Double Materiality Assessment

At GCPL, we uphold a strong commitment to people and the planet alongside our pursuit of profit. Our stakeholders include investors, customers, consumers, and communities, expect us to go beyond financial performance and demonstrate broader responsibility.

We conduct a formal materiality assessment every two years or in response to significant changes in the business or regulatory landscape. In 2024, we enhanced our approach by adopting the double materiality framework to better understand which sustainability issues affect our business and how our operations impact stakeholders and the environment. This engagement helped us identify key impacts, risks, and opportunities.

Our assessment focused on identifying and evaluating Environmental, Social, and Governance (ESG) issues that are relevant to both our business and our stakeholders.

We examined how these material topics align with our business risks, opportunities, and strategic objectives. The goal of the double materiality assessment was to prioritise ESG topics that are most significant to our internal operations and external stakeholder concerns, while recognising the mutual influence between our company and the broader sustainability ecosystem.
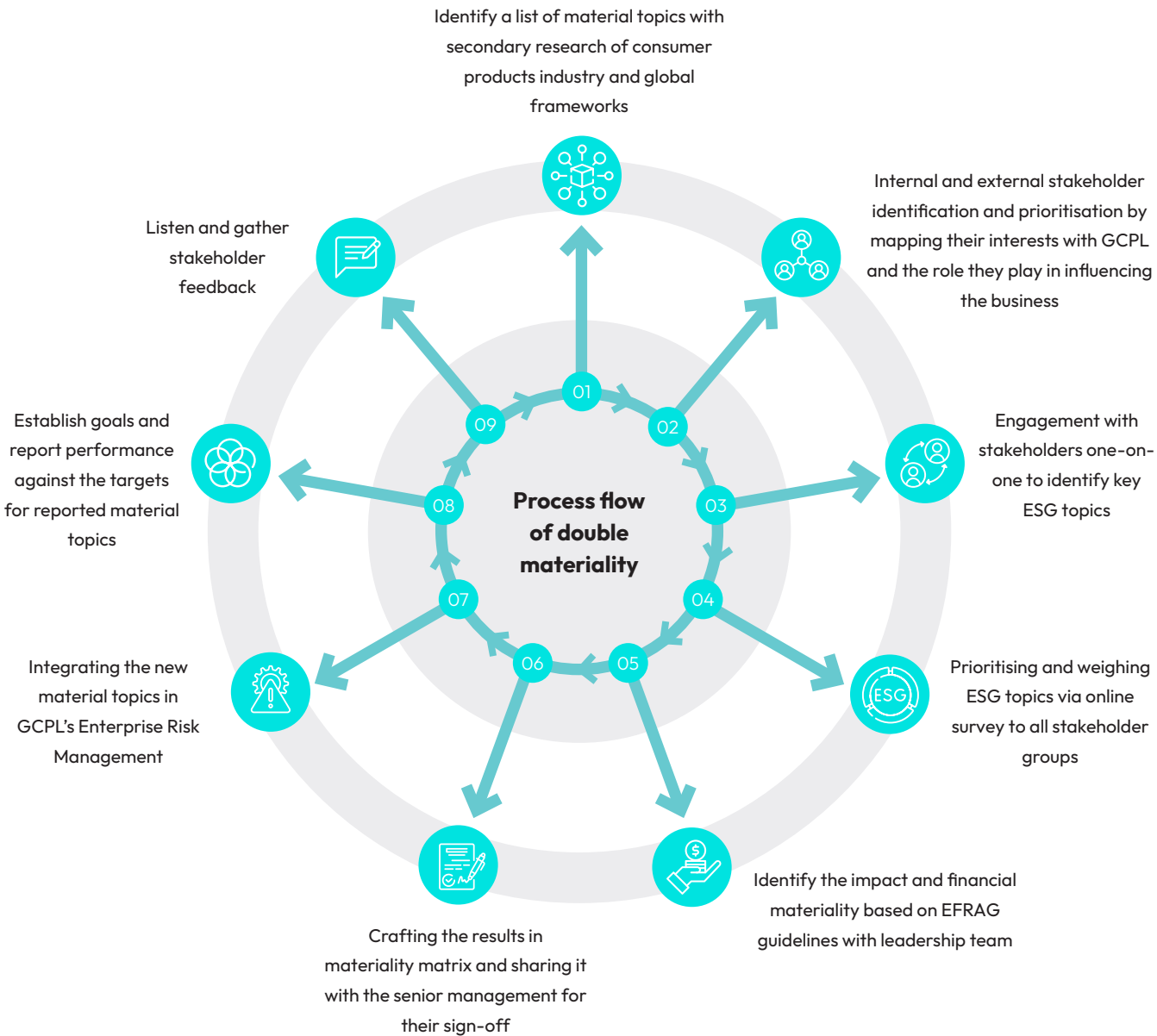
We conducted this assessment in accordance with the European Financial Reporting Advisory Group (EFRAG) materiality guidance issued in February 2024 and the draft European Sustainability Reporting Standard (ESRS 1 General Requirements) released in November 2022. It aligns with the Corporate Sustainability Reporting Directive (CSRD) and applies the double materiality lens to evaluate each sustainability topic from both an external impact and internal financial perspective.

Where relevant, we integrated materiality insights into our Enterprise Risk Management (ERM) framework, particularly in priority areas such as occupational health and safety, governance, renewable energy, supply chain management, and sustainable packaging. Our Board-level ESG Committee oversees these areas. We identify and address significant risks and opportunities with potential financial impact as part of our ERM processes.

We maintain a structured materiality engagement cycle. It is conducted every two years or in response to significant shifts in the external environment to ensure that key material issues are continuously monitored and addressed within our risk management framework.

The list of material issues identified through the 2024 double materiality assessment has been reviewed and approved by our senior management.

Process flow of double materiality

Identify a list of material topics with secondary research of consumer products industry and global frameworks

Internal and external stakeholder identification and prioritisation by mapping their interests with GCPL and the role they play in influencing the business

Listen and gather stakeholder feedback

Engagement with stakeholders one-on-one to identify key ESG topics

Establish goals and report performance against the targets for reported material topics

Process flow of double materiality

01
02
03
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Integrating the new material topics in GCPL's Enterprise Risk Management

Prioritising and weighing ESG topics via online survey to all stakeholder groups

Crafting the results in materiality matrix and sharing it with the senior management for their sign-off

Identify the impact and financial materiality based on EFRAG guidelines with leadership team

Stakeholder Engagement

To ensure a diverse representation of interests across the regions where GCPL operates, we actively engage stakeholders in our materiality assessment. We are a prominent player in the FMCG sector, and we recognize that our responsibilities go beyond just the consumer goods we provide. GCPL's success depends on how effectively we manage sustainability factors to create business value and deliver positive outcomes for communities and the environment. Our objective with the double materiality assessment is to pinpoint and prioritise the sustainability factors that have the greatest impact on GCPL, while also acknowledging areas where GCPL can affect results. To achieve this, we initiated engagement with key stakeholder groups to compile a comprehensive list of material issues. Key stakeholders were identified based on their influence, interest, and effect on the business. These included Leadership, Employees, Suppliers, Customers, Investors, NGO Partners, and Industry Associations. We customized our questionnaire for stakeholders to assess their views and priorities.

We evaluated each material issue based on its relative significance among various stakeholder groups, and these findings were consolidated through stakeholder analysis.

Stakeholder Prioritisation

We evaluated the significance of each stakeholder group using two key criteria: their ability to influence GCPL's performance and operations, and the extent to which GCPL's activities and outcomes impact them. We then assigned relative weightings based on these parameters. This approach helped us prioritize material topics effectively, grounded in stakeholder conversations and inputs, and highlighted each stakeholder group's importance in our business context.

Stakeholder	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
Internal Stakeholders	Leadership Team (L4)	High	High
	Employees (L3–L1)	Medium	High
External Stakeholders	Suppliers	Medium	Medium
	Customers	Medium	Medium
	Investors	Medium	High
	NGO Partners	Low	Medium
	Industry Associations	Low	Medium

Methodology & Findings

For the double materiality assessment for FY 2024–25, we covered GCPL's operations across both domestic and international markets, including India, Sri Lanka, Bangladesh, Argentina, Chile, Africa, Indonesia, and the USA.

We began by revisiting GCPL's 2020 materiality assessment and conducted secondary research on global sustainability frameworks and trends within the FMCG sector. This process helped us create a comprehensive list of 40 relevant sustainability topics for evaluation. The preliminary list of topics is outlined below:

Preliminary universe of 40 identified material topics

Sr	Environment	Sr	Social	Sr	Governance
1	Climate Change	15	Privacy & Data Security	28	Innovation Management
2	Biodiversity & Land use	16	Supply Chain Management	29	Business Ethics
3	Forestation	17	Chemical Safety	30	Tax Transparency
4	Ecological Impacts	18	Health & safety	31	Ownership & Control
5	Energy Management	19	Human Capital Development	32	Corporate Governance
6	Emissions	20	Materials Sourcing & Efficiency	33	Accounting
7	Toxic Emissions	21	Customer Relationship Management	34	Competitive Behaviour
8	Product Carbon Footprint	22	Selling Practices & Product Labelling	35	Management of the Legal & Regulatory Environment
9	Water Management	23	Product Design & Lifecycle Management		
10	Waste Management			36	Critical Incident Risk Management
11	Environmental Policy & Management Systems	24	Customer Privacy	37	Systemic Risk Management
		25	Access & Affordability	38	Policy Influence
12	Community Relations	26	Talent Attraction & Retention	39	Transparency & Reporting
13	Product Safety & Quality	27	Sustainable Agricultural Practices	40	Macro Economy & Geopolitical Risk
14	Labor Practice Indicators				

We used the initial list of 40 topics to guide our stakeholder engagement process, which included interactions with employees, suppliers, investors, consumers, industry partners, and NGO partners. A total of 47 one-on-one interviews were conducted both virtually and in person across different geographies. These interviews helped us identify sustainability issues most important to our stakeholders. Based on these insights, we refined the preliminary list to a consolidated set of 20 material topics.

Following this, we conducted an online survey asking stakeholders to rank each topic by its significance. This exercise provided valuable input on perceived and emerging sustainability risks and opportunities. We received 184 responses across all stakeholder groups. Using these responses and applying appropriate weightages to each stakeholder group, we evaluated and prioritised the top 20 topics based on stakeholder preferences.

Importance to stakeholders

Importance to business

Low   High

Low   High

● Low Importance   ● Medium Importance   ● High Importance
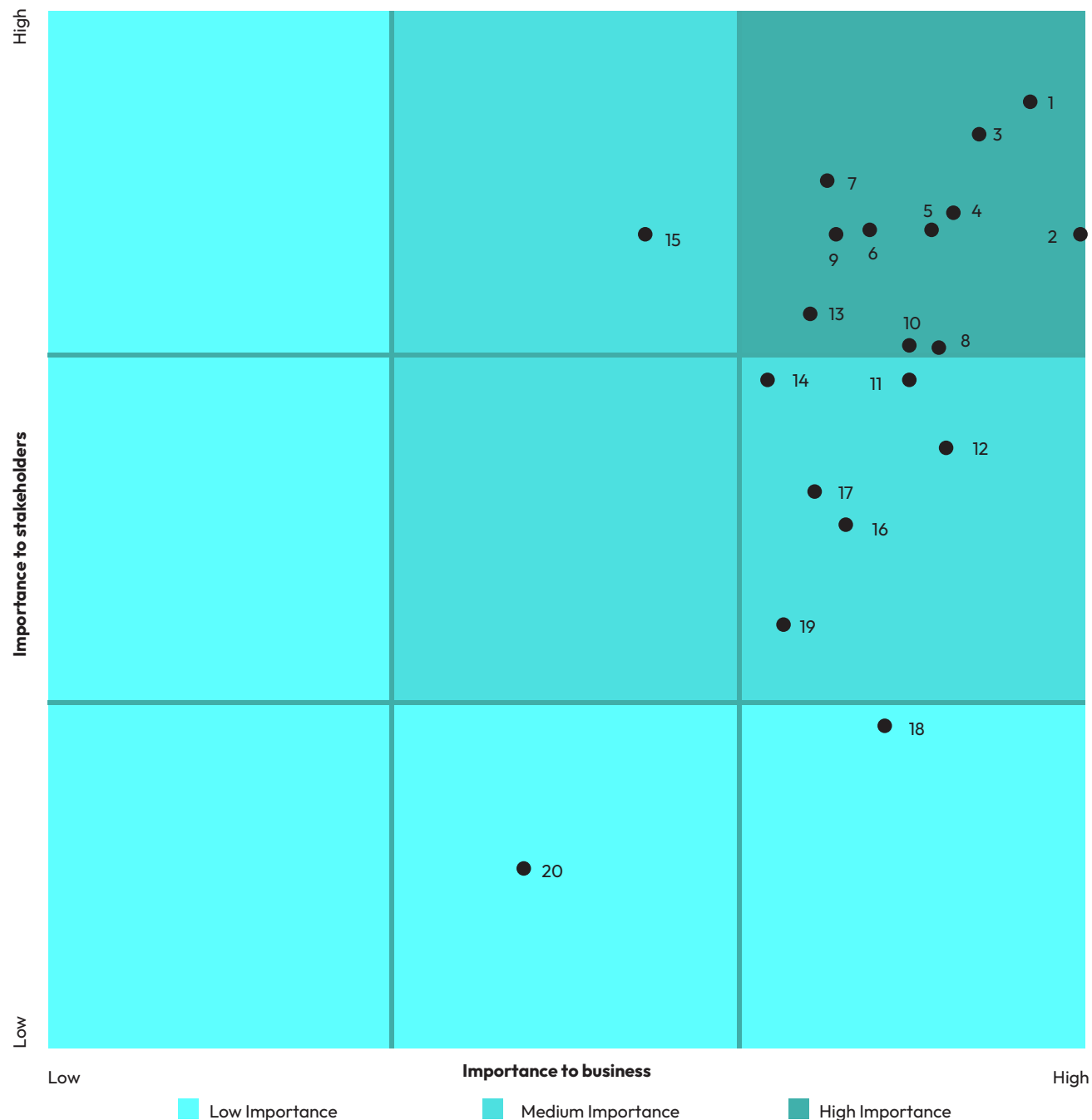
Final list of 20 material topics

Rank	ESG indicator	Material topics
1	S	Occupational Health & Safety
2	E	Product Safety and Quality Testing
3	G	Business Ethics and Ethical Marketing
4	G	Governance and Accountability
5	G	Research & Development
6	E	Sustainable Packaging
7	E	Sustainable Supply Chain Management
8	E	Renewable Energy
9	E	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	E	Carbon Emissions
17	S	Community Relationships
18	E	Water Conservation
19	S	Talent Attraction & Retention
20	E	Climate Change

Double Materiality Assessment

During stakeholder interactions, we identified 23 subtopics related to the top 10 sustainability topics outlined above. We evaluated these subtopics further in consultation with internal stakeholders to understand their potential impact and financial materiality to GCPL.

To guide this evaluation, we developed a questionnaire that framed each subtopic within a realistic risk or opportunity scenario. This approach enabled us to assess the potential impact and financial implications by examining both direct and indirect outcomes on GCPL's operations, value chain, services, the environment, and broader society.

We conducted the assessment exclusively with members of the senior leadership team, given their central role in strategic decision-making, understanding of ESG-related business risks and opportunities, and insights into the company's financial operations. Each senior leader rated the subtopics based on three impact dimensions: scale, scope, and remediability. Additionally, they evaluated two financial parameters: continuation of reliance and rating of adverse action.

After completing the evaluation, we developed GCPL's double materiality matrix by plotting each subtopic across two axes: impact materiality and financial materiality.
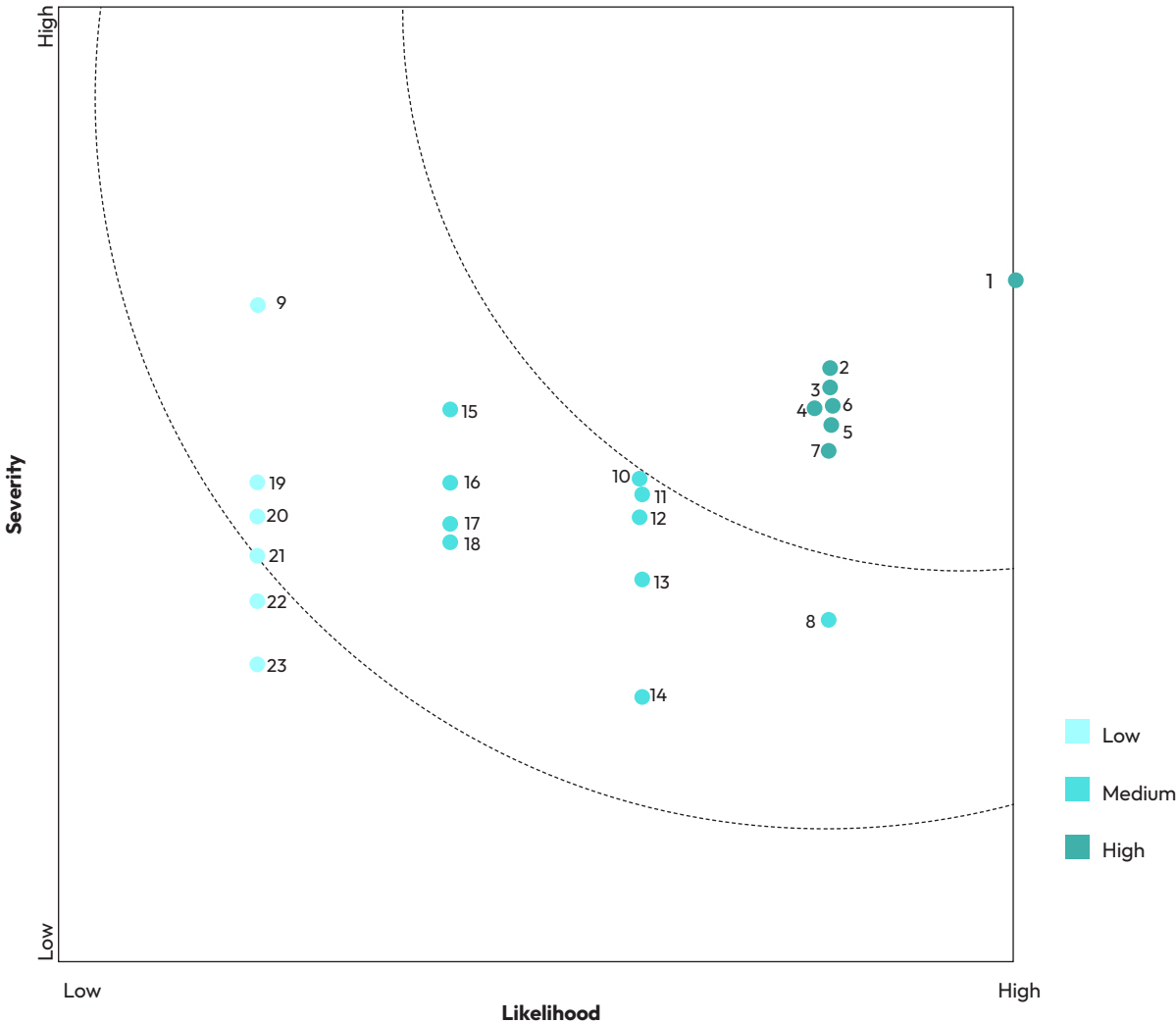
Results of impact materiality assessment

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

Once the scoring was finalized, we developed a double materiality matrix plotting impact materiality against financial materiality. Based on stakeholder ratings of the material subtopics, this matrix was created at both the topic and subtopic levels to highlight GCPL's key sustainability priorities.

Financial impact materiality matrix

Low-Low	
(x) High-Low	High
(y) Low-High	
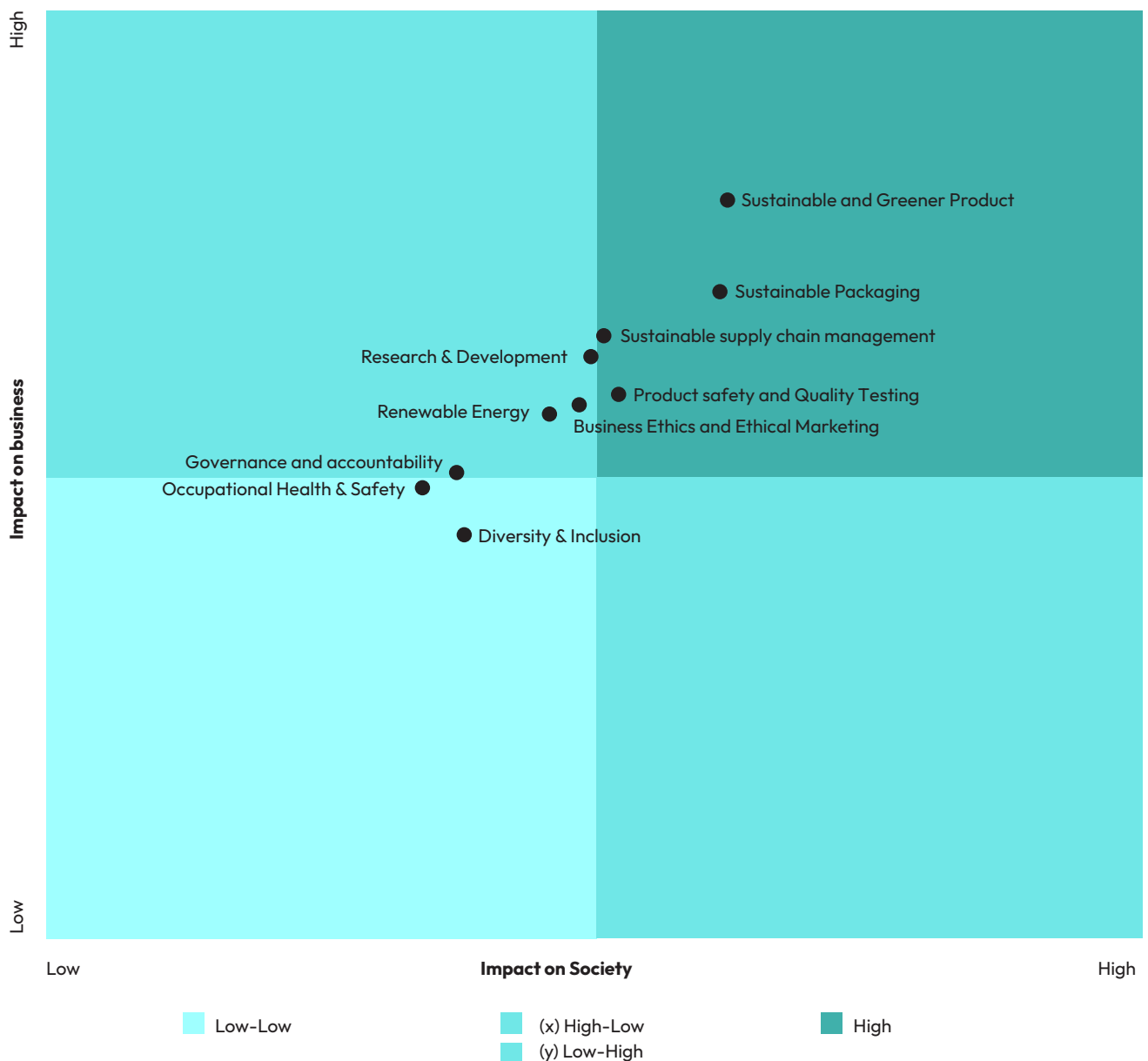
The double materiality assessment identified GCPL's key priorities, including worker safety, product and quality testing, business ethics, governance and accountability, sustainable packaging, supply chain management, renewable energy R&D, sustainable and greener products, and diversity and inclusion. The subtopics surfaced through stakeholder engagement were mapped to these priorities and evaluated for their financial materiality as well as broader societal impact. The final list of material issues for FY 2023–24 has been reviewed and approved by GCPL's senior management, based on the outcomes of the materiality assessment.

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

*Note: The Double Materiality Assessment was carried out in FY 2024 and will be undertaken again next year as part of our periodic review of materiality, which is conducted once every 2 years.

Top material issues

Sustainable and Greener Product	Product Safety and Quality Testing	Sustainable Supply Chain Management	Renewable Energy	Research & Development

Category develop existing portfolio		Radical Simplification		
We ensure our product offerings are sustainable, affordable, and accessible, maintaining a balance between environmental responsibility and consumer satisfaction.	To ensure ongoing regulatory compliance and customer satisfaction, we follow stringent quality testing protocols and are committed to reducing the use of hazardous chemicals in our products, if not eliminating completely.	We engage with suppliers to evaluate their sustainability practices, exchange best practices, and recommend measures to enhance ethical sourcing.	35% of our energy consumption comes from renewable sources. We are steadily expanding our investment in renewable energy, reflecting our pledge to reach net zero Scope 1 and 2 emissions by 2035.	We regularly evaluate product sustainability across the lifecycle and continue to improve our product development processes to integrate sustainability as a key criterion.

Relevant Codes, Policies, Reports and Statements

Product Stewardship Report	Product Stewardship Report	Policy for Responsible Supply	Integrated Environment Management Policy	Product Stewardship Report
	Responsible Chemical Management Commitment			Product life cycle assessments

Occupational Health & Safety

Diversity & Inclusion

Business Ethics and Ethical Marketing

Governance and Accountability

Sustainable Packaging

People and planet alongside profit:

We place utmost importance on health and safety to sustain an incident-free workplace, demonstrated by our zero-fatality record and absence of major property damage over the last five years, underscoring our dedication to safety and protecting brand integrity.

At GCPL, we champion diversity and the advancement of women in leadership. We currently have 59% gender diversity and are working toward our target of 30% women in senior roles, reaching 26% in FY24-25. This is supported through gender pay gap analyses and customized training initiatives at all organizational levels.

Our commitment to ethics shapes our decision-making. We voluntarily share information aligned with international frameworks, nurturing a culture rooted in values and ethics, and building stakeholder trust through ethical product labelling.

Our ESG committee at the board level provides oversight on sustainability matters, ensuring alignment with company values and objectives and driving progress on environmental, social, and governance commitments.

Currently, 63% of our plastic packaging is recyclable. Since the FY2019–20 baseline, we've reduced plastic packaging intensity by over 20%, yielding cost efficiencies and lowering our Extended Producer Responsibility (EPR) obligations.

Relevant Codes, Policies, Reports and Statements

Safety and Health Policy

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Road Safety Policy

Board Diversity Policy

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Code of Conduct for Employees

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Human Rights Policy

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DEI Statement

Responsible Marketing, Advertising and Sales Policy

Integrated Environment Management Policy

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Code of Conduct

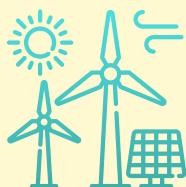Product Stewardship Report

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Policy for Responsible Supply

Priority Material Issues for Value Creation

Material Issue	Occupational Health and Safety
Boundary	Within and outside GCPL
Business Case	Ensuring health and safety remains a critical focus at GCPL, particularly due to the physical risks faced by personnel in manufacturing and distribution roles. These factors elevate the chances of workplace incidents. Insufficient training in Occupational Health and Safety (OHS) not only puts employees at risk but also exposes the company to a range of secondary consequences, including legal costs, operational disruptions, increased stakeholder scrutiny, lower employee morale, and damage to corporate reputation.
Impact	Risk
Relevant Stakeholders	Employees, workers, contractor workers and local community
Business Strategy/ Initiative	To mitigate these risks, we have established a comprehensive Health & Safety policy, supported by well-defined Standard Operating Procedures (SOPs) and a structured governance framework. This ensures all incidents are thoroughly investigated and addressed to prevent recurrence. Safety procedures are reviewed periodically, and both the Central Safety Committee and plant-level committees conduct monthly reviews of occupational health and safety data. We are proud of our sustained record of zero fatalities across offices and manufacturing facilities, which has contributed to strong employee morale and trust.
Target	**By 2026-27, we aim to have–** • Fatal accidents – 0 • Dangerous occurrence – 0 • LTIFR– 50% reduction from FY23 base year LTIFR of 1.01 • OHS training coverage – 100%
Progress as of FY25	• Fatal accidents – 0 • Dangerous occurrence – 1 • LTIFR – 0.56 • OHS training coverage – 100%
Link to executive compensation	At GCPL, 15% of executive compensation is directly linked to People & Planet goals, aligning with our broader mission to foster an inclusive workplace and support a more sustainable world. Specifically, health and safety targets tied to executive pay include the rollout of a human rights action plan with a focus on safety, reducing the frequency of workplace accidents, and ensuring no fatal incidents occur.

Material Issue	**Sustainable Packaging**
Boundary	Within and outside of GCPL
Business Case	The tightening of regulations around plastic use, waste generation & disposal, particularly in regions like India and Africa, could lead to increased short-term compliance costs.
Impact	Cost
Relevant Stakeholders	Investors, Employees, Customers
Business Strategy/ Initiative	Given that plastic packaging is a key component of most GCPL products, we are actively working to reduce our plastic packaging intensity, defined as the ratio of packaging weight to total product weight. Since the FY2019-20 baseline, we have achieved a reduction of over 20% in plastic intensity, resulting in cost savings and lower Extended Producer Responsibility (EPR) obligations.
Target	**By 2027, we aim to –** • Have 80% of our plastics be recyclable • Reduce plastic intensity by 20% • Replace 30% category I (rigid plastic) with post-consumer recycled plastic, replace 10% category II (flexible plastic) with post-consumer recycled plastic, and replace 5% category III (multi-layer plastics) with post-consumer recycled plastic
Progress as of FY25	• Recyclable plastics – 63% • Reduced plastic intensity by 20% • Replaced 2% of category I (rigid plastic) and 1% of category II (flexible plastic) with post-consumer recycled plastic
Link to executive compensation	At GCPL, 15% of executive compensation is tied to the achievement of People & Planet goals, reflecting our commitment to an equitable and sustainable future. In terms of sustainable packaging, these goals include improving the quality of plastics used, minimizing plastic consumption, and increasing the use of recycled materials in place of virgin plastic.

Material Issue	**Renewable Energy**
Boundary	Within GCPL
Business Case	Transitioning to renewable energy sources not only helps lower GCPL's emissions but also delivers substantial long-term cost benefits.
Impact	Revenue
Relevant Stakeholders	Investors and Employees
Business Strategy/ Initiative	As of now, 35% of GCPL's total energy consumption is derived from renewable sources, including briquette-fired boilers, microturbines for steam generation, co-generation systems, rooftop solar PV, and open access green power wherever available.
Target	We had set a target to increase the share of renewable energy in our overall energy mix to 35% by FY2025
Progress as of FY25	35% of GCPL's energy is from renewable sources which achieves our 2025 target
Link to executive compensation	At GCPL, 15% of all leaders' executive compensation is tied to the attainment of People & Planet goals, reflecting our commitment to building a sustainable and inclusive future. Regarding renewable energy, these performance-linked goals include increasing the share of renewables in our energy mix, reducing specific energy consumption, and lowering overall emissions.

Our R&D teams focus on new product development that have lower environmental

Material Issues and Materiality Metrics for External Stakeholders

Material Issue for External stakeholders	**Carbon emissions and climate change impact**
Cause of impact	Operations and our products
External Stakeholder(s)/ Impact Area(s) Evaluated	Environment and Society
Type of impact	Both positive and negative impact
Relevance for external stakeholder(s)	The year 2024 was the warmest on record since 1880, resulting in above-average temperatures and extreme rainfall across several regions where we operate. These climate events damaged crops and contributed to rising food prices. Climate change continues to disproportionately impact populations in emerging markets, many of which fall within our operational footprint. To address our environmental impact, we follow a proactive three-pronged strategy to reduce carbon emissions: 1. Upgrading to more energy-efficient and green technologies 2. Transitioning to renewable energy sources 3. Conducting regular energy audits to identify and act on improvement opportunities
Output metrics	% of GHG emissions reduction – We are committed to reducing our GHG emissions intensity by 45% by FY2026, using FY2011 as the baseline. As of FY2025, we have already achieved a 47% reduction.
Impact valuation	We assess the environmental impact of our operations and products by applying an internal carbon price of \$10 per tCO_2e emitted/reduced, based on shadow pricing to evaluate the environmental value lost/gained. This pricing covers all three GHG scopes and is applied across all manufacturing-related business decision-making processes, with the objective of minimizing emission impact.
Impact metric	In FY2025, we reduced our global Scope 1 and 2 emissions by 12,621 tCO_2e compared to FY2024, equating to an estimated environmental value gain of \$126,210.

Material Issue for External stakeholders	**Water consumption in water-stressed areas**
Cause of impact	Operations and our products
External Stakeholder(s)/ Impact Area(s) Evaluated	Environment and Society
Type of impact	Both positive and negative impact
Relevance for external stakeholder(s)	Nearly half of the global population faces severe water scarcity for at least part of the year. Unsustainable industrial water use can jeopardize local community access to this essential resource. This issue is especially material to GCPL due to the significant water stress in many of our operational geographies and the critical reliance of both our business and stakeholders on water availability. At GCPL, we are actively working to reduce our water footprint, both within our operations and across the lifecycle of our products. We conduct regular water assessments at our facilities and in the communities where we operate, implementing targeted initiatives to protect shared water resources.
Output metrics	% of water intensity reduction - We are targeting a 40% reduction in water intensity by FY2026 compared to our FY2011 baseline. As of FY2025, we have achieved a 30% reduction.
Impact valuation	To measure the environmental impact of our operations and products, we use an internal water pricing mechanism based on a risk-adjusted pricing model to quantify the environmental value lost or gained.
Impact metric	In FY2025, we increased our global water consumption by about 26,000 kilolitres compared to FY2024, translating into an environmental value lost of about $9,000 for the communities we serve.

We actively engage with our stakeholders and incorporate their feedback into our decision-making. Below is an overview of our stakeholder engagement approach and the key steps we follow to understand the expectations and priorities of each stakeholder group.

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 • Webinars on sustainability topics	• Sustainable supply chain initiative • Supplier meets • Audits • Annual suppliers conference • Webinars on sustainability topics
Sustainability and other concerns	• Embed sustainability in leadership discussions • Regularly share reports and updates 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 • Familiarisation 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	NGO Partners	Industry Associations
	No	No	No	No
	• Customer meets • Customer surveys • Feedback calls • Direct visits	• 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	• Profitability and growth • Focus on carbon emission, renewable and clean energy, and air pollution. • Technology, product, and process innovation • Embedding sustainability in the operations, governance and supply chain	• Building inclusive and prosperous communities	• Advocacy for Sustainability: Engage with industry associations to promote environmentally responsible practices and policies that support both ecological and sectoral progress. • 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.