



Our Sustainability Goals and Progress

In the final phase of our strategy development, we set clear short-, medium-, and long-term goals, assessed current state of ESG integration, and developed ambitious sustainability goals. These goals align with relevant functions and team members in the performance matrix, for annual evaluations, ensuring appropriate rewards and driving actionable progress.

Climate and Environment Targets

GHG Emissions

Driving Net-Zero: Leading the Way in Decarbonization

Achieve Net Zero Emissions by 2050

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Mid-to-Long Term Goals

- ▶ **Net Zero Target:** Granules committed to reach Net Zero GHG emissions across the value chain by FY 50
- ▶ **Near-Term Targets:** Granules committed to reduce absolute Scope 1, Scope 2 and Scope 3 GHG emissions 42% by FY 30 from FY 23 base year
- ▶ **Long-Term Targets:** Granules committed to reduce absolute Scope 1, Scope 2 and Scope 3 GHG emissions 90% by FY 50 from FY 23 base year

Short Term Goals

- ▶ Complete techno-commercial feasibility of alternate fuels for boilers for Bonthapally and Gagillapur
- ▶ Develop an Internal Carbon Pricing (ICP) by FY 25
- ▶ Conduct climate risk analysis for all facilities and strategic suppliers by FY 25
- ▶ Conduct climate risk analysis using the Task Force on Climate-related Financial Disclosures (TCFD)
- ▶ Recommendations and integrate major physical and transitional risks with Granules' Enterprise Risk Management (ERM) framework
- ▶ Roll out supplier sustainability framework, identify strategic suppliers, and engage them to adopt and share climate targets by FY 25
- ▶ Develop a green packaging strategy by FY 26

Performance

✓ Targets Approved by SBTi

Granules has received SBTi validation and approval for both our near-term and long-term goals, aligned with the 1.5°C pathway towards achieving net-zero by 2050 or sooner.

✓ 22% Absolute reduction in GHG emissions (Scope 1 and 2)

In FY 24, the Total GHG footprint (Scope1+Scope2) is 87,886 tCO₂e. The Specific GHG Emission Intensity (tCO₂e/MT of Production) is reduced by 26.7% compared to FY 23.

Absolute GHG Emissions (Scope1+Scope2) in the reporting period were reduced by 22%. Implementing rooftop solar panels and purchasing Renewable Energy through PPAs and I-RECs have contributed to this reduction.

✓ Net Zero RoadMap finalized

✓ 29,200 MT of GHG Emissions avoided in FY 24

Granules implemented several energy-saving initiatives, achieving a total annual savings of 915,945 kWh. Key actions included replacing outdated vacuum pumps, which saved 70,296 kWh, and upgrading conventional blower motors to energy-efficient EC blowers, resulting in 474,272 kWh savings. Additionally, installing interlocks on RT pumps contributed 28,244 kWh in savings.

✓ Scope-3 Inventorization using the highest level of accurate methodology

✓ Emissions assessments across the value chain (Scope 1, 2, and 3) for all subsidiaries

✓ Climate risk assessments aligned with TCFD

✓ Product carbon footprint conducted for the top five products (covering 65% of revenue)



Climate and Environment Targets

Energy

*Empowering Progress
through Renewable Energy
and Efficiency*



**Achieve 100% sourcing
renewable electricity by FY 30**

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Mid-to-Long Term Goals

- ▶ Granules committed to increase the active annual sourcing of renewable electricity to 100% in FY 30
- ▶ Energy intensity reduction by 20% by FY 27

Performance

✓ 47.4% Share of Renewable Energy

The Solar power plant in Gagillapur has generated 359 MWh of electricity; we have procured 6,528 MWh of renewable electricity through PPA and 33,000 MWh of I-RECs for Gagillapur and Bonthapally units. Incorporating all these initiatives has increased our renewable energy contribution to 47.4% in our energy mix.

Short Term Goals

- ▶ Increase renewable energy mix in electricity consumption
- ▶ Commission 1 MW rooftop solar plant at Gagillapur unit by FY 25
- ▶ Increase renewable energy purchases through PPA across our plants

✓ 915,945 kWh energy saved

Granules implemented several energy-saving initiatives, achieving a total annual savings of 915,945 kWh. Key actions included replacing outdated vacuum pumps, which saved 70,296 kWh, and upgrading conventional blower motors to energy-efficient EC blowers, resulting in 474,272 kWh savings. Additionally, installing interlocks on RT pumps contributed 28,244 kWh in savings.

Water

*Preserving Every Drop:
Innovating for Water Stewardship*



**Achieve Water Positivity
by FY 32**

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- ▶ Achieve Water Positivity by FY 32
- ▶ Water intensity reduction by 27% by FY 27

Performance

✓ 25% Intensity reduction in Water Consumed

The Specific Water Intensity (KL/MT of production) is reduced by 25% compared to FY 23 due to various water conservation measures implemented and an increase in business volumes.

- ▶ Conduct water risk assessment and develop a water stewardship plan by FY 25

✓ 40% of wastewater recycled

The percentage of water recycled during this financial year is more than 40% of effluent generated, which is recycled and reused in operations.

Waste

*Turning Waste into Value:
Towards Zero Landfill*



**Achieve Zero waste to
landfill by FY 30**

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- ▶ Achieve Zero Waste to Landfill by FY 30
- ▶ 27% reduction in waste to landfill by FY 27

Performance

✓ 88% of hazardous waste co-processed

More than 88% of the hazardous waste is disposed of by cement industries for co-processing, thereby promoting circular economy as well as reducing the GHG footprint.

- ▶ Increase co-processing of waste to 95% by FY 26

✓ 100% of our non-hazardous waste generated at our operations are recycled through authorized vendors



Social Targets

Community Impact, Relations and Development



*Empowering Communities,
Enriching Lives*

**Touch 1 million lives through
CSR programs by FY 30**

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Human Capital Development



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Occupational Health and Safety



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Employee Engagement & Employee Well-being Safety



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Access, Diversity and Inclusion



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Mid-to-Long Term Goals

- ▶ Touch 1 million lives through CSR programs by FY 30

- ▶ Target to be in the top quartile in the pharmaceutical industry on L&D parameters

- ▶ Foster a safety-first culture and target zero workplace fatality
- ▶ Identify and execute projects to improve workplace safety parameters to the best-in-class such as incident rate, Lost Time Injury Frequency Rate (LTIFR), etc.

- ▶ Drive employee engagement for measurable outcomes

- ▶ Achieve gender pay parity by FY 30
- ▶ Achieve a 100% increase in women's representation across the organization by 2030 compared to FY 24 levels.
- ▶ All plants to be made accessible for physically challenged people

Short Term Goals

- ▶ Drive health, skilling, environmental sustainability, and Volunteering as part of CSR activity
- ▶ Conduct CSR impact assessment and improve the number of lives impacted by 50%

- ▶ Identify mandatory training and ensure 100% compliance
- ▶ Target 24 hours (3 days) of training and development per employee per year

- ▶ Target zero workplace fatality by identifying set of safety related lead indicators and improving over previous year
- ▶ 10% YoY reduction in the Lost Time Injury Frequency Rate (LTIFR)

- ▶ Expand employee health and wellness program; initiate mental health program including access to psychological counselling

- ▶ Ensure equal opportunity in selection and promotion
- ▶ Develop a process for increasing the pool of women in the CV sourcing and screening stage of recruitment





Social Targets

Sustainable Procurement

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Mid-to-Long Term Goals

- ▶ Reduce environmental impact across the supply chain through supplier engagement and innovation
- ▶ Foster a culture of ethical practices across the supply chain.
- ▶ Ensure fair labor practices and safe working conditions throughout the supply chain
- ▶ Engage 75% of key suppliers in carbon reduction initiatives by 2028
- ▶ Encourage suppliers to adopt innovative solutions for sustainable product development

Short Term Goals

- ▶ Communication of sustainability expectations through Supplier Code of Conduct/Supplier Sustainability Program/Purchase Order to 100% suppliers
- ▶ Obtain Signatory on Climate & Environment commitment goals (Pledge) covering 85% of supply value by FY 25
- ▶ Ensure 100% of key suppliers adhere to Granules' Supplier Code of Conduct
- ▶ Conduct annual audits of 100% of high-risk suppliers to verify compliance to the supplier code of conduct once in 3 years
- ▶ Engage 100% of strategic suppliers for awareness and training on responsible sourcing practices
- ▶ Roll out supplier sustainability framework, identify strategic suppliers, and engage them to adopt and share on following climate targets by FY 25

Performance

- ✓ Female representation in the workforce stands at 11.7%
- ✓ 31% increase in women employees*
- ✓ 6,525+ employees
- ✓ 10% of new hires are females
- ✓ Launched its first women-led production plant
- ✓ 100% return-to-work rate after parental leave

- ✓ Zero confirmed cases of discrimination
- ✓ 25% women on the Board
- ✓ 14.3% increase in community beneficiaries*
- ✓ 1,200+ students trained through Pharma Pathashala
- ✓ Industry-Academia Partnership between Granules India Limited and NIPER

* Over previous year





Governance Targets

Business Ethics and Integrity

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Sustainability Governance

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Data Privacy and Cyber Security

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Mid-to-Long Term Goals

- ▶ Ethical business conduct and zero tolerance to violations through robust culture building and training
- ▶ Transparency through disclosures on various ESG reporting platforms
- ▶ Conduct an annual third-party vulnerability threat assessment, IT & OT security Gap & Convergence Assessment
- ▶ Ensure zero data privacy and cyber security breaches
- ▶ Target ISO 27001 certification by FY 27

Short Term Goals

- ▶ Conduct awareness programs and mandatory code of conduct training
- ▶ Adopt sustainability governance across the organization and integrate with ERM framework
- ▶ Conduct annual vulnerability threat assessment, and IT & OT security Gap & Convergence Assessment
- ▶ Conduct cyber safety awareness program for targeted audience within the organization and ensure 100% coverage

Performance

- ✓ ESG-linked performance and incentives for CEO and KMP
- ✓ Dedicated sustainability committee has been established
- ✓ 100% of employees receive training on the Code of Conduct
- ✓ Enterprise risk management framework established
- ✓ No significant fines paid towards non-compliance with laws and regulations
- ✓ Featured decarbonization plan at COP 28 (Global Innovation Hub of UNFCCC)
- ✓ Zero product recalls
- ✓ 50% independent directors
- ✓ Zero customer complaints on cyber security

