

INDEPENDENT ENERGY AND GREEN HOUSE GAS EMISSION VERIFICATION STATEMENT

Introduction

DNV GL Business Assurance India Private Limited ('DNV GL') has been commissioned by the management of Marico Limited ('Marico' or 'the Company', Corporate Identity Number L85195TG1984PLC004507) to carry out a limited level of verification of its data related to its energy and greenhouse gas (GHG) disclosures that shall form part of its non-financial disclosures under natural capital section of its Integrated Report 2019-20.

This customised verification engagement has been carried out in accordance with DNV GL's verification methodology VeriSustain™¹, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. This verification provides a limited level of verification and applies a ±5% materiality threshold for errors and omissions.

Marico is responsible for the collection, analysis, aggregation and presentation of data and information related to energy and GHG assertions with a consolidated approach of operational control which has been prepared by the Company based on World Resources Institute's GHG Protocol, Intergovernmental Panel on Climate Change's Emission Factors, GRI standards (GRI 302: Energy 2016[#], GRI 305: Emissions 2016[#]) and ISO14064-1.

Our responsibility of performing this work is to the management of Marico only and in accordance with scope of work agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during February 2020 - June 2020 by a team of qualified sustainability and GHG assessors.

Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Marico includes the following:

- The verification of energy consumption, energy intensity and reduction in energy consumption, GHG (Scope 1, Scope 2 and Scope 3) emissions, GHG intensity and reduction in GHG emissions covering the period 1st April 2019 to 31st March 2020 ie. the energy and GHG assertions.
- Verification of emissions from Marico's manufacturing locations in India, ie Perundurai in Tamil Nadu, Puducherry, Baddi in Himachal Pradesh, Jalgaon in Maharashtra, Guwahati NER 1 and NER 2 (North East Region) in Assam and Paonta Sahib in Himachal Pradesh comprising of:
 - Scope 1 emissions due to a) Fuels used in manufacturing processes; b) Fuels used in diesel generators and boilers; c) Fuel used in mobile sources like company owned vehicles and d) Refrigerants release in air conditioners and refrigerators, e) CO₂ release due to use of fire extinguishers;
 - Scope 2 emissions due to use of purchased electricity from the grid;

¹The VeriSustain protocol is available on request from www.dnvgl.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

[#] GRI 302:1,3; GRI 305:1,2,3,4

- Scope 3 emissions currently monitored and declared by Marico, comprising emissions due to a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment
- Sample site visits to manufacturing locations in India ie. Perundurai (coconut oil refining) and Guwahati NER 1 (VAHO), to verify the Company's internal protocols, processes, and controls related to the collection and collation of its energy and GHG emissions assertions.
- Remote verification was conducted for the manufacturing location at Jalgoan (edible oil refining) to review the systems for energy and GHG data management.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. Our verification was limited to the reported data on energy and GHG emissions presented in the Natural capital section of the Integrated report 2019-20.

Verification Methodology

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our limited verification opinion. As part of the verification process, we

- Obtained an understanding of the systems used to generate, aggregate and report energy and GHG data at the sites visited by us;
- Reviewed systems for energy and GHG management at sample manufacturing locations through site visits and remote verification;
- Obtained an understanding of energy and GHG data management systems and the Completeness, Accuracy and Reliability of the data;
- Examined and reviewed the following information on a sample basis:
 - Data related to sources of Scope 1 emissions in the process at various sites.
 - Data related to purchased electricity consumption at various sites.
 - Data related to estimation of reported Scope 3 emissions.
 - Data related to energy and emission reductions
 - Procedures and practices for GHG, energy and fuel consumption, measurement, monitoring and review.
- Evaluated the GHG emissions data using the reliability principle together with Marico's methodology on data analysis, aggregation, and measurement and reporting.

Conclusions

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG and energy performance indicator of Marico for the year 2019-20 brought out below are not materially correct. Some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

Emissions:

Performance Indicator	Factors	Value for FY 2019-20
Scope 1 Emissions	a) Fuel used in manufacturing processes, b) diesel generators, c) furnace oil used in boilers d) company owned vehicles, e) CO ₂ release due to use of fire extinguishers and f) Refrigerants release in air conditioners and refrigerators.	1,379.6 tCO ₂ e
Scope 2* Emissions	Purchased electricity from the grid	12,140.4 tCO ₂ e
	Total Scope 1 & Scope 2 Emissions	13,520 tCO ₂ e
Scope 3** Emissions	a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel [#] ; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment	4,99,568 tCO ₂ e
	Total Scope 1, Scope 2 & Scope 3 Emissions	5,13,088 tCO ₂ e
Scope 1 Emissions	Biogenic emissions [@] released from use of Biomass (Rice Husk & Briquette) in boilers	31,493 tCO ₂ e
GHG Emission Intensity	GHG Emission Intensity (Total Scope 1 & 2 emissions/ Total revenue for the year (INR 5655 crore)	2.39

Energy:

Performance Indicator	Factors	Value for FY 2019-20
Energy Consumption within Marico	<i>Non-renewable sources:</i> fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	70,053 GJ
	<i>Renewable sources:</i> Biomass used in boilers, electricity from solar and wind energy	2,70,099 GJ
Energy Intensity	Energy Intensity ratio (Total Energy consumption in GJ/ Total revenue for the year (INR 5655 Crore)	60.2

*Scope 2 emissions of Purchased grid electricity are based on the weighted average margin emission factor of 0.82 tCO₂/MWh as per Central Electricity Authority's (CEA) CO₂ User Guide Version 14.0, December 2018. GJ conversion factors are based on KWH to GJ which is 0.0036

**Scope 3 Emissions are sourced from GaBi database 2020 LCI documentation

[#] In the absence of formal monitoring and recording systems for estimating Scope 3 emissions related to Business travel, DNV GL verified and observed that the assumptions are conservative

[@]Biogenic Emission factors considered for Rice husk is 1.7 (kg CO₂/kg of biomass) and Briquette 1.16 (kg CO₂/kg of biomass)

Note:

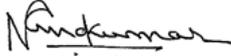
1. Emission Factors used are sourced from IPCC 2006 National Greenhouse Gas.

2. Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC Assessment Report 5.

DNV GL’s Independence

DNV GL states its independence and impartiality with regard to this verification engagement. We were not involved in the preparation of any data related to energy and GHG assertions made by Marico except the Verification Statements issued to the Company for the period 2019-20. While we did conduct other certification and assessment work with Marico in 2019-20, in our judgment this does not compromise the independence or impartiality of our engagement or associated findings, conclusions and recommendations.

For DNV GL Business Assurance India Private Limited,

	
Bhargav Lankalapalli Lead Verifier DNV GL Business Assurance India Private Limited, India	Vadakepatth Nandkumar Technical Reviewer Head – Regional Sustainability Services DNV GL Business Assurance India Private Limited, India.

Mumbai, India, 15th June 2020.

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