BECAUSE SUCCESS IS SWEETER WHEN IT'S SHARED

CREATING SHARED VALUE, THE MARICO WAY.

SUSTAINABILITY JOURNEY FY21



Products that improve lives Growth that brings steady returns Empowered people who learn and grow Care for communities and the environment This passion to deliver makes us who we are

AND FOR US, THIS HAS MADE ALL THE DIFFERENCE

OUR PURPOSE

To transform in a **sustainable** manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential.



When a company has sustainability embedded in its very ethos, the idea of shared value comes naturally. At Marico, we define this simply as creating economic value in a manner that also creates value for the society we live in. By re-imagining products, innovating through the value chain, addressing the needs of the community and empowering it, we aim not only to create value, but to multiply it many times over. As we reap the rewards, in profits and awards, in mutually beneficial relationships, in a safer, cleaner environment and thriving communities, Marico remains committed of the ideal of shared value creation and to a secure, sustainable and inclusive future.

This document summarizes our sustainability efforts of FY21. Read on for the highlights of our journey.

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OUR JOURNEY **SO FAR**

Marico's focus on delivering sustainable profitable growth has translated into a compounded annual growth of 16% in top-line and 23% in profits, since inception. In this decade of action, we aspire to tread the path of value-based growth by ensuring business sustainability and creating differentiated benefits to all our stakeholders, by partnering in their growth agenda through continuous engagement. The value-accretive business opportunities in this environment set us on a path of accelerated, yet sustainable growth, thus benefitting all.



OUR DECADE OF ACTION



OUR STRATEGIES

ENABLING SUSTAINABLE GROWTH



THE CORE

Marico continues to consolidate its leadership position with market share gains across its core segments: coconut oil, value-added hair oils and super premium refined edible oils. There continues to be significant headroom for category growth as well as market share gains, the short-term rural demand slowdown notwithstanding.

STRATEGIC PILLARS



We continue to focus on portfolio diversification with a healthy mix of core portfolio and future growth engines aligned to the changing consumer trends.

Marico lives by its purpose of 'Make a Difference' and continuously strives to create shared value in collaboration with all stakeholders. 'Shared Value' is anchored in the ethos of the way we do business and applied to ensure that all business decisions balance economic, environmental and social considerations.

STRATEGY ENABLERS

Marico has always focused on technology and automation as a key lever for building a future-ready organisation.

MAINSTREAMING

Sustainability is embraced as a part of Marico's mainstream business approach to create shared value.



Consumer-centric innovation is a key growth driver and our effort has been to bring in more agility through structural interventions. We have created roles focusing on driving consumer insights and innovations for our growth engines.

{⊙} TALENT

At Marica, our core value proposition is to provide challenging, enriching and fulfil ling opportun ities that maximise the potential of our people.

BUSINESS AND GO-TO-MARKET MODELS

We have strived to continuously experiment and adapt our business and go-to market models in line with the changing market landscape and business realities.



MANAGEMENT

While profitable growth has always been a focus for Marica, cost consciousness is even more important in the current scenario to ensure we maintain healthy profitability and are able to fund strategic initiatives for future growth.

OUR FRAMEWORK

MAINSTREAMING VALUE CREATION

Far-sighted goals, rigorous processes and like-minded partners form a potent force at Marico. Shaping programs that further sustainability even as they create value for all.



BUILDING CREDIBILITY

Since FY 2015-16, Marico has been committed to voluntary reporting practices, adopting globally recommended frameworks to communicate its sustainability performance to stakeholders.



We have completed the external assurance of non-financial indicators. Our energy and emissions levels reported in IR FY20, were assured by an external agency, DNV-GL





SHAPING EFFECTIVE **STRATEGIES**

STRATEGY **INTERNAL GOVERNANCE**



Marico has instituted a robust and transparent sustainability governance structure, to ensure that goals and targets are achieved by implementing action plans effectively. Marico's Board of Directors has visibility to not of all sustainability initiatives. The Chief Operating Officer – Supply Chain & IT supported by a Sustainability/Business Responsibility Reporting (BRR) Committee is responsible for on-going sustainability activities.

FRAMEWORK

Growth and sustainability are intertwined in Marico's corporate strategy, both firmly based on a common bedrock - the creation of shared value. With sustainability being an integral part of the way we do business, we deploy a consumer and community-centric approach to achieve sustainable value creation.

Click here to know more about our strategic framework

INTEGRATION

Sustainability is embedded in almost every business decision at Marico, from the architecture of our offices to the choice of vendors. Mainstreaming sustainability ensures that it becomes a part of the ethos of every single member, strengthening our goal of creating shared value.

Key Areas of Integration:					
Sustainable product design	Capital goods: equipment, machinery		Green field/Brown field projects		
Low carbon technology	Vendor selection	5		Green buildings	

Materiality Index:

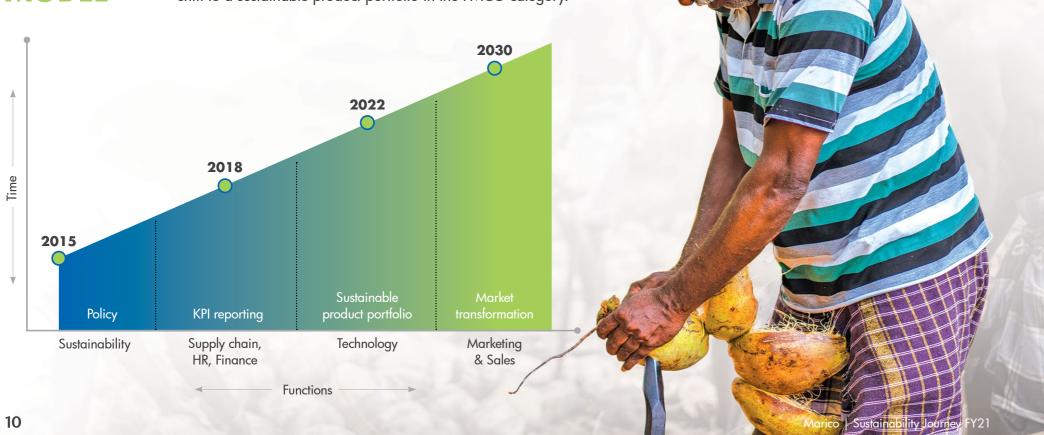
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For Marico, material issues are those that may have an impact, directly or indirectly, on our ability to generate and sustain economic, environmental and social value for us and our stakeholders. We evaluate our material issues periodically to introspect as well as shape the future course of action.

FORGING ROBUST PARTNERSHIPS



Our sustainability focus is amply demonstrated in our sustainable product portfolio. Marico aims to have a long-term influence on the market, driving a widespread and permanent shift to a sustainable product portfolio in the FMCG category.



MAKING A SUSTAINABLE IMPACT OBJECTIVES

4. RESPONSIBLE SOURCING

The promotion and support adoption of responsible practices throughout the supply chain, which can stimulate demand for socially and environmentally preferable products.

3. CIRCULAR ECONOMY

To minimize the environmental impact of plastics throughout their life cycle (encompassing the design, procurement, packaging, logistics and disposal phases).

2. WATER STEWARDSHIP

Become a Water Steward, making water available to the community for domestic and agricultural needs.

1. CLIMATE CHANGE

To become a Carbon Neutral operation and mitigate our value chain climate impact, in line with the 1.50 scenario.

5. PRODUCT RESPONSIBILITY

Integrate a sustainability perspective throughout the life cycle of a product (encompassing ingredient/material selection, sourcing, manufacturing, supply chain and end use).

6. PARACHUTE KALPAVRIKSHA FOUNDATION

To create awareness of management practices

- To train farmers to handle their farms independently
- To transform myth and belief based farming into scientific and knowledge based cultivation

• To achieve increased production and revenue

• 7. ZERO WASTE

To implement effective waste management practices across our operations and ensure Zero Liquid Discharge and Zero Hazardous Waste to Landfill

8. SOCIAL VALUE CREATION

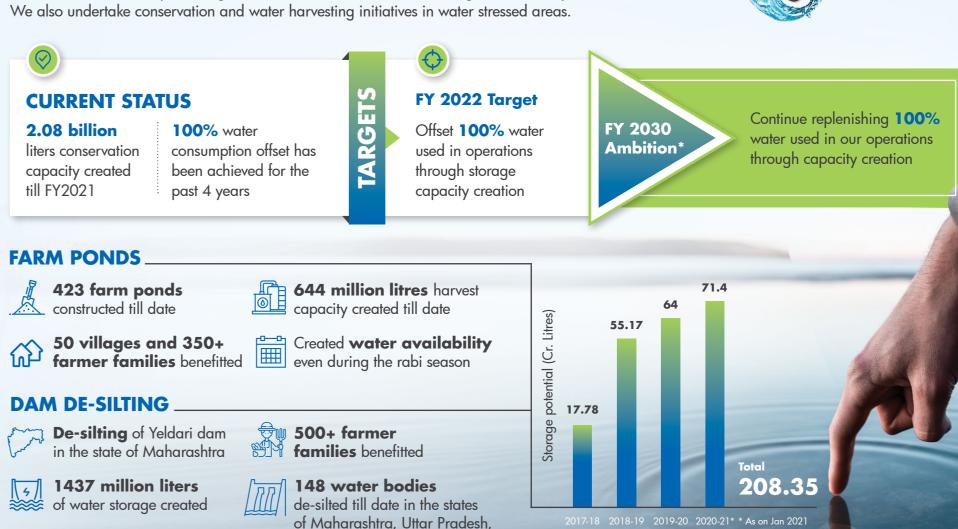
To enable sustainable and inclusive growth of the community through a variety of social outreach programs and initiatives



Impact 2 WATER STEWARDSHIP

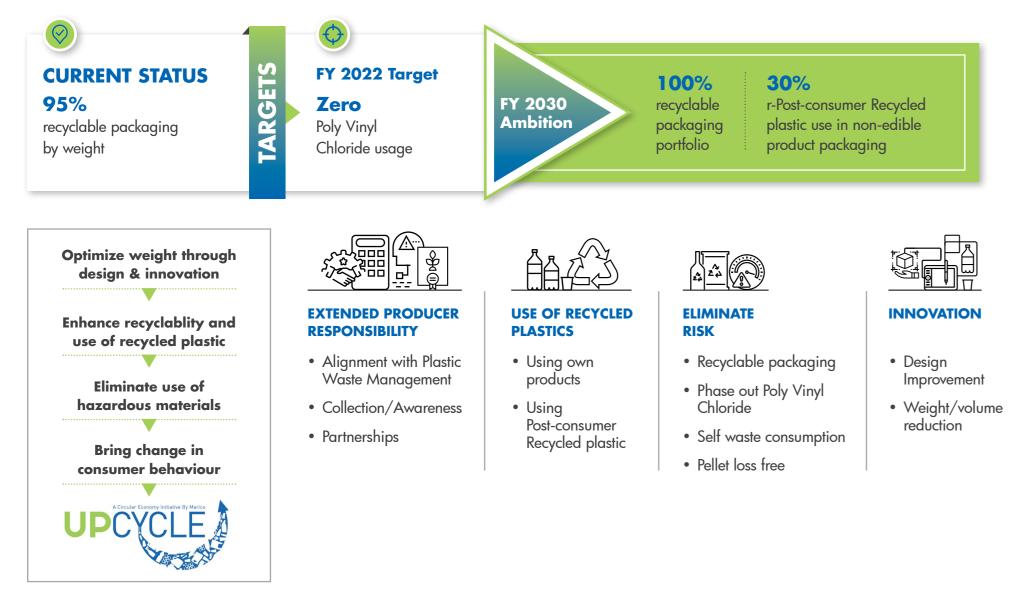
As a manufacturer of a range of agro-based products, water is crucial to our business. Our water stewardship effort is committed to replenishing as much water as we consume, through enhanced operational efficiencies. We also undertake conservation and water harvesting initiatives in water stressed areas.

Madhya Pradesh & Rajasthan



jalaashay

Impact 3 CIRCULAR ECONOMY



ELIMINATE RISK

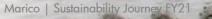
SUSTAINABLE PACKAGING PORTFOLIO

RECYCLABLE PACKAGING MATERIAL

With a continued focus on environmental stewardship, we have made steady progress towards using recyclable packaging. At present 95% of the packaging material used by Marico is recyclable by weight. **We aim to achieve a 100% recyclable packaging portfolio by FY 2025.**

ELIMINATION OF POLY VINYL CHLORIDE

We are committed to eliminate the use of Poly Vinyl Chloride in our packaging by FY 2022. At present, the use of Poly Vinyl Chloride is less than 1% of the total packaging material used.



USE OF RECYCLED PLASTIC

CONVERSION TO PALLETS A ONE-OF-A-KIND INITIATIVE

Our goal is to minimize the use of virgin material by using recycled material. Under our UPCYCLE program, we work with collection partners to collect our empty hair oil bottles. These are processed, converted into pallets of recycled plastic and re-used at one of our manufacturing units.

USAGE IN OWN PRODUCTS

We have achieved notable success in using recycled plastic across our product range.

20% recycled Polyethylene Terephthalate (r-PET) used in our leading hair oil brand

20% Recycled High Density Polyethylene (r-HDPE) used in our household care brand

70% recycled Polyethylene Terephthalate (r-PET) used in our hair product brand

20% Recycled High Density Polyethylene (r-HDPE) 30% recycled Low-density Polyethylene (r-LDPE) used in shrink films for secondary packaging of our edible oil brand

EXTENDED PRODUCER RESPONSIBILITY

UPCYCL

12 2 2 2 2 12 12 11 11 11 11 12 2 10 10 12

-

Pallet made of recycled plastic



Adhering to Plastic Waste Management rules, Marico pursues its commitment to Extended Producer Responsibility in the collection and safe disposal of post-consumer non-recyclable plastic waste.

Working with approved partner agencies across several states in India, we have collected and disposed of 225 MT and 773 MT in FY 18-19 and FY 19-20 respectively.

CONVERTING WASTE TO FUEL

In a unique UPCYCLE initiative, we partnered with a non-governmental organization (NGO) partner to collect 50 MT of plastic waste from various communities. The waste was processed through Thermo Catalytic Decomposition (TCD) technology and converted into poly fuel.

Marico Sustainability Journey FY21

Impact 4

RESPONSIBLE SOURCING



POLICY STATEMENT We will source materials and services for Marico products through sustainable and responsible suppliers and business associates who share our sustainability vision.

THE OPPORTUNITY BEFORE US

PRODUCT DEVELOPMENT	 Eliminate unsafe ingredients, chemicals 		RESPONSIBLE SOURCING	SAMYUT Together . We . Achieve
LEAN & GREEN MANUFACTURE	Conserve natural resourcesImprove renewable shareEfficient manufacturing	The participation of raw		
SUSTAINABLE PROCUREMENT	Agro & renewable material useRecyclable material useEnhance recycled material content	material and packaging material vendors is key as the impact of both is the highest in the emission profile		The
SUPPLY CHAIN	 Logistics and network optimization] 		
SAFE DISPOSAL	Circular economyUpCycle value of waste			

Platform:

Marico | Sustainability Journey FY21

FRAMEWORK

KEY THRUST AREAS

ETHICAL STANDARDS

A business without ethics cannot win the trust of its stakeholders. Our philosophy is to conduct our business with high ethical standards in our dealings with all stakeholders.

ENVIRONMENTAL PROTECTION

A sustainability-focused organization ensures that its processes are Green. We expect our suppliers and business associates to follow this and comply with all environment regulations.

SOCIAL COMMITMENTS

Local communities and society provide the social license to conduct our business. Hence, we believe it is vital to demonstrate social responsibility by promoting values.

IMPLEMENTATION PLAN

Our engagement with our supply chain is defined on 3 Levels

1 EDUCATE

Communicate and create awareness amongest suppliers on the MARS requirement. The suppliers are expected to give their consent to and self declare their compliance and/or non-compliance to the Level 1 questionnaire.

2 EVALUATE

Marico intends to evaluate the performance of suppliers against set KPIs and goals. The suppliers are expected to retain adected documentation for review and audit as per the Level 2 questionnaire forms.

3 EVOLVE

Marico in consensus with the supplier will undertake joint projects and share technical know-how to improve processes and practices. The aim is to build a robust, strong and sustainable nexus towards a common objective. With an intent to create a sustainable supply chain, Marico has made a commitment to **Responsible Sourcing.**

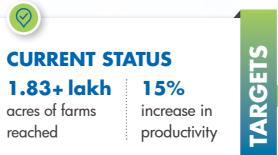
FOCUS AREA Sustainable supply chain

2022 TARGETS

Certify 20% critical supply chain partners under Level 1 by 2022

Initiate Level 2 engagement with the certified partners Impact 5

PARACHUTE KALPAVRIKSHA FOUNDATION



FY 2022 Target 2.25 lakh acreage enrollment (50000 acres in FY22)

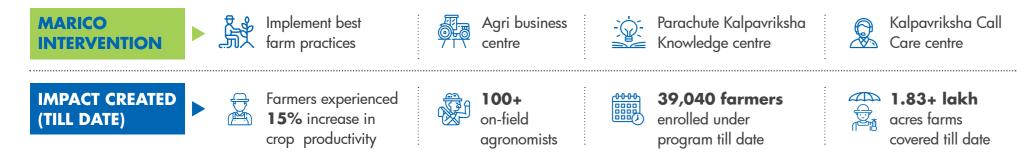
FY 2030 Ambition

Reach **6%** of 50 lac Coconut farm acreage Create an eco-system which enables profitable coconut farming.



Parachute Kalpavriksha Foundation was launched on World Coconut Day, September 2, 2017. Through various initiatives, the foundation has positively impacted the incomes of coconut farmers and made a significant difference to the quality of their lives.

METHODOLOGY AND APPROACH





18k low/non- productive trees were rejuvenated

The initiative was launched in 4 of India's major coconut producing states.



THANJAVUR CROP RENEWAL

Cyclone Gaja devastated coconut plantations in Thanjavur district, Tamil Nadu. Marico reached out and supported the farmers through initiatives like seedling development and distribution, plantation, young tree management, inter-cropping and standing tree rejuvenation.

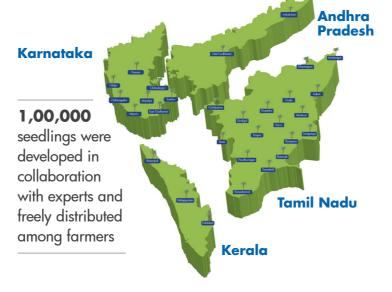
40k banana saplings were distributed – intercrop for immediate income

Digital reach

Farmers were reached through social media platforms like Facebook, Instagram and YouTube.

KALPAVRIKSHA KNOWLEDGE CENTRE

We have developed a Knowledge Centre to train and demonstrate best farm practices. In FY 2019-20, **165+ farmers** were trained at the Parachute Kalpavriksha Knowledge Centre.





PRODUCT RESPONSIBILITY

6

AS ENVISAGED BY MARICO

CURRENT STATUS

Key Coconut Oil portfolio Stock Keeping Units covered

FY 2022 Target

Complete Product Sustainability Index study of **100%** key Stock Keeping Units across portfolio FY 2030 Ambition **100%** of product portfolio be assessed for Product Sustainability Index study

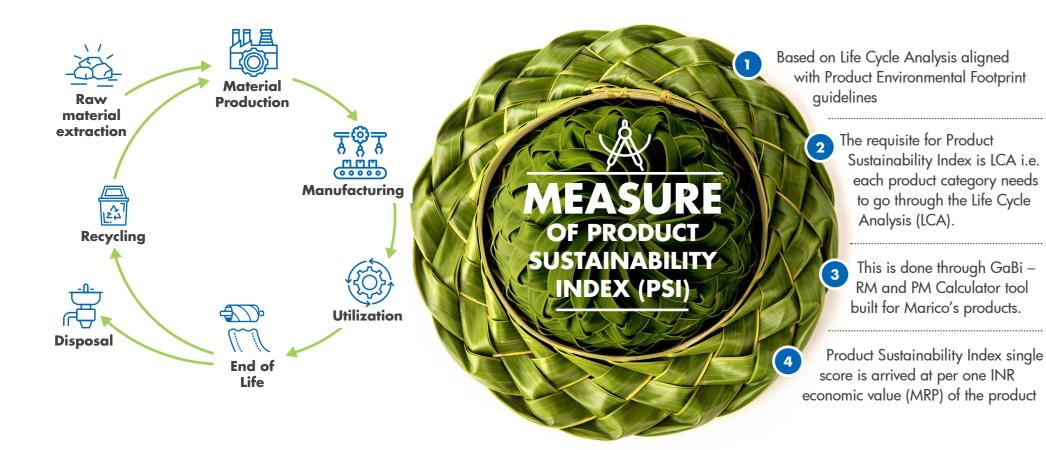
Have **20%** of products certified as sustainable products (internal certification)

Product responsibility is one of the key identified material issues and a focused long term sustainability goal for Marico. We adhere 100% to all product compliance requirements for consumer health and safety. Our R&D and regulatory teams continuously monitor material restrictions published by research institutes to ensure product formulation safety. We also have a strict policy in place regarding the usage of safe materials.



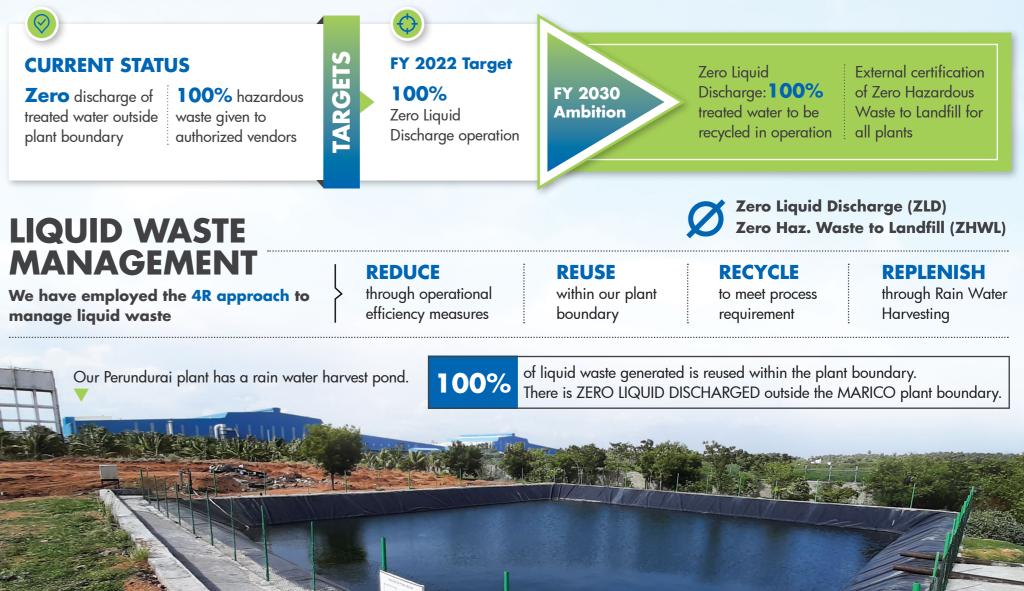
INTEGRATING PRODUCT SUSTAINABILITY

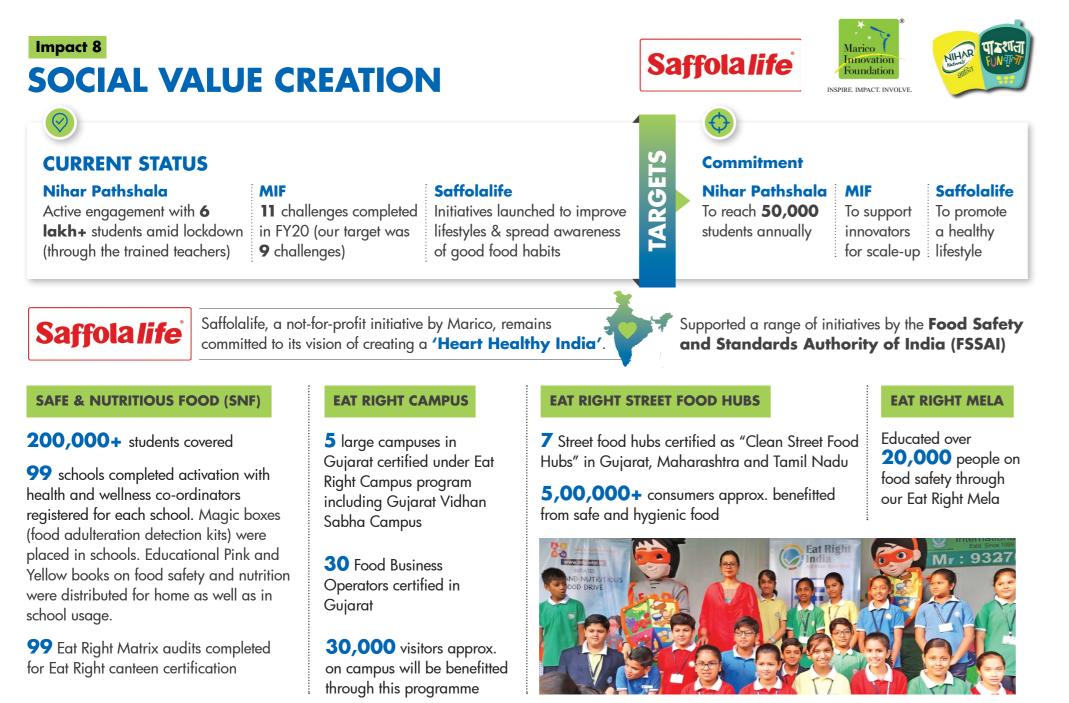
ACROSS PRODUCT LIFE CYCLE STAGES



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Impact 7 ZERO WASTE





EDUCATION

With purpose at its heart and commitment towards social progress, Nihar Shanti Pathshala Funwala, has been continuously strengthening its mission to impart quality education to underprivileged children across Madhya Pradesh, Rajasthan, Uttar Pradesh and Haryana

TEACHER EMPOWERMENT PROGRAM

- Trained 1 Lakh+Teachers
- Active engagement with
 6 lakh+ students amid lockdown (through the trained teachers)

MOBILE PATHSHALA

• 1.35 lakh students reached



VIRTUAL SCHOOL

• 2,000+ students undergo virtual training

DIGITAL CLASSROOM

• 2,000+ students attended classes



REMEDIAL LEARNING PROGRAM

 60,000+ students attained grade appropriate learning levels Partnering the **NGO Educate Girls**, we pursue our commitment to provide quality education for under-served and marginalized girls.

1.4 million+ enabled with access to quality education since the inception of the initiative





MARICO INNOVATION FOUNDATION (MIF)



INSPIRE, IMPACT, INVOLVE,

G Our vision encompasses the innovation ecosystem in India. Marico Innovation Foundation believes that Innovation can spur creation and sustenance of successful and enduring Indian brands. That will enable India to reposition itself as a global economic superpower.

- Harsh Mariwala, Chairman

1 SCALE-UP PROGRAM

MIF identifies business challenges faced by organizations, collaborates with mentors, and provides implementable solutions.

Particulars	Impact
No. of active organizations (FY 2020)	12
No. of challenges closed	11
No. of mentors engaged	32
Mentor hours spent	344

Challenges completed in FY2020

2 THE INNOVATION BOOK

MIF published its second book 7 Sutras of Innovation, which brings together business insights from the scale-up journeys of past MIF Award winners. It is aimed at sparking impactful and innovative ideas, thereby contributing to India's growth story.

,500 Copies sold within months of release

3 **#INNOVATE2BEATCOVID**

MIF launched a nation-wide platform on March 29, 2020. Med-tech entrepreneurs, corporates and innovators were invited to share costeffective and innovative solutions to combat the short supply of ventilators, personal protective equipment and other respiratory solutions that can aid the medical fraternity.

670+ Proposals received

RECOGNITIONS



Marico awarded a Silver at the Greentech Environment Excellence Awards



Awarded to Marico's Corporate Office, for its sustainable building design and commitment towards areener architecture



Certification

The prestigious IGBC Green Buildina Certificate awarded to Marico's R&D Center

GreenCo **Gold Certificate** by CII Awarded

to Marico's Baddi unit



Marico's Perundura unit recognized as a 100% renewable energy plant



Marico conferred with the Leaders Award at the Frost & Sullivan and TERI Sustainability 4.0 Awards



Strong Commitment Certificate by Food **Future Foundation**

Received Strong Commitment Certificate in the Category of 'Sectoral Value Chain of Copra – Dry Coconut', for the year 2020 by Confederation of Indian Industry - Jubilant Bhartia Food and Agriculture Centre of Excellence (CII-FACE) as part of Food Future Foundation (FFF) National Award for Sustainable Sourcing 2020

2020 A- rating

A+ rating by Sustain Labs Paris

Ranked 6th Recognized among India's by the CDP most sustainable Climate companies with Chanae an A+ ratina Program with by SUSTAIN an A rating LABS PARIS in on climate association with chanae BW Businessworld

by CDP

Certified 'Carbon Neutral by DNV GL Assurance India Pvt. Ltd.

> Our Perundurai unit certified as 'Carbon Neutral' by DNV GL Assurance India Pvt. Ltd.

Certified 'Platinum' by IGBC Our Perundurai factory has received platinum-level

2021

certification for achieving the Green **Building Standards** by CII - Indian Green **Building Council** (IGBC)



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