

Sustainability Policy

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Sustainability Policy

1. Objective

- 1.1. The objective of Sustainability policy (“this Policy”/“the Policy”) is to articulate Marico’s philosophy of **Sustainability**, to provide guidelines for deployment in its business and to define the **Governance & Monitoring Framework** for ensuring effectiveness of policy.
- 1.2. As a sub-set, this policy will also articulate Marico’s philosophy of Safety, Health and Environment, to provide guidelines for deployment in its business and to define the **Governance & Monitoring Framework** for ensuring effectiveness of the Policy.

2. Philosophy

- 2.1. Marico believes that social, environmental and economic values are interlinked and we belong to an **Interdependent Ecosystem** comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society. We are committed to ensure a positive impact of our existence on all these stakeholders.

Our stated purpose is to “**Make a Difference**”. An organization has to work closely with its ecosystem to create a sustainable & inclusive growth for all. Thus, it’s our continuous endeavor to integrate sustainability considerations in all our business decisions throughout the **lifecycle of our products & services**.

We will have a focused approach in identifying sustainability goals in line with our business strategy and purpose. No organization can do this in isolation; it needs support and participation from its ecosystem. Hence, we aim to propagate the principles of Sustainability throughout our **Value chain** & to all stakeholders.

3. Regulatory Framework

- 3.1. Sustainability reporting is a voluntary initiative taken by Marico and hence it does not fall under any regulatory norm. However, **Global Reporting Initiative: G4 guidelines** will be referred as principles for deploying & reporting Sustainability in the organization.
- 3.2. As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the organization is expected to include in its Annual Report a **Business Responsibility Report**. This Policy and its deployment

framework will also act as guidelines for BRR wherever principles of BRR and Sustainability are congruent.

- 3.3. Safety, Health & Environment (SHE) Policy is a legal requirement under the **Factories Act, 1948**. SHE is also an important requirement in Sustainability. Apart from these regulatory requirements, complying with the guidelines of other standards like ISO, OHSAS and NABL is expected as good governance.

4. Key Thrust Areas

4.1. Stakeholder engagement:

We believe that we are an integral part of a larger economic and & social ecosystem and its sustainable inclusive growth will lead to ours. We will continuously interact & engage with our stakeholders and ensure that they partner us in our sustainability journey.

4.2. Safety and health:

Our members and workforce are the backbone of our operations. Hence, ensuring their safety and health at the work place is our prime responsibility. We will work to ensure consistent safety through strong governance and compliance with applicable regulations and standards.

4.3. Product Quality:

We will ensure high quality standards in design, process, inspection and transportation of goods. It's our endeavor to develop all processes to international standards and deliver safe and quality products to our consumers.

4.4. Local communities:

Local communities and society provide the social license to conduct the business. Hence, we believe it is vital to demonstrate social responsibility by promoting values and initiatives that show respect for the people and communities associated with our businesses.

4.5. Ethical standards:

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

4.6. Environmental protection:

A Sustainability focused organization ensures its processes to be 'Green'. At Marico, we make all efforts to improve our energy efficiency, reduce usage of natural resources like water & fuel, encourage use of renewable energy, improve waste management

mechanisms, reuse and recycle materials and have environment considerations in procurement. We are also committed to comply with all environment regulations.

5. Policy statement

5.1. Sustainability Policy

Marico, as a responsible corporate citizen is fully committed to its purpose **“Make a Difference”**. We are engaging in meaningful dialogue with our stakeholders while striving to improve social, environmental and economic performance of our operations. Our commitment is to,

- operate business in an efficient and financially sustainable manner while satisfying our customers through value added products / solutions and creating value for stakeholders
- ensure good governance, ethics and transparency in our engagements with stakeholders while promoting & advocating responsible business practices
- comply with all applicable legal, environmental & social requirements
- promote sustainable consumption while enhancing the nutrition, wellbeing and beauty of our consumers
- integrate sustainability considerations throughout the life cycle of our products & services by institutionalizing innovation within organization and its stakeholders
- reduce the green-house gas emissions, enhance energy efficiency, promote renewable energy use and reduce waste at our operations
- foster health, safety and well-being of employees and inculcate a culture of empowerment and enrichment
- collaborate with communities towards social interventions in the identified thrust areas
- develop sustainability Key Performance Indicators (KPIs), set definitive targets and establish monitoring mechanism for continual improvement

5.2. Safety, Health & Environment Policy

Marico Limited is committed to bring in and maintain higher standards of excellence in Safety, Health and Environment as an integral part of the business. We shall achieve this by demonstration of our commitment to:

- legal compliance on Safety, Health and Environment regulatory standards
- quick response to the SHE concerns of employees, suppliers, society and all stakeholders through efficient incident reporting & investigation process.
- evaluation of all the SHE aspects during design, procurement and operation or services
- adoption of environment friendly production technologies and efficient usage of renewable and non-renewable energy
- establishment of a continual improvement process through rigorous review system and achievement of higher goals in SHE area
- minimization of our impact on the environment through pollution prevention, reduction of natural and man-made resources consumption, reduction of emissions and conservation of resources by reducing, reusing, recycling and managing waste.
- attention towards employees' attitude and performance towards SHE during career advancements
- competency enhancement of all the employees through continuous training pertaining to SHE and promote SHE awareness among key stakeholders.

6. Implementation

6.1. Sustainability program will have long term **Sustainability Goals** and **Short Term Initiatives** in relevant areas. These initiatives will be taken up by sites as well as by corporate teams based on its nature.

7. Governance

7.1. Corporate Sustainability Governance Structure

7.1.1. The Business Responsibility Report Committee (**“the BRR Committee”**) is constituted by the Board of Directors of the Company to assist the Managing Director & CEO, who is the Director responsible for ensuring the Business Responsibility/Sustainability activities of the Company. The BRR Committee is headed by the Chief Supply Chain Officer and comprises of three more Senior Managerial Personnel of the Company. The BRR Committee reviews the Business Responsibility and Sustainability performance of the Company on annual basis.

7.1.2. **Corporate Sustainability Committee (Sustainability Committee)** is headed by a member of the Executive Committee (Ex-Com) with other members as Operations Excellence Head, Investor Relations Head, Operations Excellence Manager (SHE & Sustainability) and Head – Legal, International Business & Company Secretary. This committee ensures effective formulation of sustainability policies, implementation of strategy, stakeholder engagement, identification of sustainability projects, review of targets and may delegate certain tasks to various internal teams. The Sustainability Committee shall periodically report progress to the BRR Committee.

7.1.3. The **Sustainability Convener** (Operations Excellence Head) ensures implementation of identified projects, preparation of sustainability report and monitoring of key performance indicators. Sustainability convener is also accountable for effective formulation of SHE policies, training, identification of risk preparation of mitigation plans and review of SHE goals.

7.2. Sustainability & SHE teams across functions

7.2.1. The Champions across various corporate functions (Finance, Sales, Marketing, HR, EHS, Procurement, R&D, Regulatory Affairs, and Supply Chain) and Plant level champions cascade the initiatives across various functions and locations.

7.2.2. The SHE Coordinators across various locations shall coordinate with corporate Sustainability Committee members for implementation of policy, projects and long-term goals.

8. Sustainability Expenditure

- 8.1. All expenditures related to Sustainability will follow regular budgeting and expenditure processes. Additional consideration with respect to Sustainability will be given while approving these expenditures if needed.
- 8.2. Corporate Sustainability Committee is responsible for getting budgets approved and also for ensuring expenditure with budgetary control.

9. Monitoring & Review framework

- 9.1. Monitoring and review mechanism ensures that the policy adherence happens in true sense and it has following procedures -
 - 9.1.1. Adherence to policy at various locations will be done by the Corporate Sustainability Committee. This team is expected to check the principle alignment with respect to policy and implementation depth.
 - 9.1.2. The Sustainability Committee will review the progress on Sustainability & SHE Goals and other initiatives annually and report the progress to the BRR Committee.
 - 9.1.3. The BRR Committee shall provide an annual update to the Board.
 - 9.1.4. Sustainability report will be prepared by the Sustainability Committee annually.
 - 9.1.5. Details of progress on various sustainability initiatives will be published in Annual report / BRR or Sustainability Report wherever relevant.

10. General

- 10.1. The Sustainability policy would be subject to revision / amendment in accordance with the guidelines as may be issued by the regulatory authorities or Voluntary organizations in Sustainability field.
- 10.2. The company reserves its right to alter, modify, add, delete or amend any of the provisions of this policy.
- 10.3. The power to interpret and administer the policy shall rest with the BRR Committee whose decision will be final and binding. The BRR Committee is also empowered to do make any supplementary rules / order effective implementation of the policy.