August 10, 2022

To,

National Stock Exchange of India Ltd.
Exchange Plaza, Block G, C/l, Bandra Kurla
Complex, Bandra (E), Mumbai – 400 051
Email: cmnlist@nse.co.in
Symbol: VBL

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Email: corp.relations@bseindia.com
Security Code: 540180

Sub: **Presentation on Environment, Social and Governance of the Company**

Dear Sir/Madam,

Please find attach herewith a copy of the Presentation on Environment, Social and Governance of the Company.

The same is also being uploaded on website of the Company at [www.varunpepsi.com](http://www.varunpepsi.com).

You are requested to take the above on record.

Yours faithfully,

For Varun Beverages Limited

RavI Batra
Chief Risk Officer & Group Company Secretary

Encl.: As above
Varun Beverages Limited

ESG

ENVIRONMENT

SOCIAL

GOVERNANCE
Mission Statement
While refreshing billions of consumers with a vast portfolio of beverages touching all age groups, we shall ensure a sustainable ecosystem with a positive impact on our planet and well-being.
Cross-functional ESG Task Force

SPONSORS
Executive Vice-Chairman & Whole Time Director

Advisors
Independent Directors

STEERING Committee
Technical Head, ESG Head, HR Head

Overall Management: ESG Head / Investor Relations Head

FUNCTIONAL LEADS
Environment
Lead Plant Managers (North/East/South/West)

Social
Head of Industrial Relations

Governance
Chief Risk Officer & Head of Compliances

Functional Team
Manager ESG
Head Quality
Head Packaging

Annual Audit
DQS / TUV

Central HR Team
Plant HRs

SOP/Policies
CFO

Assessment
CFI, Golden Peacock

Best Practices
DuPont (H&S)

Tax
Head - Taxes
**ESG – Environment**

### Roadmap

<table>
<thead>
<tr>
<th><strong>Enhance Renewable Energy</strong></th>
<th><strong>Being Water Positive</strong></th>
<th><strong>Plastic Recycling</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Emission Reduction</td>
<td>Sustain Recharge &gt; 2.00x</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>7%</td>
<td>14%</td>
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</tbody>
</table>

- **Reduce WUR**
  - 1.89x to < 1.69x by 2025

### Enablers

<table>
<thead>
<tr>
<th><strong>Solar/Wind</strong></th>
<th><strong>Water Stewardship</strong></th>
<th><strong>Waste Management</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rooftop</strong></td>
<td><strong>110 ponds adopted,</strong></td>
<td><strong>Rationalize</strong></td>
</tr>
<tr>
<td></td>
<td><strong>50% rejuvenated in</strong></td>
<td></td>
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<tr>
<td></td>
<td><strong>stressed zones.</strong></td>
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<tr>
<td></td>
<td><strong>150+ process</strong></td>
<td></td>
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<tr>
<td></td>
<td><strong>improvements</strong> (e.g.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>larger batch sizes,</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>low Glass mix</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>&amp; more efficient new</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>lines</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Open Access</strong></td>
<td><strong>Water Bodies</strong></td>
<td></td>
</tr>
<tr>
<td>~ 25 MW UP/MH/KAR</td>
<td>~ 25 MW</td>
<td></td>
</tr>
<tr>
<td>planned by</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1CY23</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Plant Process</strong></td>
<td><strong>Plant Process</strong></td>
<td></td>
</tr>
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<td><strong>150+ process</strong></td>
<td></td>
</tr>
<tr>
<td><strong>done</strong></td>
<td><strong>improvements</strong> (e.g.</td>
<td></td>
</tr>
<tr>
<td>Preforms by</td>
<td><strong>larger batch sizes,</strong></td>
<td></td>
</tr>
<tr>
<td>10% &amp; Closures</td>
<td><strong>low Glass mix</strong></td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td><strong>&amp; more efficient new</strong></td>
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</tr>
<tr>
<td>lines</td>
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<tr>
<td><strong>Rationalize</strong></td>
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<td></td>
</tr>
<tr>
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<td><strong>Rationalize</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Recycle</strong></td>
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<td></td>
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<tr>
<td><strong>Tie-up with GEM</strong></td>
<td><strong>Recycle</strong></td>
<td></td>
</tr>
<tr>
<td><strong>(PepsiCo Certified)</strong></td>
<td></td>
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<tr>
<td>for end2end chain</td>
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</tr>
</tbody>
</table>

- **Rationalize**
  - Ragpickers awareness programs by GEM
  - rPET rules awaited

- **Recycle**
  - JV with IDVB Recycling Operations Pvt. Ltd. (a JV of INDORAMA & DHUNSERI) under set-up for 30K MT

- **Reduce WUR**
  - 1.89x to < 1.69x by 2025

- **Rationalize**
  - Wt. reduction done Preforms by 10% & Closures by 25%

- **Plant Process**
  - 150+ process improvements (e.g. larger batch sizes), low Glass mix & more efficient new lines

- **Water Bodies**
  - 110 ponds adopted, 50% rejuvenated in stressed zones.
  - CY22 additions: +7 Check-dams +1 Pond

- **Water Stewardship**
  - 110 ponds adopted, 50% rejuvenated in stressed zones.
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- **Solar/Wind**
  - Existing ~12 MW including latest expansion
  - ~ 25 MW UP/MH/KAR planned by H1CY23
  - EV adoption subject to size/reliability
  - 80,000+ saplings plantation

- **Waste Management**
  - Tie-up with GEM (PepsiCo Certified) for end2end chain

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**ESG – Environment: Current Status Progression & Targets**

### Water Stewardship

<table>
<thead>
<tr>
<th>Year</th>
<th>Water Usage Ratio (WUR)*</th>
<th>Water Recharge Ratio#</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.94</td>
<td>1.75</td>
</tr>
<tr>
<td>2020</td>
<td>1.92</td>
<td>2.72</td>
</tr>
<tr>
<td>2021</td>
<td>1.89</td>
<td>2.28</td>
</tr>
<tr>
<td></td>
<td>Target</td>
<td>Target min.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.00</td>
</tr>
</tbody>
</table>

* Total water recharged per litre of water consumed

### Plastic Waste Management (PWM)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Plastic Waste Recycling %</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>2020</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>70%</td>
<td></td>
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</tbody>
</table>

* Past Data Certified by GEM Enviro Management Pvt. Ltd., a Delhi based Central Pollution Control Board ("CPCB") recognized PRO (Producer Responsible Organization).

### Climate Action

<table>
<thead>
<tr>
<th>GHG Emissions</th>
<th>CY 2020</th>
<th>CY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>12.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Scope 2</td>
<td>66.3</td>
<td>69.5</td>
</tr>
<tr>
<td>Scope 3</td>
<td>276.3</td>
<td>243.4</td>
</tr>
<tr>
<td>Total</td>
<td>354.9</td>
<td>324.4</td>
</tr>
</tbody>
</table>

* Grams / litre = Grams of CO₂ emission per litre of beverage produced during the year
* GHG emissions are audited by Deutsch Quality Systems (India) Private Limited (DQS India), an Internationally reputed independent field expert.

### Energy Efficiency (litre/kWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>11.8</td>
</tr>
<tr>
<td>2021</td>
<td>12.6</td>
</tr>
</tbody>
</table>

Energy Efficiency = Litres of beverage produced per unit (in kWh) of electrical energy consumption in plants (excluding energy consumed for backward integration)
**ESG – Social**

### Roadmap

**Enhancing Safety**

**SAFETY FIRST**

**FIRST IN CLASS**

**Improving Diversity**

**Employee Wellness**

### Enablers

**Enhanced**

**DuPont Safety Solutions** for implementing best practices in health & safety at 6 large plants in phase-1 over a period of 18 months → adopt “train the trainer” approach to cascade to other plants

**Improving Diversity**

**Cross Functional Targets**

to hire diversity across gender and differently abled candidates

**Target to double** the existing mix across by 2025

**Employee Wellness**

**Full body Medical Check-ups & doctor consultations**

**Coaching on Mental Health**

**All workers are covered** under the Factories & Food Safety Acts
ESG – Governance

**Roadmap**

**Robust Policies**
Expand the scope of existing policies to contractors / suppliers with an ESG focus

**Better Transparency**
Increasing disclosures

**Harnessing CSR**
Leverage CSR initiatives

**Enablers**

**Best Corporate Governance Practices (FMCG)**

- **3 years**
  - 2019-22

- **2021-22**
  - including for National Quality

- **2021-22**

- **2022**
  - Business Leader

Promoting healthcare, education, environmental sustainability, rural development via national level initiatives

Impact assessment to be done by an expert/independent agency for various initiatives
ESG at VBL – Illustrations of multiple initiatives

Sandila - Rooftop Solar Panels

Greater Noida - Effluent Treatment Plant

Bhiwadi - Rain water harvesting pit

PWM - Rag picker Awareness Program by VBL & GEM Enviro

Tree plantation

Greater Noida - Pond adopted
ESG at VBL – Illustrations of Check Dams in 2022

**Village Kandoli: Check Dam 1**
Dimensions (in feet): 76 (L) x 7 (W) x 7 (H)

**Village Kandoli: Check Dam 2**
Dimensions (in feet): 106 (L) x 7 (W) x 7 (H)

**Village Dangarwala: Check Dam 3**
*Under Construction*
Dimensions (in feet): 130 (L) X 7 (W) X 7 (H)
ESG at VBL – Harnessing CSR Initiatives

Through SHISKHA KENDRA (implemented by Delhi Public School) – a school for underprivileged children

The education programme, aims at assisting the underprivileged children, to develop themselves into educated, confident and responsible citizens, equipped to walk the world with pride.

DPS infrastructure and other resources like books, uniform, transportation, etc. are available to the students of Shiksha Kendra.
ESG at VBL – Awards and Accolades

PepsiCo’s Best Bottler in AMESA Sector for the year 2021

- India Achievers’ Award 2022 for Best Corporate Governance
- Responsible Business Award for Best Corporate Governance
- Golden Peacock Award Excellence in Corporate Governance - 2021
- Golden Peacock National Quality Award - 2022