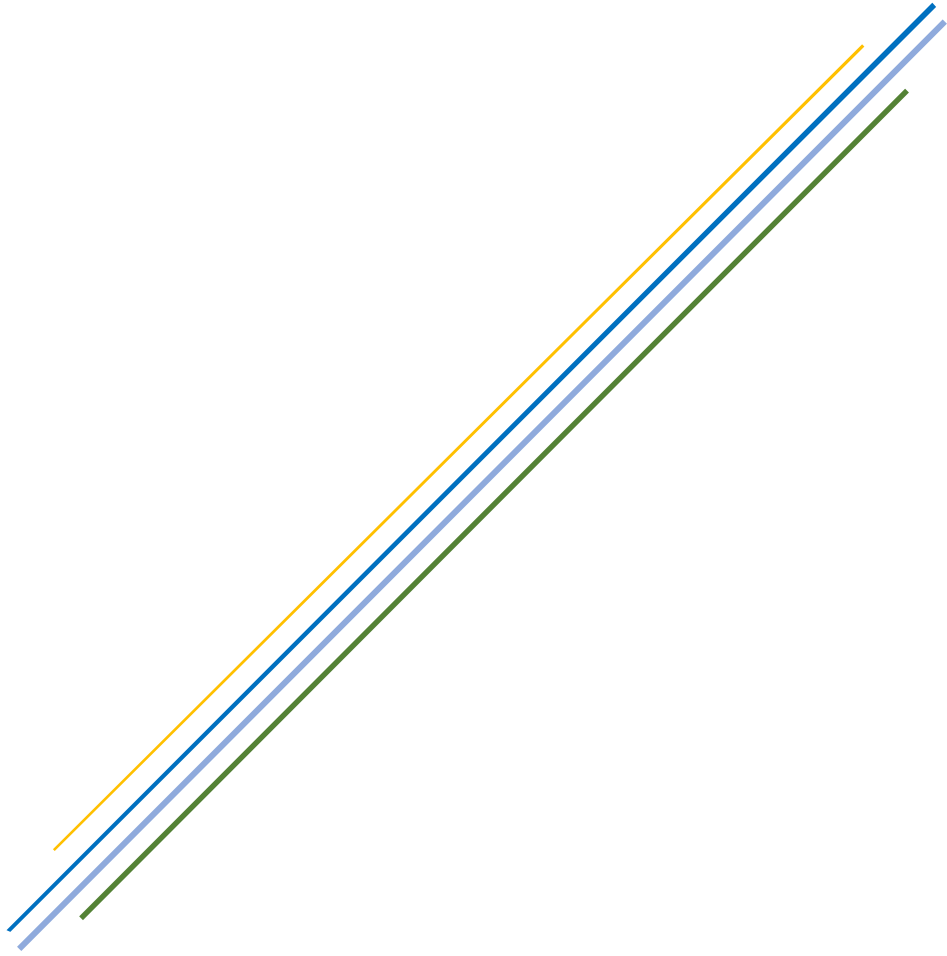




SAMYUT 2.0

Marico's Responsible Sourcing Policy



Marico Limited
2022

INTRODUCTION

Marico's purpose is 'Making A Difference' in lives of those we touch, by nurturing and empowering them to bring about sustainable transformation in society. Certain imperative impact areas have been identified that would help us create shared value; one of them being Responsible Sourcing. We wish to work in partnership with our suppliers to evolve our sourcing program. We encourage our supply chain partners to recognize our purpose and integrate environmental conservation principles, ethical standards and socially responsible practices throughout the value-chain.

Marico's Responsible Sourcing Framework' titled **SAMYUT** was first institutionalized in 2018 with the overall business purpose of safeguarding stakeholder interest and creating shared value. We have revised the framework in 2022 to create a more robust responsible sourcing framework-**SAMYUT 2.0**. The purview of updated framework has been expanded to include all relevant aspects, in alignment with international standard of Sustainable Development Goals, Universal Declaration of Human Rights, International Labour Organization's Declaration on Fundamental Principles and Rights at Work. A policy has been developed covering all facets of SAMYUT 2.0 to guide our suppliers and business associates to meet the outlined principles. We will review the policy once in every two years and update it, whenever required.

SCOPE AND APPLICABILITY

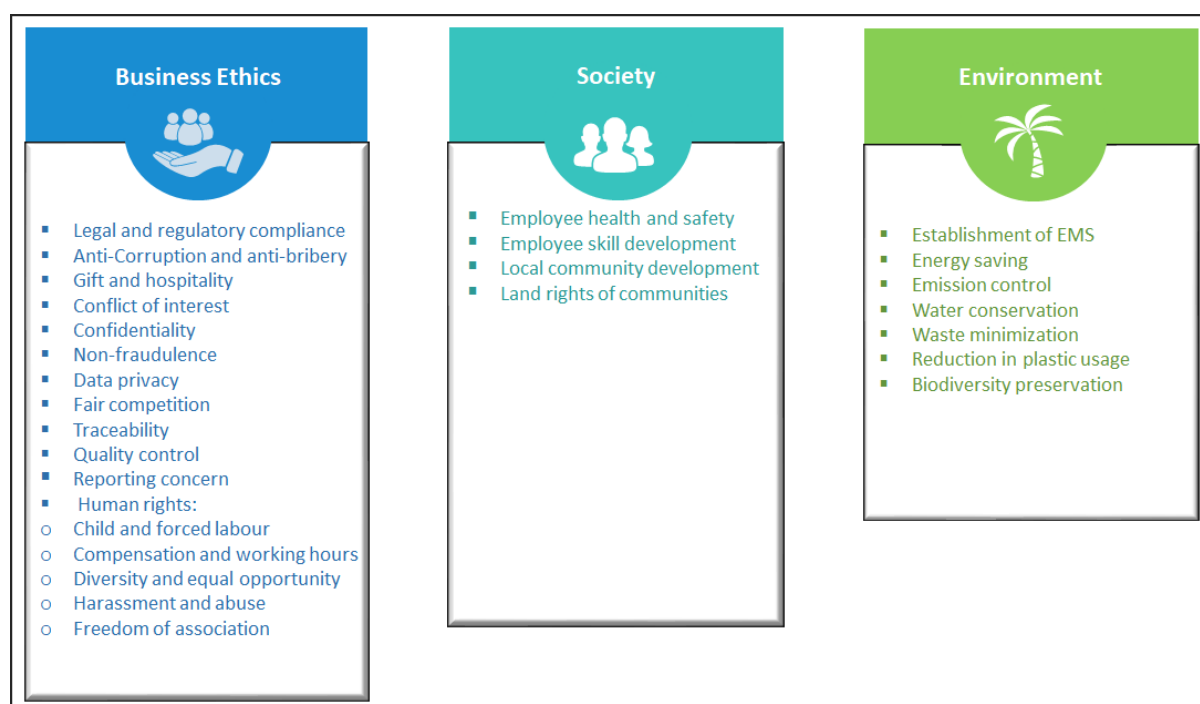
This Policy applies to all our suppliers, business associates and approved sub-contractors *including raw material and packaging material suppliers, logistic and transportation partners, warehouse and depot associates, third party manufacturers and service providers*. We expect all our suppliers refer to this policy as guidance note and apply the outlined principles in their businesses.

Our intent through this policy is to – "Source material & services for Marico products through sustainable and responsible suppliers or business associates who share our sustainability vision".

We would request our suppliers to share this policy document with their employees and supply chain partners and inform them about the mandatory requirements listed in the policy.

We plan to conduct regular supplier reviews to monitor our suppliers' adherence to SAMYUT 2.0. Processes suitable for micro enterprises as well large enterprises will be adopted for supplier review, like self-declaration forms, online assessments, independent third-party audits and joint initiatives. Supply chain partners are expected to comply with requirements stated in the policy, that extends beyond local regulations. We are aware of business scale and operating environment of all our supply chain partners; therefore, we will discuss implementation timeline for sustainability practices with them to understand their feasibility. In case of supplier's non-compliance with Samyut 2.0 beyond agreed timeline, we may seek alternate option of procuring material or service.

KEY THRUST AREAS



Business Ethics

1. Legal and regulatory compliance

We expect suppliers & business associates to comply with all national and local laws applicable in the countries in which they operate. All other applicable international regulations including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), data protection, intellectual property and anti-trust and competition laws should also be complied with.

2. Anti-bribery and anti-corruption

Suppliers should conduct business with integrity and refrain from practicing any direct or indirect act of bribery, corruption, extortion or embezzlement. They should have adequate procedures in place to detect any internal corrupt practice.

3. Gift and hospitality

We do not appreciate the act of exchanging gifts, entertainment or other gratuities with our supply chain partners. No such act that intends to influence Marico's business decisions will be accepted. In case any reasonable exchange of gift takes place solely for the purpose of maintaining good business relations, it should be duly recorded.

4. Conflict of Interest

Supplier should inform us about any situation that may appear to be a conflict of interest, so that we can take appropriate action against it. It should be disclosed if any Marico member, government official or representative of a political party has personal interest or ownership in a supplier's business.

5. Confidentiality

We demand suppliers to safeguard Marico's intellectual property and trade secrets. No confidential information of Marico should be shared with any third party with Marico's prior consent. All sensitive information should be used only for its intended and designated purpose as decided and agreed upon between Marico and the supplier.

6. Non-fraudulence

Suppliers should be conscious enough to prevent, detect and reporting fraud, including fraudulent financial reporting and money laundering. A control system should be implemented to mitigate any risk of fraud.

7. Data privacy

Suppliers should respect privacy of all employee and customer related information and ensure protection of personal data as per relevant privacy laws and regulations. Suppliers should also train their employees about their responsibilities for protecting Marico's personal, employee and consumer data and use it only upon Marico's agreement and as per applicable laws.

8. Fair competition

Suppliers should be committed to fair and competitive free market system and act in accordance with all applicable antitrust, competition and trade practice laws. They should not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of fair competition laws or antitrust laws that govern the jurisdictions in which they conduct business.

9. Traceability

We seek to create a transparent sourcing network where the origin (harvesting locations) of the products delivered to Marico can easily be tracked. It requires our direct suppliers to deploy the standards outlined in this policy to their own supply chain partners up until the source of the raw material. It helps to ensure responsible practices, respect for the environment, and respect for the people and communities in our supply chains.

10. Quality control

Suppliers should plan and implement processes and systems that would monitor quality of their operations and products/service. They are encouraged to establish certified quality management system by competent authority like ISO 90001 and use quality improvement tools like Kaizen, Six Sigma, etc. for continuous quality improvement. Trainings, review meetings and internal audits should be organized to ensure effectiveness of the quality management system.

11. Reporting concerns

Suppliers should have well defined procedure for recording, reviewing and addressing employee complaints or concerns regarding violation of law or any of the stated principles in this policy. Employees and workers should feel free to raise concern anonymously without the fear of retaliation.

12. Sub-contracting

A supplier should seek Marico's agreement in case of sub-contracting and even in that case supplier would not be released from its responsibilities regarding the policy.

13. Human rights

Marico is committed towards providing safe workplace for employees by upholding internationally recognized human rights that are. Our value chain partners are urged to endorse the following facets of human rights:

i. Child labour and forced labour

Suppliers are expected to comply with international labour standard that prohibits employment of children below the age of 15. Suppliers should ensure that young workers have the provision to attend school and complete their education. Young workers should not be exposed to undue physical risks or hazardous conditions that may affect their physical, mental or emotional development.

Suppliers should be intolerant to forced or bonded labour, slavery and human trafficking and refrain from getting involved in any such practice. They should not withhold wages or retain passport, identity card, bank document of any labourer. They should not make use of violence, threat, punishment, confinement, or any methods of intimidation to discipline or control workers that contradicts their human rights.

ii. Diversity and equal opportunity

Suppliers should respect diversity and promote equal opportunity at workplace. No discrimination should be encouraged in employment, including hiring, compensation, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, marital status, sexual orientation, nationality, political opinion, social group or ethnic origin. Recruitment and promotions should focus only on qualification, capabilities and performance. Moreover, every employee should be treated equally and with respect.

iii. Working conditions and compensation

Suppliers should comply with applicable laws and appropriate industry standards relating to wages, deductions, working hours, overtime pay and benefits. They should pay fair wages, as per legal guidelines and inform workers about their wages and employment conditions in writing.

Moreover, suppliers should provide workers with required breaks, sufficient rest periods, including breaks for prayer and at least one day off in every seven days. Additional overtime should be voluntary and not exceed twelve hours per week. Employees should have provision to avail leave benefits including sick leave, public holidays, parental leave.

iv. Freedom of association

Suppliers should have an open attitude towards the right of employees to join or form trade unions and to bargain collectively, as per applicable law. Workers' representatives should be able to carry out their representative functions in the workplace.

v. Harassment-free environment

Suppliers should ensure that employees feel safe and comfortable at workplace. The workplace should be free from any sort of harassment, including sexual, verbal, physical or visual behaviour that creates an offensive, hostile, or intimidating environment.

Society

1. Employee health and safety

Suppliers should strive to prevent work-related injuries/ accidents and effectively manage the potential risks arising from operational activities. Applicable health and safety regulations should be complied with including providing safe and healthy workplace for workers including hygienic working environment with adequate lighting, ambient temperature, ventilation, sanitation, potable drinking water to respect human right to water, sanitary facilities and food storage. Suppliers should also have emergency arrangements like emergency exits, first-aid supplies, fire detection, safety equipment. Health and safety trainings should be organized on regular basis for all.

2. Local community development

Suppliers are expected to collaborate and associate with the local community for economic and social development by providing them with employment and skill development opportunities. Suppliers should also engage with their communities regularly and systematically including to better understand their needs and address their grievances.

3. Land rights of communities

Suppliers should uphold the land rights of local and indigenous communities along with cultural rights, the right to self-determination. All negotiations with regard to their property or land, including the use of and transfers of it should necessarily adhere to the principles of free, prior and informed consent, contract transparency and disclosure.

Environment

1. Establishment of environmental management system (EMS)

Suppliers should establish company-wide environmental management system (EMS) by ISO or equivalent standards to mitigate environmental impacts from business and, in parallel, conserve biodiversity. They should comply with relevant environmental laws and regulations and obtain all environmental permits and licenses necessary to operate.

2. Energy saving and emission control/ Addressing climate change

Suppliers should firstly measure their energy consumption and greenhouse gas emission. Then they should plan to undertake initiatives that would reduce their non-renewable energy demand. They should identify steps to replace conventional energy sources with renewable energy sources and deploy energy efficient technology and system. This would reduce their overall energy demand, leading to energy conservation and emission control. Such initiatives should be implemented after feasibility check.

3. Water conservation

Suppliers should identify opportunities to reduce water intake and maximize water recycling. They should also implement appropriate measure for water conservation. Furthermore, wastewater discharge should be monitored to avoid pollution, and treated wastewater should be reused to the extent possible.

4. Waste minimization

Suppliers should train concerned employees on waste handling procedures of different types of waste, including, hazardous waste materials. They should strive to reduce quantity of waste and explore ways of recycling the same. Alternate methods of waste disposal should be explored to minimize the

quantity being sent to landfill. Suppliers are expected to dispose waste through authorized vendor and ensure safe transportation and disposal of waste.

5. Reduction in plastic usage

Suppliers who use plastic as a packaging material are recommended to reflect on alternate environment friendly material options for packaging. Moreover, they should try to minimize the use of plastic material in their operations.

6. Preserve biodiversity

Suppliers should commit to protect rich biodiversity areas and prevent biodiversity losses by undertaking suitable initiatives like afforestation, species rehabilitation, land or water body restoration. They are expected to stand against deforestation, land conversion and promote low carbon agricultural practices.

POLICY IMPLEMENTATION

We are cognizant of the various categories that our suppliers can be differentiated into, with respect to their scale of operation, geographical location, product or service provided and associated factors. All of them are advised to develop and implement internal policies, systems and processes to ensure adherence to our Samyut 2.0 framework.

As we understand that it may take time for some of the suppliers to integrate sustainable practices with respect to all parameters mentioned in key thrust areas of this policy, we have provisioned implementation of this policy in three levels: **Educate, Evaluate and Evolve.**



EDUCATE (Level 1)

In the initial stage of policy implementation, Marico intends to communicate the revised Samyut policy and its requirements to all our suppliers and business associates. It is also expected that the suppliers shall communicate these requirements to their respective employees and other stakeholders.

Besides, a self-declaration form (SDF) encompassing all three aspects of the policy, i.e., ethical, social and environmental, is developed by Marico and circulated among suppliers. Suppliers are required to respond to all the questions outlined in SDF and submit the same to Marico within agreed timeline. Marico assesses suppliers' maturity in terms of sustainability from the responses submitted by them. Each of them is provided with a score and benchmark based on which suppliers can improve their sustainable performance.

EVALUATE (Level 2)

In the second level of implementation, independent third-party audit is organized for all critical suppliers and business associates of Marico as per Samyut 2.0 framework. Suppliers are required to retain adequate documentation that can be presented as evidence during review of the responses shared by them in self-declaration forms (SDFs), by third-party. We may rely to an extent on sustainability certifications by independent bodies such as SEDEX, OEKO-TEX, ISO and equivalent forms of accreditation for some of the common areas of concern.

EVOLVE (Level 3)

The next level aims at co-creating a path for the sustainable future for Marico as well as its suppliers and business associates. It is essentially meant for sustainably matured suppliers, whom we expect to engage with us in a journey of continuous improvement and to verify their responsible sourcing processes and practices in line with this policy. This includes undertaking joint projects and sharing of technical know-how to improve processes and build a more robust system.