary increments, among other potential consequences.

Our performance appraisal cycles also include this measure to further reinforce the importance of our Code of Conduct and encourage all employees to act in the best interests of our stakeholders and the communities we serve.

### 2.2. Reporting on Breaches

Reporting areas	Number of breaches in FY 2023-24
Corruption or Bribery	0
Discrimination or Harassment	4
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider trading	0

## 3. Policy Influence

### 3.1. Contributions & Other Spending

	FY2020	FY2021	FY2022	FY2023
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns / organizations / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	5,26,325	2,10,307	17,60,192	1,50,87,424
Other (e.g. spending related to	0	0	0	0

ballot measures or referendums)				
<b>Total contributions and other spending</b>	5,26,325	2,10,307	17,60,192	1,50,87,424
<b>INR - Indian Rupee</b>				
Data coverage (as % of denominator, indicating the organizational scope of the reported data)	100%	100%	100%	100%
Revenues				

### 3.2. Largest Contributions & Expenses

Issue or Topic	Corporate position	Description of Position / Engagement	Total spend in FY 2023-24
Promoting safe use of household insecticides in India	Support	Promoting safe use of household insecticides in India by demanding to stop on buying or selling of illegal mosquito repellent incense sticks laced with unapproved harmful chemicals (insecticides/ pesticides). This can cause health issues such as asthma, bronchitis, reactive airways disease and other respiratory ailments.	0
Circular economy of plastics	Support	We are one of the founding members of the India Plastic Pact that aims to promote a circular economy of plastics through public-private collaboration. We collaborating to find innovative ways to eliminate, reuse, or recycle the plastic packaging across the plastics value chain and collectively achieve the long-term target of plastic intensity reduction and increasing the use of post-consumer recycled plastics in our packaging.	0

Note: We support for the above public advocacy through our trade association memberships.

#### Other Large Expenditures

Name of organization, candidate or topic	Type of organization	Total amount paid in FY 2023-24
Federation of Indian Chambers of Commerce and Industry	Trade association, annual membership fees and research collaboration	80,45,924
Home Insect Control Association	Trade association, annual membership fees	22,67,200
Advertising Standards Council of India	Trade association, annual membership fees	19,79,400

### 4. Supply Chain Management

#### 4.1. KPIs for Supplier Screening

Supplier Screening	FY2023-24
1.1 Total number of Tier-1 suppliers	552
1.2 Total number of significant suppliers in Tier-1	136
1.3 % of total spend on significant suppliers in Tier-1	76%
1.4 Total number of significant suppliers in non Tier-1	0
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	136

#### 4.2. KPIs for Supplier Assessment and/or Development

Supplier Assessment	FY 2023-24	Target for FY 2024
Total number of suppliers assessed via desk assessments/on-site assessments	136	
% of unique significant suppliers assessed	100%	95%
Number of suppliers assessed with substantial actual/potential negative impacts		
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0%	
Number of suppliers with substantial actual/potential negative impacts that were terminated	0%	



Corrective action plan support	FY 2023	Target for FY 2023
Total number of suppliers supported in corrective action plan implementation	0	
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0%	

Capacity building programs	FY 2023	Target for FY 2023
Total number of suppliers in capacity building program	71	Number of suppliers - 50
% of unique significant suppliers in capacity building programs	52%	

## 5. Tax Strategy

### 5.1. Effective Tax Rate

Financial Reporting	FY 2022-23	FY 2023-24	Calculated Average Rate
Earnings before Tax	2,132.73	198.23	
Reported Taxes	430.27	758.78	
Cumulative acceptable adjustments* (see below)	0	0	
Effective Tax Rate (in %)	20.17%	382.78%	201.48%
Cash Taxes Paid	418.45	373.9	
Cash Tax Rate (in %)	19.62%	188.62%	104.12%

## 6. Product Quality & Recall Management

### 6.1. Product Recalls

	FY2020-21	FY2021-22	FY2022-23	FY2023-24
Number of product lines for which products were recalled:	0	0	0	0
Expenses incurred due to recalls issued in the corresponding fiscal year	0	0	0	0
Currency:				
Revenues (as provided in	0	0	0	0

Company Information section)				
Cost of recalls as a percentage of annual revenues	0	0	0	0

## ENVIRONMENTAL DIMENSION

### 1.1. Energy

#### 1.1.1. Energy Consumption

Total energy consumption	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2024?
Total non-renewable energy consumption	MWh	2,20,716	2,17,673	2,07,730	2,18,243	2,50,000
Total renewable energy consumption	MWh	66,284	68,326	69,463	67,477	70,000
Data coverage (as % of denominator)	Percentage of revenue	100%	100%	100%	100%	100%

## 2. Packaging

### 2.1. Plastic Packaging

	FY2020-21	FY2021-22	FY2022-23	FY2023-24	What was your target for FY 2024?
Total weight (tonnes) of all plastic packaging	19,541	19,500	18,750	17,995	18,500
% of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	30	30	34	40	40

% of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0	0	0
% of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0	0	0
Coverage (as a % of cost of goods sold)	100%	100%	100%	100%	100%

### 3. Waste & Pollutants

#### 3.1. Waste Disposal

	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2024
Total waste recycled/reused	Metric Tonnes	9,529	9,973	6,688	5,768	
Total waste disposed	Metric Tonnes	1,437	1,257	1,128	651	800
- Waste landfilled	Metric Tonnes	1,216	966	887	646	
- Waste incinerated with energy recovery	Metric Tonnes	0	0	0	0	
- Waste incinerated without energy recovery	Metric Tonnes	221	291	241	5	
- Waste otherwise disposed	Metric Tonnes	0	0	0	0	
- Waste with unknown disposal method	Metric Tonnes	0	0	0	0	
Data coverage	%of:	100%	100%	100%	100%	100%

### 3.2. NOx Emissions

Direct NOx emissions	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2023?
Direct NOx emissions	metric tonnes	61	68	89	85	85
Data coverage (as % denominator)	percentage of revenue	100%	100%	100%	100%	

## 4. Water

### 4.1. Water Consumption

	Units	FY2020-21	FY2021-22	FY2022-23	FY2023-24
A. Water withdrawal  (excluding saltwater)	Million cubic meters	0.79	0.77	0.95	0.81
<b>B. Water discharge (excluding saltwater)</b>	Million cubic meters	0	0	0	0
<b>Total net fresh water consumption (A-B)</b>	Million cubic meters	0.79	0.77	0.95	0.81
<b>Data coverage</b>	Percentage of	100%	100%	100%	100%

## 5. Climate Strategy

### 5.1. Direct Greenhouse Gas Emissions (Scope 1)

Direct GHG (Scope 1)	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2024
Total direct GHG emissions (Scope 1)	metric tonnes CO2 equivalents	33,131	34,510	36,662	40,842	41,000
Data coverage (as % of denominator)	percentage of	100%	100%	100%	100%	

## 5.2. Indirect Greenhouse Gas Emissions (Scope 2)

GHG (Scope 2)	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2024
Location-based	metric tonnes of CO2	53,131	51,331	42,544	44,221	45,000
Data coverage (as % of denominator)	percentage	100%	100%	100%	100%	
Market-based	metric tonnes of CO2 equivalents					
Data coverage (as % of denominator)	percentage					

Note: We track location-based method only with national emission factors

## 5.3. Indirect Greenhouse Gas Emissions (Scope 3) (with applicable scope 3 categories)

IGHG (Scope 3)	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2024
Total indirect GHG emissions (Scope 3)	metric tonnes of CO2 equivalents		16,46,782	13,33,796	14,82,327	15,00,000

Scope 3 Category	Emissions in the reporting year (Metric tons CO2e)	Emissions calculation methodology and exclusions
Cat 1. Purchased Goods and Services	2,34,836	Supplier specific method
Cat 3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	56,776	Fuel based method
Cat 4. Upstream transportation and distribution	60,256	Distance, Supplier, Fuel based method
Cat 5. Waste generated in operations	3,372	Waste type specific method
Cat 6. Business Travel	1,437	Distance - based method

Cat 7. Employee commuting	35,994	Distance, Fuel based method
Cat 8. Upstream leased assets	658	Assets specific method
Cat 11. Use of sold products	10,56,320	Direct use phase emission
Cat 12. End of life treatment of sold products	32,678	Waste-type-specific method

#### 5.4. Climate Related Management Incentives

Who is entitled to benefit from this incentive?	Type of incentive	Incentivized KPIs:
Chief Executive officer	Monetary	<p>Emission reduction</p> <p>At GCPL, the executive compensation of all leaders comprises of 15% of people &amp; planet goals. They are in line with the company's vision to foster an inspiring workplace and build an equitable and greener planet. The financial incentives component of salaries (Performance Linked Variable Remuneration or PLVR) is directly linked to the achievement of the KPIs.</p> <p>The CEO's goals include climate related targets such as emissions reduction in line with publicly stated climate targets, and net zero scope 1 &amp; 2 emissions by 2035.</p>
Other named executive officers –  Manufacturing Head	Monetary	<p>Energy reduction</p> <p>GCPL manufacturing head is responsible for the performance of the plants on climate change front along with the operations. Currently, the KPIs for the Manufacturing Head include climate related goals such as energy efficiency measures, increasing use of renewable energy, and emission reduction in line with publicly stated climate targets.</p>
Employees –  Green champions	Monetary	<p>Energy reduction</p> <p>Green champions (sustainability managers) are recognized and rewarded for the initiatives taken and for implementation of innovative projects in the direction to address climate change issues. Their performance is measured against the achievement of annual emission reduction, energy reduction targets and efficiency improvements.</p>

## SOCIAL DIMENSION

### 1. Labour Practices

#### 1.1. Workforce Breakdown: Gender

Diversity Indicator	Percentage
Share of women in total workforce (as % of total workforce)	48%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	31%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	33%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	23%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	22%
Share of women in STEM-related positions (as % of total STEM positions)	41%

#### 1.2. Workforce Breakdown: Nationality

Breakdown	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Argentines	7%	1%
Nigerians	3%	2%
South Africans	1%	1%
Indians	63%	64%
Indonesians	14%	27%

#### 1.3. Freedom of Association

% of employees represented by an independent trade union or covered by collective bargaining agreements	90%
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#### 1.4. Gender Pay Indicators

Indicator	Difference between men and women employees (%)
Mean gender pay gap	(-)8%
Median gender pay gap	2%
Mean bonus gap	(-)4%
Median bonus gap	14%

## 2. Human Capital Development

### 2.1. Training and Development Inputs

	FY 2024
Average hours per FTE of training and development	22
Average amount spent per FTE on training and development.	39,758

### 2.2. Human Capital Return on Investment

	FY2020-21	FY2021-22	FY2022-23	FY2023-24
a) Total Revenue	110,286,200,000	122,765,000,000	133,159,700,000	140,961,100,000
b) Total Operating Expenses	78,523,000,000	90,340,000,000	97,912,900,000	96,895,300,000
c) Total employee-related expenses (salaries + benefits)	11,233,400,000	11,041,400,000	11,114,800,000	12,493,400,000
<b>Resulting HC ROI (a - (b-c)) / c</b>	3.827	3.937	4.171	4.527
Total Employees	10,000	9,488	8,580	8,670

### 2.3. Hiring

	FY2020-21	FY2021-22	FY2022-23	FY2023-24
<b>Total number of new employee hires</b>	261	462	481	406
Percentage of open positions filled by internal candidates (internal hires)	7.8	5.4	11.9	35.2
Average hiring cost/FTE	1,11,000	1,66,965	56,772	34,553

Hiring data breakdown by gender and management level

Hiring		
	Male	Female
Level 1 new hires	249	94
Level 2 new hires	37	15
Level 3 new hires	4	4
Level 4 new hires	3	0

Note: Level 1 is junior management, Level 2 and 3 are middle management, Level 4 is senior management



## 2.4. Employee Turnover Rate

	FY 2020-21	FY2021-22	FY2022-23	FY2023-24
Total employee turnover rate	11.5	23	26	22
Voluntary employee turnover rate	4.9	15	15.8	14.7
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%

### Employee turnover rate by level

	Level 1	Level 2	Level 3	Level 4
Employee turnover rate	25%	16%	16%	13%

Note: Level 1 is junior management, Level 2 and 3 are middle management, Level 4 is senior management

### Employee turnover rate by gender

	Male	Female	Total
Employee turnover rate	22%	26%	22%

## 2.5. Trend of Employee Wellbeing

Core Focus	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2023-24
	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)	86	86	85	86	85

### 3. Occupational Health and Safety

#### 3.1. Fatalities

Fatalities	FY2020-21	FY2021-22	FY2022-23	FY2023-24
Employees	0	0	0	0
Contractors	0	0	0	0

#### 3.2. LTIFR Employees:

LTIFR	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24
Employees:	LTIFR (n/million hours worked) LTIR (n/200,000 hours worked)	0.185	0.716	0.987	0.45
Data coverage (as % of employees, operations or revenues)	percentage of:	100%	100%	100%	100%

### 4. Customer Relations

#### 4.1. Online Strategies & Customers Online

##### Online Customers

	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target
% of total customers using your online services solutions/sales platform	100%	100%	100%	100%	100%

##### Online Revenues

	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2023
% of revenues generated online (e.g. through direct sales, advertising, etc.)	3.7%	4.34%	4.97%	6.5%	5.5%

#### 4.2. Customer Satisfaction Measurement

Satisfaction Measurement	Unit	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Target for FY 2023
Satisfaction Measurement	Net promoter score (NPS = Promoters-Detractors)	50%	50%	50%	51%	50%
Data coverage	% of	100%	100%	100%	100%	

#### 4.3. Incentives for Distribution Networks

We incentivise our distributors in the form of payout against their performance. The performance is evaluated on the basis of parameters such as secondary sales value and driving newer SKUs/lines. Payout and reward programmes are applicable to urban distributors and rural distributors. The incentives are run periodically in order to keep the motivation high and encourage top performers.