

# ASSURANCE STATEMENT

DNV

## INDEPENDENT VERIFICATION STATEMENT

### Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico Limited ('Marico' or 'the Company', Corporate Identity Number L15140MH1988PLC049208) to carry out a limited level of verification of its environmental data related to its energy, greenhouse gas (GHG) emissions, fresh water consumption and waste disposed disclosures that shall form part of its non-financial disclosures under natural capital section of its Integrated Report 2022-23 prepared by Marico based on the <IR> framework.

This customised verification engagement has been carried out in accordance with DNV's verification methodology VeriSustain™<sup>1</sup>, 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 its environmental data which has been prepared by the Company based on a) The Marico's GHG emission inventurisation SOP (Standard operational procedure) (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b) World Resources Institute's/ World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c) The Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006) d) GRI standards on energy and emissions (GRI 302: Energy 2016<sup>#</sup>, GRI 305: Emissions 2016<sup>#</sup>) e) GRI standards on water and waste (GRI 303: Water and Effluents 2018<sup>#</sup>, GRI 306: Waste 2020<sup>#</sup>) and ISO14064-1 'Greenhouse Gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals'.

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 March 2023 - July 2023 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 selected categories of Scope 3) emissions, GHG intensity and reduction in GHG emissions, Fresh water consumption, Water intensity, Hazardous and Non-hazardous waste disposal covering the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
- Verification of consolidated environmental indicators 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 comprising of:
  - Scope 1 emissions due to a) Fossil Fuels used in manufacturing processes; b) Fossil Fuels used like diesel in generators and boilers; c) LPG consumption, d) Fossil Fuels used in mobile sources like company owned vehicles and e) Refrigerants release in air conditioners and refrigerators, f) CO<sub>2</sub> release due to use of fire extinguishers.
  - Scope 2 emissions due to use of purchased electricity from the grid.
  - Scope 3 emissions currently monitored and declared by Marico, comprising emissions due to a) Purchased goods and services; b) Capital goods; c) Fuel and energy related activities; d) Upstream transportation of products; e) Waste generated in operations; f) Business travel; g) Employee commute; h) Upstream leased assets; i) Downstream transportation & distribution; j) End of life treatment; k) Investments
  - Biogenic emissions due to consumption of biomass briquets and rice husk for the boiler operations.

<sup>1</sup>The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)

<sup>#</sup> GRI 302: Energy 2016- 302-1, 302-3; GRI 305: Emissions 2016- 305-1, 305-2, 305-3, 305-4; GRI 306: Waste 2020- 306-5; GRI 303: Water and Effluents 2018- 303-3

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- Water withdrawal from the surface water sources like municipal water, tanker water, harvested rainwater, water consumption, water consumption (Product) and water discharge
- Disposal of Hazardous and Non-hazardous waste.

During the verification process, we did not come across limitations to the scope of the agreed verification engagement. Our verification was limited to the reported environmental data presented in the Natural capital section of the Integrated Report 2022-23.

## 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 data at the sites visited by us;
- Onsite verification performed to sample manufacturing locations in India ie. Perundurai and Pondicherry(coconut oil expelling), Sanand (value added hair oils) to verify the Company's internal protocols, processes, and controls related to the collection and collation of its energy and GHG emissions assertions.
- Desk review was conducted for all the manufacturing locations to review the systems for energy and GHG data management.
- Obtained an understanding of energy and GHG data management systems and the Completeness, Accuracy and Reliability of the data;
- Examined and reviewed the following environmental performance data on a sample basis:
  - Direct Energy and fuel sources in the process at various sites.
  - Indirect energy by purchased electricity consumption at various sites.
  - Scope 3 emission categories and basis of estimations.
  - Reductions achieved through energy conservation and consequent emission reductions.
  - Water withdrawal, Water consumption (Utilities and operations), Water consumption (product), Water discharge.
  - Generation and disposal of Hazardous and Non-hazardous waste.
- Procedures and practices for GHG, energy and fuel consumption, measurement, monitoring and review.
- Evaluated the environmental performance 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 data of Marico for the year 2022-23 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 2022-23
<b>Scope 1 Emissions</b>	a) Fossil Fuel used in Stationary equipment's - manufacturing processes and standby diesel generators, furnace oil used in boilers b) Fossil Fuel used in Mobile equipment's - company owned vehicles, c) Fugitive emissions - CO <sub>2</sub> release due to use of fire extinguishers and Refrigerants release in air conditioners and refrigerators.	779.88 tCO <sub>2</sub> e
<b>Scope 2 Emissions</b>	Purchased electricity from the grid (Location Based)	11,775.82 tCO <sub>2</sub> e
	<b>Total Scope 1 &amp; Scope 2 Emissions</b>	12,555.70 tCO <sub>2</sub> e
<b>Scope 3 Emissions</b>	a) Purchased goods and services; b) Capital goods; c) Fuel and energy related activities; d) Upstream transportation of products; e) Waste generated in operations; f) Business travel <sup>17</sup> ; g) Employee commute; h) Upstream leased assets; i) Downstream	5,47,125.66 tCO <sub>2</sub> e

	transportation & distribution; j) Investments	
	<b>Total Scope 1, Scope 2 &amp; Scope 3 Emissions</b>	5,59,681.37 tCO <sub>2</sub> e
<b>Other Scope 1 Emissions</b>	Biogenic emissions <sup>®</sup> released from use of Biomass (Briquette) in boilers	9,240.64 tCO <sub>2</sub> e
<b>GHG Emission Intensity</b>	<b>GHG Emission Intensity</b> (Total Scope 1 & 2 emissions/ Total revenue for the year)	1.76

**Energy:**

Performance Indicator	Factors	Value for FY 2022-23
<b>Energy Consumption within Marico</b>	<i>Non-renewable sources:</i> fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	58,984.83 GJ
	<i>Renewable sources:</i> Biomass used in boilers, electricity from solar and wind energy	1,15,384.61 GJ
<b>Energy Intensity</b>	<b>Energy Intensity ratio</b> (Total Energy consumption in GJ/ Total revenue for the year)	24.42

**Baseline Energy (Restatement due to factor difference/error):**

Performance Indicator	Factors	Value for FY 2012-13
<b>Energy Consumption within Marico</b>	<i>Non-renewable sources:</i> fuel used in manufacturing processes, diesel generators, furnace oil used in boilers, purchased electricity from the grid	224931.46 GJ
	<i>Renewable sources:</i> Biomass used in boilers	69,815.01 GJ
<b>Energy Intensity</b>	<b>Energy Intensity ratio</b> (Total Energy consumption in GJ/ Total revenue for the year)	90.61

**Water Consumption:**

Performance Indicator	Factors	Value for FY 2022-23
<b>Surface water withdrawal</b>	<i>Collected or harvested rainwater</i>	5041.00 KL
<b>Ground water withdrawal</b>	<i>Underground water- borewell</i>	16336.61 KL
<b>Third party water withdrawal</b>	<i>Municipal Supply &amp; Taker water</i>	107453.60 KL
<b>Total water withdrawal</b>	<i>Surface water + Ground water + Third party water</i>	128831.20 KL
<b>Total Water Discharge</b>	<i>Water discharge outside the operational boundary</i>	0.00 KL
<b>Total water consumption</b>	<i>Total water withdrawal -Total water Discharge</i>	128831.20 KL
<b>Water consumption for utility &amp; operations (excluding surface water intake)</b>	<i>Total water consumption- Product water consumption- rain water</i>	114662.23 KL
<b>Water consumption intensity For utility &amp; operations</b>	<i>Water consumption for utility &amp; operations / revenue</i>	16.06 KL
<b>Total water recycled</b>	<i>STP/ ETP treated water used for gardening &amp; domestic purposes</i>	41067.34 KL

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## Waste Disposed:

Performance Indicator	Factors	Value for FY 2022-23
Waste disposed	Hazardous waste disposed: such as ETP sludge, Spent oil, Oil soaked cotton waste, Ink sludge, E-Waste, Waste containing oil	79,035.50 KG's
	Non-Hazardous waste disposed: General Waste, Boiler Ash, Metal Waste, Paper waste, Plastic Waste, Wood waste, Glass Waste, Scrap Oil - Non Edible, Scrap Oil – CNO, Scrap Cake – CNO, Gunny bag	41,83,446.70 KG's

Note 1: Scope 2 emissions of Purchased grid electricity emission factor is sourced from Central Electricity Authority (CEA) CO2 Baseline Database for the Indian Power Sector (Version 18 dated September 2022) and considers the weighted average factor. GJ conversion factors are based on KWH to GJ which is 0.0036

Note 2: Scope 3 Emissions are sourced from GaBi database 2020 LCI documentation

Note 3: Biogenic Emission factors considered for Briquette 101.93 KgCO2e/GJ

Note 4: The denominator of energy and emission intensity, company has considered total revenue for the year as INR 7141 crore (71410 million) as per the unaudited financials

Note 5: For the baseline year 2012-13 Fugitive emissions caused due to consumption of refrigerants and Co2 based fire extinguishers are not accounted or monitored

Note 6: Emission Factors used are sourced from IPCC 2006 National Greenhouse Gas Inventories.



Note 7: Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC Assessment Report 5.

## Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement, the GHG, Water and Waste Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Marico Limited in the scope of assurance during FY 2022-23 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

 Digitally signed by Lankalapalli, Bhargav Date: 2023.07.04 15:10:22 +05'30'	 Digitally signed by Aravind, Arun Date: 2023.07.04 13:59:44 +05'30'
Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India	Arun Aravind Technical Reviewer DNV Business Assurance India Private Limited, India.

Mumbai, India, 4<sup>th</sup> July 2023.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

<sup>2</sup> The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com) (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

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## INDEPENDENT VERIFICATION STATEMENT

### Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Marico limited, India ('Marico' or 'the Company', Corporate Identity Number: L15140MH1988PLC049208) to carry out a Customised Data verification of assertions related to Greenhouse Gases ('GHG') emissions and carbon offsets, towards its declaration of Carbon Neutrality of its Perundurai Plant for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 (financial year (FY) 2022-23').

This customised verification engagement has been carried out in accordance with DNV's verification methodology VeriSustain™<sup>1</sup>, 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 has prepared the Perundurai Plant's GHG assertions in a spreadsheet as per: a) the Marico's GHG emission inventurisation SOP (SOP/Marico/GHGInventory/FY21/001; dated: April 2021), b) World Resources Institute's/ World Business Council on Sustainable Development's (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and c) the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006). Marico is responsible for the collection, analysis, aggregation and presentation of data and information in the spreadsheet including information related to Carbon offsets purchased for carbon neutrality.

Our responsibility of performing this work is to the management of Marico only and in accordance with terms of reference 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. disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out in March- July 2023.

### Scope, Boundary and Limitations of Verification

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

- Verification of the GHG emissions (Scope 1 and Scope 2) for the period FY 2021-22 for its Perundurai Plant;
- Remote assessment is conducted at Marico's Perundurai Plant (Tamil Nadu, India) and review of data to verify the Company's internal protocols, processes, and controls related to the collection and collation of the GHG emissions data;
- Emissions from Marico's Perundurai plant comprising of
  - Scope 1 emissions due to
    - Diesel consumption in Diesel Generator (DG) sets,
    - Release of Refrigerants,
    - CO<sub>2</sub> release due to use of Fire extinguishers,
    - LPG consumption
  - Scope 2 emissions due to use of purchased electricity from the grid;
  - Biogenic emissions through combustion of biomass briquettes;
- Review of disclosures and assertions declaring the Plant's Carbon Neutrality.

The operational boundary as set out by Marico is its Coconut Oil manufacturing plant at Perundurai (Tamil Nadu, India), as set out in the agreed scope of work. During the verification process, we did not come across limitations to the scope of the agreed engagement.

### Verification Methodology

We adopted a risk-based approach and conducted the remote verifications of the qualitative and quantitative information and data presented to us by the Company. We have conducted onsite assessment at the Perundurai

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\* GRI 305:1,2,3,4;

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site, as part of the assessment we have examined and reviewed documents, records and other information made available to by Marico.

As part of the verification process we:

- Obtained an understanding of the systems used to generate, aggregate and report GHG emissions data at the plant;
- Obtained an understanding of the GHG activity data capturing and recording mechanisms at the plant and the completeness, accuracy and reliability of the reported activity data;
- Examined and reviewed the following:
  - Aggregation of data related to diesel consumption in DG sets, release of refrigerants and CO<sub>2</sub> from the use of CO<sub>2</sub> fire extinguishers at the plant on a sampling basis;
  - Data related to purchased grid electricity consumption (electricity invoice, log records from energy meters) on a sampling basis;
  - Data related to consumption of biomass briquettes for combustion to boiler;
  - Procedures and practices for measurement, monitoring and review of GHGs, energy and fuel consumption.
  - Purchase carbon offsets (VERs) by Marico, to offset emissions from its Perundurai plant for FY 2022-23;
- Evaluated the GHG emissions data using the principles of completeness, accuracy and reliability in line with the Company's methodologies on data analysis, aggregation, and measurement and reporting.

## Conclusion

On the basis of the work undertaken, nothing has come to our attention to suggest that the GHG emission assertions and carbon offsets of Marico's Perundurai Plant for FY 2022-23, as mentioned below are not materially correct and are not a fair representation of its GHG assertions. A few data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

### GHG Data Assertions of Marico - Perundurai Plant:

Scope	Source	GHG Emissions / Offset (tCO <sub>2</sub> e) for FY 2022-23
Scope 1	<ul style="list-style-type: none"> <li>• Diesel consumption in Diesel Generator (DG) sets</li> <li>• Refilling of Refrigerants</li> <li>• CO<sub>2</sub> release due to use of fire extinguishers</li> <li>• LPG consumption</li> </ul>	27.51 tCO <sub>2</sub> e
Scope 2	Purchased electricity from grid	551.74 tCO <sub>2</sub> e
<b>Total GHG emissions of Scope 1 &amp; Scope 2</b>		<b>579.25 tCO<sub>2</sub>e</b>
<b>Other Biogenic Emissions from combustion of Briquettes</b>		1966.70 tCO <sub>2</sub> e
<b>Total GHG emissions of Perundurai Plant</b>		<b>2545.94 tCO<sub>2</sub>e</b>
<b>Total GHG offsets</b> (VERs/Carbon offsets purchased bearing serial number: GS1-1-IN-GS7572-2-2021-22226-133655-134254)		<b>600 tons</b>
<b>Carbon Neutrality:</b> Marico Perundurai has offset its GHG emissions for FY 2022-23 by purchasing carbon credits for its residual GHG footprint.		

#### Notes:

1. Emission Factors used are sourced from IPCC Guidelines for National Greenhouse Gas Inventories (2006).
2. Global Warming Potential (GWP) used in the emissions calculation are sourced from IPCC's Assessment Report 5.

3. Scope 1 GHG emissions do not include direct CO<sub>2</sub> emissions associated with the combustion of 7815.31 MT of biomass (briquettes) in Boiler as per IPCC guidelines "CO<sub>2</sub> emissions from biomass combustion are not included in national totals (National total is calculated by summing up emissions and removals for each gas) but are recorded as an information item for cross-checking purposes as well as avoiding double counting", as these emissions are from biologically sequestered carbon. However, emissions through release of N<sub>2</sub>O and CH<sub>4</sub> by burning of briquettes are considered for calculation at a emission factor of 0.0047.

4. Based on the power purchase agreement with Clover Energy Private Limited (Wind) and Amplus Shams Private Limited (Solar), avoided GHG emissions from the purchase of 6868605.0 kWh of wind and solar electricity do not form part of the above GHG emissions calculation. The associated transmission and distribution (T&D) losses are to be included in Scope 3 emissions.

\*Purchased grid electricity emission factor of 0.81 is sourced from Central Electricity Authority (CEA) CO<sub>2</sub> Baseline Database for the Indian Power Sector (Version 18 dated December 2022) and considers the weighted average factor.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement, the GHG, Water and Waste Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Marico Limited in the scope of assurance during FY 2022-23 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

 <p>Digitally signed by Lankalapalli, Bhargav Date: 2023.07.04 15:09:39 +05'30'</p> <p>Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India.</p>	 <p>Digitally signed by Aravind, Arun Date: 2023.07.04 13:58:50 +05'30'</p> <p>Arun Aravind Technical Reviewer DNV Business Assurance India Private Limited, India.</p>
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Mumbai, India, 4<sup>th</sup> July 2023.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

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