Integrated reporting

Godrej Consumer Products Limited (GCPL) consistently reports its financial and non-financial performance in accordance with regulatory requirements such as the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Companies Act, 2013; and Secretarial Standards. This marks our sixth Annual and Integrated Report, structured to comply with the International Integrated Reporting Framework (the <IR> framework) developed by the International Integrated Reporting Council (IIRC). Moreover, this report is in reference with the Global Reporting Initiative (GRI) standards as per the Sustainability Reporting Guidelines of GRI and fulfils the Business Responsibility and Sustainability Report (BRSR) requirements mandated by SEBI. Additionally, it meets the voluntary requirements of the Dow Jones Sustainability Index (DJSI).

Our R&D teams lead new product development across the geographies we operate in





Content of the report

We aim to provide an overview of our financial and non-financial performance through Integrated Reporting, demonstrating the creation of short and long-term value for our stakeholders.

This report offers insights into:

- Material issues and our operational context
- Governance framework
- Key strategies
- Value creation approach across capitals
- Performance identified against Key Performance Indicators (KPIs)
- Interrelation among material issues, strategies, performance, and value creation
- Financial and statutory reporting

Scope and boundary

This report covers GCPL, including its manufacturing facilities across India, Africa, Indonesia, Latin America, and the USA. Unless specified otherwise, all data and content herein are consolidated for our entire business operations.

Aligned with our commitment to transparent reporting and sustainable business operations, we have followed the taxonomy set by the Securities and Exchange Board of India's Business Responsibility and Sustainability Report (BRSR) and the Task Force on Climate-Related Financial Disclosures (TCFD) framework. Our adherence to these rigorous frameworks offers a thorough insight into our sustainability goals and the efficacy of our initiatives for our stakeholders.

Forward Looking Statements

The Integrated Annual Report includes forward-looking statements in the Management Discussion and Analysis, indicating the Company's objectives using terms such as 'may', 'believe', 'outlook', 'plan', 'anticipate', 'continue', 'estimate', and 'expect'. These statements are grounded in reasonable assumptions but may be influenced by risks, uncertainties, and external factors, potentially resulting in deviations from expressed or implied outcomes.The forward-looking statements in this report are applicable only as of the statement date. GCPL is not obligated to publicly release revisions or updates to these statements after this report's date, except as required by law or regulatory authorities. Past performance is not indicative of future performance.

Reporting period

All data, both financial and non-financial, covers the period spanning April 1, 2023, to March 31, 2024. To offer a thorough assessment of our sustainability performance, we have included comparative figures from the previous fiscal year (2022-23) as well as from the baseline year (2011-12, excluding statutory financials). This

approach allows for a holistic evaluation of our progress over time. By examining our activities implemented between April 1, 2023, and March 31, 2024, alongside historical data from preceding years, we aim to highlight ongoing trends and provide a basis for comparative analysis, facilitating an assessment of our overall advancement.

Double Materiality assessment

At GCPL, we put people and planet alongside profits. Our materiality approach is aligned with our strategic vision and value creation. We identified material issues by extensively engaging with our stakeholders and monitoring industry trends.

In the fiscal year 2023-24, we embraced a double materiality approach to align with our sustainability vision. We explored and evaluated Environmental, Social, and Governance (ESG) issues relevant to our business operations and our stakeholders. We also examined how material issues, business risks, objectives, and value creation are interconnected. The aim of this double materiality assessment is to prioritise the ESG topics most relevant to our operations and stakeholders, while considering the impact between our organisation and the broader sustainability landscape.

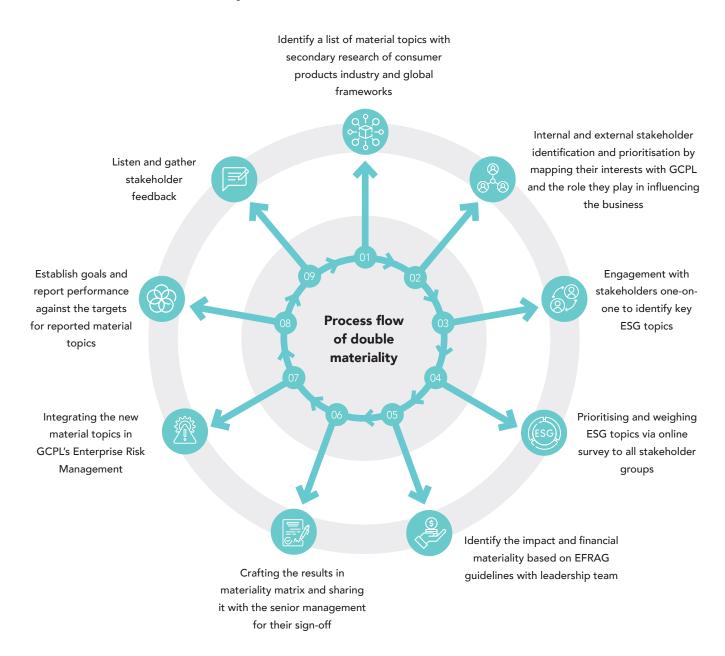
We integrated our materiality considerations into our Enterprise Risk Management (ERM) process where relevant, particularly focusing on areas such as Occupational Health and Safety (OHS), governance, and sustainable packaging that are overseen at a Board level. Our procedure involves identifying significant risks and opportunities with substantial financial implications and integrating them into the ERM framework.

Recently, we completed a new double materiality assessment in reference to the European Financial Reporting Advisory Group (EFRAG) guidance for materiality assessment released in February 2024, and the draft European Sustainability Reporting Standard (ESRS), ESRS 1 general requirement standard, released in November 2022, our Double Materiality Assessment is conducted in alignment with Corporate Sustainability Reporting

Disclosure (CSRD) guidelines. We have used the Double Materiality framework to assess a sustainability topic from both impact perspective and/or financial standpoint. We are now in the process of including additional topics like Diversity, Equity, and Inclusion in our ERM approach.

This continuous initiative ensures that pertinent material issues are efficiently handled and monitored within our risk management structure.

Process flow of double materiality



Stakeholder engagement

Stakeholder engagement is crucial to our materiality assessment to ensure a diverse representation of interests across the regions where GCPL operates. As a leading FMCG company, we understand that our responsibilities extend beyond consumer products. The success of GCPL heavily relies on effectively managing sustainability factors to drive business value and make a positive impact on communities and the environment. Through the double materiality assessment, we aim to identify and prioritise the most

significant sustainability factors affecting GCPL, while recognizing areas where GCPL can influence outcomes. To achieve this, we initiated interactions with key stakeholder groups to identify a comprehensive list of material issues. Key stakeholders were identified based on their influence, interest, and impact on the business. These included Leadership, Employees, Suppliers, Customers, Investors, NGO Partners, and Industry Associations. We tailored our questionnaire to stakeholders to gauge their perspectives and priorities.

We assessed each material issue for its relative importance across different stakeholder groups, and these insights were aggregated through stakeholder analysis.

Stakeholder prioritisation

We assessed the importance of stakeholders based on two critical parameters – their ability to influence GCPL's performance and operations, and the extent of their influence due to GCPL's performance and operations. We

then assigned relative weightages based on these parameters. This helped us to accurately prioritise materiality topics based on stakeholder conversation and inputs and reflect the significance of each stakeholder in our business context.

Stakeholder group	Ability of a stakeholder to strongly influence GCPL's performance and operations	Extent of influence on a stakeholder due to GCPL's performance and operations
Leadership Team (L4)	High	High
Employees (L3-L1)	Medium	High
Suppliers	Medium	Medium
Customers	Medium	Medium
Investors	Medium	High
NGO Partners	Low	Medium
Industry Associations	Low	Medium
	Leadership Team (L4) Employees (L3-L1) Suppliers Customers Investors NGO Partners	Stakeholder group strongly influence GCPL's performance and operations Leadership Team (L4) High Employees (L3-L1) Medium Suppliers Medium Customers Medium Investors Medium NGO Partners Low

Methodology & findings

For fiscal year 2023-24 double materiality assessment, we considered both GCPL's domestic and international operations spanning India, Sri-Lanka, Bangladesh, Argentina, Chile, Africa, Indonesia, and the USA.

To kick off, we updated GCPL's previous materiality assessment from 2020

and conducted secondary research on global frameworks and the FMCG sector landscape to draw out relevant sustainability topics. We identified a universe of 40 material topics to be considered for the assessment. Below is the preliminary list of sustainability topics:

Preliminary universe of 40 identified material topics

Sr	Environment
1	Climate Change
2	Biodiversity & Land use
3	Forestation
4	Ecological Impacts
5	Energy Management
6	Emissions
7	Toxic Emissions
8	Product Carbon Footprint
9	Water Management
10	Waste Management
11	Environmental Policy &
	Management Systems
12	Community Relations
13	Product Safety & Quality
14	Labor Practice Indicators

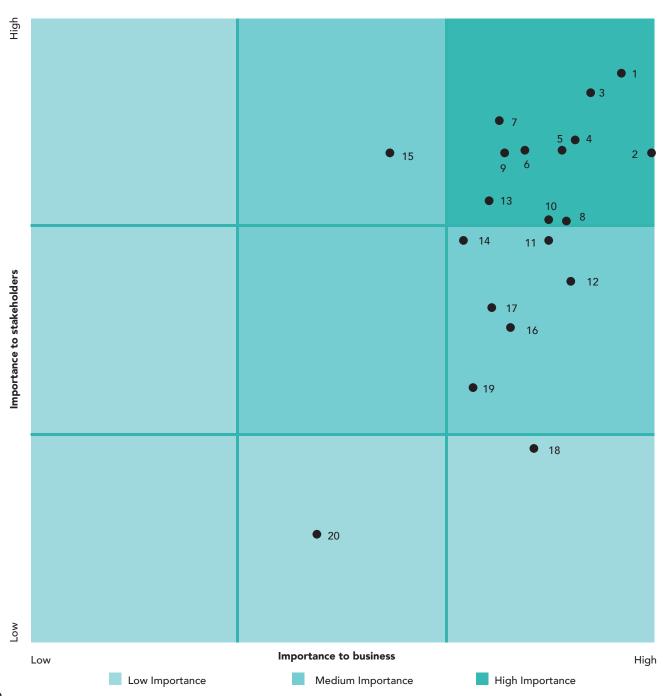
Sr	Social
15	Privacy & Data Security
16	Supply Chain Management
17	Chemical Safety
18	Health & safety
19	Human Capital Development
20	Materials Sourcing & Efficiency
21	Customer Relationship Management
22	Selling Practices & Product Labelling
23	Product Design & Lifecycle Management
24	Customer Privacy
25	Access & Affordability
26	Talent Attraction & Retention
27	Sustainable Agricultural Practices

Sr	Governance
28	Innovation Management
29	Business Ethics
30	Tax Transparency
31	Ownership & Control
32	Corporate Governance
33	Accounting
34	Competitive Behaviour
35	Management of the Legal &
	Regulatory Environment
36	Critical Incident Risk Management
37	Systemic Risk Management
38	Policy Influence
39	Transparency & Reporting
40	Macro Economy & Geopolitical Risk

We selected these 40 topics for our stakeholder engagement, involving interactions with employees, suppliers, investors, consumers, industry partners, and NGO partners. We organised 47 one-on-one interviews – online and in-person – across geographies. The discussion enabled us to identify sustainability areas important to our stakeholders. Based on this, our

preliminary list of 40 material topics was refined to a consolidated list of 20 material topics.

We then conducted an online survey and asked our stakeholders to rank the significance of each topic. This helped us to gather stakeholder perspectives on current and potential sustainability risks and opportunities. We collected 184 responses across all our stakeholder groups. Based on these inputs and the weightage assigned to each stakeholder group, we computed and prioritised the top 20 topics based on stakeholder preferences.



Final list of 20 material topics

Rank	ESG indicator	Material topics
1	S	Occupational Health & Safety
2	Е	Product Safety and Quality Testing
3	G	Business Ethics and Ethical Marketing
4	G	Governance and Accountability
5	G	Research & Development
6	Е	Sustainable Packaging
7	Е	Sustainable Supply Chain Management
8	Е	Renewable Energy
9	Е	Sustainable and Greener Products
10	S	Diversity & Inclusion
11	S	Human Capital Development
12	G	Changing Legal Landscape
13	S	Product Awareness
14	G	Demographic Risks
15	S	Consumer Awareness
16	Е	Carbon Emissions
17	S	Community Relationships
18	Е	Water Conservation
19	S	Talent Attraction & Retention
20	Е	Climate Change

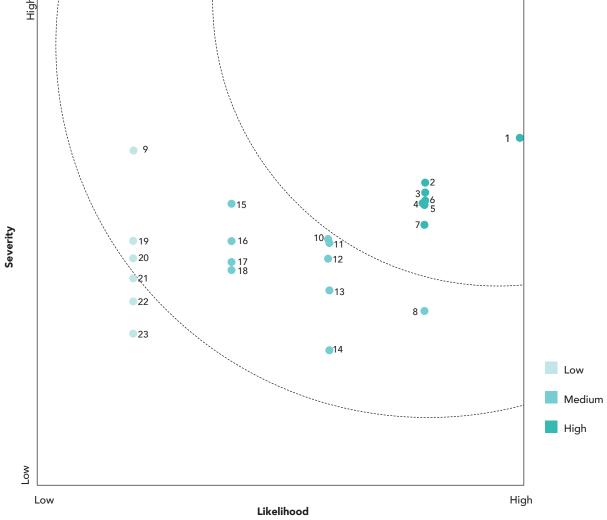
Double materiality assessment

During stakeholder interactions, we also identified 23 subtopics related to each of these top 10 sustainability topics mentioned above. These subtopics were then evaluated with internal stakeholders to understand their potential impact and financial materiality on the company. We developed a questionnaire by defining a scenario for each subtopic where it presented a risk or opportunity to the company in reasonable terms. This was

done to evaluate potential impact and financial implication by examining direct and indirect outcomes of such topics on the operations, value chain, service, environment, and society as a whole. Only the senior leadership team was involved in this assessment, as they are directly engaged in the company's key decision-making processes, have insights into the business implications of ESG matters, and possess knowledge of GCPL's financial

operations. Each senior leaders rated the scale, scope and remediability of impact and rated the potential financial impact on "continuation of reliance" and "rating of adverse action" for financial assessment.

Once scoring was concluded, we derived the double materiality matrix with impact materiality vs financial materiality.



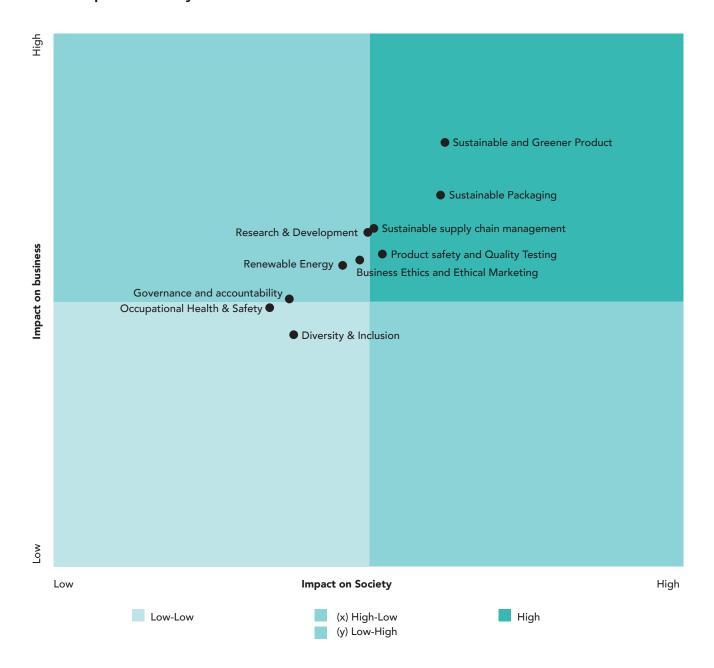
Results of impact materiality assessment

Rank	Material topics
1	PCR Regulatory Mandates
2	Increasing Access of Affordable and Greener Products
3	Alternative Material for Tin and Aluminium Cans / Overall Reduction in Aluminium Usage
4	Collection of Post Consumer Plastic Waste
5	Palm Oil Sourcing
6	ESG Monitoring and Performance Management of Suppliers
7	Integration with Renewable Energy
8	Transparency in Information Disclosure
9	End-of-Life Recycling of Hair Extension products
10	Product Innovation
11	Plastic Packaging Intensity
12	Infrastructure and Policy in Emerging Markets
13	ESG Rating for Vendor Onboarding
14	Women in Senior Leadership
15	Emerging Regulatory Risk on Product Chemical Safety
16	Country-wise Product Marketing and Communication Strategy
17	Product Labeling and Greenwashing
18	Inclusion of Specially Abled People
19	Code of Conduct
20	SOP of Internal Quality Standards
21	Women Safety
22	Health and Safety Training
23	H&S of Value Chain Partners

After scoring was completed, we constructed a double materiality matrix contrasting impact materiality versus financial materiality. Following the

stakeholder ratings of material subtopics, the following matrix was developed at both subtopic and topic levels, highlighting critical priorities for GCPL.

Financial impact materiality matrix



The double materiality assessment pinpointed crucial priorities for GCPL, encompassing worker safety, product and quality testing, business ethics, governance and accountability, sustainable packaging, supply chain management, renewable energy research and development, sustainable and greener products, and diversity and inclusion. Sub-topics identified through stakeholder engagement exercises

were aligned with these priorities, evaluating their potential impact on both financial materiality and the company's societal impact. Our senior management has signed off on the finalisation of material issues for fiscal year 2023-2024, based on our materiality assessment results.

Change in material topics

2020	2024	
Sustainable Packaging	Occupational Health & Safety	
Research & Development	Product Safety and Quality Testing	
Responsible Marketing and Communication	Business Ethics and Ethical Marketing	
Building Inclusive and Prosperous Communities	Governance and Accountability	
Governance and Accountability	Sustainable Packaging	
Occupational Health and Safety	Sustainable Supply Chain Management	
Skill Development and Training	Renewable Energy	
	Research & Development	
	Sustainable and Greener Product	
	Diversity & Inclusion	

Top material issues







Diversity & Inclusion



Business Ethics and Ethical Marketing



Governance and Accountability



Sustainable Packaging

People and planet alongside profit:

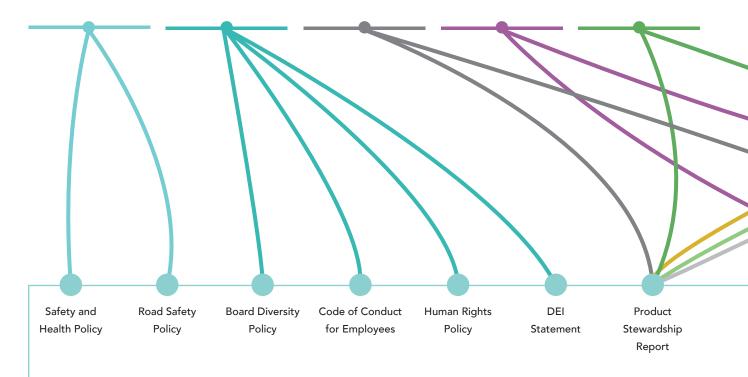
We prioritize safety and health to maintain an injury-free environment, showcasing a zero-fatality rate and no major property damage incidents for four years, reinforcing our commitment to workplace safety and brand reputation.

At GCPL, we promote diversity and women's leadership, maintaining a 47% gender diversity ratio. Our goal is to achieve 30% representation of women in senior roles. This is supported by gender pay gap analysis and tailored training programs implemented across all levels.

Upholding moral principles guides our decision-making process, leading to voluntary disclosure of information on international frameworks, fostering a culture of values and ethics, and earning trust from stakeholders through Ethical Product Labelling.

Our board-level
ESG committee
oversees sustainability
issues, aligning with
organizational values
and objectives, ensuring
progress towards
environmental, social,
and governance goals.

Over 40% of our plastic is recyclable. The company has reduced plastic packaging intensity by 22% from the base year of 2019-20. This has resulted in cost savings and reduced its Extended Producer Responsibility (EPR) requirements



Relevant Codes, Policies,



Sustainable Supply Chain Management



Renewable Energy



Research & Development



Sustainable and Greener Product



Product Safety and Quality Testing

Radical Simplification

Through supplier
engagement initiatives,
we evaluate suppliers for
sustainability practices,
share best practices,
and suggest actions
to promote ethical
sourcing.

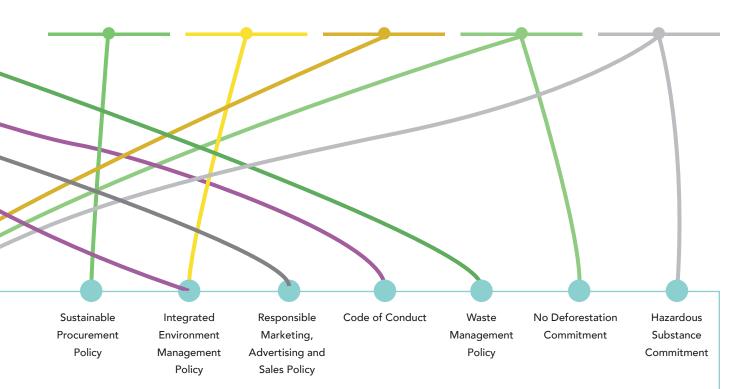
Utilizing 27%
renewable energy in
our operations and
installing solar panels
at our manufacturing
sites reflects our
commitment to reducing
our carbon footprint
and transitioning to
sustainable energy
solutions.

We continuously assess
the sustainability of
our products from a
life cycle perspective
and refine our new
product development
framework to prioritize
sustainability.

Category develop existing portfolio

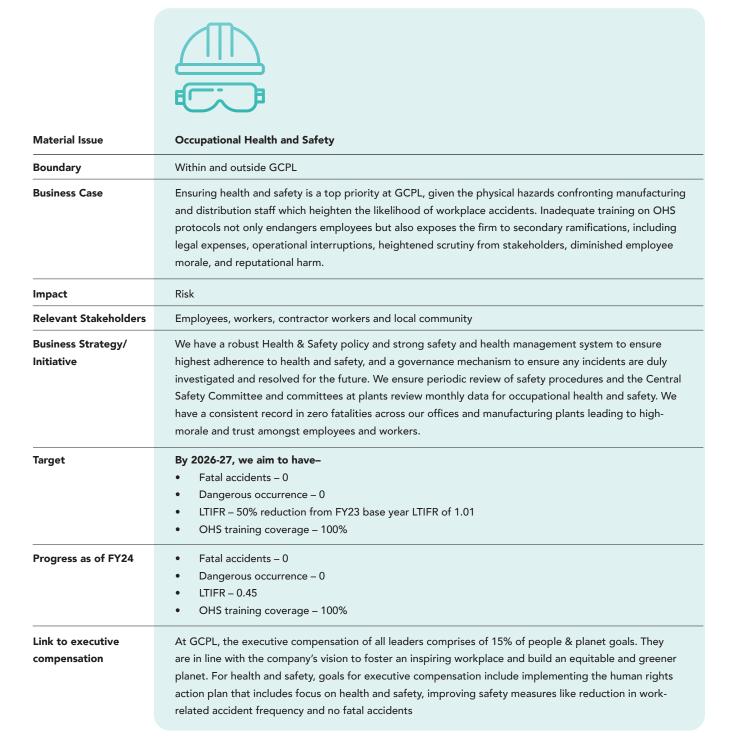
We ensure our products remain environmentally friendly, affordable, and accessible to consumers, balancing sustainability with customer satisfaction.

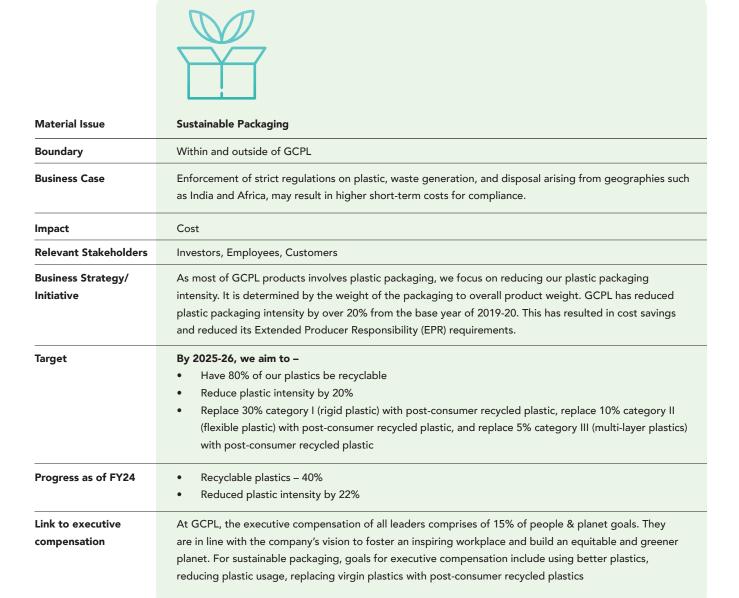
We ensure future compliance by implementing rigorous quality testing procedures and enhancing our team's capabilities through skill development training, ensuring safe and compliant operations.



Reports and Statements

Priority material issues for value creation







Material Issue	Renewable Energy
Boundary	Within GCPL
Business Case	Shifting to renewable energy sources will reduce GCPL's emissions and generate significant long-term cost savings
Impact	Revenue
Relevant Stakeholders	Investors, and Employees,
Business Strategy/ Initiative	Currently, GCPL is utilizing over 27% renewable energy in its operations. We also use briquette fired boilers and microturbines for steam and invest in solar PV and apply for green tariffs wherever available.
Target	By fiscal year 2025-26, we plan to increase renewable energy consumption as part of our overall energy mix to 35%
Progress as of FY24	27% of GCPL's energy is from renewable sources.
Link to executive compensation	At GCPL, the executive compensation of all leaders comprises of 15% of people & planet goals. They are in line with the company's vision to foster an inspiring workplace and build an equitable and greener planet. For renewables, goals for executive compensation include to increase renewable energy use, decrease specific energy and reduce emissions

Material issues of our external stakeholders



Product Safety and Quality Testing

Type of impact

Negative

Business Case

We understand the failure to adapt to ever evolving chemicals usage landscape especially across multiple geographies we operate in. We may face litigation risks from consumers and carry the risk of increased short-term costs of researching alternative chemicals.



Sustainable Packaging

Type of impact

Positive

Business Case

GCPL is proactively adapting best practices in sustainable packaging which reduces overall plastic intensity and even helps reduce transportation costs and subsequent emissions due to reduced weight. GCPL has also taken targets and made progress on reducing overall packaging weight and waste generated from packaging. Additionally, we are exploring greener alternatives to plastic packaging.

Materiality metrics for external stakeholders

Impact 1			
Material Issues for External Stakeholders	Sustainable Packaging		
External stakeholders	Suppliers, consumers		
Topic relevance on external stakeholder(s)	GCPL is proactively adapting best practices in sustainable packaging which reduces overall plastic intensity and even helps reduce transportation costs and subsequent emissions due to reduced weight of the product.		
Output metrics	Reduction in plastic packaging intensity by 22%		
Impact valuation	 Access to product/service with positive impact provided Our reconstitution portfolio plays a critical role in creating innovative, high-quality products that benefit both our customers and the environment. Magic handwash is a powder-to-liquid handwash, and Magic Bodywash are liquid concentrate products that enable consumers to themselves add water to the concentrate, transforming the product into a usable liquid form. Our reconstituted products require 84% less plastic packaging compared with the traditional liquid versions of the same quantity. 		
Impact metric	The reduction in packaging in our reconstituted product portfolio not only minimises plastic waste as well as leads to a more sustainable supply chain. The lighter weight of our reconstituted products results in a 44% reduction in fuel consumption during transportation. In turn, this translates to a 44% decrease in emissions caused by the transportation of our products to consumers. By reducing packaging, fuel consumption, and emissions, we are ensuring positive impacts on the environment while continuing to deliver high-quality, delightful products to our consumers at a green discount rather than a green premium.		

Impact 2	
Material Issues for External Stakeholders	Sustainable and Greener Products
External stakeholders	Consumers, investors
Topic relevance on external stakeholder(s)	A product portfolio with lower environmental impact is a market opportunity and a brand differentiator. Consumers look for quality products and being greener will ensure their affordability and accessibility.
Output metrics	Completed life cycle assessment of products comprising of 60% revenue
Impact valuation	 Environmental value lost/Gained We have improved our manufacturing process to reduce energy usage, reduce water consumption and minimize waste to landfill.
Impact metric	In our manufacturing process we have reduced specific energy consumption by 35% from FY11 baseline, reduced specific emissions by 41%, reduced water intensity by 39% and achieved zero waste to landfill, making our products greener by 1/3.

We regularly listen and take feedback from all our stakeholders. Here's an overview of our stakeholder engagement process and the steps we undertake to grasp the needs and priorities of each stakeholder group.

		101	
Stakeholder group	Leadership Team	Employees	Suppliers
Whether identified as Vulnerable & Marginalized Group	No	No	No
Frequency and manner of stakeholder engagement	 Periodic meetings Quarterly Reviews Open communication & direct visits 	 Weekly/monthly reviews HR forums Town halls Small group discussions Employee engagement surveys 360-degree feedback 	 Sustainable procurement initiative Supplier meets. Audits Annual suppliers conference
Sustainability and other concerns	 Integrate sustainability discussions into leadership meetings Regularly share reports on the company's sustainability efforts, including achievements, challenges, and future goals. 	 Health, safety, and mental well-being Skill development and learning Circular economy principles Water recycling and reuse Sustainable packaging 	 Product safety and quality Responsible supply chain Reducing environmental footprint Waste management and circular economy. Sustainable packaging
Our engagement approach	 Collaborative Decision- Making Training and Development of leadership on sustainability related matters 	 Ensuring a safe and productive place to work where employees can be their whole selves. Prioritizing learning and development Highlighting employee feedback mechanisms through a variety of channels Enabling medical facilities for employees and their families 	Supporting and enhancing their capabilities through skill development, growth opportunities, and safe operations



Customers



Investors

No



NGO Partners

No



No

Industry Associations

No

- Investor meets.
- Investor calls
- Roadshows and grievance forums for shareholders and investors
- Project planning and review meetings
- Need assessment surveys.
- Field visits
- Feedback surveys
- Periodic meetings and active participation in industry association meetings, conferences, and events

- Greater market penetration
- Responsible marketing and communication

Customer meets.

Customer surveys

Feedback calls

Direct visits

- Profitability and growth
- Focus on carbon emission, renewable and clean energy, and air pollution.
- Technology, product, and process innovation
- Embed sustainability in the supply chain
- Building inclusive and prosperous communities
- Advocacy for Sustainability: Work with industry associations to advocate for sustainable practices and policies that benefit both the environment and the industry as a whole.
- Collaborative Initiatives:
 Collaborating with industry peers through industry associations to address sustainability challenges collectively

- Using technology to assess and respond in an agile manner.
- Providing high-quality, safe products that delight consumers.
- Ensuring responsible consumer engagement
- Communicating progress transparently
- Creating and scaling up programs that meet the needs of communities in terms of livelihoods, public health, waste management, and water conservation
- Stay informed about industry standards and regulations related to sustainability and other concerns, and actively engage with industry associations to ensure compliance and advocate for sensible regulations.