



Materiality Assessment

Granules conducts a dual materiality assessment that evaluates the impact of environmental, social, and governance (ESG) factors on the Company and the effects of its operations on the broader environment and society. This approach acknowledges the interconnectedness of climate change, recognizing Granules' role in influencing and contributing to these issues. By addressing these dimensions the assessment provides nuanced and valuable insights into ESG risks and opportunities, facilitating informed decision-making aligned with the Company's sustainability goals and responsibilities.

In FY 23, Granules conducted a Double Materiality Assessment (DMA) to identify key sustainability issues for the organization and its stakeholders analyzing, their environmental and social impacts from both inside-out and outside-in perspectives of the Company.

Impacts

This outlines the potential adverse or beneficial effects of Granules on the environment and society, including human rights implications related to its operations, products, and business partnerships. For example, Granules positively impacts society by promoting inclusivity in everyday health.

Risks and Opportunities

These are unpredictable environmental, social, or governance events that can significantly impact Granules' financial performance, such as product recalls or quality issues.



Stakeholder's contribution and validation of Granules' material issues, their impacts, risks, and opportunities.

We gathered responses from around 97 stakeholders comprising Board members, senior leadership, employees, investors and research analysts, NGOs, suppliers, and vendors.

The topics were selected based on insights from global frameworks such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Business Responsibility and Sustainability Report (BRSR), Carbon Disclosure Project (CDP), and Task Force on Climate-related Financial Disclosures (TCFD), as well as macro industry trends, peer benchmarking, and aspects highlighted by rating agencies like MSCI, CRISIL, and S&P aligned with Granules' business goals.

Process of Materiality Assessment

Identification of topics based on international standards, peer benchmarks

Engagement with stakeholders to rate the importance and impact of material topics

Analysis of data collected through an online survey

Arrival at final list of 13 material topics to focus on over the next 3 years

Using survey results to rank material topics by priority

Sustainability governance emerged as a key focus in this assessment and is central to our sustainability strategy and action. It guides our initiatives, establishes a solid foundation, and embeds sustainability into our corporate strategy. As a result, we have elevated sustainability governance from material topics (hence, not reflected in the list of topics) to a fundamental component of our strategy, ensuring a sustainable future for our Company

and the communities we serve. The final list includes 13 material topics refined from an initial 33.

This assessment has enabled Granules to enhance its sustainability and business strategy. Granules is committed to updating its Double Materiality Assessment every three years to align with industry best practices.