

**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.

This ESG Policy outlines the Company’s approach to integrating ESG in its business and strategic goals.

## **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.

### **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 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.

## **VI. Communication of the Policy**

The Policy will be available on relevant mediums of communication like intranet and corporate

website.

## **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**

<b>Version</b>	<b>Change Description</b>	<b>Date</b>
1.0	New policy drafted	27/05/2023