



ESG REPORT

Marico Limited | Last Update August 2023

About the Report

This is Marico's first ESG Data Report reflecting our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our critical impacts in the environmental, social and governance segments conducted during the financial year 2022-23.

The statements and statutory disclosures in this report are made in conformance with reporting guidelines and standards based on ESG frameworks defined by GRI (Global Reporting Initiative) Index, SASB Standards, and United Nations Sustainable Development Goals (UNSDGs).

The metrics and information presented in the financial year 2022-23 ESG Data Report pertains to Marico Limited, including its domestic and international business, subsidiaries, and joint ventures. This report provides a cross-reference to the places where the relevant data is publicly disclosed in Marico's [ESG microsite](#), policies, Integrated Report FY23 and Business Responsibility and Sustainability Report of FY23.

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ESG at Marico

Marico's sustainability goals have been the value-based differentiator for the business, that helps demonstrate stakeholder capitalism, social inclusion, responsible production, and consumption, and, above all, deep-seated impact on the communities that inspire us to thrive. With a successful conclusion of the first 5-year sustainability plan in FY 21-22 where we met all our goals on energy, emissions, packaging, and supplier management we launched our sustainability vision for 2030 on World Environment Day, 5th June 2022.

To operationalize our Sustainability 2.0 Strategy, we have outlined 8 focus areas: Water Stewardship, Climate change, Circular Economy, Diversity and Inclusion, Purposeful brands, Sustainable Agriculture, Responsible Sourcing, and Corporate Governance. We understand the significance of integrating ESG considerations into our core operations, aligning with our pursuit of a sustainable future for our entire ecosystem. We are committed to proactively embracing ESG practices, transparently communicating our efforts, and ensuring that materiality assessment guides our journey towards a resilient and sustainable tomorrow.

Our ESG Focus areas as follows:

1. Climate Change

Marico's climate-first business agenda begins with energy conservation and emissions reduction. Our carbon management strategy focuses on energy efficiency, renewable energy adoption, carbon forestry, and minimizing carbon footprint across our product life cycle to address climate-related risks.

All pertinent information regarding Climate Change data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 1.

2. Water Stewardship

Marico is committed to water neutrality and stewardship. Our facilities use Zero Liquid Discharge, reduce water consumption, and promote rainwater harvesting. We also support communities with water storage projects through our 'Jalashay' program.

All pertinent information regarding Water Stewardship data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 2.

3. Circular Economy

Marico is driving sustainable packaging innovations and aims for 100% recyclable packaging by 2025. Our 'Upcycle program' focuses on circularity principles, using recycled materials and 3R for waste management, with 9 key strategies to reach our 2030 goals.

All pertinent information regarding Circular Economy data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 3.

4. Responsible Sourcing

Marico's 'Samyut' framework promotes responsible sourcing by aligning with global sustainable supply chain standards. It covers five key value-chain partners: raw material suppliers, packaging suppliers, depots, convertors, and logistics, fostering environmental, social and ethical practices.

All pertinent information regarding Responsible Sourcing data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 4.

5. Purposeful Brands

Marico integrates sustainability into its core values, aligning its 5 brands with UN Sustainable Development Goals by 2030. These brands will disclose their sustainability impacts in line with UN-SDGs, emphasizing purpose, messaging, and actions for sustainable value creation.

All pertinent information regarding Purposeful Brands data points is available across three sections of the report such as GRI Index, SASB Index and Annexure 5.

6. Sustainable Agriculture

Marico prioritizes farmers' wellbeing and economic self-sufficiency as part of its shared value mission. Initiatives like the Parachute Kalpavriksha program involve over 100 agronomists who train small-scale farmers in sustainable practices, enhancing coconut cultivation's resilience and their income opportunities, aligning with the goal of sustainable agriculture.

All pertinent information regarding Sustainable Agriculture data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 6.

7. Diversity & Inclusion

Marico is committed to creating a diverse and socially inclusive workplace, where employees can bring authenticity and ownership at work. We believe that this culture fosters diverse thinking, encourages varied ideas, and leads to better business decisions.

All pertinent information regarding Diversity and Inclusion data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 7.

8. Corporate Governance

Marico emphasizes responsibility and good governance in all its activities. Over the decade of action till 2030, we are dedicated to promoting corporate governance, human rights and business ethics among all stakeholders. Our board remains committed to driving growth and innovation while maintaining the highest standards of corporate governance, shaping the company's values and actions.

All pertinent information regarding Corporate Governance data points is available across three sections of the report such as GRI Index, SASB Index, and Annexure 8.



Global Reporting Initiative (GRI) Index¹

¹ [Global Reporting Initiative Index \(GRI Index\)](#)

General Disclosure

GRI 102: GENERAL DISCLOSURES 2016

1. Organisational profile

102-1	Name of the organization	Marico Ltd.
102-2	Activities, brands, products, and services	Marico manufactures multiple products in the categories of processed food and Household and personal care products. <i>For detailed list of products refer to IR FY23 (Product Showcase), Page (20-27)</i>
102-3	Location of headquarters	7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East), Mumbai 400098
102-4	Location of operations	We operate in Middle East and North Africa, South and Sub-Saharan Africa, Southeast Asia, and South Asia <i>For detailed list of locations of operation refer to IR FY23 (Global Footprint), Page (7)</i>
102-5	Ownership and legal form	<i>For detailed description refer to IR FY23 (Board's Report), Page (188-244)</i>
102-6	Markets served	We operate in middle east and North Africa, South and Sub-Saharan Africa, Southeast Asia, and South Asia <i>For detailed list of locations of operation refer to IR FY23 (Global Footprint), Page (7)</i>
102-7	Scale of the organization	Marico has 7 manufacturing facilities located at Puducherry, Perundurai, Jalgaon, Guwahati, Baddi, and Sanand and Headquarters is in Mumbai. Marico is present in over 25 countries across emerging markets of Asia and Africa. Marico's consolidated turnover was 9764 crore in FY23.
102-8	Information on employees and other workers	<i>For detailed information about Marico employees refer to IR FY23 (BRSR), Page (146-147)</i>
102-9	Supply chain	<i>For detailed information on the supply chain refer IR FY23 (BRSR), Page (162-167)</i>
102-10	Significant changes to the organization and its supply chain	<i>For detailed information on the supply chain refer IR FY23 (BRSR), Page (162-167)</i>
102-11	Precautionary Principle or approach	<i>For detailed information on the supply chain refer IR FY23 (BRSR), Page (162-167)</i>
102-12	External initiatives	<i>For detailed information on the supply chain refer IR FY23 (BRSR), Page (162-167)</i>

2. Strategy

102-13	Membership of associations	<i>Refer to IR FY23 (BRSR Principle 7), Page (183)</i>
102-14	Statement from senior decision-maker	<i>Refer to IR FY23 (Chairman's Message and MD & CEO's Message), Page (8-15)</i>
102-15	Key impacts, risks, and opportunities	<i>Refer to IR FY23 (Risk Management), Page (34-43) and Annexure 1 of the report</i>

3. Ethics and integrity

102-16	Values, principles, standards, and norms of behaviour	<i>Refer to IR FY23 (BRSR - Principle 1), Page (156-159)</i> https://m.marico.com/india/about-us/values-and-culture
102-17	Mechanisms for advice and concerns about ethics	<i>Refer to IR FY23 (BRSR - Principle 1), Page (156-159)</i>

4. Governance

102-18	Governance structure	<i>For detailed description of the composition of the highest governance body refer to IR FY23 (Our leadership, Corporate Governance Report), Page (44, 209)</i>
102-20	Executive-level responsibility for economic, environmental, and social topics	<p>Managing Director & CEO is the Director responsible for ensuring the business responsibility/ sustainability activities of the Company. The Sustainability Committee is chaired by the Chief Legal Officer & Group General Counsel and comprises three more senior officials, who assist the MD & CEO in driving the sustainability agenda.</p> <p><i>For further details refer to IR FY23 (BRSR), Page (155)</i></p>
102-21	Consulting stakeholders on economic, environmental, and social topics	<p>We aim to partner with our communities to address the socio- economic and environmental concerns.</p> <p><i>Detailed description of our engagement with our shareholders refer IR FY23 (Stakeholder Engagement), Page (51-52)</i></p>
102-22	Composition of the highest governance body and its committees	<i>For detailed description of the composition of the highest governance body refer to IR FY23 (Our leadership, Corporate Governance Report), Page (44, 209)</i>
102-23	Chair of the highest governance body	<p>Harsh Mariwala Chairman & Non- Executive Director</p> <p><i>For detailed description of the composition of the highest governance body refer to IR FY23 (Our leadership, Corporate Governance Report), Page (44, 209)</i></p>
102-24	Nominating and selecting the highest governance body	<p>The Company has a well-defined process and criteria for selection of new Directors.</p> <p><i>For detailed description of the process refer to IR FY23 (Corporate Governance Report), Page (218-219)</i></p>
102-25	Conflicts of interest	<p>Conflict of interest provisions are embedded as part of Marico's Code of Conduct, which also applies to members of the Board.</p> <p><i>For further details on the mechanisms put in place for conflicts of interest refer to IR FY23 (BRSR – Principle 1), Page (159)</i></p>
102-26	Role of highest governance body in setting purpose, values, and strategy	<p>The Board plays a supervisory role rather than an executive role. Its role is to guide the Management, provide constructive critique on the strategic business plans and operations of the Company and advice on matters requiring domain expertise.</p> <p><i>For further details of roles and responsibilities at Marico refer to IR FY23 (Corporate Governance Report), Page (209-214)</i></p>
102-27	Collective knowledge of highest governance body	<i>For details refer IR FY23 (Corporate Governance Report), Page (206-235)</i>
102-28	Evaluating the highest governance body's performance	<p>A quantitative analysis and Board Effectiveness presentation with in-sighting feedback and trends is shared and presented by the Chairperson of the NRC to all Board Members.</p> <p><i>For detailed description of the process refer to IR FY23 (Board's Report), Page (192-193)</i></p>
102-29	Identifying and managing economic, environmental, and social impacts	<p>We established materiality of ESG topics through an informed engagement with internal and external stakeholders, based on the impact on business and expectations from stakeholders.</p> <p><i>For detailed description of the impacts refer IR (Materiality), Page (28-31)</i></p>

102-30	Effectiveness of risk management processes	Given the rapidly changing market dynamics, we regularly monitor the external environment to identify potential headwinds and proactively plan towards mitigating them. We are consistently working towards instilling more agility in our processes and systems, thereby strengthening our ability to adapt and effectively respond to the ever-evolving business circumstances. <i>For further description of the risk management processes refer IR (Risk Management), Page (42-43) and Annexure 1 of the report.</i>
102-31	Review of economic, environmental, and social topics	<i>For detailed description of the review process refer IR (Materiality), Page (28-31)</i>
102-32	Highest governance body's role in sustainability reporting	Managing Director & CEO, who is the Director responsible for ensuring the business responsibility/ sustainability activities of the Company. The Sustainability Committee is chaired by Chief Legal Officer & Group General Counsel and comprises three more senior officials of the Company assists MD & CEO in driving sustainability agenda.

5. Stakeholder engagement

102-40	List of stakeholder groups	Marico categorises it's stakeholders into consumers, shareholders, value chain partners, members, community, government and regulators <i>For details on stakeholder's list, refer to IR FY23 (Stakeholder Engagement), Page (48-67)</i>
102-41	Collective bargaining agreements	<i>For a detailed description please refer to BRSR (Principle 3), Page (164-165)</i>
102-42	Identifying and selecting stakeholders	<i>For details on stakeholder engagement and processes, refer to IR FY23 (Stakeholder Engagement), Page (48-67)</i>
102-43	Approach to Stakeholder Engagement	<i>For details on stakeholder engagement and processes, refer to IR FY23 (Stakeholder Engagement), Page (48-67)</i>
102-44	Key topics and concerns raised	<i>For details on stakeholder engagement and processes, refer to IR FY23 (Stakeholder Engagement), Page (48-67)</i>

6. Reporting practice

102-45	Entities included in the consolidated financial statements	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-46	Defining report content and topic Boundaries	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-47	List of material topics	To operationalize our Sustainability 2.0 Strategy, we have outlined 8 focus areas: Water Stewardship, Net Zero emission, Circular Economy, Diversity & Inclusion, Brands with Purpose, Sustainable Agriculture, Responsible Sourcing, and Corporate Governance. <i>For detailed description of material topics, refer IR FY23 (Materiality), Page (28-31)</i>
102-48	Restatements of information	<i>There are no restatements in FY23.</i>
102-49	Changes in reporting	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-50	Reporting period	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-51	Date of most recent report	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-52	Reporting cycle	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-53	Contact point for questions regarding the report	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-54	Claims of reporting in accordance with the GRI Standards	<i>The details have been included in IR FY23 (About), Page (3)</i>
102-55	GRI content index	GRI Index

102-56	External assurance	<i>The details of assurance of reported data have been included in IR FY23 (About), Page (3)</i>
GRI 103: MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its Boundary	To operationalize our Sustainability 2.0 Strategy, we have outlined 8 focus areas: Water Stewardship, Net Zero emission, Circular Economy, Diversity & Inclusion, Brands with Purpose, Sustainable Agriculture, Responsible Sourcing, and Corporate Governance. <i>For a detailed description of material topics, refer IR FY23 (Materiality), Page (28-31)</i>
103-2	The management approach and its components	To operationalize our Sustainability 2.0 Strategy, we have outlined 8 focus areas: Water Stewardship, Net Zero emission, Circular Economy, Diversity & Inclusion, Brands with Purpose, Sustainable Agriculture, Responsible Sourcing, and Corporate Governance. <i>For a detailed description of material topics, refer IR FY23 (Materiality), Page (28-31)</i>
103-3	Evaluation of the management approach	<i>A detailed Management Discussion and Analysis can be found in the IR FY23 (Board's Report - Management Discussion & Analysis), Page (190-194)</i>

Economic

GRI 200: ECONOMIC		
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed	<i>For the economic performance details refer IR FY23 (Investors), Page (52-55)</i>
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
203-1	Infrastructure investments and services supported	<i>All the investment details are provided in IR FY23 (Management Discussion & Analysis), Page (130-144)</i>
GRI 204: PROCUREMENT PRACTICES 2016		
204-1	Proportion of spending on local suppliers	As of FY23, 94% of our procurement by spends were from within India out of which 37% of the material was sourced directly from within the district and neighbouring districts. <i>For further details of procurements refer IR FY23 (Value Chain Partners), Page (78-81)</i>
GRI 205: ANTI-CORRUPTION 2016		
205-2	Communication and training about anti-corruption policies and procedures	<i>Details of all the training sessions have been disclosed in BRSR FY23 (Principle 1), Page (158)</i>
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<i>Details of all legal actions have been disclosed in BRSR FY23 (Principle 1), Page (157)</i>
GRI 207: TAX 2019		
207-1	Approach to tax	<i>Details of taxes have been discussed in detail in IR FY23 (Page (140-142, 273 and 370, 423))</i>
207-2	Tax governance, control, and risk management	<i>Details are mentioned in IR FY23 (Board's Report), page (188)</i>
207-4	Country-by-country reporting	<i>For the report Refer IR FY23 (Consolidated P&L Statements), Page (140)</i>

Environmental

GRI 300: ENVIRONMENTAL		
GRI 301: MATERIALS 2016		
301-1	Materials used by weight or volume	Raw Materials Consumed: 3,05,335.1 MT <i>For details of the material consumed, refer IR FY23 (Value Creation Model), Page (32-33)</i>
301-2	Recycled input materials used	We are gradually incorporating recycled plastic content in packaging. The plastic recovered from waste is converted into granules and utilised in the production of packaging materials. <i>To know our impacts, refer to IR FY23 (Environment), Page (124)</i>
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organization	<i>For details of energy management at Marico, refer IR FY23 (Environment), Page (112-113) and Annexure 1 of the report</i>
302-2	Energy consumption outside of the organization	<i>For details of energy management at Marico, refer IR FY23 (Environment), Page (112-113)</i>
302-3	Energy intensity	Marico's energy intensity per rupee of turnover has reduced from 25 GJ/Crore in FY22 to 24.4 GJ/Crore in FY23. <i>For further details refer to IR FY23 (BRSR - Principle 6), Page (175)</i>
302-4	Reduction of energy consumption	Marico has achieved 3.19% reduction in total energy consumption compared to last financial year. <i>For further details on our energy management, refer IR FY23 (BRSR - Principle 6), Page (175) and Annexure 1 of the report.</i>
GRI 303: WATER AND EFFLUENTS 2018		
303-1	Interactions with water as a shared resource	Marico has achieved 3.4% reduction in total water consumption compared to last financial year. <i>For details of our interaction with water as a shared resource, refer IR FY23 (Environment, BRSR - Principle 6), Page (118,176)</i>
303-2	Management of water discharge-related impacts	The manufacturing units operate on the principles of zero liquid discharge (ZLD) model, and the entire volume of industrial effluents is recycled within the operational boundaries of our facilities, utilising the treated water for administrative and gardening purposes. <i>For further details refer IR FY23 (Environment), Page (118)</i>
303-3	Water withdrawal	128831.2 Kilolitres water had been withdrawn. <i>For further distribution of this data refer IR FY23 (BRSR - Principle 6), Page (176)</i>
303-4	Water discharge	Nil. The manufacturing units operate on the principles of zero liquid discharge (ZLD) model, and the entire volume of industrial effluents is recycled within the operational boundaries of our facilities, utilising the treated water for administrative and gardening purposes. <i>For further distribution of this data refer IR FY23 (BRSR - Principle 6), Page (179-181)</i>
303-5	Water consumption	128831.2 Kilolitres of freshwater was consumed. We also monitor water consumption for utilities(114662.2 Kilolitres). <i>For further distribution of this data refer IR FY23 (BRSR - Principle 6), Page (176)</i>
GRI 304: BIODIVERSITY 2016		

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	All of the seven manufacturing facilities of Marico in 21.7 hectares of area are situated within government-designated or Private Industrial areas, exclusively allocated for industrial purposes. It is essential to emphasize that all biodiversity-related checkpoints and evaluations are meticulously conducted by the Government of India, ensuring compliance and adherence to environmental standards and regulations. Green coverage of all manufacturing facilities: 27.22% <i>For further details of the sites refer IR FY23 (BRSR - Principle 6), Page (182)</i>
304-3	Habitats protected or restored	Considering the depleting green cover and its impact on local environmental conditions and biodiversity, we engage in afforestation activities to combat global warming, reduce air pollution, arrest soil erosion and create an ambient atmosphere for local flora and fauna to thrive. As part of our afforestation drive, in FY23, plantation of 73,250 trees were initiated, in the districts of Rajasthan, Assam, Himachal Pradesh, Maharashtra, Gujarat and Meghalaya. <i>For further details of our afforestation program refer to IR FY23 (Communities), Page (96)</i>
GRI 305: EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	779.9 Metric tons of CO2 equivalent were the scope 1 GHG Emissions. <i>For further details on emissions refer IR FY23 (BRSR - Principle 6), Page (176 - 177)</i>
305-2	Energy indirect (Scope 2) GHG emissions	11,775.8 Metric tons of CO2 equivalent were the scope 2 GHG emissions. <i>For further details on emissions refer IR FY23 (BRSR - Principle 6), Page (176 - 177)</i>
305-3	Other indirect (Scope 3) GHG emissions	54,7126 Metric tons of CO2 equivalent were the scope 3 GHG emissions. <i>For further details on emissions refer IR FY23 (BRSR - Principle 6), Page (176 - 177)</i>
305-4	GHG emissions intensity	1.76 tCO2e/unit Crore revenue has been the GHG emissions intensity. <i>For further details on emissions refer IR FY23 (BRSR - Principle 6), Page (176-177)</i>
305-5	Reduction of GHG emissions	In FY23, the Scope 3 GHG emissions for India operations stood at 5,47,126 tCO2e, resulting in ~12% reduction in Scope 3 Emission Intensity as compared to base year FY19. <i>For further details on emissions refer IR FY23 (BRSR - Principle 6), Page (176 - 177)</i>
GRI 306: WASTE 2020		
306-2	Management of significant waste-related impacts	<i>All our waste management strategies are mentioned in detail in IR FY23 (BRSR - Principle 6), Page (177-178)</i>
306-4	Waste diverted from disposal	<i>All our waste management strategies are mentioned in detail in IR FY23 (BRSR - Principle 6), Page (177-178)</i>
GRI 307: ENVIRONMENTAL COMPLIANCE 2016		
307-1	Non-compliance with environmental laws and regulations	In FY23, Marico did not register any environmental or social non-compliance. <i>For further details refer IR FY23 (Environment), Page (122)</i>
GRI 308: Supplier Environmental Assessment 2016		

308-1	New suppliers that were screened using environmental criteria	<p>Marico's responsible sourcing framework covers all critical Tier 1 suppliers (across categories) who get assessed on core environmental principles that are part of the Samyut thrust areas. These suppliers include both existing as well as new suppliers who qualify for the 'critical' category. . Critical value chain partners are defined as using three criteria – Highest procurement share or volume share in the respective category, uniqueness of materials, products and/or services and dedicated association with Marico. We expect all our partners to refer and adhere to the terms indicated under Marico's Samyut policy, and apply the outlined principles in their businesses.</p> <p><i>For further details of Samyut refer IR FY23 (Value Chain Partners), Page (80-81)</i></p>
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Social

GRI 400: SOCIAL		
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	<p>Employee turnover rate for the reported tenure is 16.23%. And turnover rate for workers is 0%.</p> <p><i>For further details refer to IR FY23 (BRSR - Employees), Page (146-147)</i></p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p><i>For details of benefits provided to our people refer IR FY23 (People), Page (68-77)</i></p>
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	<p>Health & Safety Management systems have been extensively implemented at Marico.</p> <p><i>For a detailed disclosure of our OHSMS refer to IR FY23 (BRSR - Principle 3), Page (165)</i></p>
403-2	Hazard identification, risk assessment, and incident investigation	<p>At the factory level, robust systems such as Hazard Identification & Risk Assessment, Work Permit system, training, toolbox talks, etc., ensure that all routine & nonroutine activities are assessed at defined frequencies to reduce the risks involved in the jobs. All incidents are investigated to derive meaningful insights and identified corrective and preventive actions are implemented within the stipulated time frames across all our sites to prevent a similar mishap in future.</p> <p><i>For further details of our mechanisms for Occupational health and safety refer IR FY23 (BRSR - Principle 3), Page (165)</i></p>
403-3	Occupational health services	<p>Every Marico factory either has a tie-up with a hospital/ doctor or has a Health Centre located inside the facility. Further, all employees must undergo a pre-employment medical health check-up. Regular medical check-up camps are organized by factories at defined frequencies. All employees are covered through appropriate medical insurance provided by the organization and all contract workers are provided insurance through their contractors. Workers also have access to medical facilities like ESIC.</p> <p><i>For further details of occupational health services provided to the employees and workers refer to IR FY23 (BRSR - Principle 3), Page (165)</i></p>
403-4	Worker participation, consultation, and	<p>Workers have different avenues to raise their concerns on SHE related matters.</p>

	communication on occupational health and safety	<i>For further details of our mechanisms for Occupational health and safety refer IR FY23 (BRSR – Principle 3), Page (165)</i>
403-5	Worker training on occupational health and safety	All workers and contract labour engaged in Marico facilities are trained before they commence their jobs. Emphasis is laid on safety training and it is ensured that no untrained workforce is carrying out jobs, be it routine or non-routine. <i>For further details of our mechanisms for Occupational health and safety refer IR FY23 (BRSR – Principle 3), Page (165)</i>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety & health assessment of warehousing partners & third-party contract manufacturing partners identified opportunities to improve electrical safety and material storage practices. Marico provided necessary technical support and ensured corrective actions. Marico engages with its business associates on periodic basis to discuss safety, health and environment practices and provide necessary inputs. <i>For further details refer IR FY23 (Value Chain Partners), Page (85-86)</i>
403-8	Workers covered by an occupational health and safety management system	All workers and contract labour engaged in Marico facilities are trained before they commence their jobs thereby ensuring communication of occupational health and safety management system to 100% of the workers. <i>For further details of our mechanisms for Occupational health and safety refer IR FY23 (BRSR – Principle 3), Page (165)</i>
403-9	Work-related injuries	No fatality was reported in the reporting tenure. <i>For further details refer IR FY23 (BRSR – Principle 3), Page (166)</i>
403-10	Work-related ill health	No incident was reported in the reporting tenure causing ill health. <i>For further details refer IR FY23 (BRSR – Principle 3), Page (166)</i>

GRI 404: TRAINING AND EDUCATION 2016

404-1	Average hours of training per year per employee	2.67 hours of training was provided per employee on average. 4,882 Manhours of training on health and safety for employees and workers. <i>For further description, refer IR FY23 (Value-creation Model), Page (32-33)</i>
404-2	Programs for upgrading employee skills and transition assistance programs	Marico is gearing itself to ensure the right capabilities, skills, and diversity across levels to anchor its journey towards Marico 3.0. <i>To know about the programs in detail refer to IR FY23 (People), Page (71-77)</i>
404-3	Percentage of employees receiving regular performance and career development reviews	91.7% employees received regular performance and career development reviews. <i>For further details of the reviews refer IR FY23 (BRSR – Principle 3), Page (164)</i>

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	Share of women in all management positions, including junior, middle and top management: 27.55% Share of women in junior management positions, i.e. first level of management: 28.4% Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions: 25% Share of women in management positions in revenue-generating functions (e.g. sales): 32.08%
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		<p>Share of women in STEM-related positions: 14.85%</p> <p><i>For the detailed profile of Marico's diversity refer IR FY23 (BRSR - IV. Employees), Page (146-147)</i></p> <p><i>Note: Our targets are not publicly defined for diversity and Inclusion</i></p>
GRI 406: NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	<p>No incidents of discrimination were reported in the reporting tenure.</p> <p><i>For details on complaints filed and corrective actions taken refer IR FY23 (BRSR - Principle 5), Page (173-174)</i></p>
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p><i>For a detailed description please refer to IR (BRSR Principle 3), Page (164-165)</i></p>
GRI 408: CHILD LABOR 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	<p>100% of our plants and offices that were assessed (by entity or statutory authorities or third parties) for the risk of child labour.</p> <p><i>For details on the assessment refer IR FY23 (BRSR - Principle 1), Page (174)</i></p>
GRI 409: FORCED OR COMPULSORY LABOR 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<p>100% of our plants and offices that were assessed (by entity or statutory authorities or third parties) for the risk of forced or compulsory labour.</p> <p><i>For details on the assessment refer IR FY23 (BRSR - Principle 1), Page (174)</i></p>
GRI 412: HUMAN RIGHTS ASSESSMENT 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>All facilities of Marico are assessed with ISO 45001 and OSHA 18001 which covers key requirements related to labour, working conditions and human rights. Apart from that, Marico has initiated internal audits on principles of SA8000 and a detailed assessment is done 3 facilities (Jalgaon, Sanand and PDRI). All observations are closed.</p> <p><i>For further details refer IR (BRSR - Principle 5), Page (174)</i></p>
412-2	Employee training on human rights policies or procedures	<p>100% of employees, as well as workers, are trained for human rights policies and procedures.</p> <p><i>For details of the trainings refer IR FY23 (BRSR - Principle 5), Page (172-173)</i></p>
GRI 413: LOCAL COMMUNITIES 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	<p>Initiatives for the following were put in place for community engagement and impact: Health and Community welfare, enhancing socio-economic development and livelihood restoration, Fostering social innovation that creates incremental value for communities, Drive eco-conscious behaviour and lifestyles changes to improve sustainability footprint, and Propelling social leadership and empowerment</p> <p><i>For details of all the programs refer IR FY23 (Communities), Page (88-107)</i></p>
413-2	Operations with significant actual and potential negative impacts on local communities	<p>Initiatives for the following were put in place for community engagement and impact: Health and Community welfare, Enhancing socio-economic development and livelihood restoration, Fostering social innovation that creates incremental value for communities, Drive eco-conscious behaviour and lifestyles changes to improve sustainability footprint, and Propelling social leadership and empowerment.</p>

		<i>For details of all the programs refer IR FY23 (Communities), Page (88-107)</i>
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016		
414-1	New suppliers that were screened using social criteria	<p>Marico's responsible sourcing framework covers all critical Tier 1 suppliers (across categories) who get assessed on core environmental principles that are part of the Samyut thrust areas. These suppliers include both existing as well as new suppliers who qualify for the 'critical' category. Critical value chain partners are defined as using three criteria – Highest procurement share or volume share in the respective category, uniqueness of materials, products and/or services and dedicated association with Marico. We expect all our partners to refer and adhere to the terms indicated under Marico's Samyut policy and apply the outlined principles in their businesses.</p> <p><i>For further details of Samyut refer IR FY23 (Value Chain Partners), Page (80-81)</i></p>
GRI 415: PUBLIC POLICY 2016		
415-1	Political contributions	No political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups contributions or spending were made by Marico in the last FY23.
GRI 416: CUSTOMER HEALTH AND SAFETY 2016		
416-1	Assessment of the health and safety impacts of product and service categories	<p>Marico's Quality Management Framework governs ingredient safety and product quality at each stage in the value chain.</p> <p><i>For details of our product quality and safety assurance mechanisms refer IR FY23 (Product Quality & Safety), Page (59-61)</i></p>
GRI 417: MARKETING AND LABELING 2016		
417-1	Requirements for product and service information and labelling	<p>We communicate the nutritional benefits on our labels designed as per the Food Safety and Standards (Advertainment and Claims) Regulation 2018 and mention benefits of balanced diet and exercise for our consumers.</p> <p><i>For further details refer IR FY23 (Product Labelling), Page (61)</i></p>
GRI 418: CUSTOMER PRIVACY 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>There have been no complaints filed in the reporting period concerning breaches of customer privacy and losses of customer data.</p> <p><i>For further details of complaints refer IR FY23 (BRSR - Principle 9), Page (186)</i></p>
GRI 419: SOCIOECONOMIC COMPLIANCE 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	<p>In FY23, Marico did not register any environmental or social non-compliance.</p> <p><i>For further details refer IR FY23 (Environment), Page (122)</i></p>



Sustainability Accounting Standards Board (SASB) Index²

² [SASB Standards](#)



Sector: Household and personal products

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Water Management	(1) Total water withdrawn	Quantitative	Thousand cubic meters(m ³)	CG-HP-140a.1	0.128831 m3 <i>For detailed information refer to IR FY23 (BRSR), Page (176) and Annexure 2 of the report.</i>
	(2) Total water consumed	Quantitative	Thousand cubic meters(m ³)		0.128831 m3- Total water consumed 0.114662 m3 – Water consumed for Utilities and operations. <i>For detailed information refer to IR FY23 (BRSR), Page (176) and Annexure 2 of the report.</i>
	percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%)		71.92% <i>For detailed information refer to CDP-Water Security FY23, Chapter W5: Facility Level Water Accounting and Annexure 2 of the report.</i>
	percentage of water consumed in regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%)		71.92% <i>For detailed information refer to CDP-Water Security FY23, Chapter W5: Facility Level Water Accounting. and Annexure 2 of the report.</i>
	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Discussion and Analysis	n/a	CG-HP-140a.2	The identified risk is of Freshwater availability: Marico relies on agricultural produce for raw materials. Water shortages can lead to supply chain disruptions, crop failures, and increased production costs for the company. Mitigation Strategies:

					<ul style="list-style-type: none"> Assess water stress at locations of source agriculture farms. Undertake water conservation efforts in collaboration with community through various capacity creation measures. Reduce freshwater consumption at manufacturing facilities <p><i>For detailed information please refer to Annexure 1 and 2 of the report</i></p>
Product Environmental, Health, and Safety Performance	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	n/a	FB-PF-260a.2	<p>Marico is a keen proponent of healthy and active lifestyle. We not only reach out to consumers with our healthy products, but also engage with relevant stakeholders to bring a behavioural change towards making the right choice in eating and healthy living. Healthy food range has witnessed significant innovations in FY22 that aim to provide nutrition and build immunity of our consumers. We extended our Saffola Fittify range of products with the major objective towards providing health benefits and improving the immunity of our consumers.</p>
Packaging Lifecycle Management	Total weight of packaging	Quantitative	Metric tons(t)	CG-HP-410a.1	<p>Packaging material consumed: 45,917.4 MT.</p> <p><i>For detailed information refer IR FY23(Value-creation Model), Page (32-33)</i></p>
	percentage made from recycled and/or renewable materials,	Quantitative	Percentage (%)	CG-HP-410a.1	<p>0.58% of our plastic packaging material is made from recycled material.</p> <p><i>For detailed information refer to IR FY23 (BRSR), Page (161)</i></p>



	percentage that is recyclable, reusable, and/or compostable	Quantitative	Percentage (%)	CG-HP-410a.1	Recyclable packaging share: 94.5%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	CG-HP-410a.2	<ol style="list-style-type: none"> 1. Dematerialization and resource efficiency in product design, manufacturing, and packaging 2. Integrate circularity into packaging. 3. Concerted efforts to increase recyclability of packaging 4. Use of recycled materials in packaging 5. Elimination of hazardous materials and non-recyclable materials from packaging 6. We are taking quantifiable and pragmatic reduction targets on a short, medium, and long-term basis through optimisation of business-related travels, reconfiguration of logistics footprint, sustainable packaging solutions, recycling, and reuse of waste, and joining forces with critical value chain partners to implement green projects. 7. Paper based corrugated boxes are used for secondary packaging of products. Opportunity was identified to reduce carbon footprint by replacement of paper with different grade. 8. Successful design changes were made in bottle for increasing recycled PET content from 5% to 20% in various packaging units.



Activity Metric:

Topic	Metric	Category	Unit of Measure	Code	Response
Activity Metric	Units of products sold	Quantitative	Number	CG-HP-000.A	2041915509
	total weight of products sold	Quantitative	Metric tons (t)	CG-HP-000.A	293529.1 MT



Sector: Processed Food

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Water Management	(1) Total water withdrawn	Quantitative	Thousand cubic meters(m ³)	CG-HP-140a.1	Refer to the previous section (Sector: Household and personal products)
	(2) total water consumed	Quantitative	Thousand cubic meters(m ³)		
	percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%)		
	Number of incidents of non-compliance associated with water quantity and/or equality permits, standards, and regulations	Quantitative	Number	FB-PF-140a.2	0 For detailed information report refer to IR FY23 (BRSR Principle 6), Page (179)
	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Discussion and Analysis	n/a	CG-HP-140a.2	Refer to the previous section (Sector: Household and personal products)
Energy Management	Total energy consumed	Quantitative	Gigajoules (GJ)	FB-PF-130a.1	175,885.2 GJ



					<i>For detailed information refer to IR FY23 (BRSR), Page (175-176)</i>
	percentage grid electricity	Quantitative	Percentage (%)	FB-PF-130a.1	33.51 <i>For detailed information refer to IR FY23 (BRSR), Page (175-176)</i>
	percentage renewable	Quantitative	Percentage (%)	FB-PF-130a.1	66.49% <i>For detailed information to IR FY23 (BRSR), Page (175-176)</i>
Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	n/a	FB-PF-260a.2	<i>Refer to the previous section (Sector: Household and personal products)</i>
Packaging Lifecycle Management	Total weight of packaging	Quantitative	Metric tons(t)	CG-HP-410a.1	<i>Refer to the previous section (Sector: Household and personal products)</i>
	percentage made from recycled and/or renewable materials,	Quantitative	Percentage (%)	CG-HP-410a.1	
	percentage that is recyclable, reusable, and/or compostable	Quantitative	Percentage(%)	CG-HP-410a.1	
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	CG-HP-410a.2	<i>Refer to the previous section (Sector: Household and personal products)</i>
Ingredient sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage(%) by cost	FB-PF-440a.1	Rice bran: 14.67%
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Discussion and Analysis	n/a	FB-PF-440a.2	<i>For detailed analysis of risk and mitigation strategies refer to IR FY23 (Risk Management) , Page (196-201)</i>

Activity Metric:

Topic	Metric	Category	Unit of Measure	Code	Response
Activity Metric	total weight of products sold	Quantitative	Metric tons (t)	CG-HP-000.A	<i>Please refer to previous section (Sector: Household and personal products)</i>
	Number of manufacturing facilities	Quantitative	Number	CG-HP-000.B	7 <i>For detailed information, refer to IR FY23 (Global footprint), page (6-7)</i>

*Footnote: You can find our Annual Integrated Report 2023 and additional downloads on our sustainability site's [Reports page](#). The details of the initiatives/programs mentioned in this report and their impacts can also be found on our [sustainability site](#).



Annexure 1: Climate Change

What this section contains -

Climate-resilient business agenda is considered as an impact multiplier at Marico. Our policies, vision, goals and commitments towards shaping a carbon neutral future across our organizational footprint has been described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights two critical aspects of our climate change related initiatives –

1. Identification, quantification and management of our climate related risks and opportunities
2. Efforts being taken to lower carbon footprint of products

Climate-related risks and Opportunities

At Marico, there is a structured approach to board oversight of climate-related risks. Climate issues are a recurring item on the agenda of the board of directors, with a dedicated annual review. Additionally, there exists a designated management position or committee specifically entrusted with the responsibility of addressing and managing climate-related matters. This framework underscores our commitment to proactive governance and strategic management of climate risks within the organization. Below, we have listed down the most significant Climate-related risks for Marico in its direct operations and supply chain with the potential financial or strategic impact on business.



Climate-related Scenario Analysis

Scenario 1:

Transition scenario: IEA NZE 2050

Scenario Analysis Coverage: Company wide

Parameters, assumptions, analytical choices:

Marico has considered climate change as one of the business-critical areas and to tackle it, we have aligned our emission reduction targets in line with the Intended Nationally Determined Contribution (INDC). Marico's net zero emissions target in global operations has been set for 2040. In India, however, we intend to achieve net zero in operations by 2030 from the baseline year FY13. Marico Limited (India Business) has committed to reducing Scope 1 and Scope 2 GHG emissions by 93%, and offset the remaining 7% emissions through sequestration, and carbon offset by 2030. We believe that the aforementioned targets will enable us to contribute significantly towards India's commitments to United Nations' Sustainable Development Goals (SDGs), in particular Goal 7, to ensure universal access to affordable, reliable and modern energy services, and Goal 13 towards climate action. Our climate transition plan aspires to enable India to take significant strides towards increasing the share of renewable energy in the energy mix, and the improvement of the energy efficiency rate. We have used internal data sources such as historical financial results, scope 1,2 & 3 emissions, and commodity spends. The analysis encompasses Marico's complete value chain.

Parameters: Transition to renewables, investments in low-carbon technology options, carbon forestry and 100% phase-out of fossil fuels from our operations are the key enablers for the Company to transcend into its net zero, carbon neutral and climate-resilient future. We are in the process of conducting a full-fledged scenario analysis to understand our analytical choices and impacts in a better way.

Scenario 2:

Physical climate scenarios: RCP 4.5

Scenario Analysis Coverage: Country/Area



Parameters, assumptions, analytical choices: Marico's Approach to Assessing Water and Climate-Related Risks using RCP 4.5 Scenario

Marico, a company committed to sustainable practices, acknowledges the importance of understanding and mitigating water and climate-related risks. To achieve this, we have adopted the Representative Concentration Pathway (RCP) 4.5 scenario, which represents a future where stringent climate policies are implemented, resulting in a moderate level of greenhouse gas emissions.

Utilizing 20-Year Data of SSP2 RCP4.5 scenario to assess Climate-Related risks:

To derive meaningful conclusions about the likelihood of specific climate-related risks, we have utilized 20-Year Data of SSP2 RCP4.5 scenario.

Methodology for Assessing Productivity and Crop Damage Risk:

To evaluate the impact of rising temperatures on agricultural productivity, Marico employs two key indicators: the Heat Index and Hit Days. The Heat Index is calculated based on temperature and humidity, providing insights into the human-perceived equivalent temperature. They focus on the Heat Index exceeding 35 degrees Celsius, as prolonged exposure to such extreme heat can lead to potential disruption in operations and create potential health risks for workers.

Hit Days, on the other hand, represent the number of days when the temperature surpasses 40 degrees Celsius. These high-temperature events can be detrimental to crops, causing heat stress and potential crop damage.

Water-Related Risk Assessment:

Marico's approach to water-related risk assessment encompasses three crucial factors:

Water Droughts: They evaluate the likelihood of drought events occurring in their operational regions. A comprehensive analysis of historical climate data and rainfall patterns over the past 20 years (2020-2040) is conducted to estimate the probability of future water droughts.



Water Stress: Understanding the stress on water resources is vital to ensure sustainable water management. Marico assesses water stress levels in the areas where they operate, taking into account factors such as population growth, water demand, and availability. This helps them gauge the risk of water scarcity in their supply chain and manufacturing processes.

Sea Level Rise: Given the potential impacts of climate change on coastal regions, Marico considers sea level rise scenarios. By analyzing projections and vulnerability assessments, they can prepare for potential disruptions to coastal infrastructure, supply chains, and the communities they serve.



Climate Risks

Risk 1:

Risk occurs: Direct operations

Risk type: Acute physical

Primary climate-related risk driver: Increased severity and frequency of extreme weather events

Primary potential financial impact: Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Company-specific description:

Marico's extensive operational base is vulnerable to climate risks which may result in operational disruptions or damages to plants, property, and machinery from extreme weather events like floods, droughts, and cyclones. We have identified three of our manufacturing facilities (One unit at Pondicherry and Two units at Guwahati) to have a higher probability of exposure to such natural catastrophic events. Any such event occurring within a radius of 10 km of our operations can create disruption to our operations and have an impact. The occurrence of such events will lead to an increase in capital cost arising from the incurred asset damage and replacement of equipment/machinery. Measures are being taken to effectively manage the risks in such vulnerable facilities and make them climate resilient. Scenario used to assess the climate risk -

- Marico evaluated climate conditions at its facilities using RCP4.5 and SSP2 scenarios.
- RCP4.5 scenario indicates a moderate greenhouse gas emissions trajectory with a projected 2.4°C temperature increase by 2100.
- SSP2 focuses on moderate success in addressing environmental challenges while prioritizing socio-economic development and balanced growth.



We have identified potential challenges include water stress, droughts, extreme weather events, and heat stress at Marico's facilities by using the database of world bank portal and WRI aqueduct tool. We have also assessed climate conditions and vulnerabilities in regions where it procures raw materials by taking average of 20 years climate data to ensure data authenticity. This analysis helps identify climate-related risks to the supply chain and enables the development of strategies to ensure raw material availability and minimize disruptions. Overall, Marico's adoption of these scenarios enables a proactive approach to build climate resilience in its operations and supply chain.

Time horizon: Long-term

Magnitude of impact: Medium

Potential financial impact figure – minimum (Rs): 139,500,000

Potential financial impact figure – maximum (Rs): 279,000,000

Explanation of financial impact figure:

Step 1: Identify the Categories of Potential Financial Impact

Marico has identified two categories that could be impacted in the event of a natural disaster within their manufacturing facilities. These are:

Category-1: Asset Damage & Replacement

Category-2: Inventory Losses

Step 2: Calculate the Financial Impact in Category-1 (Asset Damage & Replacement)

2.1. Determine the Net Investment in Manufacturing Facilities:

The net investment in the three manufacturing facilities in Pondicherry and Guwahati is estimated to be INR 207 crores. This includes the cost invested in buildings, Plants & Machinery.

2.2. Estimate the Range of Financial Impact:

Based on internal analysis, the estimated range of the financial impact is around 5-10% of the gross investment made in these operational units.

2.3. Calculate the Minimum Financial Impact:

Minimum Financial Impact = 5% of INR 207 crores = INR 10.35 crores

2.4. Calculate the Maximum Financial Impact:

Maximum Financial Impact = 10% of INR 207 crores = INR 20.7 crores

Step 3: Calculate the Financial Impact in Category-2 (Inventory Losses)

3.1. Determine the Average Inventory Cost:

The average cost of inventory (raw materials, packaging materials, and finished goods) is estimated to be INR 72 crores.

3.2. Estimate the Range of Financial Impact:

The organization protocol considers a range of 5%-10% of the average inventory cost to calculate the financial impacts of this risk.

3.3. Calculate the Minimum Financial Impact:

Minimum Financial Impact = 5% of INR 72 crores = INR 3.6 crores

3.4. Calculate the Maximum Financial Impact:

Maximum Financial Impact = 10% of INR 72 crores = INR 7.2 crores

Step 4: Total the Potential Financial Figures

4.1. Calculate the Total Minimum Potential Financial Figure:

The total minimum potential financial figure is the sum of the minimum financial impacts in both categories.

Total Minimum Potential Financial Figure = Minimum Financial Impact (Category-1) + Minimum Financial Impact (Category-2)

Total Minimum Potential Financial Figure = INR 10.35 crores + INR 3.6 crores = INR 13.95 crores

4.2. Calculate the Total Maximum Potential Financial Figure:

The total maximum potential financial figure is the sum of the maximum financial impacts in both categories.

Total Maximum Potential Financial Figure = Maximum Financial Impact (Category-1) + Maximum Financial Impact (Category-2)

Total Maximum Potential Financial Figure = INR 20.7 crores + INR 7.2 crores = INR 27.9 crores

Cost of response to risk: 106,000,000

Description of response and explanation of cost calculation:

Marico's approach to mitigating this risk consists of the following: 1) Analyzing risk exposure to natural hazards for potential new locations to select the area that is least vulnerable. 2) Conducting an annual assessment of its local sites to ascertain their exposure to dangers from climate change and water-related risks. 3) Underwriting insurance coverage to protect against financial risk from natural disasters. 4) Providing each facility with a Business Continuity Management (BCM) plan that may be used in the event of a business disruption. These plans mostly consist of alternate locations



where production can resume following the disruptive incident. Also, appropriate investments have been made towards strengthening climate resilience by covering high-risk facilities of Marico.

Explanation of Cost Calculation:

The cost provided covers the cost of response for three different categories mentioned in the description:

- a) Civil cost required to strengthen the facilities: As per the organization protocol, the maximum civil construction cost for disaster management is 10 % of the total civil cost. Based on our internal analysis we have estimated that overall, INR 25 crores of civil cost is incurred to strengthen the infrastructure thus eliminating or reducing the quantum of damage in the events of acute physical risks. Hence the cost of response attributed to category-1 is INR 2.5 crores (10% of the total civil cost which is INR 25 crores).
 - b) Working capital required to hold the FG (finished goods) cost, also known as the cost to mitigate production losses, for approximately 15 days (operational stoppage) is INR 6 crore.
 - c) The cost of insurance coverage is around INR 2.1 crore.
- The total cost of response = A+B+C which is 10.6 crore INR (2.5+6+2.1)

Risk 2:

Risk occurs: Direct operations

Risk type: Emerging regulation

Primary climate-related risk driver: Carbon pricing mechanisms

Primary potential financial impact: Increased indirect (operating) costs

Company-specific description:

Marico acknowledges that the emerging regulations in the Indian carbon market pose a potential risk to its business. As of FY23, Marico's GHG emission intensity was measured at 1.76 tCO₂e per unit Crore revenue. Notably, the company has made progress in reducing Scope 3 GHG emissions for its India operations, achieving a ~12% reduction compared to the base year of FY19, with emissions totalling 5,47,126 tCO₂e.



Despite these efforts, there remains a concern that Marico may face carbon tax liabilities, which has led the company to closely monitor and consider the developments in the Indian carbon market. It is expected that such regulations might be implemented in FY 2025, prompting Marico to be proactive in managing its carbon footprint and exploring ways to comply with potential carbon pricing mechanisms.

By staying ahead of these emerging regulations and continuing to pursue sustainability initiatives, Marico aims to mitigate the impact of carbon-related risks on its business operations and reinforce its commitment to environmental responsibility.

To calculate risk from emerging regulations: We have identified Emerging Regulations in the Indian Carbon Market (ICM) During our research, we discovered that there are emerging regulations in the Indian Carbon Market aimed at addressing carbon emissions and promoting sustainability. Then we determined the Carbon Tax Price in India for the Next 20 Years. We accessed the climate scenario catalogue on shynapps.io , a reputable source, to obtain projections for the carbon tax price in India over the next two decades. Then we have estimated the Implementation Timeline of Carbon Market Regulations in India. Based on research and credible sources, such as S&P Global predictions, we found that carbon credits trading in India could potentially begin by 2025.

Time horizon: Medium-term

Potential financial impact figure (Rs): 482,500,000

Explanation of financial impact figure:

Step 1: Identifying Emerging Regulations in the Indian Carbon Market (ICM). During our research, we discovered that there are emerging regulations in the Indian Carbon Market aimed at addressing carbon emissions and promoting sustainability.

Step 2: Determining the Carbon Tax Price in India for the Next 20 Years

We accessed the climate scenario catalogue on shynapps.io , a reputable source, to obtain projections for the carbon tax price in India over the next two decades. FY25: 10\$ per tCO₂e (Open carbon Market)

Step 3: Estimating the Implementation Timeline of Carbon Market Regulations in India

Based on research and credible sources, such as S&P Global predictions , we found that carbon credits trading in India could potentially begin by 2025.

Step 4: Obtaining Marico's Projected Revenue for FY 25

Analyzing Marico's financial data from the last five years, we projected the company's revenue for FY 25 to be approximately Rs 7678.188 Cr.

Step 5: Calculating Marico's Projected Emissions (Scope1,2 and 3) for FY 25

Using historical data on Marico's carbon emissions from the past five years, we estimated the company's projected emissions for FY 25, which amount to 567,694 tCO₂.

Step 6: Assessing the Financial Implications for Marico in FY 25

Based on the carbon tax price projections from Step 2 and the estimated emissions from Step 5, we calculated that Marico's potential carbon tax liability for FY 25 could be approximately 48.25 Cr.

This financial implication highlights the possible impact of the emerging Indian Carbon Market regulations on Marico's profitability and financial performance.

Cost of response to risk: Rs 390,119,322

Description of response and explanation of cost calculation:

Marico developed the COMMIT framework to comprehensively address the aspects where we need to undertake responsibility and mitigate climate, air, water, waste and biodiversity-related risks. The COMMIT model enables futureproofing of natural assets across our operations and our stakeholder's ecosystem.

Conserve energy and meet Net Zero Targets

- Implementation of energy-efficiency measures and transition to renewable sources



- Reduction of direct and indirect GHG emissions footprint
- Investments in low-carbon projects, technologies and infrastructure that minimize GHG emission intensity
- Development of local carbon sinks through forestation

Mitigate environmental risks in Operations and Value Chain

- Identification of critical environmental risks related to operations: air quality, water consumption, discharge of effluents and waste management including hazardous materials
- Assessment of climate-related physical and transition risks across manufacturing facilities and value chain, and accordingly, develop mitigation and adaptation plans;
- Preventive actions to minimize biodiversity and forest loss in and around manufacturing facilities

Marico has adopted renewable energy for 66.5% of its energy consumption, effectively reducing Scope 1 and 2 emissions.

Cost implications and savings of emission from the adoption:

Scenario 1 (Total Non-renewable energy consumption)

Total energy consumption Marico 21324881.32 Kwh

Price per Kwh (9rs) Total electricity cost: Rs191923931.9

Scenario 2 (Total Non-renewable + Renewable energy consumption)

Renewable energy consumption Price per kWh (8rs) 6868605 kWh: Rs 54948840

Non-renewable energy consumption 14456276.32: Rs 130106486.9

Total difference in cost (Scenario 1-2) : Rs 6868605 - Cost saved by spending initial investment on Renewable energy

Saved 5594478.7 CO₂e in FY23 from the adoption of renewable energy.

Cost to install solar plant: 23849322.2 (Within 3 yrs the cost of solar plant will get recovered for Marico)



Cost spent on Packaging material in FY23: 116.27cr

To procure more sustainable package material, Marico has to pay 10% extra i.e: 127.89 crore

Cost occur for the above activity is 11.627 crore

- Cost spend on Logistic and Transportation: 250 Crore

Extra costs occur due to E-mobility 10% increase: 25 crore

Total response cost: 250000000+ 23849322.2+116270000 = Rs 390119322.2

Risk 3:

Type of risk: Chronic physical

Primary risk driver: Water scarcity

Primary potential impact: Direct operations - Increased operating costs

Company-specific description

Marico's Jalgaon unit is situated in Tapti Basin. Saffola edible oil, one of Marico's flagship brands, is produced in this manufacturing. Production processes and utility systems require substantial quantities of water for smooth operations. The aberrant rainfall patterns can lead to depletion of water tables locally. While in the present scenario, we are not affected by water scarcity issues, there is a long-term business disruption potential that can be caused due to erratic rainfall patterns, affecting our operations, supply chain and market share. This can lead to disruption in our production capacity. During such scenarios, we may have to completely depend on tanker water or external water source which comes at a higher cost.

Timeframe for the risk: 4-6 years

Magnitude of potential impact: Low

Potential financial impact figure: Rs1,062,528.97

Explanation of financial impact:

Step 1: Water Stress Calculation: The first step involved calculating the water stress for the Tapti River, where Marico's Jalgaon plant is located. Water stress is a measure of the demand for water compared to the available supply. The analysis used the SSP 2 RCP 4.5 scenario, which is an optimistic projection of future socio-economic and climate conditions. This scenario indicated a 1.4x increase in water stress by the year 2030 for Tapti river.

Step 2: Water Consumption Projection: Next, the water consumption pattern of Marico's Jalgaon plant was projected. This projection was based on an analysis of the plant's water consumption over the last five years. By understanding the past trends, we were able to estimate the future water usage for the plant. (FY30 - 61.07 megalitres)

Step 3: Water Price Projection: To estimate future water costs, we analyzed the water prices in the Jalgaon region over the last two years. This allowed us to project how water prices are likely to evolve over time, taking into account factors such as inflation and changes in water availability and demand. (FY30 - Rs 43.62)

Step 4: Adjusting for Water Stress: Given the projection that water stress in the region would increase by 1.4 times by 2030, we adjusted the water price prediction for that year accordingly. This step took into account the potential impact of increased water stress on water prices. (FY30 - Rs 60.91)

Step 5: Financial Implications: we have calculated the difference between the adjusted water price in the scenario with increased water stress (2030) and the water price in a normal scenario (without increased water stress). This difference in water prices reflects the financial implications of water risk for Marico's Jalgaon plant. Based on the analysis, we determined that the financial implications of water risk for the Jalgaon plant amount to Rs 1,062,528.97.

This value represents the estimated additional cost that the plant may incur due to potential water-related challenges and increased water prices in the future.

Primary response to risk: Adopt water efficiency, water reuse, recycling and conservation practices

Description of response: Water is a core thrust area of the Marico sustainability agenda. Our water management strategy critically considers the risk of non-availability or shortage of water in the near future which could lead to disruption in our production capability. We emphasize on



maximizing operational efficiencies by adopting 4R principles (Reduce, Reuse, Recycle and Replenish) and also ensure water security to the benefit of the larger community by improving the groundwater table. We are continuously evaluating and executing innovative projects to reduce water consumption across our operational footprint. We have implemented rainwater harvesting ponds, treatment and reuse of effluents and sewage water, eco water fittings, among others.

Cost of response: Rs 1,032,000

Explanation of cost of response: Water Efficiency Measures: The company implemented water-efficient technologies and practices to optimize water usage within the plant. This initiative involved an estimated cost of around Rs 2,50,000, which covered the installation of flow control devices, leak detection systems, and retrofitting of water-efficient equipment in various processes.

Water Recycling System: Marico set up a water recycling system to treat and reuse wastewater generated during manufacturing processes. The installation of the recycling infrastructure cost approximately Rs 8,50,000, which covered the construction of treatment units, filtration systems, and the integration of recycled water into the plant's processes.

Rainwater Harvesting: The company implemented rainwater harvesting systems to capture and store rainwater for non-potable uses within the plant. The estimated cost for installing the rainwater harvesting infrastructure was around Rs 1,50,000, which included the construction of collection and storage systems.

Total Estimated Cost: The total cost of implementing these water management initiatives was approximately Rs 12,50,000.

Risk 4:

Type of risk: Acute physical

Primary risk driver: Drought

Primary potential impact: Increased production costs due to changing input prices from supplier

Company-specific description:

Agricultural commodities are indispensable to Marico's products. They are Marico's core raw materials and as a result, we place prime focus on these commodities in our supply chain. Any changes in the weather and rainfall patterns leading to a drought situation would affect Marico's supply of critical raw materials, especially agricultural commodities. Historically the supply disruptions have led to an increase in price volatility of input materials and an increase in production costs. For example, Copra is a major commodity that is vulnerable to droughts. Over the last two years, a continual deficit has been recorded in the amount of rainfall received by Tamil Nadu, which has a majority of the coconut cultivation practices. This impacted the crop yields, thereby reducing supplies by around 30% and increasing the raw material cost and production cost for the Company.

Timeframe: 1-3 years

Magnitude of potential impact: High

Potential financial impact figure – minimum: Rs. 1,986,862,500

Potential financial impact figure – maximum: Rs. 5,960,587,500

Explanation of financial impact

Step 1 : Gathered historical data and analyze past drought impacts:

Look into historical drought events that have affected regions critical to your supply chain. Then we have analyzed the duration, severity, and specific impacts on supply chains and industries involved.

Case study: Marico's supply shortfall of critical agriculture-based input materials experienced in the past which were due to rainfall deficit and corresponding commodity cost increase during this time period which lead to an increase in production cost. The gross price fluctuations in key raw material (edible oil and copra) procured by Marico is in the range of 10%-30% as observed in past, due to drought and other natural calamities.

Step 2: Assessment of climate projections and risks:

RCP4.5: Under this moderate climate change scenario, Tamil Nadu may experience a moderate increase in temperatures and changes in rainfall patterns. This could result in a higher likelihood of droughts and water scarcity, especially during prolonged dry spells in upcoming years

Step 3: Model potential supply chain disruptions:



We assessed climate projections and categorized supply chain disruptions into three levels: high occurrence, medium occurrence, and low occurrence. Then, we classified the risks based on high, medium, and low impact.

Step 4: For each scenario, we assumed supply chain disruptions of 20-30, 30-60, and 60-90 days.

Step 5: Next, we calculated the costs for each scenario by considering the daily business revenue generated from the plant and multiplying it by the duration of each disruption as considered in the previous step.

Primary response to risk: Downstream: Work with coconut producing companies through CSR initiatives

Description of response:

Marico's community sustenance and responsible sourcing initiatives are aimed at promoting sustainable agriculture within various supplier communities in India, especially those vulnerable to the catastrophic impact of natural calamities. A plethora of capacity-building programs and effective engagement techniques are used to train suppliers on scientific farming practices, maintaining soil health, pesticide management and optimizing water use through smart irrigation practices. The expenditure for water stewardship initiatives typically amounts to INR 1 crore while the sustainable agriculture and productivity improvement programs range between INR 6.5-7 crores.

Cost of response: Rs 10,000,000

Explanation of cost of response:

The management cost includes expenses that were incurred toward the water conservation initiatives undertaken by the Company. These activities include farm ponds, water reservoirs construction near farms which will improve overall water availability for farming. This was valued at INR 1,00,00,000 for FY23. We will continue our focused efforts in water conservation for years to come.



Climate Opportunity

Opportunity 1:

Opportunity occurs: Direct operations.

Opportunity type: Energy source

Primary climate-related opportunity driver: Use of lower-emission sources of energy

Primary potential financial impact: Reduced direct costs

Company-specific description:

Conservation of energy and minimization of organizational emissions footprint is comprehended by Marico as the first step towards establishing a climate-first business agenda. With respect to our 2022 commitment, we are happy to have surpassed the set target by achieving a reduction of 73.3% in energy intensity compared to the FY13 base year. This has been possible because of our continuous focus on operations excellence achieved through optimization of energy consumption, the introduction of energy-efficient systems, and exploring renewable energy options. Our operational energy requirements can be categorized into thermal and electricity. The thermal energy requirement is majorly fulfilled by bio-based briquettes, making renewable energy (for heating purpose) which contribute 98% of the total thermal energy used across operations. The remaining thermal energy is derived from Piped Natural Gas (PNG), and High-Speed Diesel (HSD). From an electricity standpoint, 36% of total operational energy requirements are fulfilled by renewable sources, mostly wind and solar sources. The remaining electricity requirements are met from the grid. Rooftop solar installations with capacities ranging from 250-450 kWp are available in our major manufacturing units.

Time horizon: Medium-term

Magnitude of impact: Medium-high

Potential financial impact figure – minimum (Rs): 13,500,000

Potential financial impact figure – maximum (Rs): 27,000,000



Explanation of financial impact figure:

The financial impact is realized due to the reduction in direct energy costs owing to the transition to renewable energy. Our operational energy requirements can be categorized into thermal and electricity.

A) The thermal energy requirement is majorly fulfilled by bio-based briquettes, making renewable energy (for heating purposes) contribute 98% of the total thermal energy used across operations. The remaining thermal energy is derived from Piped Natural Gas (PNG), and High-Speed Diesel (HSD). This results in the savings of INR 0.05 Cr. to 0.1 Cr.

B) Marico has sourced 36% of electricity units from renewable sources during FY23, the remaining is sourced from the electricity board. Sourcing 100% of the electricity requirement from renewable sources would result in a direct reduction of cost by 1-2 Rs/unit as compared to conventional sources. The minimum impact realized is taken as net cost savings of Rs 1/unit amounting to INR 1.3 Cr and the maximum impact realized is considered as net cost savings of Rs 2/unit amounting to INR 2.6 Cr.

Adding the impacts from A) and B), the minimum potential impact figure is $(0.05+1.3) = 1.35$ Cr. The maximum potential impact figure is $(0.1+2.6) = 2.7$ Cr.

Cost to realize opportunity: 37,000,000

Strategy to realize opportunity and explanation of cost calculation:

Marico's approach to low emission sources of energy is guided by the strategy to offset our operational emission footprint and embark upon the Carbon neutrality pathway through the adoption of cleaner technology, investments in renewable energy projects, focus on product sustainability, and circular economy measures. Through the investment in renewable energy projects (Wind, Solar etc), Marico aims to reduce its overall emissions footprint as well as create opportunities to convert the current energy demand into a low-carbon energy transition strategy. The annual cost to realize the opportunity is based on the FY22 CAPEX on the following: -

- 1) Replacing current heating equipment with new equipment suitable for biofuels. This requires a CAPEX of INR 0.7 Cr.
- 2) Investment in solar/wind energy projects resulting in INR 3 Cr.

Total cost to realize opportunity is $(0.7 + 3) = \text{INR } 3.7$ Cr.



Physical Climate Risk Adaptation

Marico presently conducts risk assessments and has developed adaptation plans for addressing physical climate risks at three of its manufacturing facilities, namely Jalgaon, Perundurai, and Pondicherry. These facilities collectively account for 66.58% of the company's total revenues. The adaptation plan outlines a specific target to implement relevant mitigation measures within a timeframe of 5 to 10 years for these existing operations. Notably, at this time, there are no new assets planned that necessitate an assessment of physical climate risk for these facilities.

Electricity Consumption

Total energy consumption	Unit	FY 19-20	FY20-21	FY21-22	FY22-23
Total non-renewable energy consumption	MWh	19459.3	11981.2	15160.3	16384
Total renewable energy consumption	MWh	75027.3	31239.3	34873.6	32051
Data coverage (as % of denominator)	% operations	100	100	100	100

Low-Carbon Products

Type & Description of product(s)	% of total revenues from "climate change" product(s) in FY 2022	Estimated total avoided emissions per year	Comment

<p>Low carbon product(s)</p> <p>Marico's climate resilience strategy integrates operational decarbonization initiatives with the minimization of product carbon footprint. One such example is Marico's Perundurai manufacturing unit which is entrusted with the production of Marico's flagship brand, Parachute Coconut Oil. This is Marico's first carbon neutral plant which has been externally certified and internationally recognized for three years in a row by virtue of its lowest operational emissions within the Marico business landscape. The plant is operational on 100% renewable energy sources and has several tech-enabled interventions to minimize energy consumption, thereby avoiding emissions. The initiatives undertaken to minimize operational emissions have directly contributed towards a low carbon footprint of the key product that is manufactured within this facility.</p>	<p>24.94</p>	<p>12106 met. ton. CO2e</p>	<p>Parachute Coconut Oil is considered to have a lower carbon footprint by virtue of the decarbonization processes and initiatives that are undertaken throughout its manufacturing process. Further, a detailed environmental LCA study has also been undertaken to identify avenues for further reduction of environmental footprint by this product category. Marico's Perundurai Unit is a certified carbon neutral operation. All energy used is sourced from renewable sources like solar, wind and Bio-fuels. Apart from this we also carried out packaging design improvements. Avoided emissions are calculated from these 2 initiatives by comparing alternative cases.</p>
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Annexure 2 Water Stewardship

What this section contains -

Water stewardship is a critical material goal at Marico that enables us to fulfil our environmental protection objectives as well as aid our social value creation efforts. This has been described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights three critical aspects related to our water stewardship efforts -

1. Quantification of water consumption trends
2. Operational exposure to water stress
3. Water stress potential of key agricultural commodities

Water Consumption

Water Consumption	Unit	FY 19-20	FY 20-21	FY 21-22	FY 22-23
A. Withdrawal: Total municipal water supplies (or from other water utilities)	Million cubic meters	0.131096	0.079178	0.102864	0.107453
B. Withdrawal: Fresh surface water (lakes, rivers, etc.)	Million cubic meters	0	0	0	0
C. Withdrawal: Fresh groundwater	Million cubic meters	0.07179	0.03025	0.01774	0.0163366



D. Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to B and C)	Million cubic meters	0	0	0	0
E. TOTAL NET FRESH WATER CONSUMPTION	Million cubic meters	0.202886	0.109428	0.123951	0.128831
Data Coverage (as % of denominator)	percentage of Operations	100	100	100	100

Water Consumption in Water-Stressed Areas

Water consumption in areas with water stress (e.g. <1700 m ³ /(person*year))	Unit	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	million cubic meters	0.158872	0.06753	0.087678	0.0926
Data coverage (as % of denominator)	percentage of Operations	100	100	100	100

Exposure to Water Stressed Areas

Water stressed manufacturing facilities:



No. of production plants in last FY in water-stressed areas (e.g. <1700 m ³ /(person*year))	4 ³
Total No of production plants in last FY	7
% of production plants in last FY in water-stressed areas (e.g. <1700 m ³ /(person*year))	57.14
% of Cost of goods sold (COGS) in last FY (if applicable)	51.2

Water stress potential of Agricultural commodities:

Agricultural commodity Sourced from water-stressed area: Rice bran oil

Rice Bran oil % of total sourced agricultural commodities: 25%

Rice bran as % of Cost of goods purchased in last FY: 14.62%

³ Apart from 4 manufacturing facilities one more facility falls under water stress Mid – high water stress area.



Annexure 3 Circular Economy

What this section contains -

The demand for sustainable packaging solutions is gaining momentum with growing consciousness among consumers, policy makers, and industry leaders. At Marico, we reiterate our commitment towards a sustainable future by embedding circularity in our packaging portfolio, and extending our efforts beyond regulatory mandates. Marico’s upcycle program is designed to integrate the principles and key performance metrics related to circularity within our overall packaging portfolio. This has been described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights three critical aspects related to our circular economy efforts -

1. Plastic packaging consumption trends over the last 4 years
2. Consumption profile of packaging materials other than plastics
3. Waste disposal trends over the last 4 years

Plastic Packaging

Particulars	FY 19-20	FY 20-21	FY 21-22	FY 22-23
A. Total weight (tonnes) of all plastic packaging (metric tonnes)	21957.66	23955.91	25062.28	26584
B. Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	92.52	92.84	94.48	90



C. Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0	0
D. Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0.32	0.58
Coverage (as a % of cost of goods sold)	100	100	100	100

Packaging Material

Packaging Materials	Coverage (% of COGS)	Total Weight (metric tonnes)	Recycled and/or Certified Material (% of total weight)
Wood/Paper fiber packaging	100	18120.76	0
Metal (e.g. aluminum or steel) packaging	100	898.86	0
Glass packaging	100	285.24	0

Waste Disposal

Unit	Unit	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total waste recycled/ reused (Metric ton)	MT	2359	1743	4036.5	3831.8
Total waste disposed	MT	6032	1898	345.17	431.3
- Waste landfilled	MT	6032	1898	338.42	426.8
- Waste incinerated with energy recovery	MT	0	0	0	0
- Waste incinerated without energy recovery	MT	0	0	6.75	4.5
- Waste otherwise disposed, please specify:	MT	0	0	0	0
- Waste with unknown disposal method	MT	0	0	0	0
Data coverage (as % of denominator) - Operations	Numerical	100	100	100	100



Annexure 4 Responsible Sourcing

What this section contains –

Over the years, responsible sourcing practices have facilitated businesses to manage and mitigate a range of value chain risks, consumer preference, better compliance, and improved reputation. Through Samyut, Marico’s responsible sourcing program, we have extended sustainable practices throughout the value chain, with an objective to deliver sustainable and socially inclusive growth to all our partners. This has been described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights three critical aspects related to our responsible sourcing efforts -

1. The significance of ‘Samyut’
2. How we define ‘critical’ or ‘significant’ suppliers at Marico
3. Coverage of supplier assessments and capacity building programs in FY23

The significance of ‘Samyut’

Samyut, which, in Sanskrit, means coming together to achieve, endorses our intent of sourcing material and services through suppliers and business associates, who share our sustainability vision of upholding ethical standards, protecting environment, and empowering society through proper governance, while enhancing economy. The Samyut framework was first institutionalised in 2018, with the overall business purpose of safeguarding stakeholder interests, and creating shared value. Since then, the framework has undergone several modifications and improvements, keeping in mind the emerging economic, environmental, social, and ethical risks and opportunities that are relevant to our value chain. These updates encompass all relevant parameters covered under international standards like the UN-SDGs, Universal Declaration of Human Rights, and International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, among others.



Marico's responsible sourcing audits are conducted by external agencies. The program is only applicable for significant Tier-1 suppliers (also known as critical vendors at Marico). The non-Tier 1 suppliers are not monitored and publicly reported.

In FY23, a total of 690 suppliers were part of Marico's Procurement and Supply Chain systems and functions. Of this, 170 suppliers qualified as 'critical' or 'significant suppliers' based on Marico's definition - Critical value chain partners are defined as using three criteria – Highest procurement share or volume share in the respective category, uniqueness of materials, products and/or services and dedicated association with Marico.

Coverage and progress of our supplier assessment program

Supplier Assessment	FY 22-23
Total number of suppliers assessed via desk assessments/on-site assessments	96
% of significant suppliers assessed	56.47
Number of suppliers assessed with substantial actual/potential negative impacts	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Number of suppliers with substantial actual/potential negative impacts that were terminated	0

Coverage of suppliers in capacity building programs - Marico ensures continual engagement with suppliers to capacitate them on quality, health and safety and sustainability related performance expectations. In FY23, a plethora of such training programs were organized by Marico procurement and supply chain teams. Approximately 103 suppliers attended these programs representing 60.58% of critical Tier-I suppliers



Annexure 5 Purposeful Brand

What this section contains –

At Marico, we are committed to follow responsible and ethical marketing practices across our carefully nurtured portfolio of brands that include hair care, skin care, edible oils, healthy foods, male grooming, and fabric care. The organization's philosophy and commitments on responsible marketing and establishment of purposeful brands is elaborated in Marico's Responsible Marketing policy:

<https://sustainability.marico.com/uploads/1693300280129-responsible-marketing-policy-pdf.pdf>

Details about Marico's purposeful brands are described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights the intent behind establishing purposeful brands and the key enablers related to the same.

Key Enablers towards establishing Purposeful Brands -

By virtue of the organisation's core value systems, sustainable value creation is ingrained in every brand's existence and purpose. By 2030, Marico aims to cohere the purpose, messaging, and impact-based actions of its top 5 brands with the goals and targets outlined by the United Nations Sustainable Development Goals. Each of the 5 brands will quantify and report on the sustainable impacts created in adherence to the relevant UN-SDGs along with its targets and indicators.

The key enablers for considering Purposeful Brands as a core material topic at Marico includes:



- Strengthening brand authenticity - Building trust requires transparency, genuine commitment to sustainability or social causes, and credible evidence of positive impact
- Balancing purpose and profitability - Balancing short-term financial goals with long-term environmental and social commitments so as to ensure financial viability and sustainable revenue streams.
- Safeguarding stakeholders' expectations - Stakeholders, including consumers, employees, investors, and communities, may have different perspectives on what constitutes a meaningful purpose and how it should be realized.
- Assessing sustainability footprint of products - Assessing sustainability footprint of products includes environmental, social and governance related metrics

The strategic business imperatives under Purposeful brands include:

- Alignment with Marico's Product sustainability Framework
- Disclosure of Product's Environment footprint
- Sustainable Product Innovation at design stages
- Product disclosure and communication
- Purpose alignment with SDG



Annexure 6 Sustainable Agriculture

What this section contains –

Marico's Sustainable Agriculture program aims to empower farmers about sustainable practices and contribute significantly to the development of a standard that provides recommendations to offset the crop's carbon footprint across its entire lifecycle. These measures are aimed at improving productivity and enhancing climate resilience, as well as offsetting carbon impact through afforestation programmes, across plantations. Details about Marico's sustainable agriculture practices are described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights the a few key data points that articulate the progress of sustainable agriculture programs in the reporting year.

What will the future look like for Parachute Kalpavriksha Program -

We aim to boost economic self-sufficiency of farmers. Our plan is to reach the target of 4+ lakh acres of coconut plantation by 2025 and achieve a cumulative productivity improvement rate of 16%. We aim to empower approximately over one lakh farmers on sustainable agriculture practices. These measures are aimed at improving productivity and enhancing climate resilience.

Kalpavriksha Program: Parachute Kalpavriksha Foundation (PKF) is a non-profit organisation that strives to create a lasting impact on the lives of farmers.



Objectives:

- Equip farmers to have increased sustainable crop yield leading to enhanced income opportunity.
- Train farmers on scientific and research based agricultural practices which results the productivity improvement.

Support activities:

- Consultation with coconut experts (on phone)
- Water conservation through farm pond construction
- Classroom training for coconut farmers
- On farm training by Field Service Personnel (FSP)

Kalpavriksha Knowledge Centre (KKC): Companion of farmers for increasing production and knowledge

Agri-Business Centre (ABC): Agri-clinic offering farm care inputs and technical services.



Annexure 7 Diversity & Inclusion

What this section contains –

Marico believes in fostering a diversity conscious, diversity ready, and socially inclusive workplace. Details about Marico’s D&I initiatives are described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document. This section specifically highlights the gender pay indicators.

Gender Pay Indicators

At Marico, our bonus policy is tailored to each grade, ensuring fairness across the organisation. Importantly, it is designed to be gender-neutral, resulting in no gender-based disparities in bonus payments.

Indicator	Difference between men and women employees (%)
Median gender pay gap	0.16
Median bonus gap	0



Annexure 8 Corporate Governance:

What this section contains –

Marico's corporate governance program is centred around promoting uncompromised excellence across business priorities including the climate risk management agenda. While details about Marico's corporate governance programs are described at length in our annual disclosures (FY23 Integrated Report), compliance disclosures (BRSR) and also mapped with relevant international sustainability reporting guidelines and frameworks like GRI and SASB in the earlier parts of this document, this section specifically highlights climate risk management.

Climate risk management

At Marico, our commitment to robust risk management is evident through the comprehensive integration of climate change risks and opportunities into our centralized enterprise risk management program. This program diligently addresses various risk categories including Current Regulation, Emerging Regulation, Technology Risk, Legal Risk, Market Risk, Reputational Risk, Acute Physical Risk, and Chronic Physical Risk. Our risk assessment extends across all stages of our value chain, encompassing our internal operations as well as upstream and downstream activities, and spans various time horizons, including Short-term, Medium-term, and Long-term.

Moreover, we maintain full transparency by diligently reporting all relevant risks and opportunities in our CDP FY23 climate change disclosure, ensuring that our stakeholders are well-informed about our proactive approach to managing climate-related challenges and capitalizing on emerging opportunities.



Climate-Related Management Incentives

At Marico, the Chief Legal Officer (CLO) is incentivized monetarily for their contributions to achieving climate transition goals. Similarly, the CEO is rewarded with monetary incentives for successfully advancing the company's climate transition initiatives and meeting climate-related targets. The Head of Operations Excellence and Sustainability receives monetary incentives based on the company's performance in sustainability indices like DJSI and CDP, as well as for increasing the share of revenue derived from low carbon products and services, accomplishing climate transition objectives, and meeting energy reduction targets.

Climate Alignment

The Head of Sustainability and Operations Excellence at Marico is a member of the ASSOCHAM Sustainability Committee, CII-Western Region Sustainability Committee and Indo-American Chamber of Commerce Western Region. All these committees opine on evolving climate policy regulations and strategies at local levels. Marico is also a Founding Member of the Indian Plastics Pact which promotes several circular economy initiatives.



Environmental Violations

Fines paid related to Environmental Violations or issues in last four financial years: There are no business Impacts due to water Related Incidents (operation interruptions/plant closures etc.) with substantial (more than 10,000 USD) in last 4 fiscal years.

Year	FY19-20	FY20-21	FY21-22	FY22-23
Environmental violations related fines paid (Rs.)	0	0	0	0

Business Impacts of Water Related Incidents

Incidents	Currency	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total actual and opportunity costs (e.g. forgone income) from water-related incidents	Indian Rs	0	0	0	0

ISO Certifications of Marico's manufacturing facilities

Total Quality. Assured.

CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

MARICO LIMITED

Main Site: Plot No. SP 15, PIPDIC Electronic Park, Mannadipet Commune, Thirubhuvanai - 605107, Pondicherry, India
 has been registered by Intertek as conforming to the requirements of:

ISO 14001:2015

Organization was certified by another Certification Body before 03/09/2021.
 The management system is applicable to:

Manufacture & Dispatch of coconut oil

Certificate Number:
0118072

Initial Certification Date:
01 December 2018

Date of Certification Decision:
28 September 2021

Issuing Date:
01 October 2021

Valid Until:
30 November 2024

Calin Moldovean
President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014.

In the issuance of this certificate, Intertek assumes no liability to any party other than to the Client, and then only in accordance with the agreed upon Certification Agreement. This certificate's validity is subject to the organization maintaining their system in accordance with Intertek's requirements for systems certification. Validity may be confirmed via email at certificate.validation@intertek.com or by scanning the code to the right with a smartphone. The certificate remains the property of Intertek, to whom it must be returned upon request.

Total Quality. Assured.

CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

Marico Limited

Main Site: Plot No: SM 23/24, Sanand II, Industrial Estate, GIDC, Sanand, Distt: Ahmedabad - 382170, Gujarat, India

has been registered by Intertek as conforming to the requirements of:

ISO 14001:2015

The management system is applicable to:

Manufacturing and Dispatch of Hair Care and Skin Care Products.

Certificate Number:
0122988

Initial Certification Date:
25 March 2022

Date of Certification Decision:
25 March 2022

Issuing Date:
27 March 2022

Valid Until:
24 March 2025

Calin Moldovean
President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

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MARICO LIMITED

PLOT NUMBER -1G, BRAHMAPUTRA INDUSTRIAL PARK,VILLAGE-SILA,
P.O. CHANGASARI, NORTH GUWAHATI – 781 101, DIST. KAMRUP, ASSAM, INDIA.

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organization has been audited and found to be in accordance with the requirements of the Management System standards detailed below.

Standards

**ISO 9001:2015, ISO 14001:2015 &
ISO 45001:2018**

Scope of certification

MANUFACTURING & DISPATCH OF HAIR OIL

Original cycle start date: 12 April 2020
 Expiry date of previous cycle: Not Applicable
 Certification Audit date: 31 January 2020
 Certification cycle start date: 12 April 2020

Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on: 11 April 2023

Certificate No. IND.20.3090/IM/U Version : 1 Revision date: 12 April 2020

Signed on behalf of BVCHSAS – UK Branch
Jagdheesh N. MANIAN
 Head – CERTIFICATION, South Asia
 Commodities, Industry & Facilities Division

0008

Certification body address: 8th Floor, 66 Prescott Street, London, E1 1HG, United Kingdom.
 Local office: Bureau Veritas (India) Private Limited (Certification Business)
 72 Business Park, Marol Industrial Area, MIDC Cross Road "C",
 Ancheri (East), Mumbai – 400 083, India

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.
 To check this certificate validity please call +91 22 6274 2000.

CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

Marico India Ltd.

Main Site: Plot No. FF06, P.V. Palayam (P.O), SIPCOT Industrial Estate, Perundurai - 638052, Tamil Nadu, India

has been registered by Intertek as conforming to the requirements of:

ISO 14001:2015

Organization was certified by another Certification Body before 02/09/2021.

The management system is applicable to:

Manufacture & Supply of Coconut Oil.

Certificate Number: 0118130
 Initial Certification Date: 29 October 2018
 Date of Certification Decision: 30 September 2021
 Issuing Date: 05 October 2021
 Valid Until: 28 October 2024

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Calin Moldovean
 President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom
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CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

Marico India Ltd.

Main Site: E-10, MIDC Area, Ajanta Road, Jalgaon - 425003, Maharashtra, India

has been registered by Intertek as conforming to the requirements of:

ISO 14001:2015

Organization was certified by another Certification Body before 03/09/2021.

The management system is applicable to:

Refining and Packing of Edible Oil.

Certificate Number: 0118074

Initial Certification Date: 08 October 2018

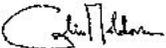
Date of Certification Decision: 29 September 2021

Issuing Date: 01 October 2021

Valid Until: 07 October 2024




intertek



Calin Moldovean
President, Business Assurance

Intertek Certification Limited, 104 Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

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