

SUPPLIER SUSTAINABILITY REPORT

FY 2025-2026

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Overview

At Marico, we are progressing towards our ambition of becoming a transformative, innovative and purpose-led organisation. Central to this vision is the development of a value chain that is not only efficient and agile, but also accountable, resilient and sustainable. As consumer expectations evolve and the business landscape becomes increasingly dynamic, our value chain continues to play a critical role in fostering innovation, enabling responsible growth and creating long-term value. Marico regards its business associates as co-creators of an inclusive, environmentally responsible and digitally enabled value chain. Our approach is founded on the belief that sustainable growth is best achieved through strong collaboration and shared responsibility across the ecosystem. Through our Responsible Sourcing framework, SAMYUT, we work closely with suppliers and partners to strengthen ESG performance, promote ethical business practices, enhance transparency, and build resilience across the value chain.



SAMYUT: Responsible Sourcing Framework

Supplier sustainability is anchored in the FY2030 ESG roadmap and delivered through **SAMYUT**, Marico's responsible sourcing approach, focused on embedding sustainability principles across value chain by promoting ethical, transparent and environmentally responsible sourcing practices. The framework has been developed in alignment with Marico's Responsible Sourcing Policy and Code of Conduct for Business Associates to drive ethical, transparent and sustainable practices across the value chain. It fosters collaboration, accountability and continuous improvement while creating shared value for stakeholders. Aligned with the United Nations Global Compact (UNGC) supply chain principles, the framework reinforces commitments to eliminating forced and child labour, promoting safe and fair working conditions, safeguarding the

SAMYUT
Responsible Sourcing Initiative
By Marico

environment, and maintaining zero tolerance for corruption. It is further informed by globally recognized standards and frameworks, including the UN Guiding Principles on Business and Human Rights (UNGPs), SEBI's BRSR requirements, OECD Guidelines for Multinational Enterprises, GRI Standards, ISO 20400 Sustainable Procurement Guidance, and SA8000 principles, strengthening responsible procurement, ESG accountability and ethical workplace practices across the supply chain. The framework is applicable to all critical* value chain partners, business associates, and approved sub-contractors including suppliers of raw and packaging materials, logistics and transportation partners, warehouse and depot associates, third-party manufacturers,
and service providers.is built on three interconnected thrust areas:

Ethical Responsibility	*Legal compliance, anti-corruption, fair competition, data privacy, traceability, human rights, child and forced labour prohibition, diversity and equal opportunity, freedom of association*
Social Commitment	*Employee health and safety, skill development, local community development, land rights of communities in which suppliers operate*
Environmental Protection	*Establishment of EMS, emission control, waste minimisation, biodiversity preservation, energy saving, water conservation, and reduction in plastic waste across supplier operations*

Critical value chain partners are identified on three factors: highest procurement or volume share within the category, uniqueness of the material or service provided, and dedicated partnership with Marico.

SAMYUT follows a structured three-stage approach to strengthen sustainability performance across critical supply chain partners:

Level 1 – Educate	Build supplier awareness on responsible sourcing requirements and ESG expectations through self-assessment and commitment to the framework.
Level 2 – Evaluate	Assess supplier ESG performance through audits, risk reviews, and monitoring mechanisms, with defined corrective actions for gaps identified.
Level 3 – Evolve	Collaborate with suppliers on improvement initiatives, capability building, and performance enhancement to drive long-term sustainability outcomes.

Supply Chain Governance

- **Two anchor policies:** the Responsible Sourcing Policy (ethical sourcing, environmental stewardship, social responsibility) and the Code of Conduct for Business Associates (integrity, human rights, labour practices, health & safety, environmental compliance). Both apply across raw materials, packaging, logistics, warehousing, third-party manufacturing and other services.
- **Board-level accountability:** the MD & CEO holds ultimate accountability for supply chain performance and updates the Board regularly.
- **Management ownership:** the EVP & Head, Integrated Supply Chain steers the Supply Chain Management System and integrates ESG priorities into strategy and operations.
- **Global ESG Council:** a cross-functional body reporting to the Sustainability Committee that analyses supply chain ESG risks and opportunities.
- **Sustainable Procurement Centre of Excellence:** procurement representatives for raw materials, packaging materials, foods, edible oils and non-edible oils, working with the corporate sustainability team to standardise best practice. Buying and procurement teams receive regular ESG capacity-building.

Supplier Onboarding and Engagement Journey

01 Identification *Background checks on tenure, local credentials, reputation and production capability.*	**02 Verification** *Scrutiny of competence and credibility; statutory compliance (e.g., VAT, PAN) and geographic presence.*	**03 Application & Registration** *Qualified suppliers enter Marico's formal registration process.*
04 Critical Supplier Assessment *Classified critical or non-critical under SAMYUT on competence, quality, safety and spend.*	**05 Code of Conduct** *Mandatory signing of and compliance with the Code of Conduct for Business Associates.*	**06 Selection** *Evaluation-team validation of technical, cost, quality and responsible sourcing criteria; preference for better ESG performance.*

Supplier Climate Action, Traceability and Certification

Climate Engagement - Dedicated capacity-building sessions, coordinated with Procurement, equipped critical associates for value chain disclosure requirements. Value chain decarbonisation is under way with key agri raw material partners: a Life Cycle Assessment (LCA) maps GHG hotspots, and mitigation levers under joint exploration include renewable energy, sustainable agriculture and operational efficiency.

Raw material traceability - 50% of agricultural raw materials (by spend) are traceable to location level (district or town) of cultivation or primary processing. We are strengthening traceability beyond tier-1 suppliers, advancing location-level visibility for key agricultural inputs while promoting ethical, certified, and deforestation-free sourcing. Traceable spend is led by copra (55%), followed by rice bran oil (29%), edible oil (11%) and foods (5%).

Material certification - Approximately **42%** of CFC suppliers in packaging are Forest Stewardship Council (FSC) certified. Marico targets last-mile certification across agri-based value chains by 2030, strengthening traceability, accountability and no-deforestation alignment.

Supplier Development and Quality Excellence

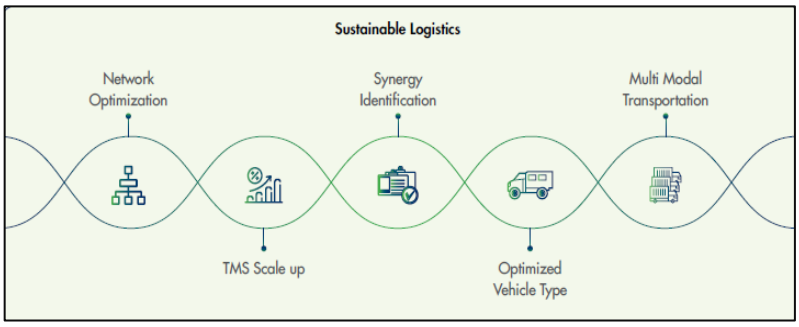
- **FSSAI Schedule 4 training:** delivered with the Quality team for 13 major edible oil vendors, covering refinery infrastructure and maintenance, Good Manufacturing Practices, pest control and Critical Control Points.
- **Supplier Quality Excellence (SQE):** led jointly by Procurement and Central Quality Assurance, guided by GFSI standards, to strengthen packaging material suppliers. Pillars: baseline assessment and benchmarking; training and knowledge building; audits and self-evaluation; and corrective and preventive actions (CAPA).
- **Convertor partnerships:** support covers facility upgradation (energy efficiency, waste reduction, resource utilisation) and on-ground technical guidance on capability building, quality systems, EHS, operational excellence, technology enhancement and process optimisation.

FY26 outcomes: a **29.4% reduction in quality complaints** despite a multi-fold rise in volumes and SKUs sourced; an **8.6% increase in packaging net stock**, delivering a **99.05% net service level**; faster New Product Development timelines; and fewer stockouts. Supplier capability is evaluated on a nine-parameter framework that informs procurement decisions, with continued focus on reducing the Cost of Poor Quality (COPQ). Engaged **17 packaging vendors** in a comprehensive **8-hour training programme**, featuring expert-led keynote sessions focused on quality, sustainability, and continuous improvement.

Supplier Diversity, Human Rights and Grievance Redressal

- **Diversity and Localisation:** About 50% of procurement is sourced directly from MSMEs and small producers; 92% is sourced within India, reducing dependencies and logistics impact while supporting regional value chains.
- **Human Rights Due Diligence:** About 43% of critical suppliers were assessed for risks including child labour, forced labour and fair labour practices, with independent third-party verification. Regular training reinforces elimination of child labour, prevention of forced labour and freedom of association. No incidents of child or forced labour were reported across the value chain in FY26.
- **Supplier Grievance Mechanism:** Suppliers can report concerns confidentially, and anonymously where required, via marico.ethicspoint.com or toll-free helpline, with protection against retaliation and defined closure timelines. Procurement managers provide continuous in-person touchpoints. Copra collection centres carry suggestion boxes and a displayed farmer helpline, validated through third-party audits**.** No supply chain grievances were reported in FY26.

Sustainable Logistics



At Marico, we are advancing sustainable logistics through continuous optimisation across our supply chain. Across 68 logistics and transportation associates, we are reducing trip volumes and associated emissions through network optimisation, synergy identification, appropriate vehicle selection for enhanced load utilisation, route redesign to enable back-haul opportunities and minimise empty runs and strengthened Transportation Management System (TMS) capabilities for optimal vehicle deployment and load-efficiency monitoring. Looking ahead, multimodal transportation remains a key lever to further improve sustainability, operational efficiency, and value creation across the supply chain.

FY26 Value Chain Landscape

86% Business associates (by spend) certified on the Code of Conduct	**88%** SAMYUT Level 1 (Educate) certified, by spend	**43%** SAMYUT Level 2 (Evaluate) certified, by spend	**81%** Critical business associates trained on quality, health & safety and sustainability
50% Raw materials sourced directly from MSMEs / small producers	**92%** Procurement sourced within India (by spend)	**50%** Agri raw materials traceable to location level (by spend)	**Nil** Supply-chain grievances; child or forced labour incidents in FY26

1,198 Material sourcing associates (raw & packaging materials)	**67** Dedicated third-party manufacturing associates (convertors, filling units)	**68** Logistics & transportation associates	**24** Warehousing associates	**157** Critical business associates (FY26)

Supplier Sustainability Assessment

Objective - This report outlines the findings of Marico's FY 2025-26 supplier sustainability assessment conducted across selected value chain partners. Based on actual ESG performance data provided by participating suppliers, the assessment was designed in alignment with the BRSR Core Value Chain framework and related SEBI guidance, supporting enhanced supply chain transparency, performance monitoring, and continuous improvement.

Reference Framework - The assessment was undertaken as a voluntary readiness initiative aligned with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March 2025. This circular was issued under Section 11(1) and Section 11A of the Securities and Exchange Board of India Act, 1992, read with Regulation 101 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), and effectuated partial modifications to the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 ("Master Circular on LODR Compliance"). The assessment has been conducted with reference to the BRSR Core framework as set out in Annexure 17A of the aforesaid Master Circular, which prescribes Key Performance Indicators (KPIs) across 9 ESG attributes for assessment or assurance by listed entities and their value chain partners.

Business Rationale - FY 2025–26 marks the first full reporting cycle under the revised Securities and Exchange Board of India (SEBI) BRSR Value Chain disclosure framework, making this assessment critical for strengthening regulatory readiness and ESG governance at Marico Limited. The initiative supports the establishment of a robust ESG baseline, operationalisation of revised value chain coverage thresholds, and enhancement of supply chain transparency and disclosure credibility. It also supports organisational readiness for the voluntary assessment or assurance of value chain disclosures from FY 2026–27 and for any subsequent regulatory developments.

Scope, Materiality & Coverage

Scope	Coverage	Basis
Upstream *(Includes Raw Materials and Packaging Materials)*	30.94% of purchases	Primary data collected directly via structured BRSR Core questionnaire
Downstream *(modern-trade and quick-commerce)*	8% of sales	Secondary data from partners' public BRSR/annual disclosures, apportioned to Marico's business share

*Vendor Selection Methodology - Focusing on the top suppliers comprising **2% or more** of the company's purchases/sales ensures that the most significant contributors to Marico's indirect footprint are assessed, fulfilling SEBI's mandate for value chain transparency.*

Capacity Building & Engagement

- **Initial Outreach & Partner Onboarding** – First, sustainability team had an initial round of discussion with the respective suppliers informing them about the capacity building session on BRSR value chain reporting as per SEBI's guidelines to be reported on VCR data for FY26. In co-ordination with Procurement team, finalized the schedules for the capacity building sessions.
- **Expert-Led Training Sessions** – With support from our consultant partner, training sessions was conducted explaining the requirement of SEBI's BRSR Value Chain Reporting along with BRSR necessary Key Performance Indicators (KPIs) across 9 ESG attributes.

- **Handholding on Questionnaire Completion** – Explained each BRSR Core questions with examples to provide suppliers a clarity on what data point is expected from them to disclose.
- **Navigation Support on Data Management Platform** – We took them through the UPDAPT platform; a digital ESG platform developed for data collection on BRSR VCR by suppliers along with necessary evidence that is required to be uploaded against each question to justify the data incorporated.

Assessment Methodology

- Data was mapped against the applicable BRSR Core indicators spanning six relevant NGRBC Principles: business ethics and payment practices (P1), employee well-being and occupational health and safety (P3), gender diversity and POSH grievance redressal (P5), energy, water, emissions and waste management (P6), inclusive sourcing and supplier development (P8), and customer privacy and data security (P9).
- Two distinct data-collection approaches were adopted. For upstream partners, primary data was collected through a structured BRSR Core questionnaire and consolidated using supplier-level methodologies appropriate to each KPI. For downstream partners, information was sourced from publicly available BRSR and annual disclosures. Absolute environmental values were apportioned based on Marico's business share with each partner, selected percentages, rates and days were consolidated using business-weighted averages, and absolute incident or complaint counts were aggregated without apportionment.
- A consistent data-quality protocol was applied across all disclosures. Zero values have been reported only where partners explicitly confirmed nil performance. Instances of non-disclosure, non-applicability, absence of consolidated reporting, or inconsistencies in reporting units have been classified as *Not Reported (NR)*, *Not Applicable (NA)*, or Not Calculable *(NC)*, as appropriate, rather than being defaulted to zero. This approach safeguards the integrity and reliability of the consolidated dataset while ensuring transparency, traceability, and future assurance readiness.

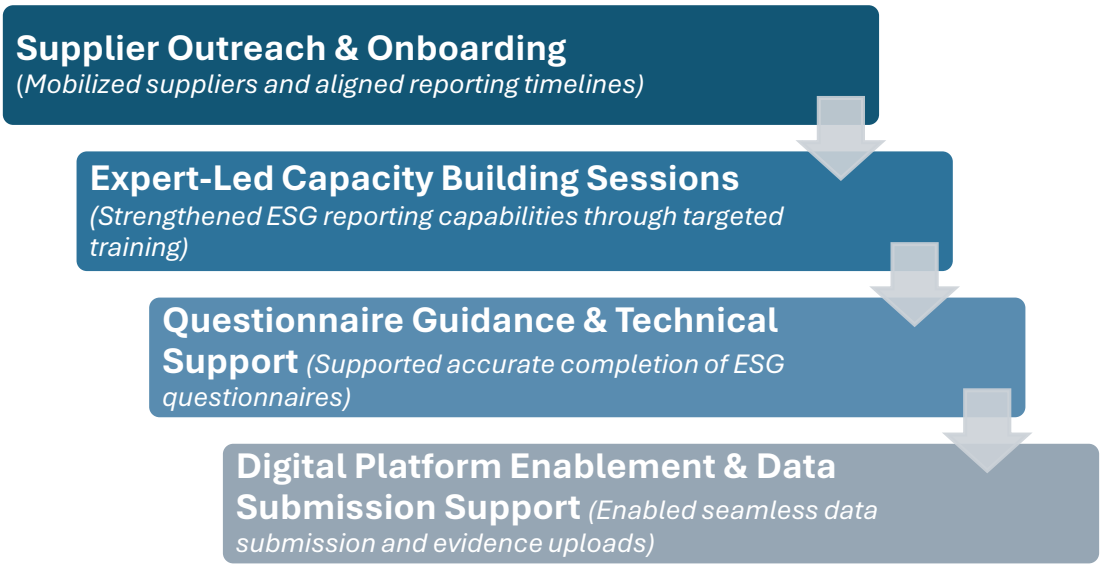


Fig. Supplier Assessment Support Framework

Consolidated Supplier Performance Highlights

Parameter	Upstream	Downstream
Environment		
Total energy consumed	135,460 GJ 12.8% renewable	13,065 GJ 14.7% renewable
Total water withdrawal	69,308 KL	13,820 KL
Scope 1 & 2 GHG emissions	12,916 tCO2e	2,135 tCO2e
Total waste generated · recovered	350 MT 14% recovered	866 MT 99% recovered
Social		
Recordable injuries / fatalities	4 / 3	144 / 0
Female wages, % of total	19.6%	27.5%
MSME sourcing	34.2%	37.6%
POSH complaints filed / upheld	1 / 1	9 / 5
Governance		
Related-party purchases, % of total	0.9%	8.5%
Data breaches reported	Nil	Nil

Way Forward: Advancing a Sustainable and Transparent Supply Chain

This assessment is not an end, but an important milestone in Marico's broader ambition of building a more sustainable, transparent, and resilient supply chain. By leveraging real-time supplier data and engaging value chain partners directly, the exercise is helping the Company strengthen ESG visibility beyond its own operations, establish credible performance baselines, and enhance the quality and reliability of sustainability-related information across the value chain.

Looking ahead, Marico will continue to expand supplier participation in line with evolving BRSR Value Chain Reporting expectations, while further standardising data collection, validation, and reporting processes. The focus will be on improving data credibility, transparency, and completeness, enabling more informed decision-making, better identification of ESG-related risks and opportunities, and stronger collaboration with suppliers on sustainability priorities. Supplier capability-building and continuous engagement will remain central to this journey, ensuring that sustainability expectations are progressively embedded across the value chain.

Over time, the insights generated through this assessment will support Marico's broader supplier sustainability agenda under SAMYUT, fostering greater accountability, responsible business practices, and continuous performance improvement across its ecosystem. While these efforts will naturally enhance readiness for any future disclosure or assurance requirements, the primary objective remains the creation of a more sustainable, transparent, and future-ready supply chain that delivers long-term value for both the business and its stakeholders.

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Purpose Statement

To transform in sustainable manner

The lives of those we touch

By nurturing and empowering them

To maximize their true potential