



# **Board Independence Statement**

May, 2023

## Objective

The Board of Directors of Godrej Consumer Products Limited (GCPL) in assistance with its Nomination and Remuneration Committee, are committed to ensuring the independence of its Independent, Non-Executive Directors, who are expected to provide independent character and judgement. The Board follows the best practice criteria as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for assessing the independence of non-executive directors and we conduct an annual review of each director's independence. We may organise additional reviews if there are changes in circumstances that could impact a director's independence. All relevant information is considered when determining a director's independence.

## Board Independence Statement

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Independent Directors are required to provide declarations stating that they meet the criteria for independence. The criteria include assessments of integrity, expertise, experience, and various relationships that could compromise independence, such as a person:

- who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience
- who is or was not a promoter of the listed entity or its holding, subsidiary or associate company
- who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company
- who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year
- none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year

- who, neither himself, nor whose relative(s) —
  - holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm.
- holds together with his relatives two per cent or more of the total voting power of the listed entity
- is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity
- is a material supplier, service provider or customer or a lessor or lessee of the listed entity.

## Monitoring & Review

The Corporate Secretarial team and the Nomination and Remuneration Committee diligently considers each candidate's compliance with the regulations when nominating them to the Board of Directors, and evaluates their independence with regard to factors such as conflicts of interest, related party transactions, and other commitments.

The Board of Directors aims to ensure that an adequate number of independent members are on the board relative to its size, and that the composition of the board reflects a strong commitment to independence and good corporate governance.

GCPL's Board of Directors currently consists of 12 members in total, of which 6 members are independent directors, 4 members are other non-executive directors, and 2 are executive directors. GCPL's Board of Directors consists of 50% independent directors.

Based on the evaluation by the Company Secretarial team, Board of Directors, in assistance with the Nomination and Remuneration Committee, there are no factors or circumstances that could impair the independence of the independent directors.

We remain dedicated to upholding the highest standards of corporate governance and ensuring that the company operates in the best interests of its shareholders and stakeholders.