LUPIN

Taskforce on Climate Disclosures

(TCFD) Report

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About Us

Who We Are

Founded in 1968 by Desh Bandhu Gupta, Lupin is today one of the leading pharmaceutical companies in India. Headquartered in Mumbai, India, we have expanded our footprint to a global level across the U.S., LATAM, APAC and EMEA regions, operating in over 100 countries and offering a diverse portfolio of over 1,000 products. Our position as an integrated pharmaceutical company is built on the backbone of cutting-edge research, world-class manufacturing facilities and a truly global supply chain. We are a multinational pharmaceutical company focused on a meaningful and diverse product portfolio, comprising
Generics, Biosimilars, and specialty products. Lupin manufactures and markets an extensive variety of branded and generic formulations, Active Pharmaceuticals Ingredients (APIs), biotechnology products as well as Over the Counter (OTC) medicines across multiple dosage forms and therapeutic categories.

In addition, we are acknowledged as one of the largest manufacturers of anti-Tuberculosis drugs in the world and are proud of our global leadership position in areas such as Anti- TB and Cephalosporins. With over 15 state-of- the-art manufacturing facilities spread across India, the United States, Brazil and Mexico and a workforce of over 24000+
personnel committed to enhancing the quality of our patients' lives, we are working towards expanding access to newer and innovative healthcare solutions on a scale. Our journey is guided by the belief that healthcare should be accessible, affordable, and of the highest quality.

We strive to advance our infrastructure and expand our presence in high-growth markets to better serve the evolving needs of patients worldwide while also embracing innovation and sustainability. Environmental, Social and Governance (ESG) aspects are deeply ingrained in our organizational DNA, driving relentless pursuit of excellence in sustainability.

Lupin's commitment to building a sustainable future is at the core of our long-term value creation strategy.

Our Climate Commitments

As part of our ESG journey and sustainable strategy, we have made great strides in strategic prioritization of key initiatives and measures and undertaken commitments focusing on our Natural Capital.

Focus Areas	Targets Taken
Supply Chain Sustainability	100% coverage of critical suppliers (RM and PM) through ESG framework within a three-year cycle
Environmental Performance	Reduce our Scope 1 and Scope 2 GHG emissions by 38% from FY23 levels, by 2030. Reduce our Scope 3 emissions (intensity based) by 61% from FY 24 levels by 2034
Biodiversity	100% of global sites to be covered by biodiversity assessments Continue our Focus on deploying social and farm forestry (planting tress)

Key Highlights OF The Year

In FY25, we made significant strides in our ESG agenda, setting the stage for transformative initiatives that lie ahead. Key decisions that focus on the implementation of these initiatives are detailed below

Key decisions taken in FY25

- Formulated Corporate Sustainability Policy
- Board ESG Oversight Institutionalized
- Developed Value Chain Decarbonization Strategy
- Ranked Top 10% in the S&P Global 2025 Yearbook
- Achieved 'A-' Leadership Rating in CDP Climate and Water
- Secured Silver Rating in Ecovadis
- 1st R&D Center in India LEED Certified
- Refreshed Sustainability Framework Aligned with Purpose

Climate Governance at Lupin

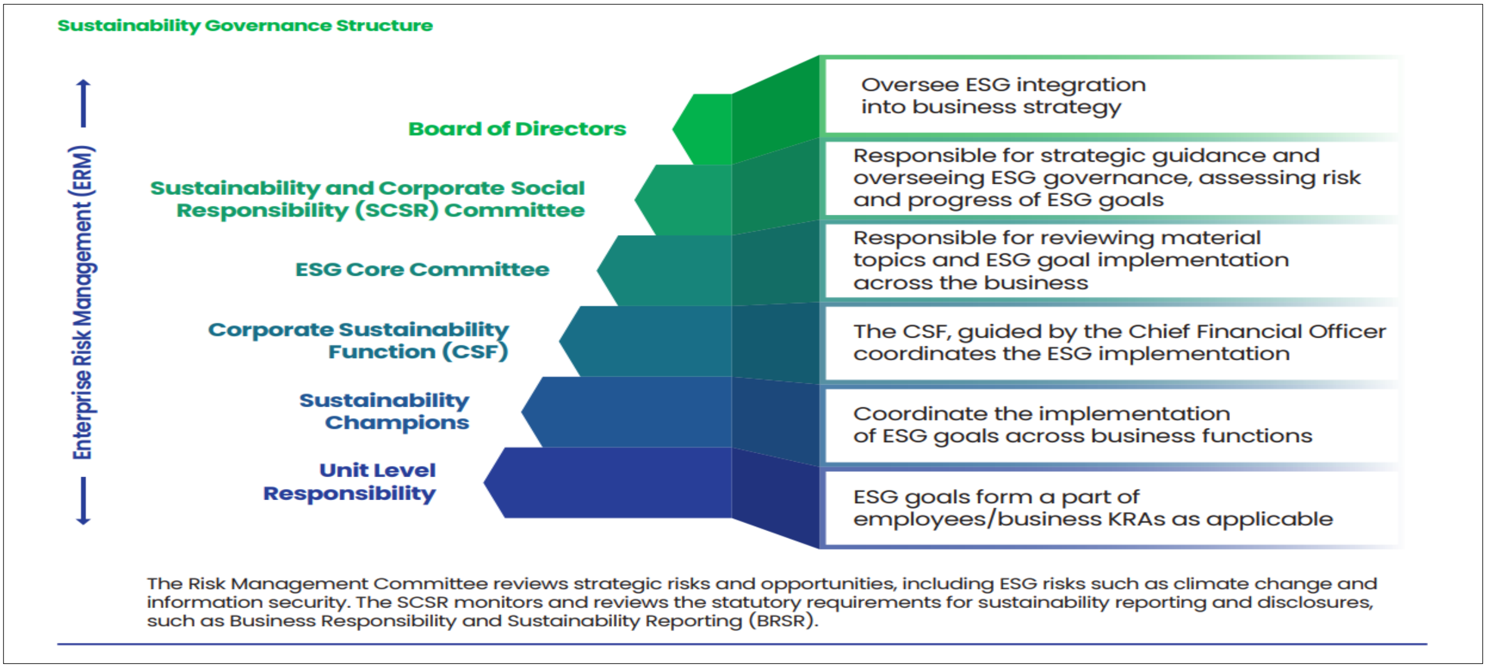
Lupin Limited has recognized the importance of assessing and identifying climate-related risks and opportunities and developing climate-related strategies for the organization to align with the needs of society, rising stakeholder expectations and the need for sustainable growth.

One of our key principles is to integrate Environmental, Social and Governance (ESG) issues into our decision-making, overarching organizational strategy and business.

priorities. In light of this, we have developed a governance structure that includes developing and monitoring of our climate-related issues and sustainability strategies with a feedback and reporting mechanism that allows the organization continuously to evaluate our aim to embed climate change into our overall business practices and strategies.

Details on our climate governance structure are described below-

At the Board level, Lupin's Sustainability and Corporate Social Responsibility (SCSR) Committee leads the governance of ESG-related matters. This committee provides strategic direction and ensures that ESG risks and opportunities receive consistent management focus, alignment, and resources to achieve ESG goals. At the executive level, our ESG Core Committee, comprising of the Managing Director, Executive Director & Global CFO, and President — Global Human Resources, is pivotal in embedding ESG considerations into corporate strategy. This committee routinely assesses ESG performance, evaluates strategic objectives, and oversees risk management and policy execution in line with our comprehensive sustainability agenda. These dual levels of governance help ensure that our ESG vision is practical, measurable, and integrated into our operation



Risk Committee; Chaired by the Global CFO & Head of Corporate Affairs Members including CEO, MD and an independent director, directly oversees the enterprise risk management framework. The focus of the risk committee is entitywide identification, assessment and mitigation of organizational risks including climate issues and providing insights for proactive risk governance.

Our Strategy

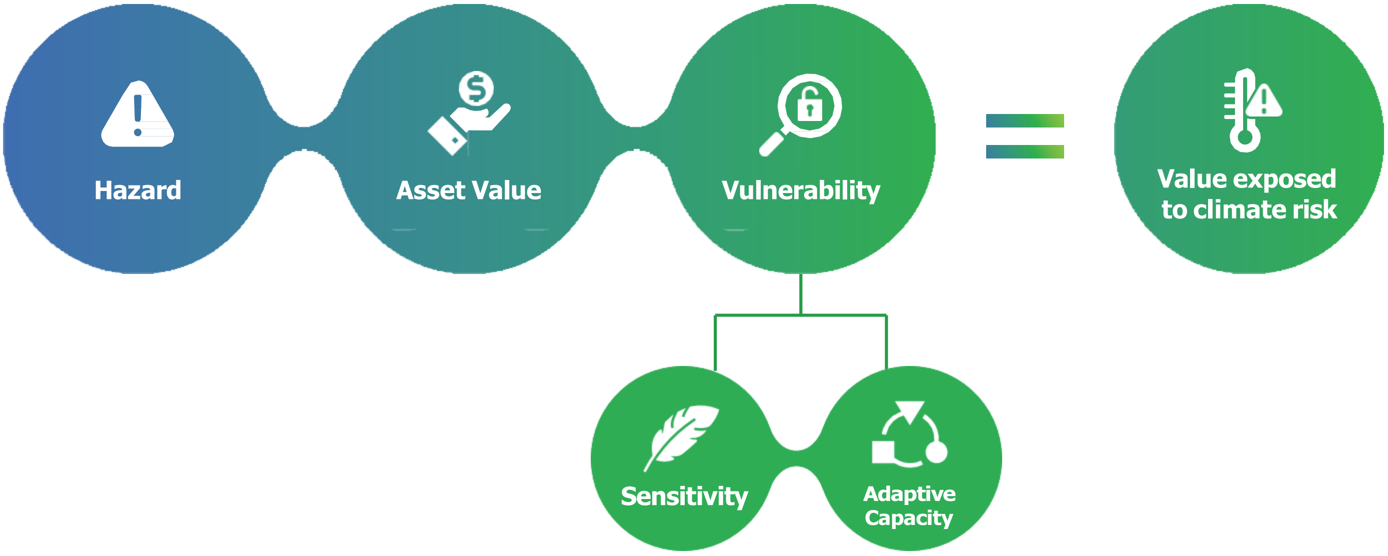
At Lupin, we recognize and believe in protecting the business and stakeholders against external threats and shocks by building resilience. It prioritizes that the company must monitor and address a wide range of external factors to be successful. In supporting the fight against climate change, Lupin has committed to remain fully supportive of the Paris Agreement on climate change do its part to limit the increase of the world's temperatures to well below 2°C with an ambition to keep it below 1.5°C to minimize the worst impacts. To achieve this, Lupin has launched strategic initiatives to gain a comprehensive understanding of how climate change affects our business and enhances our ability to withstand external shocks.

In line with the TCFD recommendation to study the impact of climate change on business under different climate scenarios, we undertook a climate risk assessment including scenario analysis in FY 2022-23 & reviewed them in FY 2024-25. The risk assessment included physical climate risks and transition related risks to the business. Our initiatives align with leading internal frameworks and guidelines, such as the Task Force on Climate-Related Financial Disclosure (TCFD) and the Carbon Disclosure Project (CDP). Lupin's TCFD methodology is grounded in rigorous climate risk studies, GHG inventorisation, and analysis of existing institutional arrangements
.

Physical Risks and Scenario Analysis

Climate change can pose physical risks in the form of sudden events (acute) or long-term changes (chronic) in climate patterns. These risks may have financial implications for organizations such as damage to assets (direct impact) and disruptions in the supply chain (indirect impact).

For Lupin, physical risk was calculated for its 17 locations/ sites situated in India and abroad based on IPCC AR5 Risk Assessment Framework. According to IPCC AR5, risk (or impact) (R) is a function of hazard (H), exposure (E) and vulnerability (V). It is used primarily to refer to the risks of climate-change impacts.



We studied the historical trends and future projections of various climate hazards such as change in temperature, change in precipitation, floods, droughts, and cyclones to understand how the changing climate may impact on our different business locations. For future hazard trends, our climate risk assessment used the Shared Socioeconomic Pathways (SSPs). These scenarios have been used to help produce the IPCC Sixth Assessment Report on climate change, published in 2022. The SSPs are based on five narratives describing broad socioeconomic trends that could shape future society. For Lupin's physical risk assessment, two climate scenarios have been considered for all the locations:

SSP 2: Middle of the Road	SSP 5: Fossil-fueled Development – Taking the Highway
• Medium challenges to mitigation and adaptation • Strong mitigation actions to reduce emissions to half of current levels by 2080 • Emissions continue to increase through the end of the century with resulting warming of more than 2 degrees Celsius by 2100	• High challenges to mitigation, low challenges to adaptation • Continuation of business as usual with emissions at current rates. • High-growth energy-intensive emissions result in warming of more than 4 Degrees Celsius by 2100

For both SSP 2 and SSP 5 scenarios, two time periods have been considered – 2020-2039 and 2040-2059 for future projections. A composite climate risk index was developed based on various acute and chronic climate risks, further a vulnerability index was developed considering the exposure, sensitivity and adaptive capacity of our units. This assessment has been made to articulate the key risks that will be faced by Lupin's Units between the critical time periods Near- and mid-term (2020-2039, 2049-2059) as the impacts of climate change are already being experienced.

Under the SSP 2 scenario, sites at Vadodara and Kalpataru, Mumbai will be most impacted by the climate hazards by 2060. For SSP 5 scenario, sites at Vadodara, Kalpataru (Mumbai), Chhatrapati Sambhajinagar, and Mandideep will be most impacted by the climate hazards by 2060. All these locations under both the scenarios would specifically be impacted by increase in hot days, cyclones and water stress.

We have developed a context-specific plan to address physical climate risks across both existing and new operations. This plan includes a defined target and timeline for implementing appropriate adaptation measures in existing operations. Additionally, the risk assessment and adaptation strategy comprehensively cover all new operations to ensure resilience against physical climate risks.

Centers	IPCC Contributing	Climate Risk Description	Key Drivers/Impacts
Vadodara	• Hazard – Medium • Exposure – Medium	• There would be high variability in precipitation • An increase in number of very hot days (above 35°C) will be experienced by all the locations. • Mumbai will experience most change in wind speed. • Overall water stress is increasing in all the four sites.	• Increase in mean precipitation will result in high levels of humidity and resulting humid heat. • Increase in hot number of days would require more cooling resulting in increased energy use and also drive-up the air-conditioning costs • High temperatures would impact staff health and also drive-up the air-conditioning costs. • Mumbai is very susceptible to cyclones. Increase wind speed would result in typical failures in the infrastructure
Mumbai	• Hazard – Medium • Exposure – Medium		
Mandideep	• Hazard – Medium • Exposure – Medium		
Chhatrapati Sambhajinagar (CSN)	• Hazard – Medium • Exposure – Medium		

Transition Risks and Scenario Analysis

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations (TCFD, 2020).

At Lupin we have conducted a scenario analysis until 2050 to assess the risks to the business posed by upcoming/ anticipated changes in the policies, regulations, markets, technologies as a result of climate change impacts. We have used Network for Greening the Financial System (NGFS) Scenarios developed in partnership with an academic consortium from the Potsdam Institute for Climate Impact Research (PIK), International Institute for Applied Systems Analysis (IIASA), University of Maryland (UMD), Climate Analytics (CA) and Eidgenössische Technische Hochschule Zürich (ETH) for this assessment. The transition pathways for the NGFS Scenarios are differentiated by several key design choices relating to long-term temperature targets, net-zero targets, short-term policy, overall policy coordination and technology availability.

The different scenarios used are as follows:

- **Nationally Determined Contributions (NDCs) Scenario:** This scenario foresees India's NDC is implemented fully and aligns the business' emissions as per the NDC trajectory
- **Below 2°C Scenario:** Scenario gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C
- **"Net Zero 2050" Scenario:** Scenario limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero by 2050
- **Delayed Transition Scenario:** This assumes a disorderly transition where emissions until 2030 will follow BAU and then it will suddenly start declining with an aim to restrict global warming to below 2°C
- **Divergent Net Zero Scenario:** The world reaches net zero around 2050 but with higher costs due to divergent policies introduced across sectors that lead to a quicker phase out of oil use

A variety of transition risk factors (as defined by the TCFD) were reviewed for our scenario analysis:

Risk: Political and Legal

Consequences	Policy actions attempt to constrain actions that contribute to the adverse effects of climate change or seek to promote adaptation to climate change. Legal risks are likely to increase as the value of loss and damage arising from climate change grows, these may be translated through increase in carbon taxes or through other carbon pricing mechanisms.
Impacts to Lupin Limited	India is making significant strides toward establishing a structured and regulated carbon pricing framework as part of its broader climate and sustainable development goals. A rate-based Emissions Trading System (ETS) is currently under development, along with complementary voluntary carbon crediting mechanisms. Initially, the ETS will cover nine energy-intensive sectors, excluding pharmaceuticals. However, the pharmaceutical sector is expected to be included in the future. As a result, the immediate regulatory impact on Lupin from a policy standpoint, it remains limited. Nevertheless, Lupin's international operations, particularly those based in India, may face varying regulatory implications due to differences in carbon pricing and tax policies across regions. In alignment with its commitment to sustainability, Lupin is proactively implementing measures to reduce both direct and indirect greenhouse gas (GHG) emissions across multiple global sites. These efforts support Lupin's target of achieving a 38% reduction in GHG emissions by 2030.
Risk Level	Medium Low

Risk: Market

Consequences	This could be understood as shifts in supply and demand for certain commodities, products, and services as climate-related risks are increasingly considered.
Impacts to Lupin Limited	With an increase in cost for the essentials (power/electricity rates at local sites and cost of raw materials), Lupin needs to transition to renewable sources for energy. It is important to note as the Indian Government currently has no plans to phase out coal, the scenarios consider the price to remain same and not expected to increase. This is similar for the NDC scenario. However, the other three low-carbon transition scenarios see a very steep increase in prices, especially post 2030, this indicates that there is dissuasion to use coal as a source of energy. Globally, Lupin units would be affected as policies would impact the market to an extent. Pharmaceutical manufacturers, as energy-intensive industries, may be subject to carbon tax obligations, depending on their emissions profile.
Risk Level	Medium Low

Risk: Technology

Consequences	Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system can have a significant impact on organizations.
Impacts to Lupin Limited	Lupin units might face the risk of increased power consumption and increased emissions due to fossil fuel dependence. Over the last few years, Lupin has been increasingly using renewable sources of energy production. Currently, Lupin uses renewable power through onsite solar power plant, wind and hybrid power through open access. Share of renewable energy increased from 634,443 GJ in FY24 to 1,133,412 GJ in FY25, representing 39% of our total energy mix. Over the last three years, we have successfully transitioned fossil fuel boilers to biomass-based boilers in ten manufacturing units. Shifting to total renewable sources for energy consumption would require significant investment affecting manufacturing, production, and overall operational costs.
Risk Level	Medium Low

Risk: Reputational

Consequences	The potential source of reputational risk is tied to changing perceptions of customers towards an organization's contribution to or detraction with regards to climate change.
Impacts to Lupin Limited	Lupin has adopted a policy of "Zero Liquid Discharge (ZLD)". To alleviate any negative environmental impact through wastewater generated, the company has been implementing ZLD systems at many of their manufacturing facilities. Currently, 6 out of 13 of our sites in India have ZLD systems. Efficient management of effluents within the manufacturing sites is in accordance with the standards prescribed by regulatory authorities. This is also a first step towards our commitment to Anti-Microbial Resistance (AMR) stewardship, and we strive to ensure that there are no antibiotic releases to the environment. We have also taken a goal to do AMR study of three products year on year. Therefore, risk faced by Lupin appears to be more environmental rather than climate/emission related.
Risk Level	Low

Opportunities

Regardless of the risks posing threat to the pharmaceutical industry, changing climate and situations provide ample number of opportunities for a pharmaceutical industry to develop and grow. These opportunities could be identified through launch of new innovative products, water-waste-emission saving activities, GHG emission reduction throughout the supply chain, increased investor attraction etc.

- **Technological Innovations:** Lupin has undertaken various technological initiatives for lowering its carbon consumption and to improve their energy consumption practices. We have prioritized responsible and efficient energy consumption across their operations. Due to Lupin's commitment to achieve higher energy efficiency, successful implementation of various technologies and measures to increase energy efficiency across all our sites are being carried out. The progress of energy-efficient measures across all thirteen manufacturing locations in India and three overseas locations including Brazil, Mexico, and the United States are continuously tracked.

- **Resource Efficiency and Cost Savings:** For reduction of our carbon footprint, Lupin has set a target for reducing direct and indirect GHG emissions (scope 1&2) by 38% by 2030 from FY 23. It has been continually striving to introduce energy and water saving initiatives such as replacement of Old Conventional Luminaries by energy efficient LED lights as well as using Electronically Commuted motors in AHU's, installation of solar rooftops at various sites, air and water pollution control equipment, installation of energy efficient cooling tower, using smart and efficient Heating Ventilation and Air conditioning (HVAC) equipment, optimization of pressure of cooling water and chilled water pumps, replacement of old evaporators with efficient ones, installation of heat exchangers etc. Additionally, our Jammu, Chhatrapati Sambhajinagar and Goa sites already use cleaner fuels derived from agro-waste.

- **Decarbonization Commitments Through Value Chain Partners:** Lupin can benefit by having a climate resilient supply chain. Over the course of the years, value chain partners of Lupin are interested in decarbonizing or committing to GHG emission targets such as Novartis. Peer like Pfizer promoted product achievements through videos for pharmacists and promotional literature and conducted lifecycle assessment to substantiate claims reductions in GHG. A lifecycle assessment (LCA) of the supply chain would help Lupin bring resiliency and help in increased revenue.

New Technology: Green Propellants Initiative

The propellants used in current inhalers; HFA 134a and HFA 227ea have high global warming potential (GWP). To address this, Lupin is developing inhalation products using low-GWP alternatives such as HFA152a and HFO1234ze. These efforts include reformulating products, modifying container systems, and ensuring in-vitro equivalence. Lupin is also validating the clinical safety of these new formulations, focusing on ciliary function and airway sensitization. A strategic collaboration with Honeywell supports this initiative, leveraging Solstice Air (HFO-1234ze(E) cGMP) to create next-generation respiratory inhalers with low global warming potential (GWP) propellant.

Emission Reduction Through Transitioning to Sea Freight

Lupin's global supply chain has embarked on a targeted initiative to shift from air freight to sea freight, aimed at reducing logistics costs and minimizing carbon emissions. Sea freight offers a significantly lower carbon footprint per ton-kilometer compared to air transport, and this shift also enhances our customer service by reducing costs. To track our progress, we monitor the metric "Percentage of Air Pallets," which measures the proportion of total shipments sent to the U.S. from Lupin's manufacturing sites via air cargo. Air/ocean ratio reduced from 34% in FY24 to 10% in FY25, significantly lowering carbon emissions.

Risk Management

At Lupin, risks and opportunities are inherent to our business as our operating environment is complex, highly regulated, and dynamic. Identifying, analyzing, and responding appropriately to these business risks and opportunities is important to attain our strategic growth objectives, thereby protecting the interests of our stakeholders and meeting legal requirements.

Risk Governance

As a result, we have developed a robust risk management framework that embeds risk governance, culture, monitoring, and mitigation across the organization. Through our risk management framework, we can understand a wide array of risks ranging from financial, operational, strategic, climate related, and regulatory.

We use the 'three lines of defense' framework to ensure comprehensive risk governance. While our Board of Directors provides high-level oversight, the Risk Management Committee (RMC) of the Board is dedicated to overseeing risk management and internal controls. They review and endorse the risk portfolio and set our risk appetite with an awareness of global impacts and interdependencies. The committee meets twice a year to assess management's actions, ensuring our response is both proactive and informative. Our independent internal audit unit conducts annual audits to verify that our policies align with the company's risk strategy. To remain in line with global standards, we invite external experts every two years to review our audit processes. To align our approach with international best practices, we are working towards ISO 31000 Risk Management Certification

Materiality Assessment

Our approach to risk is further bolstered by double materiality assessment which is done biennially to ensure that our topics remain current with industry trends and were reviewed with business vertical leaders and relevant stakeholders in FY 25. Through this assessment process, we aligned the 18 priority areas that we consider materially significant for Lupin.

The identified material topics have guided our Enterprise Risk Management Framework, enabling us to manage risks and opportunities effectively and allocate resources efficiently. Through this process, we have identified key risks and opportunities and developed strategies to mitigate risks and capitalize on opportunities.

Risk Management Framework

We proactively scan the business landscape to identify emerging risks and opportunities. Our risk owners continuously monitor internal and external environments, while a biennial double materiality exercise assesses risks for financial and impact materiality.

Our approach to risk prioritization is informed by insights from risk owners across the organization. Annually, we conduct a comprehensive assessment of risk exposure by evaluating the likelihood of occurrence and the potential impact of identified risks. Our evolving scenario planning and sensitivity analysis exercises strengthen our readiness to address strategic and operational risks, allowing us to anticipate contingencies. Each of the identified risks and opportunities is mapped to risk owners (Senior Leadership – Lupin Presidents), who are supported by site and functional teams, to develop and implement mitigation plans as necessary. Progress is monitored quarterly through risk meetings, with bi-annual updates, including the revised risk register provided to the Board-Level Risk Management Committee. Furthermore, accomplishing risk-related mitigation actions and goals is included in the annual performance evaluation, which directly affects executive and employee compensation and incentives.

Strengthening Our Risk Culture

We provide regular and customized training programs on risk management for the Board of Directors and the Risk Management Committee (including Non-Executive Directors) to enhance their understanding of risk management practices and ensure informed decision-making. To ensure that employees at all levels are not only aware of potential risks but also equipped with the necessary skills to assess and respond to these risks effectively, we provide multiple risk awareness training programs, skill upgradation sessions, and interactive workshops at our corporate offices and manufacturing sites with risk experts throughout the year. We are dedicated to building a culture where everyone feels empowered to speak up about potential risks. Employees can report concerns directly to their leaders or through the office of the Ombudsperson, which ensures each report is handled with care and professionalism. All employees and contractors are encouraged to identify and report various potential risk expressions, including near-miss incidents, changes in market dynamics, and updates in statutory and regulatory requirements. For instance, recognizing occupational health and safety as a primary concern, we have integrated incentives like the EHSAAS Awards and the Spirit of Lupin Awards to promote vigilance and reporting in this critical area. We also incorporate a thorough risk management process while developing new products or services to ensure both safety and compliance.

Managing Organizational Climate Risks

Climate risks and climate scenario planning should not be treated as business-as-usual exercises. At Lupin, we understand the importance of addressing the impact of climate change and limiting the increase of the world's temperatures to below 1.5 °C or atleast 2°C. Thus, it becomes integral to integrate the outputs of the climate scenario analysis into the firm's risk management practices.We should leverage climate action as risk mitigation strategy as well as a business opportunity. Hence, it is recommended that climate risks are considered an important factor in medium to long-term decision-making and adaptation measures are implemented as part of the larger ESG and occupational safety measures. Our analysis shows that higher preference for adaptation action in the short term is recommended towards Vadodara, Mumbai, Mandideep, and Chhatrapati Sambhajinagar.

Element of Risk	Locatio n/	Infrastructure and Human impacts	Adaptation Measures Implemented/ Planned
Cyclones	• Mumbai • Vishakhapatnam • USA	• Disconnection or disruption of internet and/or phone services, electricity leading to disruption in operations • Infrastructure failures due to cyclone/wind such as complete collapse of galvalume roofing system, failure of connections, failure of structures, and progressive collapse of roof steel trusses, breakage of windowpanes at the plants and office locations.	• Policy on building all new infrastructure considering the cyclone and wind impacts • Retrofit all existing structures as per IS:875(Part 3) codes for various types of buildings and structures. • Provision of shelter and resilient assembly places for staff in case of climate or industrial disasters • Identify cyclone weak spots (roofing, shafts, chimney stacks etc) also review transmission lines and potential consequences of power cuts.
Sea Level rise	• Mumbai • Vishakhapatnam	• Dry spells may not directly impact Lupin's infrastructure except through water scarcity • This will impact its cooling systems, water requirements, pools etc. • Saltwater inundation/ groundwater contamination causing diseases	• Business interruption/relocation plans • Additional insurance for buildings/assets • Flood barriers and plantations • Avoid new projects in low-lying coastal zone
High Temperature	• Vadodara • Kalpataru, Mumbai • Chhatrapati Sambhajinagar (CSN) • Mandideep	• Temperature increase impacting the building structures • Building energy use will increase if climate extremes become the norm. • High temperature variability impacting the comfort level and the productivity of the staff. • Heat waves are the leading causes of weather-related morbidity and mortality and will directly impact the health of the staff/community in the vicinity	• Conduct internal survey on heat related impacts on staff • Heat Resistant Roofing, Heat Resistant Tiles • Install efficient heating, ventilation and air-conditioning (HVAC) systems. • Assess high temperature impacts on energy usage/ product storage/ development • Conduct detailed study on lowering down the increasing cost of cooling due to increased temperatures.

Dry Spell and water stress	• Mumbai • Vadodara • Indore • Mandideep	• Dry spells may not directly impact Lab's infrastructure except through water scarcity • This will impact its cooling systems, water requirements, pools etc. • Water scarcity can cause Health and Safety issues • Reduced water availability may also impact sanitation and hygiene needs	• Grey water re-use and Recycling systems. • Rainwater harvesting is also an important measure that maybe installed. • Annual training programmes on water saving measures • Site-based water usage minimization programme • Exploration of alternate sources of water other than groundwater
Flooding	• Vadodara • Kalpatar u, Mumbai • Chhatrapati Sambhajinag ar • Mandideep	• Increase in localized heavy rain will intensify flooding • The flooding may also result in damage to infrastructure and can represent a risk to workplace safety. • It may also disrupt road connectivity to locations • Disconnection or disruption of internet and/or phone services, electricity leading to disruption of work and inconvenience to staffs • Outbreak of diseases, post-flooding due to water stagnation or through pollution of existing waterbodies	• Early warning systems • Updating Stormwater drainage systems • Floodproofing of technical infrastructure, • lower walls and basements

Building Climate Resilience of Communities

An integral part of our overall business strategy is our Corporate Social Responsibility (CSR) strategy, which aims to focus on building resilience of lives and livelihoods. Our Corporate Social Responsibility Committee focuses on initiatives while also ensuring compliance with regulations and best practices for social and environmental responsibilities in cooperation with our social responsibility arm, the Lupin Human Welfare and Research Foundation (LHWRF').

Our CSR Policy is multifaceted, with a focus on various elements that we believe can lead to Lupin and includes the following elements:

Sustainable partnerships with government bodies and relevant stakeholders

Responding to natural and anthropogenic disasters and providing support

Social, economic and natural development at regional, district and village levels

Prioritizing marginalized and under-privileged communities

We have undertaken various CSR activities which incorporate the founding principles of our CSR policy while also increasing climate adaptation capacity and reducing climate-related vulnerabilities for highly susceptible communities.

We have identified three core themes for our employee volunteering initiatives: Tree Plantation, Water Conservation, and Blood Donation. These themes are reflective of our commitment to nature and human welfare.

Communities	Climate Vulnerabilities	Initiatives Undertaken
Farmers in multiple districts, Nandurabar, Maharashtra	Climate change will lead to uncertainties in traditional farming methods and produce and impact their livelihoods. Building resilience would require improvement of agricultural practices	• Lupin supports the implementation of the Tribal Development Fund (TDF) WADI project started at Amoni and the TDF WADI at Padalpur districts of Nandurbar. The impact from WADI project in since then: 1791 acres developed for Orchard development, 54 women reached under Skill Development Program for Income Generating activities, 43 SHGs Reached under Self Help Group Promotion & 45 acres developed for Agroforestry based Tribal Development Program. • Better Cotton Initiative: Since 2017-18, Lupin Human Welfare & Research Foundation (LHWRF) has been implementing the Better Cotton project with smallholder cotton farmers in the Dhule and Nandurbar districts. Starting with 12,000 farmers, the initiative has grown significantly, reaching 95,141 cotton growers. Supported by the Better Cotton Growth & Innovation Fund, LHWRF now works across 511 project villages to promote the adoption of Better Cotton Standard System (BCSS) practices. This initiative highlights the transformative potential of small and marginal farmers in driving sustainable change. By enhancing their knowledge and encouraging BCSS adoption, the project aims to reduce cultivation costs while improving cotton productivity and yield—contributing to a more equitable and sustainable cotton supply chain.
Farmers (specifically women), Maharashtra	Climate change impacts the resilience of the most vulnerable communities, especially women	• **Better Cotton Initiative (BCI):** The program includes diverse training methods such as field days on demonstration plots, community events, educational materials, multimedia campaigns, and the distribution of pest and nutrient management kits. Moreover, the initiative engages gender experts to train lead farmers, recognizing the pivotal role of women in cotton farming. 6,983 women farmers are actively involved in this. • **Integrated Tribal Development Program:** LHWRF in partnership with NABARD has been implementing the Tribal Development Programme through the WADI model to uplift indigenous communities. WADI, meaning "small orchard," is a farming approach that fosters family involvement, especially women, and encourages agro-biodiversity to support tribal livelihoods. • **We are working in partnership with GIZ and Mahila Arthik Vikas Mahamandal (MAVIM)**, a state government-owned company. Together, they are implementing a range of women empowerment programs through Women Self Help Groups (SHGs) in Maharashtra. LHWRF's role is pivotal in promoting and setting up these bio resource units, which follow a business model in six districts of Maharashtra. The focus is on vulnerable regions, tribal areas, rainfed agriculture, backward areas with women farmers, and locations with goshala or desi cows.

Farmers in Dhule, Maharashtra Farmers in MP Communities in Dholpur district, Rajasthan	• Climate change will impact water stress and lead to disruption of traditional farming practices • Climate change impacts are leading to an increase in weather unpredictability and impacting agricultural systems specifically impacting water quality and quantity • Resilience would require augmenting the water supply and farming practices management	• **Reviving Jamkhel Amidst Water Woes:** In Jamkhel village, Dhule District, Maharashtra, severe water scarcity has deeply affected daily life and livelihoods. As a land degradation hotspot, the region faces challenges like lack of water for domestic use and livestock, forcing families to migrate in search of work. To address this pressing issue, LHWRF has implemented a lift irrigation project to support 50 marginal tribal farmers from Jamkhel Village and 200 families in six other villages. This initiative aims to boost agricultural income by ensuring water availability for irrigation and reducing the burden on women and girls, thereby enhancing their overall quality of life. **Enabling farmers with innovative, sustainable agriculture practices:** In Tarwariya village, Vidisha district of Madhya Pradesh, farmers grappled with the challenges of traditional farming amid erratic rainfall, frequent droughts, and rising temperatures. To address these issues, the community, supported by LHWRF and NABARD through the Integrated Watershed Development with Climate-Proofing Interventions project, built check dams and adopted rainwater harvesting techniques. These efforts ensured a reliable water supply for both farming and household use. Additionally, climate-resilient farming methods were introduced, helping protect crops and secure livelihoods against unpredictable weather patterns. **LHWRF and Atlas Copco's Sustainable Livelihood Initiatives in Rajasthan** In Dholpur, Rajasthan, efforts are concentrated on restoring livelihoods for 1,500 impoverished farmer families through an extensive Water Resource Development initiative across 24 villages. This initiative aims to significantly enhance crop productivity and improve water availability for both people and livestock. By reducing migration through the establishment of micro-enterprises for landless families, it also aims to ensure year-round food security. Expanding cultivation areas while simultaneously recharging groundwater resources are critical components of this project, ultimately striving to create a stable and sustainable agricultural environment.

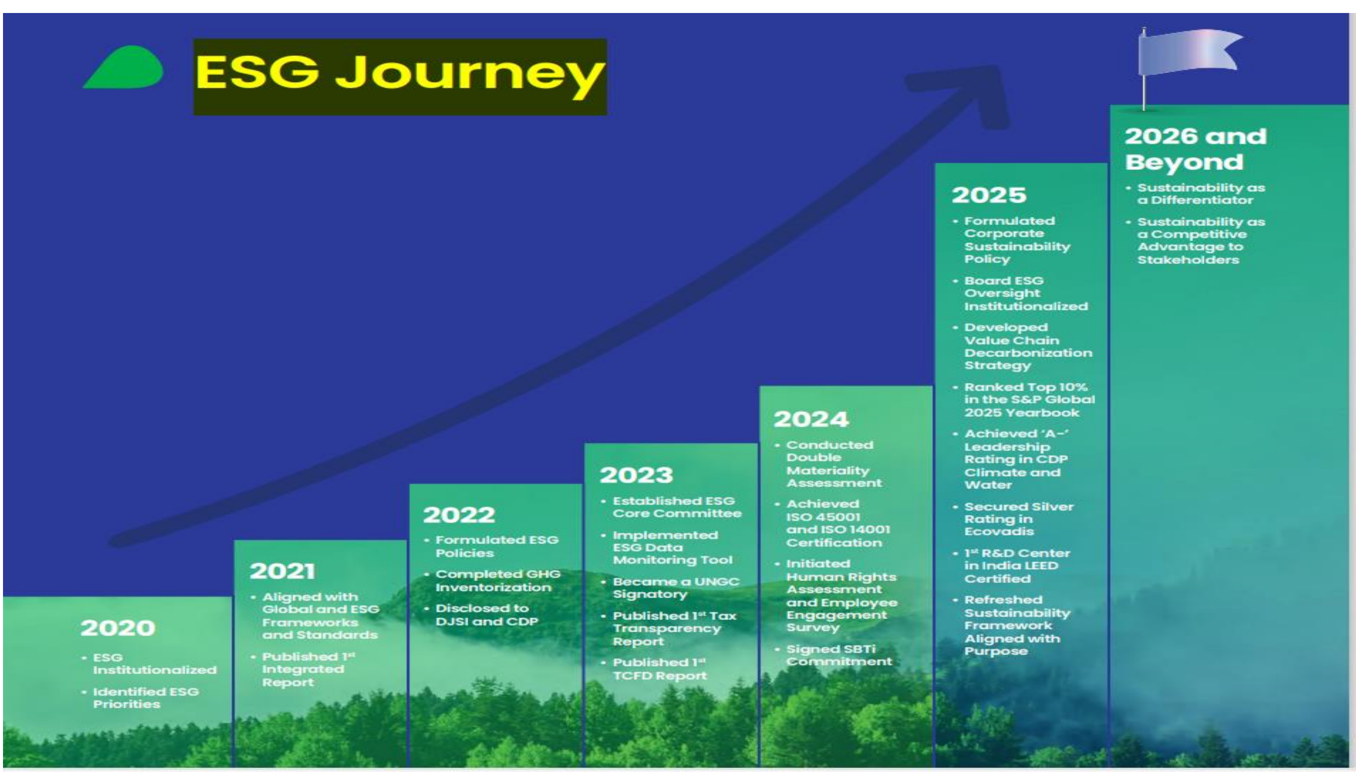
Communities	Climate Vulnerabilities	Initiatives Undertaken
Farmers in Vidisha district, Madhya Pradesh Soil Protection & Rehabilitation for Food Security, Maharashtra	• Climate change impacts lead to uncertainties around economic growth and can impact the social and financial development of vulnerable communities • Climate change impacts also have an amplified impact on micro small business enterprises in rural areas	**Enabling farmers with innovative, sustainable agriculture practices:** In Tarwariya village, Vidisha district of Madhya Pradesh, farmers grappled with the challenges of traditional farming amid erratic rainfall, frequent droughts, and rising temperatures. To address these issues, the community, supported by LHWRF and NABARD through the Integrated Watershed Development with Climate-Proofing Interventions project, built check dams and adopted rainwater harvesting techniques. These efforts ensured a reliable water supply for both farming and household use. Additionally, climate-resilient farming methods were introduced, helping protect crops and secure livelihoods against unpredictable weather patterns. Few of the farmers also received animals for animal husbandry which helps them with additional income and stability. • **Integrating Natural Farming Practices for Sustainable Growth:** LHWRF's role is pivotal in promoting and setting up these bio resource units, which follow a business model in six districts of Maharashtra. The focus is on vulnerable regions, tribal areas, rainfed agriculture, backward areas with women farmers, and locations with goshala or desi cows. Key activities include setting up Biochar production units, City Compost facilities, BioPROM units, and Jeevanamrut units. To further this cause, development training is being conducted to equip CMRC members with the skills needed to develop business plans for bio resource units such as city compost, phosphate-rich organic manure (BioPROM), biochar, and jeevamrut. The training highlights the potential of these bio resource units in mitigating climate change, improving soil quality, reducing waste, and producing energy as a by-product.

Metrics and Targets

Our Decarbonization Strategy

To address our materiality issues, either through the mitigation of risks or realization of opportunities, we have developed a comprehensive ESG framework and roadmap which helps in articulating our strategy, goals, and targets. Through this framework, we can track the progress of our ESG performance across our entire business.

Focus Areas	Targets
Environmental Performance	By 2030, we aim to reduce our absolute Scope 1 and Scope 2 GHG emissions by 38% from FY23 levels. By 2034, we aim to reduce our Scope 3 emissions (intensity based) by 61% from FY 24 levels
Supply Chain Sustainability	100% Coverage of critical suppliers (RM and PM) through ESG framework within a three-year cycle



Our Progress on Targets

We continue to monitor our progress against these targets and ensure that we improve our environmental performance and conduct our business responsibly and consciously.

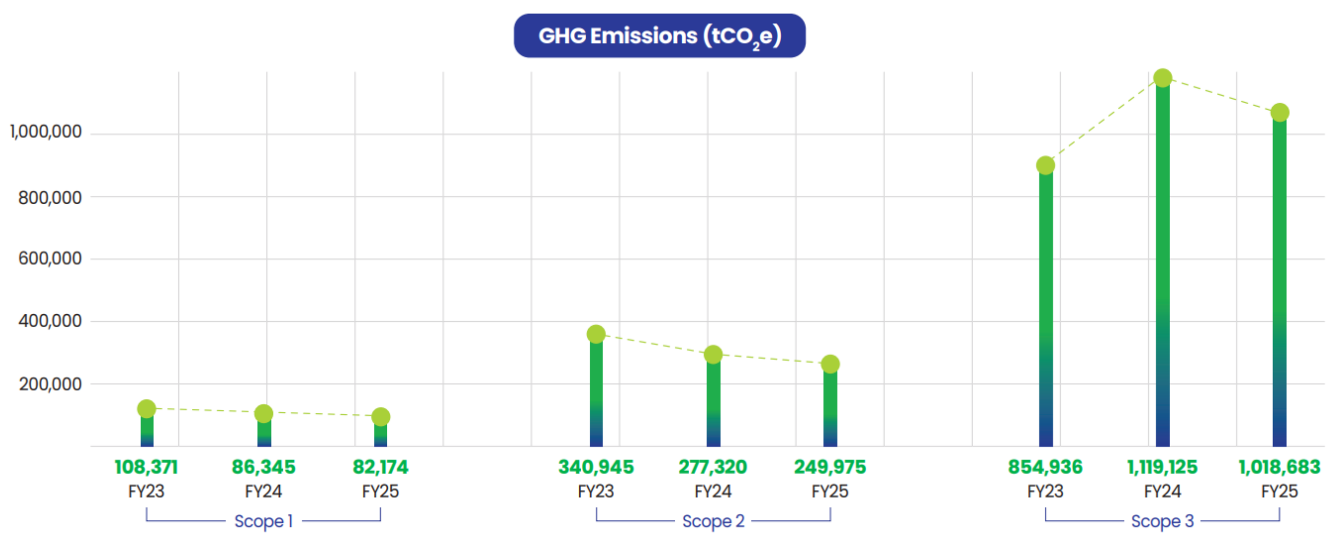
Emissions Data: While we have been tracking Scope 1 and Scope 2 emissions since FY2019-20, in FY2022-23, we conducted GHG Inventorisation to account for our Scope 3 emissions as well. The development of a robust inventory and a tracking mechanism for emissions is a key indicator that the organization is using to assess our performance when compared to our targets.

The inventorization process included engagements with multiple stakeholders, both internally and across our value chain to assess data availability and calculate Scope 3 emissions for all relevant and applicable categories. The categories shortlisted for our Scope 3 assessment include Purchased Goods and Services, Capital Goods, Fuel and Energy, Waste Generated and Disposed, Upstream Transport, Downstream Transport, Business. Travel, and Employee Commute.
Our assessment aligns with recognized global frameworks such as the GHG Protocol, ensuring our analysis is robust and reliable.

Progress on Emissions Targets:
Against our target to reduce 38% of absolute scope 1 & scope 2 emissions by 2030 compared to baseline FY 23, we have reduced 26% in FY 2024-25 and additionally, we achieved a 9% reduction in our Scope 3 emissions as well.

As a result, we have developed a complete inventory across all 3 Scopes, which is presented below:

Emissions (in tCO2e)			
Scope(s)	**FY2022-23**	**FY 2023-24**	**FY 2024-25**
Scope 1	108,371	86,345	82,174
Scope 2	340,945	277,320	249,975
Scope 1 and 2 emissions	449,316	363,665	332,149
Scope 3	854,936	1,119,125	1,018,683



Advocacy and Partnerships

Lupin Limited, A UNGC Signatory

Lupin takes immense pride in becoming a signatory of the United Nations Global Compact (UNGC), an endorsement that reflects our strong commitment to good governance and ethics. As a UNGC signatory, we join a global network of like-minded organizations, enabling us to leverage collective expertise, best practices, and collaborative initiatives to address global challenges. By becoming a UNGC signatory, Lupin affirms its dedication to upholding the ten principles of the UNGC in human rights, labor, environment, and anticorruption. This commitment aligns with our core values and reinforces our ongoing efforts to integrate sustainability and responsible business

practices throughout our operations. We will communicate our progress to the UNGC, ensuring transparency and accountability while actively participating in sustainable development goals

Looking Ahead

Lupin Limited recognizes the ongoing need for disclosure and increasing transparency on our climate-related issues and considers it as a key business priority. Aligned with this, we have published our first Task Force on Climate-Related Disclosures (TCFD) report in this reporting year. The disclosures included in this report are being provided to satisfy TCFD reporting obligations and enhance our understanding of climate risks and how we can integrate them into our business processes.

This report contains emissions projections, projections of various scenarios and forward-looking targets in the context of climate change. Projecting these emissions and other factors that influence climate change is a work in progress. Projections based on technological, regulatory, social and environmental are inherently probability and likelihood-based and come with limitations in their modelling. The report also makes use of non-financial metrics (for adaptive capacity, sensitivity, transition risks) that are subject to measurement uncertainties resulting from limitations inherent to such data. Upcoming regulations on climate disclosures will also continue to inform the company’s reporting. Upcoming regulations on climate disclosures will also continue to inform the company’s reporting.

The forward-looking statements in this document are subject to numerous assumptions and uncertainties, which may change over time. The actual impacts on our business could differ materially from those anticipated in the future in this report.

Scan the QR code
to visit our website

REGISTERED OFFICE
3rd Floor, Kalpataru Inspire, Off Western Express
Highway, Santacruz (East), Mumbai - 400 055. India.
Tel: + 91 22 6640 2323

CORPORATE IDENTITY NUMBER
L24100MH1983PLC029442