



Go Green Guidelines

At Varun Beverages Limited (“VBL” or the “Company”), sustainability implies that we do things efficiently and responsibly in terms of the environment, people and the economy, with an aim of having a net positive impact on the planet. As an organization, VBL seeks to drive environmentally sustainable growth across its business. VBL’s business operations follow a stringent and well-defined framework that aims to minimize the environmental impact, improve food safety & hygiene protocols and encourage people & community development. In order to achieve its Go Green objectives, VBL has set forth the following guidelines:

I. Environment

- Plastic Recyclability & Waste Management
 - VBL focuses on the 3R’s: REDUCE, RECYCLE and RECOVER that include segregation of different types of waste material to regulate the recyclability, anti-litter and recyclable marks on products to remind consumers to dispose in a safe and environment friendly way.
 - With the objective of phased implementation of 100% recycling of used PET bottles, VBL has engaged GEM Enviro Management Pvt. Ltd. (a Delhi based Central Pollution Control Board recognized PRO (Producer Responsible Organization) company that specializes in a) collection and recycling of packaging waste & b) promotion of recycled green products like T-Shirts, bags etc. made from recycling of waste material such as used PET bottles).
 - VBL shall report the progress on % of PET recycled in its annual report as well as quarterly results presentation.
 - Globally PepsiCo is working on increasing the recycled content in its packaging and VBL shall be extending its support to implement such initiatives as and when it is applicable in India and other countries where VBL is present.
 - Water Management
 - VBL follows a positive water balance based water conservation approach. Water resource is managed throughout value chain in three stages comprising of stringent water usage ratio at the stage one. At stage two, treat waste water to make it reusable. At stage three, through comprehensive water recharge initiatives. VBL has always strived for the effective water management systems, hygiene, sanitation and drinking water availability in underdeveloped and water-stressed areas and it will continuously promote the following activities -
 - Reduce water requirements during manufacturing process
 - Recycle treated water
 - Replenish the water withdrawn through ground water recharge
 - Water conservation and spread awareness
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- VBL has engaged TÜV India Pvt. Ltd. for company's water footprint assurance wherein, water mass balance and its various initiatives towards water conservation and water recharge are verified on a regular basis. Founded in the year 1869, TÜV NORD was established as an industrial self-control organization for providing independent, neutral, third party services. With a current workforce of over 14,000 employees across 70 countries globally, the TÜV NORD GROUP is one of the world's largest Inspection, Certification & Testing organizations.
- With effective implementation of water management programs, VBL has been consistently recharging more water than the amount of water being consumed in the manufacturing operations on an annual basis. These numbers shall be reported in the annual report as well as quarterly results presentation.
- Energy Efficiency & Green House Gas Emission Reduction
 - As part of its energy efficiency program, the Company shall strive to use fuels like biomass for steam generation, usage of solar energy and optimizing the water requirements at plants thus reducing carbon footprint in operations.
 - VBL's has already initiated and completed renewable energy projects that include installation and commissioning solar plant at many of its manufacturing facilities.
 - The Company shall endeavor to take the initiative of using renewable energy sources across its manufacturing facilities with the objective of reduction of overall carbon footprints.

II. Food Safety & Quality

- VBL is committed to providing the highest level of food safety and quality products to customers
- Company strictly follows PepsiCo's global standards & FSSAI guidelines to manufacture highest quality products and achieving the consumer satisfaction, business continuity while enhancing the Brand image.
- Further, PepsiCo's Global Quality and Food Safety Policy provides global best practices related to design, manufacturing and distribution of beverage products which has to be complied by all PepsiCo divisions, franchisees, co-packers, warehouse managers and distributors. VBL complies with PepsiCo's global quality and hygiene standards and all its plants qualify in the independent audits conducted by third party independent agencies appointed by PepsiCo.

III. People & Community Development

- VBL regularly undertakes various CSR projects with the objective inclusive growth. Key areas of CSR spend includes promoting education to poor & underprivileged children, promoting employment enhancing vocational skills, promoting healthcare and eradicating hunger, poverty, and malnutrition through the registered trusts. Such CSR activities and the amount to be spent is recommended by the Corporate Social Responsibility Committee of the Company.
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- Robust human resource system is the foundation of the successful business. To enhance its human resources effectiveness, VBL has made significant investment in transformation and automation of processes like talent acquisition, performance management, reward and recognition management.
- VBL places significant emphasis on training our personnel and increasing their skill levels and fostering ongoing employee engagement in the Company. VBL's key employees also attend management and staff development programs organized by PepsiCo.
- The Company shall annually report % of employees given safety and skill upgradation trainings in the annual report.

Monitoring Mechanism

- I. **Audit, Risk Management and Ethics Committee:** The Audit, Risk Management and Ethics Committee is empowered to monitor and set guidelines on various measures which may include ESG/Go-Green initiatives on an annual basis
 - II. **Human Resources:** All employees are encouraged to live by the VBL's corporate business principle on environmental sustainability. With this objective in mind, the Company has and shall continue to,
 - Create conducive workplace conditions that enable employees to take responsibility of protecting the environment on a day-to-day basis
 - Ensure that environmental sustainability is covered as part of relevant training, workshops and meetings to raise awareness and commitment of employees, suppliers, business partners and the community at large
 - III. **Regulation:** Regular monitoring, evaluation and communication of regulatory developments so that they are reflected across Company strategies. In order to promote an effective regulatory system with respect to environmental sustainability, the Company has and continues to,
 - Engage with regulators and other relevant stakeholders to foster environmentally efficient and effective laws and regulations; and
 - Support internationally recognised standards and voluntary initiatives designed to protect the environment.
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