

Climate Action Report

FY 2025-26



ABOUT THE REPORT

Marico Limited is delighted to present its **Climate Action Report containing climate-related financial disclosures and transition plans for financial year 2025-26**. This report offers a comprehensive and transparent update on the Company’s performance and strategy for integrating climate-related issues into its business strategy.

Reporting framework

This report has been prepared with reference to the IFRS S2 Climate-related Disclosures Standard, issued by the International Sustainability Standards Board (ISSB) under the IFRS Foundation. IFRS S2, provides a comprehensive framework for disclosing climate-related risks and opportunities and is built on the core recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with enhanced guidance to support global comparability and transparency. Greenhouse gas emissions are quantified in accordance with the GHG Protocol and mapped to ISO 14064-1:2018, using the operational control consolidation approach described in Section 2.3.

Reporting boundary

Data provided in the FY2025-26 Climate Action Report are specific to Marico Limited (Standalone basis).

Reporting period

This Climate Transition Plan covers the period from 1 April 2025 to 31 March 2026, aligned with Marico's financial year and consistent with the Integrated Annual Report and Climate Action Report for the same period.

Assurance

Bureau Veritas (**BV**) has carried out “Reasonable Assurance of BRSR Core Indicators” and Limited Assurance of BRSR Non-Core Indicators which covers energy and emissions related indicators mentioned in this report.

Restatements

The reporting scope for some impact areas has been expanded based on the market drivers, value enablers, and social commitments during the year. These as well as other changes have been mentioned in the respective sections of the report.

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01 Introduction

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer goods companies operating in the global beauty and wellness categories. In FY 2025-26, Marico recorded a consolidated turnover of INR 13,611 crore and a recurring consolidated net profit after tax of INR 1,762 crore.

Marico touches the lives of 1 out of every 3 Indians, through its portfolio of brands such as Parachute, Parachute Advansed, Saffola, Hair & Care, Nihar Naturals, Mediker, Livon, Set Wet, Beardo, Just Herbs, True Elements, Plix, Coco Soul and 4700BC.

Marico is one of India's leading consumer products companies in the global beauty and wellness space. It operates in product categories such as Coconut Oil, Refined Edible Oils, Value Added Hair Oils, Leave-in Hair Conditioners, Male Grooming and Packaged Foods, among others. Marico's product portfolio caters to a diverse range of consumer needs and preferences, ranging from hair nourishment and styling to nutrition, immunity, and healthy snacking. Marico's Indian manufacturing footprint comprises six owned units - Perundurai (Tamil Nadu), Puducherry, Jalgaon (Maharashtra), Sanand (Gujarat) and two units at Guwahati, Assam (NER I and NER II) - supported by regional offices at New Delhi, Kolkata, Mumbai and Hyderabad and a national network of depots and redistribution centres. Internationally, the Company operates manufacturing facilities in Bangladesh, Vietnam and Egypt.

Marico's sustainability journey began with the identification of five core focus areas in FY17 as climate change, water, responsible sourcing, circular economy, and social commitments. By FY22, we had successfully met the Phase 1 targets set under each of these areas. As the sustainability landscape continued to evolve and stakeholder expectations grew, we saw an opportunity to revisit our approach and set more ambitious, forward-looking goals. This reflection culminated in the launch of the **Marico ESG 2.0** framework on the 50th anniversary of World Environment Day (5 June 2022) with our renewed commitment to driving impactful change through the next Decade of Action, leading up to 2030. The eight focus areas that will top the agenda are –

- **Climate Change:** Achieve net-zero emissions across global operations (owned manufacturing units) by 2040 and streamline decarbonization initiatives across value chain to reduce overall carbon footprint.
- **Water Stewardship:** Become a 'water steward' organization by creating water availability to community and ensure water neutral operations.
- **Circular Economy:** Minimize environmental impact of plastics and packaging material throughout their life cycle through 100% recyclable plastic and usage of r-PCR.
- **Responsible Sourcing:** Promote and support adoption of responsible practices throughout the supply chain through certification for critical suppliers.
- **Brands with Purpose:** Make a difference to our stakeholders by driving 5 purposeful brand programs.
- **Inclusion and Diversity:** Create an inclusive and diverse culture and work environment.
- **Sustainable Agriculture:** Boost economic self-sufficiency of farmers by improving the productivity of their farms.
- **Governance & Ethics:** Ensuring corporate governance by practicing ethical business practices and robust risk mitigation.

02 Climate Change

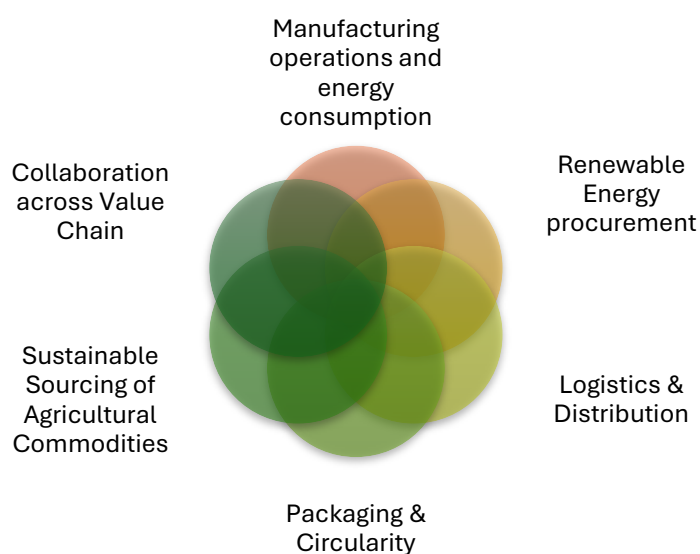
Climate change is emerging as one of the defining business challenges and opportunities of our time. The transition to a low-carbon economy is reshaping markets, supply chains, consumer expectations, capital flows and regulatory landscapes across the world. At the same time, the increasing frequency and severity of climate-related events underscore the need for businesses to strengthen resilience, manage emerging risks and adapt to a rapidly evolving operating environment. In this context, climate action is no longer solely an environmental imperative but a strategic business priority that is increasingly linked to long-term competitiveness, enterprise value and sustainable growth.

As a leading FMCG organisation with a diverse portfolio, extensive manufacturing footprint and interconnected sourcing and distribution networks, Marico recognises that climate-related risks and opportunities extend across its entire value chain. The availability of agricultural raw materials, evolving energy systems, changing consumer preferences, regulatory developments and stakeholder expectations will continue to influence business performance over the coming decades. Building resilience to these developments while contributing to global decarbonisation efforts is therefore integral to Marico's long-term strategy.

Marico's Climate Transition Plan has been developed to provide a clear, credible and actionable pathway for advancing the Company's climate ambitions while strengthening business resilience and future readiness.

The Plan establishes a structured framework that translates climate commitments into measurable actions, investment priorities, accountability mechanisms and performance outcomes. It aligns climate action with business strategy, ensuring that decarbonisation considerations are embedded within operational decision-making, supply chain management, innovation, resource allocation and long-term growth planning.

The transition pathway has been informed by Marico's emissions profile and an assessment of the areas that have the greatest potential to influence its climate footprint and transition trajectory. These include –



Recognising that a significant proportion of emissions occur beyond direct operations, the Plan places strong emphasis on supplier engagement, ecosystem partnerships and collective action to accelerate progress at scale.

Marico has already established a strong foundation for this transition through a range of initiatives embedded within its sustainability agenda. These include the expansion of renewable energy across manufacturing sites, responsible sourcing through the Samyut framework, packaging circularity initiatives under the Upcycle programme, and farmer engagement programmes focused on strengthening climate resilience and sustainable agricultural practices. These interventions not only contribute to emissions reduction but also enhance operational efficiency, supply chain resilience and long-term value creation.

The **Climate Transition Plan** brings these initiatives together within an integrated enterprise-wide framework, creating clear linkages between climate ambition, implementation roadmaps, governance structures, resource requirements and measurable outcomes. It provides a mechanism for tracking progress, assessing performance against key milestones and continuously refining strategies in response to evolving scientific understanding, technological advancements, policy developments and market dynamics.

Through this Plan, Marico aims to advance a resilient, low-carbon and future-ready business model that supports both sustainable growth and long-term stakeholder value. By integrating climate considerations across strategic planning, operations and value-chain partnerships, Marico seeks to strengthen its preparedness for a changing climate, unlock opportunities associated with the low-carbon transition and contribute meaningfully to global efforts to build a more sustainable and resilient future.



03 Governance

Climate governance is central to Marico's long-term value creation, business resilience and Net Zero ambitions. Recognising climate change as a strategic enterprise issue, the Company embeds climate-related oversight, risk management, capital allocation and performance accountability within its governance framework, ensuring that climate considerations are integrated into business strategy and decision-making across all levels of the organisation. Through strong Board oversight, executive accountability, cross-functional ownership and performance-linked incentives, Marico seeks to proactively manage climate-related risks and opportunities, strengthen preparedness for an evolving regulatory and market landscape, and deliver transparent, credible and investor-relevant progress against its climate commitments.

Board Oversight

Marico has embedded climate change within its overall governance and enterprise risk management framework, treating it as a strategic and enterprise-level consideration rather than as a standalone corporate social responsibility initiative. Oversight and accountability extend from the Board and the Managing Director & CEO through the Board-aligned Sustainability Committee, Risk Management Committee (RMC), Global ESG Council and designated functional process owners. Climate- and ESG-related risks are integrated into the Enterprise Risk Management (ERM) framework across the Company's own operations, upstream supply chain and downstream distribution network. These risks are assessed periodically across short-term (1–3 years), medium-term (3–5 years) and long-term (5–10+ years) horizons, with material climate-related priorities incorporated into Board deliberations.

Climate strategy

The Board provides overall oversight of Marico's climate strategy, the ESG 2030 roadmaps, and the associated environmental, product stewardship and responsible sourcing policies. The Company's climate ambition is to achieve Net Zero emissions across its Indian operations by 2030 and across its global operations by 2040. The Sustainability Committee chaired by the MD & CEO (a Board member), provides dedicated oversight of the Company's sustainability and climate agenda. Its responsibilities include guiding climate strategies, policies and initiatives; assessing physical, regulatory and market-related climate risks and opportunities; monitoring performance against climate targets; and overseeing the integrity of sustainability-related disclosures to shareholders, regulators and other stakeholders. The Committee also reviews and endorses materiality outcomes, while the MD & CEO holds responsibility for implementation of the Business Responsibility and Sustainability Report.

The Sustainability Committee is supported by senior functional leadership, with membership comprising the MD & CEO as Chair, the Chief Legal Officer and Business Responsibility & Sustainability Head, the Chief Financial Officer, the Chief R&D Officer and the EVP – Integrated Supply Chain, India. The Head of Sustainability, EHS & Operations Excellence serves as Secretary to the Committee. The Committee meets as required, with certain statutory approvals also permitted through circulation. This structure provides senior management with direct oversight of climate-related performance and enables sustainability considerations to be incorporated into strategic and operational decision-making.

Risk oversight

Climate change is formally recognised within Marico's enterprise risk framework, encompassing physical risks such as agricultural yield variability, extreme weather and water stress, as well as transition risks relating to policy, markets, technology and reputation. The Risk Management Committee, constituted at Board level and chaired by the Lead Independent Director, supports the Board in overseeing the Company's risk-management framework and plan, including ESG-related risks. Its mandate specifically covers the identification of sustainability and ESG risks, mitigation mechanisms, business continuity and periodic reassessment of key risks. During FY26, the RMC met twice. The Audit Committee, in coordination with the RMC, also reviews risk-management systems, while the RMC and Sustainability Committee review and validate climate-risk prioritisation and mitigation plans, including through the annual Climate Action Report process. Material climate issues are escalated through a defined governance pathway from operational teams to the ESG Council and RMC and, where strategically significant, to the Board.

Management

Sustainability leadership

At the management level, accountability for Marico's sustainability and climate agenda is led by the MD & CEO, who provides strategic direction and oversight for the integration of ESG considerations across the business. As Chair of the Sustainability Committee, he guides the Company's long-term sustainability vision, climate resilience priorities and approach to emerging environmental and social risks. Supported by a cross-functional leadership team, sustainability considerations are embedded into business planning, operational decision-making and risk management processes across the Group. This governance structure enables strong alignment between corporate strategy, ESG ambitions and execution priorities, while ensuring that climate and broader sustainability considerations are integrated into growth, investment and business transformation decisions. The MD & CEO's annual performance objectives and incentive framework incorporate sustainability-related metrics, including ESG programme delivery, external ESG ratings and key climate performance indicators, reinforcing leadership accountability for outcomes. Through active leadership and enterprise-wide engagement, Marico seeks to translate its sustainability commitments into measurable business results, enhanced resilience and long-term value creation.

Marico has instituted a multi-tiered governance framework to steer its Business Responsibility policies, ensuring strategic oversight, effective implementation, and accountability across levels. The Managing Director & Chief Executive Officer ("MD & CEO") holds the highest level of accountability for the implementation and oversight of Marico's Business Responsibility policies.

As the Chair of the Sustainability Committee, the MD & CEO is supported by a core group of senior executives (CXOs), ensuring that the principles and commitments outlined in these policies are effectively embedded across the organisation's operations and decision-making processes.

The Committee is responsible for monitoring progress against defined sustainability objectives, overseeing the management of emerging risks and opportunities including those related to climate change, regulatory developments, and stakeholder expectations and ensuring alignment with the company's strategic vision. The Committee may meet at such periodicity as it deems fit to discuss the aforesaid matters.

The Committee also ensures that the Business Responsibility policies are operationalised with integrity, periodically reviewed for relevance, and transparently communicated to all stakeholders, including shareholders, regulators, and the wider communities.

Business/function responsibilities

Execution of the climate and ESG agenda is supported by the Global ESG Council, a cross-functional leadership body comprising representatives from areas including Marketing, Procurement and Supply Chain, Technology, Human Resources, Finance and Governance, Manufacturing Operations and international business units. The Council steers implementation of the ESG 2030 roadmap and associated annual targets, with its members supported by functional taskforces and Functional Process Responsible (FPR) owners. Dedicated sustainability, EHS and operations-excellence teams support implementation at the operational level. Marico also reviews its internal carbon price for Scope 1 and Scope 2 emissions annually through Sustainability and Finance, under the oversight of the ESG Council. The internal carbon price is incorporated into relevant capital proposals, project prioritisation and climate scenario analysis, thereby linking climate considerations with investment and strategic planning.



Performance management

Climate KPIs

Climate performance is monitored through the ESG 2030 Roadmap, which encompasses more than 50 key performance indicators. Climate-related measures include greenhouse gas emissions intensity for Scope 1 and Scope 2 emissions against the FY13 baseline, renewable-energy adoption, Scope 3 and decarbonization initiatives across value chain, carbon-neutral manufacturing facilities, energy and water performance, waste management, circular packaging and engagement with suppliers on climate-related matters. In FY26, Marico reported an 89.3% reduction in Scope 1 and Scope 2 emissions intensity, while renewable energy represented 77.3% of operational energy. Perundurai and Jalgaon facilities have also achieved carbon-

neutral certification. Climate-related key performance indicators and key risk indicators are incorporated into performance scorecards across all levels of management, while BRSR energy and emissions metrics are subject to independent assurance (both BRSR Core and Non-Core parameters).

Incentives

Climate and sustainability performance are further incorporated into the Company's incentive and performance-management framework. Sustainability-linked objectives form part of annual performance goals across leadership and functional roles. For the MD & CEO and other senior executives, monetary incentives are linked to measurable annual objectives that include the credibility of the sustainability programme, external ESG ratings and recognitions. Functional leaders and members of the ESG Council have incentives linked to annual functional objectives, including targets covering energy, emissions, water, waste, circularity and compliance readiness. Sustainability, EHS, factory and project teams have incentives linked to unit- or project-level objectives, including ESG KPIs, project delivery and completion, disclosure and reporting compliance and relevant ratings. These goals cascade from ESG Council members to functional teams, ensuring that climate and ESG considerations are incorporated into performance accountability across the organisation.

Our operational leadership remuneration structure is designed with sustainability-linked incentives embedded in their annual performance goals ensuring accountability to climate and ESG commitments. Each member of the ESG Council's leadership team has clearly defined targets tied to their incentives, aligned with Marico's 8-point commitment under the Sustainability Vision 2030. These targets span key areas such as Climate Action, Water Stewardship, Sustainable Agriculture, Circular Packaging and other critical pillars of our long-term sustainability agenda.

All functional team members have goals cascaded from ESG Council members and functional leaders.

Roles	Performance incentive structure	Performance indicators
Top leadership team including Managing director and CXOs	Monetary incentive linked to achievement of specific measurable goals for financial year	- Credibility of sustainability program in terms of global valued ESG ratings - External recognitions
Functional leaders	Monetary incentive linked to achievement of specific measurable goals for financial year	- Achievement of annual functional ESG targets related to environmental, social and governance indicators - Compliance readiness
Sustainability team, EHS team, Factory management team and project teams	Monetary incentive and Non-Monetary achievements (company-wide recognitions) linked to achievement of specific measurable goals for financial year.	- Unit or functional level ESG targets related to environmental, social and governance indicators - ESG projects completion - Disclosure & reporting compliances - External rating & recognitions

Note: ESG indicators include various KPIs like, energy, emissions, water, waste, material circularity, packaging, diversity, employee wellness, occupational health & safety, product sustainability, CSR, corporate governance, ethics, risk management and similar indicators.

Policies

Marico's climate strategy is further guided by a robust policy framework. These policies act as guiding principles for reducing environmental impact and integrating sustainability across the value chain, all of which are available on its [website](#).

Environmental Policy: This policy outlines the Company's commitment for environment protection, conservation of natural resources, and reduction of negative environmental impacts due to its operations, value chains, and product's life cycle.

Product Stewardship Policy: This policy elaborates on the Company's commitment towards making its choices of raw materials, product formulation and packaging design that ensures in minimising any negative impact on people, animals, and environment.

Responsible Sourcing Policy: This policy reflects the Company's commitment to establish robust processes to assess and mitigate negative environmental and social impacts including biodiversity loss and deforestation within its supply chain

Biodiversity & No Deforestation Policy : The policy reflects the Company's commitment to conserve energy, water, materials, forests, and biodiversity across its operational footprint and value chain.

Accountability

Accountability for climate and sustainability performance is anchored at the highest levels of governance, with Board oversight supported through the MD & CEO and a clearly defined management structure for execution. Delivery of the climate agenda is driven through the Sustainability Committee, Global ESG Council and designated functional leaders, ensuring alignment between strategic priorities and operational implementation. Ownership of climate-related risks is embedded across business functions, including operations, procurement and supply chain, enabling risks and opportunities to be managed closest to where they arise. Board-level oversight is further strengthened through the Risk Management Committee, which reviews climate and broader ESG risks as part of Marico's enterprise risk management framework. Sustainability-related policies, targets and performance against relevant NGRBC principles are periodically reviewed by Board committees and senior leadership, reinforcing accountability, transparency and continuous improvement. Together, this governance architecture establishes clear lines of responsibility for climate strategy, risk management, performance delivery and long-term value creation.

Marico's climate governance, strategy, risk management, performance metrics and targets are disclosed through a combination of statutory and voluntary reporting channels. These include the annual CDP Climate Change, Water and Forests questionnaires; the SEBI Business Responsibility and Sustainability Report incorporated within the Integrated Annual Report; the Integrated Annual Report's environmental, risk-management and Corporate Governance sections; and the Climate Action Report, the annual ESG Data Book and related sustainability disclosures. The BRSR identifies the MD & CEO as the highest authority for sustainability matters and the Sustainability Committee as the Board-overseen body responsible for sustainability-related decisions. BRSR Core disclosures are subject to reasonable assurance, while non-core disclosures receive limited assurance. The Climate Action Report also addresses Board and management oversight, enterprise risk management, internal carbon pricing, climate scenario analysis, emissions inventories and climate targets, with the greenhouse gas inventory assured in accordance with the applicable assurance statement.

Through this governance architecture, Marico establishes defined lines of responsibility for climate strategy, risk identification and mitigation, performance management, incentives, capital allocation and external reporting. The integration of climate considerations across Board oversight, enterprise risk management, management accountability and functional execution provides a structured basis for implementing the Company's climate strategy and monitoring progress towards its longer-term Net Zero ambitions.

Progress against interim milestones is reviewed through Marico's Sustainability Committee and ESG governance framework, with performance integrated into annual climate reporting and management review processes.



04 Emission Milestones

The emissions baseline provides a point against which one can measure any changes in emissions produced by the company in a reporting period. The baseline year considered is when the data for a particular location is available in entirety, and there has not been much change in terms of growth/decline of products/ services offered by the company. For Scope 1 and Scope 2, the baseline year of FY 13 is considered for emissions from the seven manufacturing locations. For Scope 3, the baseline year considered is FY 19.

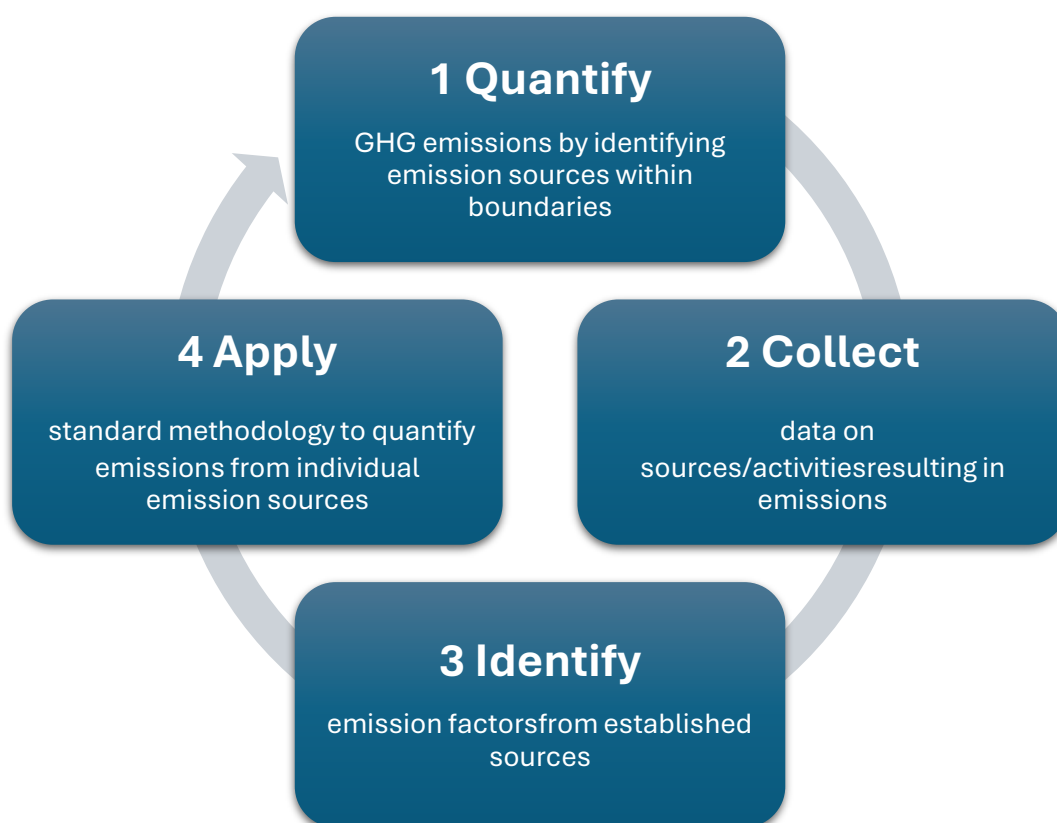
Base year

The base year for Scope 1 and Scope 2 is **FY2012-13 (FY13)**. Scope 1 and scope 2 emissions for this year are shown below:

Baseline (FY13)	Scope 1	Scope 2	Scope 1 + 2
tCO ₂ e	13,383.4	11,387.0	24,770.4

GHG Quantification

METHODOLOGY



The quantification is based on two calculation-based methodologies, depending on the type of emission source:

- Emission sources in which there is a chemical transformation process (combustion, fixed or mobile) and indirect emissions from electricity consumption:

Emissions of CO₂ (t CO₂e) = Activity data x Emission factor

- Emission sources where there is no chemical transformation process (fugitive emissions), or in case the results in GHG are different than CO₂ are converted to tones of CO₂ equivalent using the Global Warming Potential (GWP) values provided by the IPCC6 (e.g., tones of CH₄):

Emissions of CO₂ (t CO₂eq.) = Activity data x Global warming potential

Emission type	Activity Data	Emission Factor	Emission Basis	Methodology details
Direct emissions (Scope 1)	Energy consumption and Fuel volume	GHG Protocol	Net calorific basis	Fuel volume and energy consumption converted to GJ x EmissionFactors Purchased volumes of commercial fuels such as natural gas, LPG,diesel, gasoline, heating oil and jet fuel were converted into Gigajoules (GJ) and multiplied by the published emission factorsin the GHG Protocol
Indirect emissions (Scope 2)	Electricity consumption	CEA	Consumptionbasis	Purchased electricity x Emission Factor District heating x emissionfactor. Purchased electricity in kWh multiplied by the published emissionfactors in the CEA website
Indirect emissions (Scope 3)	Supplier Data, Distance Travelled, Energy Consumption	GaBi EF Database, GHG Protocol Cross Sectoral Tool, ICAO Carbon Emissions Calculator, India GHG Program	Distance-based method, Supplier calculations	For detailed information regarding GaBi Emission Factor, pleaserefer to Annexure (1).

DATA SOURCES

For Scope 1 and 2 emissions, primary data collected directly within Marico's plant boundaries are used. There is no use of secondary data for the emission activities and sources. Regional and nationally available emission factors are used wherever available. Where such emission factors were not available, the emission factor from IPCC, US EPA, is used. A combination of primary and secondary data with relevant assumptions is used to calculate Scope 3 emissions. GaBi EF Database, GHG Protocol Cross Sectoral Tool, ICAO Carbon Emissions Calculator, and India GHG Program are used for Scope 3 emission factors.

Operational GHG Inventory: Current Status

Emission profile FY 2025-2026 :

Source	Activity (GJ)	Emission factor	FY2025-26 tCO ₂ e	Share of total
Grid electricity	34,537.43	0.1972 tCO ₂ e/GJ	6,811.55	80.6%
Refrigerants R-410A	457.7 kg	2.2555 tCO ₂ e/kg	1,032.34	12.2%
Diesel	4,839.96	0.0743475 tCO ₂ e/GJ	359.84	4.3%
Natural gas	3,685.44	0.0561552 tCO ₂ e/GJ	206.96	2.4%
Refrigerants R-32	42.2 kg	0.771 tCO ₂ e/kg	32.54	0.4%
LPG	151.55	0.0631552 tCO ₂ e/GJ	9.57	0.1%
Petrol	34.41	0.0721815 tCO ₂ e/GJ	2.48	0.0%
Biomass	96,839.74	reported separately	0.00	-
Scope 1	-	-	1,653.3	19.4%
Scope 2*	-	-	6,811.55	80.6%
Scope 1 + 2*	-	-	8,455.28	100.0%

Emission factor sources: grid electricity - Central Electricity Authority (CEA) CO₂ Baseline Database for the Indian power sector; diesel, natural gas, LPG and petrol - GHG Protocol Cross-Sector Tool (March 2017) factors on a net calorific value basis, consistent with the IPCC 2006 Guidelines for National Greenhouse Gas Inventories; refrigerants - IPCC AR6 100-year global warming potentials (R-410A 2,255.5 and R-32 771). Biomass is reported separately as biogenic CO₂ and is therefore shown at zero in this table.

**Scope 2 in this table is reported on a grid (location-based) basis. After applying the Renewable Energy Certificates (RECs) retired in FY2025-26, market-based Scope 2 for the year is 6,229.45 tCO₂e, which is 582.10 tCO₂e lower than the figure shown here. The Scope 2 and Scope 1 + 2 figures reported in Sections 2.4 and 3.1 are on the REC-adjusted (market-based) basis, which is why they differ from this table.*

Marico's operational emissions profile demonstrates strong transition readiness because emissions are concentrated in a limited number of sources, primarily purchased electricity, while dependence on fossil fuel combustion remains relatively low. This provides a credible pathway to accelerate decarbonization through renewable electricity adoption, energy efficiency improvements, and targeted refrigerant management. Key observations include:

- Emissions are highly concentrated in electricity consumption, creating a clear and actionable decarbonization pathway. Approximately 80.6% of total Scope 1 & 2 emissions (6,812 tCO₂e) arise from purchased grid electricity, while Scope 1 emissions account for only 19.4% of the footprint
- Significant biomass utilisation indicates minimal reliance on fossil fuels. This indicates an existing shift towards lower-carbon or renewable thermal energy sources and demonstrates that decarbonization measures are already embedded within operations rather than remaining future commitments.

- Non-energy Scope 1 emissions are concentrated in refrigerants, enabling targeted reduction measures. Fugitive refrigerant emissions rose to 1,064.88 tCO₂e in FY2025-26, accounting for 64.8% of total Scope 1 emissions, compared with 600.77 tCO₂e (49.8%) in FY2024-25. This represents a 77.3% year-on-year increase, occurring despite reductions across most combustion-related emission sources. The emissions profile is highly concentrated, with the Sanand facility accounting for 891.81 tCO₂e, arising from a refrigerant charge of 393 kg of R-410A and 7 kg of R-32. This single site contributes 83.7% of total refrigerant emissions and 10.5% of combined Scope 1 and Scope 2 emissions, making refrigerant management a material determinant of Marico's operational emissions trajectory. As the Company's fuel-related emissions continue to reduce, the effectiveness of refrigerant containment, leak prevention, equipment optimisation and low-GWP refrigerant transition strategies are being implemented towards sustaining progress towards operational decarbonisation targets.
- Scope 2 emissions continue on a downward trajectory; however, purchased electricity remains the most significant component of the operational carbon footprint. Emissions from purchased electricity declined to 6,811.55 tCO₂e in FY2025-26, a reduction of 28.6% from 9,534.90 tCO₂e in FY2024-25, reflecting the positive impact of energy-efficiency initiatives and renewable energy integration across the manufacturing network. Despite this progress, emissions remain concentrated within a limited number of facilities. NER I (1,183.99 tCO₂e), NER II (1,219.81 tCO₂e) and support locations (1,345.21 tCO₂e) together account for 55.0% of total Scope 2 emissions and currently have limited renewable electricity penetration. This concentration presents a clearly identifiable decarbonisation opportunity. As a result, the next phase of Scope 2 reduction is expected to be driven primarily through accelerated renewable electricity procurement, deployment of alternative clean-energy solutions and strategic energy sourcing arrangements at these locations, enabling Marico to further reduce grid-related emissions while strengthening long-term energy resilience and supporting its broader climate commitments.

Boundary

In line with ISO 14064-1, Marico has established its organizational boundary using the Operational Control approach. This approach captures emissions from facilities and operations where Marico has the authority to implement operating policies and environmental management practices, thereby providing the greatest opportunity to monitor, manage, and reduce GHG emissions.

Accordingly, Marico's GHG inventory includes emissions from all manufacturing sites under its operational control. The reporting boundary encompasses all activities undertaken within each facility, including manufacturing operations, utility management, maintenance, material movement, loading and unloading activities, and other ancillary processes that support plant operations.

Grouping	Entities
Owned Manufacturing units	Perundurai (PDRI), Puducherry, Jalgaon, Sanand, Guwahati (NER I and II)
Corporate locations	Corporate Headquarters and R&D Centre (Mumbai)

Trajectory from the baseline to today

Marico has achieved a substantial reduction in its operational GHG emissions (absolute) since the FY2012-13 baseline year. Total Scope 1 and Scope 2 emissions decreased from 24,770.4 tCO₂e in FY2012-13 to 7,882.7 tCO₂e in FY2025-26, representing an overall reduction of 68.18%. This

performance has been driven by ongoing investments in renewable energy, energy efficiency initiatives, process improvements, and the transition towards lower-carbon energy sources across operations.

The table below presents Marico's Scope 1 and Scope 2 emissions performance over time and the corresponding reduction achieved relative to the baseline year.

Year	Scope 1	Scope 2	Scope 1 + 2	Reduction vs FY13
FY2012-13 (base)	13,383.4	11,387.0	24,770.4	-
FY2021-22	622.0	10,309.0	10,931.5	55.87%
FY2022-23	779.8	11,775.8	12,555.7	49.31%
FY2023-24	1,052.6	9,712.4	10,765.0	56.54%
FY2024-25	1,207.5	9,534.9	10,742.4	56.63%
FY2025-26*	1,643.73	6,229.45	7882.7	68.18%

*NOTE - * Scope 2 and Scope 1 + 2 for FY2025-26 are stated after applying Renewable Energy Certificates (RECs) retired during the year, i.e. on a market-based basis. On a grid (location-based) basis the same year shows Scope 2 of 6,811.55 tCO₂e and Scope 1 + 2 of 8,455.28 tCO₂e, as set out in Section 2.2. The difference of 582.10 tCO₂e is attributable entirely to RECs.*



05 Targets and Alignment

Marico's climate targets serve as a strategic mechanism for balancing growth with decarbonisation, ensuring that business expansion remains aligned with its long-term Net Zero commitments. Supported by interim milestones and governance oversight, these targets guide accountability, inform investment decisions, and enable the systematic integration of climate considerations into operational and business planning. Together, they provide a clear framework for measuring progress, managing transition risks, and strengthening the resilience of the Company's operations while creating long-term value.

Climate Transition Pathway and FY2029-30 Strategic Milestones

In FY2022, Marico announced its ambition to achieve Net Zero operational emissions in India by 2030 and across global operations by 2040, supported by key decarbonization levers including renewable energy adoption, investments in low-carbon technologies, carbon forestry initiatives, and the progressive phase-out of fossil fuels from operations.

As part of this commitment, Marico has defined a pathway to achieve a 93% absolute reduction in Scope 1 and Scope 2 emissions by 2030, compared to the baseline, with the small residual emissions that are technically or economically challenging to eliminate being neutralized through high-quality carbon removal and offset mechanisms. This approach is aligned with recognized net-zero principles that prioritize deep emissions reductions before the use of offsets.

Since establishing this ambition, Marico has made significant progress on its decarbonization journey. By FY2025-26, operational Scope 1 and Scope 2 emissions had reduced by 68.18% against the FY2012-13 baseline, reflecting the cumulative impact of renewable electricity procurement, increased use of biomass-based thermal energy, energy-efficiency improvements, and continuous operational excellence initiatives across manufacturing facilities. This progress demonstrates that Marico has already delivered a substantial portion of the emissions reductions required under its 2030 climate transition pathway.

Looking ahead, achieving the remaining reductions will require accelerated deployment of renewable energy, continued replacement of fossil-fuel-based energy sources, enhanced refrigerant management, operational efficiency improvements, and the adoption of other low-carbon technologies across manufacturing operations. To guide this transition and ensure accountability, Marico has established interim FY2029-30 milestones that serve as key checkpoints for tracking progress, prioritizing investments, and embedding climate considerations into business planning and decision-making.

Using FY2025-26 as the latest performance year and reference point, projected Scope 1 and Scope 2 emissions have been calculated based on planned decarbonization initiatives and anticipated renewable energy uptake across operations. The resulting milestones represent Marico's expected emissions trajectory towards achieving a 93% reduction in operational emissions by 2030 and ultimately Net Zero operational emissions in India.

The interim Scope 1 and Scope 2 emissions milestones are presented below -

Year	Scope 1	Scope 2	Total	vs FY13
FY2025-26	1,643.70	6,811.60	8,455.30	66%
FY2026-27	1,544.13	5,340.40	6,884.53	72%
FY2027-28	1,166.93	3,981.40	5,148.33	79%
FY2028-29	987.82	2,364.60	3,352.42	86%
FY2029-30	908.8	848.4	1,757.18	93%

Interim Target Milestones: Source-wise Emissions Trajectory

Year	Grid	Refrigerants	Diesel	Natural gas	Petrol	LPG
FY2025-26	6,811.5	1,064.9	359.8	207.0	2.5	9.6
FY2026-27	5,340.4	936.8	377.83	216.6	2.9	10.0
FY2027-28	3,981.4	757.1	395.83	0.0	3.5	10.5
FY2028-29	2,364.6	558.8	413.82	0.0	4.2	11.0
FY2029-30	848.4	462.5	431.81	0.0	3.0	11.5

The source-level trajectory highlights that the majority of future emissions reductions are expected to be driven by continued decarbonisation of purchased electricity through increasing renewable energy adoption. At the same time, direct emissions reductions will be supported by targeted actions focused on refrigerant management, operational efficiency improvements, and the phased elimination of natural gas consumption. Together, these measures form the foundation of Marico's pathway to achieving its FY2029-30 milestone.

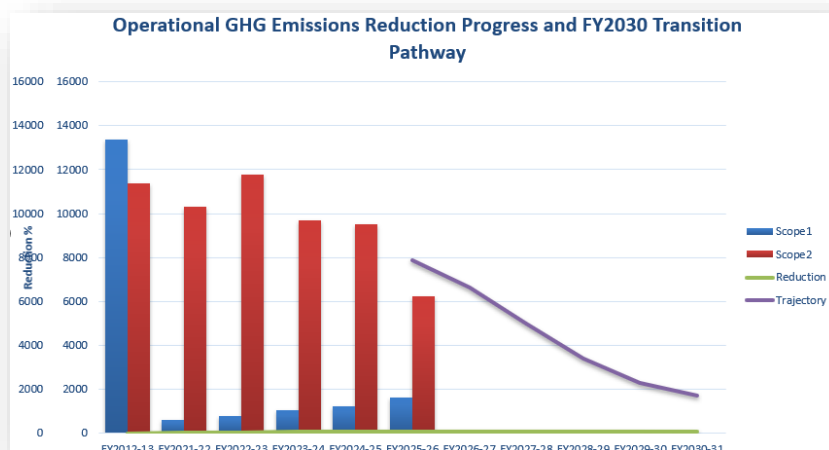
The near-term target

Marico sets net zero GHG emissions for Indian operations by FY2030 against an FY13 baseline, with a 93% reduction in Scope 1 and Scope 2 emissions, and the remaining 7% to be neutralized through sequestration and verified carbon offsets.

Metric	FY2025-26	FY2029-30
Scope 1 (tCO ₂ e)	1,653.73	908.8
Scope 2 (tCO ₂ e)	6229.44	848.4
Scope 1 + 2 (tCO ₂ e)	7882.71	1757.2
Energy (MWh)	52,983.86	72,133.8
Scope 1 + 2 intensity (tCO ₂ e/Cr INR)	0.84	0.19
Renewable energy share	77.3%	93%

Note - Scope 2 and Scope 1+2 values are reported on a market-based basis after application of retired RECs. Milestone trajectories are presented on a location-based basis unless otherwise stated.

The trajectory below highlights Marico's substantial progress in decarbonising operations and its clear pathway towards a 93% reduction in Scope 1 and Scope 2 emissions by FY2030, reflecting the Company's commitment to embedding climate performance, capital discipline and operational resilience into its long-term growth strategy.



Performance against FY2025-26 milestone

Metric	FY2025-26 actual	FY2025-26 target	Variance	Status
Scope 1	1,643.73	1,070.0	+573.73 (+53.6%)	Delayed
Scope 2	6,811.55	8,285.5	-1,473.95 (-17.8%)	Achieved
Scope 1 + 2	8,455.28	9,355.5	-900.22 (-9.6%)	Achieved
Energy (MWh)	52,983.9	59,344.6	-6,360.7 (-10.7%)	Achieved
Renewable share	77.3%	74%	+3.3 pp	Achieved

While Scope 1 emissions remain a focus area within Marico's decarbonization pathway, the analysis indicates that the remaining challenge is highly concentrated and originates predominantly from refrigerant emissions. In FY2025-26, refrigerants accounted for 1,064.9 tCO₂e, representing approximately 65% of total Scope 1 emissions, whereas emissions from fuel consumption (diesel, natural gas, LPG and petrol combined) contributed only 578.9 tCO₂e.

This emissions profile provides a clear strategic advantage from a transition planning perspective. Unlike fuel-combustion emissions, which often require significant technology shifts or infrastructure investments, refrigerant-related emissions are tied to a specific and identifiable source category, enabling targeted interventions such as enhanced leak detection and maintenance practices, equipment modernization, improved refrigerant recovery systems, and the gradual transition to lower global warming potential (GWP) refrigerants.

As a result, the path to achieving Marico's Scope 1 reduction ambition is increasingly focused on a limited number of high-impact actions rather than broad-based operational transformation. The concentration of residual emissions within a clearly understood source stream allows for focused capital deployment, greater emissions reduction efficiency, and improved predictability of

decarbonization outcomes. This positions Marico well to accelerate progress towards its FY2029-30 decarbonisation objective of achieving a 93% reduction in Scope 1 and Scope 2 emissions, with only a small residual emissions balance requiring neutralization thereafter.

Scope 3 Targets:

Scope 3 emissions, which arise across Marico's value chain rather than from its owned operations, accounted for 559,941.69 tCO₂e in FY2025-26, representing approximately 98.6% of the Company's total GHG footprint. As a consumer goods company, this emissions profile is consistent with industry dynamics, where the majority of climate impacts originate upstream and downstream of direct operations. While Marico has made significant progress in reducing operational emissions, long-term climate leadership will increasingly be determined by the Company's ability to influence emissions across sourcing, packaging, transportation, and broader value chain activities.

FY2021-22 serves as the base year for Marico's Scope 3 transition pathway and is the reference point against which all emissions-intensity reductions are measured, ensuring consistency with the operational (Scope 1 and Scope 2) components of the transition plan. Using India standalone revenue of ₹7,500 crore as the baseline denominator, emissions intensity is expressed as tonnes of CO₂e per crore of revenue, enabling meaningful comparison across raw materials, packaging, logistics and other value-chain categories. **Targets have been established for FY2034-35 and are designed to track decarbonisation progress while accounting for business growth. Emissions are quantified in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard and mapped to ISO 14064-1:2018, maintaining alignment with Marico's broader greenhouse gas accounting and reporting framework.**

Parameter	Basis adopted
Base year	FY2021-22
Base year revenue	₹7500 crore
Target year	FY2034-35
Target basis	Economic intensity (tCO ₂ e per ₹ crore)
Revenue growth	8.0 percent per annum
Business-as-usual	Emissions grow at the same 8.0 percent
Accounting standard	GHG Protocol, mapped to ISO 14064-1:2018

Marico has established a dedicated Scope 3 transition pathway anchored to a FY2021-22 baseline year and a FY2034-35 target year. To ensure that climate performance remains aligned with business growth, progress is measured using an economic intensity metric (tCO₂e per crore of India standalone revenue) rather than an absolute emissions metric. This approach enables Marico to evaluate decarbonization performance relative to value creation, encouraging sustainable growth while steadily reducing the carbon intensity of the business.

Marico's Scope 3 strategy is intentionally focused on the emission sources that offer the greatest reduction potential and business impact. The Company's commitments are concentrated on the value chain categories that collectively account for the majority of Scope 3 emissions and are closely linked to procurement, manufacturing, packaging, and distribution decisions. Specifically, raw and ingredient materials (Category 1), packaging materials (Category 1), upstream transportation and distribution

(Category 4), and downstream transportation and distribution (Category 9) have each been assigned a 30% emissions intensity reduction target by FY2034-35.

Accelerating the Path to Net Zero Operations Globally

Marico has committed to achieving Net Zero emissions across its global operations (owned manufacturing units) by 2040, with a more ambitious target of achieving Net Zero operational emissions in India by 2030. The Company's operational footprint spans manufacturing facilities in India, Bangladesh, Vietnam, and Egypt, making climate action an important strategic enabler for enhancing resource efficiency, strengthening operational resilience, and future-proofing its manufacturing network against evolving climate-related risks and stakeholder expectations. This commitment forms a core pillar of Marico's Sustainability 2.0 framework and Decade of Action Vision, which was launched in FY2022 to embed sustainability into business growth and long-term value creation.

Marico's net-zero roadmap is built on a clear hierarchy of actions that prioritizes direct emissions reductions through renewable energy adoption, energy-efficiency improvements, low-carbon technologies, and the progressive reduction of fossil-fuel dependence across operations. As part of this pathway, the Company aims to achieve a 93% reduction in Scope 1 and Scope 2 emissions by 2030, with only the small residual emissions that remain technically or economically challenging to eliminate being addressed through credible carbon removal and offset mechanisms. This approach reflects globally recognized net-zero principles that emphasize deep decarbonization before relying on offsets and demonstrates the Company's commitment to delivering tangible emissions reductions across its operational footprint.

Over the past decade, Marico has made significant progress in decarbonizing its operations. Compared to the FY2012-13 baseline, the Company has reduced operational emissions substantially while continuing to grow its business across multiple geographies. This progress has been enabled through increased renewable electricity procurement, greater adoption of renewable thermal energy, energy-efficiency initiatives, and continuous operational excellence programs. Marico has publicly disclosed significant improvements in renewable energy utilization and direct GHG emissions intensity reduction, demonstrating its ability to decouple operational growth from carbon emissions and translate long-term commitments into measurable outcomes.

Looking ahead, the Company intends to further accelerate decarbonization by expanding renewable energy deployment, increasing energy efficiency, optimizing manufacturing processes, strengthening refrigerant management practices, and evaluating emerging low-carbon technologies across its operations. Importantly, Marico's current emissions profile indicates that a large proportion of residual operational emissions are concentrated in a limited number of sources, providing a clear and actionable pathway for future reductions. This enables focused investment, targeted technology interventions, and enhanced emissions management, thereby improving the credibility and executability of the Company's climate transition plan.



06 Decarbonization Strategy

Marico's decarbonisation strategy is built on a portfolio of targeted interventions across Scope 1, Scope 2 and Scope 3 emissions, addressing both operational and value-chain sources of carbon impact. The approach combines energy transition, process efficiency, renewable energy adoption, sustainable sourcing, formulation innovation and supplier engagement to drive long-term emissions reductions while supporting business growth. By integrating climate considerations into operational excellence, procurement and product development, Marico seeks to enhance resilience, manage transition risks and create sustainable value for stakeholders. The following decarbonisation levers form the foundation of the Company's pathway towards its Net Zero ambitions.

Scope 1 Decarbonization Pathway

Current Status (FY2025-26)

Scope 1 emissions accounted for **19.4% of the total FY 2025–26 emissions footprint**, and the change relative to FY 2024–25 presented below.

Source	FY 2024-25 (CAR25)	FY2025-26 (PS12)	Change	Share of FY2025-26 Scope 1
Refrigerants	600.77	1,064.88	+77.3%	64.8%
Diesel	447.17	359.84	-19.5%	21.9%
Natural gas	139.58	206.96	+48.3%	12.6%
LPG	8.56	9.57	+11.8%	0.6%
Petrol	3.12	2.48	-20.4%	0.2%
Fire extinguishers	0.61	-	-	-
Water treatment	7.69	-	-	-
Total Scope 1	1,207.50	1,643.73	+36.1%	100.0%

Classification of scope 1 emissions by site is shown below:

Site	Scope 1 FY2025-26	Share	Scope 1 FY2029-30	Largest component FY2025-26
Sanand	1,117.55	68.0%	370.38	Refrigerants 891.81
NER II	141.54	8.6%	35.16	Refrigerants 61.21, diesel 80.32
Jalgaon	153.94	9.4%	38.93	Diesel 81.11, refrigerants 72.37
NER I	97.47	5.9%	6.32	Diesel 89.38

Site	Scope 1 FY2025-26	Share	Scope 1 FY2029-30	Largest component FY2025-26
Perundurai (PDRI)	83.87	5.1%	24.75	Diesel 42.31, refrigerants 31.80
Puducherry	49.12	3.0%	3.56	Diesel 47.94
Support sites	0.24	0.0%	0.29	Diesel 0.24
Total	1,643.73	100.0%	479.40	-

Lever 1: For Refrigerants - the dominant source

Site	R-410A FY26 (kg)	R-32 FY26 (kg)	R-410A FY30 (kg)	R-32 FY30 (kg)	Emissions FY26 to FY30(tCO ₂ e)
Sanand	393.0	7.0	0.0	480.0	891.81 to 370.08
Jalgaon	27.2	14.3	0.0	49.8	72.37 to 38.40
NER II	21.5	16.5	0.0	45.6	61.21 to 35.16
Perundurai (PDRI)	14.1	0.0	0.0	16.9	31.80 to 13.05
NER I	1.9	4.4	0.0	7.6	7.68 to 5.83
Puducherry	0.0	0.0	0.0	0.0	0.00 to 0.00
Total	457.7	42.2	0.0	599.9	1,064.88 to 462.51

Refrigerants represent the largest source of Scope 1 emissions, with two decarbonisation levers identified for each site: **(1) conversion of existing systems to R-32 refrigerant** and **(2) leakage reduction in the current refrigerant systems**.

The current projection shown in the table above quantifies only the impact of the first lever.

The assessment assumes a complete conversion of the existing R-410A refrigerant bank to R-32, alongside a 20% increase in total refrigerant charge in line with business growth. Under this scenario, the total refrigerant charge increases by 20.0%, from 499.9 kg to 599.9 kg, while associated emissions decline by 56.6%, from 1,064.88 tCO₂e to 462.51 tCO₂e. The projected reduction is attributable entirely to the lower Global Warming Potential (GWP) of R-32, at 771, compared with 2,255.5 for R-410A—a ratio of approximately 2.93.

However, this lever does not address refrigerant leakage. The current projection effectively assumes that the same quantity of refrigerant continues to escape, but in a lower-GWP form, despite the refrigerant bank being 20% larger. Therefore, the projected emissions reduction reflects refrigerant substitution.

Lever 2: For Diesel

Site	Diesel FY26 (GJ)	Diesel FY30 (GJ)	Emissions if fossil	Emissions if converted to biodiesel
Puducherry	644.79	1,934.38	143.79	0.00

Site	Diesel FY26 (GJ)	Diesel FY30 (GJ)	Emissions if fossil	Emissions if converted to biodiesel
NER I	1,202.23	1,442.68	107.25	0.00
NER II	1,080.35	1,296.42	96.40	0.00
Jalgaon	1,091.00	1,309.21	97.32	0.00
Perundurai (PDRI)	569.11	682.94	50.77	0.00
Sanand	249.23	299.07	22.23	0.00
Support sites	3.24	3.89	0.29	0.29
Total	4,839.96	6,968.58	518.10	0.29

Diesel is the second-largest source of Scope 1 emissions, with the transition to biodiesel identified as the primary decarbonisation lever. Diesel consumption is projected to increase by 44.0% by FY2029–30, driven by higher DG-set requirements as the number and scale of sites expand, with the threefold growth projected for Puducherry further contributing to the increase in diesel consumption.

On a fossil-fuel basis, this growth makes diesel the largest individual contributor to the FY2029–30 residual emissions after grid electricity, accounting for 518.10 tCO₂e, or 28.1% of total emissions. Under the assumed biodiesel scenario, diesel-related emissions are eliminated entirely, highlighting the significant decarbonisation potential of fuel substitution.

Residual LPG and Petrol Emissions

LPG and petrol represent a very small proportion of Marico's overall emissions profile and are associated with specific operational requirements at a limited number of locations. LPG consumption is confined to the Perundurai facility, while petrol usage is limited to a small fleet of owned vehicles at Puducherry and Sanand. As Marico continues to grow its operations, emissions from these sources are projected to increase marginally from 12.05 tCO₂e in FY2025-26 to approximately 15 tCO₂e in FY2029-30.

From a transition planning perspective, the projected increase is not considered material. Even by FY2029-30, LPG and petrol emissions together are expected to contribute less than 2% of Marico's residual operational emissions, underscoring the substantial progress already achieved in decarbonizing the Company's energy footprint. The anticipated growth largely reflects normal operational expansion and is significantly outweighed by the emissions reductions expected from renewable electricity adoption and other major decarbonization initiatives.

Importantly, Marico's residual emissions profile is increasingly concentrated in a small number of manageable sources, demonstrating the advanced stage of its operational decarbonization journey. While LPG and petrol are not currently priority emissions sources given their limited contribution to the overall footprint, the Company continues to monitor emerging technologies and commercially viable alternatives that could support further reductions over time.

Looking ahead, potential decarbonization opportunities may include the adoption of electrified thermal applications, renewable gaseous fuels such as biogas or bio-LPG, and the gradual transition of owned vehicles to electric mobility solutions. Although the emissions reduction potential from these interventions is relatively modest in absolute terms, they offer a pathway to address residual emissions

and reinforce Marico's long-term ambition of achieving near-complete operational decarbonization. As technologies mature and become increasingly viable, these measures could complement the Company's broader Net Zero strategy and help maximize emissions reductions across all operational sources.



Scope 2 strategy

Scope 2 emissions accounted for 80.6% of Marico's FY2025–26 direct GHG footprint, making the transition towards renewable electricity a key focus area of its decarbonization strategy. Marico has made significant progress in increasing the share of renewable electricity across its operations, with renewable electricity accounting for 59.5% of total electricity consumption during the reporting period.

Site	Grid (GJ)	Grid (MWh)	Renewable electricity (GJ)	Scope 2 (tCO ₂ e)	Renewable share of site electricity
Perundurai (PDRI)	1,315.90	365.5	29,543.26	259.53	95.7%
Puducherry	4,221.00	1,172.5	104.76	832.48	2.4%
Jalgaon	1,635.60	454.3	8,067.55	322.58	83.1%
Sanand	8,355.84	2,321.1	12,821.55	1,647.96	60.5%
Guwahati (NER I)	6,003.34	1,667.6	0.00	1,183.99	0.0%
Guwahati (NER II)	6,184.93	1,718.0	0.00	1,219.81	0.0%
Corporate locations	6,820.81	1,894.7	116.28	1,345.21	1.7%
Total	34,537.43	9,593.7	50,653.39	6,811.55	59.5%

The renewable electricity share varies across locations, with Perundurai (PDRI) and Jalgaon achieving renewable electricity shares of 95.7% and 83.1%, respectively. Sanand recorded a renewable electricity share of 60.5%.

Going forward, Marico will continue to increase renewable electricity procurement across its operations, with a focus on locations with lower renewable electricity penetration. This transition will support the reduction of market-based Scope 2 emissions and contribute towards Marico's longer-term climate targets.

The FY2029-30 electrical build

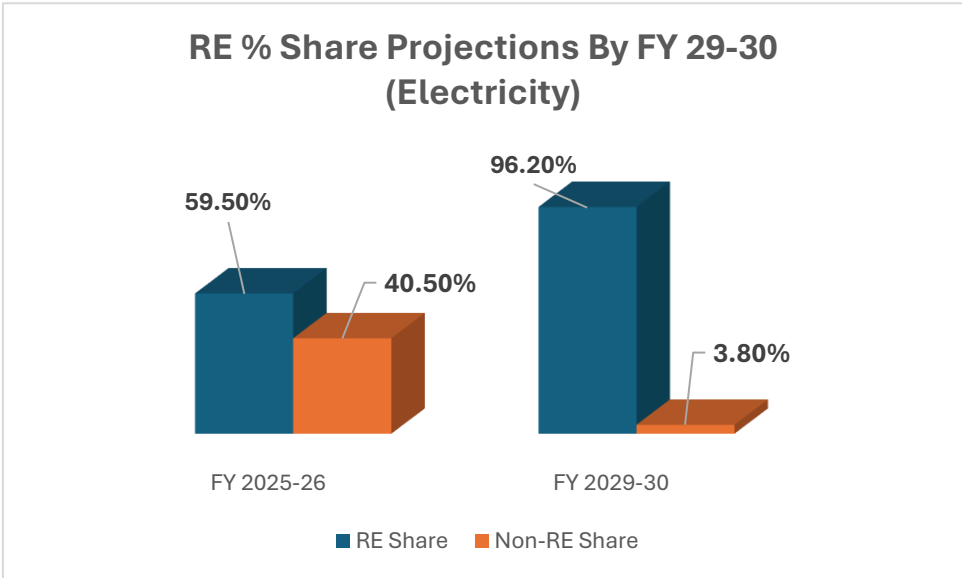
Marico's electricity demand is projected to increase from 85,190.82 GJ in FY2025-26 to 114,437.87 GJ in FY2029-30, representing a 34.3% increase, reflecting anticipated business growth and expanded operational requirements across the Company's manufacturing footprint. Importantly, this growth is expected to be supported by a fundamentally different energy mix, demonstrating Marico's commitment to decoupling operational growth from carbon emissions.

As a key pillar of its climate transition strategy, Marico is accelerating the shift towards renewable electricity across its operations. Grid electricity consumption is projected to decline significantly from 34,537.43 GJ in FY2025-26 to 4,301.70 GJ in FY2029-30, while renewable electricity consumption is expected to more than double from 50,653.39 GJ to approximately 110,120.47 GJ over the same period. As a result, renewable sources are projected to account for approximately 96.2% of total electricity consumption by FY2029-30, up from 59.5% in FY2025-26, substantially enhancing the renewable energy share within Marico's energy portfolio.

This transition represents one of the most significant contributors to Marico's operational decarbonization pathway and underscores the Company's strategic focus on energy resilience, reduced dependence on conventional grid electricity, and long-term management of climate-related risks. By prioritizing renewable electricity procurement and deployment, Marico aims to strengthen the sustainability of its operations while supporting progress toward its Net Zero commitments.

Driven by this planned transformation of the electricity mix, Marico's location-based Scope 2 emissions are projected to decline from 6,811.55 tCO₂e in FY2025-26 to 848.39 tCO₂e in FY2029-30, representing an 87.5% reduction. The projected reduction, despite increasing electricity demand, demonstrates the effectiveness of Marico's decarbonization strategy and reinforces the credibility of its transition pathway towards achieving a 93% reduction in operational Scope 1 and Scope 2 emissions by 2030.

Site	Grid FY26 (GJ)	Grid FY30 (GJ)	Grid FY30 (MWh)	Scope 2 FY30
Perundurai (PDRI)	1,315.90	1,392.00	386.7	274.53
Puducherry	4,221.00	487.80	135.5	96.21
Jalgaon	1,635.60	437.70	121.6	86.32
Sanand	8,355.84	1,121.50	311.5	221.18
NER I	6,003.34	270.80	75.2	53.41
NER II	6,184.93	279.00	77.5	55.03
Support sites	6,820.81	312.90	86.9	61.71
Total	34,537.43	4,301.70	1,194.9	848.39



Renewable Energy procurement Strategy by site

To support its climate transition roadmap and accelerate progress towards its Net Zero ambition, Marico has adopted a diversified renewable electricity procurement strategy across its manufacturing and office locations. The approach is designed to maximize renewable electricity consumption while balancing reliability, regulatory requirements, cost-effectiveness, and regional energy market considerations.

Marico leverages a combination of long-term Power Purchase Agreements (PPAs), Green Power Tariffs, Renewable Energy Certificates (RECs), and onsite solar generation, enabling each site to transition towards a cleaner electricity mix based on local infrastructure availability and operational requirements. This portfolio approach not only reduces dependence on conventional grid electricity but also enhances energy resilience and provides flexibility as renewable energy markets continue to evolve.

The site-specific renewable electricity pathways are summarized below:

Site	Renewable Electricity Transition Strategy
Perundurai (Tamil Nadu)	Located in one of India's leading wind-energy corridors, Perundurai is strategically positioned to benefit from the state's mature renewable energy ecosystem. The site's renewable electricity requirements are primarily met through wind and solar PPAs, leveraging the strong renewable resource base in the region. RECs provide an additional mechanism to address residual electricity demand and support progress towards renewable electricity targets.
Puducherry	Given the relatively limited availability of large-scale open-access renewable infrastructure within the Union Territory, Puducherry's transition pathway is centered on Green Power Tariffs and RECs. This approach enables the facility to access renewable electricity through utility-led procurement mechanisms while maintaining operational flexibility and supply reliability.

Jalgaon (Maharashtra)	Maharashtra offers a well-developed open-access renewable energy market, enabling Jalgaon to adopt a diversified procurement strategy. The site is expected to leverage wind and solar PPAs, supplemented by Green Power Tariffs and RECs, to progressively reduce reliance on conventional grid electricity and increase renewable energy penetration.
Sanand (Gujarat)	Gujarat is one of India's most advanced renewable energy markets, with strong solar and wind resource availability and supportive procurement frameworks. Sanand is therefore well-positioned to maximize renewable energy sourcing through wind and solar PPAs and Green Power Tariff mechanisms, supporting substantial reductions in grid-related emissions.
NER I (North-East Region)	Renewable energy procurement in the North-East presents unique infrastructure and transmission challenges compared to other parts of India. To address this, NER I adopts a diversified strategy combining off-site wind and solar PPAs, rooftop solar generation, and Green Power Tariffs. This blended model improves energy resilience while expanding renewable electricity consumption.
NER II (North-East Region)	Similar to NER I, the renewable energy strategy for NER II combines rooftop solar generation, off-site renewable PPAs, and Green Power Tariffs. The integration of onsite and offsite renewable sources helps mitigate regional grid constraints while supporting long-term decarbonization objectives.
Corporate Offices and Other Sites	Office facilities generally have lower electricity requirements and limited opportunities for onsite generation. Accordingly, renewable electricity procurement is expected to be achieved primarily through wind and solar PPAs and Green Power Tariffs, enabling alignment with Marico's broader operational decarbonization strategy.

Procurement hierarchy

Marico's renewable electricity procurement strategy is structured around a clear hierarchy that prioritises long-term, credible and directly attributable renewable energy solutions. The approach considers the availability of renewable resources, contractual arrangements, cost effectiveness and the ability of each instrument to support Marico's Scope 2 decarbonisation objectives.

1. On-site renewable energy generation

Marico will prioritise on-site renewable energy generation where suitable rooftop or land availability exists. Rooftop solar has been identified for NER I and NER II, enabling renewable electricity to be generated and consumed directly at the respective facilities while reducing reliance on grid electricity.

2. Long-term physical PPAs

Long-term physical Power Purchase Agreements (PPAs), including wind, solar and hybrid renewable energy projects, will form the next priority. These arrangements can provide greater long-term visibility on renewable electricity supply and support sustained reductions in Scope 2 emissions.

3. Green power tariffs

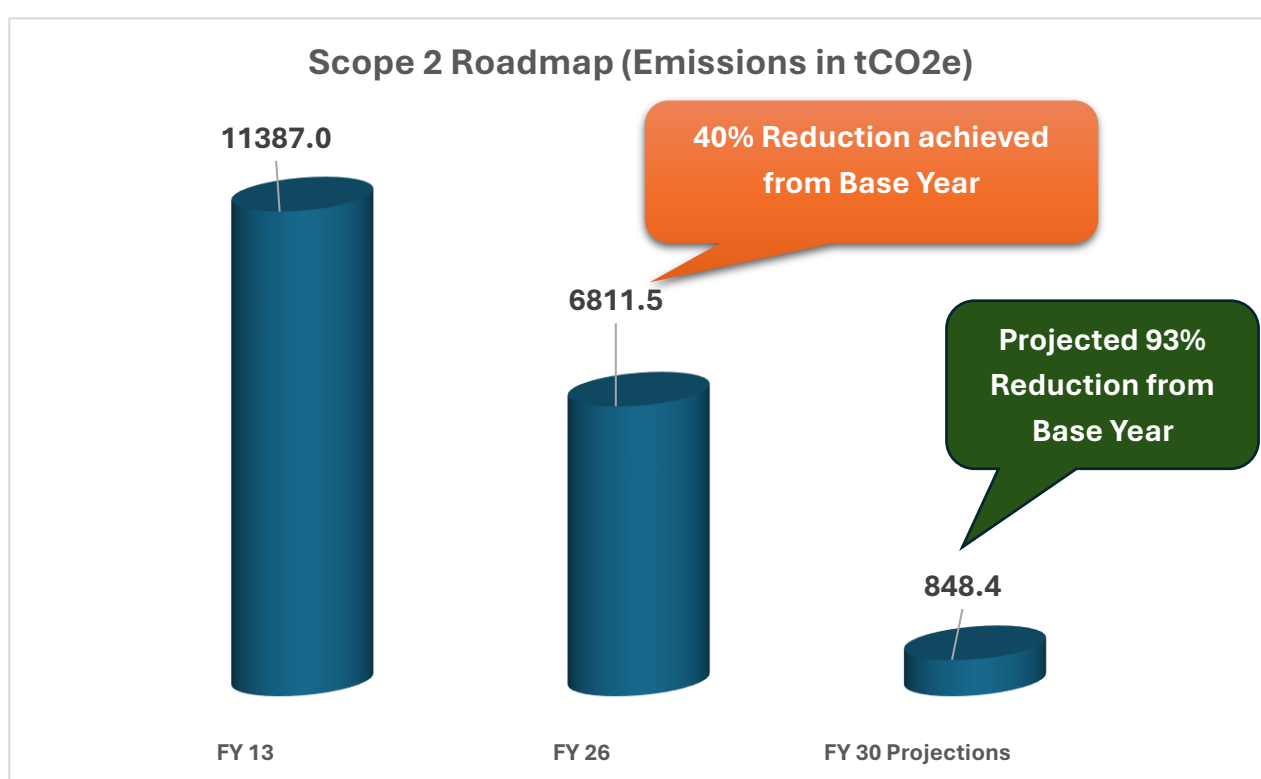
Green power tariffs will be considered where on-site generation or long-term PPAs are not

feasible. This mechanism provides Marico with an additional pathway to increase renewable electricity consumption at applicable locations, including Puducherry.

4. RECs and I-RECs for residual requirements

Renewable Energy Certificates (RECs) and International Renewable Energy Certificates (I-RECs) will be used primarily to address residual electricity requirements that cannot be covered through physical renewable energy procurement. This provides flexibility in managing remaining electricity demand while supporting the achievement of Marico's renewable electricity objectives.

Marico's FY2029–30 plan envisages approximately 110,136.17 GJ of renewable electricity consumption through a combination of these procurement mechanisms. Clearly defining the contribution of each procurement route will enable greater transparency, strengthen the credibility of the Scope 2 strategy and support effective tracking of progress against the planned renewable electricity transition.



Scope 3 –Emission profile

Understanding the composition of Marico's emissions footprint is critical to identifying and prioritising the most impactful decarbonisation levers. In FY2025-26, Scope 3 emissions totalled **559,941.69 tCO₂e**, compared with **561,191.997 tCO₂e** in the FY2021-22 base year, remaining broadly stable despite **25.35% revenue growth** over the same period. This decoupling of emissions from business growth demonstrates early progress towards a lower-carbon growth trajectory. The three value-chain categories addressed in this section collectively account for **83.8% of total Scope 3 emissions**, making them the primary focus areas for achieving meaningful emissions reductions over the transition period.

Group	FY2021-22 tCO ₂ e	FY2025-26 tCO ₂ e	Change in absolute terms	Share of FY2025-26 Scope 3	What sits in it
Raw material	351,542.96	330,693.98	-5.93 per cent	59.1 per cent	Category 1 purchased goods, agricultural and synthetic inputs
Packaging	89,154.16	81,008.14	-9.14 per cent	14.5 per cent	Category 1 purchased packaging materials
Logistics	46,663.36	57,564.05	+23.36 per cent	10.3 per cent	Category 4 upstream transport plus Category 9 downstream distribution
Other categories	73,831.51	82,399.17	+11.60 per cent	14.7 per cent	Categories 2, 3, 5, 6, 7, 8, 12 and 15, plus Category 1 purchased services
Total	561,191.997	559,941.69	-0.22 per cent	100 per cent	

Scope 3 Emission Inventory and target coverage

Marico's Scope 3 emissions profile provides the basis for identifying the most material decarbonisation opportunities and prioritising interventions with the greatest potential for impact. In FY2025-26, total Scope 3 emissions amounted to 559,941.7 tCO₂e, broadly unchanged from 561,192.0 tCO₂e in the FY2021-22 baseline year despite significant growth in business revenues over the same period. This reflects early progress towards decoupling value-chain emissions from business growth. Marico's transition plan therefore focuses on the most material emission sources, with six priority categories accounting for approximately 90% of total Scope 3 emissions, thereby establishing a robust boundary for value-chain decarbonisation efforts and long-term climate action.

Category	FY2021- 22	FY2025- 26	% of FY26	Target group
Cat 1 — Raw material	3,51,543.0	3,30,694.0	59.1%	Raw material
Cat 1 — Packaging	89,154.2	81,008.1	14.5%	Packaging
Cat 4 — Upstream transportation	43,066.7	52,502.3	9.4%	Logistics
Cat 8 — Upstream leased assets	30,143.9	31,668.7	5.7%	Upstream leased assets

Cat 12 — End-of-life treatment	27,925.5	27,126.4	4.8%	Not covered
Cat 1 — Purchased services	0.0	8,276.3	1.5%	Not covered
Cat 5 — Waste in operations	9,955.9	7,987.0	1.4%	Not covered
Cat 2 — Capital goods	0.0	5,139.6	0.9%	Not covered
Cat 9 — Downstream transportation	3,596.7	5,061.7	0.9%	Logistics
Cat 15 — Investments	0.0	3,768.0	0.7%	Not covered
Cat 3 — Fuel and energy related	4,657.2	3,744.2	0.7%	Fuel and energy
Cat 6 — Business travel	394.3	2,131.4	0.4%	Not covered
Cat 7 — Employee commuting	754.7	833.9	0.1%	Not covered
Total	5,61,192.0	5,59,941.7	100%	

Note - The target groups covered Category 1-Raw material, Packaging, Category 4-Upstream transportation, Category 9-Downstream transportation, Category 8-Upstream leased assets and Category 3-Fuel and energy-related activities covers 504,679.1 tCO₂e of emissions that is 90% of Scope 3 emissions.

Economic intensity: baseline, progress and target status

Group	FY22 absolute	FY22 intensity	FY26 absolute	FY26 intensity	Achieved	FY 35 Target
Raw material	3,51,543	46.87	3,30,694	35.17	25%	30.00%
Packaging	89,154	11.89	81,008.14	8.62	28%%	30.00%
Logistics	46,663	6.22	57,564.05	6.12	2%	30.00%

Schedule summary of Emission Reduction Levers

ID	Lever	Confidence	Lead time	Owner
	A. Raw material			
RM-01	Regenerative coconut cultivation	Medium	3 to 5 yr	Procurement
RM-02	Rice bran oil supply chain intervention	Low	2 to 4 yr	Procurement
RM-03	Yield and land-efficiency improvement	Low	5 yr plus	Procurement
RM-08	Bio-based substitution of mineral oils	Medium	3 to 4 yr	Product innovation

ID	Lever	Confidence	Lead time	Owner
RM-11	Renewable energy and efficiency at processors	Medium	2 to 4 yr	Procurement and Engineering
RM-13	Portfolio and format dematerialisation	Low	3 to 5 yr	Product Development and Marketing
	B. Packaging			
PM-01	Recycled HDPE integration	High	1 to 2 yr	Packaging Development
PM-02	Deepening recycled PET	High	1 to 2 yr	Packaging Development
PM-03	Recycled LDPE and recycled polypropylene	Medium	2 to 3 yr	Packaging Development
PM-04	Secondary aluminium	Medium	1 to 2 yr	Packaging Development
PM-05	Lightweighting and paper reduction across the portfolio	Medium	2 to 3 yr	Packaging Development
PM-07	Mono-material laminate reinstatement	Low	2 to 3 yr	Packaging Development
PM-09	PVC and problematic additive elimination	High	1 to 2 yr	Packaging Development
	C. Logistics			
LG-01	Sourcing radius and supplier co-location	Medium	2 to 4 yr	Procurement and Supply Chain
LG-02	Network redesign and direct dispatch	Medium	2 to 4 yr	Supply Chain
LG-03	Modal shift from road to rail	Medium	3 to 5 yr	Supply Chain
LG-05	Route optimisation, load factor and backhaul	High	Under 1 yr	Supply Chain
LG-06	Vehicle efficiency and driver practice	Medium	1 to 2 yr	Supply Chain
LG-08	Electrification of short-haul and last mile	Medium	3 to 5 yr	Supply Chain

Decarbonisation roadmap

The section sets out a decarbonisation roadmap for the three groups given: raw material, packaging and logistics at each measured against FY2021-22. It covers where the emissions sit, what drives them, the levers available, and what each lever can deliver.

Raw material levers

Raw materials are 59.1 per cent of Scope 3 and carry about 264,000 tonnes of the business-as-usual abatement requirement - roughly three quarters of the total task across the three groups. Six levers have been selected. Two address the two largest agricultural lines, one addresses the productivity of the

agricultural base, one addresses the largest fossil input, one addresses the conversion step, and one addresses demand for material in the first place.

RM-01 Regenerative coconut cultivation

Regenerative cultivation is a shift in on-farm practice from a synthetic-input, bare-soil model to one that builds soil organic carbon, cycles nutrients biologically and maintains continuous living cover. In a coconut system the specific practices are organic and biological nutrient management in place of a straight urea regime, retention and composting of husk, frond and shell biomass rather than removal or burning, intercropping and cover cropping between palms, vermicomposting of farm residues, integrated pest management in place of routine prophylactic spraying, and drip or micro-irrigation in place of flood irrigation. The carbon effect comes from three directions at once: lower nitrous oxide emissions from the soil, avoided upstream emissions from ammonia and urea manufacture, and accumulation of carbon in soil and in standing biomass.

Its importance for Marico: Coconut oil is 91,327 tonnes of purchase and 93,153.5 tonnes of CO₂ equivalent in FY2025-26 - 28.17 per cent of raw material emissions and 28.90 per cent of raw material mass, the second largest line in the inventory. It is also the material over which Marico has the deepest and longest-standing farmer relationship in the value chain. The lever is to be delivered through procurement interventions with suppliers. Regenerative practice requirements - biological and organic nutrient management, retention and composting of husk, frond and shell residues, intercropping and cover cropping, integrated pest management and micro-irrigation - are to be written into sourcing specifications and supplier agreements for copra and coconut oil, with practice adoption, traceability and verification evidence collected through supplier engagement and assessment under the SAMYUT responsible sourcing framework. Coconut is also structurally well suited to the intervention: it is a perennial tree crop on a long rotation, so there is no annual land conversion, the soil is not disturbed by tillage cycles, and there is real headroom for soil carbon and biomass carbon accumulation.

RM-02 Rice bran oil supply chain intervention

Rice bran oil is derived from the bran generated during the milling of paddy into white rice. As a by-product of the broader rice value chain, its carbon footprint is influenced by agricultural practices, processing activities, and emissions allocation methodologies. Consequently, opportunities to reduce emissions span multiple stages of the value chain, including improvements in sourcing practices, operational efficiency, supplier engagement, and broader value chain collaboration.

Strategic significance to Marico: Rice bran oil remains one of the most strategic raw materials in Marico's portfolio, with 109,586.2 tonnes procured in FY2025-26, resulting in 101,476.9 tCO₂e, equivalent to 30.7% of raw material emissions and 34.7% of raw material volume. It is the largest contributor within Marico's raw material inventory and a critical input for the Company's Saffola franchise. Given its consistently high procurement volumes over time, rice bran oil represents a significant opportunity for value chain decarbonization. Together, rice bran oil and coconut oil account for 58.9% of raw material emissions and approximately 34.7% of total Scope 3 emissions, making them key focus areas within Marico's Scope 3 transition strategy and among the most impactful levers for achieving long-term emissions reduction objectives.

RM-03 Yield and land-efficiency improvement

Yield improvement reduces the emissions embodied in a tonne of agricultural raw material by increasing the output obtained from a largely fixed set of per-hectare emissions. Field emissions - nitrous oxide from soil, methane where relevant, fuel for tillage and irrigation, the manufacture of

applied inputs - are incurred per hectare per season. Emissions per tonne of crop are those per-hectare emissions divided by the yield. Raising the denominator therefore reduces the footprint of every tonne without changing any practice on the emissions side, and it simultaneously reduces the land area required, which is the mechanism by which yield improvement protects against the deforestation and land conversion risk that dominates land sector accounting.

Strategic significance to Marico: Agricultural inputs are 72.6 per cent of Marico's raw material emissions - 240,035 tonnes across coconut, rice bran, corn, oats, sunflower, soya cereals and vegetables, seasonings, honey and starch. Yield is the one lever that acts on all of them at once, and it is also the lever most aligned with what Marico already does and with what its farmers already want. Delivery runs through procurement interventions with suppliers: yield and land-efficiency expectations built into sourcing specifications and supplier agreements, agronomic and input-efficiency support delivered jointly with suppliers, processors and aggregators, and yield and input data collected as part of supplier engagement and assessment under the SAMYUT responsible sourcing framework. Because yield improvement raises supplier productivity at the same time as it lowers the emissions embodied in each tonne, the commercial and carbon objectives of the intervention coincide, which is unusual and valuable in a Scope 3 context.

RM-04 Bio-based substitution of mineral oils

Mineral oil in this context means liquid paraffin and white oils - highly refined fossil-derived hydrocarbon fractions used as emollients, carriers and sensory modifiers in hair oils and personal care formulations. Bio-based substitution replaces them with functionally equivalent materials derived from plant oils: fractionated or caprylic-capric triglycerides from coconut, rice bran derivatives, high-oleic sunflower castor and its derivatives, and a range of vegetable-oil-derived esters and emollient blends. The same logic extends to specialty performance ingredients, where bio-based emollients, naturally derived conditioning agents, and renewable-performance materials are increasingly being adopted in selected applications, creating opportunities to reduce value-chain emissions while maintaining product performance and consumer experience.

Strategic significance to Marico: Mineral oils are 54,743.7 tonnes of purchase and 79,378.4 tonnes of CO₂ equivalent in FY2025-26 - 24.00 per cent of raw material emissions from 17.32 per cent of the mass. At an emission factor of 1.45 kg CO₂e per kg it is the most carbon-dense of the high-volume raw materials, and it is the largest non-agricultural line in the inventory by a wide margin. Volumes are also growing: mineral oil purchases rose from 39,868.9 tonnes in the FY2021-22 base year to 54,743.7 tonnes in FY2025-26, an increase of 37.3 per cent, which is faster than revenue and makes this the raw material line moving hardest in the wrong direction. Specialty performance ingredients add a further 6,371.5 tonnes of CO₂ equivalent from only 807.5 tonnes of material, at an emission factor of 7.89 - the highest factor of any raw material Marico buys - so a small substitution in this category has a disproportionate effect. Together mineral oils and specialty performance ingredients are 25.9 per cent of raw material emissions and are entirely within the reach of reformulation, which is a decision Marico controls rather than one it has to negotiate.

RM-05 Renewable energy and efficiency at processors

This lever addresses the conversion step that sits between the farm and Marico's gate: the solvent extraction plants and refineries that turn bran and seed into refined oil, the mills that turn copra into coconut oil, the chemical producers that make specialty performance ingredients, surfactants and perfume bases, and the third-party manufacturers that make finished product on Marico's behalf. In every case a material share of the cradle-to-gate emission factor is process energy - steam for refining

and deodorisation, electricity for extraction and pumping, thermal energy for drying. Replacing fossil energy with renewable energy at those sites, and using less of it per tonne, reduces the factor of the material Marico buys.

Strategic significance to Marico: Processing energy is the part of the raw material footprint that is closest to being an engineering problem rather than an agronomic one, and it is the part where Marico has a genuinely transferable playbook. Within its own boundary Marico has taken renewable thermal energy to 91.75 per cent through biomass briquette conversion, installed more than 2 MW of solar, holds long-term wind power purchase agreements, runs a dedicated Energy Management Cell at each facility with real-time monitoring, holds ISO 14001 across all manufacturing units, and invested INR 7.7 crore in energy conservation capital in FY2025-26 across more than 26 initiatives saving over 33.2 lakh kWh a year. That is an unusually complete internal template, and the SAMYUT framework already reaches the counterparties - 88 per cent of critical business associates certified at Level 1 and 43 per cent at Level 2, covering raw and packaging material suppliers, third party manufacturers and service providers, with an environmental protection thrust that expressly names energy saving. The adjacent exposures are also visible in the inventory: purchased services in Category 1 are 8,276.35 tonnes and upstream leased assets in Category 8 are 31,668.69 tonnes in FY2025-26.

RM-06 Portfolio and format dematerialisation

Dematerialisation reduces the quantity of raw material required per unit of consumer benefit delivered and shifts the mix of materials used toward lower-factor alternatives. The first half is a formulation and format question: concentrates and refills that remove water and packaging from the transported product, higher active loading so that a smaller dose delivers the same effect, dose optimisation, and format changes that reduce material per use. The second half is a portfolio question: the emission factor of the product mix is a weighted average, so growth weighted toward lower-factor categories and materials reduces intensity without any change in any individual formulation.

Strategic significance to Marico: Marico purchased 316,031.90 tonnes of raw material for revenue of INR 9,401.6 crore in FY2025-26 - 33.6 tonnes of raw material per crore of revenue. Raw material mass rose 2.87 per cent between FY2024-25 and FY2025-26, from 313,150.92 to 316,031.90 tonnes. Because the target is an intensity target and the business is planned to roughly double in revenue, the mass of material required per rupee of revenue is the variable that most directly determines whether the target is met, and it is the only raw material variable that sits entirely inside Marico rather than in a supply chain. The portfolio is also well suited to the mix half of the lever: coconut oil is approximately 38 per cent of the India portfolio, value-added hair oils approximately 22 per cent, edible oils approximately 19 per cent and foods approximately 10 per cent, and the emission factors across those categories differ substantially, so the growth mix has a real effect on intensity. Marico further has the instrument already built - the EcoIndex product sustainability framework, with five weighted sections covering raw materials and use, packaging, sourcing, operations and logistics, and brand purpose, across eighteen parameters, applied at stock-keeping-unit level.



Packaging levers

Packaging is 14.5 per cent of Scope 3 and carries about 67,000 tonnes of the business-as-usual abatement requirement. It is also the group with the strongest recent performance and the clearest mechanism: because virgin and recycled polymer factors differ by roughly 80 per cent, recycle integration produces large, verifiable, immediate reductions in a way that almost nothing in the raw material set does. Seven levers have been selected. Four are recycle substitutions on specific material streams, one reduces the material quantity itself, one restores the recyclability of the flexible portfolio, and one removes the contaminants that gate all of the others.

PK-01 Recycled HDPE integration

Substitution of post-consumer recycled high density polyethylene for virgin HDPE resin in bottles, jars, closures and other rigid packaging. Post-consumer recycled HDPE is produced by collecting, sorting, washing, shredding and re-pelletising HDPE packaging recovered from the waste stream, and its emission factor is dramatically lower than virgin resin because it avoids the entire naphtha cracking and polymerisation route.

Strategic significance to Marico: Increasing recycled HDPE content represents Marico's largest packaging decarbonisation opportunity and a key lever for reducing value-chain emissions while advancing circularity objectives. In FY2025-26, virgin HDPE accounted for 11,427.9 tonnes of material consumption and 21,370.2 tCO₂e, representing 26.4% of total packaging emissions despite constituting only 25.7% of packaging volume. By comparison, recycled HDPE usage was limited to 9.4 tonnes, equivalent to a recycled-content share of just 0.08%, highlighting substantial potential for future integration.

The carbon intensity differential between virgin and recycled HDPE is the largest across Marico's packaging portfolio, with emission factors of 1.87 kgCO₂e/kg and 0.24 kgCO₂e/kg, respectively, translating into an 87.2% reduction in emissions per kilogram of material substituted. At current consumption volumes, a full transition to recycled HDPE could potentially avoid approximately 18,600 tCO₂e, equivalent to 23% of FY2025-26 packaging emissions, while a 30% recycled-content integration rate could deliver emissions reductions of approximately 5,600 tCO₂e.

PK-02 Deepening recycled PET

Extension of recycled polyethylene terephthalate content in the PET bottle portfolio from its current level toward full substitution, together with the design-for-recyclability changes that keep the material recoverable so that the recycle stream is sustained.

Strategic significance to Marico: The successful scale-up of recycled PET demonstrates Marico's ability to integrate recycled content across its packaging portfolio and provides a strong proof point for broader circular packaging interventions. The share of recycled PET increased from 7.6% in FY2024-25 to 57.0% in FY2025-26, with 3,790.6 tonnes of recycled PET compared with 2,855.2 tonnes of virgin PET. Given the significant emissions intensity differential between recycled PET (0.641 kgCO₂e/kg) and virgin PET (2.88 kgCO₂e/kg), this substitution delivers a 77.7% reduction in emissions per kilogram of material replaced and has been a key contributor to the 9.1% absolute reduction in packaging emissions since the FY2021-22 baseline. Notwithstanding this progress, the remaining 2,855.2 tonnes of virgin PET represents a further decarbonisation opportunity, with full substitution potentially avoiding approximately 6,400 tCO₂e, equivalent to 7.9% of FY2025-26 packaging emissions. Importantly, PET is Marico's most mature recycled-content stream, where technical, quality and regulatory requirements have already been successfully addressed, providing a credible pathway for extending recycled-content integration across other packaging materials as part of the Company's broader climate and circularity strategy.

PK-03 Recycled LDPE and recycled polypropylene

Two related recycle substitutions treated as one lever because they share a constraint set. Recycled low density polyethylene replaces virgin LDPE in films - shrink wrap, collation film, liners and secondary packaging - where food contact generally does not apply. Recycled polypropylene replaces virgin PP in closures, caps, non-contact rigids and thin-wall components, where the constraint is mechanical performance rather than regulatory approval.

Strategic significance to Marico: Polypropylene (PP) represents one of the most significant untapped opportunities within Marico's packaging decarbonisation portfolio. In FY2025-26, virgin PP consumption amounted to 4,690.6 tonnes, generating 15,807.2 tCO₂e, equivalent to 19.5% of total packaging emissions despite accounting for only 10.6% of packaging volume. This reflects the highest emission factor among Marico's major packaging polymers at 3.37 kgCO₂e/kg. Notably, recycled PP was not utilised during the reporting period, indicating substantial potential for future integration. Assuming a recycled PP emission factor of 1.0 kgCO₂e/kg, achieving 50% recycled-content integration could reduce packaging emissions by approximately 5,600 tCO₂e, equivalent to 6.9% of FY2025-26 packaging emissions. LDPE presents a complementary opportunity. In FY2025-26, virgin LDPE consumption totalled 1,289.1 tonnes, generating 3,235.7 tCO₂e, while recycled LDPE usage reached 121.0 tonnes, increasing recycled content penetration to 8.6%, up from 4.2% in FY2024-25. Full substitution of virgin LDPE with recycled alternatives could yield a further reduction of approximately 2,500 tCO₂e. Collectively, PP and LDPE account for 23.5% of Marico's packaging emissions, yet recycled-content penetration remains limited at 8.6% for LDPE and 0% for PP, highlighting a significant opportunity to accelerate both packaging decarbonisation and circularity objectives.

PK-04 Secondary aluminium

Substitution of secondary - that is, recycled - aluminium for primary aluminium in aerosol cans, closures, collapsible tubes and the foil barrier layer of laminate structures. Secondary aluminium is produced by remelting scrap and avoids the Hall-Heroult electrolytic smelting step, which is the overwhelming majority of primary aluminium's footprint. A related route, where recycled content is not

available, is the purchase of verified low-carbon primary aluminium smelted on hydroelectric or other renewable power.

Strategic significance to Marico: Aluminium offers one of the highest emissions-abatement opportunities per tonne of material substituted within Marico's packaging portfolio. Although aluminium represented just 87.5 tonnes, or 0.2% of total packaging volume, in FY2025-26, it contributed 2,134.3 tCO₂e, accounting for 2.6% of packaging emissions due to its exceptionally high emission factor of 24.4 kgCO₂e/kg. Transitioning to recycled aluminium, which typically carries an emissions footprint 92-98% lower than primary aluminium, presents a highly attractive decarbonisation lever. Based on an assumed emission factor of 1.5 kgCO₂e/kg for recycled aluminium, substituting current FY2025-26 volumes could reduce emissions by approximately 2,000 tCO₂e, equivalent to 2.5% of total packaging emissions, despite affecting only 0.2% of packaging material consumption. Given the historical volatility in aluminium usage, increasing from 0.9 tonnes in FY2021-22 to 161.5 tonnes in FY2022-23 before settling at 87.5 tonnes in FY2025-26, incorporating recycled-content specifications at this stage represents a proactive measure to prevent future growth in carbon exposure while supporting both decarbonisation and circularity objectives.

PK-05 Lightweighting and paper reduction across the portfolio

Reduction in the mass of packaging material required per pack, achieved through wall thickness reduction, neck and closure downgauging, structural redesign to recover the stiffness lost to thinner walls, resin grade changes to higher-stiffness materials, and format changes that reduce packaging per unit of product delivered.

Strategic significance to Marico: Lightweighting acts on the largest single block of packaging emissions and it is the lever with the strongest existing track record at Marico. The rigid portfolio - virgin HDPE, polypropylene, virgin PET and recycled PET - is 22,764.3 tonnes of material carrying 47,830.1 tonnes of CO₂ equivalent, 59.0 per cent of packaging emissions. A 10 per cent reduction in mass across those four streams would be in the order of 4,800 tonnes of CO₂ equivalent. Marico has been doing this successfully: packaging material intensity fell to 4.7224 tonnes per crore of revenue in FY2025-26 from 6.0859 in FY2018-19, a reduction of 22.40 per cent, and plastic intensity fell to 2.7981 from 3.3529 on the same basis. The lever also compounds with every other packaging lever, because a gram of material never used requires no recycle, incurs no inbound freight, and creates no end-of-life burden - which links it directly to the 3,535.3 tonnes of packaging inbound road freight in LG-01 and the 27,126.39 tonnes of Category 12 end-of-life emissions.

Paper reduction: The same discipline is applied to the fibre-based portion of the portfolio - corrugated shippers, cartons, labels, leaflets and inserts. The levers are downgauging of corrugate to lower grammages and lighter flute profiles, right-sizing of shippers and cartons to the pack so that void volume is removed, reduction in the number of secondary packaging layers, elimination of leaflets and inserts where the information can be carried on-pack or digitally, and specification of recycled fibre where virgin board is not required. Reducing paper and board mass lowers the emissions embodied in the material, reduces the volume and weight moved in inbound and outbound freight, and reduces the end-of-life burden in Category 12, so it compounds with the logistics and circularity levers in the same way as rigid lightweighting.

PK-06 Mono-material laminate reinstatement

Replacement of multi-material flexible laminate structures - typically polyester with aluminium foil and polyethylene, or polyester with metallised layers and polyethylene - with mono-material polyolefin structures in which every layer belongs to the same polymer family, so that the laminate can be

mechanically recycled in an existing polyethylene or polypropylene stream. Barrier performance is provided by machine-direction-oriented polyethylene or biaxially oriented polypropylene films with EVOH layers or applied coatings instead of foil.

Strategic significance to Marico: This lever exists because of a regression that needs correcting. Recyclable laminate was 1,092.1 tonnes in FY2021-22 and 2,075.7 tonnes in FY2022-23 and is zero in both FY2024-25 and FY2025-26. The entire laminate volume - 1,778.4 tonnes carrying 3,396.8 tonnes of CO2 equivalent, 4.19 per cent of packaging emissions - now sits in the non-recyclable line. That is the principal reason the recyclable share of packaging fell from 96.04 per cent in the FY2021-22 base year to 94.85 per cent in FY2025-26, and the recyclable share of plastic from 94.48 per cent to 91.30 per cent. Against a stated ambition of 100 per cent recyclable packaging by 2030, the flexible portfolio is currently moving away from the target rather than toward it, and it is the only part of the packaging book doing so.

PK-07 PVC and problematic additive elimination

Removal from the packaging portfolio of materials and additives that contaminate recycling streams or defeat automated sorting: polyvinyl chloride in shrink sleeves and closures liners, carbon black and dark pigments that are invisible to near-infrared sorters, PVDC barrier coatings, non-compatible label materials and adhesives, and mixed-material closures and liners that do not separate in the float-sink step.

Strategic significance to Marico: The carbon exposure is small and the enabling role is large. PVC is 67.7 tonnes carrying 202.5 tonnes of CO2 equivalent, 0.25 per cent of packaging emissions; its share of packaging is 0.1526 per cent and of plastic 0.2575 per cent, already down from 146.4 tonnes and 0.372 per cent of packaging in the FY2021-22 base year. Masterbatch adds 23.1 tonnes at a factor of 2.51. Complete elimination of PVC would remove approximately 200 tonnes of CO2 equivalent - one quarter of one per cent of packaging emissions and four hundredths of one per cent of Scope 3. The reason the lever is nevertheless retained is that these materials determine whether the four recycle levers can work: a PVC sleeve on a PET bottle renders the bottle unrecyclable and contaminates the bale it enters, carbon black defeats the sorter that would otherwise route an HDPE pack to the right stream, and an incompatible adhesive downgrades the recycle that PK-01 and PK-02 depend on. Marico already recognises the point commercially, describing PVC held below 1 per cent of the portfolio as a materials-of-concern achievement.



Logistics levers

Logistics accounted for 10.3% of Marico's Scope 3 emissions in FY2025-26 and represents a significant component of the Company's long-term decarbonisation pathway. While smaller than raw materials and packaging in absolute emissions terms, logistics contributes approximately 35,000 tCO₂e of the business-as-usual abatement requirement and has shown slower progress to date, achieving only 5.3% of its targeted 30% emissions-intensity reduction, while absolute emissions increased by 23.4% relative to the FY2021-22 baseline. Marico has therefore prioritised six complementary levers focused on reducing freight activity, optimising network design, increasing modal efficiency and accelerating low-carbon transportation solutions. The levers are prioritised based on the scale of emissions addressed, recognising that road freight accounts for 97.8% of Category 4 emissions, making demand reduction and freight avoidance measures particularly impactful.

LG-01 Sourcing Radius Optimisation and Supplier Co-location

Reduction of the tonne-kilometres of inbound freight by shortening the physical distance between where raw materials and packaging are produced and where Marico consumes them - through geographic reallocation of sourcing, dual-sourcing to serve each plant cluster locally, and co-location or adjacency of converters and processors to plant sites.

Strategic significance to Marico: Reducing inbound freight distances represents one of the most structurally effective ways to lower logistics emissions, as avoided tonne-kilometres cannot be offset by subsequent improvements in fuel efficiency or fleet performance. In FY2025-26, inbound road transportation accounted for 253.6 million tonne-kilometres and 21,704.9 tCO₂e, representing 41.3% of Category 4 emissions, including 18,169.6 tCO₂e from raw materials and 3,535.3 tCO₂e from packaging movement. Marico's geographically diversified manufacturing footprint, comprising facilities in Perundurai, Puducherry, Jalgaon, Sanand and Guwahati (NER I & II), creates opportunities to regionalise sourcing, establish local supply clusters and co-locate suppliers closer to manufacturing

sites. Optimising sourcing locations can reduce transport-related emissions while strengthening supply-chain resilience and responsiveness.

LG-02 Distribution Network Redesign and Direct Dispatch

Restructuring of the finished goods distribution network to reduce the number of handling echelons and the total distance each tonne travels between the point of manufacture and the point of sale - through direct dispatch from plant to distributor bypassing the depot, depot rationalization and relocation, hub-and-spoke or mother-warehouse redesign, and allocation of production to the plant nearest the demand for each stock keeping unit.

Strategic significance to Marico: Finished goods transportation is the single largest contributor within Marico's logistics footprint. In FY2025-26, movement from manufacturing and third-party facilities to depots generated 29,634.4 tCO₂e, representing 56.4% of Category 4 emissions, across 346.2 million tonne-kilometres. Category 9 downstream transportation contributed an additional 5,061.7 tCO₂e. Optimising the distribution network through direct dispatch models, depot rationalization, hub-and-spoke redesign and demand-oriented production allocation offers a significant opportunity to reduce freight distances and handling requirements. Importantly, Marico has already reported a 16.1% reduction in upstream transportation intensity against its FY2018-19 baseline, demonstrating established capabilities that can be scaled further to deliver additional emissions reductions.

LG-03 Modal shift from road to rail

Transfer of long-haul primary freight from road to rail, retaining road only for first mile and last-mile drayage. In the Indian context this means container rake services, parcel and express freight on the broad-gauge network, and access to inland container depots or private sidings, increasingly on electrified and dedicated freight corridor routes.

Strategic significance to Marico: A modal shift from road to rail offers one of the most attractive emissions-reduction opportunities within long-haul freight operations. While road freight in Marico's inventory carries an emissions factor of 0.0856 kgCO₂e per tonne-kilometre, electrified rail freight can operate at approximately one-third of that intensity. Applied to Marico's 346.2 million tonne-kilometres of primary finished-goods transport, shifting 10% of freight volume to rail could reduce emissions by approximately 2,000 tCO₂e, while a 20% shift could deliver reductions of approximately 4,000 tCO₂e, equivalent to 7.6% of Category 4 emissions. The Company's manufacturing footprint, particularly facilities serving distant markets across India, provides favourable conditions for rail adoption on long-haul corridors where both cost and carbon benefits can be realised.

LG-04 Route optimisation, load factor improvement and backhauling

Improvement in the efficiency with which road freight is performed - raising the payload carried per vehicle trip, matching vehicle size to consignment, consolidating loads across stock keeping units and destinations, sequencing multi-drop routes efficiently, and eliminating empty running by pairing return legs with available freight.

Strategic significance to Marico: Road freight remains the dominant source of logistics emissions, accounting for 599.8 million tonne-kilometres and 51,339.3 tCO₂e, equivalent to 97.8% of Category 4 emissions. Consequently, incremental efficiency improvements can deliver meaningful emissions reductions at scale. A 5% improvement in route efficiency, vehicle utilisation or effective tonne-kilometres travelled could reduce emissions by approximately 2,600 tCO₂e. Marico has already established key enablers, including route optimisation initiatives, telematics-enabled fleet monitoring, advanced transportation analytics and backhaul identification mechanisms, providing a strong foundation for further optimisation of freight operations.

LG-05 Vehicle efficiency and driver performance

Reduction in the fuel burned per tonne-kilometre of road freight, through the technical specification of the vehicles used and the way they are driven. The technical component covers fleet age and emission standard, aerodynamic treatment, tyre selection and maintenance, tare weight and drivetrain specification. The behavioural component covers driver training, telematics-based scoring on acceleration, braking, over-speeding and idling, speed governance and incentive design. The fuel component covers substitution into compressed and liquefied natural gas or blended biodiesel on long-haul routes.

Strategic significance to Marico: Improving the carbon efficiency of third-party transportation fleets complements network-based interventions by reducing emissions per tonne-kilometre transported. The lever applies to the same 51,339.3 tCO₂e road-freight emissions base addressed through route optimisation, with a 5% improvement in fleet efficiency capable of delivering approximately 2,600 tCO₂e of emissions reductions. As Marico predominantly relies on third-party logistics providers, implementation can be driven through procurement standards, carrier engagement and contract requirements rather than direct capital investment. Existing telematics infrastructure, already deployed across transportation partners, provides a strong platform for monitoring fuel efficiency, driver performance, idling behaviour and overall fleet productivity.



LG-06 Electrification of short-haul and last mile

Replacement of diesel light and medium commercial vehicles with battery-electric equivalents on short, fixed, predictable routes - distributor deliveries, urban multi-drop routes, plant-to-nearby-warehouse shuttles, and the e-commerce and quick-commerce delivery legs - together with electric three-wheelers on the final retailer-to-consumer leg in dense urban areas.

Strategic significance to Marico: Electrification presents a long-term opportunity to decarbonise short-distance freight and urban distribution activities. In FY2025-26, downstream transportation emissions under Category 9 totalled 5,061.7 tCO₂e, encompassing depot-to-distributor, distributor-to-retailer and retailer-to-consumer movements. Many of these routes involve predictable operating patterns and relatively short distances, making them well suited for electric commercial vehicles and electric three-wheelers. As e-commerce and modern trade channels continue to expand, the proportion of freight suitable for electrification is expected to increase. In addition to immediate emissions reductions, electrification offers a growing long-term benefit as India's electricity grid progressively decarbonises, strengthening the emissions-reduction potential of this lever over time.

Strategic Climate Adaptation Investment Framework

Marico's environmental investments have been mapped against the six environmental objectives of the EU Taxonomy to identify areas of potential contribution and guide capital allocation towards climate resilience and sustainable growth. The assessment indicates the strongest alignment with **Climate Change Mitigation, Climate Change Adaptation, Circular Economy, and Sustainable Use and Protection of Water Resources**, with biodiversity-focused initiatives also contributing to ecosystem protection and restoration. This assessment represents a preliminary eligibility and contribution mapping and does not constitute a formal EU Taxonomy alignment assessment.

To support the effective deployment of the framework, investments are organised across three complementary pillars that collectively strengthen product resilience, secure the supply base and improve resource efficiency across operations.

Pillar	Strategic Focus	Key Marico Initiatives
Product Development	Building climate-resilient, low-impact products and packaging that respond to evolving regulatory, environmental and consumer expectations.	Recyclable packaging, recycled-content integration, lightweighting, PVC elimination, EcoIndex, packaging circularity initiatives and climate-resilient product design.
Supply Chain Reorientation	Enhancing resilience of agricultural and packaging supply chains to climate-related disruptions, resource constraints and land-use pressures.	Parachute Kalpavriksha, climate-smart agriculture, farmer capacity building, water stewardship, responsible sourcing, SAMYUT and deforestation-free sourcing programmes.
Energy & Material Efficiency	Reducing operational emissions, resource intensity and exposure to energy, water and waste-related risks.	Renewable energy, biomass transition, energy-efficiency projects, water recycling, ZLD systems, rainwater harvesting, waste recovery and circularity initiatives.

07 Risks and Opportunities

Being cognizant of the climate related risks that arise from high energy demand, we have developed a robust energy and carbon management strategy that prioritizes actions related to design for low energy process and equipment, energy efficiency, fossil fuel avoidance, renewable energy transition, carbon forestry, and reduction of carbon footprint across our product's life cycle. We shall accelerate our transition to a lower carbon model. By implementing our Net Zero Roadmap in our own manufacturing units, we will be taking care of a significant part of the transition risks we could potentially face during this decade. We have specified our plan to cut down emissions by 93% in Scope 1 & Scope 2 by 2030. We shall invest in emission reductions related to logistics, packaging and third party manufacturing. We shall reduce the risk of deforestation through assessing our key ingredients as deforestation-free.

Marico's climate strategy focuses on:

Decarbonization

Advancing towards science-based GHG reduction targets across operations and value chain, expanding renewable energy adoption, and improving process efficiency.

Water Stewardship

Embedding water risk assessments at high-risk sites, reducing consumption, and replenishing shared water resources.

Responsible Sourcing

Partnering with farmers and suppliers to promote regenerative agriculture, traceability, and low-carbon practices.

Product & packaging innovation

Designing for circularity, reducing virgin plastic consumption, and scaling recyclable, solutions.

Resilient supply chain

Strengthening risk assessments, diversifying sourcing, and enhancing supplier capacity for climate resilience.

Consumer engagement

Using responsible marketing to promote sustainable lifestyles and awareness.

Physical Climate Risks

Coastal and extreme-weather exposure at plants

Marico's manufacturing footprint and agricultural supply chain are exposed to a range of acute and chronic physical climate risks. Approximately half of the Company's operations are located near India's western and southern coastlines, with facilities in Puducherry and the Northeast considered particularly exposed to severe weather events over the medium term. Floods, cyclones and other extreme-weather events may disrupt production, damage buildings and plant and machinery, and adversely affect asset lives. The financial exposure associated with this risk is indicatively estimated at INR 2.89–5.78 crore, representing approximately 5–10% of the combined net investment of around INR 57.8 crore in the Puducherry and Guwahati sites.

Marico addresses this exposure through climate-hazard screening during new-site selection, annual climate and water-risk assessments of existing facilities, appropriate insurance coverage, site-level business continuity planning and alternate production arrangements, as well as targeted resilience investments at higher-risk locations. The broader response cost identified in the CDP filing, including civil strengthening and a 15-day revenue continuity buffer, is approximately INR 388.5 crore, with the majority representing working-capital and business-interruption exposure rather than recurring annual expenditure.

Climate stress on agricultural input

Climate variability also presents a significant long-term risk to the agricultural commodities on which Marico's portfolio depends, including copra, edible oils and other farm-based inputs. Changes in rainfall patterns, increasing temperatures and extreme weather events may constrain supply, increase input prices and affect the quality of agricultural commodities, potentially reducing production throughput. The ability to pass such cost increases through to consumers may also be constrained by considerations of affordability and brand trust. This risk is assessed over the long term, with an indicative financial exposure of INR 158–316 crore, based on a potential 2–4% gross-margin impact on approximately INR 6,328 crore of edible-oil- and copra-linked revenue, together with a potential 0.5–1% volume impact. Marico is responding through climate-smart agricultural practices in collaboration with farmers, including improved drainage, harvesting practices and post-harvest drying and storage, with the objective of maintaining input quality and avoiding additional processing costs. The incremental response cost identified for this risk is approximately INR 0.81 crore, primarily associated with quality and processing requirements.

Commodity-market volatility amplified by climate

Climate-related variability may further amplify commodity-market volatility. During FY26, domestic copra prices increased by approximately 57% year on year, while rice bran oil prices increased by approximately 16% from an already elevated FY25 base. Climate-driven fluctuations in the yields of soybean, coconut and rice bran can increase procurement costs and place pressure on margins. Marico manages this exposure through diversified sourcing, planning buffers, measured pricing actions and continuous monitoring of commodity markets.

Climate Transition Risks

The transition towards a lower-carbon operating model is expected to create near-term investment requirements as Marico progresses towards its Net Zero objectives. Achieving the 2030 target requires a gradual shift away from fossil-based thermal energy and conventional grid electricity towards renewable electricity, bio-based thermal energy, energy-efficiency measures and digital energy-management solutions.

Low-carbon technology and CAPEX

While the above measures are expected to generate operating efficiencies over time, they may require additional capital expenditure in the near term. The indicative additional capital requirement is estimated at 5–15% of FY26 capital expenditure of INR 121.8 crore, equivalent to approximately INR 6.1–18.3 crore annually for comparable levels of investment. The Company is addressing this transition through initiatives such as variable-frequency drives, motor right-sizing, HVAC, compressor and blower optimisation, recyclable packaging and lower-impact product formulations. Approximately INR 0.25 crore was incurred during the year on selected efficiency and product or packaging trials, while broader renewable-energy expenditure is reflected under the Company's carbon-pricing response.

Internal Carbon Pricing

At Marico, we recognize climate change as both a strategic risk and an opportunity to create sustainable value. As part of our broader climate strategy, we have implemented an Internal Carbon Pricing (ICP) mechanism to incorporate the cost of carbon (for Scope 1 & Scope 2) into decision-making and to support our transition towards a low-carbon, future-ready organization.

Purpose:

- Integrate environmental externalities into financial and operational decisions
- Assess long-term risks associated with carbon-intensive investments
- Drive innovation in low-carbon technologies and improve operational efficiency
- Prepare business for future regulations such as carbon taxes or emissions trading schemes
- Prioritize climate-aligned capital allocation in line with our net-zero target

Methodology

Market-Linked Shadow Price- We continuously track the prevailing prices of high-quality carbon credits across both voluntary and compliance carbon markets. By basing our internal carbon price on the average trading range of these credits, we ensure that it accurately reflects the true cost of carbon emissions as determined by real world market dynamics. When making capital investment decisions, we carefully evaluate carbon costs associated with all available options throughout their entire lifecycle. By integrating market-linked shadow price into our decisions, we aim to select investments that align with sustainability objectives and cost-efficiency over time.

Implicit Internal Carbon Price - In addition to the market-linked price, we also consider an implicit internal carbon price. This reflects the effective cost of carbon abatement calculated by dividing the cost of emission reduction measures by the tonnes of CO₂e avoided. It captures indirect costs

associated with carbon emissions, such as regulatory risks, reputational impacts, and potential future carbon-related expenses that may not yet be reflected in market prices. By factoring in this implicit price, we ensure a more comprehensive assessment of carbon-related risks and opportunities, supporting more resilient and forward-looking investment decisions.

Application in Business Processes

Internal carbon pricing is integrated into key business decisions to ensure both financial and environmental considerations are accounted for:

- Capital Investment: All capital proposals exceeding a defined threshold include an internal carbon cost in lifecycle and business case evaluations.
- Project Prioritization: An implicit carbon price is used to evaluate abatement cost per tonne of CO₂e. Projects with higher impact and cost-effectiveness are prioritized in our decarbonization roadmap.
- Strategic Risk & Scenario Analysis: The ICP is applied in climate-related scenario planning to assess the resilience of business strategies under different regulatory futures.

Governance

The internal carbon price is reviewed annually by Marico's Sustainability and Finance functions, with oversight from the ESG council.

Climate-Related Opportunities

The transition to a lower-carbon economy also presents opportunities for Marico to reduce operating costs, strengthen resilience and create long-term value through renewable energy and resource efficiency.

Renewable and electrified energy

The Company is pursuing opportunities to scale rooftop solar, wind and solar power purchase agreements, hybrid renewable-energy procurement, green tariffs and renewable-energy certificates, while also evaluating the replacement of fossil-fuel-based thermal systems with electric boilers and heat pumps and the adoption of lower-global-warming-potential refrigerants such as R32. Renewable electricity is planned to increase from approximately 59.5% of electricity consumption in FY26 to approximately 93% by FY30. The Company estimates energy-cost savings of approximately INR 2.56 crore in FY26 compared with conventional power sources, with the benefits already reflected in the reporting year. Over the medium term, these investments are expected to provide financial benefits through returns on low-emission assets, lower energy costs and reduced exposure to future fuel and carbon-price increases.

Energy efficiency and process optimisation

Energy efficiency and process optimisation provide an additional opportunity to improve both financial and environmental performance. Initiatives implemented across sites, including variable-frequency drives, air-handling-unit optimisation, conveyor controls, timers and sensors, compressor cut-offs and

efficient lighting, generated approximately 236 MWh of energy savings and approximately INR 0.45 crore of cost savings during FY26. Further efficiency improvements equivalent to 1–2% of FY26 energy costs of INR 265.2 crore could potentially generate additional savings of approximately INR 2.65–5.30 crore, against an assumed realisation cost of INR 1.5 crore. These initiatives support margin improvement while simultaneously contributing to emissions reduction and the Company's Net Zero transition.

Climate Scenario Analysis and Integration into Strategy

Marico conducts climate scenario analysis annually across the organisation using both qualitative and quantitative approaches. Physical climate risks are primarily assessed using SSP2-RCP 4.5, with SSP5-RCP 8.5 applied as a severe downside scenario.

Purpose	Scenarios	Alignment / horizon
Physical risk	SSP2–RCP 4.5 (primary); SSP5–RCP 8.5 for stress	~2.5–2.9°C for RCP 4.5; reference year 2020; views at 2025, 2030, 2040
Transition risk / resilience	IEA NZE 2050 and IEA STEPS	Tests a 1.5°C-aligned pathway vs current-policy pathway

The analysis considers a 2020 reference year and evaluates projected conditions for 2025, 2030 and 2040, with RCP 4.5 representing an estimated warming range of approximately 2.5–2.9°C. Transition risk and resilience are assessed against the International Energy Agency's Net Zero Emissions by 2050 (IEA NZE 2050) and Stated Policies Scenario (IEA STEPS), enabling the Company to evaluate the implications of a 1.5°C-aligned transition against a current-policy pathway.

The physical-risk assessment incorporates facility- and sourcing-region-level analysis using the World Bank Climate Change Knowledge Portal and WRI Aqueduct. Key indicators include heat index exposure above 35°C, extreme heat days above 40°C, drought and water stress, as well as sea-level-rise exposure at coastal manufacturing facilities and logistics nodes. Agricultural productivity is assessed using a combination of historical 20-year climate data and projected 2040 conditions, with implications evaluated across sourcing volumes and geographic origins. RCP 4.5 is used as a plausible planning pathway in which climate policies are in place but warming continues, allowing the Company to assess moderate levels of disruption, water stress and changes in agricultural yields. RCP 8.5 is used as a severe downside scenario to test potential impacts from crop failures, heat, drought and physical damage to facilities.

The transition scenario analysis examines how movement towards a 1.5°C-aligned economy could affect Marico's operating-cost structure and investment requirements. The analysis indicates that transition risks associated with policy, markets and technology are expected to become increasingly relevant over the short to medium term, while physical risks remain material for manufacturing facilities and agricultural supply. By 2040, changes in agricultural yields and sourcing origins may require adjustments to the Company's supply chain. Under a high-emissions pathway, the analysis identifies potential risks including raw-material shortages and quality deterioration, weather-related plant outages and increased volatility in consumer demand. The filing also presents an illustrative revenue sensitivity of approximately +5–10% under a low-emissions setting compared with approximately –5–10% under RCP 8.5 in circumstances involving significant supply-chain disruption. In response, capital allocation is directed towards renewable energy, energy efficiency, water security, climate-smart sourcing and resilience measures at higher-risk facilities, including Puducherry and Guwahati.

Outcomes of Scenario Analysis

The outcomes of climate-risk and scenario analysis are integrated into risk identification, strategic and financial planning, business-model resilience, organisational capability building, target-setting and the Company's climate transition planning. This includes informing the 93% operational emissions-abatement pathway and the approach to managing residual emissions through sequestration or offsets. Together, these processes enable Marico to assess climate-related impacts over multiple time horizons and incorporate climate considerations into investment, operational and strategic decision-making.



08 Marginal Abatement Cost Curve (MACC)

The Marginal Abatement Cost Curve (MACC) is a decision-support tool used to assess and compare different decarbonisation measures based on the cost associated with reducing one tonne of CO₂e emissions. It enables Marico to evaluate the relative economic attractiveness of individual decarbonisation levers while considering their potential contribution towards emissions reduction.

A negative MACC indicates that a measure can potentially deliver emissions reductions while generating net financial benefits, whereas a positive MACC indicates that an additional cost is associated with achieving the emissions reduction. However, positive-cost measures can remain strategically important where they address residual emissions or provide alternatives in situations where lower-cost options are not feasible.

MACC Assessment

The MACC assessment for Marico's key Scope 1 and Scope 2 decarbonisation levers is presented below:

Decarbonisation Lever	Annualized Emission reduction (tCO ₂ e)	MACC (₹/tCO ₂ e)
Solar Installation	450.14	-13,455.81
PPA Hybrid	3350.43	-4,225.35
I-RECs	4976.92	98.59
Green Power Tariff	2550.84	1,126.76
Natural Gas to Electric Boiler	186.23	1,789.95
Replacing R410 with R32	826.89	2,418.69

Marico has assessed a range of Scope 1 and Scope 2 decarbonisation levers through a MACC assessment to understand their relative economic attractiveness and support the prioritisation of its decarbonisation roadmap. The assessment highlights a combination of cost-saving and investment-led measures, providing Marico with multiple pathways to reduce emissions across its operations.

Solar installation and Hybrid PPA emerge as economically attractive measures, with negative marginal abatement costs, indicating their potential to deliver emissions reductions while also generating economic benefits. These measures can therefore be prioritised where technically, operationally and commercially feasible.

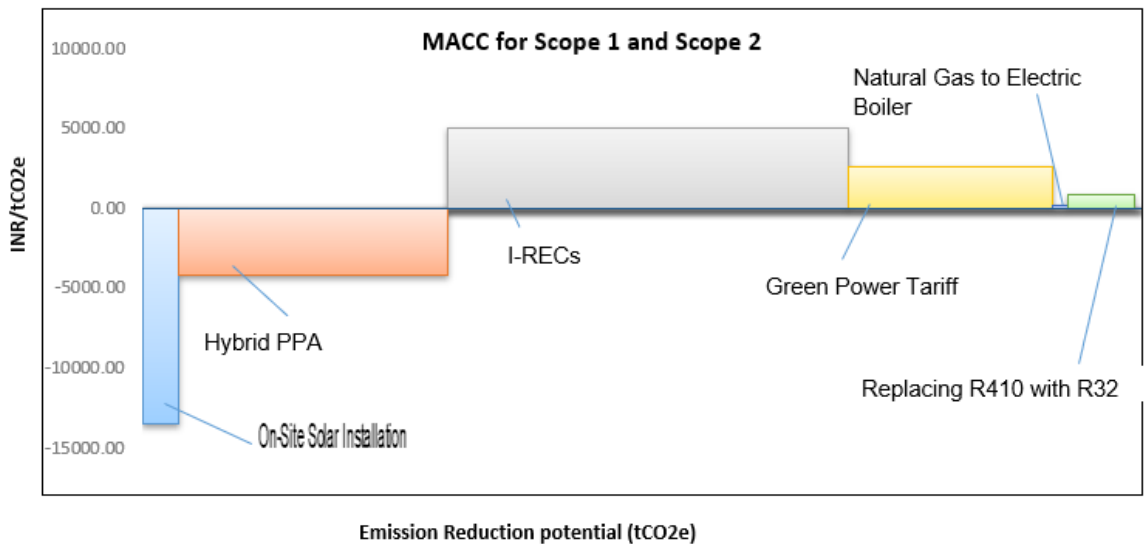
Other Scope 2 interventions, including I-RECs and green power tariffs, have positive marginal abatement costs. While these measures involve a marginal cost of abatement, they remain viable and strategically relevant alternatives for reducing market-based Scope 2 emissions, particularly at locations where on-site renewable energy generation or suitable PPA arrangements may not be

technically, contractually or operationally feasible. These mechanisms provide Marico with flexibility to continue increasing renewable electricity sourcing across its operational footprint.

For Scope 1, natural gas-to-electric boiler conversion and replacement of R410 with R32 refrigerant also have positive marginal abatement costs. Although these measures entail a marginal cost of emissions reduction, they represent important and viable interventions for addressing direct operational emissions. Boiler electrification can support the progressive transition away from fossil-fuel-based thermal energy, particularly as renewable electricity availability increases, while refrigerant substitution can reduce the emissions impact associated with higher-GWP refrigerants. These measures can therefore contribute towards addressing residual Scope 1 emissions that cannot be eliminated through energy efficiency or renewable electricity interventions alone.

Overall, the MACC assessment provides Marico with a portfolio-based approach to decarbonisation, enabling the organisation to prioritise economically attractive measures while retaining positive-cost interventions where they are required due to site-specific constraints or to address residual emissions. This balanced approach allows Marico to combine economically attractive opportunities with strategically necessary interventions, supporting a progressive and practical pathway towards its long-term decarbonisation objectives.

In a MACC, the height of each bar represents the marginal abatement cost (e.g., INR/tCO₂e), while the width represents the annual emission reduction potential (tCO₂e). Measures with negative abatement costs generate net financial savings over their lifetime.



09 Metrics and Disclosure

Marico has established a clear transition pathway towards achieving **Net Zero emissions across its India operations by FY2030 and global operations by 2040**, as outlined in its ESG 2030 Roadmap. The Company is targeting a **93% reduction in Scope 1 and Scope 2 emissions from its FY2012-13 baseline**, with residual emissions expected to be addressed through credible carbon removals and verified offset mechanisms. This science-informed approach prioritises absolute emissions reductions through renewable energy, energy efficiency, low-carbon technologies and the phased reduction of fossil-fuel dependence, reinforcing the credibility of Marico's decarbonisation strategy.

Climate action is embedded within Marico's broader business strategy as a driver of resilience, operational efficiency and long-term value creation. Supported by defined interim milestones, site-level implementation plans and a structured governance framework, the transition pathway seeks to strengthen energy security, manage evolving climate and regulatory risks, and support sustainable business growth. Through continued investment in decarbonisation and resource efficiency, Marico aims to build a future-ready, low-carbon business aligned with global climate ambitions and stakeholder expectations.

Metrics

Metric	UoM	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total energy consumption	GJ	180,122.4	174,369.4	176,162.2	204,616.1	190741.9
Renewable energy consumption	GJ	125,545.3	115,384.6	118,741.2	148,721.5	147493.1
Renewable energy share	%	69.7%	66.2%	67.4%	72.7%	77.3%
Energy intensity	GJ/Cr INR	24.02	23.32	25.16	26.99	20.29
Scope 1 emissions	tCO ₂ e	622.0	779.8	1,052.6	1,207.5	1653.73
Scope 2 emissions	tCO ₂ e	10,309.0	11,775.8	9,712.4	9,534.9	6229.44
Scope 1 and 2 emissions	tCO ₂ e	10,931.5	12,555.7	10,765.0	10,742.4	7882.72
Scope 1 and 2 intensity	tCO ₂ e/Cr INR	1.46	1.68	1.54	1.42	0.84
Scope 3 emissions	tCO ₂ e	561,192.0	547,125.7	560,753.4	549,807.6	559,942
Scope 3 intensity	tCO ₂ e/Cr INR	74.8	73.2	80.1	72.5	59.6
Biogenic emissions	tCO ₂ e	10,108.6	9,240.6	8,141.3	9,582.8	10283.802

Metric	UoM	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total water withdrawal	KL	121,939	128,831	130,433	144,659	124872.48
Water withdrawal intensity	KL/Cr INR	16.26	17.23	18.63	19.083	13.28
Total water discharge	%	0	0	0	0	0
Fresh water consumption intensity	KL/Cr INR	15.81	16.55	18.51	16.9	12.98
Hazardous waste generated and disposed	MT	55.2	79	104.4	183	253
Non-hazardous waste generated and disposed	MT	4,326.5	4,183.4	3,309.2	3,201.9	2764

Reporting cadence and the annual review cycle

Marico publishes an annual Climate Action Report covering the period from 1 April to 31 March, prepared with reference to IFRS S2 Climate-related Disclosures and aligned with the principles and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report is supported by a GHG inventory developed in accordance with ISO 14064-1:2018, ensuring a consistent and robust approach to emissions accounting and reporting.

The Company's climate governance and risk management processes incorporate annual climate risk assessments across short-term (1-3 years), medium-term (3-5 years), and long-term (5-10+ years) time horizons. Climate-related risks and opportunities are identified, evaluated, and prioritized considering both transition and physical climate impacts, enabling their integration into strategic planning, operational decision-making, and business resilience initiatives.

To ensure effective oversight and accountability, climate risk prioritization, mitigation measures, and transition-related action plans are reviewed and validated annually by the Risk Management Committee and the Sustainability Committee. In addition, Marico maintains an internal carbon pricing mechanism, which is reviewed annually by the Sustainability and Finance teams under the oversight of the ESG Council. This governance framework supports informed investment decisions, strengthens climate-related financial planning, and reinforces alignment between the Company's decarbonization strategy, enterprise risk management processes, and long-term Net Zero ambitions.

This integrated approach reflects the core elements of the TCFD framework, including Governance, Strategy, Risk Management, and Metrics & Targets, while supporting compliance with emerging global disclosure expectations under IFRS S2 and enhancing the credibility of Marico's climate transition plan.

An extensive plan is constructed as shown below:

When	What happens	Owner	Output
Monthly	Site-level enabler metrics and refrigerant top-up logs collected	Energy Management Cells	Site dashboard
Quarterly	Lever review against targets Variance explained lever by lever, not in aggregate	Functional taskforces reporting to the Global ESG Council	Lever status report
Half-yearly	Levers and respective costs reviewed	Sustainability, with Finance on the cost items	Updated assumption register
Annually	Inventory closed, outcome metrics computed, milestone position published, open items register updated, internal carbon price reset	Sustainability and Finance, reviewed by the Sustainability Committee and the Risk Management Committee	Climate Action Report and this transition plan, republished together
Annually	Progress tabled for shareholders	Board	AGM-linked review
Every three years, or on a trigger	Full plan reconstruction: counterfactual re-based, levers re-sized, targets re-cut if the pathway has moved	Sustainability with external support	Reissued transition plan

Disclosure alignment

Framework	Assessment and action
IFRS S2 and TCFD	Climate Action report is prepared with reference to IFRS S2, issued by the ISSB, built on the TCFD core recommendations, and that the ERM framework is aligned with IFRS S2
BRSR	British Standards Institution has carried out reasonable assurance of BRSR Core indicators
CDP	Climate Action Plan is aligned with CDP
ISO 14064-1:2018	Used as the quantification standard, with an operational control consolidation approach, and separate reporting of biogenic CO ₂
GHG Protocol	GHG emissions calculations are also according to GHG Protocol

Strategic Alliances

Industry Collaboration, Climate Advocacy and Collective Action:

Marico actively engages with industry associations and multi-stakeholder platforms to advance climate action, circular economy solutions, and sustainable value chains. Marico's Head of Sustainability is a member of the Sustainability Steering Committees and Climate Action taskforces of **CII, FICCI, and**

ASSOCHAM, contributing to industry dialogue, knowledge sharing, and the development of climate-resilient business practices.

Marico is a **Founding Member of the India Plastics Pact**, a collaborative initiative working towards a circular plastics economy through improved packaging design, increased recyclability, enhanced recycled content, and cross-value-chain collaboration. Marico's Sustainability Lead serves as **Co-Chair of the Pact**, demonstrating the Company's leadership in driving systemic sustainability solutions beyond its direct operations.

The Company is also a **Founding Member of SAARTH (Sustainable Action Alliance for a Resilient Tomorrow)** - a Climate Action Coalition launched by CII that brings together leading businesses, knowledge partners, and institutions to strengthen climate adaptation, energy security, supply chain resilience, and climate preparedness. Through this platform, Marico collaborates with industry peers to accelerate practical climate solutions and support a more resilient low-carbon economy.

These engagements complement Marico's operational decarbonization efforts by enabling collective action, supporting policy and industry-level progress, and strengthening the Company's ability to anticipate and respond to emerging climate-related risks and opportunities

Restatement and comparability policy

Where a change in boundary, emission factor or method affects the comparative series, Marico will restate the full affected series and not the current year alone, showing the previously published and restated figure for every affected year. Factor changes will be disclosed as named restatements rather than applied silently between reports. No reported figure will be revised in the same year as a change to its label or period heading without that being stated explicitly. Marico will maintain a single register of published figures as the source of record for the Climate Action Report, this plan and the BRSR, so that no metric carries two values across two documents.

