

FUTURE-READY.
ECO-STEADY.



Sustainability Report 2024

WHAT'S INSIDE

PAGE 08



CHAIRMAN'S MESSAGE

Corporate Overview

- 03 Future-ready. Eco-steady.
- 06 A Step Ahead Already
- 08 Chairman's Message: Future-ready with Sustainable and Consistent Growth
- 12 Sipping Success at Every Step of Our Journey
- 14 Curating a Future-ready Product Line
- 18 Pouring Refreshments across Borders, Expansion in a World of Refreshment
- 20 Pioneers of Delivering Refreshment Sustainably, One Sip at a Time
- 26 Subsidiaries, Associates and Joint Ventures
- 28 Driving Consistent Results Year after Year
- 32 Our Board: Enriched by Diversity, Focused on Value

PAGE 54



COMMITTED TO A CLEANER, GREENER TOMORROW

Driving Sustainable Growth, Steadily

- 36 About the ESG Report
- 38 Promoter, Executive Vice-Chairman and WTD's Message: Building a Future that's Ready and Steady
- 40 Shaping a Future-ready, Value-driven Path
- 42 Focusing More on Empowering Our Pillars
- 44 Prioritizing What Matters
- 48 ESG at a Glance
- 50 Leading the Charge for a Sustainable Tomorrow

Environment

- 54 Committed to a Cleaner, Greener Tomorrow
- 56 Water Conservation
- 58 Rejuvenation of Water Bodies (RWB) - A New Initiative
- 60 Water Bodies: Impact Assessment
- 66 Plastic Waste Management and Recycling

PAGE 86



FUTURE-READY WORKFORCE SHAPING OUR FUTURE

- 70 Enhancing Energy Performance
- 72 Sustained Climate Action: Reducing our Carbon Footprint
- 78 VBL's Commitment to Sustainability and Carbon Reduction
- 80 Sourcing with Care

Social Initiatives

- 86 Future-ready Workforce Shaping our Future
- 95 Employee Health and Safety
- 99 Augmenting Product Safety and Quality
- 101 Consumer Health and Nutrition

Governance

- 106 Embedding ESG in our Corporate DNA
- 114 Information System and VBL Code of Conduct
- 116 CSR Initiatives: Making a Sustainable Difference
- 119 Risk and Opportunities Management
- 124 Sustainable Tax Practice: Furthering our ESG Commitment

PAGE 106



EMBEDDING ESG IN OUR CORPORATE DNA

International Territories

- 130 Growing Stronger in the International Business
- 139 Awards and Recognition
- 140 Corporate Information
- 141 GRI Index

PAGE 128



INTERNATIONAL TERRITORIES

Assurance Statements

- 152 GRI Assurance Statement



Read or download the report at:
www.varunbeverages.com



FUTURE-READY. ECO-STEADY.

Imagine a future where every sip quenches more than thirst – it sustains life, preserves the planet, and inspires change. At Varun Beverages Limited (VBL), India’s leading PepsiCo franchisee, the act of serving a drink has evolved into a profound responsibility – one of fueling lives, driving innovation, and safeguarding the planet. For over three decades, we have refreshed millions while steadily redefining what it means to be a responsible industry leader. From crowded cities to remote rural markets, each bottle we deliver carries not only the promise of refreshment but also our commitment to a greener and more sustainable future.

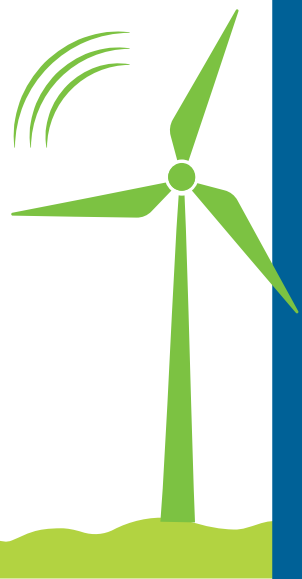
Our operations delivered robust growth across key markets, with consolidated revenues rising by 24.7% in CY 2024. We also made significant strides in expanding our global and domestic footprint. The acquisition of South Africa based Beverage Company (BevCo) and its subsidiaries has strengthened our international footprint and marks a key milestone in expanding our presence in the African market. Domestically, we commissioned three greenfield facilities in Supa (Maharashtra), Gorakhpur (Uttar Pradesh), and Khordha (Odisha), boosting production capacity in India. Additionally, our Kinshasa facility in the DRC now operates at full capacity on a three-shift basis.

These key milestones along with our commitment to net-zero GHG emissions by 2050, enhanced efficiency through backward integration across 17 production plants and a strong focus on water stewardship, circular economy through plastic waste management, and the adoption of renewable energy, reinforce our Future Ready growth strategy.

As we grow, we continue to push boundaries – expanding our reach across continents, embracing innovations that lower environmental footprints, and nurturing communities through sustainable practices.

With a future-ready portfolio and an eco-steady approach, we are not just meeting today’s demands but shaping a resilient and sustainable tomorrow.

AT VBL, THE FUTURE IS NOT JUST SOMETHING WE ANTICIPATE – IT’S SOMETHING WE BUILD. AND WE ARE READY.





CORPORATE OVERVIEW



A STEP AHEAD ALREADY

Financial

Revenue
₹ 200,077
 Million

EBITDA
₹ 47,111 Million



Net Profit
₹ 26,343
 Million

Capex
₹ ~45,000
 Million



Operational

Cases sold in CY 2024
1,124 Million



State-of-the-art production facilities around the globe
48

Water usage ratio
1.56[^] Times



rPet recycled plastic used
 Pepsi Zero and Sting
~7,300 MT

[^] Steady state WUR was 1.54 times in 2023 and 1.50 times in 2024, the differential is on account of stabilization of 2 new greenfield plants in 2023 and 3 new greenfield plants in 2024.

Chairman's Message

Future-ready with Sustainable and Consistent Growth



Dear Stakeholders,
It gives me immense pleasure to present the 30th Annual Report of Varun Beverages Limited (VBL).

Ravi Jaipuria
Promoter & Non-Executive Chairman

Overview of the year

We are delighted to share that CY 2024 has been a year of healthy operational and financial performance for VBL. Our revenue growth was supported by organic volume expansion, improved product mix, and contributions from recent acquisitions. India volumes grew 11.4%, reflecting the strength of our distribution network and operational execution during a dynamic market environment. Our international business also maintained strong momentum, with particularly encouraging results from the African markets following the successful integration of BevCo in South Africa and the commissioning of our Democratic Republic of Congo (DRC) facility. Consolidated volumes increased

by 23.2%, largely led by new territories resulting in consolidated revenues increase by 24.7%, EBITDA growth of 30.5%, and PAT growth of 25.3% for the year.

Throughout the year, we focused on expanding our manufacturing footprint and improving our on-ground execution capabilities. The commissioning of multiple greenfield facilities across India and Africa, along with strategic partnerships to diversify our portfolio into snacks and value-added beverages, reflects our commitment to capitalizing on emerging consumer trends. Additionally, we took steps to further strengthen our international presence by signing share purchase agreements to acquire PepsiCo's business in

Tanzania and Ghana, subject to regulatory and other approvals. Integration of these acquisitions, along with our operations in South Africa, shall strengthen our presence in key international markets.

Strengthening growth capabilities

CY 2024 was marked by significant progress in expanding our manufacturing footprint to meet growing demand across key markets. In India, we commissioned three new greenfield facilities in Supa (Maharashtra), Gorakhpur (Uttar Pradesh), and Khordha (Odisha). These state-of-the-art plants have enhanced our capacity to cater to the increasing demand in under-penetrated markets.

Internationally, our Democratic Republic of Congo (DRC) facility became operational and rapidly scaled to 100% utilization within months. This remarkable performance has reinforced our belief in the untapped potential of the region, and we are now preparing for backward integration and the commissioning of a second facility to strengthen our operations further.

Furthermore, a key aspect of our growth strategy is the continuous expansion and enhancement of our distribution network and chilling infrastructure. Strengthening these areas is crucial for deepening our presence in both established and under-penetrated markets. These strategic investments reflect our proactive approach to capturing growth opportunities and ensuring we are well-prepared to meet future demand.

Expanding partnership with PepsiCo

During the year, we deepened our collaboration with PepsiCo, venturing into new segments and geographies to diversify and grow our product portfolio. In CY 2024, we entered into an Exclusive Snacks Appointment Agreement to manufacture and package Cheetos in Morocco by May 2025. Building on this momentum, we signed another exclusive snacks franchising appointment for "Simba Munchiez" in Zimbabwe and Zambia, with distribution starting in February 2025, and manufacturing set to commence by October 2025 and April 2026, respectively. Our expansion into the snacks market in these three countries marks a key milestone in enhancing our portfolio and leveraging synergies with our existing infrastructure.

“CY 2024 was marked by significant progress in expanding our manufacturing footprint to meet growing demand across key markets. In India, we commissioned three new greenfield facilities in Supa (Maharashtra), Gorakhpur (Uttar Pradesh), and Khordha (Odisha). These state-of-the-art plants have enhanced our capacity to cater to the increasing demand in under-penetrated markets.”

Accelerating growth in international markets

CY 2024 was a year of remarkable progress in strengthening our presence in the African market. A key milestone was the successful integration of The Beverage Company Proprietary Limited (BevCo) in South Africa, enhancing our operational capabilities and accelerating growth across the continent. This acquisition enabled the Company to consolidate its presence in franchised territories in South Africa, Lesotho, and Eswatini, while also securing distribution rights in Namibia, Botswana, Mozambique, and Madagascar. Building on this momentum, we further expanded our footprint through strategic acquisitions in key African regions.

We also entered into share purchase agreements to acquire PepsiCo's business in Tanzania and Ghana, subject to regulatory and other approvals. This includes 100% stake in SBC Beverages Tanzania Limited (SBCT), a market leader with five manufacturing facilities. SBCT's strong operational infrastructure and diverse product portfolio, including PepsiCo brands and its own energy drink, Supa Komando, position us to effectively address the growing consumer demand in East Africa.

Similarly, our acquisition of SBC Beverages Ghana Limited (SBCG) will solidify our footprint in West Africa.

“ At VBL, sustainability is a cornerstone of our strategy. This year, we furthered our commitment to environmental stewardship by broadening the scope of initiatives like PET recycling, PET light-weighting, energy-efficient manufacturing, increasing renewable energy contribution and water conservation. A key focus is achieving a “net positive” water balance by replenishing more water than we use through conservation, recycling, and groundwater recharge projects.

Sustainability Initiatives

At VBL, sustainability is a cornerstone of our strategy. This year, we furthered our commitment to environmental stewardship by broadening the scope of initiatives like PET recycling, PET light-weighting, energy-efficient manufacturing, increasing renewable energy contribution and water conservation. A key focus is achieving a “net positive” water balance by replenishing more water than we use through conservation, recycling, and groundwater recharge projects, thereby ensuring a positive impact on water resources. These efforts align with **PepsiCo’s global PEP+ objectives**, reinforcing our shared commitment to a sustainable future.

Through these strategic initiatives, we have established a clear roadmap for long-term sustainability. As part of this commitment, we have set ambitious **Net-Zero targets**, officially validated by the **Science Based Targets initiative (SBTi)**, aiming to achieve net-zero greenhouse gas emissions across our entire value chain **by 2050**.

Additionally, our dedication to environmental stewardship has earned us a spot on the prestigious **CDP A List** based on the **2024 CDP scores**:

- A for Climate
- A- for Water Security

This recognition underscores our commitment to sustainable practices and our ongoing efforts to drive meaningful change. We continue to integrate environmentally responsible practices across our operations, minimizing our footprint while delivering value to stakeholders. Sustainability remains central to our growth, enabling us to make a lasting impact in the communities and regions we serve.

QIP issue

In November 2024, we successfully raised ₹ 75,000 Million through a Qualified Institutional Placement (QIP). Over 13.27 crore equity shares were allotted at an issue price of ₹ 565 per share. This significant capital raise demonstrates the trust and confidence of investors in the Company’s strategic direction and long-term potential.

The proceeds from this QIP have strengthened our financial position and provided the flexibility to pursue our ambitious growth plans. These funds will support our expansion into new geographies, strategic acquisitions, and further investment in enhancing our operational capabilities.

Dividend & share-split

At VBL, managing our business efficiently for the benefit of all stakeholders is a cornerstone of our philosophy. A critical element in delivering value to our shareholders and securing their long-term confidence is through a consistent and transparent return of capital. In alignment with this approach, our Board of Directors established a formal dividend distribution policy following the Company’s listing in November 2016.

To broaden our shareholder base and increase the accessibility of our shares to a diverse range of investors, we have sub-divided/split the existing equity shares of VBL. Each equity share, previously with a face value of ₹ 5 and fully paid-up, was sub-divided/split into two equity shares each having a new face value of ₹ 2.

During the year under review, the Board of Directors in their meeting held on July 30, 2024 declared an interim dividend of ₹ 1.25 per Equity Share (face value of ₹ 5/-

per Equity Share) to the eligible equity shareholders of the Company. Further, the Board of Directors have also recommended a final dividend of ₹ 0.50 per Equity Share (face value of ₹ 2/- per Equity Share) for the Current Year 2024.

Message to stakeholders

As we reflect on another year of significant achievements, I extend my heartfelt gratitude to all our stakeholders for their trust and support. Your confidence in VBL has been instrumental in driving our success.

As we move forward, we remain focused on strengthening our market position, leveraging growth opportunities in both domestic and international markets, and maintaining our commitment to sustainable practices. Our dedication to innovation, strategic expansion, and sustainability continues to guide our journey.

As we navigate dynamic market environments, we stay focused on delivering sustainable growth and value while upholding our standards of excellence. We look forward to a future of continued success and shared prosperity.

Vote of thanks

We express our deepest appreciation to our shareholders, investors, bankers, and creditors for their support and belief in our vision. A special thanks to our dedicated employees, whose tireless efforts and commitment have been instrumental in our achievements. We are also immensely grateful to our Board of Directors for their guidance and strategic insights, helping steer the Company towards new opportunities and sustained growth. Your collective contributions have been invaluable in our journey, and we look forward to your continued partnership.

Warm regards,

Ravi Jaipuria

Promoter & Non-Executive Chairman

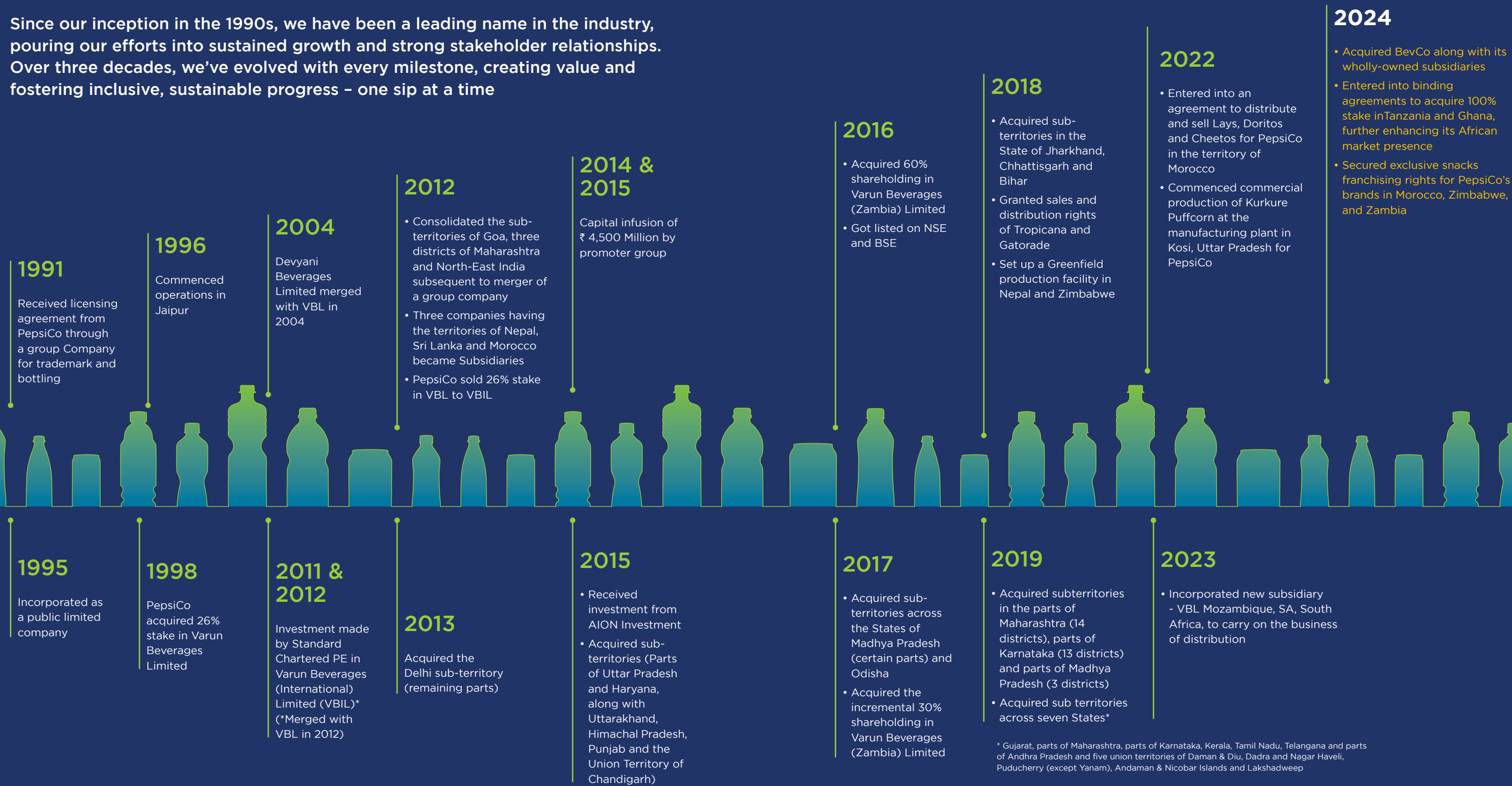




Our Journey

Sipping Success at Every Step of Our Journey

Since our inception in the 1990s, we have been a leading name in the industry, pouring our efforts into sustained growth and strong stakeholder relationships. Over three decades, we've evolved with every milestone, creating value and fostering inclusive, sustainable progress – one sip at a time



1991
Received licensing agreement from PepsiCo through a group Company for trademark and bottling

1996
Commenced operations in Jaipur

2004
Devyani Beverages Limited merged with VBL in 2004

2012

- Consolidated the sub-territories of Goa, three districts of Maharashtra and North-East India subsequent to merger of a group company
- Three companies having the territories of Nepal, Sri Lanka and Morocco became Subsidiaries
- PepsiCo sold 26% stake in VBL to VBIL

2014 & 2015
Capital infusion of ₹ 4,500 Million by promoter group

2016

- Acquired 60% shareholding in Varun Beverages (Zambia) Limited
- Got listed on NSE and BSE

2018

- Acquired sub-territories in the State of Jharkhand, Chhattisgarh and Bihar
- Granted sales and distribution rights of Tropicana and Gatorade
- Set up a Greenfield production facility in Nepal and Zimbabwe

2022

- Entered into an agreement to distribute and sell Lays, Doritos and Cheetos for PepsiCo in the territory of Morocco
- Commenced commercial production of Kurkure Puffcorn at the manufacturing plant in Kosi, Uttar Pradesh for PepsiCo

2024

- Acquired BevCo along with its wholly-owned subsidiaries
- Entered into binding agreements to acquire 100% stake in Tanzania and Ghana, further enhancing its African market presence
- Secured exclusive snacks franchising rights for PepsiCo's brands in Morocco, Zimbabwe, and Zambia

1995
Incorporated as a public limited company

1998
PepsiCo acquired 26% stake in Varun Beverages Limited

2011 & 2012
Investment made by Standard Chartered PE in Varun Beverages (International) Limited (VBIL)* (*Merged with VBL in 2012)

2013
Acquired the Delhi sub-territory (remaining parts)

2015

- Received investment from AION Investment
- Acquired sub-territories (Parts of Uttar Pradesh and Haryana, along with Uttarakhand, Himachal Pradesh, Punjab and the Union Territory of Chandigarh)

2017

- Acquired sub-territories across the States of Madhya Pradesh (certain parts) and Odisha
- Acquired the incremental 30% shareholding in Varun Beverages (Zambia) Limited

2019

- Acquired subterritories in the parts of Maharashtra (14 districts), parts of Karnataka (13 districts) and parts of Madhya Pradesh (3 districts)
- Acquired sub territories across seven States*

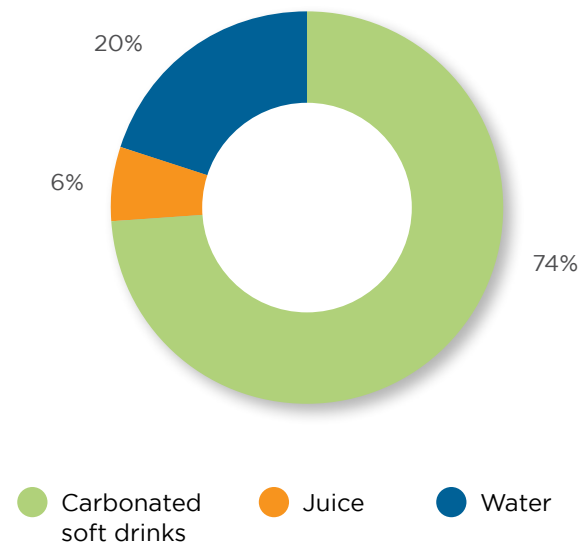
2023
Incorporated new subsidiary - VBL Mozambique, SA, South Africa, to carry on the business of distribution

* Gujarat, parts of Maharashtra, parts of Karnataka, Kerala, Tamil Nadu, Telangana and parts of Andhra Pradesh and five union territories of Daman & Diu, Dadra and Nagar Haveli, Puducherry (except Yanam), Andaman & Nicobar Islands and Lakshadweep

Curating a Future-ready Product Line

We are focused on expanding our portfolio with high-growth products. By aligning with emerging consumer preferences and trends, we are strategically positioning both global and regional brands for significant scalability.

Share of Segment-wise Sales Volume

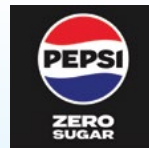


Brands Licensed by PepsiCo

Carbonated Soft Drinks



Pepsi



Pepsi Zero



Mountain Dew



Mirinda



7UP

Fruit Pulp / Juice-based Drinks



Slice



Tropicana



Tropicana Delight



Nimbooz

Club Soda



Evervess



Duke's

Energy Drinks



Sting

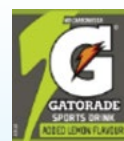


Rockstar

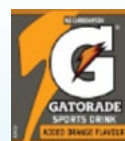
Sports Drinks



Gatorade Blue Bolt



Gatorade Lemon



Gatorade Orange

Carbonated Juice Based Drinks



7UP Nimbooz Masala Soda



Lipton Ice Tea

Ice Tea

Packaged Drinking Water



Aquafina



Aquavess

Snacks[#]



FritoLay



Cheetos



Doritos



Simba



Kurkure

Own Brands[^]

Carbonated Soft Drinks



Refreshhh



Coo-ee

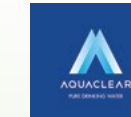


Jive

Packaged Drinking Water

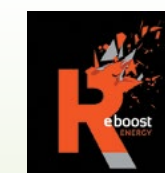


Refreshhh



Aquaclear

Energy Drink



Reboost Energy

Value-added Dairy-based Beverages^{*}



Cream Bell



Mango Shake



Belgian Choco



Kesar Badam



Cold Coffee



Elaichi



Rose



Butter Scotch



Vanilla

[#] Manufacturing of Cheetos (underway) & Distribution of Frito Lay, Doritos and Cheetos in Morocco; Manufacturing (underway) & Distribution of Simba Munchiez in Zambia and Zimbabwe; Co-manufacturing of Kurkure Puffcorn in India.

[^] Manufacturing & Distribution of own brands is restricted in select territories.

^{*} "CreamBell" trademark has been licensed to be used by VBL for ambient temperature value added dairy based beverages.

Our Presence

Pouring Refreshments across Borders, Expansion in a World of Refreshment

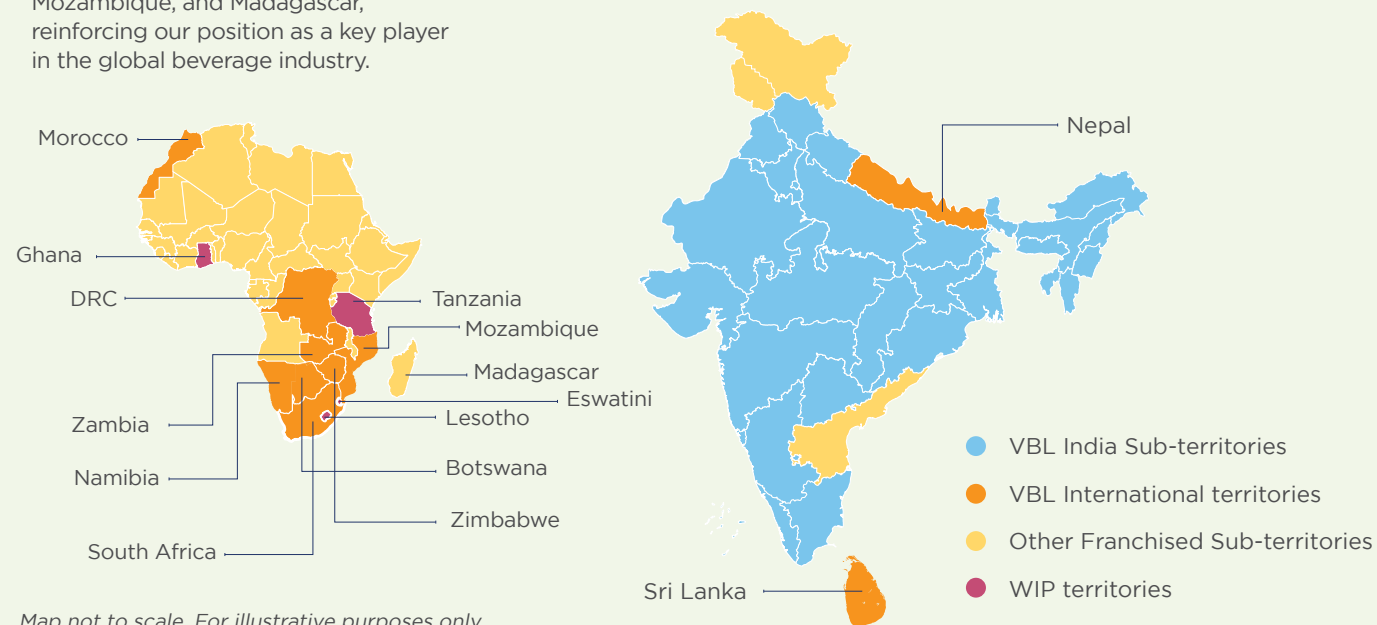
Over the years, we have strengthened our global presence to become one of the foremost franchisee of PepsiCo, with India as our primary revenue driver. Beyond India, our operations now span international markets, including Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, South Africa, Lesotho, Eswatini, the Democratic Republic of Congo (DRC), Namibia, Botswana, Mozambique & Madagascar.

We successfully completed the acquisition of South Africa-based Beverage Company (BevCo) and its wholly-owned subsidiaries, strengthening our global portfolio. Simultaneously, we advanced domestic growth by commissioning three greenfield production facilities in India - located in Supa (Maharashtra), Gorakhpur (Uttar Pradesh), and Khordha (Odisha) - demonstrating our commitment to high-growth opportunities. Our greenfield facility in Kinshasa, DRC, has achieved 100% utilization on a three-shift basis, with further expansion planned. We also hold the franchise for various PepsiCo products in these markets, along with distribution rights in Namibia, Botswana, Mozambique, and Madagascar, reinforcing our position as a key player in the global beverage industry.

Continental Presence

South Asia	India	Nepal	Sri Lanka
Africa	Morocco	Zambia	Zimbabwe
	DRC	South Africa	Eswatini
	Lesotho	Namibia*	Botswana*
	Mozambique*	Madagascar*	

Note: *Distribution rights



Presence Across Sub-territories

- Punjab
- Himachal Pradesh
- Uttarakhand
- Delhi
- Haryana
- Rajasthan
- Arunachal Pradesh
- Assam
- Meghalaya
- Manipur
- Mizoram
- Nagaland
- Tripura
- Uttar Pradesh
- West Bengal
- Maharashtra
- Goa
- Chandigarh
- Madhya Pradesh
- Odisha
- Chhattisgarh
- Jharkhand
- Bihar
- Gujarat
- Karnataka
- Kerala
- Tamil Nadu
- Telangana
- Dadra & Nagar Haveli, and Daman & Diu
- Puducherry (except Yanam)
- Andaman & Nicobar Islands
- Lakshadweep

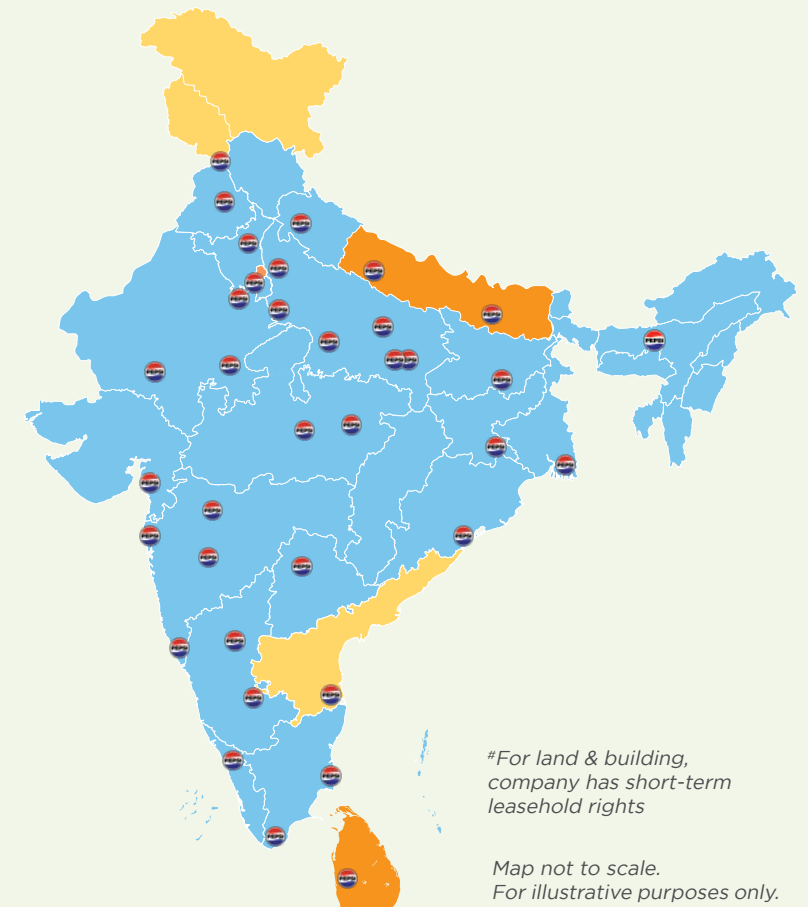
Manufacturing Facilities

India

- Pathankot
- Phillaur
- Nuh
- Panipat
- Greater Noida I
- Greater Noida II
- Jainpur
- Bazpur
- Sathariya
- Sathariya II
- Kosi
- Sandila
- Jodhpur
- Bhiwadi
- Mandideep
- Jamshedpur
- Cuttack
- Kolkata
- Guwahati Unit I & II
- Goa
- Tirunelveli
- Dharwad
- Bharuch
- Begusarai
- Aurangabad
- Mahul#
- Nelamangala
- Palakkad
- Mamandur
- Sangareddy
- Sri City
- Bundi
- Jabalpur
- Supa
- Gorakhpur
- Khordha

International

- Nepal I
- Nepal II
- Sri Lanka
- Morocco
- Zambia
- Zimbabwe
- South Africa - Johannesburg
- South Africa - Johannesburg 2
- South Africa - Durban
- South Africa - East London
- South Africa - Cape Town
- Democratic Republic of Congo (DRC)



Who we are

Pioneers of Delivering Refreshment Sustainably, One Sip at a Time

At Varun Beverages Limited ('VBL' or 'We' or 'Our'), we are committed to revitalizing lives by quenching thirst, holding a prestigious position as one of PepsiCo's largest franchisees and a leading force in the beverage industry.

In association with

PEPSICO



With over three decades of partnership, we are a key player globally and the second-largest PepsiCo franchisee (outside the US). We produce and distribute an extensive range of carbonated and non-carbonated beverages under PepsiCo trademarks, steadily expanding our footprint and product offerings year-on-year.

VBL

- Demand delivery

- Production facilities
- Sales and distribution - GTM and logistics
- In-outlet management - visi-coolers
- Consumer push management (BTL) - Market share gains

PepsiCo

- Demand creation

- Trademarks
- Formulation through concentrate
- Product and packaging innovation through investment in R&D
- Consumer pull management (ATL) - Brand development

Symbiotic Relationship

VISION

To be the most admired beverage company in all our markets

VALUES



Community responsibility engagement



Inclusivity and diversity



Customer satisfaction



Partnership and collaboration



Social responsibility



Employee empowerment



Integrity and transparency



Environmental responsibility



Ethical business practices

Who we are

As part of our strategic growth in Africa, we have strengthened our presence by acquiring a 100% stake in The Beverage Company Proprietary Limited (BevCo), South Africa, for manufacturing and distribution.

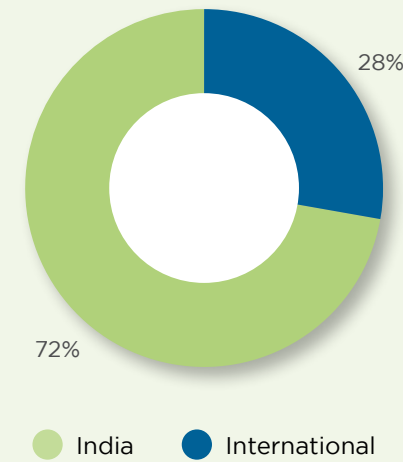
Building on this momentum, we signed a share purchase agreement with Tanzania Bottling Company SA and Ghana Bottling Company Limited to acquire 100% share capital of SBC Tanzania Limited and SBC Beverages Ghana Limited respectively, subject to regulatory and other approvals, including but not limited to PepsiCo Inc.

Our expansion goes beyond beverages, as we deepen our presence in the snacks segment. Varun Beverages Morocco SA, a wholly-owned subsidiary, has been

appointed the exclusive manufacturer and packager of Cheetos in Morocco, complementing our existing distribution of Lay's, Cheetos, and Doritos.

Furthering this growth, Varun Zimbabwe and Varun Zambia have partnered with Premier Nutrition Trading LLC, Dubai (a subsidiary of PepsiCo Inc.) to manufacture, distribute, and sell Simba Munchiez in Zimbabwe and Zambia, where distribution has already begun.

Share of revenue



Numbers that define our legacy

33+ Years

Of business association with PepsiCo

90%+

Accountability of sales volumes of PepsiCo in India

1.4+ Billion

Target consumers

4.0+ Million

Retail outlets catered

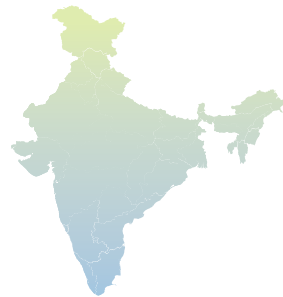
14 Countries

Geographical presence

16,000+

Employees

India
- The primary zone



We hold franchises across

26 states and **6 union territories**

with India contributing approximately

72% of our net operational revenues in CY 2024.

International
- The evolving zone



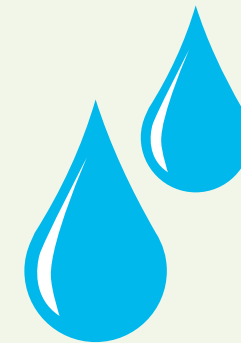
Our international operations span

9 countries with franchise rights.

Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, South Africa, Lesotho, Eswatini & DRC

4 countries with distribution rights

for Namibia, Botswana, Mozambique and Madagascar



Key player in the global beverage industry and the second-largest franchisee of PepsiCo in the world (outside US)



Map not to scale

Who we are

We are embedding sustainability at the core of our operations and growth strategy. As a company, we prioritize sustainable practices that extend beyond the business we do on a day-to-day basis, positively impacting the environment and society around us.

Throughout our long-standing partnership as

PEPSICO'S 2ND LARGEST FRANCHISEE OUTSIDE USA

our focus remains committed to sustainability.

Every initiative we undertake is aligned with fostering inclusive growth, benefiting both our organization and the communities we serve. This holistic approach ensures that our growth as a business is responsible and contributes to broader societal well-being. Our philosophy of collective prosperity drives us to balance business success with our environmental and social responsibilities, ensuring long-term value creation for all stakeholders.



Stakeholders impacted



Consumers

Delivering wide range of carbonated and non-carbonated beverages to cater the dynamic demands



Investors

Providing best-in-class returns on investment to maintain the ecosystem of trust



Business partners

Fostering an inclusive growth culture for all-round benefit



Employees

Providing growth opportunities to become the future leader



Communities

Supporting initiatives that enhance local livelihoods, promote education, and foster social development



Environment

Adhered to prudent water management methodologies to offset the environment footprint



Subsidiaries, Associates & Joint Ventures

Subsidiaries, Associates and Joint Ventures

Subsidiary

Varun Beverages (Nepal) Private Limited

100%

Shares Held

Varun Beverages Lanka (Private) Limited

100%

Shares Held

Varun Beverages Morocco SA

100%

Shares Held

Ole Spring Bottlers (Private) Limited

100%

Shares Held

Varun Beverages (Zambia) Limited

90%

Shares Held

Varun Beverages (Zimbabwe) (Private) Limited

85%

Shares Held

Varun Beverages RDC SAS

99.9%

Shares Held

Lunarmech Technologies Private Limited

100%

Shares Held

Varun Beverages International DMCC

100%

Shares Held

Varun Beverages South Africa (PTY) Ltd.

100%

Shares Held

VBL Mozambique, SA

99%

Shares Held

The Beverage Company Proprietary Limited

95%

Shares Held

Varun Foods (Zimbabwe) (Private) Limited

100%

Shares Held

The Beverage Company Bidco Proprietary Limited

100%

Shares Held

Little Green Beverages Proprietary Limited

100%

Shares Held

Softbev Proprietary Limited

100%

Shares Held

Joint Venture

IDVB Recycling Operations Private Limited

50%

Shares Held

Associate

Clean Max Tav Private Limited

26%

Shares Held

Huoban Energy 7 Private Limited

26.34%

Shares Held



Membership Associations & Business Relationships

Name of the Trade & Industry Chambers/Associations

Reach of Trade & Industry Chambers/Associations (State/National)

Federation of Indian Chambers of Commerce and Industry

National

PHD Chamber of Commerce and Industry

National

The Associated Chambers of Commerce and Industry of India

National

Action Alliance for Recycling Beverage Cartons

National

Confederation of Indian Industry

National



Performance Highlights

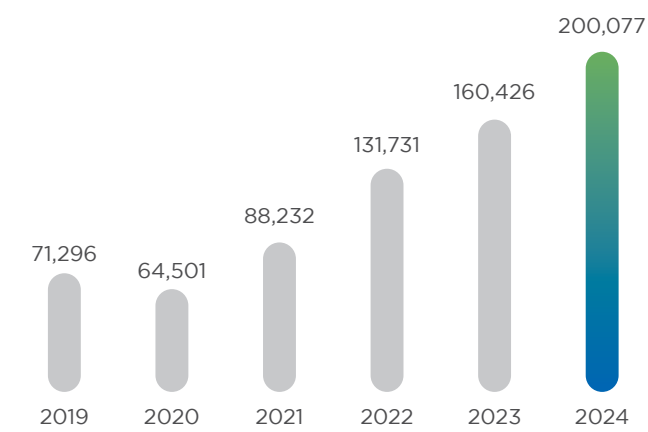
Driving Consistent Results Year after Year

We have shown strong performance, driven by strategic growth initiatives and operational excellence. Our expanded distribution, market penetration, and product offerings have fueled robust results. This performance positions us well for continued growth and value creation moving forward.

Financial Profit and loss indicators

Net revenue

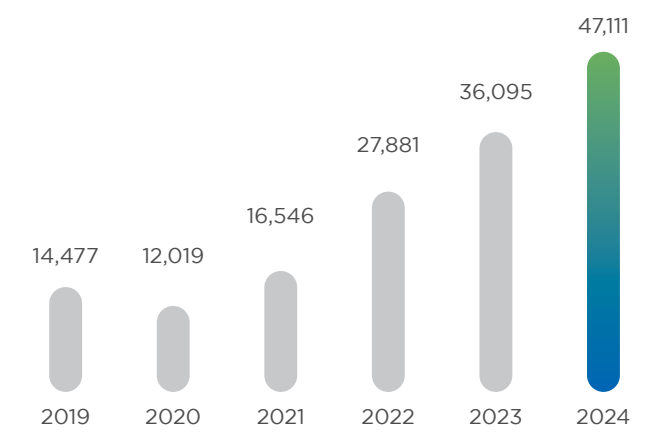
(₹ in Million)



6-year CAGR: **22.9%**
Y-o-Y: **24.7%**

EBITDA

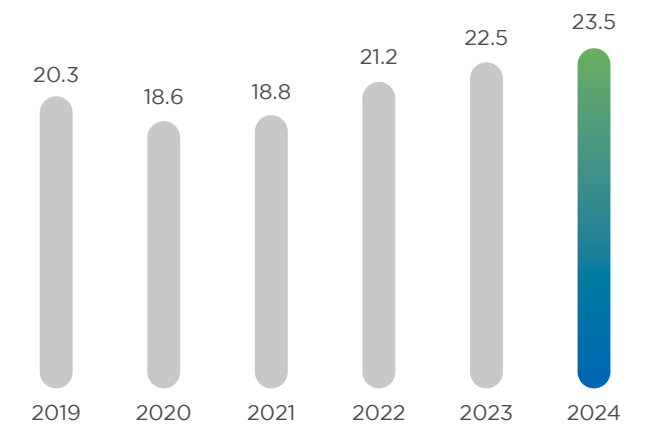
(₹ in Million)



6-year CAGR: **26.6%**
Y-o-Y: **30.5%**

EBITDA margin

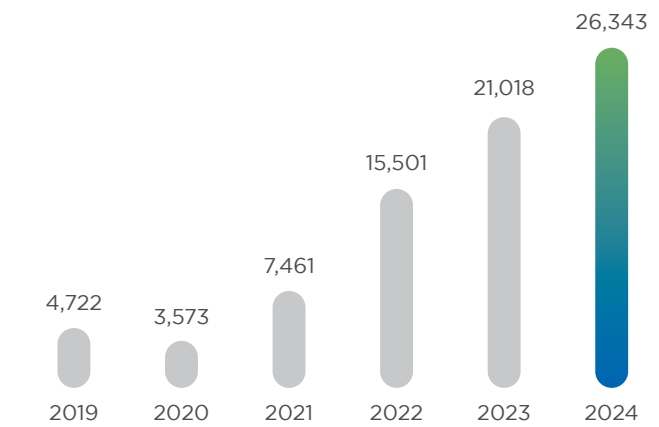
(%)



Y-o-Y: **105 bps**

PAT

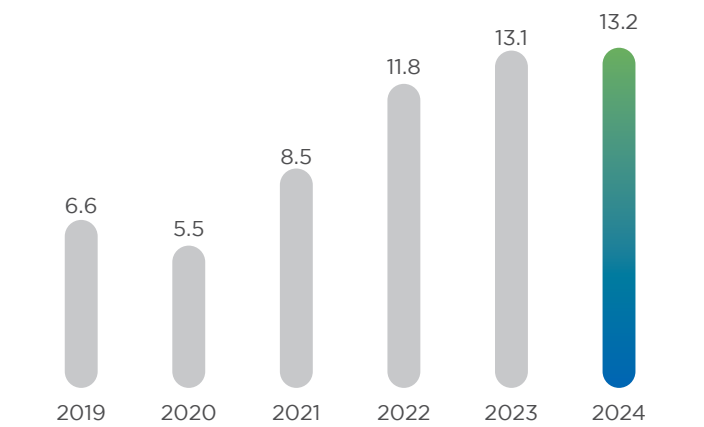
(₹ in Million)



6-year CAGR: **41%**
Y-o-Y: **25.3%**

PAT margin

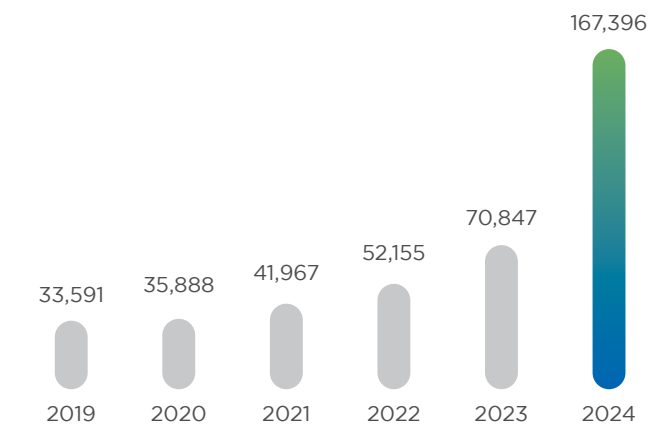
(%)



Y-o-Y: **6 bps**

Net worth

(₹ in Million)



6-year CAGR: **37.9%**

Business developments for CY 2024

Acquisition of South Africa and neighbouring territories:

- On March 26, 2024, VBL consummated the acquisition of The Beverage Company Proprietary Limited, South Africa along with its wholly-owned subsidiaries ("BevCo"). Accordingly, BevCo became the subsidiary of the Company
- This acquisition allowed the Company to consolidate its presence in franchised territories in South Africa, Lesotho, and Eswatini, as well as territories with distribution rights in Namibia, Botswana, Mozambique, and Madagascar

Acquisition of Tanzania and Ghana territories:

- On November 13, 2024, your Company entered into share purchase agreements with Tanzania Bottling Company SA and Ghana Bottling Company Limited to acquire 100% share capital of SBC Tanzania Limited and SBC Beverages Ghana Limited respectively, subject to regulatory and other approvals, including but not limited to PepsiCo Inc. at an Equity value of ~ USD 154.50 mn for Tanzania and ~ USD 15.06 mn for Ghana

Exclusive Snacks Franchising Appointment with PepsiCo for Morocco, Zimbabwe and Zambia:

- Varun Beverages Morocco SA (a wholly-owned subsidiary of the Company) entered into an Exclusive Snacks Appointment Agreement to manufacture and package Cheetos in the territory of Morocco. This appointment is in addition to the existing distribution agreement for PepsiCo's snacks portfolio consisting of Lays, Cheetos, Doritos in the territory of Morocco
- Varun Zimbabwe and Varun Zambia (subsidiaries of the Company) entered into an Exclusive Snacks

Franchising Appointment with Premier Nutrition Trading LLC, Dubai (subsidiary of PepsiCo Inc.) to manufacture, distribute, and sell "Simba Munchiez" in the territory of Zimbabwe & Zambia

- Distribution in Zimbabwe and Zambia has started w.e.f. February 1, 2025. Manufacturing facilities are expected to be operational for Morocco on or before May 1, 2025, Zimbabwe on or before October 1, 2025 and for Zambia on or before April 1, 2026

Qualified Institutions Placement (QIP) Issue:

- The Company raised - ₹ 75,000 Million through fresh issue of 132,743,362 equity shares



Details of Business Activities (Accounting for More Than 90% of the Turnover)

Description of Main Activity	Description of Business Activity	% of Turnover of The Entity
Manufacturing of Beverages	Manufacturing of carbonated, Non-carbonated beverages and packaged drinking water	99.2%*

*on consolidated basis

Economic Value Generated	CY 2024	CY 2023
Direct Economic Value Generated (Refer note 1)	2,00,076.5	1,60,425.8
Economic Value Distributed	1,76,166.6	1,41,083.4
Employee Wages and Benefits	18,850.3	14,465.9
Operating Costs (Refer note 2)	1,43,271.5	1,16,504.7
Payments to providers of capital (Refer note 3)	7,752.4	4,954.5
Payments to Governments (Refer note 4)	5,974.5	4,988.9
Community Investments (CSR)	317.9	169.4
Economic Value Retained = Direct Economic Value Generated Less Economic Value Distributed	23,909.9	19,342.4

Note: 1 Revenue generated net of excise duty excluding other income

2. Operating cost includes Raw material consumed, Purchase of finished goods, increase/decrease in WIP, depreciation & other expenses excluding CSR

3. Payment to providers of capital includes finance cost paid and dividend paid to shareholders

4. Payments to government includes Corporate tax (excluding Interest u/s 234A/234B/234C) for the financial year



Our Board: Enriched by Diversity, Focused on Value



Ravi Jaipuria
Promoter & Non-Executive Chairman

He is the Promoter & Chairman of the Company and has over four decades of experience in conceptualizing, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. He has an established reputation as an entrepreneur and business leader and is the only Indian Company's promoter to receive PepsiCo's award for International Bottler of the Year, awarded in 1997. He was also awarded the 'Distinguished Entrepreneurship Award' at the PHD Chamber Annual Awards for Excellence 2018.



Varun Jaipuria
Promoter, Executive Vice-Chairman and Whole-time Director

He is the Promoter & Executive Vice Chairman of the Company. He has been actively working with the Company since 2009 and has been instrumental in comprehensive development of Company's business including acquisitions and integration of acquired territories. Under his leadership, Varun Beverages was awarded PepsiCo's International Bottler of the Year in 2023 and Best Bottler in AMESA (Africa, Middle East and South Asia) sector in 2021 in recognition of Company's operational excellence, governance practices and sustainability initiatives. He attended Bachelor's degree program in international business from the Regent's University, London. He is a Harvard Alumni and had attended Program for Leadership Development (PLD), 2018-2019 batch from Harvard Business School, Boston.



Raj Gandhi
Whole-time Director

He is a Chartered Accountant of 1980 batch. He also participated in a residential management program on Venture Capital and Private Equity at Harvard Business School. Out of his experience of 44 years, 32 years are with the current group namely RJ Corp. As a member of its core team, he is on the Board and several committees of NSE & BSE listed entities namely Varun Beverages Limited and Devyani International Limited. Being a Whole Time Director, he is instrumental in formulating company's growth strategy. He oversees M&As, expansion and diversification activities of the Group. He spearheaded the public listing of Group's two companies. He enjoys longstanding relationship with institutional investors and lenders and meets FIs on regular basis as a part of investor relations.



Rajinder Jeet Singh Bagga
Whole-time Director

He holds a master's degree in mechanical engineering from the Indian Institute of Technology, Kanpur. He has been associated with the Company since 1996 and is currently heading technical operations since 2003. He has an experience of 28 years with the Company in managing technical operations and execution of projects. Prior to this, he was associated with Eveready Industries India Limited for approximately 10 years and was last working in the capacity as their production manager.



Dr. Naresh Trehan
Non-Executive Non-Independent Director

He is a Graduate from King George Medical College and a renowned Cardiothoracic Surgeon by the American Board of Thoracic Surgery. He has trained & practised at New York University Medical Center at Manhattan USA from July 1, 1971 to June 30, 1975 and is an honorary fellow at the Royal Australasian College of Surgeons. He has received many prestigious awards, including the Padma Bhushan Award, presented by the Government of India. He is a Diplomate from the American Board of Surgery and the American Board of Cardiothoracic Surgery and has around 50 years of vast experience.



Dr. Ravi Gupta
Independent Director

He holds a Bachelor's degree and a Master's degree in commerce from the University of Delhi. He also holds a Bachelor's degree in law from the University of Delhi, a diploma in labor law from the Indian Law Institute, a Master's degree in business administration from the Faculty of Management Studies, University of Delhi and a doctorate in philosophy for his thesis on 'Country Risk Analysis in Investment Financing Decision Making' from the University of Delhi. He was employed as an Associate Professor in the commerce department of Shri Ram College of Commerce, University of Delhi. He was appointed by the Government of India as a member of the committee constituted for simplification of Income Tax Act. He was also nominated by the government to the Central Council of the Institute of Chartered Accountants of India. He is Founder and President of Tax Law Educare Society, a non-profit making voluntary organization, with the main objective to educate general public and professionals on Taxation, Law and Allied Matters for last 16 years.



Sita Khosla
Independent Director

She holds Bachelor's of Arts degree from St. Stephen's College and LLB from the Faculty of Law, University of Delhi and is enrolled with the Bar Council of Delhi. She practices in the areas of corporate, contract and commercial laws since 1992. She has been involved in providing advice on a wide range of issues from company formation, corporate governance and regulatory compliance to mergers and acquisitions, corporate restructuring, joint ventures, foreign investments, exchange control regulations and securities laws. She has acted as India legal advisor to major players in the civil aviation sector including international commercial airlines, MRO organizations and ground handling operators in respect of their operations in India.



Rashmi Dhariwal
Independent Director

She holds a bachelor's degree in Arts from the University of Delhi and is a practising advocate at the Calcutta High Court since 1978. She is also the chairperson of a non-profit organization called Prayatn which provides education to underprivileged children. She has also worked in several leading firms in India including Khaitan & Co, Calcutta and Delhi, Mulla & Mulla, Mumbai and also in the Philippines.



Abhiram Seth
Independent Director

He is a graduate in Economics from Delhi University and Masters in Management Studies from Jammalal Bajaj Institute, Bombay University with specialization in marketing. He is the Managing Director of Aquagri since 2008 that is focused on promoting Aqua Agriculture through self-help groups amongst the coastal communities. He started his career with Hindustan Lever Limited in 1975 where he worked in the Sales and Marketing function and then moved on to the MGF group, where he looked after the industrial gases business. Since 1993, he was the Executive Director - Exports and External Affairs for PepsiCo India and in 2001, at PepsiCo he took on additional responsibility of driving the sustainability agenda and external affairs.



Anil Kumar Sondhi
Independent Director

He is B.Tech from IIT Delhi and Master of Business Administration from Faculty of Management Studies, Delhi University. He has more than 45 years experience in the areas of Projects, Manufacturing & Technical operations of process industry. He has worked as Director - Projects, Director - Quality & Food Safety for PepsiCo India Holdings Pvt. Ltd., Chief of Technical Operations & Supply Chain for NourishCo Beverages Pvt. Ltd. (Tata PepsiCo JV) and Vice President - Operations of Safe Water Network. During the early years of career, he worked for manufacturing as well as projects for heavy chemicals like Acids, Oleums, Caustic Soda, Chlorine, Edible Oils, Fats and Calcium Carbide with Shriram Industrial Enterprises Limited.

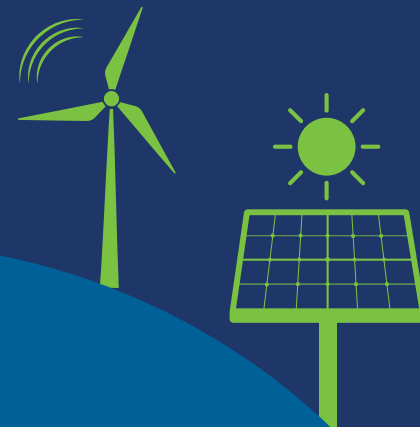


DRIVING SUSTAINABLE GROWTH, STEADILY

Sustainability is firmly rooted in our business, driving impactful practices and global partnerships for a greener future. This year, our strengthened efforts further improved energy and water efficiency while advancing plastic waste recycling, reinforcing our commitment to carbon positivity.



About the ESG Report



Content of the report

We have identified 10 specific areas in which our ESG issues can be classified. These are Water Management, Carbon Footprint & Emissions, Product Safety & Quality, Consumer Health & Nutrition, Corporate Citizenship, Employee Health & Safety, Packaging Lifecycle Management, Business Performance, Corporate Governance, and Business Ethics.

Reporting guidelines and principles

This report discloses the sustainability initiatives taken by Varun Beverages Limited across the identified material topics and captures their impact on our stakeholders. Our performance against such initiatives have also been measured and recorded. We have also gathered comprehensive data on the measures followed by us as a responsible corporate citizen, a trusted beverage business, a people-centric organization, and a sustainability advocate.

We have also made disclosures of our data and processes in line with SEBI's new mandate through our Business Responsibility and Sustainability Report exclusive of our ESG report.

Details of it can be found in our Business Responsibility and Sustainability Report.

Reporting reference

This report is prepared in accordance with the GRI reporting standard. The foundation of this report rests on the principles of transparency, consistency, reliability, completeness, and materiality as outlined by the GRI reporting standards.

Additionally, the report aligns with the United Nations Sustainable Development Goals (UN SDGs) recommendations. In compliance with SEBI's new mandate, our Business Responsibility and Sustainability Report disclosed, is distinct from our ESG sustainability report.

In presenting this information, we aim for comprehensive transparency, relying on the integrity and robustness of the disclosed data to provide consolidated insights. This report showcases our progress in communicating various sustainability initiatives to our stakeholders, symbolizing the collaborative efforts within our organization to advance our sustainability goals. As we continue this journey, our team, in collaboration with leadership, has carefully reflected and consolidated our commitment and efforts toward sustainability.

For detailed disclosure mapping, please refer to the GRI index in the report's appendix. The report is also available on our Company's website: www.varunbeverages.com. We value our stakeholders and the relationship we share.

Please direct your concerns and feedback on this report to complianceofficer@rjcorp.in

This report serves as a platform to showcase our Environmental, Social, and Governance (ESG) initiatives and accomplishments for the reporting year, along with outlining our future roadmap.

ESG: Our approach

Being a responsible corporate citizen, we understand the long-term impact that diverse aspects may have on our business and the communities that we operate in as well as recognize the need to manage such issues for delivering higher value to our consumers. To achieve this, we actively engage with our consumers, employees, communities, government, and other stakeholders, enabling suitable handling of the issues and taking sustainable action.

Refer to Page 42 for more information on how we engage with our stakeholders.

Scope and boundary of reporting and its period

The Report covers financial and non-financial information and activities of subsidiaries of Varun Beverages Limited for the period January 1, 2024 to December 31, 2024. This Annual Report 2024 with GRI Index is externally assured by an independent assurer, Deutsch Quality Systems (DQS) India) Pvt. Ltd in accordance with:

ISAE 3000 (Revised):

International Standard on Assurance Engagements (Assurance on Non-Financial Information)

ISO 14064:2019 Part 3:

Specification with guidance for the verification and validation of greenhouse gas statements.

The financial information has been audited by M/s. J.C. Bhalla & Co and M/s. O.P. Bagla & Co LLP, our joint statutory auditors.

The reporting scope and boundary for our disclosures, unless otherwise stated, covers the operations of Varun Beverages Limited.

Geographies covered

Our entire operations in India and International markets.

Building a Future that's Ready and Steady



Dear Stakeholders,

At Varun Beverages, sustainability is not a choice; it is an imperative that underpins how we operate and grow. As one of the world's leading beverage manufacturers, our role extends beyond quenching thirst. We ensure that every step of our value chain contributes positively to the planet, our people, and the communities we serve.

Varun Jaipuria

Promoter, Executive Vice-Chairman and Whole-time Director

The world around us is changing rapidly. Consumers today demand more than just refreshing beverages. They actually seek for responsible brands that stand for environmental stewardship, social progress, and ethical governance. At VBL, we recognize this shift and remain persistent in our ESG commitments, ensuring that our business scales sustainably while leaving a positive impact on society.

Growing responsibly, sustaining progress

In CY 2024, we reinforced our footprint across global markets, expanding operations into South Africa and securing distribution rights in Namibia, Botswana, Mozambique, and Madagascar. Our entry into the Democratic Republic of Congo (DRC), along with pending acquisitions in Tanzania and Ghana, marks another stride toward becoming a stronger global player. In India, we deepened our distribution network, added new Greenfield facilities, and strengthened last-mile reach, all while embedding sustainability into our growth model.

Our ESG focus remains consistent. This year, we accelerated our sustainability efforts with a clear emphasis on optimizing our carbon footprint, advancing

water positivity, and enhancing our renewable energy mix. In alignment with our sustainability roadmap, we continued integrating responsible sourcing, increasing PET bottle recycling rates, and fostering social equity through workforce inclusion and community initiatives.

Demonstrating our commitment to environmental stewardship

We took significant strides in reducing our ecological footprint. We continued our efforts to integrate renewable energy into our operations, with 16% of our total energy consumption now derived from sustainable sources, reinforcing our dedication to clean energy adoption. Water conservation remained a key priority, and through targeted initiatives, we achieved a 19% reduction in water usage per liter of beverage production compared to the base year 2020 further strengthening our position as a water-positive organization. Our approach to plastic waste management also saw substantial progress as we moved closer to our goal of 100% PET bottle recycling by 2025, achieving 88% recycling in CY 2024 – an improvement of 2% points over the previous year.

Additionally, our focused measures on energy efficiency, sustainable sourcing, and operational improvements have reinforced our commitment to climate action. Our collaborations with sustainability partners, including GEM Enviro Management Ltd. and Deutsch Quality Systems, have played a vital role in monitoring and enhancing our waste management systems, carbon footprint tracking, and water conservation efforts. These collective initiatives reaffirm our pledge to balance business growth with environmental responsibility, ensuring that we operate in a manner that is both resource-efficient and future-focused.

Upholding social responsibility

People remain at the heart of our sustainability journey. We promised to shape a safe, inclusive, and empowering environment for our employees and the communities we serve. Workplace safety remained a top priority, and through our collaboration with DuPont Safety Solutions, we further strengthened best practices across our manufacturing plants, ensuring a safer and more secure work environment.

In our continued efforts to align business growth with responsible employment practices, we introduced structured ESG-linked incentive programs, motivating our employees to actively contribute to our sustainability goals. Diversity and inclusion remained key focus areas, as we worked towards building a workforce that promotes gender equity, fosters innovation, and enables holistic professional growth.

Beyond our organization, we continued to create meaningful social impact through targeted community development initiatives. Our collaboration with Shiksha Kendra School enabled access to quality education for over ~34,000 underprivileged students till now, while our AARU Clinics provided essential healthcare services to more than 3,40,000+ individuals across India and Nepal. Additionally, our skill development initiative, Pravah, empowered over 17,000+ young individuals with the tools and training needed to secure sustainable livelihood opportunities. By prioritizing the well-being of our employees and the broader community, we remain committed to creating a future that is both ready for change and steady in its focus on social progress.

Strengthening governance and ethical leadership

Governance remains a cornerstone of our sustainability philosophy. We continued to strengthen our governance framework to ensure transparency, accountability, and ethical business conduct. By expanding ESG-centric policies across our supply chain, we have reinforced our commitment to responsible sourcing and supplier

“ Our near-term targets, validated by the Science Based Targets initiative (SBTi), set a clear path to reduce absolute Scope 1 and 2 GHG emissions by 60% by 2033 from a 2023 baseline, alongside a 60% reduction in absolute Scope 3 emissions. Furthermore, we are committed to reaching net-zero emissions across our value chain by 2050. Our efforts have been recognized with a strong CDP score, reflecting our transparency and dedication to sustainability. This validation reinforces our ambition to drive meaningful change and lead the industry towards a lower-carbon future.

engagement. Our focus on regulatory compliance and risk management remains unwavering, ensuring that we uphold the highest standards of corporate responsibility.

Future-ready, eco-steady

Looking ahead, we remain committed to driving impactful change through our sustainability agenda. Our journey towards becoming a net-zero organization will be shaped by continuous innovation, responsible resource management, and collaboration with stakeholders who share our vision. By 2025, we aim to achieve 100% PET bottle recycling and further accelerate our efforts in water positivity and renewable energy adoption.

As we move forward into yet another transformative year, we stay true to our promise to grow responsibly, act decisively, and build a future that is not only prosperous but also sustainable.

Warm Regards,

Varun Jaipuria

Promoter, Executive Vice-Chairman & Whole-time Director

Shaping a Future-ready, Value-driven Path

At the heart of our value creation model is a commitment to shaping a sustainable future while driving steady growth. We focus on innovation, prioritize eco-conscious practices, and build strong partnerships to deliver lasting value for all our stakeholders.



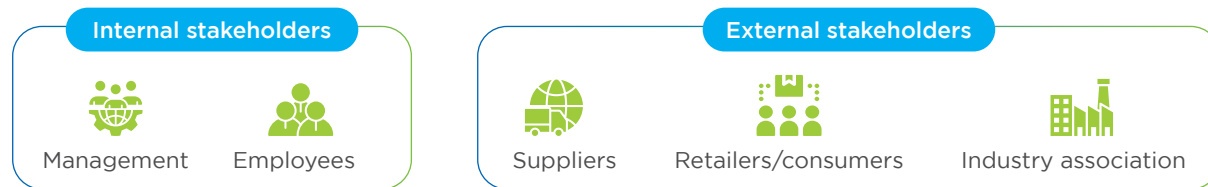
Contributing to our SDG Goals



Focusing More on Empowering Our Pillars

At Varun Beverages, we believe that the foundation of our success lies in the strength of our relationships with key stakeholders. By maintaining open and ongoing dialogues, we ensure our strategies align with their evolving needs, driving mutual growth and sustainability. Our responsibility to safeguarding their interests and creating lasting value is reflected in how we engage with internal and external stakeholders, fostering trust, transparency, and collaboration to build a more sustainable future together.

Key stakeholder groups



How we engaged with our pillars

Stakeholder	Engagement Pattern	Key Concerns	Frequency of Engagement
 Management	Interviews, Board meetings	Business Performance	Quarterly
		Business Ethics	
		Supply Chain Management	
		Carbon Footprint & Emissions	
		Energy Management	
		Waste Management	
 Employees	Facilitated discussions, Surveys, Townhall meetings, Leadership meetings, Email communications, Employee engagement activities, Webinars	Occupational Health & Safety	Need-based
		Freedom of Association	
		Diversity & Inclusion	
		Talent Management	
		Community Engagement	
		Employee Engagement & Development	
 Suppliers	Individual and broad-based communications, Supplier trainings, assessments, and remediation processes	Product Safety & Quality	Need-based
		Human Rights & Fair Labor Practices	
		Responsible Sourcing	
		Sustainable Agriculture	
		Packaging Lifecycle Management	
		Regulation & Taxation	
		Environmental Stewardship	
		Diversity & Inclusion	
 Retailers/Consumers	Surveys, Corporate websites, Marketing activities & communication, Social media	Product Labelling	Need-based
		Responsible Marketing	
		Consumer Health & Nutrition	
		Corporate Citizenship	
 Industry Association	Surveys, Annual & Sustainability Reports, Ratings, rankings and other indices, Social media	Product Safety & Quality	Annually
		Business Performance	
		Innovation and R&D	
		Human Rights & Fair Labor Practices	

Prioritizing What Matters

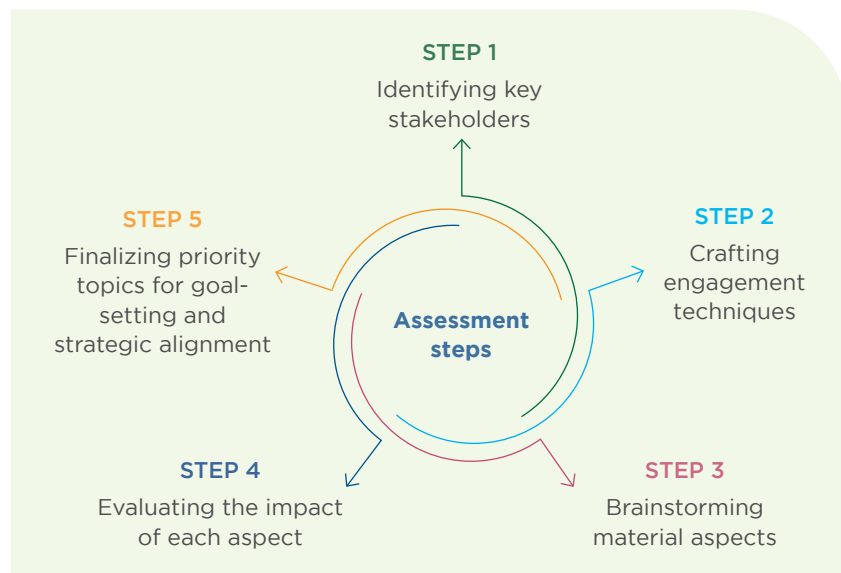
To drive our sustainability efforts and align with our business goals, we conducted a materiality assessment aimed at identifying key aspects critical to our performance and impact. This assessment, guided by GRI principles and in collaboration with Deutsch Quality Systems (DQS), helps us focus on the most relevant Environmental, Social, and Governance (ESG) areas for long-term growth.

About DQS

DQS India, a subsidiary of DQS Holding GmbH, is a globally recognized expert in management system certification, assessment, and training, bringing invaluable insight to our materiality assessment process.

Key goal

Our goal was to identify and prioritize the economic, social, and environmental aspects that are most material to the company's long-term success.



Consistent re-evaluation

As the business environment evolves, so do the priorities and concerns of our stakeholders. To ensure we stay aligned with changing industry demands and corporate goals, we commit to regularly re-evaluating the material aspects through ongoing dialogues with stakeholders.

Finalizing material aspects: The process

In collaboration with DQS, we adopted a two-pronged approach to determine our material aspects: stakeholder engagement and impact assessment. After identifying five key stakeholder groups, we engaged them through surveys and discussions, identifying 29 metrics of high importance. These metrics will evolve based on internal and external factors, ensuring our strategies remain adaptable.

The 5 pillars of material aspects: Our ESG focus areas

The material aspects we identified are grouped into five core categories, aligned with the GRI and United Nations Sustainable Development Goals (SDGs). At VBL, we refer to them as the '5 Pillars of Material Aspects', which include:

1. Environmental
2. Social Capital
3. Human Capital
4. Business Model & Innovation
5. Leadership & Governance

Through a comprehensive review of materiality assessments within the beverages industry, these pillars were carefully chosen to guide our strategic focus and drive sustainable growth.

Environmental

- Water management
- Carbon footprint
- Energy management
- Waste management
- Ecological impact

UNSDG's Catered to:

Social Capital

- Product safety and quality
- Consumer health and nutrition
- Corporate citizenship
- Human rights and fair labor practices
- Product labelling
- Responsible marketing
- Sanitation and hygiene
- Data privacy and information security
- Rural livelihood and generation

UNSDG's Catered to:

Human Capital

- Employee health and safety
- Diversity, equity and inclusion
- Employee engagement and development
- Talent recruitment and retention

UNSDG's Catered to:

Business Model & Innovation

- Packaging lifestyle management
- Business performance
- Responsible sourcing
- Supply chain management
- Innovation and R&D
- Sustainable agriculture
- Resource use and conservation

UNSDG's Catered to:

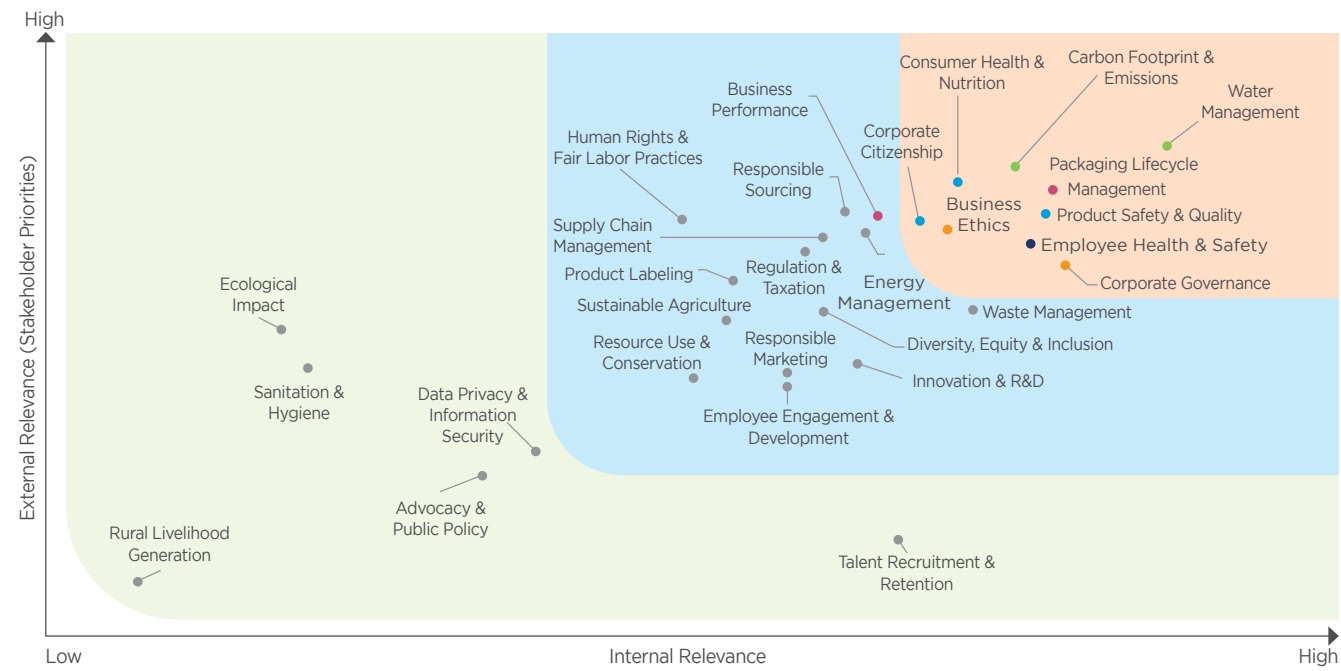
Leadership and Governance

- Corporate governance
- Business ethics
- Regulation and taxation
- Advocacy and public policy

UNSDG's Catered to:



Materiality Matrix



Ranking

Pillar	Material Aspects	Ranking
Environment	Water Management	1
	Carbon Footprint & Emissions	2
Social Capital	Product Safety & Quality	4
	Consumer Health & Nutrition	5
Human Capital	Corporate Citizenship	9
	Employee Health & Safety	6
Business Model and Innovation	Packaging Lifecycle Management	3
	Business Performance	10
Leadership & Governance	Corporate Governance	7
	Business Ethics	8

● Environment ● Social Capital ● Human Capital ● Business Model and Innovation ● Leadership & Governance



ESG at a Glance

At VBL, sustainability forms the core of our business ethos, driving us to embed environmentally and socially responsible practices across our diverse operations. Over the years, we have cultivated a robust ESG framework, seamlessly integrating sustainable principles into our strategies, processes, and partnerships. By improving energy and water efficiency, recycling plastic waste, and working towards carbon positivity, we actively contribute to a sustainable economy and society.

Our proactive approach ensures we stay ahead of emerging environmental and social trends while upholding human rights and mitigating risks tied to public policies and regulations. Guided by a strong commitment to creating long-term value, we strive to align our goals with the expectations of stakeholders and the larger community.

ESG Mission

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.

ESG Vision

At VBL, we are committed to achieving net-zero emissions while driving sustainable growth through environmental responsibility, social equity, and strong governance, creating long-term value for our stakeholders and the planet.

Key ESG priorities

ENVIRONMENT	SOCIAL	GOVERNANCE
<p>Water stewardship</p>	<p>Human capital management and diversity</p>	<p>Corporate governance</p>
<p>Waste management</p>	<p>Health and safety</p>	<p>Code of conduct, Anti-bribery, FCPA and POSH</p>
<p>Renewable energy</p>	<p>Community engagement</p>	<p>Transparency, responsibility and accountability</p>
<p>Carbon emission reduction</p>	<p>Nutrition and product safety risk</p>	<p>Risk management</p>

The ESG way of doing business

Integrating ESG priorities into our everyday operations and policies remains central to our mission of fostering a sustainable ecosystem for all stakeholders. Building on the significant progress we made in 2023, we are now focused on achieving key milestones in CY 2024. Our ambitious goals for this year include further reducing plastic waste, advancing our journey towards water positivity, and taking bold steps to lower our carbon footprint while ramping up renewable energy adoption. These initiatives lay the foundation for our long-term sustainability vision, with 2030 targets in sight.



Key ESG milestones for 2024

<p>19%</p> <p>Reduction in water used per liter of beverage production from base year CY 2020</p>	<p>88%</p> <p>Recycling of used PET bottles (2% points increase over 2023)</p>	<p>~16%</p> <p>Renewable Energy Mix in 2024 (3% points increase over 2023)</p>
--	---	---

Net-Zero

by 2050, Net-Zero targets, officially validated by the Science Based Targets initiative (SBTi).

CDP A List 2024

- A for Climate
- A- for Water Security

Aspirational goals for tomorrow

<p>Water positivity</p> <p>Sustaining Water Recharge of more than 2.00x by 2025</p> <p>Reducing Water Usage Ratio from 1.92x in 2020 to 1.40x by 2025</p>	<p>Plastic waste management</p> <p>100% recycling of used PET bottles by 2025 (66% in 2020)</p>	<p>Carbon footprint reduction</p> <p>Committed to reaching net-zero greenhouse gas emissions across the value chain by 2050.</p>	<p>Enhancing renewable energy</p> <p>Increasing contribution from Renewable Energy to 30% by 2030 (Vs 7% in 2020)</p>
--	---	---	---

Leading the Charge for a Sustainable Tomorrow

At VBL, ESG is more than a commitment; it is integral to how we operate. Guided by a dedicated ESG Committee constituted by the Board, and a Steering Committee comprising experts from diverse business functions, we ensure a comprehensive and strategic approach to sustainability.

The ESG Committee is a Board level Executive Committee comprising of CEO, Vice Chairman and Technical Head. The ESG Committee identifies risks, opportunities, and aligns VBL's ESG efforts with global standards. This Board Level Executive Committee is responsible for strategy and performance of sustainability initiatives like water stewardship, water management, energy efficiency, waste

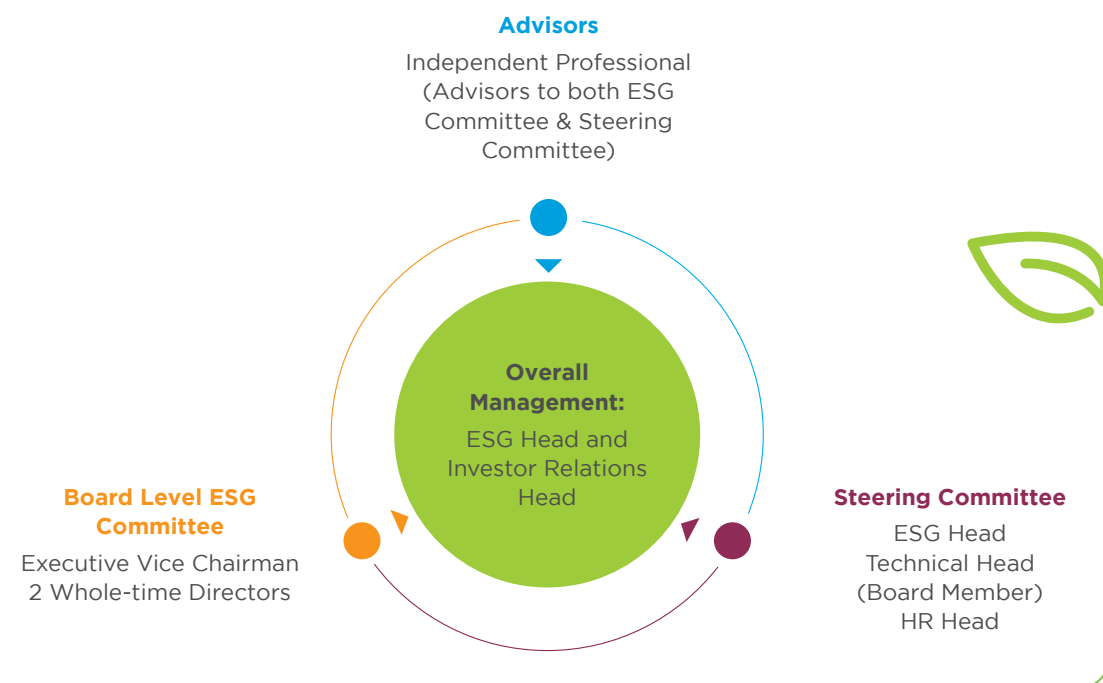
management, health & safety, and diversity, ensuring alignment with broader environmental and social objectives.

The Steering Committee assumes a pivotal role in executing and monitoring the water stewardship, improving energy efficiency, waste management, diversity and health & safety strategy. Their efforts are bolstered by ongoing reviews

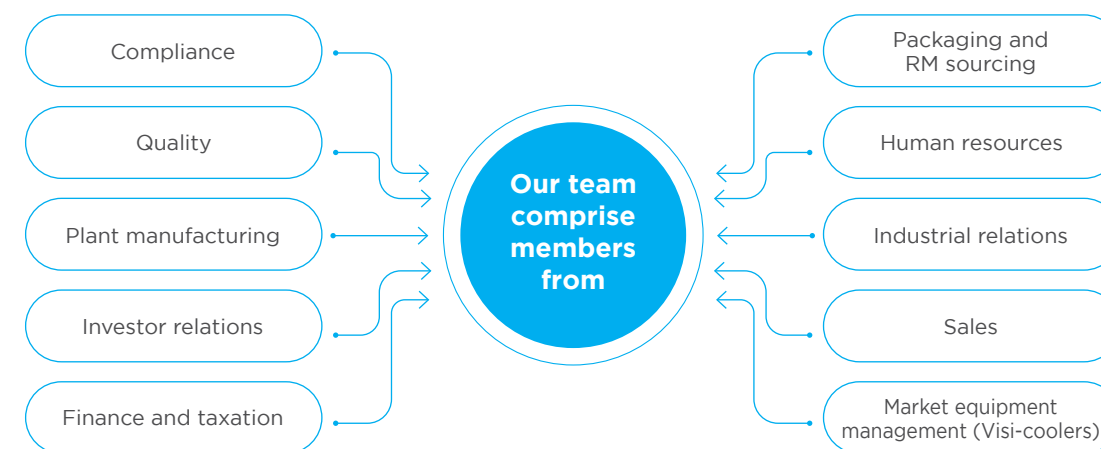
to address system gaps, improve processes, and enhance data transparency.

Together, the Board and Steering Committees uphold VBL's commitment to sustainable practices, fostering accountability and innovation to meet the evolving expectations of stakeholders and regulatory demands.

Team structure



	ENVIRONMENT	SOCIAL	GOVERNANCE
Functional Leads	Lead Plant Managers (North/East/South/West)	Head of Industrial Relations	Chief Risk Officer & Group Company Secretary
Functional Team	AVP - ESG Quality Head Packaging Head Annual Audit DQS	Central HR Team Plant HRs Best Practices DuPont (H&S)	CFO Taxation Head Best Corporate Governance Practices Award under Star of the Industry Awards





ENVIRONMENT





About our environment

Committed to a Cleaner, Greener Tomorrow

At VBL, environmental preservation is a core priority. We are steadfast in our commitment to maintaining the highest environmental standards and best practices across all our activities. This dedication includes vigilant monitoring, transparent reporting of our environmental performance, and conducting regular environmental audits.

Our proactive engagement with stakeholders reflects our commitment to building trust and collaborating on environmental issues. We are dedicated to minimizing our environmental footprint while maintaining operational excellence. To achieve this, we have implemented a variety of initiatives and mitigation strategies that underscore our commitment to environmental sustainability.

Key focus areas



Support biodiversity conservation and protect ecosystems within our sphere of influence



Improve energy efficiency



Minimize plastic waste generation and increase recycling rates



Reduce Greenhouse Gas (GHG) Emissions



Implement water conservation measures and reduce water consumption

Regular environmental performance reports are prepared by the ESG Committee and presented to the Board of Directors. These reports include progress toward achieving environmental objectives, key performance indicators, and other relevant metrics.

Initiatives undertaken

Plastic waste management

Details of the initiative

Engaged Gem Enviro Management Ltd. for phased implementation (up to 100%) recycling of used plastic waste from end users

Outcome of the initiative

Recycling of plastic waste

Water conservation

Engaged DQS which verifies water mass balance. We also undertook several other initiatives towards water conservation and water recharge

Reduction in wastage of water and recharge of water

Reduced Grammage of Plastic Closures and Preforms (used for PET Bottles) Over the Years

Packaging innovations introduced by PepsiCo India Holding in India through Global R&D and best practices

Reduction in plastic usage

Use of Fuels like Biomass for Steam Generation, Usage of Solar Energy

We are proactive in adopting new technologies that use cleaner fuels of energy. Commissioned a solar power at our manufacturing plant at Nuh and Greater Noida and redesigned the power generation units at many locations

Reduction in Greenhouse Gases

Installation of Effluent Treatment Plant

Plants have installed online monitoring systems in Effluent Treatment Plant as well as Boiler emissions for all time compliance which is being monitored by CPCB on a real-time basis

Effluents are treated and discharged under prescribed limits thereby remaining well within the prescribed norms and consent conditions

Replenishing earth

Water is vital for existence. Unarguably, one of the most precious gifts on Earth, it demands responsible management and preservation.

India receives adequate rainfall every year. Most of the rainwater freely flows back into the ocean without adding much to the Earth's groundwater level. Being an environmental steward, Varun Beverages takes assorted measures to harvest rainwater and replenish the groundwater table.

It has been our constant endeavor to recharge double the water than we consume in producing our beverages, nurturing sustainable balance in Earth's underground reservoirs.

We remain committed to enhance the water recharge levels in proportion to our growth in volume. It will be steered through key emphasis on reducing the water usage ratio, adding to the water bodies and strengthening our portfolio of ponds for rejuvenating, maintenance and upkeep.

What we achieved

15.54 bn liters

Of water recharged in CY 2024 against 7.27 Billion liters consumed

Our target

2:1

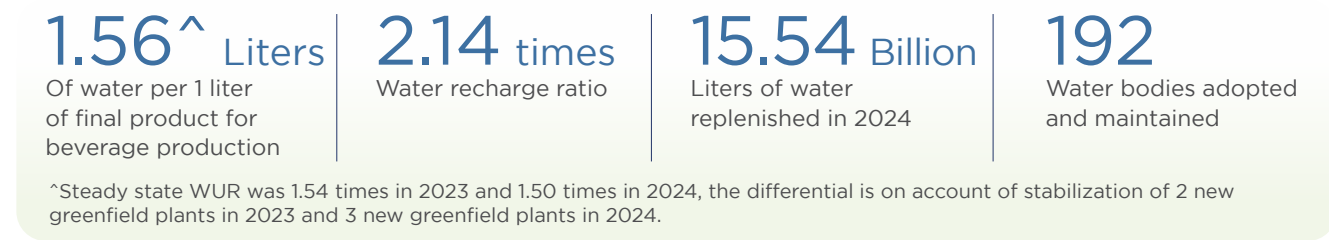
Sustain 2 times water recharge vs water consumed



Water Conservation

Global water levels are depleting due to factors like population growth, rapid economic development, urbanization, and climate change, creating a strain on natural water resources. As a beverage company committed to the fundamental right to water, we prioritize optimizing water efficiency, treating waste water responsibly, restoring fresh water sources, and replenishing more water than we consume in our beverage manufacturing processes.

Key highlights 2024



Key focus areas

We have identified four core areas to realize our water conservation goals. They are:



Rainwater harvesting



Adoption and maintenance of ponds & check dams



Wastewater management



Process improvements

Focused initiatives for water stewardship

Reduce. Reuse. Recycle.

Our comprehensive Reduce, Reuse, Recycle strategy remains central to VBL's water management efforts. We monitor our water footprint across all of our manufacturing plants in India and International markets. Key initiatives in CY 2024 include:

- Reducing water use per liter of beverage produced and minimizing wastage at every stage of operations.
- Enhancing water efficiency through advanced technologies, reuse practices, and multiple process optimizations across all of our manufacturing plants in India and International markets.
- Replenishing groundwater via extensive rainwater harvesting programs to promote sustainability.

We continue to proactively address water challenges in regions with persistent water scarcity by minimizing reliance on underground reserves while ensuring minimal environmental impact.

Staying water positive

Sustainable water management lies at the heart of our strategy. In 2024, we remain committed to replenishing more water than we consume, reinforcing our position as a water-positive company. For every liter of water consumed in production, we replenished significantly more, ensuring sustainable reserves for future generations.

The right to clean water

Access to clean water is essential for all forms of life. VBL is dedicated to using water responsibly and fostering resilience in our value chain. For CY 2024, we are intensifying efforts to:

- Reduce overall water consumption.
- Enhance operational efficiency to ensure responsible water use.
- Strengthen initiatives to safeguard clean water access for local ecosystems and communities.

Wastewater management

Ensuring the safe return of water to the environment is a priority for VBL. In 2024, we reaffirm our commitment to treating 100% of wastewater generated across all manufacturing facilities in India through advanced effluent treatment plants. This guarantees that the water discharged back into ecosystems meets stringent quality standards, minimizing any potential environmental impact.

23

Manufacturing Plants certified safe for use of surface water by Central Ground Water Authority of India

7

Plants categorized as 'Critical' or 'Over exploited'

6

Plants are categorized as 'Semi-Critical'

Contribution made to overall production

Out of the 36 plants in India, 7 plants fall in "over-exploited" / "critical" category of Central Ground Water Authority of India which contributed only ~14% of total production in CY 2024. The balance 29 plants contributed ~86% of the total production in CY 2024.

Water Audit

To monitor our water footprint and validate our efforts and outcome towards water stewardship, water audit is regularly conducted by DQS India. All our manufacturing plants in India are covered under the scope of this audit.

Audit Report Key Findings

CY	Water consumption (In Billion Liters)	Beverage production (In Billion Liters)	Water usage ration	Water recharge (In Billion Liters)	Water recharge ratio	No. of water bodies adopted
2019	4.12	2.12	1.94 times	7.22	1.75 times	103
2020	3.74	1.95	1.92 times	10.19	2.72 times	108
2021	4.86	2.57	1.89 times	11.10	2.28 times	110
2022	6.32	3.72	1.70 times	12.79	2.02 times	116
2023	6.50	4.14	1.57 [^] times	12.95	2.00 times	124
2024	7.27	4.65	1.56 [^] times	15.54	2.14 times	192

[^] Steady state WUR was 1.54 times in 2023 and 1.50 times in 2024, the differential is on account of stabilization of 2 new greenfield plants in 2023 and 3 new greenfield plants in 2024.

Strategic drivers for achieving water sustainability in 2024

Positive water recharge

- Adopted 192 water bodies including ponds, check dams, lakes and recharge wells
- 40% water bodies rejuvenated in water-stressed zones

Reducing water usage

- Implemented 150+ process improvements across all of our manufacturing plants in India and International markets
- Connected all filters (ACF / PSF) for water recovery
- Optimized drainage timing at ACF / PSF
- Bottle washer recovery in glass lines
- Reuse ETP water in utilities
- Improved RO efficiency wherever RO recovery is less than designed recovery
- Sensors / Foot operated taps for hand wash at plants

Water Recharge Ratio*

2.14 times

Target 2025 Sustaining above 2.00

*Water recharged per liter of water consumed

Water Usage Ratio*

1.56[^]

Target 2025 1.40x

*Liters of water consumed per liter of beverage produced

CDP

A- for Water Security

based on the 2024 scores
*We regularly monitor and measure water related risks which are duly explained in the CDP forms available on our website.

Rejuvenation of Water Bodies (RWB) - a New Initiative

In association with IIT-IIT, a non-profit foundation we launched the Community-Led Rejuvenation of Water Bodies (RWB) program in 2024 across four key locations: Parner (Maharashtra), Jodhpur (Rajasthan), Nelamangala (Karnataka), and Sangareddy (Telangana).

This initiative follows a community-led approach, where we support the **desilting of water bodies** to restore their capacity while enabling farmers to apply the nutrient-rich silt to their fields. The outcomes have been far-reaching, adding **0.6 Billion liters of water capture capacity**, enriching **2,600+ acres** of farmland while engaging **790 farmers**.

Extending water security in Rajasthan

In Kishanpur Gram Panchayat, Jodhpur, water scarcity was a daily struggle, especially for women and young girls who walked over 1.5 km, multiple times a day to fetch water, often carrying 10 liters per trip. In summer, water bodies dried up and they solely depend on government water tankers supply. Noticing the rejuvenation work of Kherali Nadi in a neighbouring village, local community member Mangna Ram approached our implementation partner to revive Peepli Nadi of Kishanpur. Today, thanks to this intervention, the water body holds water for 11 months, significantly reducing summer hardships and minimizing the community's reliance on government water tankers.

Strengthening livelihoods in Karnataka

In Basavapatna, Shivangage Gram Panchayat (Nelamangala), the rejuvenation of the local water body has significantly improved water retention, increasing availability from six months to over a year. Water levels in wells have risen by 200 feet, enabling a 10% increase in livestock and growing interest in fisheries. Farmers have benefited from reduced water and fertilizer use by 50%, with 25% shifting to high-value crops. Inspired by these gains, the community is now planning to expand storage to 50 Million liters, involve 50+ farmers, and form a women-inclusive management committee, ensuring long-term sustainability.

Reviving hope in Maharashtra

In Parner, Jamgaon Gram Panchayat, where farmers primarily grow Kharif crops like onion, green gram, and maize since access to water was limited. The rejuvenation of Pan Mala Talao gave them a renewed sense of hope, as they could now plan for a second (Rabi) crop season and shift to other high-value crops like Sugarcane. This milestone was met with a Jal Pooja celebration, where over 200 community members, including women, children, and senior citizens, came together to mark this transformative moment.

Empowering communities in Telangana

In Kalkur and Nalla Cheruvu water bodies, Machireddypalli Gram Panchayat (Sangareddy), water retention has doubled from four to eight months, and water coverage has expanded from 25% to 50%. Water levels in wells have risen by 50-100 feet, giving women better access to water for household needs and sparking interest in fisheries and dairy-based livelihoods. For farmers, silt application has rejuvenated fields, enabling the cultivation of 30 acres of previously fallow land. Building on this progress, the community is now focused on expanding water storage, engaging more farmers, and forming an inclusive management committee with active participation from women, ensuring long-term sustainability and collective ownership.

Beyond water: A holistic impact

Through the RWB program, we have not only restored water bodies but also unlocked new opportunities for the communities we serve. With improved water availability, farmers can now cultivate a second crop, while the application of nutrient-rich silt has enhanced soil quality, leading to a 30% average increase in yield. Additionally, silt application has reduced irrigation water usage by 10% and fertilizer dependency by 20%, making farming more sustainable. Improved access to water has enhanced sanitation and hygiene, while reducing the time and effort women spend fetching water, allowing them to engage in other productive activities. The program has also started paving the way for water-based livelihoods, such as fisheries and livestock farming, further strengthening rural economies.

Scaling up: Our commitment for 2025 and beyond

As we move forward, we are committed to expanding the RWB program to four new locations - Kota, Begusarai, Gorakhpur, and Prayagraj - **creating an additional 2.6 Billion liters** of water capture capacity, engaging over **2,500 farmers** and enhancing over **7,000 acres** of farmland.

Further strengthening our role in water stewardship, VBL has taken on the responsibility of Basin Leader for the Yamuna Basin under the India River Basins Collective Action Program (UNCEO Water Mandate). This step reflects our commitment to not just water conservation but also to long-term, collaborative action for sustainable water management.

Tech-enabled national water program

To enhance the efficiency and impact of our water programs, we leverage the IIT-IIT technology platform (GIS-based) that provides real-time visual management of VBL's water initiatives and assets. At the water body level, it enables accurate measurement of water capture and assessment, while a survey app allows on-demand status updates of any water body. This data-driven approach strengthens decision-making, ensuring targeted interventions and long-term sustainability.



Water Bodies: Impact Assessment

As part of our ongoing water conservation initiatives, we have undertaken the maintenance and rejuvenation of 192 water bodies. This report evaluates the current state of these ponds and examines the impact of the Water Rejuvenation Project on local communities, including its influence on their lives and livelihoods at our manufacturing plant in Sandila.

Framework

The IRECS Framework (Inclusiveness, Relevance, Expectation, Convergence and Service Delivery) was implemented for impact assessment.

The Process

Step 1: Survey

A primary household survey was conducted in nearby villages. It aimed to assess the impact of the intervention at socio-economic and environmental levels.

Step 2: Questionnaire

A detailed survey questionnaire was prepared based on interactions with the VBL team and secondary references.

Step 3: Data collection

Survey CTO app, a digital data collection tool with features such as offline data collection, image capturing and geo-tagging, was deployed for efficiency and data was collected from the relevant stakeholders.

Step 4: Extensive sampling

Interactions held with more than 180 households for ascertaining the project's holistic impact on the community. Deeper insights on socio-economic and environmental impact were gained through unstructured interviews and FGDs.

The impact

The construction, deepening, and maintenance of ponds by VBL have had a profound socio-economic and environmental impact. These efforts have significantly improved community well-being, provided sustained livelihood opportunities, and contributed to agricultural resilience. Additionally, they have enhanced biodiversity and helped replenish natural water reserves.

1. Socio-economic impact

In agrarian communities like ours, ponds play a vital role in irrigation, directly supporting farmers' livelihoods. Beyond agriculture, they aid in groundwater recharge and foster biodiversity, strengthening the region's ecological balance.

Efforts towards construction and maintenance of ponds led to -

- Better access to irrigation facilities
- Better land productivity and soil fertility
- Increase in level of ground water and surface water level
- Increase in crop productivity
- Increase in green cover and biodiversity
- Increase in livestock productivity and product yield
- Enhanced crop diversification
- Increase in water storage and conservation
- Increase in income and savings of the household
- Increased area under irrigation

Impact

Sustained management of natural resources

Climate change mitigation

Improved quality of life

Boost to sustainable livelihoods

Greater earnings. Enriched living

With the additional income generated, communities invested in enhancing their livelihoods, improving their quality of life, and accessing better education and healthcare. This financial stability also fostered stronger interpersonal relationships while increasing savings and asset-building efforts for a more secure future.

19%

Savings

19%

Investment in additional income generation activities

56%

Social & family functions

10%

Better food & household consumption

63%

Child education

60%

Family health & well-being

31%

Purchase of household assets

Small and marginal farmers reaped multiple benefits

68%

Ability to take up water-intensive crop

93%

Ability to take-up crops in multiple seasons

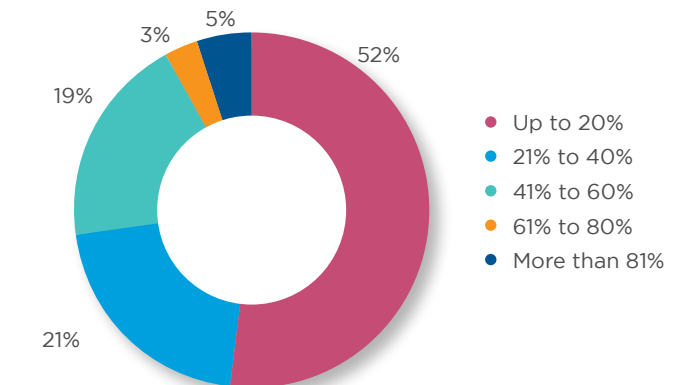
87%

Increase in variety of crops in same season

28%

Increase in household consumption of crops

Improved crop yield



Key metric reflecting improved quality of life

3%

Experienced personal development

17%

Improved inter-personal relations

31%

Mental well-being

95%

Physical well-being

52%

Material well-being

Change in cropping pattern

	Before	After
Spices	13%	16%
Oilseeds	54%	57%
Flowers	3%	2%
Fruits	4%	9%
Vegetables	37%	49%
Commercial	21%	22%
Pulses	54%	56%
Cereals	100%	100%

Key takeaways

Several farmers took up the practice of cultivating cash crops in pre-monsoon

Several households took up subsistence farming of fruits and vegetables

Several farmers adopted farming of commercial crops such as maize and peppermint

2. Environmental impact

Ponds provide vital habitats for diverse aquatic species, supporting biodiversity and maintaining ecological balance. Our pond rejuvenation efforts have also led to a notable increase in green cover, improved groundwater levels, reduced soil erosion and sedimentation, and enhanced the local microclimate.

Efforts towards construction and maintenance of ponds led to -

- Increase in birds and insects
- Increase in riverine/aquatic animals
- Increase in terrestrial animals
- Increase in types of flowers
- Increase in green cover
- Increase in tree/plant species

Impact

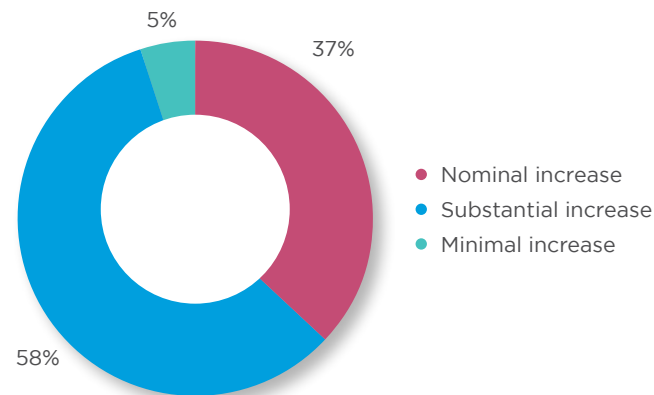
Improved access to water in ponds

Decrease in efforts to access water from handpumps

Increase in water levels in well across the year

Lesser time required for irrigation from borewells

Improvement in groundwater level



Sources showing increase in water level (in %)

Hand pump	61
Water body	50
Farm pond	31
Dug well	55
Borewell	81

Sustained water supply throughout the year reaped multiple benefits for farmers

18%

Farmers took up cropping in lean season

44%

Families stopped migration

66%

Households increased area under irrigation

66%

Farmers enjoyed reduced cost of irrigation

43%

Enjoyed higher cost-efficiency on irrigation

65%

Experienced an increase of up to ₹ 50,000 on income

Positive environmental impact - Key metrics (% response on survey)

38%

Improved aesthetic beauty

17%

Improvement in micro-climatic condition

46%

Improvement in fertility and quality of soil

93%

Increase in groundwater level

9%

Water conservation

9%

Resilience to water logging/floods during rain

91%

Increase in level of surface water sources

Key metrics (% response on survey)

A thriving ecosystem is crucial for health, food security, climate regulation, economic stability, and sustaining life. Our pond rejuvenation initiatives aim to preserve the delicate balance of Earth's interconnected systems, fostering biodiversity and promoting the well-being of both the planet and its people.

39%

Increase in birds and insects

72%

Increase in livestock

31%

Increase in types of flowers

91%

Increase in tree/plant species

15%

Increase in riverine/aquatic animals

50%

Increase in terrestrial animals

90%

Increase in green cover



Impact assessment of water ponds and biodiversity: Methodology and sample approach

Our impact assessment of water ponds and biodiversity was conducted using a structured and data-driven approach, ensuring a comprehensive understanding of the socio-economic and environmental benefits of our interventions.

Framework implementation

- To guide our assessment, we adopted the IRECS Framework (Inclusiveness, Relevance, Expectation, Convergence, and Service Delivery) as the foundation of our study.
- A primary household survey was conducted to evaluate the impact of our initiatives on villages located near our operations.

Digital data collection tools

- To enhance efficiency and accuracy, we developed a detailed survey questionnaire in collaboration with our team and secondary references.
- The Survey CTO app was selected as our primary data collection tool due to its advanced features, including offline data collection, image capturing, and geo-tagging.

Pilots and data collection

- Before the full-scale survey, we conducted multiple validation rounds and test surveys in August 2022 to refine the data collection tool.
- The final **household survey commenced on September 1, 2022, utilizing the Survey CTO app. Additionally, Focus Group Discussions (FGDs) and In-Depth Interviews (IDIs) were conducted with relevant stakeholders to gather deeper insights.**

Sampling methodology

- The primary survey engaged with over 180 households, ensuring a robust and representative dataset.
- To further explore the socio-economic and environmental impact, we incorporated unstructured interviews and FGDs. The study was focused on Sandila in Hardoi District, Uttar Pradesh.



Data analysis

- A rigorous analytical approach was employed, combining statistical tools and qualitative analysis methods to derive meaningful insights.
- The data was meticulously examined to ensure accurate interpretation and conclusive results.

Promoting water resilience

At Varun Beverages, we recognize that access to clean water is a fundamental human right and an essential pillar of thriving biodiversity. With this understanding, we embrace our responsibility to conserve, reuse, and recycle water across our operations. Our commitment goes beyond regulatory compliance – we strive to ensure that our water management practices contribute to long-term environmental well-being and the prosperity of future generations.

To strengthen our water conservation efforts, we have collaborated with DQS India to obtain water footprint assurance certification, a rigorous validation process that assesses the effectiveness of our initiatives in water conservation and recharge. This comprehensive audit,

Reporting and recommendations

- The findings were compiled into a comprehensive report, integrating survey results, FGDs, and IDIs.
- Actionable recommendations were formulated based on the research outcomes, aligned with the IRECS Framework, to guide future interventions and enhance the impact of our initiatives.

covering all our manufacturing plants in India, reinforces our dedication to responsible water stewardship. In previous years, our water management practices were audited by TÜV India Pvt. Ltd., reaffirming our long-standing commitment to transparency and accountability in sustainability.

Engaging with globally recognized certification bodies underscores our focus on measurable impact, ensuring that our efforts in water sustainability are not only effective but also aligned with international best practices. Through these strategic initiatives, we continue to play an active role in securing access to clean water, reducing our environmental footprint, and preserving biodiversity – laying the groundwork for a more sustainable future.



Plastic Waste Management and Recycling

Effective plastic waste management is crucial for building a sustainable and livable future for generations to come. Committed to minimizing plastic waste, we focus on retaining its value through responsible handling and circular economy solutions. By integrating the principles of reduce, reuse, and recycle, along with innovative engineering and sustainable practices, we strive to extend the lifespan of plastic and lessen its environmental impact.

Fulfilling our strategic priorities - Key enablers

Weight reduction of preforms

Manufacturing of r-PET

Recycling of plastic waste

1. Key Enabler: Weight reduction

Reduction in weight of pre-forms translates to reduction in material consumption and lower energy requirements, contributing to a long-term impact on sustainability.

Key contributions

10-20%

Weight reduction of pre-forms (Grams) in packs of 600 ml to 2.25 liters (2010-2024)

20-25%

Weight reduction of closures (Grams) in packs of CSD/Juices/Waters (2010-2024)

Weight Reduction of Preforms (In grams)

Pack size	2010-14	2015-19	2020-24	Net reduction (%)
600 ML	25.5	22.2	22.2	12.9
750 ML	34.7	30.7	27.1	21.9
1.0 L	21.0	21.0	19.0	9.5
1.25 L	36.0	34.7	32.5	9.7
2.25 L	52.5	50.7	47.0	10.5

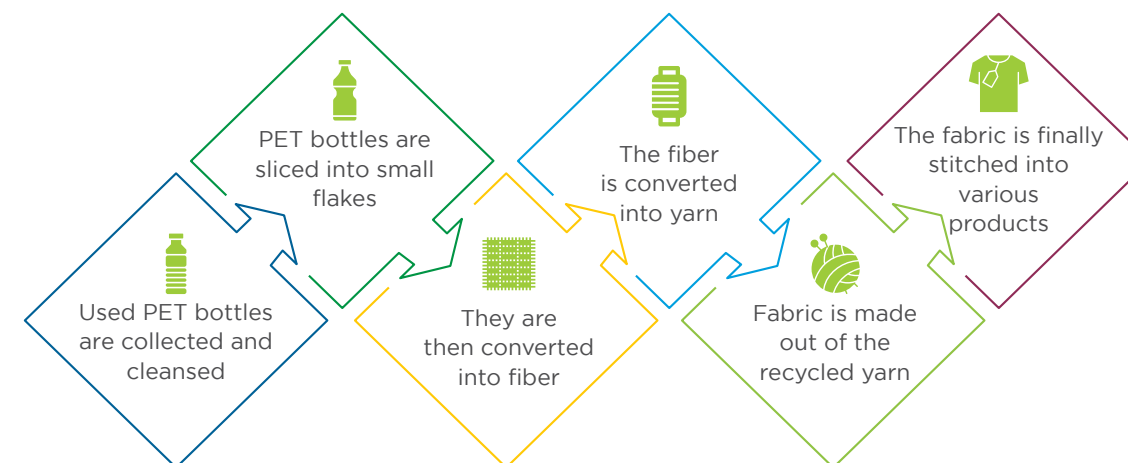
* in selected products

Weight Reduction of Closures (In grams)

Pack size	2010-14	2015-19	2020-24	Net reduction (%)
1.25 L	3.15	2.75	2.35	25.4
2.25 L	1.70	1.50	1.35	20.6

* in selected products

Recycling process of plastic waste



2. Key enabler: Manufacturing of r-PET

Our commitment to global sustainability takes a significant leap forward with the integration of responsible sourcing practices into our packaging operations – an essential element of our identity as a beverage company. By embedding sustainability into large-scale processes, we reinforce our dedication to environmental stewardship. To further this goal, we have set a target to incorporate 30% r-PET in our total PET packaging by 2025 through a joint venture with Indorama. Additionally, we have introduced 100% recycled PET bottles for Pepsi Black in select sub-territories, marking a key milestone in our sustainable packaging journey.

3. Key enabler: Recycling of plastic waste

We view plastic waste recycling as a fundamental environmental responsibility, which is why we go beyond compliance by actively collaborating with specialized pollution-control organizations and government authorities on various initiatives.

Our progress to CY 2024

- Recycled 5.86 lakh MT of used PET bottles till CY 2024 since 2019
- Implementing 100% phased recycling of used PET bottles and collection from end-users

30% r-PET

To be utilized in total PET packaging by 2025

Products and packaging reclaimed at end-of-life products

Input material	CY 2023			CY 2024		
	Reused	Recycled	Safely disposed*	Reused	Recycled	Safely disposed*
Plastics (in metric tons)	-	150,982 (86%)	-	-	181,887 (88%)	-
Hazardous waste - Sludge	-	-	1,426	-	-	1,640

*Safely disposed through authorized vendors.

Category of plastic generated and recycled

Category	CY 2023		CY 2024	
	Generated	Recycled	Generated	Recycled
Resin	138,609	119,830	164,922	145,137
Shrink	12,297	10,442	13,931	12,259
Label	6,139	5,214	7,118	6,264
Closure	14,620	12,416	17,397	15,310
Tetra	3,627	3,080	3,315	2,917
Total	175,292	150,982	206,682	181,887



Plastic Recycling Initiatives taken

Placed dustbins on direct vending machines

Enabled direct collection from institutions

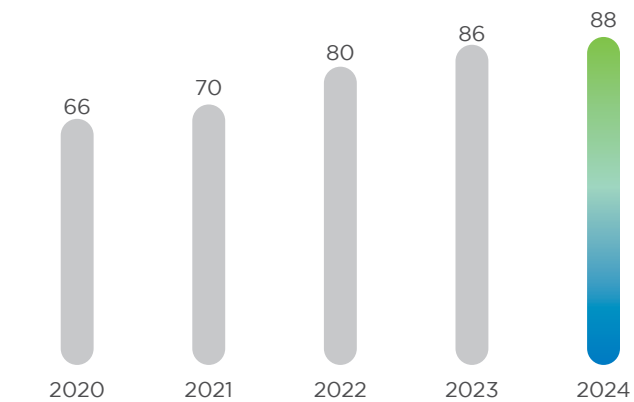
Spread awareness through government agencies

Collaborated with IDVB Recycling Operations Pvt. Ltd. for recycling of used PET bottles

Recycling plastic waste: Our progress

In CY 2024, we successfully recycled 88% of the total PET bottles consumed, exceeding the requirements set by the Extended Producer Responsibility (EPR) regulations of the CPCB. During the year, 206,682 MT PET bottles were consumed, with 181,887 MT being recycled within the same period, reinforcing our commitment to sustainable waste management

Plastic waste recycling



(%)

***Target 2025 100%**

*Plastic waste recycled per Kg of PET sold in finished products. Plastic waste includes PET, shrink film, plastic closures, labels and laminates post consumption

Best out of waste with GEM Enviro Management

Our partnership with GEM Enviro Management Ltd. advances our goal of achieving 100% recycling of used PET bottles in a phased approach. GEM Enviro, a CPCB-recognized Producer Responsibility Organization (PRO) based in Delhi, specializes in the collection and recycling of packaging waste. The company also promotes recycled green products, transforming used PET bottles

and other waste materials into items like T-shirts and bags. This collaboration strengthens our commitment to sustainable waste management and circular economy solutions.

Impact

- Awareness created for 300+ Raggpickers in CY 2024
- 2,100+ General public sensitized through awareness programs
- Higher waste collection through incentives for ragpickers
- Increased income for ragpickers by establishing seamless connect with buyers requiring recyclable waste
- Safe, clean and plastic-free environment

VBL & GEM: Driving sustainability together

Together with GEM, we have undertaken the following initiatives to ensure sustained waste management:

- **Direct waste collection:** Waste was collected from end users through reverse vending machines, strategically placed dustbins, and direct pickups from institutions such as hotels, banquet halls, and exhibitions.
- **Plastic waste disposal awareness campaign:** We engaged 2,900+ participants from Nagar Nigam, sanitation staff, ragpickers, and their families across Uttar Pradesh, Rajasthan, and Haryana. The campaign included activities like the Swaccha Abhiyan, informative talks, slogan-writing contests, displays, distribution of recycled PET products, and creative programs to promote responsible plastic disposal.
- **Ragpickers' awareness and support program:** We ensured healthier working conditions and provided fair compensation to ragpickers, fostering sustainable livelihoods and improving their quality of life.
- **General awareness initiatives:** We launched awareness drives on the importance of proper plastic waste disposal, clean cities, and a greener environment.
- **Skill development programs:** Training sessions were conducted to enhance skills, creating long-term opportunities for waste management participants.
- **Distribution of recycled merchandize:** Recycled products such as T-shirts, masks, safety kits, and food items were distributed to encourage recycling practices and showcase the value of waste.
- **Bottle crushing machine installation:** Bottle crushing machines were set up to streamline the recycling process and reduce plastic waste.

Enhancing Energy Performance

Energy consumption impacts both our environment and sustainability goals. Aligned with our net-zero commitment, we are increasing the share of renewable energy in VBL's total consumption and expanding our renewable energy portfolio. We are continuously improving energy efficiency across our offices, warehouses, and manufacturing facilities in India, driven by innovation and process enhancements to reduce our environmental footprint.

Key enablers for solar / wind energy

Installing rooftop for solar panels

Open access RE contracts

Latest technology energy-efficient machines

Process improvements

Progression in 2024

Generated **-79** Million Units of electricity through renewable sources – this is equivalent to annual power consumption of **14,000+*** households

*As per company estimates

Planted **-128,000** tree saplings in 2024 vs **-108,000** saplings in 2023

*As per company estimates

Boosting energy efficiency through innovation and process optimization

1. Energy Savings through Frequency Drives: Use of frequency drives in ammonia and air compressors for enhanced energy efficiency.
2. Boiler Efficiency: Integration of frequency drives in the ID and FD fans of the boiler system to reduce energy consumption.
3. Heat Recovery: Recovery of heat from hot compressed gases for water heating applications.
4. Syrup Transfer System: Recovery of treated hot water from the three-stage syrup transfer Plate Heat Exchanger (PHE).
5. Power Savings in Beverage Filling: Beverage filling at ambient temperatures, resulting in significant power savings in refrigeration.
6. Lighting Efficiency: Replacing CFL/FTL lamps with energy-efficient LED lamps.
7. Pump Efficiency: Upgrading from low-efficiency pumps to high-energy-efficient models.
8. Optimizing Resources: Improving the efficiency of critical resources like water and energy through water recovery and energy optimization strategies.
9. Automation for Resource Optimization: Using automation and controls to optimize resource consumption and minimize waste.
10. Steam Condensate Recovery: Installation of Steam Operated Pump Traps (SOPT) to improve steam condensate recovery across all units.
11. Direct Coupled High-Pressure Compressors: Implementation of direct-coupled high-pressure compressors (eliminating the need for gearboxes).

12. Efficient Motor Technology: Adoption of IE5 permanent magnet motors for improved energy efficiency.
13. Adiabatic Cooling: Installation of adiabatic cooling towers for more efficient temperature control.
14. Boiler Efficiency Improvement: Enhanced condensate recovery through the installation of SOPT and advanced technology equipment, boosting boiler efficiency.
15. Heat Recovery from Compressors: Recovery of heat from high-pressure air compressors and ammonia refrigeration compressors for energy savings.
16. De-superheater Installation: Use of de-superheaters to enhance thermal management.
17. Optimization of Preform Blow Moulding: Installation of Godrej Control Air-IFC to optimize high-pressure requirements for preform blow moulding machines and Cold CIP operations, eliminating heat requirements during their operation.

Energy-efficient beverage distribution

To enhance energy efficiency throughout our value chain, we are building a fleet of over 2,000 electric vehicles in collaboration with our distributors. These investments are focused on enabling sustainable last-mile delivery of our beverages, helping us reduce our carbon footprint.

Energy consumption: An overview Renewable and Non-Renewable Sources

RENEWABLE SOURCES

Electricity consumption

CY 2023

58 mn kWh

CY 2024

79 mn kWh

Fuel consumption (Briquette, Firewood, LPG, PNG)

64 mn Kg

58 mn Kg

NON-RENEWABLE SOURCES

Electricity consumption

382 mn kWh

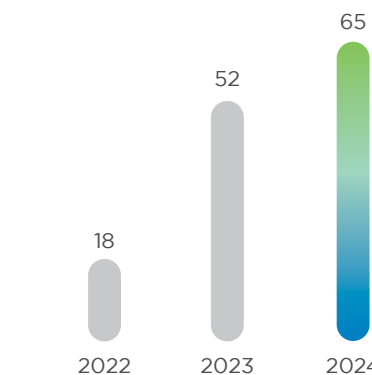
424 mn kWh

Fuel consumption (HSD Diesel)

4.4 mn Liters

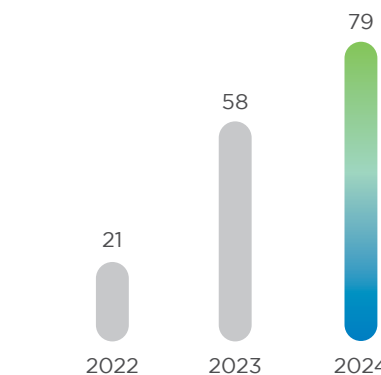
3.4 mn Liters

Increase in Renewable Power



(in MW)

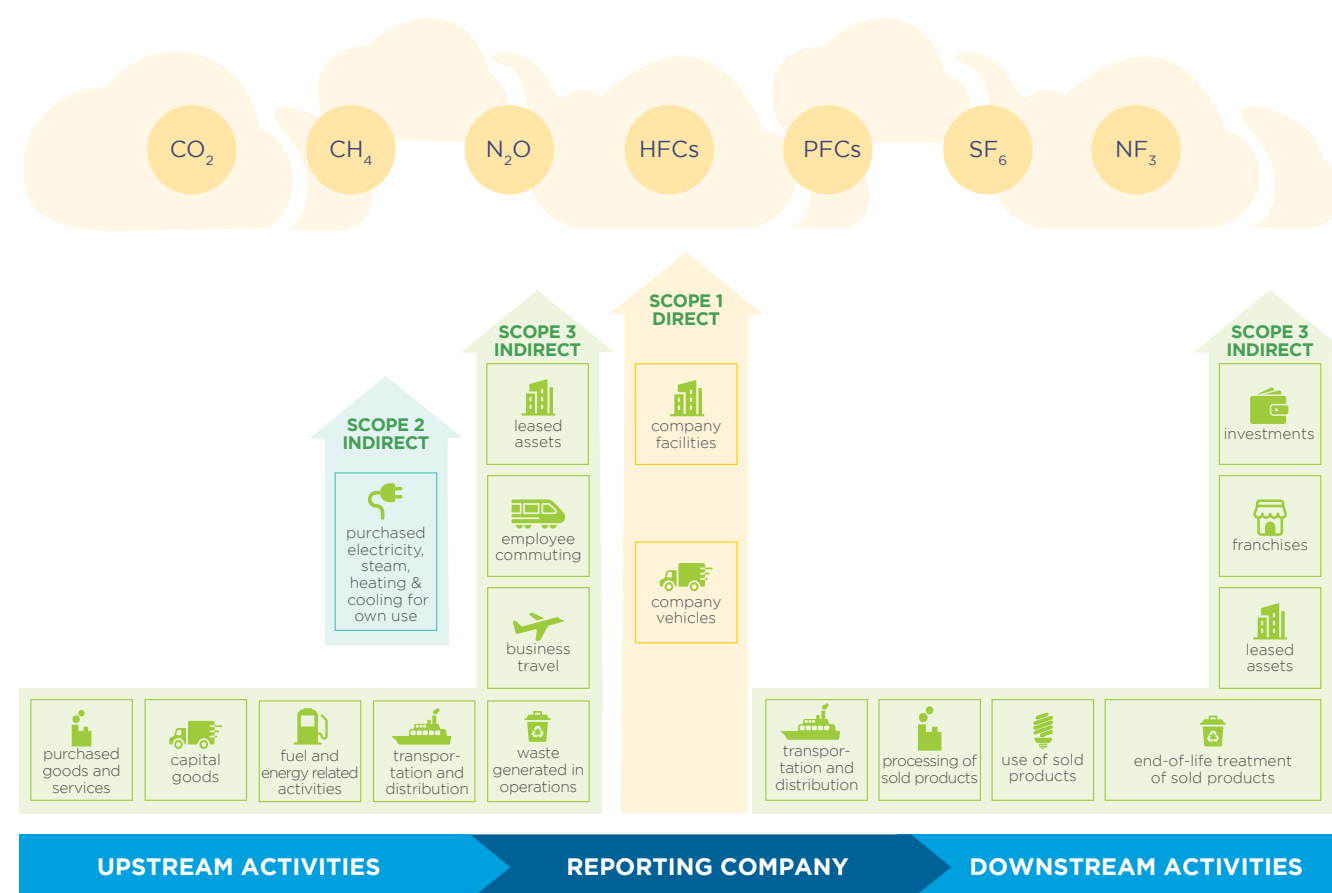
Renewable Energy Generated



(in Million kWh)

Sustained Climate Action: Reducing our Carbon Footprint

As climate change continues to impact our planet and its ecosystems, we remain steadfast in our commitment to create a positive environmental impact through sustained climate action. Our diverse initiatives in energy efficiency, innovation, process optimization, technology adoption, and operational improvements are consistently driving resource conservation and reducing our carbon footprint.



GHG Emissions: Snapshot

As part of our commitment to sustainability, we undertook a comprehensive carbon footprint assessment for all our manufacturing facilities across India and International geographies, in partnership with Deutsche Quality Systems (India) Pvt. Ltd. (DQS India). The assessment was conducted in strict adherence to the GHG Protocol and ISO 14064-3:2019 standards.

1 TOTAL GHG EMISSIONS OF VBL

Varun Beverages Limited's carbon footprint in CY 2024 is **35,61,940 MTCO₂e**. Scope 1 accounts for 2% (88,224 MTCO₂e), Scope 2 accounts for 10% (3,52,883 MTCO₂e) and Scope 3 accounts for 88% (31,20,833 MTCO₂e) of the total emissions.

Total GHG Emissions for CY 2024

Scope	GHG Emissions (tCO ₂ e)	Biogenic Emissions (tCO ₂ e)	Biogenic Emissions (tCO ₂ e)	% of total Emissions
Scope 1	88,224.20	-	88,224.20	2%
Scope 2	3,52,883.17	-	3,52,883.17	10%
Scope 3	31,20,832.57	4,094.96	31,24,927.52	88%
Total Emissions	35,61,939.94	4,094.96	35,66,034.89	100%

2 DIRECT GHG EMISSIONS

Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from fuel burned in stationary equipment like Coal, LPG, DG sets, etc., mobile equipment like forklifts, vehicles, aircraft and fugitive emission like refrigerants & fire extinguisher.

Activity data are those that are associated with the consumption of energy or consumables of the organisation. These must be precise, transparent, complete, reliable, accurate in terms of information, consistent and reproducible. Activity data is collected at the site level by VBL.

The collection of data has been prioritised so that they are of the highest possible quality, with the aim of reducing the uncertainty of the calculations. The data for GHG emissions from Varun Beverages Limited has been derived directly from purchased order bills, electricity bills /meter readings of Electricity Board and then conversion factors are employed to convert into GHG reporting metrics. The uncertainty lies in the conversion factors.

Varun Beverages Limited's Scope 1 emissions for CY 2024 is **88,224 MTCO₂e**.

Scope 1 Emission Distribution for CY 2024

Sub-category	CO ₂ Emissions (tCO ₂ e)	CH ₄ emissions (tCO ₂ e)	N ₂ O emissions (tCO ₂ e)	HFC emissions (tCO ₂ e)	Total Emissions (tCO ₂ e)
Stationery Sources	30,372.75	526.70	933.73	-	31,833.18
Mobile Sources	32,493.60	67.87	319.45	-	32,880.92
Fugitive Sources	13,604.58	-	-	9,905.52	23,510.10
TOTAL	76,470.93	594.57	1,253.18	9,905.52	88,224.20
Biogenic (Out of Scope)	69,489.86	-	-	-	69,489.86



3 BIOGENIC CO₂ EMISSIONS

Varun Beverages Limited's biogenic emissions for CY 2024 is **4,095 MTCO₂e**.

4 INDIRECT GHG EMISSIONS

4.1 SCOPE 2: Electricity Indirect GHG Emissions

Scope 2 accounts for GHG emissions from the purchased electricity consumed by a company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occurs at the facility where electricity is generated.

Varun Beverages Limited's Scope 2 emission for CY 2024 is **3,52,883 MTCO₂e**.

4.2 SCOPE 3: Other Indirect GHG Emissions

These are emissions of the products and services of the organisation. They are induced by the activities of the company, but they occur in sources that are not owned or controlled by the company.

Varun Beverages Limited's Scope 3 emission (including biogenic emissions) for CY 2024 is **31,24,928 MTCO₂e**.

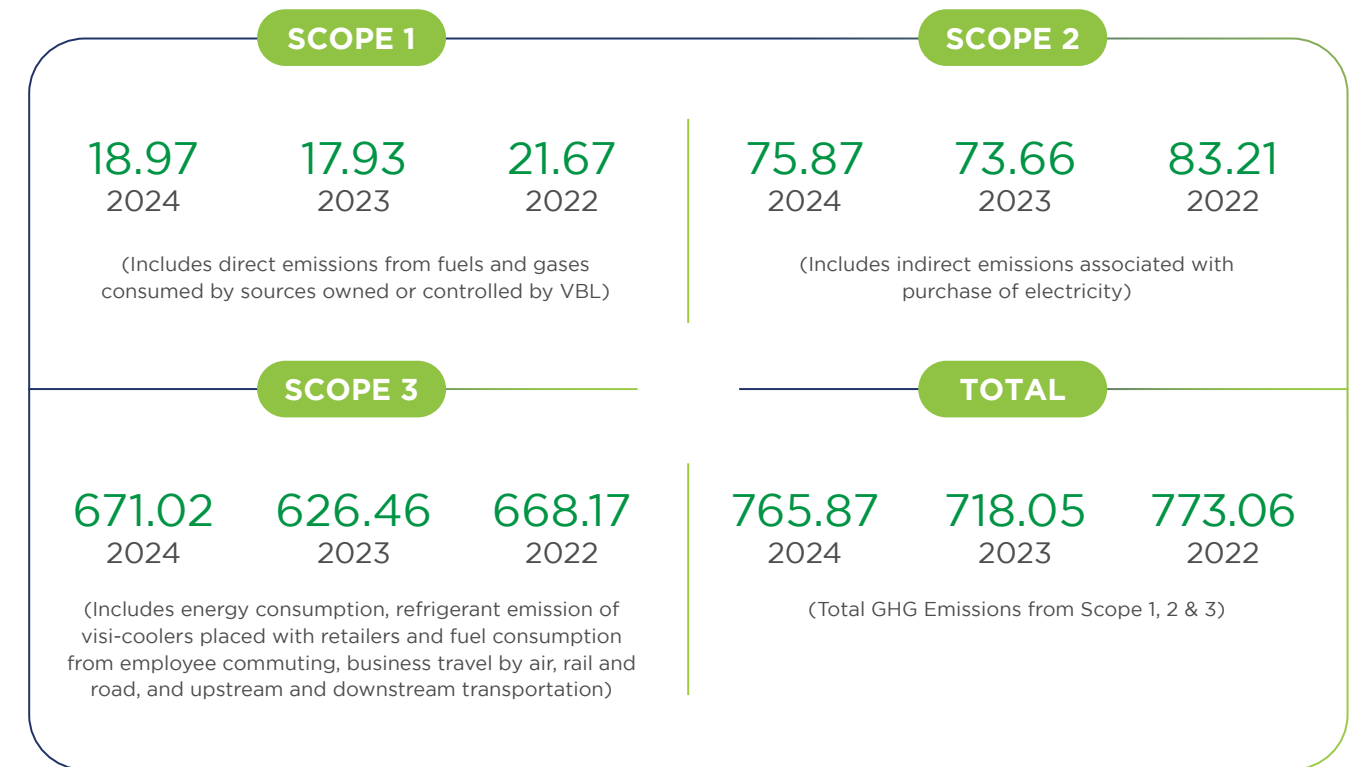
For VBL, the Scope 3 emission sources considered are emissions from the following categories:

Scope 3 Emission Distribution for CY 2024

GHG Inventory breakdown	Minimum boundary emissions (tCO ₂ e)	Gross Biogenic CO ₂ emissions (tCO ₂ e)	Total Emissions
1. Purchased goods and services	19,22,611.94		19,22,611.94
2. Capital goods	2,43,849.30		2,43,849.30
3. Fuel- and energy-related activities	1,80,784.49	4,094.96	1,84,879.45
4. Upstream transportation & distribution*	1,05,021.44		1,05,021.44
5. Waste generated in operations	2,005.54		2,005.54
6. Business travel	4,983.26		4,983.26
7. Employee commuting	25,137.41		25,137.41
8. Upstream leased assets	17,288.13		17,288.13
9. Downstream transportation & distribution	37,806.66		37,806.66
10. Processing of sold products	-		-
11. Use of sold products	5,25,949.01		5,25,949.01
12. End-of-life treatment of sold products	55,395.39		55,395.39
13. Downstream leased assets	-		-
14. Franchises	-		-
15. Investments	-		-
Total	31,20,832.57	4,094.96	31,24,927.52

(*Note: Emissions from the transportation of sold products using company-owned, company-controlled, or company-paid vehicles are included in category 4)

Operational boundaries across different scopes



Figures in grams of CO₂e/liter

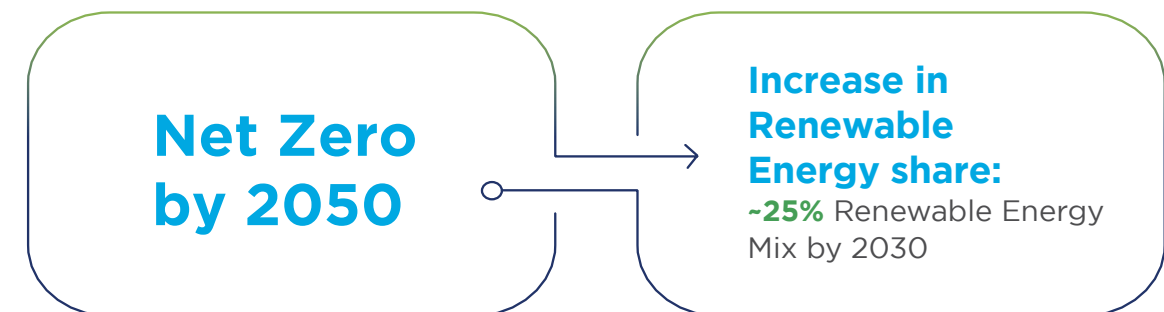
Intensity of GHG emissions per liter production of beverage - Key observations



Note:

- We have adopted the SBTi methodology for calculating GHG emissions starting from CY 2024. Consequently, the GHG emissions for CY 2022 and CY 2023 have been restated using this approach.
- The increase in GHG emissions is attributed to inorganic acquisitions in CY 2024.

Target





Goal Enablers

A four-pronged approach is instrumental in achieving our 2030 goal of reducing the absolute greenhouse gas (GHG) emission by 50% and increasing the renewable energy share in electricity by 25%.



1. Higher renewable energy share

- Expanding the share of renewable energy through rooftop solar installations and open access Power Purchase Agreements (PPAs).
- Lowering emissions by enhancing energy efficiency with advanced, energy-efficient machinery and process improvements that reduce electricity consumption.
- Implementing energy-saving best practices, such as optimizing chillers, air compressors, high-efficiency motors and drives, and LED lighting.

2. Optimized downstream transportation

- Optimizing network route: Enhancing service efficiency by reducing miles driven, resulting in lower fuel consumption.
- Optimizing existing fleet: Improving performance through reduced static weight, better aerodynamics, and regular maintenance.
- Using alternative fuels: Transitioning to lower-carbon fuels and adopting electrification with renewable energy sources. Over 2,000 EVs have been deployed for last-mile delivery

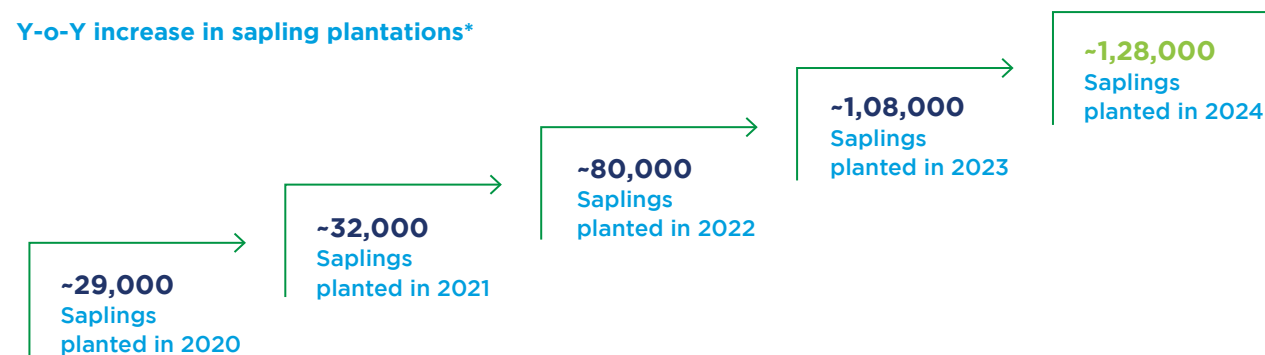
3. Vending and Cooling

- Since 2023, we have transitioned to energy-efficient visi-coolers using R290 refrigerant.
- Expediting the rollout of visi-coolers with inverter-based technology, enhanced insulation, and green refrigerants.
- Implementing tracking systems to monitor and optimize cooler usage.
- Exploring and introducing renewable energy-powered visi-coolers.

4. Tree Plantation

Planting saplings plays a crucial role in climate mitigation by reducing our carbon footprint. Beyond this, the initiative demonstrates our ongoing commitment to biodiversity, environmental resilience, and overall well-being.

Y-o-Y increase in sapling plantations*



*Total plantation till date is ~377,000 negating the carbon emissions 9,400+ MT

Through these strategic actions, VBL aims to achieve a significant reduction in energy consumption while reinforcing our commitment to sustainability and responsible resource management.

Global recognition

Through these strategic initiatives, we have established a clear roadmap for our long-term sustainability journey. As part of this commitment, we have set ambitious Net-Zero targets, which have been officially validated by the Science Based Targets initiative (SBTi). Our goal is to achieve net-zero greenhouse gas emissions across our entire value chain by 2050.

Additionally, we are proud to have been recognized for our efforts in environmental stewardship, securing a position on the prestigious CDP A List based on the 2024 CDP scores for Climate and Water Security. This acknowledgment underscores our dedication to sustainable practices and our ongoing efforts to drive meaningful change.





VBL's Commitment to Sustainability and Carbon Reduction

Towards Carbon Reduction

VBL is dedicated to minimizing its environmental impact through a comprehensive environmental action plan that addresses both direct and indirect emissions. Recognizing the need to contribute to a low-carbon economy, we are actively implementing measures to reduce our carbon footprint. These efforts align with

our broader sustainability commitments and our role in combating climate change. By integrating strategic initiatives and sustainable practices, we aim to foster a greener and more resilient future.

Our commitment to reducing carbon emissions underscores our dedication to environmental stewardship and responsible corporate operations.



Reduction of Energy Consumption (Scope 1 and Scope 2: Emission Reduction Strategy)

Understanding the importance of reducing energy consumption at the source, we are actively implementing various energy efficiency measures, including:

Energy Efficiency in Buildings and Plant-level Projects:

Enhancing energy efficiency across our infrastructure to optimize consumption.

Detailed Energy Audits:

Conducting comprehensive energy audits to identify high-consumption areas and implement targeted improvements.

Electrical Safety Audits:

Assessing electrical systems to detect and mitigate energy leakages, ensuring both safety and efficiency.

Adoption of Green Industry Practices:

Integrating sustainable and eco-friendly processes into our operations to curb emissions related to business growth.

Knowledge Exchange, Training, and Awareness Campaigns:

Promoting a culture of energy efficiency through employee training and awareness initiatives.

Replacement of Outdated Equipment:

Upgrading old equipment with modern, energy-efficient technologies to enhance operational efficiency and reduce energy use.

Use of Renewable Energy (Scope 2: Emission Reduction Strategy)

To mitigate Scope 2 emissions, we are adopting a combination of strategies that enhance the use of low-carbon and non-carbon energy sources, including:

Installation of Renewable Energy Sources: We are investing in solar panel installations and other renewable energy solutions across our sites to generate clean and sustainable energy.

Power Purchase Agreements (PPAs) with Renewable Energy Providers: We are securing PPAs with renewable energy suppliers through open-access arrangements, ensuring a significant portion of our energy consumption is derived from sustainable sources.



Reduction of Energy Consumption (Scope 3: Emission Reduction Strategy)

Optimized Downstream and Upstream Transportation, Distribution Centres:

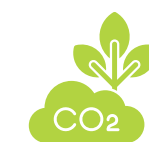
Optimizing Network Route:

Enhancing service efficiency by reducing miles driven, leading to lower fuel consumption.

Optimizing Existing Fleet:

Improving performance through reduced static weight, better aerodynamics, and regular maintenance.

Using Alternative Fuels: Transitioning to lower-carbon fuels and adopting electrification using renewable energy sources.



2,100+

EV's deployed for last-mile delivery.

Vending and Cooling:

Since 2023, we have switched to efficient visi-coolers using R290 refrigerant.

Accelerating the deployment of energy-efficient visi-coolers with inverter-based technology, better insulation, and green refrigerants.

Establishing tracking mechanisms to monitor and optimize cooler utilization.

Exploring and implementing renewable energy-based visi-coolers.

Tree Plantation:

Planting saplings as a key climate mitigation strategy to reduce the carbon footprint.

Contributing to biodiversity, environmental resilience, and long-term sustainability.



3,77,000

saplings planted since 2020

Optimizing Energy Consumption in Raw materials, Capital Goods and Manufacturing Operations

Through these strategic actions, VBL aims to achieve a significant reduction in energy consumption while reinforcing our commitment to sustainability and responsible resource management.

Sourcing with Care

We prioritize responsible sourcing to achieve our sustainability goals. VBL's raw materials are sourced from suppliers who follow strict sustainability practices, reducing our ecological footprint and supporting local communities. Our suppliers are committed to water and energy efficiency, waste management, and transitioning to net-zero, driving long-term growth and positive impact.

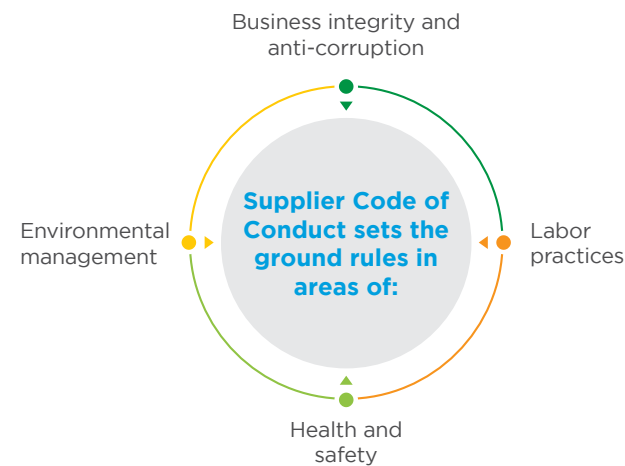
We closely track the progress of our responsible sourcing goals with key raw material and packaging suppliers, who account for over 90% of our overall purchases. This enables us to align their practices with our sustainability objectives moving forward.

Environmental impact assessment

Our suppliers, aligned with the Supplier Code of Conduct, are continuously innovating to source high-quality raw materials in environmentally responsible ways. They prioritize sustainability by adhering to strict guidelines, ensuring compliance with waste disposal and pollution control regulations. Key initiatives include enhancing energy efficiency, transitioning to renewable energy through solar and wind power, and replacing conventional fuels with eco-friendly briquettes. In addition, we promote ongoing plantation efforts for a greener future and fulfill water requirements through third-party suppliers or, where available, groundwater.

Supplier Code of Conduct

Ethical and responsible sourcing of raw materials is a core aspect of our supply chain management. To support this, we have implemented PepsiCo's Global Supplier Code of Conduct, which applies rigorously to all suppliers, agents, consultants, vendors, and contractors as a condition for doing business with PepsiCo and its affiliates.



Value chain partners assessed for environmental and social impact

90%+
Raw material suppliers

90%+
Capex suppliers

Key initiatives on responsible sourcing by suppliers



Electricity generation from renewable energy sources like solar power and wind power



Installation of energy-efficient types of machinery in production lines



Installation of water treatment plant



Implementing Pressurized Jet Sprays for cleaning purposes instead of direct water usage



Use of treated water for gardening and sanitation purposes



Adoption of ponds in nearby villages and recharging groundwater



Tree plantation drives to maintain green belts around manufacturing units



Rainwater harvesting to improve groundwater level



Using bagasse cane residue as biofuel for generating steam through boilers



Proper recycling of all kinds of waste like plastic waste, e-waste, hazardous waste

Refer Sourcing with care section page 80-83

Supplier	Material Supplied	Initiatives Taken
PepsiCo India	Concentrate	<p>PepsiCo has taken various initiatives on environment, social and sustainable practices including:</p> <ul style="list-style-type: none"> • Reduction in energy consumption • Reduction in water usage • Developing rainwater harvesting pits and ponds • Manure machine for recycling of food waste
Reliance Industries Limited	PET Resin	<p>As a part of the Net Zero and New Energy plans, Reliance has committed to establishing 20 GW of solar energy generation capacity by 2025, which will be entirely consumed for our captive needs of round-the-clock (RTC) power and intermittent energy for Green Hydrogen.</p>
DCM Shriram	Sugar	<ul style="list-style-type: none"> • Sets rotary dryer for bagasse drying, utilizing waste flue gas from boilers. Fresh bagasse's moisture content of 48% to 50% is reduced to 12% with more efficient utilization of bagasse biofuel. This is a unique, one-of-its-kind initiative to reduce fuel consumption. • Owns Bio-Lab which produces bio-fungicides and bio-pesticides instead of chemical fungicides and pesticides used by farmers for cane crop. • Awarded Best Energy Efficient Plant in sugar sector by Bureau of Energy Efficiency (BEE), for being the lowest power consumption per ton cane.
Triveni Engineering	Sugar	<p>Diverts B-category heavy molasses to distillery for ethanol blending in petroleum products.</p>
Tetra Pak	Packaging material	<p>Procures 100% paper board from Forest Stewardship Council certified supplier and 100% Aluminum foil from Aluminum Stewardship Initiative member supplier.</p>
Tasa Foods	Fruit pulp	<p>Uses dried mango seeds as biofuel and decomposing fruit waste into manure provided to farmers.</p>
SIDEL Blowing Services S.A.S.	Manufacturing lines	<ul style="list-style-type: none"> • Committed to ISO 14001 environmental certification to reduce impact on the environment and promote sustainability development. It is committed to recycling PET (notably with the development of PET recycling line: rPET). • Uses 100% Green energy for all processes. It has taken measures to make energy-efficient equipment to help in reduction of energy consumption. For example, Blowers with 45% energy saving, AQflex conveyors with 70% saving, Shrinkwrapper with 52% saving.
HUSKY Injection Molding Systems SA	Packaging Lines	<ul style="list-style-type: none"> • Supports use of bio-resins in hot runner applications. Optimized hot runner systems to reliably run bio-resins and accommodate challenges arising in production. • Launched UltraMelt platform to lower the risk of melt degradation, oxidation and discoloration; a highly effective solution to meet processing needs of bio-resins consistently.



Social impact assessment

Our suppliers adhere to stringent policies and take firm measures in line with human rights to facilitate a safe, non-discriminatory, and employee-friendly work environment. Few measures adopted to ensure these include:

- Rigorous compliance to policies related to Freedom of Association and Rights to Collective Bargaining, Child and Forced Labor, Gender Equality and Non-discrimination
- Provision of clean, hygienic and friendly work environment
- Maintenance of Occupational Health & Safety Standards
- Well-defined SOP's and policies with easy access to employees
- Limiting the maximum number of working hours as per the Government norms of 48 hours per week (with overtime reimbursement, if required, under special circumstances)
- Quarterly/half-yearly/regular trainings for employees on company policies such as POSH, OHAS and Industrial Hygiene

- Provision of Occupational Health and Safety (OHAS) Management System to ISO 45001:2018 certified suppliers (as specified)
- Support and guidance on prevention of work-related injury and ill health

A few other initiatives taken by suppliers include regular health check-up of employees, providing easy access to dispensary and mobile vans, safety drills to check emergency preparedness in case of mishappening and a special taskforce for employee grievance resolution.





SOCIAL INITIATIVES



Future-ready Workforce Shaping our Future

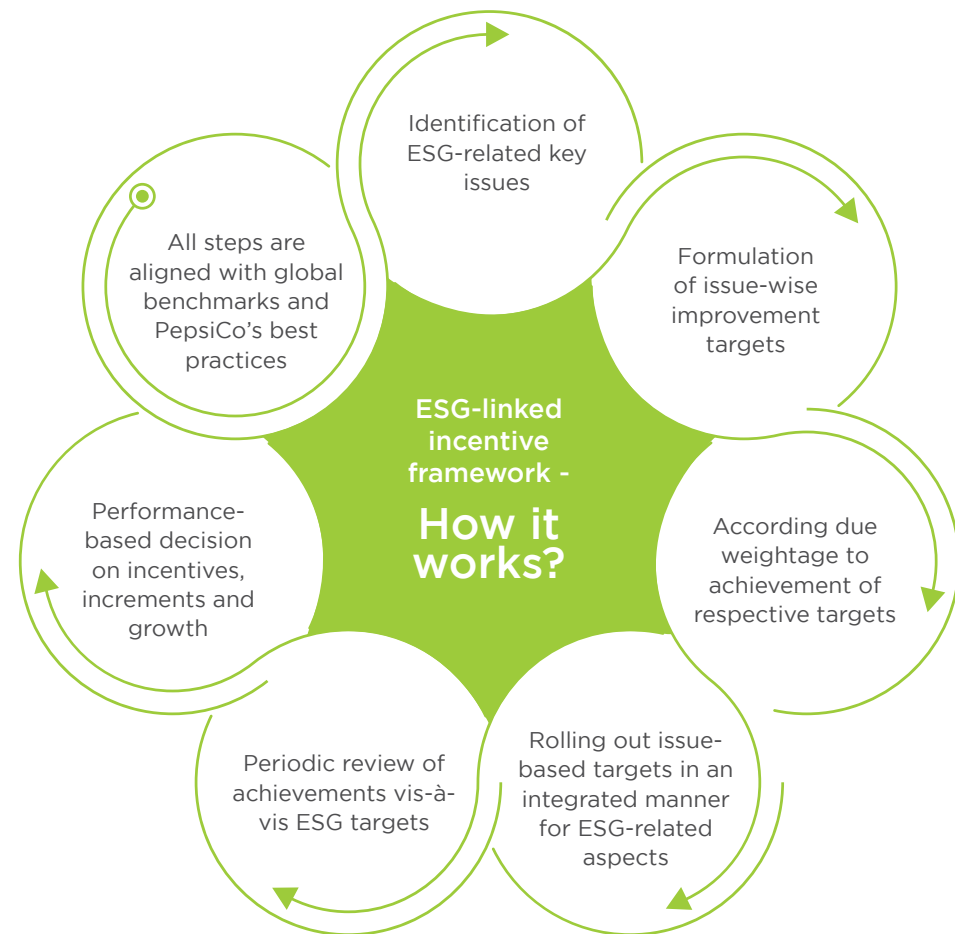


At Varun Beverages, our people are improving with every initiative we have undertaken. We prioritized building a healthy, empowered, and future-ready workforce through welfare programs, skill development, career growth opportunities, and an inclusive culture. By investing in their well-being and growth, we drive sustainable success for our organization and industry.

Integrating ESG with employee performance

At VBL, ESG principles are not just values but are integral to our operations and decision-making. To align our ESG goals with employee performance, we have implemented a strategic framework that incorporates sustainability into business practices. Recognizing the

critical role employees play in advancing ESG objectives, the Board has approved a policy to establish an ESG-linked incentive framework. This policy applies to all employees, including KMPs and Board members, underscoring our focus on integrating sustainability into every aspect of our organization.



Nurturing a culture of growth and positivity

Our inclusive culture prioritizes growth, learning, and well-being, fostering an environment that inspires trust, respect, and transparency. Open communication enables constructive feedback, while our holistic approach to employee empowerment attracts top talent, boosts satisfaction, and drives unparalleled success.

100%

Return to work and retention rate for permanent employees and workers that took maternity leaves

Continuous training and development

We invest in building a learning culture through robust training programs. By upskilling and reskilling our employees, we help them achieve career growth while positioning ourselves for accelerated business success.

Career development and training metrics

	CY 2023	CY 2024
Employees covered for Career development	100%	100%

(in manhours)

	CY 2023	CY 2024
Health & Safety	217,102	238,813
Skill Upgradation	81,413	89,555
Others (includes training related to Environment and Governance)	244,240	268,664
Total	542,755	597,032

Turnover rate (%)

	CY 2022	CY 2023	CY 2024
Permanent employees			
Male	20%	19%	20%
Female	18%	15%	20%
Others	Nil	Nil	9%
Permanent workers			
Male	5%	4%	8%
Female	3%	Nil	3%
Others	Nil	Nil	Nil

Inclusion and diversity

Our commitment to diversity and inclusion is anchored by ESG-linked targets, enhancing innovation and creativity. We focus on hiring across genders and differently-abled individuals, benefiting from diverse perspectives and enriched experiences.

Targeting
10%
Diversity mix by 2025

Diversity	CY 2023	CY 2024
Permanent	5.4%	6.2%
Other than permanent	7.3%	7.7%
Overall	6.6%	7.2%

Induction of Graduate Engineer Trainees



Performance Evaluation

Category	CY 2024 (Current Financial Year)			CY 2023 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	6,838	6,838	100%	6,260	6,260	100%
Female	627	627	100%	488	488	100%
Others	22	22	100%	14	14	100%
Total	7,487	7,487	100%	6,762	6,762	100%
Workers						
Male	3,521	3,521	100%	3,175	3,175	100%
Female	33	33	100%	36	36	100%
Total	3,554	3,554	100%	3,211	3,211	100%

Category	CY 2024 (Current Financial Year)				CY 2023 (Previous Financial Year)					
	Total (A)	Equal to minimum wages		More than minimum wages		Total (A)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Permanent										
Male	6,838	0	0.00%	6,838	100.00%	6,260	0	0.00%	6,260	100.00%
Female	627	0	0.00%	627	100.00%	488	0	0.00%	488	100.00%
Other	22	0	0.00%	22	100.00%	14	0	0.00%	14	100.00%
Other than Permanent										
Male	7,091	0	0.00%	7,091	100.00%	6,867	0	0.00%	6,867	100.00%
Female	250	0	0.00%	250	100.00%	146	0	0.00%	146	100.00%
Workers										
Permanent										
Male	3,521	0	0.00%	3,521	100.00%	3,175	0	0.00%	3,175	100.00%
Female	33	0	0.00%	33	100.00%	36	0	0.00%	36	100.00%
Other than Permanent										
Male	10,249	5,670	55.32%	4,579	44.68%	9,006	4,956	55.03%	4,050	44.97%
Female	883	485	54.93%	385	45.07%	826	455	55.08%	371	44.92%
Other	26	0	0.00%	26	100.00%	0	0	0.00%	0	0.00%

(₹ in Million)

	Male		Female		Others	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BOD)	3	67.18	-	-	0	0
Key Managerial Personnel	2	11.79	-	-	0	0
Employees other than BOD and KMP	6,833	0.47	627	0.40	22	0.36
Workers	3,521	0.33	33	0.26	0	0

Note: Since Independent Directors received no remuneration, except sitting fee for attending Board/Committee meetings, the required details are not applicable. Further, for the purpose of calculation of median remuneration of KMP, remuneration paid to Mr. Lalit Malik has not been considered due to cessation as KMP with effect from May 13, 2024.

Employee wellness experience

At VBL, we focus on building a workplace that prioritizes employee well-being and growth. We have introduced full-body medical check-ups and doctor consultations to support physical health, along with the Visit Health App, making healthcare easily accessible to all employees. To address mental well-being, we provide coaching

and wellness programs aimed at fostering a healthy and supportive environment. Additionally, we ensure compliance with safety regulations by covering all workers under the Factories and Food Safety Acts. These initiatives reflect our commitment to the health, safety, and overall experience of our employees, enabling them to perform and grow effectively.

Key enablers

1) Comprehensive medical check-ups and consultations

- Introduced full-body medical check-ups to promote preventive healthcare among employees.
- Enabled regular access to doctor consultations, ensuring support for health concerns and overall well-being.

2) Visit health app for seamless healthcare access

- Launched the Visit Health App, providing employees with a convenient platform to book medical check-ups and consultations.
- Leveraged technology to enhance healthcare accessibility and prioritize employee wellness.

3) Mental health and wellness programs

- Acknowledged the significance of mental health and introduced coaching programs for emotional well-being.
- Designed initiatives to address mental health concerns, fostering a holistic approach to employee wellness.

4) Compliance with Factories and Food Safety Acts

- Ensured all workers are covered under the Factories and Food Safety Acts to uphold regulatory standards.
- Reinforced our commitment to workplace safety and the well-being of the workforce.

VBL's first all female distribution centre



Employees

Benefits gained

Provident fund coverage:

- All employees are entitled to Provident Fund benefits under the EPF & Miscellaneous Provisions Act.
- Compliance with statutory regulations ensures employees receive mandated benefits.

Employee State Insurance (ESI):

- Employees are covered under the Employee State Insurance Act, providing additional social security benefits.
- We adhere to all statutory requirements to support the well-being of our workforce.

Defined benefit gratuity plan:

- A defined benefit gratuity plan is governed by the Payment of Gratuity Act, 1972.
- A Gratuity Trust has been established, with contributions and an insurance policy in place to meet gratuity obligations.

Accumulated leave:

- Accumulated leave expected to be used within 12 months is treated as a short-term benefit.
- Leave policies are aligned with standards to support employee efficiency and well-being.

Insurance for gratuity payments:

- An insurance policy is secured to cover gratuity payments for employees.
- Annual funding valuations by the insurance provider ensure any deficits are addressed.

Trade union for non-permanent employees:

- Non-permanent employees, including contractual workers, have the right to form trade unions.
- This fosters a fair and inclusive workplace by providing a collective voice for non-permanent staff.

Short-term employee benefits:

- Benefits payable within 12 months of service, including salaries, wages, and bonuses, are classified as short-term benefits.
- These are recorded in the Consolidated Statement of Profit and Loss during the period the service is rendered.

Company contributions to retirement plans:

- Contributions to defined benefit and retirement plans may reach up to 12% of an employee's annual basic salary, depending on the plan.
- Certain plans also allow employees to contribute a percentage of their annual basic salary.

Health and accidental insurance:

- All employees and workers are provided with health and accidental insurance coverage.
- This comprehensive coverage highlights our commitment to their well-being and financial security.

100%

Of female employees are covered under the maternity scheme.

Category	CY 2024 (Current Financial Year)			CY 2023 (Previous Financial Year)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Union (B)	% (B/A)
Total Permanent Employees						
Male	6,838	0	0.00%	6,260	0	0.00%
Female	627	0	0.00%	488	0	0.00%
Others	22	0	0.00%	14	0	0.00%
Total	7,487	0	0.00%	6,762	0	0.00%
Total Permanent Workers						
Male	3,521	1,514	43.00%	3,175	1,586	49.95%
Female	33	14	42.42%	36	14	38.89%
Others	0	0	0.00%	0	0	0.00%
Total	3,554	1,528	42.99%	3,211	1,600	49.95%
Total	11,041	1,528	13.84%	9,973	1,600	16.04%

Nurturing leaders of tomorrow



Varun Beverages competency framework: Key aspects

Category	CY 2024 (Current Financial Year)					CY 2023 (Previous Financial Year)					Remarks
	Total (A)	On Health & Safety Measures		On Skill Upgradation		Total (A)	On Health & Safety Measures		On Skill Upgradation		
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (B)	% (B/A)	Number (C)	% (C/A)	
Employees											
Male	6,838	6,066	88.71%	5,498	80.40%	6,260	2,886	46.10%	5,607	89.57%	-
Female	627	627	100.00%	627	100.00%	488	221	45.29%	330	67.62%	-
Others	22	22	100.00%	22	100.00%	14	4	28.57%	1	7.14%	-
Total	7,487	6,715	89.69%	6,147	82.10%	6,762	3,111	46.01%	5,938	87.81%	-
Workers											
Male	3,521	3,370	95.71%	3,100	88.04%	3,175	3,146	99.09%	2,856	89.95%	-
Female	33	33	100.00%	33	100.00%	36	34	94.44%	36	100.00%	-
	3,554	3,403	95.75%	3,133	88.15%	3,211	3,180	99.03%	2,892	90.07%	-
Total	11,041	10,118	91.64%	9,280	84.05%	9,973	6,291	63.08%	8,830	88.54%	-

Awareness and capacity building

Our workforce is central to our success, and we prioritize continuous learning through upskilling and reskilling initiatives. By fostering a culture of ongoing development, we enhance performance, adaptability, and overall business growth.

Our comprehensive training programs focus on technical, behavioral, and functional skills, preparing

employees for both current roles and future challenges. Employees have shown a remarkable 100% participation rate in critical policy training sessions covering POSH, Code of Conduct, Insider Trading Regulations, Whistle blower Policies, and the Foreign Corrupt Practices Act (FCPA). These sessions follow a 'train the trainer' model, ensuring uniform knowledge dissemination across our operations.

Employees

Total number of employees that participated in training

CY 2024	11,041
CY 2023	9,973
CY 2022	8,636

Average hours of training

CY 2024	54
CY 2023	54
CY 2022	57

Average hours of training per employee category-wise



Emphasis on talent management

Placing the right people with the right skills in the right roles is key to achieving our business goals. Our talent management strategy ensures this by:

- Assessing employees' strengths and performance
- Identifying their developmental needs
- Enhancing their potential through targeted training
- Mapping career opportunities for future growth

Performance management

Our robust performance management framework provides a structured approach to evaluating and enhancing employee performance. It enables teams to adapt swiftly to evolving consumer and business needs while identifying growth opportunities. This framework helps leaders set goal-based priorities and gain performance insights, facilitating regular feedback sessions for continuous improvement.



Hiring from transgender (TG) community

We are committed to building a diverse and inclusive workplace by creating meaningful employment opportunities for the transgender community. Our journey began in 2023 with a pilot plant in Mahul, Mumbai, hiring eight transgender employees. Encouraged by its success, we expanded to Greater Noida and Nelamangala, growing our team to 20+ members.

To foster inclusivity, we carefully selected plant locations, built gender-neutral facilities, and conducted sensitization workshops for all employees. Beyond employment, we provide onboarding support and sponsor gender-affirming surgeries. As we move forward, we aim to extend these efforts across more locations and functions in 2025.



DEI Commitments:

Equal opportunities



We are committed to promoting equal opportunities for all employees, ensuring fair treatment and actively working to eliminate discrimination and barriers to career advancement.

Respect for differences



We foster a culture that respects and values the rights and unique contributions of each individual, recognizing and appreciating the diversity they bring to the organization.

Merit-based employment



Our employment decisions are rooted in merit, focusing on an individual's skills, qualifications, and capabilities, rather than irrelevant factors.

Leadership accountability



Senior leadership and managers at all levels are accountable for upholding and implementing these DEI policies, ensuring their seamless integration into daily operations.

Performance-based opportunities



Development and promotion opportunities are based on individual performance, capability, and potential, aligning with business needs and objectives.

Zero tolerance



We adopt a zero-tolerance approach to violations of our PoSH and Diversity & Inclusion policies, addressing any misconduct with the utmost seriousness and subjecting it to disciplinary action when necessary.

Workforce ratio for CY 2024

- The basic salary and remuneration ratio of women to men stands at 0.85:1 for employees.
- For workers, the ratio is 0.79:1.

These figures underscore our commitment to gender pay equity and reflect our ongoing efforts to foster an inclusive and fair workplace. We remain dedicated to building a diverse culture where every individual can thrive and contribute to our collective success.



Employees

Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female		Others	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
Employees								
1	Permanent (E)	7,487	6,838	91.33%	627	8.37%	22	0.29%
2	Other than Permanent (F)	7,341	7,091	96.59%	250	3.41%	0	0.00%
3	Total Employees (E+F)	14,828	13,929	93.94%	877	5.91%	22	0.15%
Workers								
4	Permanent (G)	3,554	3,521	99.07%	33	0.93%	0	0.00%
5	Other than Permanent (H)	11,158	10,249	91.85%	883	7.91%	26	0.23%
6	Total workers (G+H)	14,712	13,770	93.60%	916	6.23%	26	0.18%

Differently abled employees and workers:

S. No.	Particulars	Total	Male		Female		Others	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
Differently Abled Employees								
1	Permanent (E)	2	2	100.00%	0	0.00%	0	0.00%
2	Other than Permanent (F)	27	26	96.30%	1	3.70%	0	0.00%
3	Total Differently Abled Employees (E+F)	29	28	96.55%	1	3.45%	0	0.00%
Differently Abled Workers								
4	Permanent (G)	0	0	0.00%	0%	0.00%	0	0.00%
5	Other than Permanent (H)	267	247	92.51%	20	7.49%	0	0.00%
6	Total Differently abled Workers (G+H)	267	247	92.51%	20	7.49%	0	0.00%

Employees and workers who have been provided training on human rights issues and policies of the entity

Category	CY 2024 (Current Financial Year)			CY 2023 (Previous Financial Year)		
	Total (A)	No. of Employees/Workers Covered (B)	% (B/A)	Total (A)	No. of Employees/Workers Covered (B)	% (B/A)
Employees						
Permanent	7,487	7,487	100%	6,762	3,111	46%
Other than Permanent	7,341	5,139	70%	7,013	3,013	43%
Total Employees	14,828	12,626	85%	13,775	6,124	44%
Workers						
Permanent	3,554	3,554	100%	3,211	3,180	99%
Other than Permanent	11,158	7,253	65%	9,832	5,113	52%
Total Workers	14,712	10,807	73%	13,043	8,293	64%

Nurturing internal talent

We prioritize the growth and development of our internal talent by offering opportunities for career advancement. Through structured talent management programs, we identify strengths, assess development needs, and create pathways for future growth, ensuring a dynamic and skilled workforce.

Our talent management programs

Understanding our people

We analyze employees' strengths, skills, and potential to gain deeper workforce insights, enabling informed talent development strategies.

Assessing development needs

Through structured evaluations, we identify key areas for growth, aligning individual aspirations with organizational goals.

Actionable growth plans

We create dynamic, personalized action plans to foster continuous employee development and career progression.

New hires in CY 2024

Particulars	Male	Female	Others	Total
Age <30 years	1,346	205	8	1,559
30-50 years	1,248	67	3	1,318
>50 years	13	1	-	14
Total	2,607	273	11	2,891

Employee Health and Safety

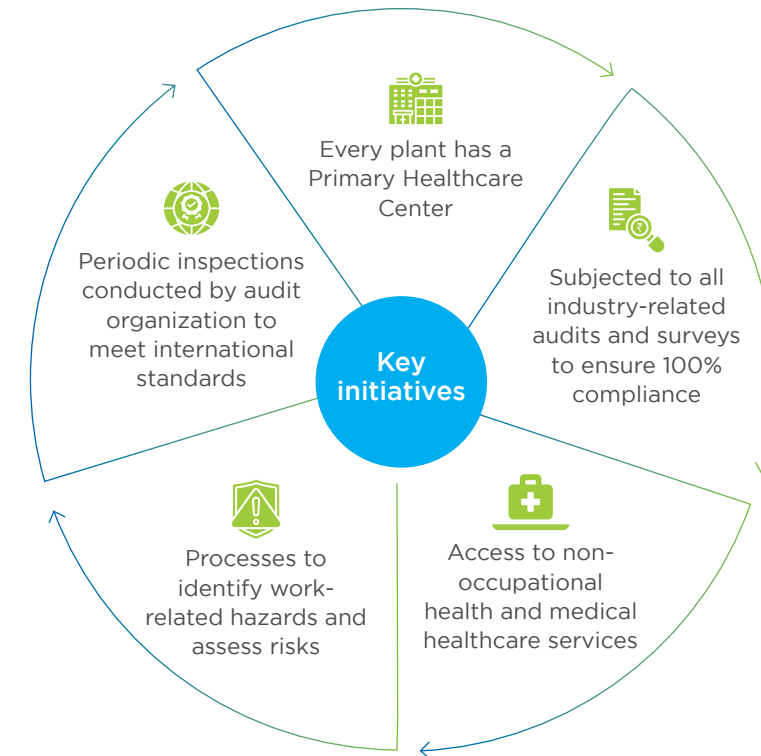
At Varun Beverages, creating a safe and healthy workplace is a top priority. Our strong governance framework, including Steering Committees and Corporate Sub-Committees, ensures the effective implementation of safety initiatives.

Key Safety Highlights

36

Plants employees/contractors participated in the Safety Perception Survey.

Zero Fatalities



Safety: Our top priority

We aim for zero workplace injuries and fatalities, ensuring everyone returns home safely every day.

Our approach includes:

- Building a culture of safety leadership.
- Implementing comprehensive safety strategies.
- Conducting continuous training programs.



Employees

How do we do it



Work at height and general safety rules

The safety guidelines for working at heights (1.8 meters or more) are designed to mitigate potential hazards. These include reporting safety hazards, injuries, incidents, emergency preparedness, handling hazardous materials and chemicals, following special procedures, and maintaining good housekeeping. The system also addresses hazard identification, risk assessment, planning and preparation, use of protective equipment, training and certification, inspections, and compliance with specific requirements.

Incident management system

To ensure an injury-free workplace, nominated members from each plant undergo training in the Incident Management System. This system outlines injury types, a communication matrix for information sharing, incident investigation procedures, roles, and timelines for resolving incidents.

Safety interaction system

The Safety Management System standard was successfully implemented with comprehensive training for nominated members from each plant. It establishes a process for leadership engagement with employees and contractors on safety matters. Additionally, the schedule and frequency for safety discussions on the shop floor, along with tracking and trend analysis of observations, were finalized.

Employee passport and contractor safety management

The Employee Passport and Contractor Safety Management system helps track and ensure the completion of safety training for contractors. This structured approach aims to reduce risks associated with contractor safety. It covers processes for contractor selection, contract preparation and award, orientation and training, work coordination, auditing, and contract evaluation.

Major achievements in safety

- Conducted Leadership Workshop on Leading Safety Efforts for Senior Leaders
- Set up governance structure for Steering Committee, Corporate Sub-Committees, and Plant APEX Committees
- Ensured control measures by implementing Incident Management and Safety Interaction Systems
- Driving Work at Height and General Safety Rules for basic safety improvements at all plants
- Implemented Employee Passport System to track and improve training needs for contractors and employees
- Enabled structured approach for reducing risks associated with Contractor Safety Management
- A Safety Perception Survey was carried out among employees and contractors, revealing that 24 out of 29 perceptions have shown improvement.

For Sub-Committees

- Approved charters and deliverables for each sub-committee
- Action plan made for functioning of all sub-committees
- Finalized standards for Incident Management, Safety Interactions, General Safety Rules, Work at Height, Document Control, Contractor Safety Management
- Completed training on Incident Management
- Completed 2-day training on Safety Interaction

For APEX Committees

- Finalized charters for all plant committees
- Conducted plant/cluster leadership workshops for 150+ employees in 6 plants
- Ensured functioning of all committees with action items

Safety Incident/Number*	Category	CY 2024 (Current Financial Year)		CY 2023 (Previous Financial Year)	
Lost Time Injury Frequency Rate (LTIFR) (per one Million person hours worked)	Employees	0.12	0		
	Workers	0.096	0.003		
Total Recordable work-related injuries	Employees	2	1		
	Workers	3	1		
No. of fatalities	Employees	0	0		
	Workers	0	2		
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0		
	Workers	0	0		

*Including in the contract workforce

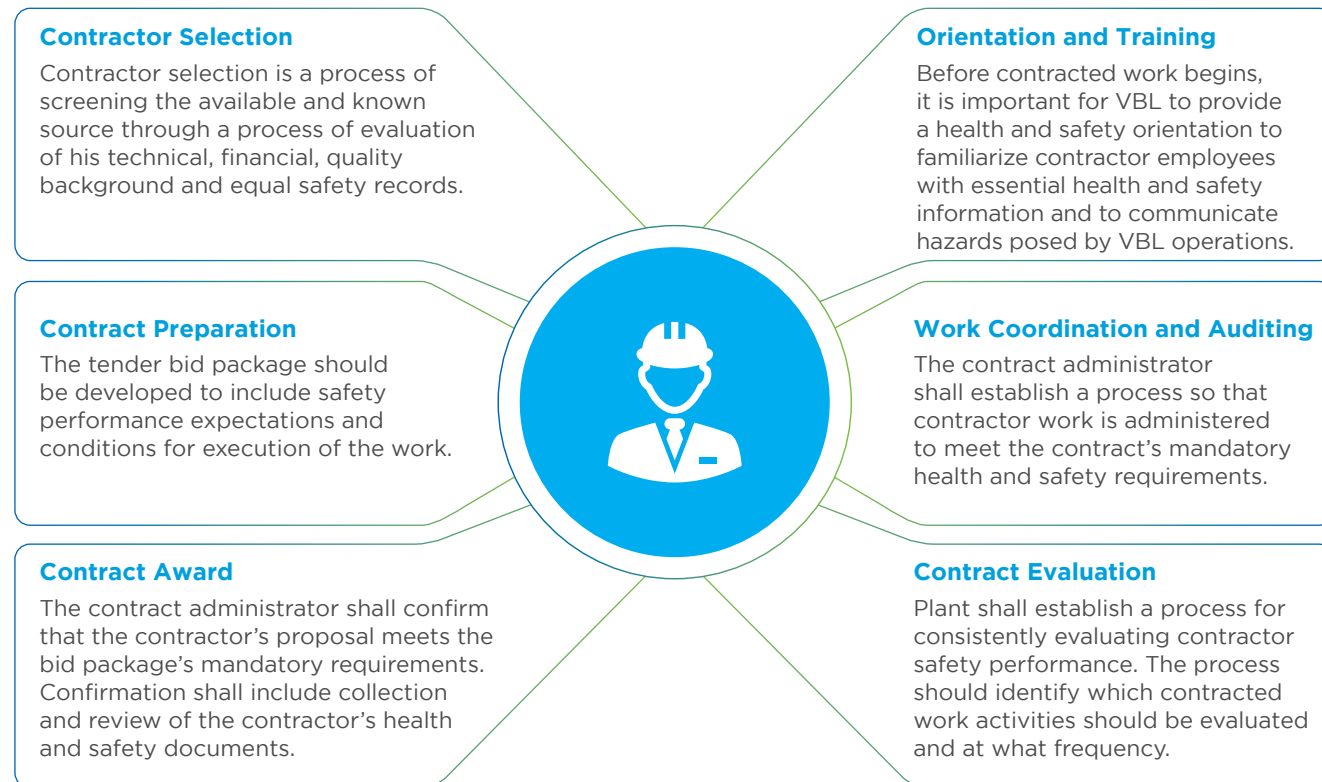
We have a target to reduce LTIFR by

10% every year.



Employees

We have implemented a structured approach to minimize risks associated with contractor safety and ensure a safe working environment, aligned with our ESG goals. This approach includes the careful selection of contractors, preparation of contracts that outline safety performance expectations, awarding contracts after thorough due diligence, providing orientation and training for contractor employees, overseeing contract work, and conducting evaluations to ensure compliance and safety standards are met.



Augmenting Product Safety and Quality

Refreshing billions of people worldwide comes with the great responsibility of ensuring top-notch product quality that is safe to consume. We strive to achieve this through comprehensive management systems and policies marked to highest global standards.

Key enablers



Responsible sourcing and manufacturing

Ensuring quality during sourcing of raw materials and manufacturing of beverages is fundamental to our sustainability goals. Responsible sourcing through PepsiCo approved suppliers, who successfully undergo comprehensive screening and certification by PepsiCo, is a key enabler in achieving this.

Constant efforts are also made towards enhancing VBL's food safety capability and improving processes and quality system across the supply chain. Risk-based controls systems also play a significant role in mitigating potential hazards and risks in the manufacturing and support processes and complying with our food management standards.

A promise for superior quality

Our promise for food safety and quality is fulfilled through extensive measures taken by internal and external quality teams across all manufacturing and logistics centers. These include:

- Maintenance of own food safety manufacturing system at every site. This must conform to PepsiCo's global standards and regulatory requirements in India
- Strict adherence to PepsiCo's Global Food Safety Policy within all VBL's production facilities. The policy

covers raw material sourcing, manufacturing process, storage, shelf life, etc.

- Daily incorporation of food safety principles into manufacturing processes across all manufacturing sites
- Regular Food Safety Audits by third party
- Regular internal Food Safety Audits

Product labelling

Labelling is an integral part of fostering consumer awareness, building trust and loyalty amongst them, and ensuring regulatory compliance for the Company. We strive to continually improve our labelling standards and provide clear and accurate information about the product. We also aim to provide essential information about the nutritional value of our product and look forward for more opportunities to educate our customers, in collaboration with industry, governments, and other stakeholders.

PepsiCo's Global Labelling Policy, FSSAI guidelines, and other applicable laws and regulations for labelling within India are duly followed for all products at Varun Beverages.

VBL's labelling policy

Our products provide on the side or back of our packaging nutrition information on the amount of energy (as calories, kilocalories or kilojoules), protein, carbohydrate, total sugars, total fat, saturated fat and sodium per 100g/ml or per serving. Additionally, we will include nutrition information for nutrients for which a health or nutrition claim is made.

Our products include information on energy (as calories, kilocalories or kilojoules) per 100g/ml or per serving.

We provide the percentage of the official Guideline Daily Amounts, Daily Values or equivalents for energy, total fat, saturated fat, sodium/salt and total sugars on either the front, side or back of pack in countries where such values are available.

Sustainable marketing and sales

Our commitment extends beyond manufacturing tasty and refreshing beverages; it encompasses our responsibility to spread awareness about our products and promote responsible consumption, helping our consumers to make healthy and informed choices. To ensure this, we:

- Adhere to PepsiCo's Policy on Responsible Advertising and Marketing to Children
 - Adhere to PepsiCo's Global Policy on the Sale of Beverages to Schools
 - Adhere to all relevant laws and regulations in India
 - Conduct employee trainings to ensure compliance with applicable laws and policies including PepsiCo's Policy on Responsible Advertising and Marketing
- As per the franchise agreement with PepsiCo, above the line (ATL) marketing activities are PepsiCo's responsibility.

No products, regardless of its nutritional profile, will be advertised by PepsiCo to children under the age of 6

Children are special and any product needs to be advertised to them with care. Considering them as special audience, PepsiCo takes special care in developing advertisements for children under 13 years of age



Additionally, only plain water, fruit or vegetable juice, and dairy-based beverages may be marketed, consistent with the International Council of Beverages Associations (ICBA) Marketing to Children Guidelines

With the objective to encourage consumption of healthy food and beverage amongst global audience under 13, PepsiCo exclusively advertises products that meet the International Food and Beverage Alliance (IFBA) Common Nutrition Criteria

Consumer Health and Nutrition

Today's consumers seek nutrient-rich food and beverages, and Varun Beverages is well-equipped to meet their evolving preferences. With a well-balanced portfolio, we offer products that cater to both taste and nutrition, supporting global consumers in their refreshment and wellness goals. Our commitment to transparent labeling and clear nutritional information strengthens trust among billions across 14 countries.

Key enablers

Assorted nutrient-rich portfolio mix

A beverage for every mood, age and nutritional need. Choose from our assorted health-based, fruit-pulp and juice-based drinks, energy and sports drinks, dairy-based beverages as well as packaged and purified drinking water.

Nutrition information

Providing clear nutrient information about our products help consumers to make informed and right choices, relevant to their health requirements.

Evolving to meet consumer expectations

Tastes and nutritional needs of consumers are ever changing. As a global beverage company, we recognize the need to evolve with the changing preferences and continually align our products to scale, grow and satisfy consumer expectations.

1. Cutting back on sugar

By optimizing sugar content in our products, we are keeping pace with the changing health preferences of our aspirational consumers.





2. Prioritizing nutrition

To deliver higher nutrient value across our product categories, PepsiCo is guided by the PepsiCo Nutrition Criteria (PNC), which is also followed by Varun Beverages.

PNC enables our products to maintain a high nutrition value by guiding the Company on (a) standards of nutrients to limit, (b) standards for food groups to encourage, and (c) standards for nutrients to encourage.

PepsiCo Nutrition Criteria (PNC)

Standards for Nutrients to Limit

Nutrients that have been well-established as dietary factors that can contribute to the risk of certain non-communicable diseases, when consumed in excess.

For nutrients to limit, the criteria is based on a model diet of 2,000 kcal per day, with saturated fat and added sugars at or below 10% of total energy, sodium at or below 2,000 mg per day, and no industrially produced partially hydrogenated oils (PHOs).

Standards for Food Groups to Encourage

Food groups that have been well-established as contributing to healthier diets.

Standards for Nutrients to Encourage

Nutrients that have been identified as being commonly under-consumed in a given population. They can vary by market or region, and are often called “shortfall nutrients” contributing to healthier diets.

Guidelines on Sugar Content:

1. **WHO** - 10% of total energy contribution.
2. **The Healthy Choice Standards** - Less than 4.5g/100g.
3. **Beverages category for PepsiCo** - 1g-7g/100 ml (assuming 1cc liquid weighs 1g)

https://www.pepsico.com/docs/default-source/policies/pepsico-nutrition-criteria.pdf?sfvrsn=54fa599a_3

Customer Satisfaction and GRM

We are committed to prioritizing consumer satisfaction through our Consumer Response Program. This program is designed to swiftly address and resolve consumer concerns and grievances, ensuring a courteous and timely response. The mechanism employed by us fosters a consumer-centric approach, establishing a top down commitment to building trust and enhancing transparency in addressing queries and concerns.

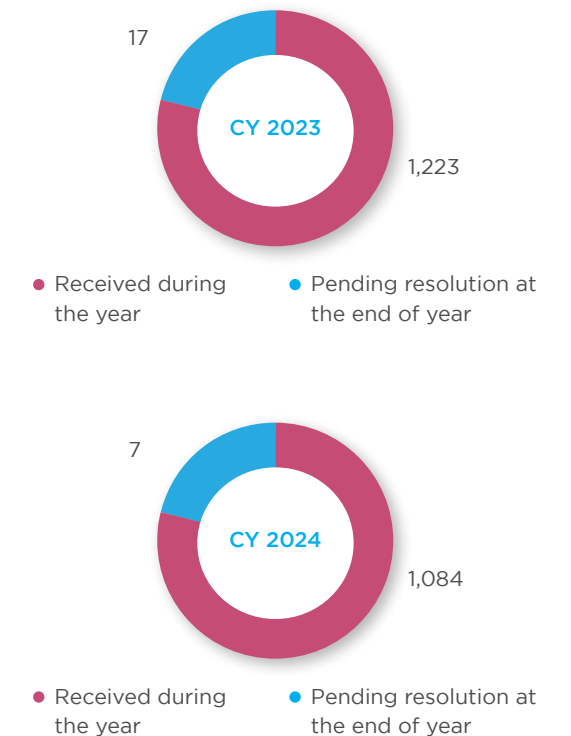
Consumers can lodge their complaints through the Toll-Free number available on product labels and crowns. The PepsiCo Consumer Response System (CRS) representative manages and organizes these complaints, forwarding them to us through the Wilke portal. Our Plant team, along with the Consumer Care/Complaint Management System (CCMS) coordinator, reviews the auto-generated email containing relevant complaint details. The investigation involves collaboration between our Plant team, Regional Quality Coordinator (RQC), and CCMS coordinator. Customer Relationship Executives (CRE) promptly address the concerns reported.

A detailed analysis of each reported complaint is conducted by all plants, leading to root cause analysis. Corrective and preventive actions are implemented by the plant team, initiating an improvement plan to prevent the reoccurrence of concerns and ensuring consumer satisfaction. This comprehensive approach reflects our commitment to continuous improvement and responsiveness to consumer feedback.

Feedback:

Feedback is sent to PepsiCo CRS team by CCMS coordinator, and Pepsi International (PI) Team connects and responds to consumers, subsequently on SOS basis. The complaints are tracked and reviewed monthly on the basis of its nature, flavour, category and plant.

No. of Complaints Received Through PepsiCo Customer Care



We have registered no incidents of data loss, leaks or thefts of customer data in CY 2024





GOVERNANCE



Embedding ESG in our Corporate DNA

At VBL, strong corporate governance continues to serve as the foundation for achieving our evolving ESG goals. Guided by a culture of integrity, accountability, and ethical practices, we remain committed to driving sustainability across our value chain. Under the visionary guidance of our leadership team, we are positively shaping the environmental and social landscapes in which we operate.

A blend of top-down leadership and bottom-up innovation has been instrumental in embedding ESG into every aspect of our governance framework. This balanced approach ensures alignment with organizational goals, fosters adaptability, and provides deeper insights into on-ground challenges, helping us deliver impactful results.

Corporate governance awards



Golden Peacock National Quality Award - 2022



CFI.CO (UK) for Best FMCG Corporate Governance (India) 2022



India Achievers' Award 2022 for Best Corporate Governance



Responsible Business Award for Best Corporate Governance (FMCG) - 2022



PepsiCo's International Bottler of the Year 2022



PepsiCo's Best Bottler in the Africa-Middle East-South Asia region 2022



PepsiCo's 'Better' category award 2023



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



CFI.CO (UK for Best FMCG Corporate Governance (India) - 2021



Golden Peacock Award for Excellence in Corporate Governance - 2021



Award for Achievement in Continuous Improvement - 2021



Best Corporate Governance Practices Award - 2024



Pep+ Leadership on Overall Sustainability Culture in 2024



Amesa Bottler Conference 2024 Pep+ Climate Award



Best Corporate Governance Practices - Varun Beverages Limited Award under Business Brand Awards 2023



Business Excellence (Corporate Governance) of The Year 2022 Award by Prime Time Research Media Pvt. Ltd.



Business Leader of the Year Awards for Best Corporate Governance Practices (FMCG) - 2022



Business Brand Award for Best Corporate Governance Practices - 2022



Global Best Employer - 2020



PepsiCo's Best Bottler in AMESA Sector for the year 2020



PepsiCo's Best Bottler of the year - 2019



PepsiCo's Best Bottler of the year - 2014

Board Skills and Expertise

Member	Icons of Committee they are members of	Area of Expertise
Ravi Jaipuria Promoter & Non-Executive Chairman	M M	L S I G F C
Varun Jaipuria Promoter, Executive Vice Chairman & Whole-time Director	M M C	L S I G C
Raj Gandhi Whole-time Director	M M C C M	L S I G F C
Rajinder Jeet Singh Bagga Whole-time Director	M M	L S I G C
Dr. Naresh Trehan Non-Executive Non-Independent Director	-	L S G F C
Abhiram Seth Independent Director	-	L S I G C
Dr. Ravi Gupta Independent Director	C M	L S F C
Anil Kumar Sondhi Independent Director	-	L S I C
Rashmi Dhariwal Independent Director	M M C C M M	L S F C
Sita Khosla Independent Director	M C	L S F C

- Audit, Risk Management and Ethics Committee
 - Stakeholders' Relationship Committee
 - Nomination and Remuneration Committee
 - Corporate Social Responsibility Committee
 - Investment and Borrowing Committee
 - Share Allotment Committee
 - Environment, Social and Governance Committee
 - Chairperson
 - Member
- L Leadership S Strategic Planning I Industry G Global Business F Finance & Legal C Corporate Governance

Key managerial personnel

Sr. No.	Name	Designation
1	Raj Gandhi	Whole-time Director
2	Rajesh Chawla	Chief Financial Officer
3	Ravi Batra	Chief Risk Officer and Group Company Secretary

Training for Board of Directors in CY 2024

Name	Attendance
Code of Conduct, Insider Trading, FCPA, POSH, Anti-bribery, regulatory changes/updates, sustainability initiatives, review of policies, confirmation of statutory filings on time & other important matters.	100%

Board Committees

Audit, Risk Management and Ethics Committee

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible.
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and approval of payment for any other services rendered by the statutory auditors of the Company.
- Reviewing with the Management the quarterly/annual results and annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter-alia, include reviewing changes in the accounting policies and reasons for the same, major accounting entries estimates based on exercise of judgement by Management, significant adjustments made in the financial statements.
- Review the Management's Discussion and Analysis of financial condition and results of operations.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the whistle blower/vigil mechanism.
- Formulate a detailed risk management policy which shall include:
 - Framework for identification of internal and external risks.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- Evaluate and review the risk management plan, the risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the Management.
- Recommendation for appointment, removal and terms of remuneration of the Chief Risk Officer.

Stakeholders' Relationship Committee

To consider and resolve the grievances of securityholders of the Company including but not limited to complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends and review of services rendered by the Registrar and Share Transfer Agent.

Nomination and Remuneration Committee

- Formulating the criteria for determining the qualifications, positive attributes, and independence

of a director and recommendations to the Board of Directors a policy relating to the remuneration of directors, key managerial personnel, and other employees, as well as the evaluation of the performance of independent directors and the Board of Directors;

- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board of Directors their appointment and removal, and specify the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- Determine whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors; and
- Framing suitable policies and systems to ensure that there is no violation by an employee as well as by the Company of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

CSR Committee

To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Company from time to time.

Environment, Social and Governance Committee

- Approve the Company's ESG strategy including related targets and incentives;
- Provide oversight of the execution of the ESG Strategy and the Company's progress on its long-term ESG commitments and targets;
- Provide oversight of the key policies and programs required to implement the ESG Strategy;
- Provide advice and direction to the Company's management on implementation of the Company's ESG Strategy;
- To identify opportunities and risks to the Company's operations, its reputation and its corporate responsibility.

Our Policies



Remuneration Policy

This Policy includes, inter-alia, the criteria for determining qualifications, positive attributes, independence of a Director, appointment and remuneration of Directors, KMPs, Senior Management Personnel and other employees of the Company.



POSH Policy

This policy applies to all individuals, whether employed directly or indirectly, on various employment terms working at any VBL location. It addresses sexual harassment occurring both within and outside the company premises in connection with their employment including during work-related travel or stay arrangements provided by the company.



Anti-Bribery Policy

Officials are prohibited from giving or receiving bribes to any Government Officials or any other person or entity, including any person or entity in the private or commercial sector, if the payment is intended to induce the recipient to misuse his or her position and thereby give an unfair advantage to VBL.



Risk Management Policy

The Company has a robust Risk Management Policy which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks through strategic actions.



Vigil Mechanism Policy

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters/dealings within the Company. The Policy provides for adequate safeguards against victimization of Directors and Employees who avail of the vigil mechanism and also provides a direct access to the Vigilance Officer or the Chairperson of the Audit, Risk Management and Ethics Committee, in exceptional cases.



Archival Policy

This Policy deals with the retention and archival of corporate records of the Company in compliance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Policy on Diversity of the Board of Directors

The Company recognizes the benefits of diversity on the Board and believes that a diverse Board can make significant contribution towards achievement of Company's strategic and commercial objectives more efficiently and effectively. The Company believes that Board with diverse representation is better equipped to leverage benefits emerging through members with diverse thoughts, perspective, knowledge, experience and gender and is well equipped to

perform its functions and give strategic guidance to the Company. The Company remains committed to ensuring that a transparent nomination process is followed where appointments will be made on merits in order to strengthen the corporate governance, achieve business results, ensure sustainable development for benefit of all stakeholders and enhance the reputation of the Company.

Ethical Business Conduct and Other Policies

To comply with the provisions of Regulation 17(5) of SEBI (LODR) Regulations, we have adopted "Code of Conduct for Board of Directors and Senior Management". Code is available on the website of the Company at <https://varunbeverages.com/wp-content/uploads/2023/03/19-Code-Of-Conduct-For-Board-Of-Directors-and-Senior-Management- Revised.pdf>

On the basis of declarations received from Board Members and Senior Management Personnel, the Executive Vice Chairman & Whole-time Directors have given a declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the CY 2024.

At VBL, we promote diversity, inclusiveness, and treating all employees with respect. Encouraging an environment where every individual can develop, we steadfastly pledge to provide a workplace free from discrimination, harassment, and abuse.

In 2024, we are pleased to announce that none of our suppliers were involved in any instances of forced or child labour. We are dedicated to procuring raw ingredients and packaging materials exclusively from PepsiCo's approved suppliers. PepsiCo conducts a rigorous certification process for all of our suppliers, and we are no exception.



Anti-corruption and Anti-bribery

We consistently monitor and communicate with our employees to raise awareness about avoiding involvement in any corrupt practices. These communications are regularly disseminated through internal channels and are also published on our official website as part of our policies. The policy commitments extend to all organizational activities and are communicated to stakeholders via email and the official website.

While we do not offer transition assistance programs for continued employability post-retirement or termination, we invest in training sessions for senior and middle-level employees. These individuals play a crucial role in developing processes and procedures to prevent corrupt practices within the organization.

To fortify our commitment against corruption, we have established anti-corruption policies and procedures, which are effectively communicated to our business partners. In our risk assessment, 100% of operations are thoroughly evaluated for corruption-related risks, and the assessment did not identify any significant risks. Our unwavering commitment to ethical business practices and compliance with relevant laws and regulations is further ensured through the following practices:

Communication and Transparency

Effectively communicating our anti-corruption policies and procedures to all business partners, including suppliers and third parties, is a pivotal measure in cultivating a culture of transparency and integrity. By making these policies publicly accessible on our website, we underscore our unwavering commitment to transparency in our operations.

Non-disclosure Agreements (NDAs)

Requiring third parties to sign Non-disclosure Agreements (NDAs) that mandate compliance with our anti-corruption policies is a prudent and proactive measure to safeguard our organization against potential corruption risks. These NDAs serve as legally binding agreements, providing a robust framework to reinforce our expectations for ethical behavior.

Due Diligence

It is crucial to undertake thorough due diligence on our business partners, particularly those operating in high-risk areas or industries. This diligent approach ensures that our partners align with and uphold our steadfast commitment to anti-corruption measures and ethical business practices. By rigorously assessing and vetting our business partners, we strengthen the foundation of integrity and reinforce our dedication to fostering a business environment built on ethical conduct.

Fostering inclusion and diversity

We aspire to build a culture that brings together people of all ages, gender and capacities on one common platform and empowers them to unleash their full potential. Gender, age and differently abled therefore comprise our core priority to foster an inclusive and diverse workforce.

Constant efforts are also being made to empower women employees with special emphasis on incorporating their ideas and perspectives across our business processes and strategies.

- To maintain awareness and comply with all applicable laws and regulations of the countries of operation
- To maintain confidentiality of all PepsiCo's and its partners information
- To compete fairly for PepsiCo's business and conduct all such business on behalf of PepsiCo in a lawful manner
- To encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse
- To treat employees fairly, including with respect to wages, working hours and benefits
- To prohibit all forms of forced or compulsory labor
- To prohibit use of child labor
- To respect employees' right to freedom of association and collective bargaining Principles of Business Conduct of PepsiCo
- To provide safe and healthy working conditions
- To carry out operations with care for the environment and to comply with all applicable environmental laws and regulations
- To maintain accurate financial books and business records
- To deliver products and services meeting applicable quality and food safety standards
- To support compliance with Supplier Code of Conduct
- To observe policies regarding gifts and entertainment and conflicts of interest
- To ensure that all land acquisitions meet IFC Performance Standards
- To report suspected violations of the Code

Business continuity plan

Considering the highly volatile and unpredictable nature of environmental and ecological disasters, Business continuity is one of the utmost priorities for any organization in the event of occurrence of any natural disaster, pandemic, or any other likely event.

In case of any high risk event, to ensure there is no disruption in the major business operations including sales, production and financial related functions, we have a detailed Business Continuity Plan in place to implement the mitigation plan immediately, restore the impacted operations within the defined time limits and ensure all functions are operating well like back-up IT servers, office facilities, raw material suppliers, etc.

Crisis Management teams are formed which will be in immediate action at the time of any disaster.

Regular training is provided to them to ensure the clarity of roles and responsibilities of all the teams for quick response. Also, mock drills are conducted to check the preparedness to tackle such situations.

We have formulated a detailed risk management policy which includes:

- Framework for identification of internal and external risks
- Measures for risk mitigation including systems and processes for internal control of identified risks
- Business continuity plan
- Evaluate and review the risk management plan, the risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the management
- Recommendation for appointment, removal and terms of remuneration of the Chief Risk Officer

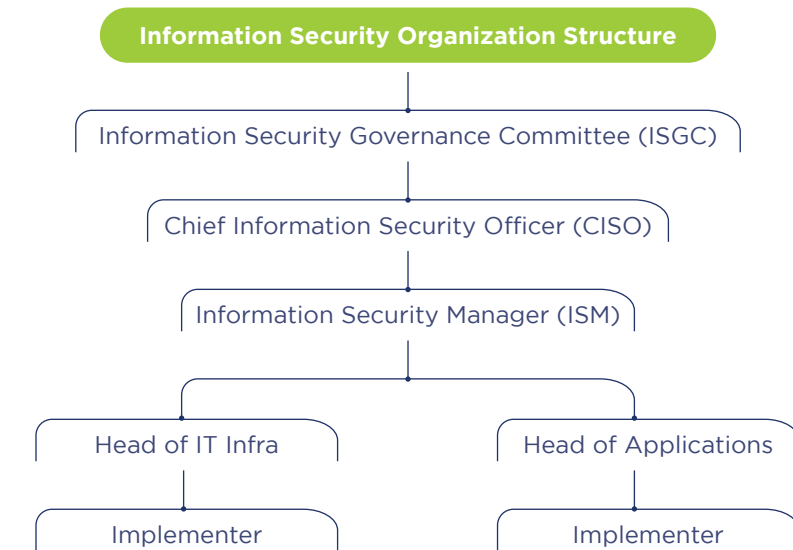


Information System and VBL Code of Conduct

In our unwavering commitment to information security, we have strategically implemented an Information Security framework designed to establish, execute, monitor, and continually enhance our organization’s information security posture. This comprehensive framework not only sets explicit objectives but also provides a holistic direction for action. It reflects our management’s resolute commitment to information security, carefully considering business requirements, legal and regulatory implications, and contractual obligations.

Aligned with industry best practices, our framework encompasses the intricate interplay of business processes, human resources, and technology. It operates under the guidance of meticulous policies and procedures, ensuring robust governance and adherence to the highest standards in the industry. By integrating industry best practices, we fortify our information security framework, making it a dynamic and resilient safeguard against evolving threats.

It’s noteworthy that our commitment to information security has resulted in zero complaints from external entities, attesting to our proactive approach to safeguarding data privacy and cyber security. This achievement is not only a testament to our dedication but also positions us as a leader in adopting industry-best practices for securing sensitive information.



Information, a precious asset for VBL, holds intrinsic value, regardless of its origin or nature. The triad of confidentiality, integrity, and availability forms the bedrock of trust and confidence, pivotal for both our customers and the informed decision-making process. In a steadfast commitment to safeguarding our information and information systems, we have instituted an Information Security Management System (ISMS) in accordance with ISO/IEC 27001, meticulously documented in our Information Security Manual.

The overarching objective of our ISMS is intricately aligned with the broader business objectives of the organization. We ensure that our SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) objectives for ISMS are clearly defined, providing a roadmap for success. Regular reviews and adjustments

to these objectives are conducted as necessary, reflecting our commitment to adaptability and continuous improvement.

By adhering to international standards and maintaining a dynamic ISMS, we have not only secured our information but also aligned our information security practices with the strategic goals of the organization, fostering a resilient and adaptive approach to safeguarding our invaluable information assets.

When an individual violates the established rules and regulations, disciplinary action can be implemented to ensure accountability and maintain a productive and ethical environment. The specific disciplinary actions at VBL are determined based on the nature and severity of the violation.



Code of conduct encourages employees to	Code of conduct refrain employees from
<ul style="list-style-type: none"> ✓ Respect employees’ right to freedom of association and collective bargaining ✓ Maintain accurate financial books and business records ✓ Deliver products and services meeting applicable quality and food safety standards 	<ul style="list-style-type: none"> ✗ Practicing any sort of bribery ✗ Violation of any provision of the Code

Disciplinary Action
 When an individual violates the established rules and regulations, disciplinary action is implemented to ensure accountability and maintain a productive and ethical environment. The specific disciplinary actions at VBL are determined based on the nature and severity of the violation.

CSR Initiatives: Making a Sustainable Difference

We are committed to uplift the less privileged communities through focused CSR initiatives in the areas of education, environmental sustainability and rural development.

Imparting knowledge with Shiksha Kendra

We collaborated with Shiksha Kendra School, a social initiative by the Delhi Public School (Gurgaon) to impart education to the underprivileged children. The objective of the initiative is to help them become confident, knowledgeable and responsible citizens of India and fetch a better standard of living for themselves and their families. The beneficiaries under this initiative are entitled to avail the benefits of DPS infrastructure and its other resources including books, uniform and transportation.

~34,000

Students availed free education since 2003

Sponsored evening schools at Delhi Public Society for economically weaker sections



Vision

To predominantly offer free healthcare support to the underprivileged and economically weaker sections of the society by providing easy access to medical care.



Mission

To provide free access to medical assistance i.e., access to medical consultation, essential medicines, pathology and diagnostic tests to people in the community and villages close to the plants, with an aim to improve the overall health index of the communities.



Sustainable healthcare through AARU clinic

Access to sustainable healthcare is a fundamental need, yet many marginalized communities in India face significant challenges in receiving essential medical services. Committed to making a meaningful impact, we support the AARU Care initiative by RJ

Foundation, which provides quality healthcare to economically weaker sections in rural areas. Through AARU Clinics, we offer free consultations, medicines, and diagnostic tests, ensuring accessible and holistic care. Till 2024 we have served over 3.4 lakh patients,

addressing critical healthcare needs and improving community well-being. Our efforts reflect a deep commitment to inclusive healthcare and social responsibility.

3,40,000+

Patients benefited in CY 2024

11

Operational clinics in India (6 in Uttar Pradesh, 2 in Rajasthan and 1 each in Madhya Pradesh, Punjab and Assam)



VBL Water Distribution Programme - A Drop of Hope

In the heart of drought-affected regions, where parched lands and dry wells tell a story of struggle, VBL stepped forward with a mission—ensuring access to clean drinking water for those in need.

As intense heatwaves swept across the country, thousands of families found themselves battling severe water scarcity. With lakes drying up and handpumps running empty, the necessity of water became an urgent crisis. Recognizing this dire need, VBL, through RJ Foundation, launched an extensive Drinking Water Distribution Drive, reaffirming its commitment to community service and sustainability.





Through a well-coordinated effort, over 5.7 million liters of clean drinking water were distributed across 10 states, reaching 150 villages and positively impacting more than 150,000 families. The initiative brought not only relief but also a renewed sense of hope to those struggling to access this basic necessity.

VBL employees played a crucial role in the execution of this drive. From identifying the most affected regions to ensuring seamless distribution, their dedication was evident. As expressed by team members, witnessing the smiles on the faces of villagers was an immensely fulfilling experience.

5.7 Million Liters
Drinking water distributed

150,000
Families benefitted



Pravah: Building skills for a sustainable future

Unemployment of youth is a grave challenge that India faces, having far-reaching socio-economic impact. Pravah Skill Development Centre, by upliftment of unemployed youth in the marginalized sections of the society, is an attempt to mitigate this challenge.

Its structured, sustainable and scalable framework enables skill development and facilitates an enriching learning experience to the underprivileged youth. With an objective to bring them into mainstream, Pravah aspires

to become a leading skill development center. The initiative is aligned with center's mission to train maximum skilled workforce to meet domestic regional requirements of a growing economy.

Courses offered by Pravah Skill Development Centre

Computer Course

To acquaint students with basic knowledge of computers

Fashion Designing

To make students learn to stitch all types of garments related to men, women and children

Beauty Care

To give women an opportunity to pursue their interests

English Communication Skills

To help participants understand various aspects of communication and refresh their communication skills

Job Assistance

To help students get placed in respective jobs through assistance in job placement

Graphic Designing Course

In a graphic design course, students learn how to use design software such as Adobe Photoshop.

Tally

The Tally ERP course is designed to help students understand the principles.

17,000+

Upliftment of Unemployed Youth

Risk and Opportunities Management

Risks are inherent in business, emphasizing the need for a robust risk assessment and mitigation policy. At Varun Beverages, a reliable risk management process is constantly engaged in identifying, evaluating and managing potential and actual business risks.

Our risk management process is operational across all our functions (production and distribution), facilities and countries we operate in. Early assessment of risk and their seamless management drives better decision-making and fosters preventive measures for impact control, ensuring business continuity and sustained growth.

Components of Risk Management Framework

- Risk identification
- Risk analysis
- Measure and monitor risk
- Risk controls and mitigation

Risk Identification

Develop a comprehensive reporting system to proactively identify potential risks.

Gather insights from stakeholders, incorporating historical data and industry benchmarks.

Risk Assessment

Systematically classify key risks and analyze their root causes.

Align risk assessment targets with business objectives, identifying potential opportunities and threats.

Risk Controls and Mitigation

Implement control measures to mitigate identified risks effectively.

Establish clear action plans to address risks while optimizing resource allocation.

Monitoring and Reporting

Continuously monitor risks and refine mitigation strategies based on performance.

Regularly update and share risk reports to ensure transparency and informed decision-making.



Key risks and mitigation plan

Risk	Description	Mitigation Plan
Demand Risk	The risk of slowdown in the Company's target markets and adverse impact on its sales velocity caused by a cyclical downturn.	Varun Beverages strategic approach to provide the right brand featuring right products at the right price and through the right channels, has enabled the Company to grow consistently in its sales volumes. An extensive portfolio, comprising a wide range of products, helps it to cater to the varying tastes and preferences of diverse consumer segments. Steady growth is also attributed to presence in relatively underpenetrated markets with favorable demographics, growing population, and advantageous climate.
Business Agreement Risk	The Company relies on strategic relationships and agreements with PepsiCo. Termination of agreements or less favorable renewal terms could adversely affect profitability.	Varun Beverages has steadily strengthened its partnership with PepsiCo over the past three decades, solidifying its market ties, expanding its territories and sub-territories, and diversifying its production and distribution capabilities across a broader array of PepsiCo beverages. These factors, along with the Company's focus on adding multiple SKUs into the portfolio and developing a stronger distribution network, has helped it to win a larger market share for PepsiCo, garnering its trust and continued patronage. The bottling appointment and trademark license agreement for India with PepsiCo India has been extended till April 30, 2039, from October 2, 2022, earlier, signifying strong partnership, built on the foundation of mutual trust and support. Collaborating as active development partners, investing in joint projects and business planning on strategic issues ensures a close and mutual beneficial relationship between the Company and PepsiCo.
Regulatory Risk	Regulatory risks to the Company include new and evolving regulations on consumer health. Business is also at the risk of adverse impact on account of Company's products being targeted for discriminatory tax and packaging waste recovery.	Sustainability is at the core of all business decisions and operations within Varun Beverages. Along with PepsiCo, the Company takes proactive steps to collaborate with the government and other regulatory authorities to ensure clear understanding of the facts and prevent unfair singling out of its products. VBL, along with the NGO's, communities it operates in, and other stakeholders, is continuously focused on establishing and implementing sustainability solutions in the areas of environment, social and governance. Eco-friendly manufacturing practices are consistently adhered to and strong emphasis is placed on addressing issues related to packaging waste recovery / recycling, water management and greenhouse gases emissions. As a part of its sustainability commitment and for phased implementation of 100% recycling of used PET bottles, VBL has collaborated with GEM Enviro Management Ltd. Measurement and improvement in the Company's carbon footprint and water footprint assurance is further achieved through alliance with Deutsch Quality Systems (India) Private Limited. The Company also aligns with PepsiCo's strategy of introducing healthier and "zero sugar" variant of products, solidifying its position as a responsible brand that cares for its consumers.

Risk	Description	Mitigation Plan
Business Viability Risk	Business viability risk amounts to the financial and/or performance risk stemming from Company's inability to integrate the operations of newly acquired territories and sub-territories or derive potential operating and cost efficiencies from them.	VBL's straightforward strategic approach and financial need ensures that any future acquisitions or partnerships comply with the Board's acquisition guideline and bring value to the Company. Performance of the newly acquired territories and business viability is ensured by the Company through concentrated efforts and initiatives. This includes significant financial investment and considerable time spent by the management to develop local market strategies that are capable of mitigating possible cultural and language barriers as well as incorporating existing business practices into new activities.
Consumer Preference Risk	Inability to adjust with the evolving consumer health trends and failure in clarifying misunderstandings about the health impacts of consuming soft drinks could harm demand.	Close collaboration with PepsiCo enables the Company to regularly evaluate the evolving habits of its consumers and align its product innovation with the changing demand, therefore augmenting its range of products and remaining relevant in the competitive business landscape. PepsiCo's new and healthy product plan with greater focus on zero / limited calorie content and sugar content also augurs well for VBL.
Raw Material Risk	An interruption in the supply or significant increase in the price of raw materials or packaging materials may adversely affect the Company's business prospects, results of operations and financial condition.	A series of initiatives and programs are implemented at VBL to optimize cost and operational efficiencies. Concentrated efforts, including backward integration and consolidated procurement of raw materials, are constantly made to reduce the cost of goods sold and increase the Company's cash flows. The Company also enjoys a good bargaining power with its suppliers owing to its scale of operation, resulting in better work-ing capital management. Other than this, the Company is consistently committed to optimize its asset management and utilization, leading to higher operating efficiency and amortization of overheads costs on a wider case. Innovative solutions further augment VBL's process efficiency ensuring consolidated operational data from production, scheduled sourcing, and superior monitoring of the supply of goods from manufacturers to the retail point of sale.
Sustainable packaging costs and market availability	The cost of recyclable materials, such as recycled PET (rPET) and aluminum, can affect packaging costs. Increased prices may impact our sustainability efforts, especially if these materials are essential for eco-friendly packaging. In areas with high plastic consumption, inadequate collection and recycling infrastructure can be a challenge. This may affect our ability to source recycled materials or manage our packaging waste effectively. Supply constraints or high costs can pose challenges to access to high quality recycled materials (like rPET) at reasonable prices	We are making substantial progress toward achieving our Mission 2025 commitment of 100% recycling rates. This includes efforts to increase the overall packaging collection rate, indicating a commitment to responsible waste management. Additionally, we are focused on increasing the use of recycled PET in our PET bottle packs, emphasizing a shift towards more sustainable packaging materials. Our target is to achieve 30% usage of r-PET in our total plastic consumption. We are working with GEM Enviro Management Ltd for recycling plastic waste, conducting awareness programmes for communities, uplifting the lives of ragpickers, etc.

Risk	Description	Mitigation Plan
Water usage and replenishment	Managing packaging-related emissions and waste is vital for achieving sustainability commitments, such as Net Zero. To maintain a positive brand image and meet customer expectations as consumer preferences are increasingly leaning towards environmentally friendly products and packaging. Identifying regions and areas that are experiencing water scarcity due to factors like population growth, climate change, and over extraction of water resources. Analyzing the impact of climate change on water availability, including changes in precipitation patterns and the frequency of droughts and floods. Recognizing the importance of maintaining water availability for local communities' water requirements in overexploited and critical zones as per CWGB. Increased concentrations of greenhouse gases in the atmosphere trap heat, resulting in global warming.	Exploring and implementing 150+ process improvements and solutions for efficient water usage. We have set the target to reduce our usage ratio 1.40x by 2025. We have to meet regulatory requirements related to water replenishment, ensuring they contribute to overall water resource conservation. However, we are very much ahead of the regulations. We have adopted 192 water bodies in the vicinity of our manufacturing plants which help to replenish groundwater reserves. We are committed to keeping our groundwater recharge twice the total water we use for our beverage production. Industries may implement sustainable sourcing practices to reduce their water footprint and use resources more efficiently.
Carbon Footprint Management	Climate change driven by carbon emissions can disrupt ecosystems and threaten biodiversity. Governments may use carbon footprint assessments to set emission reduction targets, implement regulations, and incentivise greener practice. Changing perceptions of community about greenwashing.	Aligning our future business growth targets with our carbon footprint initiatives. Increasing sustainable packaging mix to reduce usage of future requirements. Engaging with stakeholders, including employees, suppliers, and communities, is often a crucial part of successfully implementing carbon footprint commitments. We have set our target to achieve Net Zero by 2050 over base year 2023 under our strategic sustainability approach.

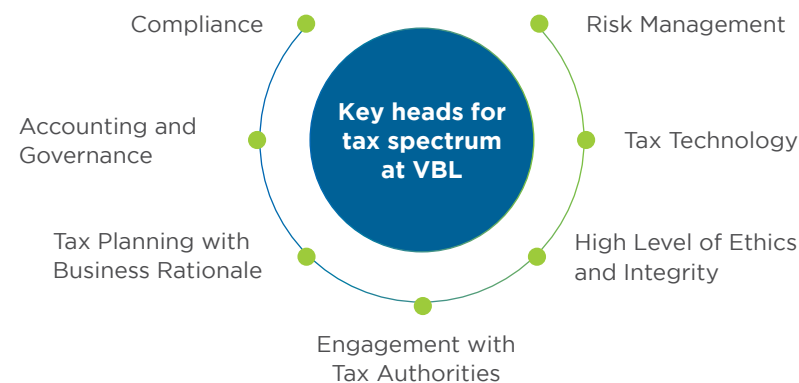
Climate risks and opportunities

Transition risks

Risk	Description	Mitigation plan
Temperature	Higher temperatures can lower manufacturing efficiency, increase cooling costs, and pose heat stress risks, impacting worker health and productivity.	Invest in energy-efficient cooling systems and insulation to combat rising temperatures. Protect workforce health by creating heat-resistant work environments, offering flexible hours, providing hydration and electrolytes, and conducting heat stress assessments. High-stress jobs can be managed with frequent job rotations to ensure safety and maintain productivity.
Water availability	Water availability challenges include droughts, which can lead to water scarcity and disrupt production dependent on significant water usage. Groundwater depletion also poses risks, particularly for sites reliant on it, potentially increasing water costs. Additionally, floods caused by excessive rainfall can damage infrastructure, disrupt operations, and impact supply chains.	To address water challenges, companies can implement advanced water management systems focused on recycling and conservation to use water more efficiently. Additionally, investing in technologies that tap into alternative water sources, such as desalination and rainwater harvesting, can further ensure sustainable water availability.
Weather events	The rising frequency and intensity of cyclones and storms can disrupt supply chains, damage infrastructure and cause operational shutdowns.	To mitigate risks, strengthen infrastructure to endure extreme weather with resilient designs and backup power systems. Additionally, diversify supply chains to lessen dependence on regions vulnerable to extreme weather events.
Water sources	Glacial melt can alter water availability, impacting regions that rely on glacialfed water sources.	To address glacial melt, improve water efficiency to reduce reliance on glacialfed sources and implement monitoring systems to anticipate and adapt to changes in water availability.
Land degradation	Desertification, leading to the loss of arable land, can disrupt agricultural supply chains and drive up raw material costs.	To mitigate the impact of desertification, companies can source raw materials from regions less vulnerable to it and invest in land restoration projects to combat soil degradation, ensuring continued agricultural productivity.

Sustainable Tax Practice: Furthering our ESG Commitment

Tax compliance and implementing sustainable tax practices has been central to our business priorities. Adhering to tax regulatory compliances reflects our commitment to ESG and corporate governance.



Compliance

VBL strictly adheres to all tax regulatory compliances, periodical filings, and reporting for all the applicable tax laws. We express zero-tolerance to any non-compliance, supported by our efficient compliance tracking tool that features a pre-defined escalation matrix for instant flag off.

Accounting and governance

Taxes on all fronts – input, output, corporate and withholding taxes are properly accounted for in alignment with applicable laws and accounting standard through a dedicated team of tax experts. In case of any change in existing tax laws, our internal team of tax experts evaluate the changes and its implications on our business transactions. An updated SOP is then circulated to implement the changes amongst relevant stakeholders.

Tax planning with business rationale

A transparent process of tax risk assessment and management, integral to tax planning at VBL, is implemented. In compliance with our zero-tolerance for

non-compliance of tax regulations or tax evasions, we refrain from taking any aggressive tax positions. Only those tax incentives, that are aligned with our overall business objective are availed in respective jurisdictions.

Engagement with tax authorities

We strive to stand out as ‘the most trusted and tax compliant company’ in our operational areas. To ensure this, we provide full support and actively engage with the tax authorities to understand the business model and tax positions.

Risk management

Risks within VBL across the key risk areas are constantly monitored and mitigated. An internal risk control process continually identifies, measures, analyzes and manages such risks. A comprehensive review mechanism is also set up to keep all transactions tax compliant and ensure that they fall within no risk or low risk categories. The responsibility for such review is vested with the Audit, Risk Management & Ethics Committee, Internal Auditors and Statutory Auditors.

Tax technologies

Digital recording and reporting of all tax transactions is becoming a norm with the advancement in online governance and tax technology. VBL has made adequate investments towards this to ensure accurate and faster reporting.

Vendor Management	Identification and recording in correct ledger	System generated Sale Invoices, E-invoices and E-way bills	GST portal reporting
Strong vendor management process with robust KYC documentation & verification of historical compliances under GST laws	Powerful SAP-based identification process enabling issuance of PO using correct HSN/SAC and tax code	VBL SAP is integrated with the E-invoicing portal and E-way bill portal of the government	Filing of GST returns for all outward supplies basis system-generated sales register
Vendor mapping with correct HSN/SAC code and GST rates	System-based transaction identification by an internal team	System configuration restricts invoice generation without an E-invoice and E-way bill (as prescribed under the GST laws)	This ensures that all the recorded outward supplies get reported along with the correct tax liability
Vendor mapping with correct withholding tax codes for proper deduction of withholding tax while recording transactions	Controlling of the input tax entitlement through the system to ensure that the input tax credit is not availed wrongly (not permitted as per GST laws)		

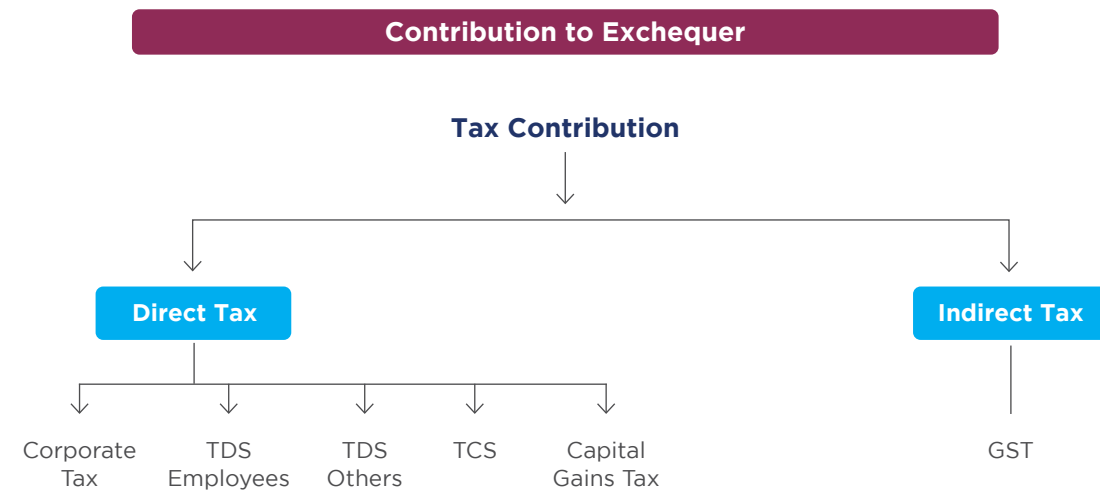


Integrity and ethical conduct

Ethical conduct and integrity is upheld across the organization and supported by strong and transparent accounting principles. Unethical behavior by any of our employees and/or third-party working in or behalf of the company is not tolerated and strict policy measures are implemented against them. The company has a zero-tolerance policy on integrity in place, which is applicable for all VBL's dealings with vendors, customers, third-party consultants and government authorities.

Corporate Taxes, TDS, TCS, Capital Gains Tax and Dividend Distribution Tax

Over the years, VBL has made a significant contribution to the exchequer by way of Corporate Tax, TDS on Employees, TDS on others, TCS, Capital Gains and the Dividend Distribution Tax. Given an increase in turnover in the last five years, its Corporate Income Tax has increased - from ₹ 934.5 Million in FY 2019-20 to 5,974.5 Million in FY 2023-24.



Tax trends in the last five years: (₹ Million)

Description	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Corporate Tax (Excluding Interest u/s 234A/234B/234C)	934.5	347.2	1,383.9	4,988.9	5,974.5
TDS on Employees (As per Tax Audit Report)	430.1	454.9	561.0	769.0	750.4
TDS on Others (As per Tax Audit Report)	310.6	245.7	484.7	770.1	857.5
TCS (As per Tax Audit Report)	2.6	29.6	72.2	118.1	130.0
Dividend Distribution Tax	91.7	-	-	-	-
Capital Gains Tax (Including in Corporate Tax mentioned above)	0.1	1.2	0.1	2.2	1.0

Note: For taxation purpose, FY refers to Financial Year defined as per the Income Tax Act, 1961 i.e. April 1 to March 31.

Indirect Tax - GST

The key product of VBL is taxable at a higher rate of 28% GST with 12% cess. In the last five years, the total payment of Gross GST on outward supplies stands at ₹ 163,646.8 Million. This has increased from ₹ 23,280.4 Million in Financial Year 2019-20 to ₹ 53,970.1 Million in Financial Year 2023-24.

Tax trends in the last five years:

(₹ in Million)

Financial Year	Gross Tax Payable (₹)	Paid through Cash (₹)	Paid through ITC (₹)
2019-20	23,280.4	12,024.5	11,255.9
2020-21	24,690.8	12,309.6	12,384.1
2021-22	31,918.9	15,639.0	16,276.9
2022-23	53,067.0	26,194.6	26,872.4
2023-24	53,970.1	28,708.3	25,261.8





INTERNATIONAL TERRITORIES





Growing Stronger in the International Business

Crossing boundaries to create the right ESG impact, our ESG strategy drives meaningful action and global growth. We champion sustainability through inclusive practices that create lasting impact. By integrating environmental stewardship, social responsibility, and strong governance, we foster positive change across our operations and communities, reinforcing our commitment to a better future.

Varun Beverages South Africa

Environment

- Reduction in PET blowing pressure
- Implementation of post-blowing air recovery systems across all plants
- Assessment of steam traps and optimization of condensate return recovery
- Exploration of solar power adoption across all plants
- Installation of flow meters in key areas across all plants
- Installation of water recovery systems on the blender in all plants
- Optimization of CIP water usage
- Implementation of cut-off switches for hand wash stations
- Partnership with regional recycling companies for the collection of used PET bottles

0.25 kWh/case
Electricity consumed in 2024

1.81 Liters
Water consumed per liter of beverage production in 2024

28%
Diversity in CY 2024

Social

- Social media campaign for Women's Month
- Launch of Reboost Pink in affiliation with Women's Month gatherings
- Collaborative initiatives with Bethany House to support women affected by domestic violence
- Updated contractor management system
- Enhanced Permit to Work system with a special focus on improving frontline awareness of risk mitigation

Governance awards and achievement

Compliance

- Ensuring strict adherence to corporate policies and applicable laws.
- Conducting regular audits to uphold the highest standards of ethical conduct.

Training

Conducted various compliance training programs.

Varun Beverages Morocco

Environment

- Installed flow meters for precise water usage monitoring and optimization.
- Enhanced RO efficiency in areas where recovery rates were below the designed capacity.
- Implementing solar power panels to minimize reliance on conventional energy sources.

0.27 kWh/case
(-13% reduced from 2023)
Electricity consumed in 2024

1.99 Liters
Water consumed per liter of beverage production in 2024

1.6 MW
Rooftop solar power capacity

11%
Renewable Energy Mix



Social

- Promoting gender diversity by integrating women into the workforce to foster inclusion within the organization.
- Supporting employee well-being and engagement through initiatives like pilgrimage programs, sports activities, summer camps, and team-building events.
- Contributed social aid to earthquake victims in the Al Haouz region.

- Launched recruitment campaigns in rural areas to create livelihood opportunities for local residents.

7.2%
Diversity in CY 2024

Employer of the year
By EFE Morocco in 2024

Governance awards and achievement

Training

Conducted various compliance training programs

Varun Beverages Zimbabwe

Environment

- Installed a water treatment plant to minimize water wastage
- Set up solar power plants to reduce reliance on conventional energy sources
- Lowered carbon emissions by reducing coal usage with lighter grammage per 8 oz
- Participated in National Tree Planting Day in collaboration with NMB Bank and the City of Harare
- Replaced diesel/petrol forklifts with electric vehicles (EVs)
- Introduced EVs for last-mile delivery to further reduce environmental impact



0.32 kWh/case
(-13% reduced from 2023)
Electricity used in 2024

1.60 Liters
(-10% reduced from 2023)
Water utilized for per liter of beverage production in 2024

3.5 MW
Rooftop solar power capacity
Renewable Energy Mix -10%

1,600+
Trees planted in 2024

Social

- Empowering marginalized women, including those from economically disadvantaged backgrounds, individuals with special needs, and war widows, by providing sustainable livelihood opportunities.
- Supporting education for underprivileged students through sponsorship programs.
- Contributing to community well-being by extending aid and support during the Cholera outbreak.



6,700 push carts

Deployed to create employment for women in rural, semi-urban, and urban areas, with an initiative launched by the President of Zimbabwe

Sponsored first PHD student program
For higher education in India

18%
Diversity in CY 2024

Sponsored several school children
From underprivileged backgrounds

Most socially responsible and society friendly company
In Zimbabwe

Governance awards and achievement

Compliance

Varun Beverages Zimbabwe operates in full compliance with applicable laws, policies, and regulations.

Training

Conducted various compliance training programs.



Varun Beverages Nepal

Environment

- Established a 2MW solar power plant at the manufacturing facility.
- Installing active harmonic filters at plants to reduce power consumption.
- Partnering with NGOs and local organizations to plant trees within the plants and surrounding parks.
- Enhancing the water recovery system for bottle washing operations to improve efficiency.
- Installing bag filters at manufacturing sites to reduce carbon and other gas emissions.
- Phased transition from diesel forklifts and staff buses to electric vehicles.
- Exploring plastic waste collection and recycling initiatives with third-party vendors.



0.45 kWh/case
(2% reduced from 2023)
Electricity consumed in 2024

1.59 Liters
(3% reduced from 2023)
Water consumed per liter of beverage production in 2024



Social

- Promoting diversity and inclusion across our workforce and supply chain.
- Committed to fair labor practices and prioritizing the well-being of our employees.
- Supporting education and community initiatives to create a positive societal impact.
- Undertaking CSR efforts in healthcare, community development, and collaborations with local law enforcement.
- Established the AARU Clinic in Kathmandu for healthcare access.
- Offering free medical checkups for the community.
- Contributing to the Birat Eye Clinic to support eye care.
- Constructing a temple in Ramgram, near Navalparasi, Nepal.
- Ensured employee engagement through various team-building programs.

20%
Diversity in CY 2024



Governance awards and achievement

Compliance

- Ensuring strict adherence to corporate policies and applicable laws.
- Conducting regular audits to uphold the highest standards of ethical conduct.

Training

Conducted various compliance training programs.

Varun Beverages Zambia



Environment

- Implemented initiatives like CIP conservation, RO water recovery, and equipment optimization to enhance water savings.
- Optimized energy use through automation, solar and LED lighting, and photo sensor installations.
- Exploring plastic waste collection and recycling in partnership with third-party vendors.

0.27 kWh/case
(-16% reduced from 2023)
Electricity used in 2024

2.03 Liters
(-15% reduced from 2023)
Water utilized for per liter of
beverage production in 2024

Social

- Collaborated with World Vision to implement various CSR initiatives.
- Partnered with Project Concern Zambia (PCZ) for reforestation, safe drinking water access, and the Strong Zambia Project empowering young girls.
- Conducted multiple employee training and recognition programs.

27%
Diversity in CY 2024



Governance awards and achievement

Compliance

- Varun Beverages Zambia ensures compliance with applicable regulations through dedicated legal teams, regular audits, and employee training programs.
- Committed to ethical business practices, strengthening its reputation as a responsible corporate entity while mitigating legal risks for sustainable growth.

Training

Conducted various compliance training programs.



Varun Beverages Sri Lanka

Environment

- Installed timers to automatically stop the ammonia compressor pump after use.
- Replaced CFL and FTL lamps with energy-efficient LED lighting.
- Repaired LP air leakage points and established an SMT for weekly audits and corrective actions.
- Installed water flow meters at key consumption points for accurate monitoring and control.
- Repurposed rejected RO water for JAR washing, enhancing resource efficiency and reducing waste.

- Launched the “Clean Green Sri Lanka” initiative to tackle PET plastic waste by collecting and recycling used plastic through dedicated collection bins.

0.62 kWh/case
Electricity used in 2024

1.75 Liters
(-5% reduced from 2023)
Water utilized for per liter of beverage production in 2024

Social

- Promoted paddy field cultivation to support farmers’ growth and uplift the community.
- Provided on-the-job training to enhance employees’ operational skills and situational awareness.



7%
Diversity in CY 2024

Governance awards and achievement

Compliance

Varun Beverages Sri Lanka ensures compliance with applicable regulations through dedicated legal teams, regular audits, and employee training programs.

- Committed to ethical business practices, strengthening its reputation as a responsible corporate entity while mitigating legal risks for sustainable growth.

Training

Conducted various compliance training programs

Awards and Recognition

We are honored to be recognized with awards and accolades for our commitment to excellent corporate governance, strong business processes, and sustainable growth. These achievements reflect our dedication to meeting both our business objectives and our social and environmental sustainability goals.

2024

- Best Corporate Governance Practices Award, Pep+ Sustainability award, ABC 2024 Pep+ Climate Award



2022

- PepsiCo’s Best Bottler in the Africa-Middle East-South Asia region
- Golden Peacock National Quality Award
- Golden Peacock award for Excellence in Corporate Governance
- CFI.CO (UK) for the 4th Consecutive Year for Best FMCG Corporate Governance (India)
- Business Brand Award for Best Corporate Governance Practices
- CNBC TV18 - Incredible Brands of India Awards for Best Corporate Governance of the Year



2023

- PepsiCo’s ‘Better’ category award for our sustainability endeavors
- PepsiCo’s International Bottler of the Year 2022
- PepsiCo’s Best Bottler in the Africa-Middle East-South Asia region
- Business Excellence (Corporate Governance) of The Year 2022

- Award by Prime Time Research Media Pvt. Ltd.
- Best Corporate Governance Practices - Varun Beverages Limited Award under Business Brand Awards

2020

- Winner of Best FMCG Corporate Governance India 2020 awarded by Capital Finance International (UK)
- Winner of Bottler of the Year, 2019 by PepsiCo in AMESA sector (Africa, Middle East and South Asia) received in 2020

2019

- Varun Beverages Limited – Bottler of the Year 2019 by PepsiCo in South Asia Region
- Winner of Best FMCG Corporate Governance India 2019 awarded by Capital Finance International (UK)
- Varun Beverages Limited – Global Best Employer Award

2021

- Winner of Best FMCG Corporate Governance India 2021 awarded by Capital Finance International (UK) (third successive year)

2018

- National Best Employer Award by ET Now, in collaboration with World HRD Congress
- Distinguished Entrepreneurship Award in the PHD Annual Awards for Excellence 2018 to Mr. Ravi Jaipuria

2017

- Varun Beverages (Nepal) Private Limited – Best Unit of the Year
- Varun Beverages Lanka (Private) Limited – Donald M Kendall Award by PepsiCo for Small Developed Markets
- VBL Sonarpur Plant – Best Plant of the Year
- VBL Sonarpur Plant – CII Award for Food Safety

2016

- VBL India – FOBO Unit of the Year
- Varun Beverages Lanka (Private) Limited – FOBO Country of the Year

1997

Mr. Ravi Jaipuria, the only Indian Company’s promoter to have received PepsiCo’s International Bottler of the Year Award in 1997





Corporate Information

Board of Directors

Category	Name of Directors
Non-Executive Chairman	Mr. Ravi Jaipuria*
Executive Vice Chairman & Whole-time Director	Mr. Varun Jaipuria*
Executive / Whole-time Directors	Mr. Raj Gandhi Mr. Rajinder Jeet Singh Bagga
Non-Executive, Non-Independent Director	Dr. Naresh Trehan
Non-Executive, Independent Directors	Dr. Ravi Gupta Mr. Abhiram Seth Mr. Anil Kumar Sondhi Ms. Rashmi Dhariwal Ms. Sita Khosla

*Mr. Ravi Jaipuria and Mr. Varun Jaipuria are Promoters of the Company.

Chief Financial Officer

Mr. Rajesh Chawla

Chief Risk Officer & Group Company Secretary

Mr. Ravi Batra

Joint Statutory Auditors

M/s. J.C. Bhalla & Co

Chartered Accountants,
New Delhi

M/s. O.P. Bagla & Co LLP

Chartered Accountants,
New Delhi

Corporate Office

RJ Corp House, Plot No. 31,
Institutional Area, Sector-44,
Gurugram - 122 002

Registered Office

F-2/7, Okhla Industrial Area, Phase-I
New Delhi - 110 020

Registrar and Share Transfer Agent

KFin Technologies Limited

Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032

Toll Free No. : 1800 309 4001

Email: einward.ris@kfintech.com

Website: www.kfintech.com

SEBI Registration No.: INR000000221

List of Bankers

- 1 Axis Bank Limited
- 2 HDFC Bank Limited
- 3 IndusInd Bank Limited
- 4 ICICI Bank Limited
- 5 JP Morgan Chase Bank N.A.
- 6 YES Bank Limited
- 7 The Hongkong and Shanghai Banking Corporation Limited
- 8 The Federal Bank Limited
- 9 Kotak Mahindra Bank Limited
- 10 RBL Bank Limited
- 11 IDFC FIRST Bank Limited
- 12 Standard Chartered Bank
- 13 DBS Bank India Limited

GRI Index

GRI content index

Statement of use VBL has reported the information cited in this GRI content index for the period January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	03-07	Future Ready, Eco-steady. A Step Ahead Already	Varun Beverages Limited (VBL) a public listed company having its headquarters in India. Country of Operations: Pouring Refreshments across Borders, Expansion in a World of Refreshment Refer page (18-19)
	2-2 Entities included in the organization's sustainability reporting	18-19	Pouring refreshments across borders, Expanding a world of refreshment	
	2-3 Reporting period, frequency and contact point	36-37	About the ESG Report	
	2-4 Restatements of information	36-37	About the ESG Report	Page 72-73: The company adopted the SBTi methodology for calculating GHG emissions starting from CY 2024. Consequently, the GHG emissions for CY 2022 and CY 2023 have been restated using this approach.
	2-5 External assurance	36-37	About the ESG Report	
	2-6 Activities, value chain and other business relationships	78-81	Sourcing with Care	
	2-7 Employees	84-91	Future-Ready Workforce Shaping our Future	
	2-8 Workers who are not employees	84-91	Future-Ready Workforce Shaping our Future	
	2-9 Governance structure and composition	104-111	Embedding ESG in Our Corporate DNA	
	2-10 Nomination and selection of the highest governance body	104-111	Embedding ESG in Our Corporate DNA	
	2-11 Chair of the highest governance body	104-111	Embedding ESG in Our Corporate DNA	
		32-33	Our Board: Enriched by diversity, focused on value	
	2-12 Role of the highest governance body in overseeing the management of impacts	104-111	Embedding ESG in Our Corporate DNA	
		32-33	Our Board: Enriched by diversity, focused on value	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
	2-13 Delegation of responsibility for managing impacts	104-111	Embedding ESG in Our Corporate DNA	
	2-14 Role of the highest governance body in sustainability reporting	38-39 50-51	Message from Executive Vice Chairman: Building a Future That's Ready and Steady Leading the charge for a sustainable tomorrow	
	2-15 Conflicts of interest	104-111	Embedding ESG in Our Corporate DNA	There have been no complaints of conflict of interest.
	2-16 Communication of critical concerns	104-111	Embedding ESG in Our Corporate DNA	The Vigil Mechanism encourages directors and employees to report genuine concerns regarding unethical behavior, fraud, leakage of sensitive information, or policy violations. The company upholds the highest ethical and legal standards and assures protection to those reporting misconduct. It also allows access to the Chairperson of the Audit and Risk Management Committee in exceptional cases. However, it doesn't excuse breaches of confidentiality or false allegations.
	2-17 Collective knowledge of the highest governance body	104-111	Embedding ESG in Our Corporate DNA	
	2-18 Evaluation of the performance of the highest governance body	104-111	Embedding ESG in Our Corporate DNA	ESG-linked Incentive Policy under Sustaining an Empowered Workforce
	2-19 Remuneration policies	104-111	Embedding ESG in Our Corporate DNA	ESG-linked Incentive Policy under Sustaining an Empowered Workforce
	2-20 Process to determine remuneration	104-111	Embedding ESG in Our Corporate DNA	
	2-21 Annual total compensation ratio	104-111	Embedding ESG in Our Corporate DNA	
	2-22 Statement on sustainable development strategy	38-39	Message from Executive Vice Chairman	
	2-23 Policy commitments	104-111	Embedding ESG in Our Corporate DNA	
	2-24 Embedding policy commitments	104-111	Embedding ESG in Our Corporate DNA	
	2-25 Processes to remediate negative impacts	104-111	Embedding ESG in Our Corporate DNA	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
	2-26 Mechanisms for seeking advice and raising concerns	104-111	Embedding ESG in Our Corporate DNA	
	2-27 Compliance with laws and regulations	104-111	Embedding ESG in Our Corporate DNA	
	2-28 Membership associations	27	List of the top trade and industry chambers and associations provided	
	2-29 Approach to stakeholder engagement	42-43 44-46	Focusing More on Empowering our Pillars Prioritizing What Matters	
	2-30 Collective bargaining agreements	104-111 84-91	Embedding ESG in Our Corporate DNA Future-Ready Workforce Shaping our Future	

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	44-46	Prioritizing what Matters	
	3-2 List of material topics	44-46	Prioritizing what Matters	Our materiality matrix includes all our material issues, and they are integrated within the different sections of the Sustainability Report

Economic performance

GRI 3: Material Topics 2021	3-3 Management of material topics	44-46	Prioritizing what Matters	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	28-31	Driving Consistent Results Year after Year	
	201-2 Financial implications and other risks and opportunities due to climate change	117-121	Risk and Opportunities Management	
	201-3 Defined benefit plan obligations and other retirement plans	84-91	Future-Ready Workforce Shaping our Future	
	201-4 Financial assistance received from government	28-31	Driving Consistent Results Year after Year	No share of any government in the shareholding structure

Market presence

GRI 3: Material Topics 2021	3-3 Management of material topics	108 84-91	Diversity policy under Embedding ESG in Our Corporate DNA Future-Ready Workforce Shaping our Future	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	108 84-91	Diversity policy under Embedding ESG in Our Corporate DNA Future-Ready Workforce Shaping our Future	
	202-2 Proportion of senior management hired from the local community	104-111	Embedding ESG in Our Corporate DNA	All the senior management of the company are hired from the local community

Indirect economic impacts

GRI 3: Material Topics 2021	3-3 Management of material topics	42-43 44-46	Focusing more on empowering our pillars Prioritizing what matters	
------------------------------------	-----------------------------------	----------------	--	--

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	28-31	Driving Consistent Results Year after Year	
		114-116	CSR Initiatives: Making a Sustainable Difference	
	203-2 Significant indirect economic impacts	28-31	Driving Consistent Results Year after Year	
		114-116	CSR Initiatives: Making a Sustainable Difference	
Procurement practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	78-81	Sourcing with care	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	78-81	Sourcing with care	
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	104-111	Embedding ESG in Our Corporate DNA	
		84-92	Future-Ready Workforce Shaping our Future	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	104-111	Embedding ESG in Our Corporate DNA	
	205-2 Communication and training about anti-corruption policies and procedures	104-111	Embedding ESG in Our Corporate DNA	
	205-3 Confirmed incidents of corruption and actions taken	104-111	Embedding ESG in Our Corporate DNA	
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	104-111	Whistleblower/Vigil Policy, Anti-bribery and corruption policy under Embedding ESG in Our Corporate DNA	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	104-111	Embedding ESG in Our Corporate DNA	
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics	122-125	Sustainable Tax Practice: Furthering Our ESG Commitment	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 207: Tax 2019	207-1 Approach to tax	122-125	Sustainable Tax Practice: Furthering Our ESG Commitment	
	207-2 Tax governance, control, and risk management	117-121	Risk and Opportunities Management	
		122-125	Sustainable Tax Practice: Furthering our ESG commitment	
		104-111	Vigil mechanism policy	
	207-3 Stakeholder engagement and management of concerns related to tax	117-121	Risk and Opportunities Management	
		122-125	Sustainable Tax Practice: Furthering our ESG commitment	
		104-111	Vigil mechanism policy	
207-4 Country-by-country reporting	122-125	Sustainable Tax Practice: Furthering Our ESG Commitment	We will report country by country taxation in next sustainability report	
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55,	Committed to a Cleaner, Greener Tomorrow	
		66-69	Plastic Waste Management and Recycling	
		42-43	Focusing More on Empowering our Pillars	
		117-121	Risk and Opportunities Management	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	66-69	Plastic Waste Management and Recycling	
	301-2 Recycled input materials used	66-69	Plastic Waste Management and Recycling	
	301-3 Reclaimed products and their packaging materials	66-69	Plastic Waste Management and Recycling	
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55,	Committed to a Cleaner, Greener Tomorrow	
		70-77	Enhancing Energy Performance	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70-77	Enhancing Energy Performance	
	302-2 Energy consumption outside of the organization	70-77	Enhancing Energy Performance	
	302-3 Energy intensity	70-77	Enhancing Energy Performance	
	302-4 Reduction of energy consumption	70-77	Enhancing Energy Performance	
	302-5 Reductions in energy requirements of products and services	70-77	Enhancing Energy Performance	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55	Committed to a Cleaner, Greener Tomorrow	
		56-65	Water Conservation Rejuvenation of Water Bodies (RWB) - A New Initiative, Water Bodies: Impact Assessment	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	56-65	Water Conservation Rejuvenation of Water Bodies (RWB) - A New Initiative Water Bodies: Impact Assessment	
		56-65	Water Conservation Rejuvenation of Water Bodies (RWB) - A New Initiative Water Bodies: Impact Assessment	
		56-65	Water Conservation Rejuvenation of Water Bodies (RWB) - A New Initiative Water Bodies: Impact Assessment	
		56-65	Water Conservation Rejuvenation of Water Bodies (RWB) - A New Initiative Water Bodies: Impact Assessment	
		56-65	Water Conservation Rejuvenation of Water Bodies (RWB) - A New Initiative Water Bodies: Impact Assessment	
Biodiversity	3-3 Management of material topics	54-55	Committed to a Cleaner, Greener Tomorrow	
		60-65	Water Bodies: Impact Assessment	
		60-65	Water Bodies: Impact Assessment	
		60-65	Water Bodies: Impact Assessment	
		60-65	Water Bodies: Impact Assessment	
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55	Committed to a Cleaner, Greener Tomorrow	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	72-77	Sustained Climate Action: Reducing our Carbon Footprint	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	
		72-77	Sustained Climate Action: Reducing our Carbon Footprint	
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55	Committed to a Cleaner, Greener Tomorrow	
		66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
		66-69	Plastic Waste Management and Recycling	
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55	Committed to a Cleaner, Greener Tomorrow	
		78-81	Sourcing with Care	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	78-81	Sourcing with Care	All our suppliers are screened through a comprehensive certification process suggested by PepsiCo and we are committed to sourcing raw materials as well as packaging materials only from the suppliers which are following sustainable practices.
		78-81	Sourcing with Care	
	308-2 Negative environmental impacts in the supply chain and actions taken	78-81	Sourcing with Care	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		84-92	Future-Ready Workforce Shaping our Future	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84-92	Future-Ready Workforce Shaping our Future	
		84-92	Future-Ready Workforce Shaping our Future	
		84-92	Future-Ready Workforce Shaping our Future	
Labor/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		84-92	Future-Ready Workforce Shaping our Future	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	84-92	Future-Ready Workforce Shaping our Future	Notice period are provided into three categories i.e. 30 days, 60 days and 90 days as per the employee grade defined also notice period related to corrective bargaining are included in the agreements
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		93-96	Employee Health & Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	93-96	Employee Health & Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	93-96	Employee Health & Safety	
	403-3 Occupational health services	93-96	Employee Health & Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	93-96	Employee Health & Safety	
	403-5 Worker training on occupational health and safety	93-96	Employee Health & Safety	
	403-6 Promotion of worker health	93-96	Employee Health & Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	93-96	Employee Health & Safety	
	403-8 Workers covered by an occupational health and safety management system	93-96	Employee Health & Safety	
	403-9 Work-related injuries	93-96	Employee Health & Safety	
	403-10 Work-related ill health	93-96	Employee Health & Safety	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		84-92	Future-Ready Workforce Shaping our Future	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	84-92	Future-Ready Workforce Shaping our Future	
		84-92	Future-Ready Workforce Shaping our Future	
		84-92	Future-Ready Workforce Shaping our Future	
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		84-92	Future-Ready Workforce Shaping our Future	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	84-92	Future-Ready Workforce Shaping our Future	
		84-92	Future-Ready Workforce Shaping our Future	
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		84-92	Future-Ready Workforce Shaping our Future	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	84-92	Future-Ready Workforce Shaping our Future	There is no incident of discrimination reported during the year
		104-111	Embedding ESG in Our Corporate DNA	
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	84-92	Future-Ready Workforce Shaping our Future	
		104-111	Embedding ESG in Our Corporate DNA	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	84-92	Future-Ready Workforce Shaping our Future	
		104-111	Embedding ESG in Our Corporate DNA	
		78-81	Sourcing with Care	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Child labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	84-92	Future-Ready Workforce Shaping our Future	
		104-111	Embedding ESG in Our Corporate DNA	
		78-81	Sourcing with Care	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	84-92	Future-Ready Workforce Shaping our Future	There is no incident of child labor reported during the year
		104-111	Embedding ESG in Our Corporate DNA	
		78-81	Sourcing with Care	
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	84-92	Future-Ready Workforce Shaping our Future	
		104-111	Embedding ESG in Our Corporate DNA	
		78-81	Sourcing with Care	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	84-92	Future-Ready Workforce Shaping our Future	There is no incident of forced or compulsory labor reported during the year
		104-111	Embedding ESG in Our Corporate DNA	
		78-81	Sourcing with Care	
Security practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	104-111	Embedding ESG in Our Corporate DNA	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	104-111	Embedding ESG in Our Corporate DNA	
Rights of indigenous peoples				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	84-92	Future-Ready Workforce Shaping our Future	No such incidents reported relating to violations involving the rights of indigenous peoples during the reporting period.
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	84-92	Future-Ready Workforce Shaping our Future	We give priority to hire the candidate at all levels from the locations of operations to capture local community talent who are well aware of the situations of these areas and can easily get onboarded and serve the organization.
		114-116	CSR Initiatives: Making a Sustainable Difference	
	413-2 Operations with significant actual and potential negative impacts on local communities	84-92	Future-Ready Workforce Shaping our Future	
		114-116	CSR Initiatives: Making a Sustainable Difference	
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	78-81	Sourcing with care	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	78-81	Sourcing with care	
	414-2 Negative social impacts in the supply chain and actions taken	78-81	Sourcing with care	
Public policy				
GRI 415: Public Policy 2016	415-1 Political contributions	104-111	Embedding ESG in Our Corporate DNA	
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		97-98	Augmenting Product Safety and Quality	
		99-101	Consumer Health and Nutrition	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	97-98	Augmenting Product Safety and Quality	There is no such incident reported during the year
		99-101	Consumer Health and Nutrition	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	97-98	Augmenting Product Safety and Quality	
		99-101	Consumer Health and Nutrition	
Marketing and labeling				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-43	Focusing More on Empowering our Pillars	
		44-47	Prioritizing What Matters	
		97-98	Augmenting Product Safety and Quality	
		99-101	Consumer Health and Nutrition	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	97-98	Augmenting Product Safety and Quality	
		99-101	Consumer Health and Nutrition	
		97-98	Augmenting Product Safety and Quality	
	417-2 Incidents of non-compliance concerning product and service information and labeling	99-101	Consumer Health and Nutrition	
		97-98	Augmenting Product Safety and Quality	
	417-3 Incidents of non-compliance concerning marketing communications	97-98	Augmenting Product Safety and Quality	
		99-101	Consumer Health and Nutrition	
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	99-101	Consumer Health and Nutrition	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	99-101	Consumer Health and Nutrition	



ASSURANCE STATEMENTS

INDEPENDENT ASSURANCE STATEMENT

INDEPENDENT REASONABLE ASSURANCE REPORT TO VARUN BEVERAGES LIMITED ON NON-FINANCIAL BRSR CORE DISCLOSURES IN THE BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2024

To,
The Board of Directors,
Varun Beverages Limited

We ("DEKRA India Private Limited" of "DEKRA") have undertaken a reasonable assurance engagement for Varun Beverages Limited ("the Company" or "VBL") on VBL's Sustainability Information as Business Responsibility and Sustainability Reporting Core attributes included in the Business Responsibility & Sustainability Report (the "BRSR" or the "Report") for the year ended December 31, 2024. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers and experts, as per SEBI mandated Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 July 12, 2023.

Reporting Requirement - Standard/Framework

The disclosures of Sustainability Information are prepared by VBL in accordance as mentioned under;

- Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;
- Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023; and
- SEBI Circulars (SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122 dated July 12, 2023; SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 and clarifications thereto issued by SEBI.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Professional Standards Applied

We performed a reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Scope, Boundary & Limitation

Scope

The scope of work includes the assurance of the following 09 attributes as per Annexure I - Format of BRSR Core disclosed in the BRSR report. The BRSR core requirements encompass essential disclosures pertaining to the organization's Environmental, Social and Governance (ESG).

Certificate No. **DEKRABRSR2025C01R0** DEKRA India Private Limited

Page 1 of 4

105D, 1st Floor, Vatika Mindscapes, Tower D, Sector 27D, Faridabad, Haryana, India – 121003

Boundary

Reporting boundary of Sustainability Information includes 36 Nos. Plants for manufacturing Beverages, 3 Nos. Plants for Backward Integration, 1 No. Registered Office, 1 No. Corporate Office and 67 Nos. Sales Offices, Depot & Warehouse across India.

Limitations

We conducted a reasonable assurance engagement on select BRSR Core attributes, as defined within the Business Responsibility and Sustainability Reporting (BRSR) framework. Certain limitations inherent to the subject matter and the assurance process were identified, as detailed below;

- Assurance engagement did not include procedures related to the Report's prospective information, encompassing targets, expectations, and ambitions. Consequently, no assurance conclusion is offered regarding such prospective information. Additionally, matters pertaining to Intellectual Property Rights and competitive issues are outside the scope of this assurance
- DEKRA's assurance process proceeded without any limitations impacting the defined scope.
- Data verification was conducted by DEKRA using a sampling methodology. The reporting organization, VBL, bears sole responsibility for the authenticity of all data presented.
- Any reliance placed by a person or third party on the BRSR Report is entirely at their own risk.
- DEKRA did not evaluate the company's financial data or performance. DEKRA referenced financial figures from the audited financial reports, and VBL will be responsible for the appropriate application of this financial data. DEKRA assumes no liability for the accuracy or completeness of the financial data contained within the Company's audited financial report.
- This assurance statement's applicability is restricted to the context defined by SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023) and the Industry Standards for BRSR Core reporting, as specified in SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 (December 20, 2024).
- The assessment is limited to data and information within the defined Reporting Period. Any data outside the period is not considered within the scope of assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Legal compliance is outside the scope of this assurance. The Company retains full responsibility for compliance with all relevant laws and regulations.
- This assurance is based on the assumption that the Company's data is complete, sufficient, and authentic.

Inherent Limitation

Inherent limitations in preparing the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

Responsibilities for the VBL's Management

Management of the Company is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information, if any, related to reporting on the Sustainability Information, Identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the reporting requirement.
- The preparation and fair presentation of the Sustainability Information in accordance with the SEBI BRSR Framework.
- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information in accordance with the SEBI BRSR Framework, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Our Responsibility

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent opinion, based on the evidence we have obtained; and
- Reporting our opinion to the Directors of VBL.

As we are engaged to form an independent opinion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Our Independence, Quality Control and Statement of Competency

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. DEKRA applied Internal Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners, engineers, and experts, in particular, to assist with determining the reasonableness of VBL's Sustainability Information. DEKRA assurance team, to the best of knowledge, was not involved in any non-audit / non-assurance work with the Company and its entities could lead to any Conflict of Interest. DEKRA was not Involved in the preparation of any statements or data included in the Report except the Assurance Statement for the VBL. Dekra maintains complete impartiality during the assurance process. We did not provide any services to VBL in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Summary of the Work we Performed as the Basis for our Assurance Opinion

A reasonable assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error, in the Sustainability Information. In making those risk assessments, we considered internal control relevant to VBL's preparation of the Sustainability Information. A reasonable assurance engagement also includes:

- Evaluating the suitability in the circumstances of VBL's use of the Standard/Framework, as the basis for preparing the Sustainability Information;
- Evaluating the appropriateness of measurement and evaluation methods, reporting policies used and the reasonableness of estimates made by VB;
- DEKRA conducted interviews with key representatives, including data owners and decision-makers from different functions of VB;
- DEKRA performed sample-based reviews of the mechanisms for implementing Sustainability-related policies and data management (qualitative and quantitative); and
- Evaluating the disclosures in, and overall presentation of, the Sustainability Information.

We believe that the evidences we have obtained is sufficient and appropriate to provide a basis for our opinion. Onsite audit for verification conducted at VBL's Corporate Office on 17th to 19th, Noida Plant 1 on 20th February and Noida Plant 2 on 21st February of 2025, Online audit of Greater Noida – 1, Greater Noida – 2 & Sandila Plants on 3rd March and desk review for the remaining plants data.

Assurance Conclusion

In our opinion, VBL's Sustainability Information as Business Responsibility and Sustainability Reporting Core attributes included in the Business Responsibility & Sustainability Report (the "BRSR" or the "Report") for the year ended December 31, 2024 is prepared, in all material respects, in accordance with the Reporting Requirement.

Purpose and Restriction on Distribution and Use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Kanwaldeep Singh Sachdev
General Manager Audit Division

Vivek Nigam
Head Sustainability Services

DEKRA India Private Limited

Certificate No. : DEKRABRSR2025C01R0
Date : 4th March 2025
Place : Faridabad
Email : vivek.nigam@dekra.com

Certificate No. **DEKRABRSR2025C01R0** DEKRA India Private Limited

105D, 1st Floor, Vatika Mindscapes, Tower D, Sector 27D, Faridabad, Haryana, India – 121003

Page 4 of 4

BR. No. 50255790



Independent Assurance Statement

To the Management and Stakeholders of Varun Beverages Limited

DQS India have been engaged by Varun Beverages Limited (VBL) to provide limited assurance of their Sustainability Report for 2024'. The engagement took place in February 2025 and concluded in March 2025.

Scope of Assurance

The scope of our assurance engagement encompassed the 'Sustainability Report' part of the 'Annual report 2024' (final version submitted on 10th March 2025) and focused on all figures, statements and claims related to sustainability during the reporting period 1 January 2024 to 31 December 2024. More specifically, this included:

- Non-financial statements, information and performance data contained within the Sustainability Report.
- VBL management approach of material issues; and
- VBL reported data and information as per the requirements of the Global Reporting Initiative Standards.

Our **Limited level** assurance engagement was performed in accordance with:

- **ISAE 3000 (Revised):** International Standard on Assurance Engagements (Assurance on Non-Financial Information)
- **ISO 14064:2019 Part 3:** Specification with guidance for the verification and validation of greenhouse gas statements

The scope of the assurance engagement covered 36 plants for manufacturing beverages, 3 plants for backward integration in India and 12 plants for manufacturing in International territories.

The audit was conducted remotely on the corporate functions and on selected sampled sites. The site selections followed the risk-based approach and tried to ensure representativeness of various processes and geographical boundaries within the organization.

Additionally, the scope of the audit included review of the immediate corrections made in the report where gaps were identified as part of the assessment process.

Responsibility of Varun Beverages Limited

The preparation and presentation of the selected KPIs in the VBL Sustainability Report 2024 are the responsibility of the management of Varun Beverages Limited. VBL's management is responsible for establishing and maintaining the internal controls and processes to ensure the collection, calculation, and reporting of accurate and reliable data for these KPIs.

Our Responsibility

Our responsibility is to express a limited assurance conclusion based on the work performed regarding the accuracy and completeness of the selected KPIs as presented in the **VBL Sustainability Report 2024**.

Deutsch Quality Systems (India) Private Limited

Vaishnavi Tech Park, Sy.No.16/1 and 17/2,
Bellandur Gate, Sarjapur Main Road, Ambalipura,
Bengaluru - 560102 Karnataka, India

www.dqsglobal.com



Assurance Methodology

The limited assurance engagement was conducted through the following steps:

- Reviewing the Sustainability Report with respect to the in-accordance criteria of GRI requirements, including verification of material topics identification by the organization and if they have been adequately disclosed along with additional disclosures relevant to their operations.
- Evaluation of the data and information underlying the selected KPIs for accuracy and consistency.
- Interviews with key personnel responsible for the collection, monitoring, and reporting of sustainability data.
- Review of internal documentation, data records, and the control environment for managing the relevant sustainability metrics.
- Examination of the reporting and calculation methodologies used to present the selected KPIs in the sustainability report.
- DQS verification process included the following GRI disclosures:
 - General disclosures: GRI-2
 - Materiality assessment and disclosures: GRI-3
 - Disclosures of Material topics as listed below:
 - Water Management : GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5;
 - GHG Emissions: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5;
 - Corporate Citizenship: GRI 304-3, GRI 413-1, GRI 413-2.
 - Business Ethics & Corporate Governance: GRI-2, GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1 GRI 406-1
 - Business Performance: GRI 201-1*
 - Employee Health & Safety: GRI 403-1 to GRI 403-7, GRI 403-8*, GRI 403-9*, GRI 403-10*
 - Product Safety & Quality and Consumer Health & Nutrition: GRI 416-1, GRI 416-2.
 - Packaging Lifecycle Management: GRI 301-3.
 - In addition to material topics the following disclosures were also evaluated:
 - Material Management: GRI 301-1, GRI 301-2, GRI 301-3
 - Energy management: GRI 302-1*, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5
 - Waste management – GRI 306-1, GRI 306-2, GRI 306-3*, GRI 306-4*, GRI 306-5*
 - Supplier environmental assessment – GRI 308-1*, GRI 308-2
 - Employment – GRI 401-1, GRI 401-2, GRI 401-3
 - Labour/management relation – GRI 402-1
 - Training & education – GRI 404-1, GRI 404-2, GRI 404-3
 - Diversity & equal opportunity – Gri 405-1*, GRI 405-2*
 - Freedom of association and collective bargaining – GRI 407-1
 - Supplier Social assessment – GRI 414-1*, GRI 414-2
 - Marketing & labelling – GRI 417-1, GRI 417-2, GRI 417-3
 - Customer Policy – GRI 418-1
 - Market Presence – GRI 202-1, GRI 202-2
 - Indirect economic impacts – GRI 203-1, GRI 203-2
 - Procurement Practices – GRI 204-1

* Verified by third party

Deutsch Quality Systems (India) Private Limited

Vaishnavi Tech Park, Sy.No.16/1 and 17/2, Bellandur Gate, Sarjapur Main Road, Ambalipura, Bengaluru - 560102 Karnataka, India

www.dqsglobal.com



Observations and Findings

In addition to providing limited assurance, we noted the following observations during our engagement:

- **Stakeholder Inclusivity:**
We found no evidence of any key stakeholder groups being excluded from VBL's stakeholder engagement process. VBL has demonstrated a proactive and inclusive approach, ensuring that diverse stakeholder perspectives are considered throughout their sustainability strategy and reporting efforts.
- **Materiality:**
We are not aware of any significant material issues concerning VBL's sustainability performance that have been omitted from the report. VBL has thoroughly identified and addressed relevant material sustainability topics, ensuring transparency and alignment with both stakeholder expectations and industry standards.
- **Responsiveness:**
VBL has established robust processes to effectively respond to stakeholder concerns and manage its material sustainability issues. However, the assessment was focused on the verification of the selected KPIs and did not extend beyond the agreed scope of assurance.
- **Impact:**
VBL has implemented effective processes to measure, evaluate, and manage the environmental and social impacts associated with its operations. These processes are aligned with key performance indicators (KPIs) relevant to the nature of its business and identified material sustainability issues.
- **Reliability:**
Data management systems are established and centralized for the collection and calculation of data associated with the selected KPIs. These systems provide an adequate foundation for the reliability of the reported data, though certain operational data depend on measurement arrangements at the site level.

Limitations and Exclusions

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration, or commitment to undertake future actions.
- Other information included in the report other than the universal disclosures (GRI-2 and GRI-3) and disclosures related to material topics and mentioned disclosures.
- Since VBL had a conclusive third-party verification report available for selected key performance indicators of few material topics, as part of Business Responsibility and Sustainability Report (BRSR) Core reporting, the same were not repeated during DQS verification.

The following limitations should be noted:

- This limited assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, which were not addressed as part of this assurance.

Deutsch Quality Systems (India) Private Limited

Vaishnavi Tech Park, Sy.No.16/1 and 17/2, Bellandur Gate, Sarjapur Main Road, Ambalipura, Bengaluru - 560102 Karnataka, India

www.dqsglobal.com

- This independent statement should not be relied upon to detect all errors, omissions, or misstatements that may exist.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the selected Key Performance Indicators (KPIs), as outlined above and reported in the **VBL Sustainability Report 2024**, are not presented fairly, in all material respects, in accordance with the applicable criteria.

Statement of Independence, Integrity, and Competence

DQS ensures that appropriately qualified individuals are selected for assurance engagements based on their qualifications, training, and experience. The outcome of all verification and assurance assessments is internally reviewed by senior management to ensure a rigorous and transparent approach is consistently applied. DQS provided assurance services to review VBL's sustainability data and processes, ensuring alignment with relevant ISO standards and risk management principles. The assurance assessments are the only work undertaken by DQS for VBL, thus safeguarding our independence and impartiality throughout the engagement.

On behalf of the assurance team

11th March 2025

Bengaluru, India



Dr. Murugan Kandasamy

CEO & Managing Director

Deutsch Quality Systems (India) Private Limited

**Deutsch Quality Systems (India)
Private Limited**

Vaishnavi Tech Park, Sy.No.16/1 and 17/2,
Bellandur Gate, Sarjapur Main Road, Ambalipura,
Bengaluru - 560102 Karnataka, India

 www.dqsglobal.com



www.varunbeverages.com