



TCFD Disclosures

Task Force on Climate-Related Financial Disclosures



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.

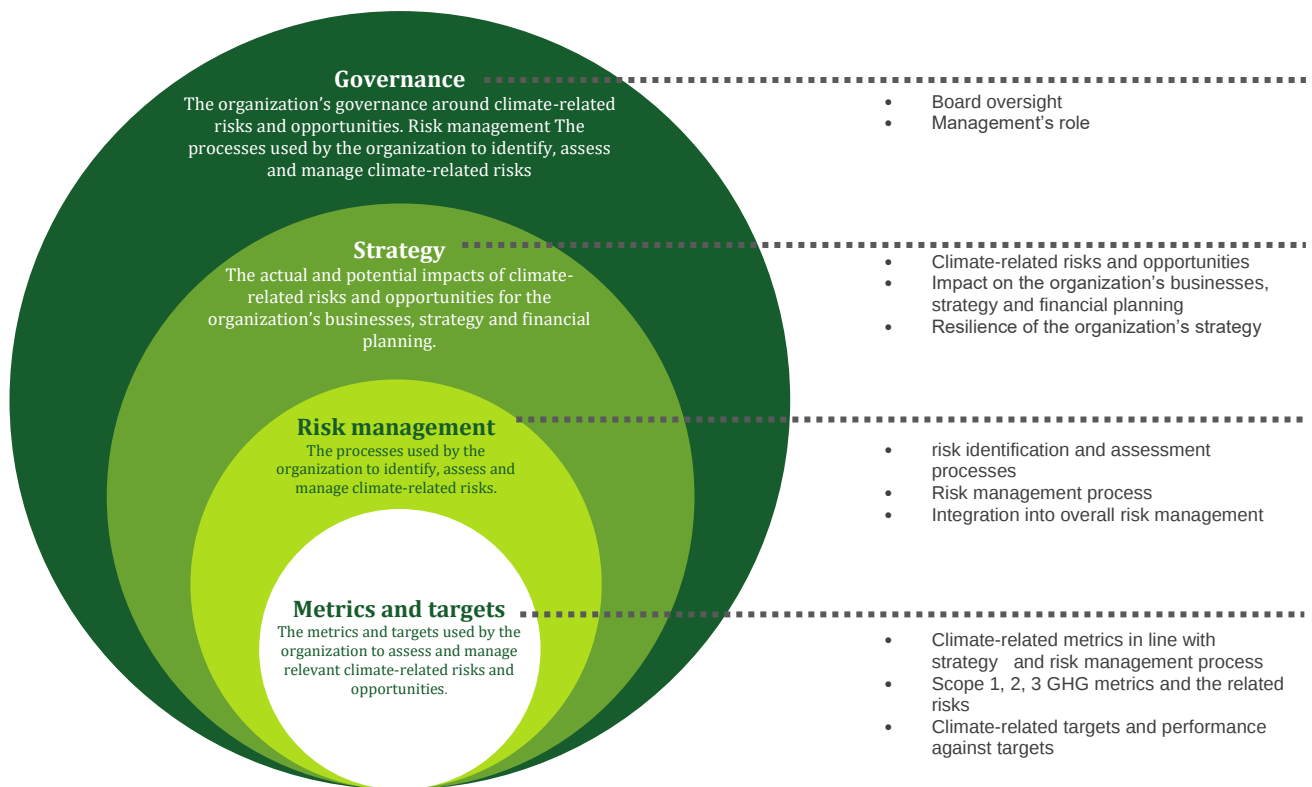
We are committed to continuously enhancing our climate-related financial disclosures. By embracing a comprehensive approach to assess risks and opportunities arising from climate change, Dabur aims to fulfill the demands of its stakeholders and contribute to a more sustainable and resilient future.

Elements of TCFD

This report follows the TCFD recommendations, organized around four essential themes that reflect the core elements of how organizations operate. These themes are governance, strategy, risk management, and metrics and targets, as illustrated in the figure below:

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 investigating and disclosing the following climate-related risks:

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

Physical risks	Transitional Risk	Transitional Risk
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	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.	Resource efficiency Use of more efficient processes, reduced energy and water consumption, less waste resulting in reduced operating costs
Chronic risk Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.	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.	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

Board's oversight of climate-related risks and opportunities.

Summary of Approach and Progress in 2022-23	Reference
The response to climate changes we have a strategic oversight of the Board of Directors. The Board plays a crucial role in identifying climate change risks and implementing measures to mitigate them effectively. • Recognizing the significance of environmental, social, and governance (ESG) matters, a Board-level ESG committee was established during the year 2022-23. This committee holds responsibility for providing oversight on ESG issues, including climate change, and driving sustainable practices within the organization. In May 2023, an Independent Director was appointed to further strengthen the ESG Committee's role. • The ESG Committee plays a pivotal role in formulating and reviewing the policies, framework, strategies and activities of the Company concerning sustainability, with a specific focus on climate change-related matters. This ensures that Dabur aligns its practices with global sustainability goals and remains committed to addressing climate change proactively. • 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. • 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 suitable risk monitoring and management systems, thus maintaining vigilance in managing climate-related risks.	Integrated Report: • Governance Achievements (Page 8) • Corporate Governance section (Pages 45-52) • Risk Management (Pages 53-59) • Remuneration paid to Directors (Pages 171-172)

Management's role in assessing and managing climate-related risks and opportunities.

Summary of Approach and Progress in 2022-23	Reference
Management Committee: • The Management Committee, led by the Chief Executive Officer, is responsible for assessing and monitoring all climate-related and sustainability issues. The ManCom has finalized the Sustainability and Social Impact strategy, along with corresponding targets, and diligently tracks the progress made towards achieving these targets. • The Management Committee ensures adherence to risk management policies and procedures while implementing prescribed risk mitigation actions and promptly reporting risk events and incidents. • Moreover, it ensures the integration of Key Risk Indicators or triggers into business plans and monitors them during quarterly business reviews. This reinforces the organization's commitment to effective risk management and overall sustainability. ESG Steering Committee: • Dabur has established an ESG Steering Committee, led by the Global Head of Operations, as a cross-functional team responsible for making strategic decisions related to sustainability and monitoring climate-related issues. • The Committee formulates the company's Environment and Climate strategy and holds overall responsibility for planning, implementing, and reviewing climate-scenario analysis and TCFD action and disclosure plans. • Furthermore, the ESG Steering Committee reviews and approves carbon net-zero plans, climate-related targets, action plans, and quarterly environmental reporting and performance, including GHG emissions and the Company's climate-related actions. • The Committee actively seeks updates on stakeholder ESG expectations and climate best practices from internal and external stakeholders. • The ESG team ensures that the CEO, the Board, and the ESG Committee have oversight of the entire process through quarterly meetings. Enterprise Risk Management Team: • Our Enterprise Risk Management team, reporting to the senior management, identifies risks impacting our business and implements organization-wide processes for managing these risks. We have well-defined policies, procedures, responsibilities, and system controls to prevent risk occurrences. • 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: • The individual teams ensure that individual units and zones are managed in accordance with the Company's risk management practices. They also ensure compliance with risk management policies and procedures. • These teams ensure effectiveness of risk mitigation actions, besides reporting risk events and incidents relating to their units and divisions in a timely manner.	Integrated Report • Sustainability at Dabur (Pages 4-8) • Risk Management (Pages 53-59)

GHG Emission Disclosure

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

Scope	Unit	Amount
Scope-1	Metric tonnes of CO2 equivalent	13,571
Scope-2	Metric tonnes of CO2 equivalent	48,172
Scope-3	Metric tonnes of CO2 equivalent	4,93,411

Note: Biogenic CO2 emission amounting to 45,190 metric tonnes is excluded from Total Scope 1 emissions mentioned above.

In FY 2022-23, 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 sources, such as Bio Briquettes, husk, and biodiesel, representing 77% of our total fuel consumption.

On the other hand, the Scope 2 emissions for FY 2022-23 have experienced a notable increase, primarily due to the implementation of various capacity creation projects at our existing manufacturing facilities. Additionally, the addition of a new Mega Greenfield manufacturing facility in Indore and the addition of dormitories have contributed to this increase.

As part of our commitment to sustainable practices, we have taken measures to boost our reliance on solar energy, achieving a 15% increase in solar energy consumption compared to FY 2021-22. 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.

Looking ahead to FY 2023-24, we have strategic plans in place, including a 2X increase in Bio Briquette Boiler Capacity, which will go from 38 to 76 TPH. Additionally, we are planning a 5.5X increase in Solar Capacity, aiming to increase it from approximately 1.4 to 7.7 MW (megawatts). These initiatives reflect our ongoing efforts to enhance sustainability and reduce environmental impact.

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 1 year), medium-term (between 1 and 3 years), and long-term (more than 3 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, involving employees and contractors from various departments. Our Environmental Sustainability team collaborates with experts, integrating assessments into our formal Enterprise Risk Management system overseen by the board's Risk Management 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. The climate related risk & opportunities assessed are:

Risk	Description	Impact	Mitigation Action
Climate Change	Climate change is a phenomenon, such as El Nino, characterized by the warming of the Pacific Ocean, causing shifts in weather patterns worldwide. This global phenomenon can have far-reaching effects on various sectors, including agriculture, transportation, and supply chains, ultimately impacting businesses' operations and performance.	The potential impacts of climate change are diverse, encompassing both water scarcity in some regions and increased rainfall leading to floods in others. These changes can result in damage to crops, including medicinal herbs, which are crucial raw materials for Dabur. Moreover, the rising demand for natural resources poses a challenge. As a company relying on products based on Nature and natural ingredients, our long-term success hinges on the sustained availability of these resources, especially agri-based commodities and medicinal plants and herbs. Any risk that threatens these gifts of nature would undoubtedly affect our business. Given that a significant portion of our raw materials come from agriculture, climate change can potentially disrupt their availability, directly impacting our operations and product supply. Furthermore, some of our manufacturing facilities are situated in water-stressed regions, making us vulnerable to extreme weather events that could disrupt our operations.	To address climate-related risks and promote environmental sustainability, we have implemented a series of structured measures: • We closely monitor unseasonal rains and El Niño events to proactively respond to their potential impacts. • At our manufacturing locations, we conduct aspect-impact analyses to assess environmental risks and implement measures to eliminate or mitigate them. • We have taken steps to minimize fossil fuel usage by converting boilers into bio-fuel boilers, leading to significant reductions in air emissions. • To protect and enhance biodiversity, we cultivate environmentally sensitive herbs and medicinal plants at our greenhouses. Moreover, we engage with local farmers, encouraging sustainable cultivation practices for these herbs. • Recognizing the importance of water conservation, we have undertaken various measures across all our units to optimize water usage. Furthermore, we actively participate in community-led water

		At Dabur, we acknowledge these climate-related risks and are committed to implementing strategies to mitigate them. By proactively addressing these challenges, we aim to safeguard our business, support sustainability, and continue delivering value to our stakeholders.	conservation and management interventions, striving to improve the availability of groundwater resources.
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Opportunities	After conducting a thorough assessment of the potential impact of climate change on our operations and business, we have implemented measures to not only mitigate these impacts but also capitalize on the opportunities presented, particularly concerning the availability of key raw materials like medicinal herbs and natural resources like water. <u>Herb Cultivation:</u> - To ensure a sustainable and continuous supply of rare medicinal herbs, we have established a state-of-the-art automated greenhouse in Pantnagar (Uttarakhand) and satellite greenhouses across the country. These facilities produce high-quality plantation material of these herbs. - To support local farmers, we provide the herbs grown in these greenhouses free of cost, according to the native habitat of each herb. We set up demonstration sites and train farmer groups in sustainable cultivation practices. Dabur then purchases the final produce from these farmers. - Under our biodiversity initiatives, we directly engage with local farmers to cultivate and sustainably collect critical medicinal plants. This approach guarantees a consistent supply of essential raw materials and ensures the smooth functioning of our business, while also uplifting the income levels and quality of life for local farmers. - In the past year, we distributed an impressive 32,47,309 saplings of medicinal plants and herbs to farmers across the country, contributing significantly to the protection of endangered species. - Our ambitious targets for the future include sustainably cultivating medicinal and aromatic plants in 15,000 acres of land by 2030, marking a 200% increase from 2020. Additionally, we aim to enhance the livelihoods of more than 13,500 farming families, representing a 100% increase from 2020. <u>Water Conservation:</u> - At Dabur, we have implemented water conservation measures across our manufacturing locations and the entire value chain. Starting from FY 2022-23, we adopted a holistic approach by monitoring water data of non-manufacturing locations such as offices, warehouses, nurseries, and employee dormitories. This comprehensive approach has led to identifying opportunities for improving sustainability performance across the value chain. - Our efforts have resulted in a remarkable 17% reduction in water intensity since FY 2020-21. In FY 2022-23 alone, we achieved an impressive ~7% reduction in water intensity.
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	- Through various initiatives, we have created a capacity to recharge 7,70,235 KL of water within our manufacturing units. Additionally, we are actively working with communities to become water positive by 2030, demonstrating our commitment to responsible water management. - Recognizing the significance of community-level programs for water conservation and management, we have initiated water conservation programs in Rajasthan's Tonk district and Himachal Pradesh's Baddi district. These programs involve active community participation and aim to improve the sustainable livelihoods of the underprivileged communities in the area by enhancing their access to water and implementing eco-friendly technologies. - In line with our commitment to water conservation, we extended our community-focused programs to Pithampur in Madhya Pradesh, renovating a 655 Lakh litre village pond, and adopting another 14 Lakh litre capacity pond in Baddi, Himachal Pradesh, during the year 2022-23. Renewable Energy: To fuel our operations, we have utilized various biomass sources, such as Bio Briquettes, husk, and biodiesel, representing 77% of our total fuel consumption. In addition, we have also taken measures to boost our reliance on solar energy, achieving a 15% increase in solar energy consumption compared to FY 2021-22. 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. Looking ahead to FY 2023-24, we have strategic plans in place, including a 2X increase in Bio Briquette Boiler Capacity, which will go from 38 to 76 TPH. Additionally, we are planning a 5.5X increase in Solar Capacity, aiming to increase it from approximately 1.4 to 7.7 MW (megawatts). These initiatives reflect our ongoing efforts to enhance sustainability and reduce environmental impact.
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Impact of climate-related risks and opportunities on the businesses, strategy, and financial planning.

We employ a structured approach to assess climate-related risks, categorizing them as Critical and Non-Critical. Critical Risks are further subdivided into High and Medium-Risk levels, while Non-Critical Risks fall under Low-Risk levels.

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 ($\leq$ 30% chance of happening), Moderate ($>$ 30% but less than $<$ 50% chance), or High ($\geq$ 50% chance). Business Impact is quantified as Low ($\leq$ INR 5 crore), Moderate ($>$ INR 5 crore to less than or equal to INR 25 crore), or 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 targets for risk mitigation in the year 2022-23.

Our responsible sourcing approach emphasizes sustainability aspects in our supply chains, ensuring the well-being of people and the planet. We work towards capacity building for our supply chain, encouraging critical suppliers to declare their ESG commitments voluntarily and undergo independent audits for validation.

Our commitment to ZERO Deforestation due to high-risk material by FY 2025-26 drives us to conduct internal environmental impact assessments. Based on these assessments, we have implemented mitigation programs, such as sourcing from FSC-certified suppliers, avoiding virgin papers in Corrugated Boards and Boxes (CBB), and utilizing recycled paper. Presently, 12% of our value chain partners contribute positively to the environment by using recycled & FSC sourced material.

To ensure sustainable sourcing, 100% of the Tetra Pak laminate and paper we source comes from FSC certified vendors, and 97% of corrugated boxes are from sustainable sources. We also achieved 84% sustainable sourcing of high deforestation risk materials in FY 2022-23.

Looking ahead, we have set a target to achieve 100% afforestation in critically endangered herbs like Kuth, Gugglu Raw, Jatamansi, and Aconite Raw Root by FY 2024-25. These measures demonstrate our commitment to addressing climate risks and fostering a sustainable future.

Resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

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

Environmental Assessment: We conduct internal assessments to understand the environmental impact, particularly related to deforestation risks arising from our paper packaging. Based on these assessments, we have designed mitigation programs, such as sourcing from FSC-certified suppliers, avoiding virgin papers in Corrugated Boards and Boxes (CBB), and utilizing recycled paper. Presently, 12% of our value chain partners contribute to positive environmental impact by using recycled and FSC-sourced materials.

Time-Bound Climate Action: Recognizing the urgency of Climate Action, we have already achieved Plastic positive status in FY 22-23. 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).

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.

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

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 manufacturing and non-manufacturing facilities, including offices and mother warehouses, as well as other relevant areas. To ensure a comprehensive identification of risks related to our activities and services, we actively engage in consultations with employees and contractors from various departments.

Our Environmental Sustainability 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.

Our prioritized climate risks and opportunities are:

Category	Type	Risk/opportunity description
Physical Risk	Acute	• We conduct assessments of climate-related risks across all our operations and implement necessary mitigation measures accordingly. An example of this proactive approach was demonstrated when East India experienced a severe cyclone a couple of years ago. Despite the cyclone not directly affecting the region where our Narendrapur (West Bengal) manufacturing facility is located, we immediately conducted an assessment to identify any potential risk of impact on this unit. • Likewise, our international facility in Birgunj, Nepal, is situated in a high-seismic zone. To ensure the safety and continuity of operations at this manufacturing facility, we regularly assess the potential impact of earthquakes on both the facility and the well-being of those involved.
Transition Risk	Reputation	• There is a noticeable increase in stakeholders' interest, especially investors, regarding our climate impact. Investors are paying close attention to the non-financial aspects of our business. Failing to achieve our climate targets in a timely manner or adequately responding to climate risks could have negative repercussions on our reputation and potentially result in a loss of business. • Additionally, NGOs and investors are displaying a growing concern about sustainable sourcing of raw materials and responsible disposal of product packaging, particularly plastic packaging. Failing to act responsibly regarding the environmental and social impacts of our business could harm our reputation. • Furthermore, the regulatory landscape concerning plastic packaging and responsible packaging waste disposal is evolving. Non-compliance with existing or future regulations on plastic packaging or failing to fulfill commitments on packaging and the environment, could lead to substantial fines and even result in a loss of sales. • To safeguard our reputation, maintain stakeholder trust, and ensure long-term sustainability, it is imperative that we proactively address climate-related risks, adopt sustainable sourcing practices, and remain

		compliant with evolving regulations. By demonstrating our commitment to responsible environmental practices, we can enhance our competitiveness and create lasting value for our business and society.
	Product	Growing awareness among employees and consumers about social and environmental concerns is driving the demand for socially aware companies that engage in developmental projects and offer healthier, sustainable, greener, and cruelty-free products. Our ability to innovate and provide sustainable solutions aligns with these evolving preferences. Failure to meet these expectations could hinder our business growth, emphasizing the importance of responsiveness to these changing demands.
Opportunity	Product	- At Dabur, addressing climate-related aspects is not just a priority but also an integral part of our product strategy. We are steadfast in our commitment to providing healthier options to our customers while actively promoting social well-being and minimizing environmental impacts. This approach is deeply ingrained in our product offerings and guides our decision-making process. - Our product strategy encompasses various key elements to achieve these goals. First and foremost, we focus on developing traditional products like Chyawanprash and Ratnaprash, which are made using natural ingredients such as jaggery and herbs. By utilizing sustainable and natural resources, we encourage a healthy lifestyle among our customers while minimizing environmental harm. - Additionally, we offer a range of natural alternatives to chemical-based medications, catering to various health needs such as immunity boosting, lactation support, and heart health. Through these products, we advocate for a more sustainable and eco-friendly approach to healthcare, ultimately contributing to the well-being of individuals and communities. - Another significant aspect of our strategy is reducing the negative impact of excessive sugar consumption. We are actively committed to lowering the sugar content in our products without compromising on taste or quality. By doing so, we strive to provide healthier choices for our customers and address the public health concerns associated with high sugar intake. Innovations like our Tail Pak vidhi and patented technology for Odonil Gel Pocket enable us to enhance product quality while minimizing our environmental footprint. - Collaboration plays a crucial role in our efforts as well. We work closely with local farmers in Uttarakhand to develop Litchi pulp, providing them with a sustainable source of income while simultaneously reducing carbon emissions associated with transportation. Additionally, our plant-based drinks and Amla candy promote sustainable farming practices and offer healthier alternatives to conventional dairy-based products and sugary snacks.
	Resource Efficiency	Optimizing the use of resources such as energy and water presents an opportunity to achieve savings, avoid higher costs, and maintain uninterrupted operations. To combat greenhouse gas emissions, we have set a goal to achieve Net Zero emissions by 2045, aligning with the Science Based Targets initiative (SBTi). This involves a progressive shift to greener fuels and solar energy, investment in low-carbon technology, energy efficiency, network optimization to reduce distance travelled of our product and thereby reducing scope 3 emissions and sourcing of raw material through sustainable sources. Already, we have successfully transitioned our boilers from fossil fuels to biofuel and aim to eliminate coal from our operations by 2025. By the fiscal year 2025-26, our target is to source or generate over 60% of our energy from

		renewable and cleaner sources, significantly reducing the cost impact on our operations. Continuously improving water withdrawal efficiency, we have implemented a comprehensive water reduction program across our manufacturing sites. Our ultimate goal is Water Positivity in both our operations and communities by 2030. This vision is supported by initiatives that enhance water use efficiency, improve the cleanliness of discharged water, and promote circular water management practices. By the fiscal year 2025-26, we aim to achieve a 30% reduction in water intensity within our operations. Our community-led water conservation initiatives have already yielded impressive results, with a 10-foot increase in the ground water level in the Newai region of Rajasthan.
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Processes for managing climate-related risks

At Dabur, we have implemented a comprehensive approach to assess and manage 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 21-22.

To ensure effective oversight, we have established both a Risk 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.

Aligned with the Science-Based Targets initiative, we are resolute in achieving Net Zero emissions by 2045. To work towards this goal, we have embraced greener fuels and solar energy, low-carbon technology, energy efficiency, network optimization to reduce distance travelled of our product and thereby reducing scope 3 emissions and raw material sourcing from sustainable sources. Additionally, we have transitioned boilers from fossil fuels to biofuels and are committed to eliminating coal from all operations by 2025. By FY 2025-26, our target is to source or generate over 60% of energy from renewable and cleaner sources.

As first Plastic Positive FMCG Company in India, we take pride in actively collecting, processing, and recycling more plastic waste than we use in our product packaging. Our emphasis on circularity in the value chain helps us reduce our carbon footprint by focusing on - Collection and recycling of plastic waste to remain plastic positive, raw material and packaging material wastage reduction in our factories, promote usage of recyclable and compostable material in our packaging and promote usage of recycled material in our packaging.

Moreover, we prioritize sustainability and climate-related aspects along our supply chains, focusing on the well-being of both people and the planet. We aim to ensure zero deforestation resulting from high-risk materials through 100% sustainable sourcing by FY 2025-26. In FY 2022-23, we achieved an impressive 84% sustainable sourcing of high deforestation risk materials.

Integration of climate-related risks & opportunities into the overall 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 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 manufacturing and non-manufacturing facilities, including offices and mother warehouses, as well as other relevant areas. To identify risks associated with all our activities and services, we engage in consultations with employees and contractors from various departments.

Our Environmental Sustainability 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.

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 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total Direct GHG emissions (Scope 1)	MT CO2e	12,011	14,195	15,046	13,573

Scope 2: GHG Emissions

Parameter	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total indirect GHG emissions (Scope 2) Location-based	MT CO2e	39,621	41,739	44,497	48,172

Scope 3: GHG Emissions

Parameter	Unit	FY 2022-23
Total indirect GHG emissions (Scope 3)	MT CO2e	4,93,411

Scope 3: GHG Emission Categories

Scope 3 Category	Emissions (MT CO2e)	Emission calculation methodology and exclusions
Category 1: Purchased goods and services	4,21,583.7	The emissions are computed basis GHG protocol scope 3 evaluator tool "Quantis". The tool uses spend method to evaluate the emissions under this category. The conversion rate for INR to USD is calculated based on average RBI conversion rate for FY 22-23
Category 2: Capital Goods	46,049.7	The emissions are computed basis GHG protocol scope 3 evaluator tool "Quantis". The tool uses spend method to evaluate the emissions under this category. The conversion rate for INR to USD is calculated based on average RBI conversion rate for FY 22-23

