



## Climate & Environmental Policy

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### Our Purpose

*Healing Lives responsibly through pioneering green science*

## 1. Introduction

Granules is committed to advancing environmental stewardship and reducing our climate impact by embedding sustainable practices across our operations. We recognize the critical role we play in protecting our natural resources and addressing the environmental challenges of our time, including climate change, biodiversity loss, and pollution. This policy is aligned with Granules' purpose of "healing lives responsibly through pioneering green science" and serves as a guiding framework for our environmental initiatives.

## 2. Scope

This policy applies to all operations, processes, and products across Granules, including all manufacturing facilities, offices, and supply chain activities. It covers our responsibilities in managing water, waste, energy, greenhouse gas (GHG) emissions, biodiversity, air pollution, chemicals, and product lifecycle impacts.

## 3. Policy

Granules is committed to complying with all relevant rules and regulations, as well as our voluntary commitments, including the

- UN Global Compact (UNGC) Principles
- Pharmaceutical Supply Chain Initiative (PSCI) Principles
- Greenhouse Gas Protocol
- Science Based Targets initiative (SBTi) frameworks
- Carbon Disclosure Project (CDP)
- Global Reporting Initiative frameworks
- United Nations Sustainable Development Goals (UNSDGs)
- ISO 14001: Environmental Management Systems (EMS)
- Task Force on Climate-related Financial Disclosures (TCFD)

### Water

We are dedicated to conserving and efficiently managing water resources by applying the principles of Reduce, Reuse, Recycle, and Recharge (4R). Our focus is to minimize water consumption, invest in advanced recycling and reuse systems, and implement water-saving technologies across our operations, reducing our dependence on freshwater sources.

- **Efficient Water Use** - We commit to improving water use efficiency across operations by implementing best practices and innovative technologies, conducting audits to minimize water consumption, and regularly optimizing water use processes.
- **Water Quality Assurance** - Maintaining high water quality standards is essential. Granules treats effluents and wastewater to meet or exceed regulatory requirements before release or reuse, ensuring minimal environmental impact.
- **Risk Assessment** - Regular assessments of water-related risks help us anticipate and address challenges, safeguarding resources for our operations and local communities and allowing us to develop targeted action plans.
- **Rainwater Harvesting** - We understand the value of rainwater as a precious resource. We promote rainwater harvesting initiatives across our facilities to capture and utilize rainwater for non-potable purposes such as

landscaping, cooling systems, and toilet flushing. By harvesting rainwater, we aim to reduce pressure on local water sources and enhance water resilience

- **Community Engagement** - Granules partners with communities and stakeholders to encourage responsible water use and actively participates in conservation initiatives, sharing best practices in water stewardship.
  - **Innovation and Improvement** - We pursue continuous improvement in water management by exploring new technologies and industry best practices, fostering innovation in water conservation.
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## Energy

- **Legal Compliance** - Granules adheres to all relevant energy-related regulations, striving to meet or exceed compliance standards and promoting responsible energy use and conservation.
  - **Energy Efficiency** - We actively enhance energy efficiency in our facilities through advanced technologies, regular audits, and sustainable operational practices.
  - **Renewable Energy Commitment** - Committed to increasing renewable energy usage, Granules invests in sustainable energy projects and incorporates renewable sources, such as solar and wind, into our operations.
  - **Emissions Reduction** - Granules is committed to reducing greenhouse gas emissions, with a Net Zero target by 2050. Our initiatives encompass efficiency improvements, renewable energy integration, and innovative reduction strategies.
  - **Sustainable Operations** - New and existing projects will incorporate sustainable and energy-efficient design principles to minimize resource usage and environmental impact.
  - **Stakeholder Engagement** - We actively involve employees, suppliers, and stakeholders in energy-saving programs, fostering a culture of conservation and environmental responsibility.
  - **Continuous Improvement and Innovation** - Through research and development, we seek innovative energy management solutions and continuously enhance efficiency practices across the industry.
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## Emissions

- **Science-Based Targets** - Granules has set near- and long-term emissions reduction targets aligned with Science Based Targets initiative (SBTi) standards, reflecting our commitment to limit global temperature rise to 1.5°C.
- **Carbon Footprint Reduction** - Through a comprehensive GHG inventory, we identify emissions sources across Scopes 1, 2, and 3, implementing actions to reduce carbon footprints, including energy efficiency and renewable projects.
- **Renewable Energy Expansion** - We prioritize renewable energy integration through investments in on-site projects and renewable energy credits to offset emissions.
- **Innovation and Technological Investment** - Committed to continuous improvement, we invest in technologies that reduce emissions and enhance sustainable practices.
- **Stakeholder Collaboration** - We actively engage employees, partners, and communities in our journey toward net-zero emissions, with a commitment to transparent reporting on progress.

- **Ongoing Compliance**

Compliance with emissions-related regulations is paramount, and we report progress to stakeholders and relevant authorities, upholding accountability.

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## Waste

- **Legal Compliance** - Granules is committed to adhering to all applicable waste management laws, striving for best-in-class compliance, and continually refining waste practices.
  - **Source Reduction** - We minimize waste generation at the source by optimizing resource use and adopting efficient operational practices.
  - **Recycling and Reuse Initiatives** - Granules prioritizes recycling and reuse, establishing programs for effective material segregation and processing.
  - **Safe Disposal** - We ensure environmentally sound disposal of non-recyclable waste, particularly hazardous waste, managed under stringent safety standards.
  - **Supplier and Partner Collaboration** - Our waste management extends to suppliers and partners, encouraging sustainable practices and shared responsibility for reducing waste.
  - **Employee Training**- Granules empower employees with knowledge and resources for effective waste management, fostering a culture of sustainability.
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## Biodiversity

- **Impact Mitigation** -Environmental impact assessments identify potential risks to biodiversity, with proactive measures in place to mitigate harm to ecosystems.
- **Habitat Protection**- Granules supports projects aimed at habitat protection and restoration, minimizing our impact and contributing to biodiversity preservation.
- **Sustainable Resource Use** -We prioritize sustainable sourcing, ensuring minimal ecological footprint across the supply chain.
- **Continuous Improvement** -Granules remains committed to evolving biodiversity practices, aligning with best practices to ensure environmental stewardship.

#### 4. Goals & Targets

<b>Climate &amp; Environment</b>	
<b>GHG Emissions</b>	<ul style="list-style-type: none"> <li>• <b>Net-Zero Target:</b> <ul style="list-style-type: none"> <li>○ Granules committed to reach net-Zero GHG emissions across the value chain by FY 2050</li> </ul> </li> <li>• <b>Near-Term Targets:</b> <ul style="list-style-type: none"> <li>○ Granules committed to reduce absolute scope 1, Scope 2 and Scope 3 GHG emissions 42% by FY2030 from FY2023 base year.</li> </ul> </li> <li>• <b>Long Term Targets.</b> <ul style="list-style-type: none"> <li>○ Granules committed to reduce absolute scope 1, Scope 2 and Scope 3 GHG emissions by FY2050 from a FY2023 base year.</li> </ul> </li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>• Granules committed to increase the active annual sourcing of renewable electricity to 100% in FY2030.</li> <li>• Energy intensity reduction by 20% by FY 27</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>• Achieve Water Positivity by FY 2032</li> <li>• Water intensity reduction by 27% by FY 27</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>• Achieve Zero waste to landfill by FY 30</li> <li>• Increase coprocessing of waste to 95% by FY 26.</li> <li>• 27% reduction in waste to landfill by FY 27</li> </ul>
<b>Biodiversity:</b>	<ul style="list-style-type: none"> <li>• Implement biodiversity conservation programs at all operating sites impacting local ecosystems by FY 2030.</li> </ul>
<b>Air Pollution</b>	<ul style="list-style-type: none"> <li>• Maintain air emissions below regulatory limits and continuously improve air quality measures.</li> </ul>
<b>Sustainable Procurement</b>	<ul style="list-style-type: none"> <li>• Communication of sustainability Expectations through supplier code of conduct /Supplier Sustainability Program/ Purchase Order to 100 % Suppliers</li> <li>• Obtain Signatory on Climate &amp; Environment commitment goals (Pledge) covering 85% of Supply value by FY 2025</li> </ul>

## 5. Governance:

Granules has established a three-tier governance structure for adequate management of sustainability aspects at various hierarchy of the organization.

Level	Name of Committee/Team	Members	Meeting Frequency
Tier-1	Sustainability & Corporate Social Responsibility (CSR) Committee of the Board	<ul style="list-style-type: none"> <li>▪ Chairman &amp; Managing Director</li> <li>▪ Executive Director</li> <li>▪ Independent Director</li> </ul>	Half Yearly
Tier-2	Management team at the Executive level	<p><b>Chairperson:</b> Joint Managing Director &amp; Chief Executive Officer</p> <p><b>Convener:</b> Chief Sustainability Officer</p> <p><b>Members</b></p> <ul style="list-style-type: none"> <li>▪ Chief Financial Officer</li> <li>▪ Head of Sourcing and Supply Chain</li> <li>▪ Head of API Operations</li> <li>▪ Head of FD Operations</li> <li>▪ Chief Human Resource Officer</li> <li>▪ Head of EHS</li> <li>▪ Head of Legal</li> <li>▪ Head of Marketing</li> <li>▪ Head of IT</li> </ul>	Quarterly
Tier-3	Execution team at Plant level	<p><b>Chairperson:</b> Plant Heads</p> <p><b>Invited members:</b></p> <ul style="list-style-type: none"> <li>▪ Head of API/FD Operations,</li> <li>▪ Chief Sustainability Officer,</li> <li>▪ Corporate Head of EHS</li> </ul> <p><b>Convener &amp; Co-Convener:</b> Head of Engineering &amp; Plant Head of EHS</p> <p><b>Members</b></p> <ul style="list-style-type: none"> <li>▪ Engineering and Projects</li> <li>▪ Production /Manufacturing</li> <li>▪ Procurement and Supply Chain</li> <li>▪ EHS</li> <li>▪ HR</li> <li>▪ Corporate Sustainability team</li> <li>▪ Other departments as and when required</li> </ul>	Monthly or as and when required

### Responsibilities:

#### Tier 1 - Sustainability and CSR Committee at Board level:

Sustainability and CSR Committee is responsible for setting strategic objectives, overseeing performance, and ensuring alignment with our corporate values and goals. The committee will provide leadership and guidance on sustainability initiatives, ensuring they are integrated into our business strategy.

#### Tier 2 - Management team at the Executive Level

The Management team at the Executive Level will be responsible for implementing sustainability initiatives and driving progress toward established goals.

The team will be responsible for developing the roadmap, execution plans and review the progress and will appraise the same to the Sustainability and CSR Committee. It shall consist of members to manage and

coordinate the sustainability process, and strategically guide the Company towards achieving short-, medium-, and long-term targets.

### **Tier 3 - Execution team at Plant level**

Execution team at site level comprised of individuals across various departments who are responsible for implementing specific sustainability projects and initiatives.

The Execution team at site level will be chaired by the respective Plant Heads. The Head of API/FD Operations and the Chief Sustainability Officer will be invited members for the plant level meetings.

This team works closely with management to ensure that sustainability linked targets and projects are executed as per agreed plan. The team is responsible for implementation of the targets and shall regularly review progress against their respective KPIs and update the management team of the progress and bottlenecks, if any.

The plant execution team comprise of nominated members from the Engineering and Project, Procurement and Supply Chain, EHS, HR, Corporate Sustainability team and other departments as and when required.

## **6. Transparency**

We are dedicated to monitoring and achieving our sustainability objectives by establishing key performance indicators (KPIs). Each KPI will be tracked at regular intervals, ensuring rigorous evaluation to assess our progress and implement necessary adjustments.

We will communicate our progress through our Annual Report, Sustainability Report in accordance with GRI standards, UNGC Communication of Progress (CoP), BRSR disclosure, Ecovadis and CDP Disclosures. We will share our data through platforms such as SEDEX, M2030 and Project Gigaton, ensuring transparency and accountability in achieving our sustainability objectives.

## **7. Communication**

We will engage and collaborate with stakeholders, including employees, suppliers, communities, and customers, to foster a shared responsibility for our environmental objectives.

## **8. Review**

This policy will be reviewed once in 2 years or as required, to ensure its relevance and alignment with evolving environmental standards and best practices. The Chief Sustainability officer is responsible for overseeing the implementation and review of this policy. Granules remains committed to continual improvement and will adapt our environmental strategies and targets in response to emerging insights, innovations, and regulatory changes.

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