DABUR INDIA LIMITED

TCFD

TASK FORCE ON CLIMATE–RELATED FINANCIAL DISCLOSURES

DABUR INDIA LIMITED

INTRODUCTION TO TCFD

Dabur recognizes the significant financial risks that climate change poses to the global economy. We understand that stakeholders now demand forward-looking assessments of climate-related issues and seek disclosures on climate-related aspects. In response to these growing concerns, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework with the goal of facilitating a consistent and transparent approach to disclose our climate-related governance, strategy, risks and opportunities, targets, and performance. The TCFD was established by the Financial Stability Board (FSB) in 2015 and is led by industry experts. Its aim is to develop a comprehensive framework for disclosing climate-related financial information. In 2017, the TCFD issued a set of recommendations to address gaps in the disclosure of climate risk's financial impact across the entire investment chain. These recommendations have gained widespread acceptance and have been adopted by companies worldwide. We are committed to continuously enhancing our climate-related financial disclosures. By embracing a comprehensive approach to assess risks and opportunities arising from climate change, Dabur aims to fulfill the demands of its stakeholders and contribute to a more sustainable and resilient future.

ELEMENTS OF TCFD

Governance

The organization's governance around climate-related risks and opportunities

TCFD recommended disclosures.

- Board Oversight
- Management's role

Strategy

The actual and potential impacts of climate-related risks and opportunities for the organization's businesses, strategy, and financial planning.

TCFD recommended disclosures.

- Climate-related risks and opportunities
- Impact on the organization's businesses, strategy, and financial planning
- Resilience of the organization's strategy

The TCFD provides a taxonomy for climate-related risks and opportunities

Metrics and Targets

The metrics and targets used by the organization to assess and manage relevant climate-related risks and opportunities.

TCFD recommended disclosures.

- Climate-related metrics in line with strategy and risk management process
- Scope 1, 2, 3 GHG metrics and the related risks
- Climate-related targets and performance against targets

Risk Management

The processes used by the organization to identify, assess and manage climate-related risks.

TCFD recommended disclosures.

- Risk identification and assessment processes.
- Risk management process.
- Integration into overall risk management

This report follows the TCFD recommendations, structured around four themes that reflect core elements of how organizations operate — governance, strategy, risk management, and metrics and targets (see figure in the earlier page).

1. **Governance**: The first theme centers on the governance framework adopted by the organization concerning climate-related matters. This includes the roles and responsibilities of the Board of Directors and senior management in overseeing climate change initiatives and ensuring effective decision-making processes.

2. **Strategy:** The second theme delves into the organization's strategies and approaches to address climate change. It outlines how the company identifies risks and opportunities associated with climate-related issues and aligns its business objectives with a sustainable, low-carbon future.

3. **Risk Management:** The third theme emphasizes the organization's efforts to assess and manage climate related risks effectively. It encompasses methods to identify and evaluate physical and transition risks, as well as measures to enhance resilience and adaptability.

4. **Metrics and Targets:** The fourth theme concentrates on the metrics and targets set by the organization to measure and track progress towards its climate-related goals. These

indicators provide stakeholders with transparent and quantifiable insights into the company's performance and commitment to climate action.

By structuring the report around these four themes, we aim to provide a comprehensive and coherent overview of how our organization embraces climate-related financial disclosures in line with the TCFD guidelines. Through this framework, we demonstrate our commitment to transparency, accountability, and sustainability in the face of climate change challenges.

At Dabur, we recognize the urgent need to address climate change and its impacts on our planet and communities. As a responsible and sustainable company, we are committed to transparently addressing climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. We achieve this by thoroughly assessing and disclosing current climate-related risks and using climate scenario analysis to understand and quantify the risks and uncertainties we may face under different hypothetical futures. We categorize climate-related information into three categories: physical risks, transition risks, and opportunities (see below)

THE TCFD PROVIDES A TAXONOMY FOR CLIMATE-RELATED RISKS AND OPPORTUNITIES

PHYSICAL RISKS

Acute risk

Acute physical risks pertain to events that are driven by specific incidents, encompassing heightened severity of extreme weather phenomena such as cyclones, hurricanes, or floods.

Chronic risk

Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures, sustained less precipitation) that may cause drought/water scarcity, sea level rise or chronic heat waves.

TRANSITIONAL RISK

Policy and legal risks

Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change.

Increase in climate related litigation claims being brought before the courts.

Market risk

Shifts in supply and demand for certain commodities, products, and services.

Technology risk

Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system.

Reputation risk

Changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.

OPPORTUNITIES

Resource efficiency

Use of more efficient processes, reduced energy and water consumption, less waste resulting in reduced operating costs

Energy source

Use of lower emission sources of energy or decentralized energy sources providing reduced operational costs

Products and services

Development and/or expansion of low emission goods and services to increase revenue and expand market share.

Markets

Increased revenues through access to new and emerging markets (e.g., partnerships with governments)

Resilience

Increased market valuation through resilience planning.

TCFD DISCLOSURES

GOVERNANCE

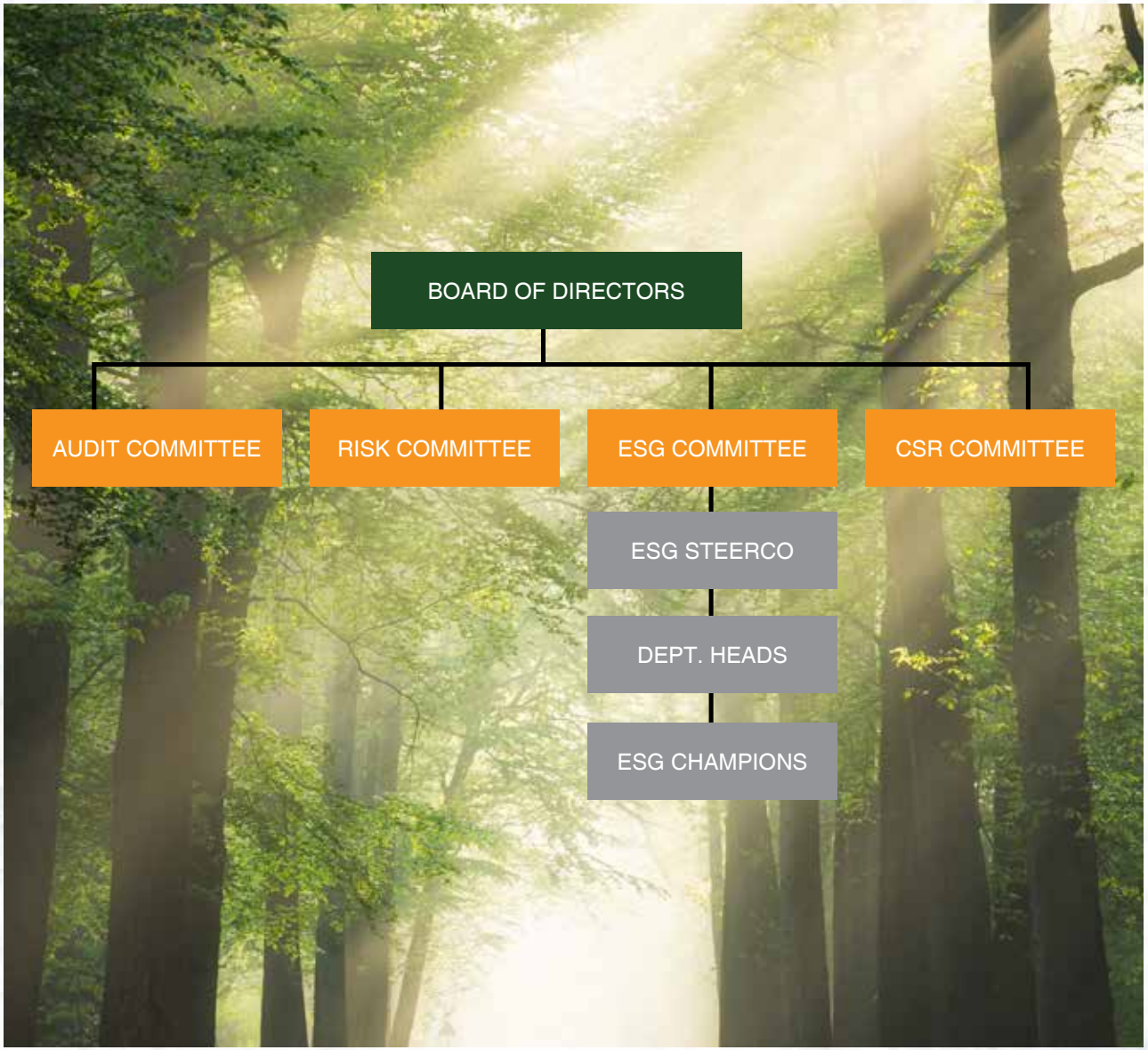
CLIMATE RESPONSIBILITY

Dabur is committed to sustainability and long-term value, with an ambition to become net zero by 2045, in alignment with our Science Based Targets initiative (SBTi) commitment. By FY 2026, we aim to consume more than 60% of our energy from renewable and cleaner sources and become water positive by 2030.

During the reporting year FY 2023-24, we achieved significant milestones on this journey. We transitioned to coal-free operations (Scope 1) in FY 2023-24 by switching to biomass fuel. Additionally, 51% of the total energy consumed (scope 1 & scope 2) in our operations now comes from renewable sources. We reduced our energy intensity (GJ/MT) by 16% from the 2021 baseline and decreased our water intensity (KL/MT) by 29% from the 2019 baseline. Our water conservation efforts have also shown remarkable progress, with a 355% increase in community water conservation capacity to 208,427 KL and an enhancement of water conservation capacity within our factories to 247,589 KL.

BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

To address climate change, we have established a strategic oversight system led by our Board of Directors, which plays a crucial role in identifying and mitigating climate-related risks. Our governance



framework empowers the board-level ESG Committee, executive committees (ESG Steerco), and senior management to evaluate climate-related business requirements, integrating risks and opportunities into our Enterprise risk management (ERM), strategy and decision-making processes.

Recognizing the significance of environmental, social, and governance (ESG) matters, we established a Board-level ESG Committee in the year 2022-23. This committee is responsible for providing oversight on ESG issues, including climate change, and driving sustainable practices across business practices. In May 2023, an Independent Director was appointed to further strengthen the governance of the ESG Committee's.

In addition to the ESG Committee, we have a board-level Risk Management Committee and a CSR Committee that enhance our governance framework. These committees work in collaboration with the ESG Committee to identify, address, and monitor climate and water-related risks, ensuring that our ESG goals and targets, including those related to climate and water, are met. This collaboration ensures our operations remain resilient and adaptive to evolving climate-related challenges. Together, they provide comprehensive oversight and strategic direction, driving our commitment to ESG and long-term value creation.

The ESG Committee plays a pivotal role in formulating and reviewing the policies, frameworks, strategies, and activities of the Company, with a specific focus on ESG and climate-related matters. This ensures that Dabur aligns its practices with leading ESG standards and remains committed to proactively addressing climate change.

To ensure a comprehensive approach, the Board is supported by both the Risk Management Committee and the Corporate Social Responsibility (CSR) Committee. These committees ensure that climate-related factors are thoroughly considered in the organization's short, medium, and long-term strategies, decision-making processes, and implementation efforts, including community-led water conservation programs and renewable energy initiatives.

Moreover, the Board stays informed about climate change risks through the Audit Committee. The Audit Committee oversees the company's enterprise risk management process and ensures the implementation of effective risk monitoring and management systems, maintaining vigilance in managing climate-related risks.

MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

At Dabur, we understand the importance of proactive and comprehensive management of climate-related risks and opportunities. Our governance structure is

The Committee has finalized the Sustainability and Social Impact strategy, along with corresponding targets, and diligently tracks progress towards achieving these targets.

designed to ensure that climate considerations are integrated into every level of decision-making, from strategic planning to operational execution. This structured approach involves key committees and teams working collaboratively to address ESG and climate related challenges and drive long-term value creation.

MANAGEMENT COMMITTEE (MANCOM):

The Management Committee, led by the Chief Executive Officer (CEO), is responsible for assessing and monitoring all climate-related and sustainability issues. The Committee has finalized the Sustainability and Social Impact strategy, along with corresponding targets, and diligently tracks progress towards achieving these targets. It ensures adherence to risk management policies and procedures while implementing prescribed risk mitigation actions and promptly reporting risk events and incidents. Furthermore, it integrates Key Risk Indicators or triggers into business plans and monitors them during quarterly business reviews, reinforcing the organization's commitment to effective risk management and overall sustainability.

ESG STEERING COMMITTEE (ESG STEERCO):

Dabur has established an ESG Steering Committee at the executive level, led by the Global Head of Operations & Chief Sustainability Officer. This

cross-functional team is responsible for making strategic decisions related to ESG and monitoring climate-related issues. The Committee holds overall responsibility for planning, implementing, and reviewing the company's ESG and Climate strategy, including climate and water risk assessment and scenario analyses, TCFD disclosures, conducting life cycle assessments, emission monitoring, decarbonization and transition plans, climate-related targets, action plans, and quarterly environmental performance reports, such as GHG emissions and other climate-related actions. The Committee actively seeks updates on stakeholder ESG expectations and climate best practices from internal and external stakeholders. The ESG SteerCo ensures that the CEO, the Board, and the ESG Committee have oversight of the entire process through quarterly meetings.

ENTERPRISE RISK MANAGEMENT TEAM:

The Enterprise Risk Management team, reporting to senior management, identifies risks impacting our business and implements organization-wide processes for managing these risks. The team facilitates the execution of Risk Management practices within the organization, working closely with business units and business-enabling functions to deploy mitigation measures and monitor their effectiveness. It collaborates with cross-functional teams to identify, monitor, and mitigate operational risks, providing periodic updates to the Chief Risk Officer (CRO) and quarterly updates to the Management Committee on risks to key business objectives and their mitigation.

Zonal & Unit Heads and Process Owners:

Individual teams ensure that units and zones are managed in accordance with the Company's risk management practices. They ensure compliance with risk management policies and procedures and the effectiveness of risk mitigation actions. These teams also report risk events and incidents relating to their units and divisions in a timely manner.

CLIMATE LINKED REMUNERATION

At Dabur, performance towards ESG and climate-related goals and targets is integrated into the performance evaluations of relevant executives and managers to drive positive environmental impacts, enhance social well-being, and ensure robust governance practices. Our comprehensive remuneration package includes both fixed pay and variable pay. The variable pay component is specifically designed to align with performance objectives of the organization which also covers ESG and climate goals, as well as risk management and mitigation related KRAs/metrics. This component has a weightage of up to 10% for relevant senior executives and line managers.

Incorporating these metrics into leadership performance reviews encourages Dabur to achieve

established ESG and climate-related goals and targets, which are reviewed quarterly. Additionally, beyond monetary remuneration, we recognize the contributions of Dabur employees to sustainability and climate change initiatives through awards and recognition programs.

GHG Emission Disclosure

As part of our commitment to transparency and responsible climate action, below is our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions for the reporting year.

GHG Emissions Scope	Unit of Measurement	Quantity
Scope 1	Metric tonnes of CO2 equivalent	12,185
Scope 2	Metric tonnes of CO2 equivalent	49,644
Scope 3	Metric tonnes of CO2 equivalent	5,22,766

Note: Biogenic CO2 emissions amounting to 46,430 Metric Tonne of CO2 in the FY 2023-24 are excluded from Total Scope 1 emissions mentioned above.

Scope 1 Emissions: In FY 2023-24, the Scope 1 emission inventory encompasses operational emissions resulting from the combustion of both fossil fuels and biomass, as well as fugitive emissions from refrigerant leaks. To fuel our operations, we have utilized various biomass-based fuels such as Bio Briquettes, husk & dry herbs, and bio-diesel, representing ~77% of our total fuel consumption.

Scope 2 Emissions: Our Scope 2 emissions for FY 2023-24 have experienced a notable increase, primarily due to the implementation of various capacity creation projects at our existing manufacturing facilities. Capacity enhancement at Mega Greenfield manufacturing facility in Indore and change in CEA grid emissions factors are the prime contributors to this increase.

Scope 3 Emissions: We have baselined our scope 3 emissions for material categories in the reporting financial year. Above scope 3 emissions are calculated and extrapolated based on the results of LCA study done for products contributing to 50% of revenue and 58% of the production volume.

For Capital Goods category, Employee Commute and Business Travel scope 3 categories, the emissions have been calculated using spend-based and distance-based method respectively. We intend to gradually transition to calculating emissions using the most accurate methods, viz. actual supplier-specific data for Capital Goods and fuel-based emission calculations for Employee Commute and Business

Travel and will update the emissions accordingly.

We are committed to continuously improving the accuracy and completeness of our scope 3 emissions reporting. As we enhance our data collection processes and engage further with our value chain partners, we will adopt more precise calculation methodologies to strengthen the disclosures.

Energy Intensity: In FY 2023-24, we have reduced 16% of energy intensity despite production volume increase by 6% from the baseline year 2021.

Renewable Energy: As part of our commitment to sustainable practices, we have taken measures to boost our reliance on solar energy, achieving a ~ 130%% increase in solar energy consumption in FY 2024 as compared to FY 2023. Furthermore, we have set an ambitious target to obtain over 60% of our energy from renewable and cleaner sources in the total energy mix by FY 2026. In FY 2024 we have consumed 51% of the energy from renewable sources.

STRATEGY

At Dabur, we are committed to addressing climate-related risks and opportunities with transparency and accountability. Our approach categorizes time horizons as short-term (less than 3 years), medium-term (between 3 to 5 years), and long-term (more than 5 years). We employ a robust, multi-faceted method to identify and manage these risks, focusing on significant financial and strategic

impacts. Assessments cover all operations facilities, involving employees and contractors from various departments. Our ESG team collaborates with experts, integrating assessments into our formal Enterprise Risk Management system overseen by the board's Risk Management Committee & ESG Committee. This ensures rigorous evaluation of climate-related risks across the value chain. By fostering proactive risk identification, we aim to adapt and thrive amidst a changing climate, committing to a sustainable and resilient future for our business and communities.

METHODOLOGY TO ASSESS THE IMPACTS OF CLIMATE-RELATED RISKS ON DABUR

At Dabur, we conducted a TCFD-aligned quantitative scenario modeling of prioritized physical risks, transition risks, and opportunities under "business-as-usual" (BAU) and "low-carbon economy" (LCE) scenarios across multiple below listed future time horizons. The BAU and LCE scenarios are aligned with Shared Socioeconomic Pathways, SSP 5-RCP 8.5 and SSP 1-RCP 2.6, respectively, which are scientific socioeconomic scenarios paired with the Representative Concentration Pathway (RCP) models from the IPCC AR6. This alignment helps us understand the potential financial impacts and how various socio-economic factors and climate hazard will influence future risks and opportunities.

For transition risks, we considered IEA reports and scenarios: Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions (NZE). BAU represents current levels of inaction regarding decarbonization, while LCE offers a more realistic and practical low-carbon scenario (SSP 1-RCP 2.6) compared to the increasingly improbable SSP 1-RCP 1.9.

Our analysis of physical risks focused on the potential impacts on operating facilities, assets, people, operating cost and revenue exposed to various future climate hazards. For transition risks and opportunities, we examined the potential cost, revenue & returns implications of various market, technological, policy, and reputational factors.

Overall, this risk assessment models presents the expected changes that Dabur might experience in both low-carbon and business-as-usual futures, assessing the resilience of Dabur's business model and sustainability strategy under either scenario.

Impact Quantification	Time Horizon	Likelihood
• Low </= INR 5 cr.	Short term - 1-3 Years	Low </= 30% chance of happening
• Medium > INR 5 cr. & < or = INR 25 cr.	Medium term 3-5 Years	Moderate > 30% but less than < 50% chance of happening
• High > INR 25 cr.	Long term > 5 Years	High >/= 50% chance of happening

A FIVE-STEP APPROACH WAS CARRIED OUT TO QUANTITATIVELY EVALUATE CLIMATE-RELATED RISKS, OPPORTUNITIES AND FINANCIAL IMPACT.

PRIMARY ASSESSMENT - SURVEY	SECONDARY ASSESSMENT	CONDUCTED SCENARIO ANALYSIS	QUANTITATIVE & QUALITATIVE IMAPACT ASSESSMENT	PRESENTATION OF RESULTS
				
▸ Identification of Principal Stakeholders. ▸ Capacity Building Workshop & analysis of climate risks for the manufacturing facilities through Climate Risk Evaluation Survey. ▸ Review of responses	▸ Assessed climate risks and opportunities relevant to Dabur through TCFD recommendations, surveys, peer disclosures, and sector-specific risks. ▸ Assessed material transition risks based on potential revenue impacts from market, policy, low carbon technology transition & reputational factors. ▸ Assessed material physical risks by evaluating potential impacts on Dabur's operating facilities due to future climate hazards.[1]	▸ Examined IPCC and IEA BAU and a LCE scenarios. ▸ Qualitative & quantitative climate scenario analyses to drive insights and predict the time horizon of climate-related risks.	▸ Risks were quantitatively assessed to drive the potential financial impact. ▸ Highlighted a range of possible financial outcomes under short, medium and long-term timeframes and likelihood of happening, impacted value chain and mitigation measures.	▸ Complete risk and opportunity assessment with quantified financial impact to the extent possible will be presented in the form of TCFD (Task force on climate related financial disclosure

**IEA WEO, NZE and ETP reports,*
1 - IPCC Sixth assessment report, WMO, IMD, World Bank and ADB reports,

DABUR'S PRIORITIZED CLIMATE-RELATED RISKS & OPPORTUNITIES

Critical Climate Risks – Physical & Transition

Climate Risk Category	Risk Type	Description	Impacted Value Chain	Time Horizon	Likelihood	Financial Impact	Adaptation / Mitigation Approach
Physical	Chronic	Business interruption and employee health and safety impacts caused by rising mean temperatures, changes in precipitation patterns, drought/ water scarcity and sea level rise.	Upstream & Operations	Short-Medium Term	High	High >INR 25 Cr.	Executing a business continuity plan and diversifying production for the same product portfolio which consumes high amount of water like juices & pisti. Increased focus and rigor on water conservation and rainwater harvesting initiatives both within and beyond the fence.
Physical	Market	Cost increase / volatility notably from Agri based raw material	Upstream, Operations	Short Term	High	High Every 1% inflation is ~ INR 40 Cr.	Diversify sourcing strategies and engage in long-term contracts with suppliers various cost savings initiatives and pricing strategies to mitigate the impact. Include more climate resilient crops-based products in the product portfolio. Encourage sustainable sourcing.
Transition	Market Risk / Opportunity	Revenue and market share loss/ gain due to changing consumer behaviour towards sustainable, healthier & natural products and sustainable packaging alternatives, higher preference to high star rated products.	Downstream	Long Term	High	High ~ INR 25 Cr.	Align product portfolio with sustainability trends and enhance product transparency like reduction of sugar content in juices to enhance the star ratings of the products and to prepare for the future scenarios.

NON-CRITICAL CLIMATE RISKS – PHYSICAL & TRANSITION

Climate Risk Category	Risk Type	Description	Impacted Value Chain	Time Horizon	Likelihood	Financial Impact	Adaptation / Mitigation Approach
Physical	Acute	Business interruption and employee health and safety impacts caused by increased frequency of cyclones/storms, flash floods, wildfires, flooding and other variability in weather patterns and extreme weather events	Upstream, Operations & Downstream	Long Term	Medium	Low INR 50 lacs – INR 1 Cr	Emergency response / natural disaster response plans for each operating facilities and invest in infrastructure resilience. Insurance to mitigate property/ asset damage loss.
Transition	Policy & Legal	Regulatory compliance and or litigation cost (due to non-compliance) stemming from heightened climate /ESG regulations and disclosure requirements (e.g. cap-and-trade, carbon tax, fossil fuel taxes, CBAM climate disclosure requirements, climate-related litigation claims, etc.)	Upstream, Operations	Long Term	Low	Medium ~ INR 15 Cr (by 2030 under APS Scenario)	Consumption of energy from renewable sources and implementing energy efficiency measures
Transition	Policy & Legal	Regulatory compliance cost stemming from PWM regulation to adopt sustainable packaging in a phased manner and enhance waste management practices.	Downstream	Short Term	High	Medium ~ INR 10 Cr.	Transition to sustainable packaging solutions and improve waste management.
Transition	Technology	Costs associated with transition to lower emissions / clean energy technologies, unsuccessful investment in new technologies, stranded assets /technological obsolescence due to low emission transition measures and or stakeholder concerns	Upstream & operations	Long Term	High	Medium ~ INR 11 Cr.	Switch to low-emission technologies in a planned and phased manner
Transition	Reputation opportunity/risk	Enhanced brand value by establishing and maintaining ESG leadership position / reputational damage if seen as a laggard	Downstream	Long Term	Low	Low < INR 5 Cr.	Build strong ESG leadership and communicate sustainability efforts effectively
Transition	Market Risk / Opportunity	Increased cost and limited access to capital if perceived as a climate/ESG laggard; Reduced cost of capital by establishing and maintaining ESG leadership position.	Operation	Medium -Long Term	Low	Low < INR 5 Cr.	Increased rigour and focus to improve ESG and climate performance

CLIMATE OPPORTUNITIES

Opportunity Type	Likelihood of Impact	Impacted Value Chain	Time Horizon	Risk/Opportunity description	Financial Impact
Renewable Energy	High	Operations	Short-Medium Term	Increasing renewable energy consumption to reduce reliance on non-renewable energy sources, lower operational costs, enhance energy security, and achieve Net-Zero emission targets.	Investments in renewable energy will lead to operational cost savings in short-medium term. Additionally, these investments will enhance energy security as well as enhance Dabur's reputation and positioning in both national and international markets. Cumulative Savings of ~ INR 80 Cr. by 2030 due to RE Electricity
Resource Efficiency	High	Operations	Medium - Term	Enhancing resource efficiency by integrating energy, water, and waste optimization measures into process improvements and innovation can significantly reduce reliance on non-renewable energy and raw water, minimize emissions and waste generation, and ultimately lower operational costs.	Reduced operational and logistics costs by implementing water, energy, and resource efficiency measures, conserving water, adopting low-carbon transport options, and optimizing the logistics network.
Biodiversity Conservation	High	Upstream, Operations	Medium Term	The conservation of critically endangered herbs and medicinal plants is crucial to ensuring a sustainable supply of these resources, which are essential to our business. By protecting these vital natural resources, we not only secure our supply chain but also embrace a significant opportunity for long-term sustainable growth.	Reduction in operations cost and sustained supply of herbs and medicinal raw materials
Market	Medium	Downstream	Long – Term	Increased revenue and market share due to enhanced brand value if climate leadership position is maintained and grown	Increased revenue and market share
Product and Packaging Innovation	Medium	Operations	Long - Term	Enhanced market share, sustained growth, and optimized costs by innovating and creating sustainable, healthier, cruelty-free, eco-friendly products, and designing and developing eco-friendly packaging solutions that meet evolving consumer preferences.	Increased sales by capitalizing on growing consumer awareness of healthier and sustainable products, and eco-friendly packaging, as well as the rising demand for beverages, healthier options, and Ayurvedic products due to global warming.
Enhanced Ecolabels / ESG disclosures / ESG Ratings	High	Downstream	Short Term	Enhanced market share, sustained growth, and optimized costs by innovating and creating sustainable, healthier, low sugar, low salt cruelty-free, eco-friendly products, and designing and developing eco-friendly packaging solutions that meet evolving consumer preferences and market requirements, while enhancing the customer experience.	Increased consumer and other stakeholder trust with enhanced brand reputation, thereby leading to improved, increased revenue, market share, customer loyalty and a stronger competitive position.

CLIMATE SCENARIO ANALYSIS FRAMEWORK

	BAU: Business-as-usual or high-emissions scenario (SSP5-RCP8.5[1])	LCE: Low-carbon economy scenario (SSP1-RCP2.6)
Degrees of global warming	~4 to ~ 5°C by end of the century	~1.5 to ~2 by end of the century
Scenario Description	**SSP 5-RCP 8.5** SSP 5- Fossil Fuel Development RCP 8.5 – Radiative forcing 8.5 W/m2 and temperature /warming increase to 4°(> 50% probability) by 2100 It's a vvery high GHG emission scenario, GHG emissions roughly double by 2050 from the current levels.	**SSP1-RCP2.6** SSP 1 – Sustainable Development Pathway RCP 2.6 – Radiative forcing 2.6 W/m2 and temperature /warming increase to 2°C (> 67% probability) by 2100 It's a low GHG emission and more realistic scenario, have CO2 emissions declining to NetZero around 2070
Importance to Dabur	Selected to show the maximum climate impacts possible for Dabur based on the current operational footprint and revenue.	Selected to show the potential impacts for Dabur from a sharp pivot toward aggressive decarbonization and climate change mitigation
Primary impact	Physical risks are more pronounced. Increased chronic risks from water scarcity, rising temperatures, sea-level rise, and changing precipitation patterns Increasing frequency and intensity of acute risks such as floods, cloudbursts, cyclones, erratic weather conditions & extreme weather conditions and wildfires.	Transition risks are more pronounced. Market shifts quickly to renewables and away from fossil fuels Risk of noncompliance to new climate-related disclosure requirements High reputational risks due to greater stakeholder pressure and expectations
Socioeconomic and policy factors	SSP5: Fossil Fueled Development (Taking the highway) Current emissions will be ~ 45 times by 2050 with low priority for environmental issues. Global economy grows quickly, with energy-intensive lifestyles, strong globalization and weak international climate regulations. Low-income regions start linear transition to global carbon pricing	SSP1: Sustainability (Taking the green road) Inclusive development and strong, swift action on climate, via global carbon pricing regulation, high stakeholder pressure regarding ESG and rapid technological innovation to decarbonize sectors. Mandatory climate-related disclosures for public companies, high voluntary adoption by private entities, and rapid increase in number of organizations seeking climate-related audit and sustainability services

CLIMATE SCENARIO ANALYSIS RESULTS

Risk or opportunity type	Description	Impact area	Metric (unit)	Scenario Analysis Results					
				BAU scenario (SSP 5 RCP 8.5) Exceed warming of 4°C (> 50% probability) by 2100			LCE Scenario (SSP1-RCP2.6) Limit warming to 2°C (>67% probability) by 2100		
				Current	2030	2050	Current	2030	2050
Physical Risk									
Chronic	Business interruption and employee health and safety impacts caused by rising mean temperatures, changes in precipitation patterns, drought and sea level rise.	Upstream & Operations	Risk score	Low	High	High	Low	High	High
Acute	Business interruption and employee health and safety impacts caused by increased frequency of cyclones, flash floods, wildfires, flooding and other variability in weather patterns and extreme weather events	Upstream, Operations & Downstream	Risk score	Low	Medium	Medium	Low	Low	Low
Market	Cost increase / volatility notably from Agri based raw material	Upstream & Operations	Increased Purchased Cost, INR Cr.	High	High	High	High	High	Medium
Transition Risk									
Policy & Legal	Regulatory compliance and or litigation cost stemming from climate policy and legislation (e.g. cap-and-trade, carbon tax, fossil fuel taxes, CBAM climate disclosure requirements, climate-related litigation claims, etc.)	Upstream, Operations	UDS/tCO2e	-	Medium	Medium	-	Medium	Low
Policy & Legal	Regulatory compliance cost stemming from PWM regulation to adopt sustainable packaging in a phased manner and enhance waste management practices.	Downstream	EPR Compliance Cost, INR Cr.	Medium	Medium	High	Medium	Medium	Low
Technology	Costs associated with transition to lower emissions / clean energy technologies, unsuccessful investment in new technologies, stranded assets due to climate related regulations, climate adaption & mitigation measures and or stakeholder concerns	Upstream & operations	CAPEX, INR	Medium	Medium	Medium	Medium	High	High
Market Risk / Opportunity	Revenue and market share loss/gain due to changing consumer behaviour towards sustainable, healthier & natural products and sustainable packaging alternatives	Downstream	Revenue from sustainable products	-	Low	Low	-	High	High

IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE BUSINESSES, STRATEGY, AND FINANCIAL PLANNING.

To evaluate risks, we use a scoring system based on probability of occurrence and potential impact. The risk score is determined by multiplying these factors (probability x impact). Risks with scores above or equal to 50% are considered substantial and demand attention due to their potential financial impact.

In our Sustainability strategy, climate-related risks and opportunities are evaluated using Likelihood and Business Impact variables. Likelihood is categorized as Low (</= 30% chance of happening), Moderate (> 30% but less than < 50% chance), or High (>/= 50% chance). Business Impact is quantified as Low (</= INR 5 crore), Moderate (> INR 5 crore to less than or equal to INR 25 crore), and High (> INR 25 crore).

When risks exceed a company-level threshold, meaning their financial impact exceeds INR 25 crore or their total risk score is equal to or greater than 50%, we take appropriate actions. These actions may involve implementing action plans, setting objectives and targets, implementing operational controls, providing training, or taking any other necessary measures to mitigate risks or exploit opportunities within designated timeframes.

In our product development, we carefully consider the availability of key raw materials with a longer-term horizon and implement measures to mitigate associated risks. To embed climate risk and ESG-related matters into all our activities, we have set ambitious goals and targets for risk mitigation in the year FY 2022-23.

RESILIENT STRATEGY TO ADAPT TO OR MITIGATE CLIMATE-RELATED RISKS

At Dabur, we are dedicated to addressing climate-related risks through a structured and proactive approach:

Time-Bound Climate Action: Recognizing the urgency of Climate Action, we have already achieved Plastic positive status in FY 2023. Our targets include becoming Water Positive by 2030 and achieving Net Zero emissions by 2045. To ensure our Net Zero emissions objectives align with scientific guidelines, we collaborate with the Science Based Targets initiative (SBTi).

Comprehensive Climate Risk Assessment: Through our systematic approach, we identify, evaluate, and respond to climate-related risks

comprehensively and also conduct scenario analysis to understand the possible future in alignment with IPCC and IEA scenarios. This fosters a proactive and robust risk management framework at Dabur. We remain committed to effectively managing climate-related risks, ensuring the long-term sustainability and success of our company.

Timely Response to Substantial Risks: In cases where substantial risks are identified, we present response measures to top management for prompt decision-making. These risks are also reported to the board of directors in a timely manner, ensuring effective oversight.

Water Risk Assessment- Dabur has conducted a detailed water risk assessment during the fiscal year 2023-24, covering 100% of our manufacturing operations. Utilizing the WRI Aqueduct tool and Central Ground Water Board's (India) parameters, the physical water risk assessment encompasses a wide range of parameters including water stress, water depletion, interannual variability, seasonal variability, drought, and flood risk.

In addition to establishing a baseline for water risk, we also conducted scenario analyses for the time horizon- 2030 and 2050, under three different scenarios: pessimistic- (SSP5 RCP8.5, temperatures increase up to 3.3°C to 5.7°C by 2100), business as usual (SSP3 RCP7.0, temperatures increase by 2.8°C to 4.6°C by 2100), and optimistic (SSP1 RCP2.6, temperatures increase by 1.3°C to 2.4°C by 2100). These scenarios provide insights into potential future water-related risks, allowing us to formulate robust strategies for mitigating them.

The assessment conducted revealed that majority of our facilities are exposed to High to Extremely High-water stress risk. This underscores the urgent need for enhanced water conservation initiatives, such as recycling and reusing water, improving water efficiency, implementing rainwater harvesting in our operations, and replenishing back into the local watershed more than 100% of the water used at company-owned sites, especially in high-water-risk areas.

The comprehensive methodology and framework utilized in our physical water risk assessment allow us to gain a thorough understanding of water-related risks throughout all our operations. This enables us to develop proactive strategies to address these risks effectively. We also acknowledge that unaddressed water related risks could jeopardize our social license to operate. Hence, we have established an ambitious goal to achieve water positivity by 2030. Our commitment to becoming water positive reflects our long-term perspective on water security. We aim to achieve this goal through collaborative and inclusive stakeholder engagement, ensuring that our actions contribute positively to the communities and environments in which we operate.

In order to reach our ambitious goal, we've begun implementing a variety of programs. These include

enhancing water efficiency within our operations, ensuring that the water we discharge is of high quality, expanding our circle of influence through circular economy practices, and facilitating water conservation efforts in the communities surrounding us. In addition to this, we're aiming to reduce our water usage intensity by 30% within our operations by 2026.

Sustainable Sourcing: Dabur is committed to ensure zero gross deforestation in the supply chain by 2045 and 100% sustainable sourcing of high deforestation risk materials by 2026. In FY 2023, Dabur conducted a thorough deforestation risk assessment of raw materials and packaging. This assessment aimed to identify the deforestation risks associated with forest risk commodities. In FY 2023-24, the company has successfully sourced 86% of these materials from certified sustainable channels such as FSC and RSPO. Additionally, Dabur is committed to ensure

100% Afforestation equivalent to sourced critically endangered herbs like Kuth, Gugglu Raw, Jatamansi, and Aconite Raw Root by FY 2026. These measures demonstrate our commitment to addressing climate risks and fostering a sustainable future.

Cultivation and Conservation of Critically Endangered Herbs- Some of the Dabur's raw materials, such as herbs, are classified as critically endangered by the International Union for Conservation of Nature (IUCN). To address the risks associated with these critically endangered herbs, the company has committed to mitigating 100% of these risks through conservation and restoration measures by FY 2026. In FY 2023-24, the company has mitigated 78% of risk associated with critical endangered herbs mitigated through conservation and restoration measures.

Baseline studies for biodiversity risk assessment, biodiversity management plan and regular monitoring of resources :- All these will lead to biodiversity risk mitigation.

Sustainable cultivation of medicinal and aromatic plants - Dabur is committed to sustainably cultivate medicinal and aromatic plants on 10,145 acres of land. In the fiscal year 2023-2024, company's biodiversity conservation initiatives covered over 10,145 acres of endangered medicinal herb species cultivation. The company has distributed more than forty-six . lakh saplings of 32 different species, benefiting more than then thousand farmers beneficiaries . Moreover, these efforts have also contributed to preventing soil erosion, thereby aiding in habitat protection and restoration. Dabur is also keen in attaining Biodiversity Action Plan goals through our existing in-house backward integration programs.

Sustainable Packaging: Dabur is fully committed to sustainable packaging and actively implements initiatives to collect, recycle, and process post-consumer plastic waste. In the previous year (FY 2022-23), we achieved the milestone of becoming the foremost Indian Plastic Waste Positive FMCG Company through the successful implementation of an integrated waste management program, forged in collaboration with numerous partners nationwide. Continuing our steadfast commitment to environmental stewardship, we maintained our plastic waste positive status in FY 2023-24 by effectively collecting and responsibly managing 41,100 tonnes of post-consumer plastic waste, more than what we use in our operations in product packaging, marking a significant increase from the previous year's collection of 35,000 tonnes. In the coming years, we are committed to maintaining our plastic waste positive status annually. To contribute to the circular economy, Dabur has established following Goals & Commitments:

- Replace 20% of virgin plastic with recycled plastic by 2030 in Non-Food items .
- 80% reusable, recyclable, or compostable packaging by FY 2028.

- Collection and processing of more plastic than is used in product packaging.
- Use 30%, 10%, and 5% of recycled plastic packaging content in plastic packaging of non-food grade items for Category I, Category II, and Category III plastics, respectively, by FY 2026
- By adopting these measures, we actively engage in climate risk management, reflecting our dedication to environmental stewardship and contributing to a sustainable future.

RISK MANAGEMENT

At Dabur, we have implemented a comprehensive approach to assess and manage climate-related risks. This approach prioritizes risks with significant financial or strategic implications. Our risk assessment process combines quantitative and qualitative factors, ensuring a thorough evaluation of climate-related risks. We conduct these assessments across all our operating locations. To ensure a comprehensive identification of risks related to our activities and services, we actively engage in consultations with all the concerned stakeholders and business unit heads.

Our ESG team collaborates closely with subject matter experts from different departments to conduct these evaluations. Working in tandem with other risk assessments and internal methodologies, this team ensures a seamless integration of assessment outcomes into our formal enterprise risk system (ERM). The ERM is overseen by the Risk Management Committee at the board level, ensuring a robust and rigorous evaluation of climate-related risks.

Through this structured approach, we proactively address climate-related risks, enhancing our resilience and safeguarding the long-term success of our business. By continually monitoring and managing these risks, we remain committed to promoting sustainability and environmental responsibility across all aspects of our operations.

PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

Our commitment to sustainability and addressing climate concerns has been evident since we embarked on our ESG (environmental, Social, and Governance) journey in FY 2022-23.

We have implemented a comprehensive approach to assess and manage climate-related risks. This approach prioritizes risks with significant financial or strategic impacts. Our risk assessment process involves both quantitative and qualitative factors, ensuring a thorough evaluation of climate-related risks. We conduct these assessments across all our operation.

Our ESG team collaborates with subject matter experts from different departments to conduct these evaluations. Working alongside other risk assessments and internal methodologies, the outcomes seamlessly integrate into our formal enterprise risk system (ERM), overseen by the Risk Management Committee at the board level, ensuring robust evaluation of climate-related risks.

To ensure effective oversight, we have Risk Committee, Audit Committee and an ESG Committee at the board level. These committees conduct quarterly reviews to identify potential climate-related risks and develop appropriate risk mitigation measures.

Following the assessment, we categorize identified risks into two groups: Critical and Non-Critical. Critical Risks further divide into High and Medium-Risk levels, while Non-Critical Risks encompass Low-Risk levels.

A scoring system based on probability of occurrence and level of impact is used to assess risks. The risk score is calculated as the product of these two factors, with risks scoring above or equal to 50% considered substantial, demanding attention due to their potential financial impact.

We define a risk to be of substantive impact to the business when its financial impact exceeds 25 crore or its total risk score is equal to or greater than 50%. The mitigating actions for such kind of risk involve implementing action plans, setting objectives and targets, implementing operational controls, providing training, or taking other necessary measures to mitigate risks or exploit opportunities within designated timeframes. Substantial risks are presented to top management for decision-making and reported to the board of directors promptly.

METRICS & TARGETS

SCOPE 1: GHG EMISSIONS

Parameter	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Direct GHG emissions (Scope 1)	MT CO2e	14,195	15,046	13,573	12,185

Note: Biogenic CO2 emissions are excluded from Total Scope 1 emissions mentioned above.

SCOPE 2: GHG EMISSIONS

Parameter	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total indirect GHG emissions (Scope 2) Location-based	MT CO2e	41,739	44,497	48,172	49,644
Total indirect GHG emissions (Scope 2) Market-based	MT CO2e	41,739	44,497	48,172	49,644

SCOPE 3: GHG EMISSIONS

Parameter	Unit	FY 2023-24
Total indirect GHG emissions (Scope 3)	MT CO2e	5,22,766

SCOPE 3: GHG EMISSION CATEGORIES

Sr. No	Categories	Computation Methodology	Emissions, MT CO2e
1	Purchased Goods and Services	LCA & Spend Analysis	3,04,419
2	Capital Goods	Spend Analysis	6,485
3	Fuel- and Energy-Related Activities	Life cycle assessment (LCA)	5,038
4	Upstream Transportation and Distribution	Life cycle assessment (LCA)	34,049
5	Waste Generated in Operations	Waste Specific	2,733
6	Business Travel	Distance Based	1,042
7	Employee Commuting	Distance Based	8,227
8	Upstream Leased Assets	Leased Assets Data	Covered in Scope 1 & 2
9	Downstream Transportation & Distribution	Life cycle assessment (LCA)	37,679
11	Use of Sold Products	Life cycle assessment (LCA)	71,997
12	End-of-Life Treatment of Sold Products	Life cycle assessment (LCA)	51,098

NEAR-TERM EMISSIONS REDUCTION TARGETS

Scope covered by the target	Target Timeframe	Baseline year emissions covered	% reduction target from base year	Is this target validated by the Science-based Targets Initiative?
Scope 1+2	**Base Year:** FY 2022-23 **Target Year:** 2033	**Base year emissions**: Scope 1+2 emissions: 61,745 MT CO2e	30%	Dabur is publicly committed SBTi We are in process of seeking validation to the targets by the SBTi

NET-ZERO COMMITMENT

Target Time Frame	Target scope & related emission reduction target (as % of base year emissions)	Is the target validated by Science- Based Targets initiative?
Base Year: FY 2022-23 **Target Year:** 2045	**Target Scope:** Scope 1 + 2 + 3 **Emission reduction target (as & of base year emissions):** 90% We intend to neutralize residual emissions and/or further mitigate emissions beyond our value chain with the following activities: ▸ Offsetting, e.g., purchasing carbon credits. ▸ Investing in permanent carbon removal	No, but we have publicly committed to seek validation to the target by SBTi

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