Marico Limited

Make a Difference ***Sustainably!***

Climate Action Report

FY 2024-25

ABOUT THE REPORT

Marico Limited, 'the Company' is delighted to present its Climate Action Report containing climate-related financial disclosures for financial year 2024-25. This report offers a comprehensive and transparent update on the Company's performance and strategy for integrating climate-related issues into its business strategy.

Reporting framework

This report has been prepared with reference to the IFRS S2 Climate-related Disclosures Standard, issued by the International Sustainability Standards Board (ISSB) under the IFRS Foundation. IFRS S2, provides a comprehensive framework for disclosing climate-related risks and opportunities and is built on the core recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with enhanced guidance to support global comparability and transparency.

Reporting boundary

Data provided in the FY2024-25 GHG Report are specific to Marico Limited (Standalone basis).

Reporting period

Climate Action Report FY 2024-25 covers performance of the Company from 1st April 2024 to 31st March 2025.

Assurance

British Standards Institution **(BSI)** has carried out "Reasonable Assurance of BRSR Core Indicators" and "Limited Assurance of Marico's FY25 Scope 3 Emissions" which covers energy and emissions related indicators mentioned in this report.

Restatements

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

Contents

01 Introduction

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer goods companies operating in the global beauty and wellness categories. In FY 2024-25, Marico recorded a turnover of USD 1.3 billion through its products sold in India and chosen markets in Asia and Africa.

Marico touches the lives of 1 out of every 3 Indians, through its portfolio of brands such as Parachute, Saffola, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Pure Sense, Coco Soul, Revive, Set Wet, Livon, Beardo, Just Herbs, True Elements and Plix. The international consumer products portfolio contributes to about 25% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Purité de Prôvence, Ôliv, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Isoplus.

Marico is one of India's leading consumer products companies in the global beauty and wellness space. It operates in product categories such as Coconut Oil, Refined Edible Oils, Value Added Hair Oils, Leave-in Hair Conditioners, Male Grooming and Packaged Foods, among others. Marico's product portfolio caters to a diverse range of consumer needs and preferences, ranging from hair nourishment and styling to nutrition, immunity, and healthy snacking.

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

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

02 Strategy

At Marico, we recognise that environmental responsibility is fundamental to shaping a resilient and future-focused enterprise. Guided by our long-term vision of creating lasting impact, we embed sustainability across every stage of our value chain—from responsible sourcing and efficient operations to purposeful innovation and low-impact delivery. With measurable goals, transparent reporting, and a commitment to continuous improvement, we remain accountable to our stakeholders and the planet. As we advance on our sustainability journey, we do so with the conviction that true progress is defined not only by what we achieve today, but by what we enable for tomorrow.

Our Sustainability 2.0 Roadmap launched in 2022, functions as an anchor to achieve our Decade of Action (2030) vision and purpose. It comprises of over fifty key performance indicators across ESG parameters that are of material relevance to us and our stakeholders, now and into the future. To mitigate the environmental risks and climate change, we work extensively towards our emission reduction, energy efficiency, product sustainability and circularity, extended producer's responsibility, water stewardship and forestation. Marico's Environment Policy[1] states our commitment towards environmental stewardship and decarbonization. The policy includes our priorities on decarbonization in our operations and value chain. Marico's Responsible Sourcing Framework[2], **'Samyut'** includes greenhouse gas (GHG) emissions as a criterion for supplier engagement and evaluation.

The key business imperatives under this area include:

GHG Emissions intensity (TCO2e/ CR INR)	**Renewable energy share** (%)	**Carbon neutral facilities** (%)
Green buildings (No. s)	**Carbon sequestration / Offset / Removal** (TCO2e/ CR INR)	**Green / Eco-friendly products** (No. s)

Risk Mitigation: As a consumer goods company with deep linkages to agriculture, natural resources, and evolving consumer expectations, we recognize both the vulnerabilities and opportunities presented by a rapidly changing climate. Our Climate Risk ecosystems and signed to safeguard business continuity, protect communities and ecosystems, and drive long-term value creation by embedding climate resilience into the core of our operations and value chain.

[1] https://sustainability.marico.com/uploads/1692554435064-environment-policy-pdf.pdf
[2] https://sustainability.marico.com/uploads/1692587402623-responsible-sourcing-policy-pdf.pdf

CARBON MANAGEMENT STRATEGY

Being cognizant of the climate related risks that arise from high energy demand, we have developed a robust energy and carbon management strategy that prioritizes actions related to design for low energy process and equipment, energy efficiency, fossil fuel avoidance, renewable energy transition, carbon forestry, and reduction of carbon footprint across our product's life cycle.

We shall accelerate our transition to a lower carbon model. By implementing our Net Zero Roadmap in our own manufacturing units, we will be taking care of a significant part of the transition risks we could potentially face during this decade. We have specified our plan to cut down emissions by 93% in Scope 1 & Scope 2 by 2030. We shall invest in emission reductions related to logistics, packaging and third party manufacturing. We shall reduce the risk of deforestation through assessing our key ingredients as deforestation-free.

Marico's climate strategy focuses on:

Decarbonization

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

Water Stewardship

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

Responsible Sourcing

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

Product & packaging innovation

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

Resilient supply chain

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

Consumer engagement

Using responsible marketing to promote sustainable lifestyles and awareness.

We shall take conscious efforts to reduce scope 3 emissions and finalise targets in near future.

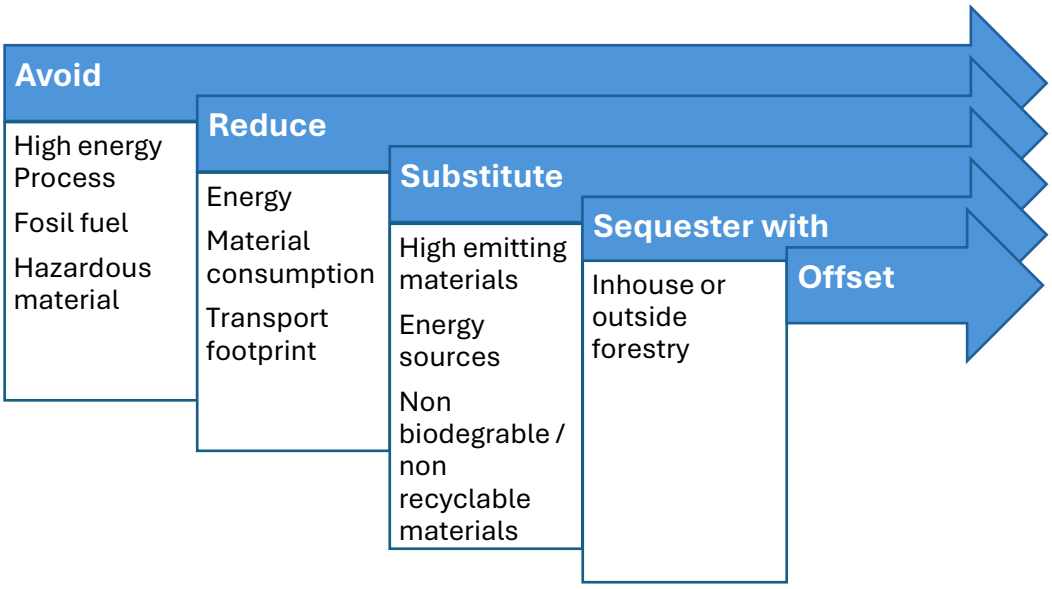
We recognize that emissions are likely concentrated at multiple points across these value chains, from cultivation to processing and transportation. Our long-term approach is to identify and address these hotspots through supplier-focused Life Cycle Assessments, scenario analyses and partnerships aimed at advancing regenerative agriculture, energy efficiency and renewable energy adoption. Beyond raw materials, we see opportunities to reduce emissions through packaging redesign—lightweighting, recycled content and using alternatives to reduce emissions due to packaging materials.

We are exploring low-carbon logistics solutions through measures such as digital route optimization and pilot adoption of e-mobility. In addition, we intend to collaborate closely with our critical logistics partners

to accelerate the transition towards renewable energy–powered transport, including greater adoption of electric vehicles and other clean mobility options.

We are also working to engage with our **critical vendors in transitioning their operations to renewable energy.** By encouraging and supporting this shift, we aim to lower the indirect emissions embedded in our supply chain and create shared progress toward a low-carbon ecosystem.

At the product level, we are seeking insight into ways to reduce embedded emissions through reformulation and the use of alternative materials. These initiatives are aimed at reducing the carbon intensity of our portfolio while preserving product quality and performance. In the long run, such innovations have the potential to make our products more sustainable, aligning them with consumer expectations and our overall decarbonization efforts.



03 Standards & References

The GHG Inventory for FY 2024 -25 was prepared using ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. ISO 14064:1 establishes an approach for quantifying GHG emissions for the inventory.

For Scope 1 and 2 emissions, primary data collected directly within Marico's plant boundaries are used. Regional and nationally available emission factors are used wherever available. Where such emission factors were not available, the emission factor from IPCC, US EPA, is used. A combination of primary and secondary data with relevant assumptions is used to calculate Scope 3 emissions. GaBi EF Database, GHG Protocol Cross Sectoral Tool, ICAO Carbon Emissions Calculator, and India GHG Program are used for Scope 3 emission factors.

No.	Emission type	Standard	Remarks
1	Scope 1	GHG Protocol, ISO 14064-1:2018	Direct emissions from owned or controlled sources
2	Scope 2	GHG Protocol, ISO 14064-1:2018	Indirect emissions from purchased electricity, heat, or steam.
3	Scope 3	GHG Protocol, ISO 14064-1:2018	Indirect emissions from the value chain

04 Reporting boundaries

As a leading FMCG player, Marico's domestic business is deeply rooted in agri-based raw materials — with Coconut Oil **(~38%)**, Edible Oils **(~19%)**, **Value**-Added Hair Oils **(~22%)**, and Foods **(~10%)** forming the backbone of its product portfolio. These categories rely heavily on agricultural produce sourced from diverse geographies and farming communities across India. Marico's **operational footprint** in India, encompassing key manufacturing plants, office, distribution centres and key raw material harvesting locations. This footprint is not just a reflection of where we operate, it is the foundation for understanding how **climate-related risks** may influence our operations and value chain.

Conservation of energy and minimization of organizational emissions footprint are comprehended by Marico as the first step towards establishing a climate-first business agenda. Being cognizant of the climate related risks that arise from high energy demand, we have developed a robust energy and carbon management strategy that prioritizes actions related to design for low energy process and equipment, energy efficiency, fossil fuel avoidance, renewable energy transition, carbon forestry, and reduction of carbon footprint across our product's life cycle.

In line with the principles of ISO 14064-1, an 'Operational Control' approach was considered. This approach represents the activities conducted by the work centres responsible for operational control and offers the highest potential for reducing greenhouse gas (GHG) emissions. Marico's GHG emissions report includes its seven manufacturing plants. The scope of the assessment encompasses all operations carried out within the boundaries of each plant, such as manufacturing, utilities management, loading-unloading, maintenance, and other relevant activities.

No.	Unit	Operational control
1	Perundurai	100%
2	Pondicherry	100%
3	Jalgaon	100%
4	Sanand	100%
5	NER 1	100%
6	NER 2	100%
7	Baddi	100%
8	Corporate office	100%
9	R&D Office	100%

INCLUSIONS & EXCLUSIONS

GHG inventory is prepared with the underlying business objective of identifying potential areas for reducing emissions wherever possible. Given this, it is determined to include any emission category that offers the potential to reduce GHG emissions through a direct reduction optionor a market alternative. GHG Emissions Intensities are computed based on Standalone India business revenue.

The emissions included in this report consist of carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), Sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3) for the following categories:

- Direct GHG emissions (hereafter referred to as **Scope 1**)
- Indirect GHG emissions from imported energy (hereafter referred to as **Scope 2**)
- Indirect GHG emissions from the upstream and downstream activities of an organization (hereafter referred to as **Scope 3**)

The emissions calculated for Marico pertains specifically to its manufacturing facilities, while the emissions generated by its corporate offices have been excluded from the inventory.

Direct GHG Emissions or Scope 1 Emission

Direct GHG emissions, or emissions that result from activities directly under Marico's control in the seven manufacturing plants and 2 offices, such as the combustion of fossil fuels to generate heat. Sources included are as follows:

- **Combustion of Fossil Fuels**: Emissions from diesel, petrol, natural gas, or coal used in boilers, furnaces, and other equipment within the manufacturing plant.
- **Mobile Combustion Sources:** Emissions from vehicles and mobile equipment operating within the manufacturing plant's premises, such as forklifts, trucks, or delivery vehicles.
- **Refrigerants:** Emissions from refrigeration systems for storing and preserving products, leaks, or improper handling of refrigerants. Direct CO2 emissions from the combustion of Biomass shall not be included in Scope 1 but are reported separately.

Direct CO2 emissions from the combustion of Biomass shall not be included in Scope 1 but are reported separately.

Indirect GHG Emissions or Scope 2 Emissions

Scope 2 emissions account for the indirect emissions arising from the consumption of electricity generated. These emissions are calculated using location-based method. Scope 2 emissions (biogenic) from steam purchase are calculated using location-based method.

Scope 3 Emissions

Scope 3 emissions for this report consist of other indirect emissions across Marico's value chain, including activities such as upstream supply chain, downstream distribution, travel, waste management, and product end-of-life disposal. The following eleven categories are relevant for Marico while reporting Scope 3 emissions. The detailed description of inclusion and exclusion criteria is given below –

No.	Category	Remarks
1	Purchased Goods and Services	Reported
2	Capital Goods	Reported
3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	Reported
4	Upstream transportation and distribution	Reported
5	Waste generated in operations	Reported
6	Business travel	Reported
7	Employee commuting	Reported
8	Upstream leased assets	Reported
9	Downstream transportation and distribution	Reported
10	Processing of sold products	Not Material / Irrelevant
11	Use of sold products	Not Material / Irrelevant
12	End of life treatment of sold products	Reported
13	Downstream leased assets	Not Material / Irrelevant
14	Franchises	Not Material / Irrelevant
15	Investments	Reported

05 Governance

Marico has a well-established risk management framework that encompasses both the external environment and internal processes. The Company's Enterprise Risk Management (ERM) system provides a structured and systematic process to identify, assess, prioritise and respond to risks across the entire value chain. The ERM framework encompasses a wide array of risks including strategic, operational, financial, compliance, legal, governance, technological, market, social, and climate-related risks. This covers own operations, upstream supplier network and downstream distribution and consumer touchpoints, reflecting a comprehensive value chain view. The Company conducts annual risk assessments using short, medium and long-term time horizons to account for both current and emerging risks.

BOARD OVERSIGHT

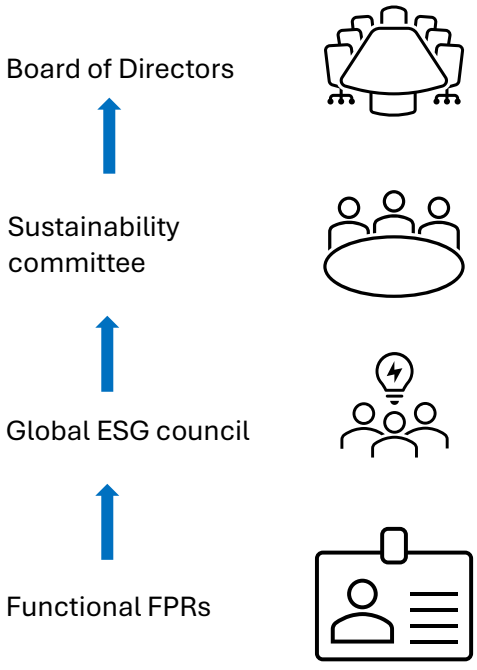
Marico has implemented a well-defined Risk Management Policy that serves as a foundation to steer its risk management efforts. At the Board-level the Risk Management Committee (RMC) monitors and reviews the risk management plans and provides guidance on the mitigation strategies. It assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company. The Audit Committee, in coordination with the Risk Management Committee, reviews the risk management systems in the Company.

Managing Director & CEO of Marico as a part of the Board of Directors oversee the sustainability performance of the company. The MD & CEO leads the ESG vision, agenda, and implementation at Marico that steer climate resilience and strategic risk mitigation efforts at Group Level.

Sustainability Committee is responsible for overseeing the company's approach to climate change, including its strategies, policies, and initiatives. The Committee assesses and manages the risks and opportunities associated with climate change, such as physical risks, regulatory changes, and market shifts. The Committee monitors the company's performance against climate-related targets and ensures accurate and transparent reporting to stakeholders, including shareholders, regulators, and the public.

MANAGEMENT OVERSIGHT

The Committee is supported by the **Global ESG Council** which comprises of a 10- member functional leadership body that represents functions like Marketing, Procurement and Supply Chain, Technology, Human Resources, Finance & Governance, Manufacturing Operations and international business units. This Council is entrusted with the responsibility of steering Marico's ESG agenda (2030 roadmap) while ensuring timely completion of the YoY targets and milestones. Each Council member is anchored by a set of functional taskforces.



POLICIES

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

Environmental Policy:

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

Product Stewardship Policy:

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

Responsible Sourcing Policy:

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

PERFORMANCE MANAGEMENT

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

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

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

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

INTERNAL CARBON PRICE

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

Purpose

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

Methodology

Market-Linked Shadow Price

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

Implicit Internal Carbon Price

In addition to the market-linked price, we also consider an implicit internal carbon price. This reflects the effective cost of carbon abatement calculated by dividing the cost of emission reduction measures by the tonnes of CO_2e avoided. It captures indirect costs associated with carbon emissions, such as regulatory risks, reputational impacts, and potential future carbon-related expenses that may not yet be reflected in market prices. By factoring in this implicit price, we ensure a more comprehensive assessment of carbon-related risks and opportunities, supporting more resilient and forward-looking investment decisions.

Application in Business Processes

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

- Capital Investment:
  All capital proposals exceeding a defined threshold include an internal carbon cost in lifecycle and business case evaluations.
- Project Prioritization:
  An implicit carbon price is used to evaluate abatement cost per tonne of CO_2e. Projects with higher impact and cost-effectiveness are prioritized in our decarbonization roadmap.
- Strategic Risk & Scenario Analysis:
  The ICP is applied in climate-related scenario planning to assess the resilience of business strategies under different regulatory futures.

Governance

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

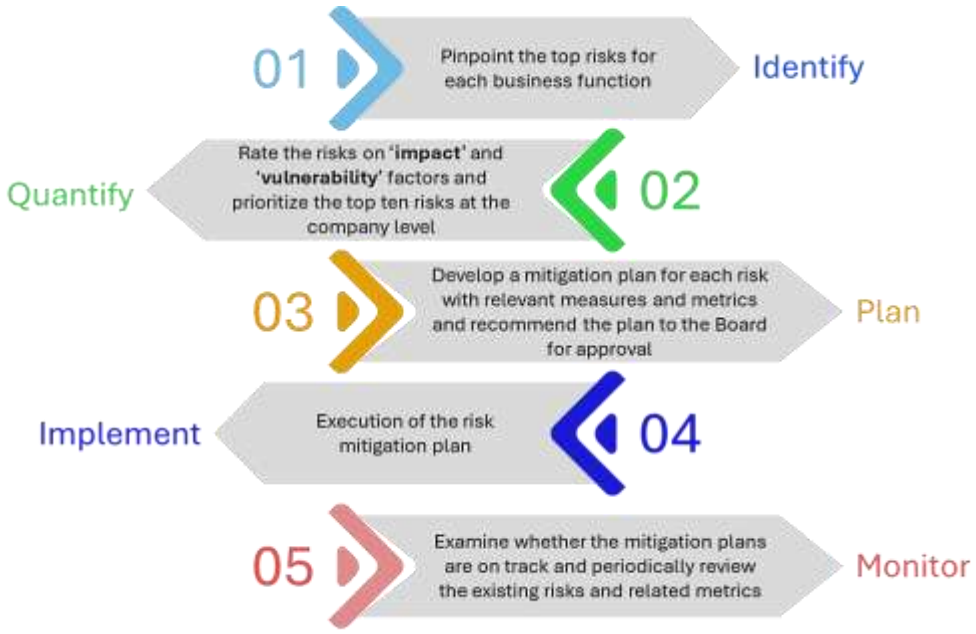
06 Climate Risk

Marico acknowledges that in an evolving global business environment, proactively identifying, assessing, and managing risks, including those driven by climate change, is critical for sustained value creation, resilience, and stakeholder trust. Company's approach to risk management, including climate-related risks and opportunities, is integrated into its broader Enterprise Risk Management (ERM) framework & aligned with leading standards such as IFRS S2.

RISK MANAGEMENT PROCESS

Marico's ERM framework provides a structured, enterprise-wide process to identify, assess, prioritise, and mitigate risks across its **own operations, upstream supply chain, and downstream distribution and consumer interface**. The process integrates strategic, operational, financial, compliance, legal, governance, technological, market, social, and climate-related risks. Marico uses a structured method to identify and address risks related to climate change. The key elements of process are:

- **Time Horizons:** Risks are assessed across short-term (1–3 years), medium-term (3–5 years), and long-term (5–10+ years) to capture current and emerging risks.
- **Scope & Coverage**: Both **physical (acute & chronic)** and **transition risks (policy, market, technology, and reputation)** are evaluated across all geographies, categories, and key value chain partners.
- **Scenario Analysis:** Climate-related risks and opportunities are stress-tested against multiple warming pathways (1.5°C, 2°C, 3°C and 4.5°C scenarios), informed by IPCC reports and national climate projections.
- **Governance:** The Risk Management Committee and the Sustainability Committee review and validate risk prioritization and mitigation plans annually.
- **Metrics & Targets:** Key risk indicators (KRIs) and climate KPIs are monitored through dashboards, with performance reviewed at the leadership and Board level.
- **Risk Rating Criteria**: Risks are rated based on their impact – financial, reputational, and operational and vulnerability (likelihood and adaptive capacity). Both qualitative and quantitative thresholds are used, such as expected revenue loss, supply chain disruptions and cost of carbon compliance



CLIMATE RELATED RISKS

TRANSITION RISKS

Transition risks are risks arising from transition to a low-carbon economy. These stem from evolving policy and legal frameworks, technological disruption, market shifts and stakeholder expectations. Depending on the speed, nature and geographic focus of these changes, organizations may face material impacts including increased costs, reduced revenues, asset obsolescence or reputational harm across various time horizons. The following section outlines transition risks most relevant to Marico:

MARKET RISK: RISK 1
Organisation Specific Risk: Agricultural Raw Material Volatility **Scope of Risk:** Upstream Value Chain
Description of Risk: Agricultural and forest-linked raw materials such as soybean oil, coconut oil and rice bran oil are increasingly vulnerable to climate-related yield variability and supply disruptions. The key raw materials for Marico's flagship oil portfolios-copra for Parachute Coconut Oil and rice bran oil for Saffola Oils-are highly exposed to environmental and regulatory factors, leading to cost pressures. In FY25, domestic copra prices exponentially due to erratic monsoons and yield volatility in coconut-growing states such as Kerala, Tamil Nadu etc. While rice bran oil prices increased by a quarter influenced by crop output in regions. As the Coconut Oil franchise and Saffola Oils contribute significantly to Marico's sales (**with 63% and 19%** market share by volume respectively, refer – Annual Report FY 25), such price inflation directly impacts business performance. In the short term, sudden price spikes are challenging to fully transfer to consumers without eroding brand trust. In the medium term, constraints in quality or availability can reduce production throughput.
Time horizon Short-term and Medium-term
Financial Impact Climate-driven volatility in soybean oil prices can compress gross margins by approximately 2–4%, as full cost pass-through is not always feasible. When availability and quality are constrained, production facilities may need to slow down or reschedule batches, leading to an estimated 0.5–1% reduction in throughput and revenue. The anticipated effect of rising raw material costs for copra (sourced from Tamil Nadu, Kerala) and rice bran oil (sourced from Punjab, Haryana, Chhattisgarh, Andhra Pradesh, and West Bengal) will directly impact Marico's cost of goods sold and thereby reduce gross margins in the medium-term. As Coconut Oil and Saffola Oil franchises together account for over 68% of Marico's raw material volumes, continuous price hikes could disrupt business stability and put pressure on cash flows, especially if higher costs cannot be fully passed on to consumers. This may lead to lower profits and tighter liquidity.
Methodology The approach involves estimating financial impact of increase in raw material cost (around 10-15% for coconut as per International Coconut Community historic trend & around 4 to 6% for rice bran). This increase in raw material costs would directly affect cost of raw materials, leading to higher production costs.
Response to Risk Marico mitigates forest-related sourcing risks through a structured approach that combines responsible sourcing, supplier partnerships, and operational resilience. The company has rolled out its Responsible Sourcing Policy and the **SAMYUT** framework with Tier-1 suppliers, emphasizing supplier education, evaluation and continuous improvement. Engagement initiatives focus on strengthening traceability, exploring substitution options and securing continuity of supply. To cushion against short-term supply shocks, Marico maintains adequate safety stock levels.

MARKET RISK: RISK 2
Organisation Specific Risk: Risk of inadequate access to water, sanitation, and hygiene (WASH) services in water-stressed and infrastructure-limited regions. **Scope of Risk:** Direct Operations
Description of Risk: Marico's facilities located in water-stressed regions face the risk of limited or unreliable access to safe water, sanitation & hygiene services. This inadequacy can directly affect operational efficiency, employee health, & workplace safety. Insufficient WASH infrastructure may compromise hygiene standards in manufacturing processes, leading to product quality and safety concerns, regulatory non-compliance, reputational damage, & potential financial loss. In addition, in certain locations, water use by operations may be perceived as competing with community needs, heightening social & reputational risks.
Time horizon Short-term
Financial Impact Inadequate WASH services can result in increased incidence of water-borne diseases among employees, driving absenteeism and reduced workforce productivity. This can translate into an estimated loss of 3–7% of total annual working days, directly affecting operational output and revenue generation.
Methodology Using Marico's annual revenue, a standard 325 working-day calendar, and average daily revenue figures, and applying International Labour Organization (ILO) benchmarks for productivity loss, the potential financial impact has been modelled.
Response to Risk Marico addresses WASH-related risks through its integrated **Environment, Health and Safety (EHS) framework**, underpinned by **ISO 14001 (Environmental Management)** and **ISO 45001 (Occupational Health and Safety)** certifications across all facilities. These systems ensure proactive identification, assessment and mitigation of occupational and environmental risks, including those linked to WASH. Key elements include: • Regular workplace audits, health surveillance, and hygiene training for employees. • Infrastructure improvements to secure reliable access to clean water, sanitation facilities and hygiene safeguards. • Embedding WASH practices into standard operating procedures, ensuring that safeguards are part of ongoing compliance and not additional cost burdens. Alignment with **UN Sustainable Development Goal (SDG) 6: Clean Water and Sanitation**, reinforcing Marico's commitment to sustainable water stewardship.

Regulatory & Policy-related risks: RISK 1
Organisation Specific Risk: Risks related to evolving national regulatory landscape **Scope of Risk:** Upstream Value Chain
Description of Risk: Marico operates under a regulatory environment that is tightening its requirements on plastic waste management (PWM), particularly through the Extended Producer Responsibility (EPR) framework. Current regulations mandate brand owners to ensure the collection, recycling, energy recovery, and safe disposal of plastic waste generated from their products. Over time, these laws have become more stringent and are expected to expand further, leading to higher compliance costs associated with packaging materials, waste collection, and environmentally safe disposal. Failure to comply could result in penalties, reputational damage, and loss of stakeholder trust.

Time horizon
Short-term

Financial Impact
Marico has instituted a comprehensive compliance management framework designed to ensure strict adherence to all applicable national, state, and local laws across its operational footprint. Regulatory compliance is a core element of our governance architecture and is treated as a non-negotiable priority across all business segments.
A key area of focus is compliance with the evolving Plastic Waste Management (PWM) framework, including the Extended Producer Responsibility (EPR) obligations. Under these regulations, brand owners are mandated to collect, recycle or recover energy, and ensure the environmentally responsible disposal of post-consumer plastic waste generated from their products. These requirements have become progressively stringent over the past few years, with further tightening anticipated, reflecting a global transition towards circularity and resource efficiency.
From a TCFD perspective, this represents a **transition risk** with potential financial implications, including an increase in indirect operating costs related to plastic waste collection, transportation, recycling, and disposal, as well as upstream cost pressures on packaging material, product design, and supply chain processes.
Failure to comply may result in **financial penalties, regulatory sanctions, heightened scrutiny from enforcement bodies, and reputational damage**, all of which could adversely affect stakeholder confidence and market positioning. Marico actively monitors the regulatory landscape, engages with policymakers and industry bodies, and integrates these requirements into its enterprise risk management (ERM) framework to ensure compliance while advancing its sustainability and circular economy goals.

Response to Risk
Under the aegis of its circular economy program, Upcycle, Marico is driving sustainable packaging innovations and driving projects in following areas –

- Ensure 100% recyclable packaging
- Usage of recycled content to reduce virgin plastic
- Reduce plastic content through design innovations and eliminate hazardous materials from packaging portfolio
- Ensure collection and scientific disposal of waste
- Increase awareness of plastic related requirements in business associates

Track the material savings and Scope 3 GHG emissions avoided as a result of sustainable packaging interventions.

Regulatory & Policy-related risks: RISK 2

Organisation Specific Risk: Risk of rising operating costs due to increased pricing of water
Scope of Risk: Direct operations

Description of Risk:
Marico's operations rely on water sourced from municipalities and third-party vendors to meet production and operational needs. Facilities in Perundurai, Sanand, Puducherry, and Jalgaon, as well as corporate and R&D offices, are dependent on purchased water. Increases in water tariffs present a significant risk, as they directly impact production costs and may necessitate greater investment in water efficiency and conservation initiatives to sustain long-term operations.

Time Horizon
Long-term

Financial Impact
Marico's total annual water consumption is 1,44,659.2 KL, out of which 1,33,644.9 KL is sourced from municipalities and third parties. An annual increase of 10% in water costs and a 100% rise in water expenses over the long term of 10 years can be expected, which can substantially impact production costs. The estimated impact on financial performance is between 1.15 Cr and 1.27 Cr over the long term, assuming consumption levels remain constant. Non-financial risks—such as regulatory changes, reduced availability, or reputational challenges could further amplify the financial impact.

Response to Risk
Marico has taken several water-related initiatives towards **water stewardship and circular water use** into its operations. Key measures include:

- **Process innovations** such as shifting from chemical to physical refining, reducing water and energy use
- Installation of **RO and Multi-Effect Evaporation (MEE) plants** for wastewater recycling and reuse
- **Rainwater harvesting** and cooling tower optimization for water efficiency.
- Deployment of **Zero Liquid Discharge (ZLD) facilities** across plants, enabling treated water reuse for gardening and sanitation.
- Achieving **water neutrality certification** at Jalgaon, with Puducherry and Sanand units targeting neutrality in the next 2-3 years.
- Investment in the **Jalashay water stewardship programme**, which combines watershed development, scientific conservation interventions, and community engagement to deliver a cumulative conservation potential of **444 crore litres**

These initiatives not only reduce dependency on external water supplies but also strengthen operational resilience and community trust. They directly support **UN Sustainable Development Goals**: SDG 6 (Clean Water and Sanitation), SDG 13 (Climate Action), and SDG 15 (Life on Land).

Regulatory & Policy-related risks: RISK 3

Organisation Specific Risk: Carbon Pricing Mechanisms
Scope of Risk: Downstream Value Chain

Description of Risk:
Marico is exposed to material transition risks arising from the introduction and tightening of carbon pricing mechanisms and emissions trading schemes (ETS) across key operating and export markets. While the company's direct Scope 1 and 2 emissions remain relatively low compared to heavy industries, its extensive Scope 3 emissions footprint, spanning agricultural raw materials, packaging, and logistics makes it susceptible to significant carbon cost pass-throughs.
Rising carbon costs have the potential to increase input prices for critical commodities such as agricultural raw materials, plastics, and energy, while also escalating distribution and transportation expenses across the downstream value chain. These pressures could erode operating margins and impact product affordability in price-sensitive markets.
Moreover, delayed action or non-compliance with emerging carbon regulations may expose Marico to reputational risks, and loss of market share, particularly in regions with high sustainability expectations.
To mitigate these risks, Marico is proactively transitioning towards low-carbon operations by scaling renewable energy adoption, enhancing energy efficiency across its manufacturing network, collaborating with suppliers on Scope 3 reduction initiatives, and accelerating investments in circular and low-carbon packaging solutions. These measures aim to reduce exposure to future carbon liabilities while supporting long-term value creation.

Time Horizon Short-term
Financial Impact Marico exports its products to India, Bangladesh, the Middle East and North Africa (including Egypt), Southeast Asia (Vietnam and Myanmar), and South Africa. India is currently in the process of establishing a Carbon Credit Trading Scheme (CCTS), and similar mechanisms may be introduced in other regions over time. The adoption of carbon pricing in these markets is expected to exert downward pressure on the company's financial performance by reducing net revenue and overall profitability. In the short term, we have assessed the potential impact by referencing average carbon prices from 2023 under the EU ETS and China ETS, applied over a three-year period, and mapping these against Marico's average revenue for the past three years. Carbon pricing is expected to increase operating and compliance costs, with a potential to moderately reduce profitability. Based on global benchmarks, the estimated short-term financial impact could range between 0.97 Cr to 6.97 Cr annually, depending on market dynamics and the trajectory of regional carbon pricing mechanisms.
Methodology The impact was assessed by referencing average carbon prices in established markets such as the EU ETS and China ETS and applying them as proxies against Marico's operational footprint. The estimates incorporate Scope 1 and 2 emissions and account for the likelihood of region-specific carbon markets evolving in the near term.
Response to Risk Marico is mitigating carbon pricing exposure through renewable energy adoption and energy efficiency improvements: • Achieved **72.68% renewable energy** share in FY25, targeting **93% by FY30** • Transitioned to **100% coal-free operations** across all plants • Entered long-term PPAs for hybrid renewable power (e.g., Perundurai unit sourcing 54.62 lakh units annually) • Jalgaon plant shifted to **100% green power** procurement from January 2025 • Solar installations and over **15 energy efficiency projects** implemented, saving 242,000 kWh annually with a CAPEX investment contributing to 16.2% of the total expenditure in renewable energy infrastructure

PHYSICAL RISKS

Physical risks refer to the tangible, climate-induced disruptions arising from changes in weather patterns and extreme climatic events. These are broadly categorized into:

- **Acute Risks**: These are event-driven and typically sudden in nature. They include extreme weather events such as cyclones, floods and storms, which can lead to immediate and severe damage to infrastructure, supply chains and distribution networks. For Marico, acute risks are especially significant for facilities located along coastal belts and in flood-prone areas, posing threats to production continuity and logistics.

- **Chronic Risks**: These relate to longer-term shifts in climate patterns, such as rising average temperatures, altered precipitation cycles, and sea level rise. These can gradually affect agricultural productivity, alter the availability and quality of raw materials like copra and oilseeds and strain water resources critical for manufacturing operations, particularly in already water-stressed locations.

Acute risks: RISK 1
Organisation Specific Risk: Risk of flooding **Scope of Risk:** Direct Operations
Description of Risk: Marico has leveraged the WRI Water Aqueduct tool to assess flood risks across its operational sites. Based on the findings, the facilities Puducherry, Sanand and Guwahati have been identified as being in high flood-risk zones. These vulnerabilities pose significant threats to uninterrupted operations at the sites, potentially disrupting direct operations during flood events.
Time Horizon Short-term
Financial Impact Marico could experience financial setbacks due to flood-induced production shutdowns, which may disrupt manufacturing capacity and result in revenue losses. The company estimates that, depending on the severity of the flooding, operations at the affected plant could be halted for a period ranging from 10 to 15 days. Such interruptions have the potential to significantly impact business continuity, supply chain commitments, and overall financial performance.
Response to Risk Marico employs a comprehensive climate adaptation strategy to address physical risks from flooding, which pose increasing challenges under projected climate change scenarios. In alignment with TCFD recommendations, this approach integrates both financial and non-financial measures to strengthen operational resilience and safeguard value creation. The company maintains robust flood insurance coverage while simultaneously implementing proactive, site-specific risk mitigation measures across its manufacturing facilities. These include infrastructure reinforcements, improved drainage systems, and adaptive landscaping to minimize flood-related disruptions. Disaster preparedness forms a critical component of this strategy. Marico has developed detailed emergency response plans incorporating employee training, advanced safety protocols, and rapid recovery strategies to reduce downtime during extreme weather events. To support dynamic risk assessment, Marico utilizes advanced digital tools such as the **Aqueduct Water Risk Atlas**, enabling real-time monitoring and adaptive management of water-related risks. Integrated water stewardship practices — including water recycling, rainwater harvesting, & conservation measures — are actively deployed to minimize dependence on external water sources during high-risk periods. Beyond its operations, Marico extends climate resilience measures into its agricultural supply chain in **Maharashtra, Tamil Nadu, and Gujarat**. Through the construction and desilting of check dams, approximately **238 acres of farmland** have benefited from improved water retention, reduced flood vulnerability, and enhanced ecosystem services. These initiatives not only mitigate the financial impacts of flooding, including potential losses from operational downtime and supply chain disruptions, but also align with evolving regulatory and stakeholder expectations for proactive climate risk management.

Chronic Risk: RISK 1
Organisation Specific Risk: Water Stress **Scope of Risk:** Direct Operations

Description of Risk:
According to assessments using the Water Aqueduct tool, the facilities located in Puducherry (Sanand, Perundurai, and Jalgaon have been identified as operating in regions facing high water stress. Given that water is a critical raw material for our operations, these findings highlight a significant long-term risk to the continuity and efficiency of our direct operations at these sites. Although current operations are not impacted by water scarcity, aberrant rainfall patterns could deplete local water tables and drive-up water procurement costs. This presents a long-term risk of business disruption, potentially affecting Marico's production capacity, supply chain, and market share. In such scenarios, the increased reliance on external water sources would result in higher procurement costs, thereby increasing overall operating expenses and leading to increasing production costs.

Time Horizon
Long-term

Financial Impact
Marico faces significant operational risks due to increasing water stress, as its manufacturing processes rely on water. The company's annual water consumption across its facilities in Puducherry, Sanand, Perundurai, and Jalgaon totals approximately 123,499 KL. These regions are experiencing high levels of water stress, which could lead to a 30–50% decline in water availability. As a result, Marico may be compelled to rely on alternative sources such as private suppliers or imported water to meet its production needs. Over the next decade, water costs are projected to rise substantially due to growing scarcity and demand pressures. With an estimated 100% price increase in the next 10 years, water costs during periods of peak demand could escalate to as high as 97 INR/KL. This upward trend in water pricing poses both financial and operational challenges, potentially impacting production efficiency and overall cost structures.

Response to Risk
Marico has implemented a comprehensive portfolio of water stewardship initiatives aimed at reducing freshwater consumption, enhancing water recycling, and driving long-term positive impact on local water ecosystems. These efforts span process optimization, infrastructure enhancement, and community-focused interventions.
At an operational level, several process innovations have been undertaken, including the transition from chemical refining to physical refining in coconut (CNO) and corn oil, the installation of new energy-efficient cooling towers, and the deployment of advanced water reuse technologies such as reverse osmosis (RO) and multiple effect evaporator (MEE) plants. Rainwater harvesting systems have been integrated across key facilities, and all manufacturing sites are now equipped with Zero Liquid Discharge (ZLD) systems, enabling the reuse of treated water for non-potable applications such as gardening and toilet flushing.
Key milestones include the **Jalgaon plant achieving water neutrality certification**, with the **Puducherry facility targeting water neutrality**, and the **Perundurai and Sanand sites aiming to achieve this milestone in the next 2-3 years.**
Beyond factory gates, Marico advances its community-focused water security agenda through the **Jalashay programme**, which focuses on community-led water conservation and watershed management. Leveraging scientific interventions, desilting, recharge structures, and awareness initiatives, Jalashay has enabled a **cumulative water conservation potential of 444 crore litres**.
These initiatives contribute to the preservation of shared water resources and align with key United Nations Sustainable Development Goals (SDGs): **SDG 6 – Clean Water and Sanitation, SDG 13 – Climate Action, and SDG 15 – Life on Land.**

SCENARIO ANALYSIS

Marico has adopted a futuristic approach to assess how climate change could impact its operations and supply chain. Scenario analysis is a key tool to guide this approach, as it is used to test the resilience of the business under different possible climate futures. This analysis informs strategic planning, capital allocation, and adaptation investments. Applying several climatic pathways, the Company has projected risks, recognized vulnerabilities and planned for adaptive actions.

Scenario Analysis for Physical Risks

Marico has assessed physical risks under two climate scenarios:

RCP 4.5 with SSP2 (moderate emissions and policy action)	RCP 8.5 with SSP5 (high emissions, limited policy action, "business-as-usual" trajectory)
This pathway assumes moderate efforts to reduce emissions, but climate risks such as droughts, cyclones, and water stress remain common. It reflects a realistic future based on current global policy trends. Marico applied this scenario to evaluate risks for key raw materials like **coconut, soya, and paper/board packaging**. These raw materials are critical to Marico's portfolio and are exposed to potential disruptions in agricultural productivity, supply continuity, and input cost volatility under changing climatic conditions. Using a forward-looking 20-year dataset (2020–2040), the analysis considered how changes in temperature, rainfall, and other climate factors may impact agricultural productivity, supply continuity, and costs. This analysis identifies physical and transitional risks with potential financial, operational, and supply chain implications, supporting TCFD-aligned risk management and disclosure.	This scenario assumes rapid growth driven by fossil fuels, minimal climate policy, and slow adoption of renewable energy, resulting in very high greenhouse gas emissions. It represents a **high physical risk, low transition risk** future. Under this scenario, Marico's reliance on agricultural commodities (e.g., copra, edible oils) faces greater threats from **heatwaves, storms, and sea-level rise**. The analysis underlines the need for **climate adaptation measures**, such as disaster-proof infrastructure and supply chain diversification.

Key Physical Risk Indicators

Marico assessed risks using specific indicators:

- **Heat Index (>35°C):** Combines temperature and humidity to measure human-perceived heat stress. Values above 35°C can affect worker safety and productivity.
- **Hit Days (>40°C):** Number of days with temperature above 40°C, signalling risks of crop damage and supply disruptions.
- **Drought Risk**: Quantified through historical and projected rainfall patterns to inform contingency planning and water security investments
- **Water Stress**: Demand vs. availability assessments highlight regions requiring resource efficiency and alternative sourcing strategies
- **Sea Level Rise**: Vulnerability mapping identifies exposure of **coastal facilities and logistics hubs**, informing long-term resilience plans

For water-related risks, Marico used **WRI Aqueduct** and its predefined indicator profiles to identify challenges specific to water-intensive industries.

Scenario Analysis for Transition Risks

To evaluate transition risks, Marico adopted **IEA NZE 2050** and **IEA STEPS** scenarios.

- **IEA NZE 2050**: Aligns with the Paris Agreement target of limiting warming to 1.5°C. It provides a roadmap for reaching net-zero by 2050 through renewable energy expansion, electrification, energy efficiency, and carbon capture. This ambitious scenario helps Marico plan for long-term risks and opportunities from the energy transition.
- **IEA STEPS (Stated Policies Scenario)**: Reflects the expected progression of the global energy system under current and planned policies. It gives a sector-by-sector view of policy impact, helping Marico prepare for regulatory and market changes.

In addition, Marico used the **WWF Water Risk Filter** to assess basin-level water risks linked to operations and supply chains. The findings supported the development of **site-specific mitigation strategies** to ensure long-term water security and operational resilience.

OUTCOMES OF SCENARIO ANALYSIS

The scenario analysis exercise has not only helped Marico test its resilience under different climate futures but has also informed its strategy, operations and financial planning in tangible ways. The outcomes can be summarized across climate change and water-related risks.

Climate-Related Scenario Analysis Outcomes

- **Business Model Resilience**
  Analysis under RCP 4.5 and RCP 8.5 revealed that by 2040, raw material yields and sourcing regions are likely to experience significant variability. This could result in **higher input costs, greater price volatility, and declining availability and quality of key commodities** such as coconut, soya, and edible oils. Severe physical risks under the high-emission pathway highlight potential crop failures, heat stress, and widespread droughts that could affect raw material procurement and contribute to food insecurity.
- **Operational Risks**
  Extreme weather events such as floods, droughts, and cyclones pose particular risks to three manufacturing facilities—**one in Pondicherry and two in Guwahati**—which were identified as highly exposed. Disruptions within a 10 km radius of these plants could significantly impact production, requiring **higher capital expenditure** for asset protection, machinery replacement, and resilient infrastructure.
- **Financial Impacts**
  Revenue impacts may vary depending on the emission pathway:
  - **Low-emission scenario:** potential **+5–10% upside** from efficiency gains and supply stability
  - **High-emission scenario:** potential **–5–10% downside** from supply chain disruptions, shortages, and rising input costs. Additional costs may arise from climate adaptation measures, including a projected **10–15% increase in cold chain operational expenses by 2040** to mitigate spoilage risks under extreme heat.
- **Transition Risks**
  Regulatory developments, such as a projected **carbon tax of $75/tCO$_2$e by 2030**, could raise energy costs at fossil-fuel-intensive facilities by **15–25%**. These risks underscore the importance of Marico's ongoing efforts in renewable energy adoption, R&D for low-carbon formulations, and alignment with science-based emissions reduction pathways.

- **Strategic Opportunities**
  The analysis also pointed to opportunities for growth and differentiation through:
  - **Regenerative agriculture** and sustainable sourcing practices
  - **Sustainable packaging innovation**
  - **Low-carbon product reformulation and branding**
  - **Geographic diversification of sourcing** to build supply chain resilience

Water-Related Scenario Analysis Outcomes

The water scenario analysis, undertaken for all six manufacturing sites and offices under current and future conditions (2030 and 2050), highlighted **high exposure to water scarcity and flooding** risks.

Key outcomes include:

- **Strategic & financial integration:** Water risks are now factored into investment allocation, operational planning, and product design.
- **Resilience strengthening:** Programs like *Project Jalashay*, which has created **373 crore Liters of water capacity**, and site-level water efficiency initiatives such as recycling and efficient fixtures.
- **Capacity building:** Awareness programs and training on sustainable water use for employees and farmers in sourcing regions.
- **Target setting:** Embedding scenario insights into Marico's **water stewardship roadmap**, with long-term goals to reduce consumption and improve site-level resilience.

CLIMATE RELATED OPPORTUNITIES

Opportunity 1
Opportunity Type & Driver: Transition to Renewable Energy
Description: Marico has steadily transitioned its electricity consumption towards renewable sources, with over 50% of electricity in the reporting year sourced from renewable energy. This shift is achieved through power purchase agreements (PPAs) with solar and wind providers, alongside targeted renewable energy projects such as solar installations at the Perundurai plant and solar lighting infrastructure. These measures reduce reliance on fossil fuel–based grid electricity and strengthen energy security across operations.
Time Horizon Short to medium term — benefits realized in the reporting year with long-term advantages expected as renewable penetration increases.
Financial Impact & magnitude This opportunity has already had a medium-to-high impact in the reporting year. The transition to renewables delivers recurring operating cost savings, reduces exposure to energy price volatility, and mitigates potential risks from future carbon pricing. Investments made in renewable projects contribute to long-term asset value, while the operating cost benefits positively influence margins and cash flow stability.
Strategic importance Marico's renewable energy transition directly supports its net-zero by 2040 target. In FY25, 73% of total energy demand (thermal and electrical) was met through renewables, with a roadmap to reach 93% renewable share by 2030. By prioritizing renewable sourcing, Marico achieves dual benefits of cost efficiency and carbon footprint reduction, thereby enhancing operational resilience, stakeholder confidence, and long-term competitiveness.

Opportunity 2
Opportunity Type & Driver: Resource efficiency
Description: Marico has embedded Zero Liquid Discharge (ZLD) systems across all its manufacturing facilities, ensuring wastewater generated is treated in-house and recycled for secondary applications such as gardening, landscaping, and non-process uses. This approach eliminates external discharge and significantly reduces freshwater dependency.
Time Horizon Short to medium term — already realized benefits, with continued resilience and cost savings expected
Financial Impact & magnitude The initiative has already delivered substantive impacts in the reporting year, with a high magnitude of benefit. Nearly 100% of wastewater generated is recycled, offsetting a sizable portion of freshwater procurement and lowering operating costs. In addition, the initiative mitigates exposure to water scarcity risks and strengthens compliance with tightening regulatory standards. In the reporting year, 41,390.78 KL of water was recycled and used inside the facility for other purposes.
Strategic importance Marico is actively leveraging opportunities to manage recycled water through targeted initiatives at its manufacturing facilities, significantly reducing the dependency on fresh water sources. This strategic focus on treated water management has been prioritized over alternative initiatives due to its immediate financial advantages and strong alignment with Marico's sustainability objectives. By simultaneously addressing cost efficiency and water stewardship, Marico continues to enhance operational performance while reinforcing its position as a responsible and sustainability-driven industry leader.

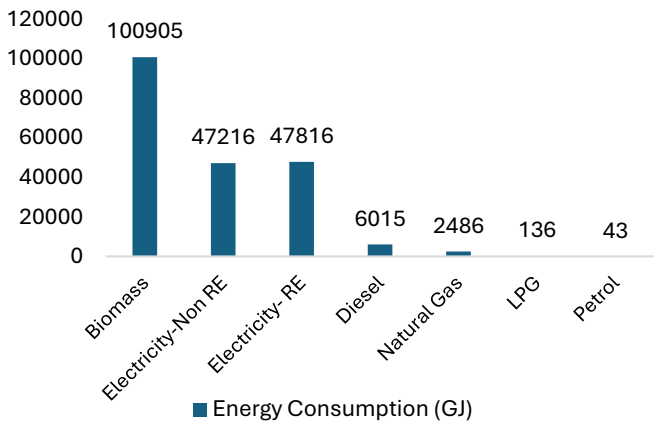
Opportunity 3
Opportunity Type & Driver: Strengthening upstream value chain resilience
Description: As a business reliant on agricultural commodities, Marico views upstream resilience as a strategic opportunity to safeguard supply security and long-term sustainability. Through initiatives such as the Parachute Kalpavriksha Program, Jalashay, afforestation projects and SAMYUT, responsible sourcing program, the company is enhancing agricultural productivity, promoting water stewardship, and building climate-positive ecosystems. These efforts foster more agile, inclusive, & climate-resilient supply chains.
Time Horizon Medium term — benefits materialize progressively as value chain resilience initiatives scale
Financial Impact & magnitude Expected to have a medium magnitude impact in the medium term, with a high likelihood of realization. By addressing risks linked to water scarcity, climate variability, and supply disruptions, these initiatives reduce operational and procurement-related costs while safeguarding revenue continuity. For example, productivity improvements of ~17% across 62,500+ acres of farmland and resilience-building programs for 21,000+ farmers are already strengthening raw material availability and reducing exposure to volatility.
Strategic importance Marico's proactive approach to building resilience enhances supply continuity, reduces the risk of disruptions, and strengthens relationships with farming communities and suppliers. These measures directly support business continuity, cost efficiency, and regulatory compliance while reinforcing Marico's reputation as a responsible and sustainability-driven company. The strategy contributes to long-term competitiveness and positions Marico to withstand climate-related risks across critical sourcing regions.

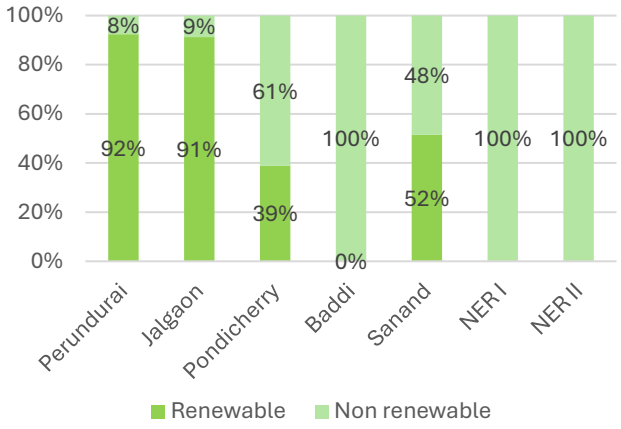
Opportunity 4
Opportunity Type & Driver: Resource Efficiency – cost savings from energy reduction
Description: Marico is advancing energy efficiency by adopting advanced technologies and process optimizations across manufacturing facilities. Initiatives such as VFD installations, process equipment elimination, speed optimization of blowers, automated timers for external lighting, and air supply isolation have reduced electricity consumption, cut greenhouse gas emissions, and improved operational resilience. These upgrades also mitigate risks from rising energy costs and stricter regulations.
Time Horizon Short to medium term — with immediate cost savings and recurring annual benefits
Financial Impact & magnitude The initiatives towards energy efficiency have a **medium-to-high financial impact**, lowering operating expenses while also avoiding future costs linked to rising energy tariffs and potential carbon pricing. Since the majority of interventions are low-cost with a quick payback, the opportunity provides both **immediate benefits in cash flow stability** and **long-term value through reduced exposure to energy price volatility**.
Strategic importance By embedding energy efficiency into operations, Marico is lowering its carbon footprint, strengthening cost competitiveness and enhancing compliance readiness. These actions also contribute to its broader decarbonization roadmap, ensuring operational sustainability while protecting margins from energy price volatility.

07 Energy Management

Marico has been a pioneer in embracing the utilization of renewable energy in its operations, first in 2001 with the installation of a biomass-based steam boiler. This early adoption demonstrated the company's commitment to sustainability and paved the way for future improvements in its energy mix. Over the years, Marico has diligently worked to enhance the proportion of renewable energy within its operations, striving to balance environmental impact with operational efficiency.

The primary renewable sources used include biomass, wind and solar energy. Biomass, which includes agro-waste materials, accounts for a substantial amount of Marico's renewable energy, benefitting both environmental and operational efficiency. Solar and wind energy have helped to reduce dependency on grid electricity. Grid power is the main source of energy for the company accounting for most of its fossil fuel usage. This is followed by usage of diesel, natural gas, LPG and gasoline for vehicles. While these fossil fuels are required for certain operations, Marico's strategic goal is to limit their use over time.





APPROACH

Every facility has '**Energy Management Cell**', responsible for developing, implementing and monitoring energy efficiency initiatives. This cell is comprised of cross-functional members including representatives from Operations, Maintenance, Electrical and Instrumentation departments. The Energy Management Cell plays a crucial role in providing strategic direction towards energy reduction measures, overseeing daily energy management activities and ensuring alignment with Marico's energy policy.

Awareness and Capacity Building

Building awareness and improving capability are essential components of Marico's energy management strategy. The company conducts regular awareness programs to educate employees on the importance of energy efficiency. These programs are designed to foster a culture of energy consciousness and encourage proactive participation in energy-saving practices. Such efforts towards capacity building are further supported through targeted training sessions that focus on advanced energy management techniques, best practices, and industry innovations. Employees are also encouraged to pursue professional certifications in energy management, such as energy auditor or energy manager courses, to deepen their expertise and contribute effectively to energy efficiency projects.

Benchmarking (Internal & External)

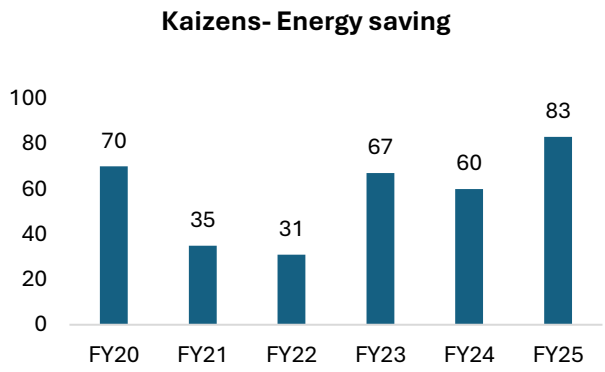
We perform multiple benchmarking activities to identify industry best practices and set organisational metrics and targets. Internal benchmarking compares energy consumption and efficiency data across several facilities, whereas external benchmarking assesses industry peers and global standards. The combination of these approaches enables Marico to set realistic goals, implement effective initiatives, and maintain its leadership position in energy efficiency.

Energy Audit

Regular energy audits are conducted for energy conservation opportunities across all its facilities. The audit process begins with data collection, where information on energy consumption patterns, equipment performance, and operational practices is meticulously gathered. This data is then analysed to assess the efficiency of current systems and pinpoint areas needing enhancement. Based on this analysis, actionable recommendations are formulated to implement energy-saving measures and process improvements. We have conducted energy audit for 2 units in FY 24 and projects are underway.

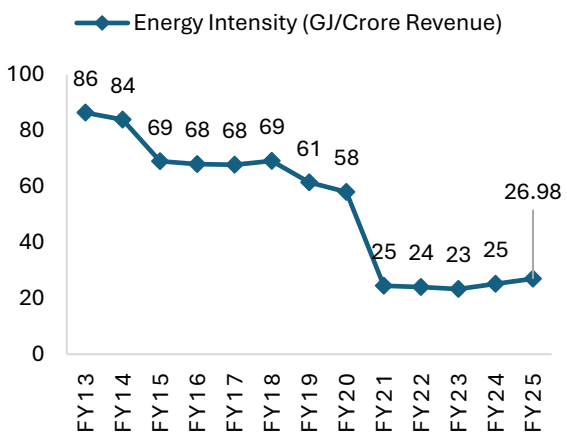
Energy Kaizens

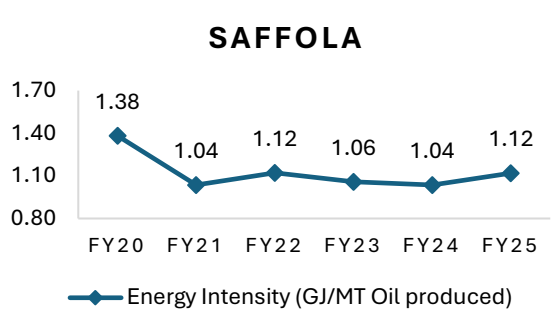
Marico has embedded the philosophy of kaizen (continuous improvement) into its manufacturing operations to boost energy efficiency, fostering a culture of ongoing advancement and operational gains. The kaizen process starts with employees proposing improvement ideas, including details on potential benefits and implementation costs. This systematic approach not only enhances energy efficiency but also fosters a proactive and engaged workforce, reinforcing Marico's commitment to sustainable and efficient manufacturing practices.

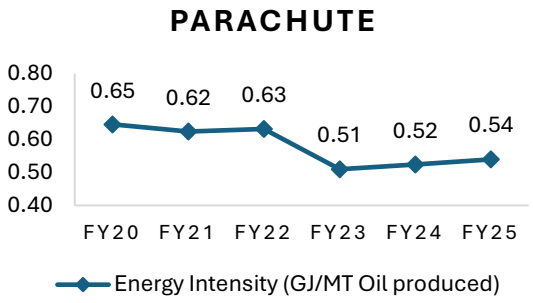


PERFORMANCE

Over the years, the Company has succeeded in reducing energy consumption by focusing on innovation and the implementation of new technologies. Marico's energy intensity maintained at **26.98 GJ per crore of revenue** in FY 2024-25, despite increased manufacturing complexities. Marico has implemented a range of initiatives to reduce the energy intensity of its flagship products, Saffola and Parachute. These initiatives involve optimising production processes and implementing energy-efficient technologies. Through such initiatives, Marico aims to reduce the ecological impact of its activities by integrating consumer needs with environmental responsibility. These initiatives not only demonstrate Marico's dedication to providing high-quality products but also actively contributing to a more sustainable and environmentally responsible future.







We have maintained energy efficiency despite of capacity expansion projects in manufacturing. We have also rolled out many energy saving projects to reduce energy intensity in coming year.

CARBON NEUTRALITY

Perundurai plant

At Marico, sustainability is considered a crucial business enabler that influences key strategic decisions. By embedding sustainability into its culture, Marico has committed to achieving a carbon- neutral future. The Perundurai plant operates entirely on renewable energy sources, supported by smart energy installations that enhance overall operational efficiency. Additionally, the plant hosts a Miyawaki forest spanning 3,000 sq. ft. on its premises. This afforestation initiative aims to create a natural carbon sink, offsetting any minimal environmental footprint from operations. Currently, ~93% of the plant's energy needs are met through renewable sources. Rest 6% of energy requirement is met from non-renewable energy.

Perundurai- Energy & Emissions FY 2024-25			
No.	**Type of energy**	**Energy in GJ**	**Emission in tCO2 eq**
1	Diesel	392.5	29.2
2	Petrol	0.3	0.0
3	LPG	135.6	8.6
3	Refrigerants	-	21.0
4	Fire Extinguishers	-	0.0
5	Electricity	35793.8	717.6
6	Biomass Emissions	17896.9	1856.3
	Total Energy	**54219.1**	
	Total Scope 1 + Scope 2		**776.3**
	Total Biogenic Emissions		**1856.3**

Carbon offset & Renewable energy credit

In FY25, we successfully achieved carbon neutrality by offsetting 70 tCO_2e through the purchase of carbon credits, which supported a wind power project in Bhesada, Rajasthan. This initiative aligns with our commitment to sustainable energy practices. To address Scope 2 emissions from grid electricity, we procured international renewable energy credits (I-RECs) totalling 1,250 MWh, well above our actual consumption of 987 MWh, demonstrating our proactive approach to clean energy sourcing.

With 92.5% of its energy needs met through renewable sources and the remaining 7.5% offset via carbon credits, our Perundurai manufacturing unit continues to operate as a carbon-neutral facility.

INITIATIVES

In its ongoing pursuit of sustainability, Company has upgraded its operational energy footprint. This commitment encompasses utilizing renewable energy sources in Company owned-manufacturing facilities, implementing energy-efficient technologies and promoting eco-friendly practices within the environment. By prioritizing energy conservation, Company aims to lessen its environmental footprint and contribute to a greener future. During the year under review, more than 15 initiatives were undertaken across the manufacturing locations to save energy of more than 2.42 lakh KWH/annum. Some of the energy and fuel saving initiatives taken during FY 2024-25 are outlined below:

- Optimization of conveying system in cake transfer area in Perundurai plant resulting in elimination of 55KW motor and bucket elevator. Implementation of new fume extractor system helped to reduce ambient temperature in the oil mill which resulted in elimination of cooling blowers.
- Reduced specific briquette consumption in Perundurai plant to 2.41 KG/MT by optimizing process operating conditions.
- Optimization of cake cooler blower operating speed and elimination of 2nd stage grinder at the Puducherry plant resulted in 42,902 KWH/year electricity savings.
- Installation of variable frequency drives on high capacity rotating equipment in Jalgaon led to electricity savings of 31,032 KWH/year. Installation of a temperature based On-Off switch resulted in reduction of excessive power consumption caused by the continuous operation of fans.
- Installation of Variable Frequency Drive (VFD) on vacuum conveyors and taping machines at the Sanand plant to reduce electricity consumption. Energy savings achieved by isolating air and power supply during equipment idle condition in utility and manufacturing setups at Sanand plant.

Steps taken for utilizing alternate sources of energy

Marico is committed to achieve 'net-zero emissions' across global operations (owned manufacturing units) by 2040 and in India by 2030. Transitioning to renewable energy plays the most critical element of this roadmap that the Company has set up to shape a sustainable future. All manufacturing facilities of your Company are 100% coal-free and constantly focus on transitioning to renewable sources for meeting its operational energy requirements. During the year under review, 73.3% of the total energy requirements (electrical and thermal) for manufacturing operations were met through renewable sources. Three significant renewable energy interventions during the year included:

- The Perundurai unit promulgated renewable energy transition in its value chain (one of the third-party filling units) by entering into a Power Purchase Agreement (PPA) for Hybrid power under a group captive model starting from Q2 FY25 and in all third-party filling units from Q4 FY25 onwards. This arrangement will provide an annual supply of 54.62 lakh units, significantly boosting overall contribution in renewable energy utilization.
- Jalgaon plant started procurement of 100% green energy from January 2025 onwards by entering in a green energy agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL).
- Solar lights installation in the HT yard of Perundurai plant

Capital investment on energy conservation equipment

For the year under review, the capital investment on energy conservation projects was ₹13.87 Crores. Going forward, your Company will focus on increased adoption of solar wind hybrid power and deployment of storage capacity to address intermittency issues. Expansion of waste heat recovery technologies and other low-carbon technological interventions for process optimisation and effectiveness will be considered for capital investment towards building a carbon neutral future.

SCOPE 3: EMISSION REDUCTION

Key actions of FY 2024-25

Scope 3 emissions account for more than 95% of our total GHG footprint, making their reduction a critical priority within our sustainability agenda. To address this, we have intensified our efforts across multiple focus areas, including packaging-related emissions. During the reporting year, targeted packaging interventions led to **749.9 MT of material savings**, driving both efficiency and sustainability. These initiatives not only reduced resource consumption but also helped us avoid nearly **2,556.1** tCO_2e of greenhouse gas emissions.

Emissions from **third party manufacturing units** form an important part of our Scope 3 footprint. One of our third party manufacturing site in Perundurai presently sources **55%** of its **electricity from renewable sources.** This initiative has significantly contributed to a meaningful reduction in emissions from our third-party network. Moreover, we are actively encouraging integration of energy efficiency measures, best practices in resource management, and regular performance monitoring. By influencing third-party partners to transition towards cleaner energy, we are able to reduce the emissions embedded in our value chain while building long-term resilience.

Reducing Emissions from Upstream Transportation and Logistics

Reducing emissions from upstream transportation and logistics remains a top priority for us, given their significant contribution to our Scope 3 footprint.

We undertook many initiatives including modal shifts, route optimization, freight consolidation and the establishment of regional distribution hubs, all of which are designed to reduce fuel consumption and associated GHG emissions. During FY 2024-25, these measures enabled us to achieve reduction in transport emissions by **3.75%** as compared to our baseline 2018-19.

08 GHG Emissions Inventory

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

METHODOLOGY

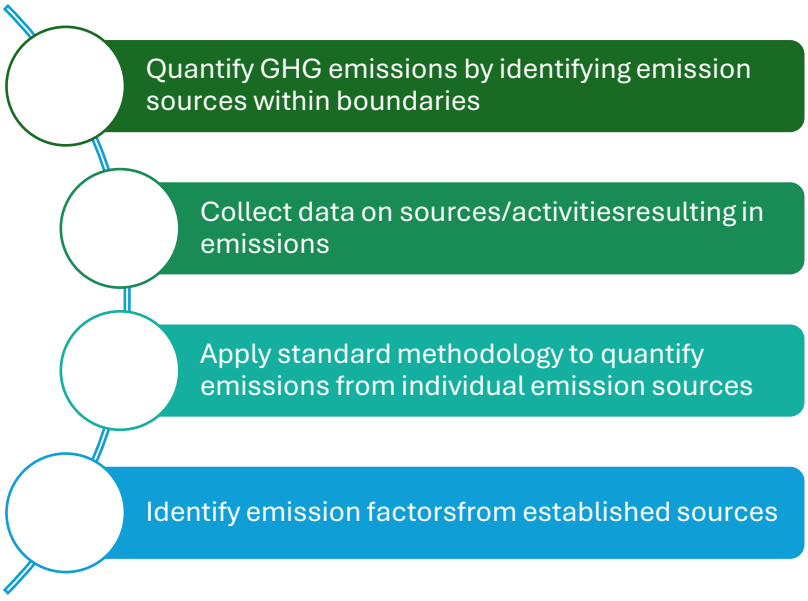
The quantification is based on two calculation-based methodologies, depending on the type of emission source:

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

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

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

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



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

GHG EMISSIONS

Scope 1 and 2 emissions

No	Type of energy	Emission in tCO2 eq.
1	Diesel	447.17
2	Petrol	3.12
3	Natural Gas	139.58
4	LPG	8.561
5	Refrigerants	600.77
6	Fire Extinguishers	0.61
7	Water treatment	7.69
	Total Scope 1	**1207.5**
8	Electricity	9534.9
	Total Scope 2	**9534.9**

Biomass emissions

No	Type of energy	Emission in tCO2 eq.
1	Biomass Emissions	3762.12
2	Steam emissions	5820.64
	Total Biogenic Emissions	**9582.76**

Scope 3 emissions

No.	Category	Emission in tCO2 eq.
1	Category 1 - Purchased goods and services	4,18,539
2	Category 2 - Capital goods	3,058
3	Category 3 - Fuel- and energy-related activities	4,398
4	Category 4 - Upstream Transportation of Products	51,211.1
5	Category 5 - Waste generated in operations	6,204
6	Category 6 - Business travel	2,228
7	Category 7 - Employee commuting	840
8	Category 8 - Upstream Leased Assets	30,447
9	Category 9 - Downstream transportation & Distribution	5,217.6
10	Category 12 - End of Life treatment	26,838
11	Category 15 – Investment	828
	Total Scope 3 emissions	**5,49,808**

09 Metrics & Targets

The Company has set ambitious emissions reduction targets, aligned with India's Intended Nationally Determined Contribution (INDC). For its Indian operations, Marico aims to achieve net zero GHG emissions by FY 2030, against a baseline year of FY13 and by 2040 across its global operations. The Company has committed to reducing Scope 1 and Scope 2 emissions by 93%, with the remaining 7% to be neutralised through sequestration and verified carbon offsets. While these targets have not been formally validated by the Science Based Targets initiative (SBTi), Marico considers them science-aligned and consistent with the global goal of limiting temperature rise to 1.5°C under the Paris Agreement. This climate ambition supports India's broader sustainable development goals particularly SDG 7 on clean energy access and SDG 13 on climate action.

METRICS

No.	Energy metrics	UoM	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	Total energy consumption	GJ	180122.4	174369.4	176162.2	204616.1
2	Renewable energy consumption	GJ	125545.3	115384.6	118741.2	148721.5
3	Renewable energy share	%	69.7%	66.2%	67.4%	72.7%
4	Energy intensity	GJ/Cr INR	24.02	23.32	25.16	26.99
5	Energy intensity	GJ/MT	0.61	0.60	0.67	0.69

No.	Emissions metrics	UoM	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	Scope 1 emissions	(tCO2e)	622.0	779.8	1052.6	1207.5
2	Scope 2 emissions	(tCO2e)	10309.0	11775.8	9712.4	9534.9
3	Scope 1 & 2 emissions	(tCO2e)	10931.5	12555.7	10765.0	10742.4
4	Scope 1 & 2 emissions intensity	(tCO2e / Cr INR)	1.46	1.68	1.54	1.42
5	Scope 3 emissions	(tCO2e)	561192.0	547125.7	560753.4	549807.6
6	Scope 3 emissions intensity	(tCO2e / Cr INR)	74.8	73.2	80.1	72.5
7	Biogenic emissions	(tCO2e)	10108.6	9240.6	8141.3	9582.8

No.	Water metrics	UoM	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	Total water withdrawal	KL	121939	128831	130433	144659
2	Water withdrawal intensity	KL/Cr INR	16.26	17.23	18.63	19.08[3]
3	Total water discharge	%	0	0	0	0
4	Fresh Water consumption intensity[4] (Manufacturing)	KL/Cr INR	15.81	16.55	18.51	16.9

No.	Waste metrics	UoM	FY 20-21	FY 21-22	FY 22-23	FY 23-24
1	Total waste generated and disposed (Hazardous)	MT	55.2	79	104.4	183
2	Total waste generated and disposed (Non-hazardous)	MT	4326.5	4183.4	3309.2	3201.9

[3] We started reporting water consumption in corporate office from FY25 in addition to manufacturing.
[4] Fresh Water consumption in manufacturing is calculated by subtracting rainwater from water withdrawal.

Targets

Year	UoM	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Scope 1 emissions	tCO2e	1070.0	890.0	710.0	530.0	350.0
Scope 2 emissions	tCO2e	8285.5	6571.0	4856.5	3142.0	1427.5
Scope 1 & 2 emissions	tCO2e	9355.5	7461.0	5566.5	3672.0	1777.5
Energy consumption	MWh	59344.6	62311.9	65427.5	68698.8	72133.8
Scope 1 & 2 emissions intensity	tCO2e / Cr INR	1.198	0.946	0.694	0.442	0.19
Renewable energy share	(%)	74%	80%	85%	90%	93%

Note: *Targets are set based traditional natural growth. We may revisit interim targets considering changes in business and manufacturing footprint while FY2030 target will remain unchanged.*

Our Scope 1 & 2 emissions targets are set with reference to Science-Based Targets initiative (SBTi) principles. This commitment underscores our dedication to substantial and proactive emission reduction measures beyond the established standards. Further, we are in process of setting scope 3 targets, and we are aiming to get Scope 1, 2 and 3 emission reduction targets approval by SBTi in near future.

ENABLERS

- Inventory of direct and indirect emissions across operational footprint
- Thorough analysis of business risks and opportunities to create robust mitigation strategies and action plans.
- Investment in technologically advanced low-carbon innovations and systems towards further decarbonization of operational footprint

ACTIONS

- Continue with zero-coal strategy across geographies that enable us to phase out the use of fossil fuel in operations.
- Integrate carbon neutrality across our existing and emerging product configurations.
- Transition to 100% renewable energy mix (electrical and thermal) across global operations
- Transition to 100% externally verified carbon neutral operations in India.
- Switch to certified sustainable built environment (certified green buildings) across corporate and major operational units.
- Track and report carbon sequestration potential from afforestation drives conducted across operational units

NET ZERO COMMITMENTS

As a responsible business that aspires to actively contribute to the climate action agenda, we have undertaken bold steps and commitments to go beyond compliance boundaries and proactively reduce our overall emissions' footprint across operations. To enact on this purpose and develop a climate-resilient business agenda now and into the future, we have declared our net zero emissions targets for global operations (own manufacturing facilities) for 2040. 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.

10 Uncertainty analysis

The possible areas of uncertainties in GHG emissions calculations have been identified based on the method of estimation/calculation, measurement, aggregation, and assumptions. Scope 1 and Scope 2 emission calculations, uncertainties are introduced through metering accuracy for activity data and emission factors.

Data on the make and model of the instruments used by the Marico team for inhouse metering and weighing of electricity and fuel respectively. Wherever the data on accuracy of these instruments was available, the accuracy range was taken from the specification sheet. Refer to Annexure 3 for the same. Wherever the data on accuracy was not available, and for the uncertainty around emission factors used, IPCC defaults were used from the GHG Protocol Uncertainty Calculation tool. The GHG Protocol Uncertainty calculation tool intends to facilitate the aggregation and ranking of statistical parameter uncertainties due to random errors related with calculation of GHG emissions. It uses the first order propagation (Gaussian) method. This requires that that the distribution of measurement data converges to a normal distribution and that the individual uncertainties are smaller than 60% of the expected mean.

UNCERTAINTY OF SCOPE 1 & 2 EMISSIONS

Uncertainties were calculated at the facility level for each category of Scope 1 and Scope 2 emissions and aggregated at the facility level. The uncertainties around Scope 1 and Scope 2 emissions (by virtue of activity data and uncertainty) are summarized in the table below:

Category of emissions	Source of emissions	Emissions (tCO2 eq.)	Uncertainty	Certainty Rating
Scope 1	Diesel	333.97	+/- 4.5 %	High
Scope 1	Petrol	1.98	+/- 9.4 %	Good
Scope 1	Natural Gas	134.65	+/- 7 %	Good
Scope 1	LPG	1.57	+/- 9.9 %	Good
Scope 1	Refrigerants	307.67	+/- 20.3 %	Poor
Scope 1	Fire Extinguishers	0.04	+/- 7.3 %	Good
Scope 2	Electricity	11775.82	+/- 3.5 %	High
NA	Biomass	9240.64	+/- 7.1 %	Good

Uncertainty data for emission factors were taken from the GHG Protocol Uncertainty Calculations Tool.

UNCERTAINTY OF SCOPE 3 EMISSIONS

Uncertainty of Scope 3 emissions calculations vary with the source of activity data as well as emission factors. Since the activity data for Scope 3 emissions depends on data estimation methods employed by the supply chain partners (vendors, suppliers, distributors, and consumers), it is difficult to ascertain a quantitative estimate of the accuracy of such data. This introduces an inherent uncertainty because of the various secondary data sources and assumptions used. These uncertainties have been mitigated by a consistently conservative approach in the calculations.

11 Annexures

ANNEXURE 1: Inclusions and Exclusions in GHG Inventory

Emission Type	Categories	Relevance	Inclusions/ Exclusions and Sources considered	Inventory Status	GHGs reported
Direct Emissions (Scope 1)	Stationary Combustion	✓	• High Speed Diesel (HSD) for DG sets • Natural Gas • Liquified Petroleum Gas (LPG) • Biomass Briquette (Bagasse based) (at following facilities: Jalgaon, Baddi, Puducherry, Perundurai, NER-I, NER-II, Sanand)	Relevant and Reported	CO2, CH4, N2O
	Mobile Combustion	✓	• Petrol consumption by owned vehicles (at following facilities: Puducherry, and Sanand)	Relevant and Reported	CO2, CH4, N2O
	Process Emissions	✓	• Emissions from effluent processing	Relevant and Reported	CO2, CH4, N2O
	Fugitive Emissions	✓	• Refrigerant usage in HVAC equipment,refilling of refrigerants including R22. (at following facilities: Jalgaon, Puducherry, Perundurai, NER-I, NER-II, Sanand) • Use of CO2 fire extinguishers for fire drill and fire incidents and CO2 refilling (at following facilities: Puducherry, and Sanand)	Relevant and Reported	HFCs such asR22, R32, R410A CO2
Energy Indirect Emissions (Scope 2)	Emissions from generation of purchased electricity	✓	• Electricity consumption from grid at facilities with operational control (at following facilities: Jalgaon, Puducherry, Perundurai, NER-I, NER-II, Sanand) • Emissions avoided through Renewable Energy from- IEX, Wind Power and Solar Power	Relevant and Reported	CO2
	Emissions from generation of purchased heat	×	• No Purchase of heat for undertaking its operations.	Not-Relevant and Not-Reported	NA
	Emissions from purchased steam	✓	• Purchase of steam for undertaking its operations. (Biogenic)	Relevant and Reported	CO2, CH4, N2O
Emission Type	**Categories**	**Relevance**	**Inclusions/ Exclusions and Sources considered**	**Inventory Status**	**GHGs reporter**

Other Indirect Emissions (Scope 3)	Emissions from Purchased goodsand services	✓	• Chemicals used in processing which have volume of less than 3% of total rawmaterials are not considered. • Raw materials for 2P (produced at vendors end) products contributing less than 0.05%ofoverall Marico standalone revenue have been excluded from the report. • Consumption of packaging materials is calculated basis sales volume. Active Bill of materials is used for calculation of packagingmaterials quantity. • 2P products with volume less than 0.2% of total volume sold are not considered for report. • Emissions from services included. Emissions from acquisitions considered under Category 15 as Marico only exercises a Financial Control on these subsidiaries. The computation of direct GHG Emission Intensity (Scope 1+2) is based on standalone India revenue which excludes revenue from acquired businesses.	Relevant and Reported	CO2, CH4, N2O
	Emissions fromCapital Goods	✓	CNO, Edible items, Food products, VAHO (at following facilities: Jalgaon, Baddi, Puducherry, Perundurai, NER-I, NER-II, Sanand)	Relevant and Reported	CO2, CH4, N2O
	Emissions from Fuel and Energy related activities (not included in scope 1or 2)	✓	• Emissions due to T&D losses in grid electricitytransmission. • No control over the fuel-related upstream emissions of large oil and gas companies. (at following facilities: Jalgaon, Baddi, Puducherry, Perundurai, NER-I, NER-II, Sanand)	Relevant and Reported	CO2, CH4, N2O
	Emissions from Upstream transportation and distribution	✓	• Raw material movement through road transportation, ocean bulk carriers, andcontainer vessels. • All domestic raw materials transport is happening in 20 MT truck. Mileage of trucks isconsidered the same. • Data for Materials which got rejected is not considered. (At following facilities: Jalgaon, Baddi, Puducherry, Perundurai, NER-I, NER-II, Sanand)	Relevant and Reported	CO2, CH4, N2O
	Emissions from Waste generatedand disposal	✓	• Non-hazardous waste considered that includes paper, plastic, wood, glass, and metalwaste. Hazardous waste considered that includes e-waste, ETP sludge, spent oil, cotton soaked with oil, Ink sludge. Disposal methods considered are recycling,waste going to landfill, and used as by- products. (At following facilities: Jalgaon, Baddi, Puducherry, Perundurai, Paonta, NER-I,NER-II,	Relevant and Reported	CO2, CH4, N2O

			Sanand)		
	Emissions from Business travel	✓	• Travel through road, railway, and air transportation methods. However, air emissions cover only CO2. • Road transportation includes passenger vehicles (4-wheeled), autorickshaws (3-wheeled), Bus, Luxury bus. • Railway transportation includes suburban and non-suburban trains. • Data for international travel is excluded fromcalculation as scope is India operation. • Data for Domestic business (exports) which isnot part of Marico's India business is also excluded from calculation. (At following • facilities: Jalgaon, Pondicherry, Perundurai, NER-I, NER-II, Sanand)	Relevant and Reported	CO2, CH4, N2O
	Emissions from Employee commuting	✓	• Travel through road and railway transportation methods. • Road transportation includes 2-wheelers, passenger vehicles (4-wheeled), autorickshaws (3-wheeled), Bus. • Railway includes suburbantrains. • For calculation of data, Highest no of employees working from office in particularmonth is considered as reference for all months. • Actual data for 50% of employees collected andextrapolated for all employees.	Relevant and Reported	CO2, CH4, N2O
	Emissions from Upstream leased assets	✓	• Emissions from Depots and third party • Wherever Depot/ 3P is shared by multiple parties and separate energy meters are not available, consumption is calculated basis volume produced and multiplying it with thestandard energy requirement which is also mentioned in vendor's agreement. Wherever bills for diesel consumption werenot available, consumption is calculated by dividing the amount paid with standard rateof diesel in that month. • Wherever electricity bills are received bi-monthly or quarterly, consumption is calculated as average. • Wherever electricity bills are not available, consumption is calculated from electricity expenses and agreed standard electricity rate.	Relevant and Reported	CO2, CH4, N2O

	Emissions from Downstream transportation and distribution	✓	• Finished Goods movement through roadtransportation. • Emissions from Depots • Most of the finished goods are packed in 12-20 Kg pack size, weight of each case is considered as 16 Kg. • Calculated road distance between Depot toDistributor using google maps. • Distributor to retailer distance- Top 5 citiesselected and calculated distance for top 5 retailers. • Retailer to consumer distance is considered as 5 Km.	Relevant and Reported	CO2, CH4, N2O
	Emissions from Processing of soldproducts	✘	• The intermediate use of the products sold isdifficult to monitor and record. • No control over the usage and associated emissions.	Not Relevant and Not Reported	NA
	Emissions from Useof sold products	✘	• The eventual end use of the products sold isdifficult to monitor and record. • No control over the usage and associatedemissions.	Not Relevant and Not Reported	NA
	Emissions from End-of-life treatment of sold products	✓	• End of life treatment for 50% of plastic is disposed of as land filled and50% as recycled. • (at following facilities: Jalgaon, Puducherry, Perundurai, NER-I, NER-II, Sanand)	Relevant and Reported	CO2
	Emissions from Downstream leasedassets	✘	• No assets have been leased.	Not-Relevant and Not-Reported	NA
	Emissions from Franchises	✘	• No franchises under control.	Not-Relevant and Not-Reported	NA
	Emissions from Investments	✓	• Emissions are calculated based on the equityshare.	Relevant and Reported	CO2
Other Indirect Emissions	Others (Example: work from home)	✘	• Most of the employees work in office space and manufacturing facilities. • No control and no influence on energy • consuming devices used by employees athome.	Not-Relevant and Not-Reported	NA

ANNEXURE 2: Inclusions and Exclusions in GHG Inventory

Fuel	Calorific Value[5]		Emission factors CO2 + CH4 + N20			Density[6]	
	Value	Unit	Value	Unit	Emission basis	Value	Unit
Fuel - Diesel	0.04	GJ/Kg	74.35	Kg CO2 eq./GJ	Net Calorific Basis[7]	840	kg/kL
Fuel – Briquette wood based	0.0156	GJ/Kg	101.93	Kg CO2 eq./GJ	Net Calorific Basis		
Fuel - Bagasse	0.01	GJ/Kg	101.93	Kg CO2 eq./GJ	Net Calorific Basis		
Fuel - LPG	0.05	GJ/Kg	63.16	Kg CO2 eq./GJ	Net Calorific Basis		
Fuel - FO	0.04	GJ/Kg	77.65	Kg CO2 eq./GJ	Net Calorific Basis		
Petrol	0.04	GJ/kg	72.18	Kg CO2 eq./GJ	Net Calorific Basis[8]	747.5	kg/kL
Electricity			0.72~0.73	Kg CO2 eq./ kWh	Grid Basis[9]		
Fuel - Biodiesels	0.03	GJ/Kg	71.05	Kg CO2 eq./GJ	Net Calorific Basis		
Fuel - Natural Gas	0.05	GJ/kg	56.16	Kg CO2 eq./GJ	Net Calorific Basis		
ETP / STP treated water			0.186	Kg CO2e/M3	Volume basis		

[5] https://ghgprotocol.org/sites/default/files/Emission_Factors_from_Cross_Sector_Tools_March_2017.xlsx
[6] https://www.engineeringtoolbox.com/fuels-densities-specific-volumes-d_166.html
[7] https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf
[8] https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf
[9] Carbon Credit

ANNEXURE 3: Data source

Datapoint	Data Source	
	First level	Second level
Electricity	Electricity meter	Electricity bills
Diesel	Dip measurement and calculating the volume available in tanks	SAP entry
Biofuel/ Briquette	Weight of material from the weighbridge	SAP entry
Fire extinguisher	Weight of fire extinguishers	Service report
Refrigerant	Weight of gas-filled	Service report
Natural gas	Natural gas meter	Bill
Petrol	Petrol meter at the petrol pump	Bill
LPG	Weight of cylinder	SAP entry
Production	Annual Production	SAP entry
Carbon Offset	Sequestration report	Vendor Certificate
REC	iREC certificate	NA

ANNEXURE 4: Measurement source

Scope	Data point	Data Source		Requirements	Plant Location					
		First level	Second level	Details	Puducherry	Perundurai	Jalgaon	Sanand	NER-1	NER-2
Scope2	Electricity	Electricity meter	Electricity bills	Make/ Model Number of meter	**Marico Meter:** Make: Schneider Model No: Power logic EM7290 (Marico Energy meter) **EB Meter:** Make: Secure Model No: Premier 300	Mainmeter Make- GENUS Serial no. - 5993920	Data not available	UGVCL - SECURE/Apex150, Solar - SECURE/ Premier300	MAKE-SECURE, MODEL-PREMIER 300, TYPE-E3M054,3PH, 4wire	MAKE-SECURE, MODEL-PREMIER300, TYPE-E3M054,3PH,4 wire
Scope1	Diesel	Dip measure ment	SAP entry							
NA	Biofuel/ Briquette	Weight of material from weigh bridge	SAP entry	Make/ Model Number of weighing platform	Make: Essae Model No: SI-810	Make - Mettler Model No - TMD IND 560 Sr. No. - 2718130719	NA	Make: Akshar Agency Model:100/200-E99 Least Count 400 MiliGram	MAKE-EASSAE SERIAL NO-S1850C229678MAX CAPCITY - 150KG	Make/Model: Precia Molen Range; up to 100 kg Readability: 0.010 kg S. No/ID: 03F980739/W8150-A

Scope1	Fire extinguisher	Weight of fire extinguishers	Service report	Make/ Model Number of weighing platform	Make - Ecobright	Make - Extane	Make- Honda	Make: Akshar Agency Model:100/200-E99 Least Count 400 Mg	MAKE-EASSAE SERIAL NO-S1850C229678MAX CAPCITY - 150KG	Make/Model: Precia Molen Range; up to 100 kg Readability: 0.010 kg S. No/ID: 03F980739/W8150-A
Scope1	Refrigerant	Weight of gasfilled	Service report	Make/ Model Number of weighing platform	Make - Ecobright	Make - Extane	Make- Honda	Make: Akshar Agency Model:100/200-E99 Least Count 400 MiliGram	MAKE-EASSAE SERIAL NO-S1850C229678MAX CAPCITY - 150KG	Make/Model: Precia Molen Range; up to 100 kg Readability: 0.010 kg S. No. /ID: 03F980739/ W8150-A
Scope1	Natural gas	Natural gas meter	Bill	Make/ Model Number of meteron site	NA	NA	NA	Make: ROMETLTD Model: AdemPTZ Ver: D1 Temp: -40 to 50C	NA	NA
Scope1	Petrol	Petrol pump meter	Bill		NA	NA	NA	NA	NA	NA
Scope1	Water treatment	Meter reading	NA	Make - SAPCON Instrument	NA	NA	NA	NA	NA	NA
NA	Testing of Calorific Value of fuels			Make/Model Number of bomb calorimeter	NA	NA	ATHENA - ATB Digital Bomb Calorimeter Model-ATB – 5A /6/7	NA	NA	NA

ANNEXURE 5: Assurance statement

INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Marico Limited

Holds Statement No.: **BSIV 824377-1**

Introduction

The **British Standards Institution (BSI)** has been engaged by **Marico Limited** to provide an independent reasonable assurance of the sustainability information (described in the "Scope") included in the SEBI's Business Responsibility and Sustainability Report (BRSR) for the period April 1, 2024 to March 31, 2025 (FY 2024-25).

Scope

The scope of engagement agreed upon with Marico Limited includes the following:

The independent reasonable assurance covers sustainability information pertaining to SEBI-BRSR-Core, Key Performance Indicators (KPIs) in accordance with Annexure-I of the Securities and Exchange Board of India (SEBI) vide Circular-number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12th July 2023.

This sustainability information is included in the Marico Limited's SEBI-BRSR for the period April 1, 2024 to March 31, 2025 (FY 2024-25).

BSI has performed a reasonable assurance engagement on whether the Marico Limited's disclosures in the SEBI-BRSR-Core are fairly presented, in all material respects in accordance with the reporting criteria (refer table below).

Sustainability information subject to reasonable assurance	Period subject to assurance	Reporting criteria
SEBI-BRSR Core (Refer Annexure I of SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023)	April 1, 2024 to March 31, 2025 (FY 2024-25)	• Regulation 34(2)(f) of SEBI's Listing Obligations and Disclosure Requirements (SEBI LODR) • BRSR Core - Framework for assurance and ESG disclosures for value chain (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023) • Guidance Note for Business Responsibility & Sustainability Reporting Format issued by SEBI (Annexure II - SEBI/HO/CFD/CMD-2/P/CIR/2021/562)

The independent reasonable assurance covers the following BRSR Core KPIs which are included in Marico Limited's SEBI-BRSR for FY 2024-25:

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('P' represents the 9 Principles of the National Guidelines for Responsible Business Conduct (NGRBC) / 'E' represents Essential Indicators, within each Principle in the SEBI-BRSR Format)

- Green-house gas (GHG) footprint – P6:E7
- Water footprint – P6:E3 and P6:E4
- Energy footprint – P6:E1
- Embracing circularity – P6:E9
- Enhancing employee wellbeing and safety – P3:E1(c) and P3:E11
- Enabling gender diversity in business - P5:E3(b) and P5:E7
- Enabling inclusive development - P8:E4 and P8:E5
- Fairness in engaging with customers and suppliers - P9:E7 and P1:E8
- Open-ness of business - P1:E9

[The details of subject matters and their boundaries within the scope is described in Appendix A and Appendix B in this independent assurance opinion statement].

Opinion Statement

We have conducted a reasonable assurance engagement covering the sustainability information pertaining to SEBI-BRSR Core KPIs for the period April 1, 2024 to March 31, 2025 (FY 2024-25), covering disclosures on Green-house gas (GHG) footprint, water footprint, energy footprint, embracing circularity, enhancing employee wellbeing and safety, enabling gender diversity in business, enabling inclusive development, fairness in engaging with customers and suppliers, open-ness of business.

In our opinion, the accompanying sustainability information is fairly presented, in all material respects, in accordance with the reporting criteria stated above.

Methodology

Our assurance engagement was carried out in accordance with the ISAE3410 and ISAE3000 (Revised) assurance standards following the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- Discussion with managers and staff in Marico Limited involved in sustainability-management, BRSR-report preparation, provision of data & information, implementation of controls, etc were carried out
- Document review of relevant systems, policies, controls and procedures where available
- Review of supporting evidence for claims made in the reports
- Visit of the 3 major factories and the Corporate Office of Marico Limited to confirm the data collection processes, record management practices, and check evidence physically

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- A sample-based assessment of the reliability and quality of information covered as part of the SEBI-BRSR Core KPIs with samples considered based on criticality of data points in line with requirements of Reasonable Assurance

Responsibility

Marico Limited is responsible for the preparation and fair presentation of the sustainability information described in the "Scope" above in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders of Marico Limited, giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to Marico Limited and has no financial interest in the operation of Marico Limited other than for the assurance of the sustainability statement contained in the SEBI Business Responsibility and Sustainability Report (BRSR).

This independent assurance opinion statement has been prepared for the stakeholders of Marico Limited, only for the purposes of verifying its statements relating to SEBI-BRSR Core (Annexure I) as notified by SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023), more particularly described in the Scope above.

This independent assurance opinion statement is prepared based on review by BSI, of information presented to it by Marico Limited. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by Marico Limited is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team that conducted the assurance has extensive experience in conducting assurance & verification over environmental, social & governance (ESG), and GRI Standards 2021, AA1000AS, ISO 14001, ISO 45001, ISO 14064, ISO 14068, ISO 50001, and ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 7-7-2025

For and on behalf of BSI:

Sabyasachi Ghosh
Lead Assurer

Theuns Kotze
Managing Director BSI India

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