



# **Lupin ESG Supplementary Report FY 2024-25**

# About the Report

Our ESG Supplementary Report FY 2024-25 provides detailed information on our progress covering environmental, social, and governance data aligned with the S&P Global Corporate Sustainability Assessment (CSA) and CDP disclosure requirements. As a leading company in the pharmaceutical industry, we aim to create a future where healthcare is inclusive and sustainable. Through this report, we aim to share our insights and highlight the contributions we are making to global healthcare, sustainability and good governance practices while catalyzing treatments that transform hope into healing.

## Scope, Boundary, and Reporting Period

This ESG Supplementary Report presents Lupin's sustainability performance for the financial year from April 1, 2024, to March 31, 2025. It encompasses all subsidiaries and operational units globally, as reflected in the financial statements included in the Integrated Report FY 2025.

<https://www.lupin.com/wp-content/uploads/2025/07/integrated-report-consolidated.pdf>

## Statement of Responsibility

Lupin confirms that as per our understanding, this ESG Supplementary Report accurately reflects our environmental, social, and governance performance for the fiscal year FY2024-25 and past years as required in some sections. The report has been prepared with input from various stakeholders and under the guidance of senior management.

## Assurance

Any non-financial information that has been independently assured has been explicitly called out in this report.

The assurance statements are also available on our website (<https://www.lupin.com/investors/reports-filings/>). They are based on ISAE 3000 (Revised) and include a declaration of independence confirming no conflict of interest. The statement also outlines clearly outline the environmental, social, and governance (ESG) KPIs that have been assured, as detailed in their annexure.

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# Company Overview

Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues in reporting currency (INR)	165,471,700,000	167,150,200,000	201,309,900,000	229,037,200,000
Revenues in million USD	2,061	2,034	2,414	2,681
Total Employees	19,789	20,933	22,645	26,210

## Governance & Economic Dimension

### Transparency & Reporting

#### Sustainability Reporting Boundaries (1.1.1)

This Lupin ESG Supplementary Report for FY 2024–25 presents our financial and non-financial performance across global operations for the period between April 1, 2024, and March 31, 2025. It covers our progress on key environmental, social, and governance (ESG) indicators, with no geographical exclusions. All activities that are fully consolidated for financial reporting purposes are included in this report.

#### Sustainability Reporting Assurance (1.1.2)

We have engaged DNV Business Assurance India Private Limited for assurance of non-financial indicators. The statement of the assurances is available from pages 157 to 168.

<https://www.lupin.com/wp-content/uploads/2025/07/integrated-report-consolidated.pdf>

The Integrated Report has been deemed to be prepared in accordance with:

- Global Reporting Initiative (GRI) standards 2021
- Integrated Reporting framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (SDGs)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- ISO 14064-1:2018 - Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

The assurance has been conducted in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised). There is a statement of Independence mentioned on page 157 and 164. There is a detailed mention of the environmental and social KPIs which have been assured on pages 167-168. Based on the company's analysis and engagement with Lupin, DNV has provided a conclusion, available on page 165 of the Integrated Report, and

has stated that the disclosures are fairly stated and prepared in all material aspects in accordance with the reporting criteria.

The BRSR Core indicators have been reasonably assured, while the ESG indicators presented in the Integrated Report have received limited assurance. The specific KPIs covered under both levels of assurance are listed in their respective annexures.

### **Sustainable Taxonomies (1.1.3)**

Lupin is not subject to any sustainable taxonomy framework. As our operations do not occur within jurisdictions mandating reporting under such frameworks, we are not required to provide related disclosures for FY 2024-25.

## **Corporate Governance**

### **Board Independence (1.2.1)**

The independent directors play a key role in decision making at the Board level. They bring in objectivity, outside perspective and protect the interest of the stakeholders.

At Lupin, each Independent Director, upon appointment and at the commencement of every financial year, submits a formal declaration affirming their independence in accordance with regulations. The independent directors are required to meet the criteria of independence as prescribed under Regulation 16 of the Listing Regulations and Section 149(6) read with Schedule IV of the Act.

Pursuant to Regulation 25(8) of the Listing Regulations, all the Independent Directors have confirmed that they meet the criteria of independence as prescribed in the Listing Regulations and the Act and that they are not aware of any circumstances or situation, that exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. Accordingly, based on the declarations received from all the Independent Directors, the Lupin Board is of the opinion that all the Independent Directors meet the criteria of independence as prescribed under the Act and the Listing Regulations and are independent of the management.

Further, the Company has received confirmation from all the Independent Directors that they have enrolled themselves in the independent director's databank maintained by the Indian Institute of Corporate Affairs.

Lupin follows the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements Regulations, 2015, as the guiding framework for its Board composition target on independent directors. In line with these regulations, the target share of independent directors on the Board should be 50%.

As on March 31, 2025, the Board comprised ten Directors, consisting of three Executive Directors (including two Executive Promoter Directors), one Non-Executive Promoter Director, and six Independent Directors.

The Board presently comprises sixty percent Independent Directors, whereas the Listing Regulations require the Company to have at least fifty percent of its directors as independent, thereby upholding the principles of transparency, accountability, and good governance.

## Board Type (1.2.2)

Lupin Limited recognizes that an effective and well-constituted Board of Directors is central to strong corporate governance. The Board is responsible for overseeing managerial performance, ensuring alignment with the company's strategic objectives, compliance with applicable laws and regulations, and safeguarding shareholder interests. Lupin follows a one-tier board structure as per under Indian corporate governance norms.

## Board Structure and Composition

- **Board Type:** One-tier system (in alignment with Indian corporate governance norms)

## Key Governance Highlights

- **Independent Representation:** More than 60% of the board comprises independent directors, ensuring objectivity and oversight.
- **Board Size:** Lupin maintains an optimal board size that balances diversity of thought with decision-making efficiency.
- **Gender Diversity:** Strong female representation, supporting inclusive governance.
- **Global Expertise:** Independent directors include global leaders from healthcare, finance, and strategy, enhancing board effectiveness.

Type of Members	Number of members
Executive directors	3
Independent directors*	7
Other non-executive directors	1
<b>Total board size</b>	<b>11</b>

*\*Ms. Punita Lal was added as an independent director, effective May 14, 2025.*

For more information regarding our Board of Directors please refer to page no 55 of our Integrated Report: <https://www.lupin.com/wp-content/uploads/2025/07/integrated-report-consolidated.pdf>

## Non-Executive Chairperson/Lead Director (1.2.3)

At Lupin, the post of Chairperson and CEO is split. Mrs. Manju D. Gupta is the Non-Executive Chairperson of the Company, while Ms. Vinita Gupta is the CEO of the Company. As stipulated by Schedule IV of the Act and Listing Regulations, a meeting of Independent Directors was held on March 12, 2025, chaired by Mr. Mark D. McDade, who acted as Lead Independent Director, to review the performance of the Chairperson, Non-Independent Director(s) of the Company and the performance of the Board as a whole.

## Board Gender Diversity (1.2.5)

<b>Number of Female Directors on the Board</b>	4*
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*\*Ms. Punita Lal was added as a female independent director, effective May 14, 2025.*

## Board Accountability (1.2.6)

<b>Average board meeting attendance is above 75%</b>	Yes, Average Board Meeting attendance is 93.8% for FY 2024/25.
<b>Shareholder approval required for changes in bylaw</b>	<p>Yes</p> <p>Lupin Limited follows a structured governance framework that requires shareholder approval for any amendments to its bylaws that impact shareholder rights. This includes changes related to voting powers, dividend entitlements, and procedures for shareholder meetings. In accordance with the Companies Act, 2013, any modification to the Memorandum or Articles of Association—which serve as the company's foundational governance documents—must be passed through a special resolution by shareholders. Additionally, as a listed entity, Lupin is bound by SEBI's Listing Obligations and Disclosure Requirements (LODR), which may mandate shareholder approval for specific governance changes, ensuring transparency and accountability in corporate decision-making.</p>
<b>The company has board members with 4 or less other mandates</b>	Yes, Manju D Gupta, Mark D Mcdade, Jean-Luc Belingard, and Alfonso Zulueta hold 4 or less other mandates.
<b>CEO succession plan is in place</b>	<p>Yes, The Company has an effective succession planning process in place for orderly succession to the Board and Senior Management Personnel including the CEO.</p> <p>For succession planning of the Board members including CEO, the Nomination and Remuneration Committee ("NRC") considers factors such as directors' tenure, performance evaluation of the directors, Board skill-gaps, and board diversity.</p> <p>The CEO/Managing Director works closely with the NRC to put in place a succession plan for Senior Management Personnel, taking into account anticipated departures/ retirements, future needs, and the need to build a strong talent pipeline for the Company.</p>
<b>Board performance reviews are in place</b>	Yes, there is an annual performance review in place that is headed by the Nomination and Remuneration Committee.
<b>There is no limitation to directors' liabilities</b>	<p>Yes, there is no limitation to directors' liabilities at Lupin.</p> <p>Directors are fully accountable under applicable laws and regulations, including the Companies Act, 2013, and SEBI's LODR framework. This ensures that directors uphold the highest standards of fiduciary responsibility and corporate governance.</p>
<b>Board members are elected on an annual basis</b>	Lupin's board members are elected annually as per our Nomination and Remuneration Policy. The appointment/re-appointment of an Independent Director is recommended by the NRC for approval by the Board, and shall not exceed a period of five years, with a maximum of two consecutive five-year terms.

### Board Average Tenure (1.2.7)

Average tenure of board members (in years)	11.3 years
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### Board Industry Experience (1.2.8)

Currently, six of our independent/non-executive directors have relevant industry experience.

Director Name	Directors	Healthcare/ Pharma Science & Technology	Manufacturing Quality & supply chain	Risk Management	Environment Social and Governance	Information Technology
Mrs. Manju D. Gupta	Chairperson- Non-Executive	✓	-	-	-	-
Ms. Vinita Gupta	Chief Executive Officer	✓	✓	✓	✓	✓
Mr. Nilesh D. Gupta	Managing Director	✓	✓	✓	✓	✓
Mr. Ramesh Swaminathan	Executive Director, Global CFO, Head of IT and API plus SBU	✓	-	✓	✓	✓
Mr. Jean-Luc Belingard	Independent Director	✓	✓	✓	✓	✓
Mr. K. B. S. Anand	Independent Director	-	✓	✓	✓	✓
Dr. Punita Kumar Sinha	Independent Director	-	-	✓	✓	✓
Mr. Mark D. McDade	Independent Director	✓	✓	✓	✓	✓
Mr. Jeffrey Kindler	Independent Director	✓	✓	✓	✓	✓
Mr. Alfonso Zulueta	Independent Director	✓	-	✓	✓	-
Ms. Punita Lal	Independent Director	✓	-	✓	✓	-

### CEO Compensation - Success Metrics (1.2.9)

#### Executive Remuneration and Performance Evaluation Framework at Lupin:

The Nomination and Remuneration Committee (NRC) of Lupin plays a pivotal role in recommending the remuneration of Executive Directors (CEO & MD) and Key Managerial Personnel (KMP) to the Board. These recommendations are made at the time of appointment or re-appointment, in accordance with the limits approved by shareholders and aligned with the Company's annual increment cycle.



## **Annual Review and Performance-Based Compensation:**

The Nomination and Remuneration Committee (NRC) conducts an annual performance review of Executive Directors (CEO, MD) and KMPs based on defined Key Performance Indicators (KPIs).

This review informs decisions on:

- Annual salary revisions
- Variable compensation
- Performance-linked incentives

The CEO performance is annually appraised based on the Company's performance including financial returns (such as return on assets, returns on capital invested, Debt/EBITDA) and relative financial metrics in comparison with peers (such as total shareholder return, Growth Metrics such as revenue, profit growth and market-based comparisons to assess competitiveness and long-term value generation).

## **Financial Returns Metrics:**

Lupin's performance-linked incentive structure is directly tied to key financial indicators that reflect the company's operational and shareholder value creation goals. The metrics used include:

- Return on Assets: Measures on how company uses its assets to generate profit.
- Return on Invested Capital: indicates how company is generating returns from the capital invested by shareholders and debt holders. It's a key metric for evaluating our value creation.
- Debt/EBITDA Ratio: This ratio assesses a company's ability to pay off its debt using operational earnings. A lower ratio indicates stronger financial health and lower leverage risk.

## **Relative Financial Metrics:**

Lupin benchmarks performance against industry peers and broader market indicators to ensure competitiveness and sustained value creation. The relative metrics include:

- Total Shareholder Return (TSR): Captures stock price appreciation and dividend yield over time, reflecting investor value.
- Growth Metrics: Includes revenue and profit growth compared to peer companies in the pharmaceutical sector.
- Market-Based Comparisons: Evaluates Lupin's financial ratios and valuation metrics (e.g., P/E ratio, ROIC) against comparable firms to assess strategic positioning and capital efficiency.

These metrics reflect Lupin's strategic focus on profitability, operational efficiency, and shareholder value creation, ensuring alignment with long-term financial health and corporate objectives.

## **Integration of ESG Goals:**

In line with Lupin's commitment to sustainability, ESG objectives are embedded into the CEO's variable compensation framework. The achievement of ESG KPIs directly influences executive bonuses and performance-linked incentives, reinforcing the company's dedication to responsible and sustainable growth.

## CEO Compensation- Long-term Performance Alignment (1.2.10)

<p>Guidelines on deferred bonus, time vesting, and performance period for the CEO's variable compensation</p>	<p>Performance Evaluation: The Board conducts an annual evaluation of its own performance, board committees, and individual Directors, including Independent Directors and KMPs such as the CEO. This evaluation informs compensation decisions and supports performance alignment.</p> <p>Share-Based Benefits: Directors, KMPs, SMPs, and other employees are eligible for share-based benefits or employee stock options under applicable schemes, promoting long-term value creation and retention.</p> <p>For more information on performance evaluation criteria and CEOs variable pay compensation please visit our nomination policy:  <a href="https://www.lupin.com/wp-content/uploads/2025/02/nomination-and-remuneration-policy.pdf">https://www.lupin.com/wp-content/uploads/2025/02/nomination-and-remuneration-policy.pdf</a></p>
<p>Deferral of Bonus for Short-term CEO Compensation:</p> <p>Percentage of the short-term bonus deferred in the form of shares or stock options</p>	<p><b>Not Applicable</b></p> <p>Description: Lupin is a promoter-driven company, and therefore, specific stock ownership requirements for the CEO and executive committee members are not applicable. This is aligned with regulatory norms, as the Securities and Exchange Board of India (SEBI) does not mandate executive stock ownership thresholds for promoter-led entities. SEBI's framework emphasizes disclosure of promoter shareholding and lock-in provisions during public offerings, rather than prescribing minimum ownership levels for executives</p>
<p>Performance Period for Variable CEO Compensation Longest performance period covered by your executive compensation plan</p>	<p>1 Year</p>
<p>Clawback provisions</p>	<p>Lupin Nomination and Remuneration Policy have discretion to claw back cash bonuses or performance incentives in cases of serious misconduct, financial misstatement, reputational damage, or other significant concerns. This reinforces accountability and ethical conduct.</p> <p>As per Lupin NRC has the discretion to claw back from the Directors, KMPs, SMPs, or other Employees, some or all of the cash bonus awards, performance incentives, or bonuses in certain circumstances, where the individual is involved in-</p> <ol style="list-style-type: none"> <li>Serious misconduct.</li> <li>Causing material misstatement or restatement of the financial results/statements of the Company or its Subsidiary companies.</li> <li>Causing significant reputational damage to the Company or its Subsidiary companies.</li> <li>Such other instances where the NRC, at its discretion, deems it necessary to apply the claw back clause.</li> </ol>

Time Vesting for Variable CEO Compensation Longest time vesting period for variable CEO compensation	1 Year

**Short-Term Incentive Deferral:** Subject to the provisions of the Act or the Listing Regulations or such other law as may be applicable from time to time, CEO, Director, KMP, SMP and other Employees may be eligible for share-based benefits or employee stock options under the applicable scheme / plan of the Company. This short-term incentive **may be deferred in the form of equity**, subject to the design of the applicable incentive plan.

### Management Ownership (1.2.11)

The data in the table below is based on the value of shares held by the CEO, Managing Director, and CFO of the company as of March 31, 2025. The number of shares held was multiplied by Lupin's stock price as of the last trading day of FY2024-25 (INR 2027.95). The value of the shares held, and base salaries are mentioned in the table below:

The average across other directors is calculated using the following formula:

*((share value held by Managing Director/ base salary of Managing Director) + (share value held by CFO/ base salary of CFO)) / 2*

Position	Name(s)	No of Shares held at the end of reporting period	Values of Shares as per stock price on last trading day of FY 25 (INR)	Base Salary (INR)	Multiple of base salary
Chief Executive Officer	Vinita Gupta	327,424	663,999,500.8	170,000,000	3.91
Average across other executive committee members owning shares	Nilesh Gupta (MD)	901,064	1,827,312,739	64,900,000	14.52
	Ramesh Swaminathan (CFO)	27,232	55,225,134.4	62,900,000	

### Management Ownership Requirements (1.2.12)

Lupin is a promoter-driven company, and therefore, specific stock ownership requirements for the CEO and executive committee member (Managing Director) is not applicable as they are promoters of the company. This is aligned with regulatory norms, as the Securities and Exchange Board of India (SEBI) does not mandate executive stock ownership thresholds for promoter-led entities.

SEBI's framework emphasizes disclosure of promoter shareholding and lock-in provisions during public offerings, rather than prescribing minimum ownership levels for executives

The promoters already hold a significant equity stake, which aligns leadership interests with those of shareholders. As the promoter family and their controlled entities hold a majority of the shares, such ownership mandates are not applicable.

Nevertheless, key executives have demonstrated strong alignment with shareholder interests through significant personal shareholding. For instance, Ms. Vinita Gupta, the CEO, holds shares valued at 3.91 times her base salary, reinforcing her accountability for share performance. Similarly, the MD and CFO who are other members of the executive committee have built average shareholdings valued at 14.5 times their base salaries, extending this performance-linked accountability across Lupin's leadership team.

References:

1. [https://www.sebi.gov.in/legal/circulars/aug-2021/disclosure-of-shareholding-pattern-of-promoter-s-and-promoter-group-entities\\_51847.html](https://www.sebi.gov.in/legal/circulars/aug-2021/disclosure-of-shareholding-pattern-of-promoter-s-and-promoter-group-entities_51847.html)
2. <https://www.sebi.gov.in/guide/guide20004.html>

### CEO-to-Employee Pay Ratio (1.2.15)

Category	FY 2024-25 (in INR)	
CEO Compensation	271,300,000	
	Median (in INR)	Mean (in INR) *
Employee Compensation	600,000	1,578,543

\*The mean salary for employees has been calculated as a weighted average, by multiplying the average salary of women (1,453,078 INR) by the share of women in the workforce (12.5%) added to the average salary of men (1,596,471 INR) multiplied by the share of men in the workforce (87.5%) = 1,578,543

### ESG Governance Oversight (1.2.16)

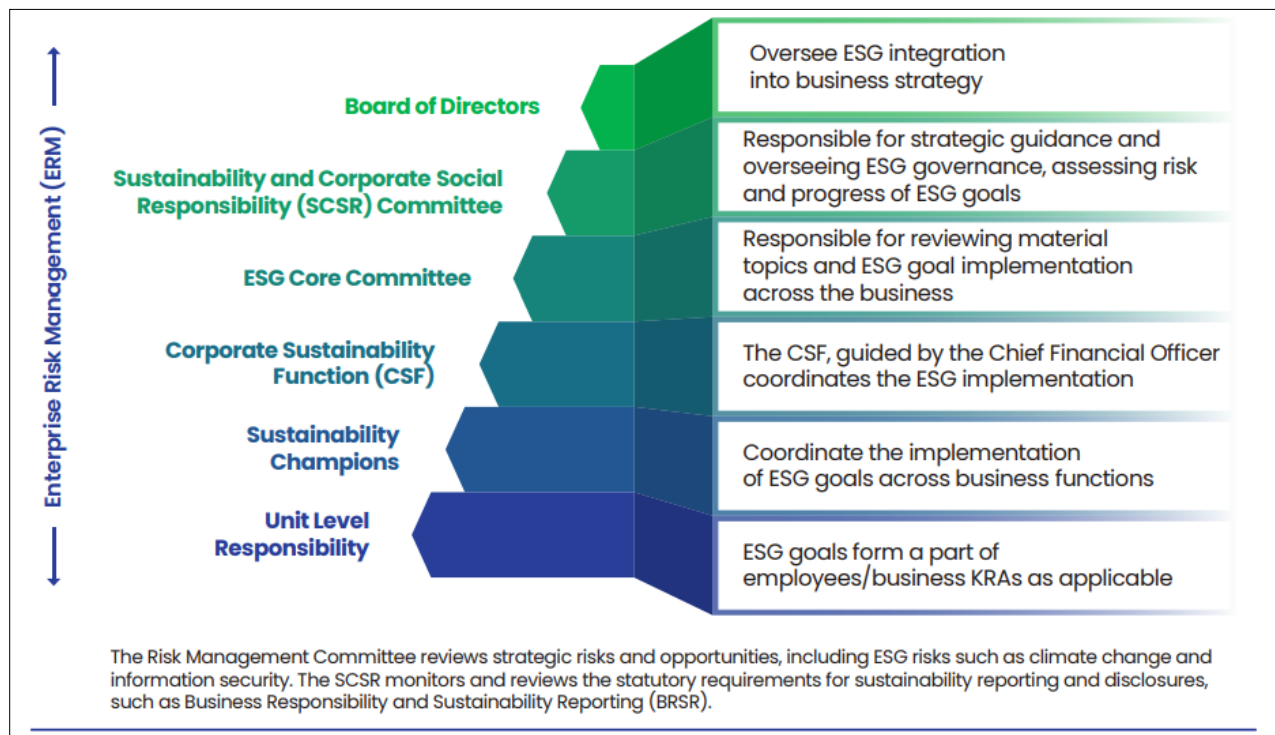
Effective governance is an integral aspect of our sustainability journey. A robust ESG governance structure is essential to embed environmental and social priorities into our business strategy and ensure clear oversight, accountability, and execution across the enterprise. **At the Board level, Lupin's 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. The Board SCSR committee comprises of Board of Directors including both executive directors (2 members) and independent directors (3 members).

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 oversees, 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 operations. In addition, the Chief Sustainability Officer of Lupin is responsible for overseeing and implementing sustainability

matters and ESG reporting at Lupin. The company's Chief Sustainability Officer (CSO) is responsible for:

- Driving the integration of ESG principles across business operations
- Aligning sustainability goals with corporate strategy
- Overseeing climate action, resource efficiency, and social impact initiatives
- Ensuring compliance with global ESG frameworks and stakeholder expectations

This leadership commitment reflects Lupin's strategic focus on sustainability and its intent to embed ESG into decision-making at the highest level.



## Materiality

### Materiality Analysis (1.3.1)

Our double materiality assessment provided valuable insights into the pharmaceutical industry and Lupin's efforts in addressing environmental, societal, and organizational issues.

Guided by the Corporate Social Responsibility Directive (CSRD) framework, the double materiality approach allowed us to peer into our stakeholder perspectives on how the environment and society impact our business as well as the effects of our business on the environment and society. We conduct this exercise once every two years to ensure our topics are aligned with the latest industry trends. Through this assessment process, we identified 18 priority areas that we consider materially significant for Lupin.

By applying a double materiality perspective, we evaluated the financial implications and the significant impacts of each topic, along with our ability to remediate negative effects. This was preceded by extensive stakeholder consultations through surveys and in-person consultations. In

FY 25, we reviewed our material topics with business vertical leaders and conducted an external assurance exercise to ensure the alignment of our operations with our identified topics and alignment with international frameworks, respectively. As a part of our Integrated Report assurance, our materiality assessment process is verified by independent third party.

The Materiality outcomes were reviewed and signed off by the SCSR (Sustainability Corporate Social Responsibility) board committee. The assessment of outcomes led to a strengthening in our approach to stakeholder engagement. Further integration of materiality assessment into our enterprise risk management framework has enabled us to bolster our strategies and operational approach to align ourselves with stakeholder expectations and preempt and curtail risks.

The following tables provide information on how Lupin treats select material topics, including business cases, linked targets, and mitigation strategies:

### Material Issues for Enterprise Value Creation (1.3.2)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Accessibility and Affordability	Water Management	Responsible Supply Chain
Category of Material Issue	Product Service Quality & Safety	Water	Supply Chain Management
Business Case	With our portfolio of generics and extensive global presence, we are well-equipped to provide patients globally with access to essential medicines and meet the increasing demand for pharmaceutical products. Barriers to access, such as pricing and availability can negatively impact the patient's ability to obtain necessary medications and may pose challenges to our vision and long-term growth potential.	Effective water and waste management is crucial for the company to create a positive environmental impact. Prioritizing efficient water usage, minimizing waste generation, and ensuring proper disposal are essential to showcase our commitment to a sustainable future and a healthier planet.	The pharmaceutical industry's dependence on the supply chain for critical raw materials and the final delivery of medicines could mean that any disruption can affect business continuity and product quality. Reliance on non-substitutable suppliers poses a risk to the consistent availability of essential raw materials.
Type of Business Impact	Risk	Risk	Risk
Business Impact	The company's innovation and research efforts boost brand value by positioning the company as a source of diverse, accessible, and affordable treatments. This excellence and recognition is paired with our access initiatives that	Persistent high water consumption in areas experiencing water stress increases the risk of rising operational costs, which can disrupt manufacturing capabilities and result in overall revenue loss. Inadequate management	Supplier relationships come under scrutiny when the Company starts disqualifying supplier contracts based on their compliance to required regulatory and ESG standards, resulting in a loss of business value. Dependence on



	address unmet patient needs and improve access in low- and middle-income countries and bring new revenue streams.	of environmental impact can lead to legal, regulatory, and financial consequences, damage to reputation and stakeholder trust, and, ultimately, a loss of license to operate.	non-substitutable and critical raw material suppliers poses a risk to the business in the event of unforeseen disruptions
<b>Business Strategies</b>	We are dedicated to building a resilient and varied product portfolio through strengthening cross-functional synergies, organizational capabilities, project management, and governance. Our focus is on identifying, developing, planning, and launching new products. We prioritize developing and commercializing advanced generics, supported by operational excellence initiatives aimed at improving yields, ensuring supply chain continuity, and maintaining sufficient inventories.	We monitor our water consumption on a regular basis. Our efforts are concentrated on optimizing water usage, minimizing withdrawals, and enhancing water recovery. We aim to implement Zero Liquid Discharge at our facilities to treat all manufacturing wastewater responsibly. Additionally, we are committed to prudent water use in regions facing water scarcity, reducing our environmental impact.	We have initiated a comprehensive exercise to assess 100% of our critical suppliers through our ESG framework. We also screen our new suppliers during the onboarding process by asking them to conduct a self-assessment on ESG and other financial and non-financial metrics. Our suppliers are also required to consent to and uphold the company's ESG standards as outlined in our Supplier Code of Conduct.

### Materiality Metrics for Enterprise Value Creation (1.3.3)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Accessibility and Affordability	Water Management	Responsible Supply Chain
<b>Target</b>	Lyfe provides post-acute coronary syndrome (ACS) and Heart failure patient care, aiming to reach 25,000 patients	Recycling 50% of our total water withdrawal across our India operations	100% coverage of critical suppliers under ESG framework within a three-year cycle
<b>Target Year</b>	2030	2030	2028
<b>Progress</b>	3749 Patients	44%	100%
<b>Executive Compensation</b>	To demonstrate our commitment to ESG goals and material KPIs, the Chief Executive Officer, Managing Director, Presidents, Business Unit Managers, and relevant employees include ESG objectives as part of their variable compensation assessments. Lupin has integrated ESG goals into its corporate objectives, meaning that the achievement of these goals directly influences executive and employee compensation including, annual bonuses and variable compensation.		

	Our ESG targets for FY 2024-25 focused on areas such as climate change, GHG emissions reduction, water recycling, waste management, biodiversity, diversity, equity, and inclusion (DEI), patient-centric innovation, and access & affordability. These targets are assigned to relevant Presidents responsible for these goals and are cascaded down to business functions with appropriate weight during the Annual Performance and Rewards Year-End process.
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### Material Issues for External Stakeholders (1.3.4)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
<b>Material Issue</b>	<b>Accessibility and Affordability</b>	<b>Waste Management</b>	<b>Decarbonization of Value Chain</b>
<b>Category of Material Issue</b>	Society & community relations	Waste and Pollutants	Sustainable products & services
<b>Cause of the Impact</b>	<ul style="list-style-type: none"> <li>Operations</li> <li>Products/Services</li> <li>Supply Chain</li> </ul> <b>Business Activity Coverage:</b> <ul style="list-style-type: none"> <li>&gt;50% of business activity</li> </ul>	<ul style="list-style-type: none"> <li>Operations</li> <li>Products/Services</li> <li>Supply Chain</li> </ul> <b>Business Activity Coverage:</b> <ul style="list-style-type: none"> <li>&gt;50% of business activity</li> </ul>	<ul style="list-style-type: none"> <li>Operations</li> <li>Products/Services</li> <li>Supply Chain</li> </ul> <b>Business Activity Coverage:</b> <ul style="list-style-type: none"> <li>&gt;50% of business activity</li> </ul>
<b>External Stakeholders Impacted</b>	<ul style="list-style-type: none"> <li>Society</li> <li>Consumers/end-users</li> <li>External employees (e.g. supply chain, contractors)</li> </ul>	<ul style="list-style-type: none"> <li>Environment</li> <li>Society</li> <li>Consumers/end-users</li> <li>External employees (e.g. supply chain, contractors)</li> </ul>	<ul style="list-style-type: none"> <li>Environment</li> <li>Society</li> <li>Consumers/end-users</li> <li>External employees (e.g. supply chain, contractors)</li> </ul>
<b>Type of Impact</b>	Positive and Negative	Positive and Negative	Positive and Negative
<b>Topic Relevance</b>	The gap between affordable healthcare and equitable access continues to grow. According to the WHO, more than half of the global population lacks access to essential health services, and approximately 800 million people spend at least 10% of their household budgets on healthcare expenses. This rising gap is widening the divide between access and affordability in low-and middle-income countries, which consequently are	Pharmaceutical waste is becoming a growing concern in markets as healthcare needs rise and the improper disposal of unused medicines; packaging material continues to become a growing problem throughout the world. Excessive landfilling and other unsafe disposal methods pose health concerns for communities, especially those that live near disposal or incineration centers. This is	With the impacts of global warming escalating at a rapid pace, the need for a global push for decarbonization has become more pertinent than ever. For external stakeholders, Decarbonization has now become a business priority given the negative externalities, the brunt of which is borne by consumers and communities beyond the business operations. Companies are more



	also the ones with the highest disease burden	raising alarms as consumers scrutinize drug manufacturers on their disposal practices.	cognizant than ever about the negative impacts their carbon footprint has on ecosystems and communities as a whole. Resultantly, pressure to align with the 1.5-degree Celsius agenda has become a key consideration for stakeholders when choosing their products.
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### Materiality Metrics for External Stakeholders (1.3.5)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Accessibility and Affordability	Waste Management	Decarbonization of Value Chain
Output Metric	1. No. of patients and HCPs reached for improved health awareness 2. No of patients benefited through assistance programs	% of waste diverted from landfill	Reduction in CO <sub>2</sub> emissions (tCO <sub>2</sub> e)
Impact Valuation	Improvement in community health and well-being	Reduction of total waste to landfill	Reduction of GHG emissions
Impact Metric	1. In FY 25, through the implementation of two patient assistance programs, we supported 103,577 patients. 2. Through our Education for Patients and Doctors initiative, we have reached 14,91,740 Patients and 38,974 HCPs/doctors in FY2025.	92% of incinerable hazardous waste generated in our Indian operations was diverted from landfill and sent for preprocessing/coprocessing	<ul style="list-style-type: none"> <li>Scope 3 Emissions Reduction: 100,442 tCO<sub>2</sub>e compared to FY24</li> <li>EPA Social Cost of Carbon (2025 estimate): \$255 per ton of CO<sub>2</sub>e</li> <li>Total Avoided Social Cost: \$25.6 million USD</li> </ul> <p>Source: <a href="#">The US Environmental Protection Agency released updated SCC estimates that placed the cost of carbon at \$255 per ton in 2025.</a></p>

## **Risk and Crisis Management**

### **Risk Governance (1.4.1)**

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.

The Risk Management Cross Functional Team is responsible for the overall risk management process at Lupin. This team is composed of risk owners representing key risks, who convene as needed to review risk mitigation measures, monitor changes in risk exposure, and make necessary adjustments to our risk appetite. Detailed reports on risks and mitigation strategies are shared within this team and reported to the RMC. On the ground, our functional and locational teams work in close collaboration with the individual risk owners to periodically review risks and ensure that the risk mitigation plans are effectively executed.

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 the best international practices we are working towards attaining the ISO 31000 Risk Management certification.

### **Risk Management Processes (1.4.2)**

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 Risk Management Committee (RMC) plays a pivotal role in enhancing our preparedness for strategic and operational risks through dynamic scenario planning and sensitivity analysis. These exercises enable us to proactively anticipate and address potential contingencies. In addition, the team conducts comprehensive analyses of both internal and external data, including industry trends, market research, regulatory developments, and expert insights—to identify, assess, and categorize emerging risks effectively.

Each of the identified risks and opportunities is mapped to Risk owners (Senior Leadership – Presidents & above), supported by site and functional teams, who develop and implement mitigation plans as necessary.

Progress and risk exposure is monitored quarterly through risk review meetings, with bi-annual updates, including the revised risk register, provided to the Board-level Risk Management Committee. Furthermore, completion of risk-related mitigation actions and goals, forms part of the annual performance evaluation, directly influencing executive and employee compensation and incentives.

Our independent internal audit team led by Internal Audit head conducts annual reviews to ensure our policies are aligned with the company's risk strategy. To maintain compliance with global standards on our risk management process, we engage external experts biennially to assess and enhance our audit practices. Additionally, we are actively pursuing ISO 31000 Risk Management Certification to further align our framework with the best international practices.

We offer regular, tailored training programs on risk management for the Board of Directors and the Risk Management Committee—including Non-Executive Directors—to deepen their understanding and support informed decision-making.

To foster a risk-aware culture across all levels of the organization, we conduct multiple training initiatives throughout the year. These include risk awareness sessions, skill enhancement workshops, and interactive engagements with risk experts at our corporate offices and manufacturing sites. These efforts ensure that employees are not only aware of potential risks but also equipped to assess and respond effectively.

We are committed to creating an environment where individuals feel empowered to raise concerns. Employees can report potential risks directly to their leaders or through the Office of the Ombudsperson, which ensures that every report is addressed with professionalism and care. All employees and contractors are encouraged to identify and report various risk indicators, such as near-miss incidents, shifts in market conditions, and changes in regulatory requirements. Recognizing occupational health and safety as a key priority, we have introduced incentive programs like the EHSAAS Awards and the Spirit of Lupin Awards to promote vigilance and proactive reporting.

At Lupin accomplishing risk-related mitigation actions and goals is included in the annual performance evaluation, which directly affects executive and employee compensation and incentives. Furthermore, we integrate comprehensive risk management protocols into the development of new products and services to uphold safety and regulatory compliance.

### Emerging Risks (1.4.3)

Emerging risks are an essential portfolio discussion, and future mitigation plans are a significant point of discussion for our risk management teams. The table below describes the two pertinent emerging risks that Lupin has identified in its risk register:

Risk & Risk Category	Risk Description and Impact	Mitigation Actions
<b>Supply Chain Risks due to Geopolitical and Import Substitution</b>  <b>Category of Risk: Geopolitical</b>	Risk Description: Lupin operates as a global manufacturer with an equally international customer base, sourcing raw materials from diverse regions across the world. This extensive supply chain is vulnerable to disruptions stemming from geopolitical tensions, climate-related challenges, and evolving trade policies, all of which can impact the availability and timely delivery of raw materials.	We have adopted an import substitution strategy aimed at reducing dependency on imports and enhancing supply chain resilience. This strategy involves developing and partnering with domestic manufacturers to ensure a steadier supply of raw materials while supporting the local economy. Our Global Sourcing and Contract Manufacturing team collaborates with global suppliers but prioritizes domestic partnerships. A cross-

	<p>Additionally, international sanctions and conflicts affecting key trade routes pose logistical challenges and may lead to delays. We are currently navigating a complex geopolitical landscape, marked by uncertainties surrounding U.S. tariffs and a growing global shift toward self-reliance in several countries where we export our products.</p> <p>Impact: These uncertainties impact business growth, disrupt supply chains, increase costs, and potentially reduce margins.</p>	<p>functional team, including experts from Research and Development, Quality Assurance, Global Supply Chain Management, and Regulatory Affairs, works closely with suppliers on import substitution initiatives. This approach not only de-risks our supply chain from geopolitical tensions and potential conflicts in regions like the Middle East and Eastern Europe but also aligns with our strategic goals of sustainability and operational stability.</p>
<p><b>Competitive Advantage Erosion in Drug Discovery &amp; Patient Treatment due to AI</b></p> <p><b>Category of Risk: Economic</b></p>	<p>The rapid advancement of AI-driven drug discovery and the emergence of agile, tech-enabled healthcare startups is posing a significant market risk. Artificial intelligence is unlocking new efficiencies by automating complex research processes and identifying promising drug candidates that might elude conventional approaches. For Lupin, this transformation presents an emerging risk of being outpaced by nimble, AI-native competitors. The rise of these disruptors could reshape the competitive landscape, introducing breakthrough therapies at speeds that test the resilience and adaptability of legacy organizations</p> <p>Impact: These innovators are redefining the pace and economics of drug development, cutting timelines, lowering costs, and challenging the traditional dominance of established players.</p>	<p>To proactively address emerging risks and ensure resilience in a rapidly evolving pharmaceutical landscape, Lupin has established a Generative AI Center of Excellence (GenAI CoE). This initiative is designed to drive innovation while reinforcing operational safeguards across key business functions. By partnering with leading AI solution providers, we are harnessing advanced analytics to extract actionable insights from complex datasets, enhancing precision in drug discovery and reducing the risk of costly missteps. Our AI-driven systems have streamlined investigative workflows, strengthened decision-making frameworks, and enabled secure, intelligent document processing. Additionally, Lupin's "Anyia", India's first AI-powered multilingual health chatbot, provides medically validated information in a safe, inclusive environment—mitigating misinformation risks and expanding access to reliable healthcare guidance.</p>

## Business Ethics

### Code of Conduct (1.5.2)

Lupin's Code of Conduct provides a comprehensive framework for ethical behavior, **covering key areas such as corruption and bribery, discrimination, confidentiality, conflicts of interest, antitrust practices, money laundering, insider trading, environmental health and safety, and whistleblowing**. It sets clear expectations for employee conduct and promotes a culture of integrity and compliance. This Code guides our actions and decisions, ensuring responsible operations across Lupin.

**Link:** [https://www.lupin.com/wp-content/uploads/2022/12/english\\_coc-handbook.pdf](https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf)

### Anti-Bribery and Anti-Corruption Policy (1.5.3)

Lupin has a comprehensive, group-wide Anti-Bribery and Anti-Corruption Policy that is publicly available and is also embedded within its Code of Business Conduct & Ethics, which is part of the company's global governance framework known as P.L.E.D.G.E. (Preparing Lupin Employees to Demonstrate Corporate Governance and Ethical Conduct). Lupin's policy reinforces a zero-tolerance stance on bribery and corruption, reflecting our strong commitment to ethical business practices, transparency, and accountability across our global operations. We require full compliance with all applicable anti-bribery and anti-corruption (ABAC) laws and expect all employees, officers, directors, agents, partners, and stakeholders to uphold the highest standards of integrity. The policy includes clear guidelines on gifts, political contributions, and charitable donations to prevent any form of improper influence.

**Prevention of Bribery and Corruption:** Lupin strictly prohibits all forms of bribery and corruption, whether public or private, and any conduct that may create the perception of improper influence or unfair business advantage.

- The policy outlines clear rules regarding the acceptance and offering of gifts and hospitality to avoid conflicts of interest.
- Lupin does not permit political contributions that could influence business decisions or regulatory outcomes.
- All charitable contributions and sponsorships must be transparent, documented, and aligned with Lupin's ethical standards.
- All of our Employees including part time employees and contractors undergo mandatory training to understand and comply with the Code and related policies. 100% of lupin employees have undergone mandatory training on Lupin code of conduct including Anti-Bribery and Anti-Corruption.
- The company has defined mechanisms for reporting violations, including anonymous reporting channels, and ensures protection against retaliation.
- The company has defined processes for corrective and disciplinary actions. The breaches of the policy may result in disciplinary action, including termination and legal consequences as required.

The Board of Directors is the highest endorsing decision-making body for this policy, reflecting its strategic importance and alignment with Lupin's core values. The Policy has been approved by the Board of Directors.

**Link:** [https://www.lupin.com/wp-content/uploads/2022/12/english\\_coc-handbook.pdf](https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf)

### Whistleblowing Mechanism (1.5.4)

Lupin has established a robust whistleblowing framework to encourage the reporting of unethical behavior, misconduct, or violations of company policies, while ensuring the safety and confidentiality of whistleblowers.

Lupin promotes a speak-up culture through a confidential whistleblower policy, safeguarding employees from retaliation. Our dedicated whistleblower policy allows anonymous reporting and maintains confidentiality to protect complainants. This ensures that anyone can provide their opinion without fear of retaliation or adverse effects on their life at Lupin. The mechanism on using the reporting channel, process for investigating the reported breaches are described in detail at Lupin.

To ensure adherence and complete coverage of the whistleblower complaint lifecycle, Lupin has put in place the following measures:

- Lupin has a dedicated Ethics & Compliance team, overseen by the President Legal and Compliance, responsible for managing the whistleblowing mechanism. This ensures timely review, investigation, and resolution of reported concerns.
- Lupin operates a third-party managed whistleblower hotline and digital portal, allowing employees, contractors, and stakeholders to report concerns independently of internal management, ensuring impartiality and trust. A dedicated and independent Ombudsman assesses whistleblower complaints, this ensures there is no bias and internal misalignment with regards to the complaint, ensuring a smooth process.
- Any director or employee may directly contact Chairman of the Audit Committee (as defined in the Companies Act, 2013) in appropriate or exceptional cases.
- All whistleblowers can report their complaints in an anonymous manner to protect their identity and ensure they can carry out their daily obligations without fear or threat of retaliation. Whistleblowers are allowed to submit reports anonymously, without revealing their identity. The system is designed to protect anonymity while enabling effective investigation.
- All reports received are treated with strict confidentiality. Access to case details is limited to authorized personnel, and information is securely stored and handled in accordance with data protection policies.
- There is a zero-tolerance attitude towards any form of retaliation against whistleblowers. Any form of retaliation towards the complainant is seen as a serious offence and will be dealt with in the appropriate manner sought by Lupin and the Board. Lupin has a formal commitment in its Code of Conduct and Whistleblower Policy that strictly prohibits any form of retaliation or unfavorable treatment against individuals who report concerns in good faith. This includes protection from: Termination or demotion, Harassment or intimidation, Negative performance reviews or denial of opportunities or others. Any instance of retaliation is treated as a serious violation of company policy. Lupin enforces disciplinary measures, which includes - Formal warnings, Suspension
- Termination of employment, Legal action, if applicable. Investigations into retaliation are conducted independently and confidentially, ensuring fairness and accountability.
- After an investigation, a report is prepared and documented by the Ombudsperson, disclosing all proceedings and final outcomes. This report is maintained confidentially to ensure anonymity while also maintaining a track record of our complaints
- Annual training on whistleblowing channels is provided to instill a culture of compliance at lupin. This ensures that all employees are aware of the proper procedures and ramifications of the process in case such actions are taken. Lupin provides regular training and awareness

programs to employees on how to use the whistleblowing channel, what constitutes reportable behavior, and the protections available to whistleblowers. This includes guidance on what to report, how to report, and what protections are available.

- The company has a clearly defined investigation protocol, which includes:
  - Initial screening of the report
  - Assignment to an internal or external investigator
  - Evidence collection and interviews
  - Resolution and corrective actions
  - Feedback to the whistleblower (where possible)

The process is documented and periodically reviewed to ensure fairness, transparency, and compliance with legal standards.

Our whistleblower policy reinforces our commitment to transparency, accountability, and ethical conduct. Ensuring our principles of P.L.E.D.G.E are fulfilled in all aspects of our operations and grievance redressal methods.

Link: <https://www.lupin.com/wp-content/uploads/2022/02/Whistleblower-Policy-Website.pdf>

### Reporting on Breaches (1.5.5)

As a responsible organization, Lupin is proud to have maintained a track record of zero breaches or convictions regarding corruption and bribery.

Reporting areas	Number of breaches in FY 2024-25
Corruption and Bribery	0
Discrimination or Harassment	6
Customer Privacy Data	0
Conflicts of Interest	0
Money laundering or Insider Trading	0
<b>Total</b>	<b>6</b>

## Policy Influence

As a responsible organization, Lupin maintains transparency on its political and associational activities, providing fair disclosure on financial and policy/advocacy contributions made to any political campaigns and trade and tax-exempt groups. Listed below are details on the same:

### Contributions and Other Spending (1.6.1)

Currency (INR)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns/organizations / candidates	0	180,000,000	250,000,000	0
Trade associations or tax-exempt groups (e.g. think tanks)	95,140,000	90,090,000	82,134,791	107,451,387
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Data coverage (as % of operations)	100%	100%	100%	100%
<b>Total</b>	<b>95,140,000</b>	<b>270,090,00</b>	<b>332,134,791</b>	<b>107,451,387</b>

### Largest Contributions and Expenditures (1.6.2)

Issue or Topic	Corporate Position	Description of Position	FY 2024-25 Total Spent INR
Accessibility and affordability of medicine	Support	<p>At Lupin, we recognize that effective advocacy is a cornerstone of driving meaningful changes in healthcare. Our engagements with public policymakers, government bodies, and key external stakeholders such as the Association for Accessible Medicines (AAM) and the Indian Pharmaceutical Alliance (IPA) are central to this mission.</p> <p>With IPA, our advocacy efforts focus on:</p> <ul style="list-style-type: none"> <li>• Research &amp; Development (R&amp;D)</li> <li>• Combating Counterfeiting and Non-Standard Quality Drugs</li> <li>• Standardizing Consent Fees under the Water &amp; Air Acts</li> </ul> <p>Our commitments are shaped by a deep understanding of the perspectives and practices of both public and private institutions. We consistently champion:</p> <ul style="list-style-type: none"> <li>• Equitable access to medicines</li> <li>• Fair pricing policies</li> </ul>	103,034,000



		<ul style="list-style-type: none"> <li>Codification of best practices through collaboration with policymakers and institutions</li> </ul>	
Sustainability and Climate Change mitigation	Support	We are also actively advocating for climate change mitigation and sustainable business operations in multiple industry forums such as FICCI.	141,600

## Other Large Expenditures

Name of organization	Type of Organization and Lupin's engagement	Total Spent in FY 2024-25 (INR)
Confederation of Indian Industry (CII)	<p>Trade Associations:</p> <p>Lupin maintains a strong and strategic connect with leading trade association such as the Confederation of Indian Industry (CII). Through our active participation in CII Lupin contributes to broader discussions on industrial development, sustainability, innovation, and regulatory reforms, while also aligning with initiatives that promote responsible business practices and inclusive growth.</p>	447,810
Indian Pharmaceutical Association (IPA)	<p>Our engagement with the Indian Pharmaceutical Alliance (IPA) is particularly focused and impactful. Lupin collaborates with IPA on key policy advocacy areas including Research &amp; Development (R&amp;D), combating counterfeiting and non-standard quality drugs, and standardizing consent fees under the Water &amp; Air Acts.</p> <p>These efforts are aimed at strengthening the pharmaceutical ecosystem, ensuring patient safety, and promoting innovation. We work closely with IPA to address regulatory challenges and support frameworks that encourage ethical manufacturing and transparent pricing.</p>	10,620,000
Federation of Indian Chambers of Commerce & Industry (FICCI)	Lupin maintains a strong connection with leading trade association FICCI. We consistently engage on topics such as reforms in pharmaceutical regulations.	141,600

Our commitment ensures that our voice in public forums is not only industry-aligned but also socially responsible. By leveraging our association with these trade bodies, Lupin continues to play a proactive role in shaping a resilient, inclusive, and forward-looking pharmaceutical landscape.

## Lobbying and Trade Associations -Climate Alignment (1.6.3):

Lupin is committed to aligning its climate-related advocacy activities with the goals of the Paris Agreement, aiming to limit global warming to well below 2°C, preferably to 1.5°C. This commitment is reflected in Lupin's TCFD Report, Lupin Corporate Sustainability Policy and Annual Integrated Reports.

Lupin has a formal management system, governance structure and review and monitoring process for managing public policy engagement, including:

- Oversight by the Board-level Sustainability and Corporate Social Responsibility (SCSR) Committee and Risk Management Committee.
- Accountability assigned to the ESG Core Committee governed by the Global CFO, CEO, President HR and Chief Technology Officer. The CFO is directly involved in climate governance and policy alignment.
- The ESG Core Committee ensures that lobbying and trade association activities are consistent with Lupin's climate commitments and are aligned with the Paris Agreement.
- Regular monitoring and reporting of climate-related risks and advocacy efforts are undertaken at the Board SCSR review and ESG Core Committee reviews.

Lupin has a framework to address misalignments with trade associations. The company follows the process of

- Identify and address misalignments between its climate stance and that of trade associations.
  - Lupin conducts annual assessments of the climate-related policy positions of its key trade associations. These reviews are benchmarked against Lupin's own climate strategy and commitments, including its Scope 1, 2 & 3 emissions reduction targets and support for science-based climate action as per Paris Agreement.
- Engage with associations to advocate for science-based climate policies.
  - In cases of misalignment, Lupin initiates constructive dialogue with the trade association to advocate for policy shifts toward climate science and the Paris Agreement goals.
- Transparency and Reporting
  - Lupin may also publicly disclose concerns or reconsider its membership if alignment cannot be achieved.
  - Lupin commits to disclosing material misalignments in its ESG and TCFD reports.
  - The company also reports on climate-related lobbying activities and policy positions of trade associations in all jurisdictions where it operates as applicable and needed.

Lupin is a proud member of The Climate Pledge. The pledge requires signatory companies to commit to reaching net-zero carbon emissions by 2040. It brings together hundreds of the world's top companies to accelerate joint action, cross-sector collaboration, and responsible change to realize a common goal. Lupin is also a member of the CII's Indian Business and Biodiversity Initiative alongside 141 other signatories and members, aimed at promoting knowledge sharing on strategies to manage biological diversity. Furthermore, as per our corporate sustainability policy, Lupin is "focused on reducing carbon emissions across the supply chain, aligned to the goals of the Paris Agreement and the Science-Based absolute carbon emission reduction target."

This framework ensures Lupin's public policy engagements consistently support science-based climate action.

## Supply Chain Management

### Supplier Code of Conduct (1.7.1)

Every supplier we work with is expected to adhere to our Supplier Code of Conduct, a comprehensive document outlining the requirements to qualify as a Lupin supplier. Our code mandates suppliers to adhere to strict business ethics standards such as anti-bribery, anticompetitive and anti-corruption, including conflict of interest.

As per our Code of Conduct, suppliers must have comprehensive human rights and labor practice requirements, with no forced or child labor. They must ensure proper working conditions, have stronger occupational health & safety management processes, systems, and policies, have SOPs for discrimination and harassment and uphold the rights of employees and workers for freedom of association and collective bargaining.

Environmental considerations such as reducing energy consumption, increasing renewable energy, reducing GHG emissions, pollution prevention, waste management and resource efficiency, along with no deforestation and biodiversity-related commitments, including avoiding land conversion are also mandated for our suppliers in our Code of Conduct.

Link to our supplier Code of Conduct and Policy:

<https://www.lupin.com/wp-content/uploads/2025/05/third-party-code-of-conduct.pdf>

<https://www.lupin.com/wp-content/uploads/2025/05/sustainable-procurement-policy.pdf>

### Supplier ESG Program (1.7.2)

Our commitment to sustainability extends beyond the boundaries of our operations. In FY25, we institutionalized a robust Supplier ESG Evaluation Program — integrating environmental, social, and governance parameters into both supplier onboarding and ongoing performance assessments of suppliers on ESG.

#### Board Oversight of Supplier ESG Program:

Our Supplier ESG evaluations, programs and goals are overseen by Sustainability Governance structure at Lupin. At the Board level, Lupin's Sustainability and Corporate Social Responsibility (SCSR) Committee provides strategic oversight. This committee provides strategic direction and ensures that Supply Chain risks and opportunities receive consistent management focus, alignment, and resources. At the executive level, our ESG Core Committee, comprising of the Managing Director, Executive Director & Global CFO, and President — Global Human Resources and Chief Technical Operations Officer, is pivotal in embedding ESG considerations into Supplier ESG program. The ESG Core Committee reviews the supplier programs on a monthly basis. This Committee also ensures that Lupin purchasing practices towards suppliers are reviewed to ensure alignment with Lupin's practices and the Lupin Supplier Code of Conduct to avoid potential conflicts with ESG requirements.

Through this framework, we actively track the ESG footprint of key suppliers, to ensure alignment of our purchasing practices with our sustainable procurement policy and supplier code of conduct.

Additionally, we have started including ESG requirements in our purchasing contracts. Suppliers with better ESG performance are often preferred over low ESG performance suppliers. Any

suppliers that continuously fail to meet requirements are subsequently offloaded, based on the availability of a substitute and the criticality of the supplier. In FY 25, zero suppliers have been offloaded yet based on our evaluations as our suppliers are progressing on ESG.

We recognize that although Lupin is rapidly advancing, some partners are still progressing in their ESG journeys. We exemplify leadership by organizing capacity-building webinars, facilitating ESG self-assessments, and conducting on-site audits that culminate in structured Corrective and Preventive Action Plans (CAPA).

Based on our evaluations and to the best of our traceable information, we also have understood that we do not import or process minerals and metals such as tin, tantalum, tungsten, or gold from conflict-affected and high-risk areas.

Our buyers and procurement teams have also undergone four extensive training on ESG-linked best practices while deciding on suppliers.

Lupin has institutionalized a structured approach to integrating sustainability into its procurement practices through its Sustainable Procurement Policy. A key component of this policy is the annual training program designed specifically for the company's buyers and internal stakeholders. The training conducted in FY 25 ensures that all relevant personnel are well-informed about their roles and responsibilities in implementing and managing Lupin supplier ESG programs

#### **Key Features of the Training Program:**

- **Annual ESG Training:** Conducted for procurement teams and internal stakeholders to reinforce ESG principles and their application in supplier engagement.
- **Role-Based Education:** Tailored sessions that align with the specific responsibilities of buyers, category leads, and supply chain managers.
- **Integration with Supplier Lifecycle:** Training is embedded into the supplier onboarding and evaluation processes, ensuring ESG considerations are applied from the start.
- **Use of ESG Assessment Tools:** Relevant employees are trained to use ESG questionnaires, risk evaluation frameworks, and performance scoring systems to assess suppliers.

#### **Impact of Training:**

- Empowered employees to make informed, sustainability-driven procurement decisions.
- Enhanced supplier alignment with Lupin's ESG standards.
- Supported continuous improvement in supplier performance and risk mitigation.

This is our approach to achieving responsible and sustainable supply chain growth. Our efforts extend beyond merely managing our supply chain; we are committed to ensuring its resilience and sustainability for the future.

Please refer to our Sustainable Procurement Policy for further details:

**Link:** <https://www.lupin.com/wp-content/uploads/2025/05/sustainable-procurement-policy.pdf>

### **Supplier Screening (1.7.3)**

In FY25, we implemented an exhaustive supplier evaluation program which includes ESG parameters in the screening of existing suppliers and onboarding new vendors.

Our Supplier ESG Program tracks extensive environmental, social, and governance impacts, metrics and practices of our supply chain members, both new and existing and focuses on identifying and managing our key material suppliers that are relevant to our business.

- **Environmental:** Suppliers are assessed for their environmental impact, including pollution prevention, waste management, water usage, and compliance with environmental legislation.
- **Social:** Screening includes labor rights, occupational health and safety, human rights adherence, community impact and others.
- **Governance:** Lupin evaluates suppliers on ethical business practices, anti-bribery and corruption policies, data privacy, and regulatory compliance.
- **Business Relevance:** Suppliers are segmented based on spend and criticality, which helps prioritize engagement and risk mitigation efforts. Strategic and critical suppliers receive more intensive scrutiny and engagement.

Our suppliers undergo a training program, ESG self-assessment and on-site audits. We prepare and implement Corrective Action Plans (CAPA) jointly with our suppliers.

Our assessments are based on sector, country-specific and commodity specific risks in our supply chain. We assess our suppliers based on the risks and potential vulnerabilities in the pharmaceutical industry and the geopolitical volatility of the suppliers' base of operations. Considering both factors alongside the metrics stated above, we can formulate an extensive assessment of the supplier's feasibility to partner with Lupin.

We also educate existing and new suppliers on ESG compliance through webinars, fostering alignment with Lupin's Code of Conduct, Sustainability Procurement Policy, Business Material Issues and Impacts.

### **Supplier Assessment and Development (1.7.4)**

#### **Assessment of Suppliers:**

Our Engagement with Suppliers is extensive, starting with desk-based assessments based on the self-assessments filled out by suppliers on ESG. Our procurement teams then undertake site assessments of our suppliers, followed by third-party assessments undertaken by Dun & Bradstreet (D&B).

ESG Self-Assessment questionnaire of D&B is built in alignment with global standards & leading frameworks such as CDP, GRI, SASB, TCFD, UN PRI, and the UN SDGs, ensuring relevance and credibility.

Supplier assessments, including desk-based & on-site, are conducted using standards and methodologies aligned with recognized industry frameworks, particularly the Pharmaceutical Supply Chain Initiative (PSCI) audit checklist. These desk-based assessments utilize a proprietary ESG scoring methodology that closely mirrors PSCI's topical areas, including ethics, labor, health and safety, environment, and management systems.

For nomination-based on-site assessments, the process begins with preliminary data collection from suppliers, followed by physical visits to their plant locations. During these visits, both quantitative and qualitative ESG data are gathered with supporting evidence. A structured ESG questionnaire is used to identify gaps, assess compliance, and evaluate potential risks. Each supplier is scored based on these findings, and the scoring methodology is revisited in consultation with the client to ensure it remains aligned with evolving ESG priorities.

The following table provides an overview of the outcomes of our assessments for this fiscal year:

<b>Supplier Training on ESG</b>	<ul style="list-style-type: none"> <li>Suppliers receive mandatory training from internal and external experts.</li> <li>In FY 2024-25, 60 suppliers participated in 8 ESG capacity building programs by a third party.</li> </ul>
<b>Supplier Commitment to Lupin Code of Conduct</b>	<ul style="list-style-type: none"> <li>100% of our suppliers are fully committed to adhering to our third-party code of conduct and sustainable procurement policy.</li> </ul>
<b>Supplier ESG Assessment</b>	<ul style="list-style-type: none"> <li>Our procurement function assessed 370 suppliers based on ESG and other performance-based metrics such as turnover time, quality, etc.</li> <li>An independent third party (Dun &amp; Bradstreet) conducted ESG assessments covering these 370 suppliers.</li> </ul>
<b>Supplier Corrective Action Plan / Improvement Plan</b>	<ul style="list-style-type: none"> <li>100% of the 29 suppliers with potential or actual ESG-related risks were given Corrective Action Preventive Actions (CAPA).</li> <li>All suppliers received support for CAPA implementation from Lupin in-house experts and third-party specialists.</li> </ul>

Throughout the year, we also continued to reinforce our commitment to quality and compliance across our global manufacturing network, maintaining the highest standards of product integrity and supply resilience. Our suppliers are viewed as strategic partners in delivering reliable, high-quality care. To support this, we conduct regular training and engagement sessions focused on quality compliance, regulatory updates, and the communication of quality alerts.

## Supplier Development

Our objective is to assist our vendors in addressing and mitigating potential ESG impacts and associated risks within our supply chain. As part of our supplier ESG capacity-building efforts, we provide CAPA support to 100% of applicable vendors where potential or actual ESG-related risks or gaps are identified. These supports are provided through webinars, workshops and third-party expert consultations that provide in-depth technical support to realize the CAPA plan requirements. In FY 25, 100% of the 29 suppliers with potential or actual ESG-related risks were given Corrective Action Preventive Actions (CAPA). All suppliers received support for CAPA implementation from Lupin in-house experts and third-party specialists.

At Lupin, Scope 3 emissions account for nearly 75% of the total carbon footprint. Out of our Scope 3 emissions, approximately 40% originate from Purchased Goods and Services. To reduce these emissions, we are actively engaging in and collaborating with our supplier ecosystem. We are enabling smarter sourcing decisions, greener operations, and long-term carbon reduction. Together, we are developing a value chain that is future-ready and committed to delivering excellence with

responsibility. We have mapped a priority group of 306 suppliers who collectively contribute to 51% of our total emissions from Purchased Goods and Services. This data-driven insight forms the backbone of our Scope 3 decarbonization roadmap.

With this foundation in place, we are now moving forward with targeted engagement of these critical partners with training and capacity to activate our value chains decarbonization journey. In parallel, we are building a dedicated governance framework to oversee these efforts —ensuring alignment, accountability, and momentum as we pursue our long-term sustainability goals with suppliers.

In FY 25 Lupin facilitated supplier benchmarking through personalized engagement formats such as:

- One-on-one meetings where suppliers receive tailored feedback on their ESG performance, including comparisons with anonymized peer data.
- Capacity-building programs that showcase case studies of high-performing suppliers, highlighting specific ESG initiatives and outcomes.
- These sessions help suppliers understand best practices, set realistic improvement goals, and learn from peers in similar operational contexts.

#### **KPIs for Supplier Screening (1.7.5)**

*All indicators in the table below are third party assured/ verified by DNV Business Assurance India Pvt Limited*

Supplier Screening	FY 2024-25
Total number of Tier-1 suppliers	9322
Total number of significant suppliers in Tier-1 (a)	545
Total number of significant suppliers in non-Tier-1 (b)	26
Total number of significant suppliers (Tier-1 and non-Tier-1) (a+b)	571
Total number of MSME/Small producers	3642
% of total spend on significant suppliers in Tier-1	75%

### KPIs for Supplier Assessment and Development (1.7.6)

All indicators in the tables below are third party assured/ verified by DNV Business Assurance India Pvt Limited

#### Progress of Supplier Assessment programs

Supplier Assessment	FY 2024-25	FY 2024-25 Target
Total number of suppliers assessed via desk assessments/on-site assessments	370	300
% of significant suppliers assessed	65%	
Number of suppliers assessed with substantial actual/potential negative impacts	29	
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	100%	
Number of suppliers with substantial actual/potential negative impacts that were terminated	0	

#### Coverage and Progress of Suppliers with Corrective Action Plans

Corrective action plan support	FY 2024-25	FY 2024-25 Target
Total number of suppliers supported in corrective action plan implementation	29	100% of direct material suppliers identified for improvements (29)
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%	

#### Progress of Capacity-Building programs

Capacity Building Programs	FY 2024-25	FY 2024-25 Target
Total number of suppliers supported in capacity-building programs	60	55 Suppliers to be supported with capacity building
% of unique significant suppliers in capacity-building programs	11%	



## Tax Strategy

### Tax Strategy and Governance (1.8.1)

Lupin prioritizes strong tax governance through established procedures and risk mitigation, emphasizing transparency and integrity. Our expert tax team collaborates across departments to integrate tax implications into business decisions, ensuring legal compliance with support from external advisors when necessary.

**Link to our Global Tax Policy:** <https://www.lupin.com/wp-content/uploads/2024/05/global-tax-policy-2024.pdf>

### Effective Tax Rate (1.8.3)

A good effective tax rate balances minimizing your tax liability legally while supporting essential government services. It's achieved through smart financial planning, utilizing available deductions and credits, and considering long-term investment strategies. Presented below is Lupin's ETR for the past 2 fiscal years.

Financial Reporting	FY 2023-24	FY 2024-25
Earnings before Tax (in INR)	24,222,700,000	40,150,000,000
Reported Taxes (in INR)	4,872,100,000	7,232,700,000
Effective Tax Rate (in %)	20.11%	18.01%
Cash Taxes Paid (in INR)	3,260,500,000	9,060,400,000
Cash Tax Rate (in %)	13.46	22.57%

**Link:** <https://www.lupin.com/wp-content/uploads/2025/07/lupin-limited-ttr-fy-25.pdf>

In FY 2024-25, Lupin's consolidated ETR decreased by about 2.1 percentage points compared to FY2023-24. This decline in ETR was primarily attributable to following reasons-

(a) the utilization of brought-forward tax losses and tax credits, particularly in India and the United States, on which Deferred tax asset was not recognized earlier years.

(b) Increase in area-based Tax exemptions in Lupin Limited India due to higher profitability in FY 2024-25 in Units operating in Special Economic Zones and North-eastern state.

Refer pages 19 to 20 of Lupin Limited's Tax Transparency report for FY 2024-25 for detailed reconciliation of Statutory tax Rate with Effective Tax Rate. The reason for lower Cash Tax Rate as compared to Statutory Tax Rate, is utilization of brought forward tax credits, which resulted in lower tax liability and therefore lower tax payment in FY 2024-25. Further there is increase in cash tax paid in FY 2024-25 mainly due to increase in profitability as compared to FY 2023-24.

## Information Security/ Cybersecurity and System Availability

### Information Security Governance (1.9.1)

Lupin maintains a robust governance framework to oversee information security issues, risks and resilience, aligned with global best practices and regulatory expectations.

- **Board-Level Oversight:**  
At Lupin, Information security issues are overseen by the Board Risk Management Committee, which is responsible for reviewing information security risk and issues, cyber risk exposure, mitigation strategies, and compliance with data protection regulations.
- **Board Expertise:**  
At the Board level at Lupin, the committee includes board member with a background in information security, ensuring informed decision-making and strategic alignment with evolving cyber threats. Mr Ramesh Swaminathan, Executive Director, Global CFO, Head of IT and API Plus SBU is the board member of the risk management committee and possesses strong information security expertise. He has handled multiple roles overseeing and implementing Information security, cyber security and digital projects in his extensive 30+ years of industry experience.
- **Executive-Level Responsibility:**  
Day-to-day oversight and execution of information security initiatives are maintained by the Global Chief Information Officer, Mr. Rakesh Bhardwaj, who reports to the executive leadership and regularly updates the Board Risk Management Committee.

This governance structure ensures that Lupin's approach to information security is strategic, accountable, and resilient, supporting both operational continuity and stakeholder trust.

Our information security and cybersecurity governance structure stems from the Board of Directors, who provide constant oversight via the Risk Management Committee of the Board, whose KRAs dictate the oversight and review of information security and cybersecurity instances and infrastructure. Lupin maintains strong governance over information security through dedicated board-level structures. Oversight responsibilities are managed by Risk Management Committee of the Board, which holds clear and defined responsibility for information security as part of its broader risk oversight mandate. This chain of responsibility continues with Global Chief Information Officer who looks after the updating and implementation of SOPs, and policies and oversees the distribution of responsibilities amongst key managerial personnel to ensure compliance with information security.

Please refer to page no 90 of Lupins Integrated Report FY 2024-25 for further information.

<https://www.lupin.com/wp-content/uploads/2025/07/integrated-report-consolidated.pdf>

### Information Security Policy (1.9.2)

Lupin's Information Security Management Systems (ISMS) policy aims to provide comprehensive security management for our internal and external stakeholders. Its effectiveness stems from a risk-based approach, encompassing people, processes, and technology, formulated under ISO 27001:2022 standards. The policy establishes clear roles and responsibilities, outlines incident response procedures, and commits to continuous improvement, suggesting a strong framework for

protecting Lupin's information assets. The policy outlines the company's commitment to safeguarding information assets and maintaining robust cybersecurity practices across its global operations.

### **Continuously Improving Information Security Systems**

Lupin has implemented a robust Information Security Management System (ISMS) aligned with ISO/IEC 27001:2022 standards. The ISMS framework includes policies, procedures, and technology solutions that are regularly reviewed and updated. The company conducts annual reviews, vulnerability assessments, and technical compliance checks (e.g., VAPT) to ensure continuous improvement

### **Ensuring Integrity and Protection of Data**

Lupin prioritizes the confidentiality, integrity, and availability of its information assets. Data is classified based on business value and risk exposure. The company enforces strict compliance with data protection laws and ensures that electronic records remain trustworthy and reliable throughout their lifecycle

### **Monitoring and Responding to Information Security Threats**

Lupin employs an integrated security operations approach that includes:

- Data classification
- Access controls
- Continuous monitoring and alerts using analytics
- Disaster recovery (DR) and business continuity planning (BCP) testing

These measures help proactively identify and respond to threats across networked, multi-cloud, and edge computing environments

### **Establishing Individual Responsibilities for Information Security for the Entire Workforce**

Clear assignment of individual responsibilities for information security across all levels of the organization is available. Every Lupin employee is regarded as the first line of defense against cyber threats. The company conducts regular awareness training, mock tests, and role-based education to ensure that all staff understand their responsibilities in maintaining cybersecurity. The ISMS framework also defines organizational roles and authorities for information security

### **Establishing Information Security Requirements for Third Parties (e.g., Suppliers)**

Lupin's ISMS includes provisions for external parties, ensuring that third-party vendors and suppliers adhere to the company's information security standards. The framework outlines requirements for documents of external origin and includes risk assessments for third-party interactions.

**Link:**<https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf>

### Information Security Management Programs (1.9.3)

Lupin's information security management systems keep up with the latest in security, privacy and transparency, enabling smooth operations in a digitally enabled society. 100% of our operational units, manufacturing sites and offices are certified by ISO 27001:2022 standard audits. The company has a comprehensive business continuity plan that incorporates information security-related scenarios and is aligned with international standards. The company also gets third-party audits conducted on our IT infrastructure in addition to our own internal audits. These third-party audits include vulnerability testing and simulated hacker attacks to test the security of Lupin's IT safeguards.

#### **Proactive Security Measures**

We conduct regular Vulnerability Assessments (bi-annually) and Penetration Testing (annually) to detect and mitigate threats. While vulnerability scans cover internal infrastructure like servers and firewalls, penetration tests conducted by third party simulate real-world attacks on our public-facing systems—ensuring end-to-end protection.

	Vulnerability Assessments	Penetration Testing
<b>Frequency</b>	Bi-annually	Annually
<b>Scope</b>	Covers all servers, network devices, and firewalls within the organization.	Focuses on all public IP addresses owned by Lupin
<b>Purpose</b>	Identifies and documents potential vulnerabilities such as outdated software, misconfigurations, or weak passwords that could be exploited by attackers.	Simulates real-world attacks to identify and exploit vulnerabilities, helping to understand the potential impact of an actual cyber-attack and validate the effectiveness of security measures.
<b>Methodology</b>	Performed using an agent-based tool that scans devices to detect vulnerabilities and provides detailed reports on the findings.	Performed externally by a third party with testers simulating attacks from outside the organization's network.

The company also conducts independent external audit on IT incident risk assessments in alignment with ISO 27001 and ISO 31000 risk management standards. By looking at indicators such as information/asset value, threat, vulnerability and risk the company is able to create a matrix to identify and mitigate risks effectively.

There is a dedicated escalation process for employees to report any incidents, vulnerabilities or suspicious activity as outlined in Lupin's ISMS policy. Lupin also conducts IT security awareness training for employee levels at all levels, including the Board of Directors, to ensure all Lupinytts have up to date knowledge of procedures. Under our KAVACH initiative, we continue to strengthen information security and data protection through policies, user training, regular audits, and employee advisories. In FY 25, 100% of employees were mandated to complete and have completed the KAVACH training modules on Information Security and data protection.

We are pleased in informing that there were 0 breaches in our IT infrastructure during the fiscal year.

#### **Resilience Through Business Continuity**

We have established a Business Continuity Management System aligned with ISO 22301, beginning with a Business Impact Analysis and a tabletop recovery exercise at our Head Office. In subsequent

phases, this will be extended to R&D and manufacturing locations to ensure operational continuity during crises. The BCP covers all our manufacturing sites, research parks, and corporate offices.

## Innovation Management

### Product Innovations (Healthcare) (1.10.1)

By nature, Lupin is a generic pharmaceutical manufacturing company; the categories of Product Innovations and Product Optimizations, as defined in S&P, are not applicable to Lupin's current business model and product development strategy.

Lupin is primarily engaged in the development and manufacturing of generic and specialty pharmaceutical products. As per definitions detailed by S&P of radical innovations, first-in-class products & novel delivery mechanisms, these topics are not applicable to our operations due to our nature of business.

### Healthcare Clinical Pipeline (1.10.2)

The table below provides information on the clinical trial stages of our pipeline products as of the end of the financial year. The 91 products that are currently in the pipeline have all shown varying success rates, indicating a robust track record of continuous potential growth in our portfolio:

Innovation phase	Share of Projects (%)	Number of Projects	Share of R&D budget invested (%)	Success rate (%)
<b>Total (A+B+C)</b>	<b>100%</b>	<b>91</b>	100%	-
Pre-clinical development (A)	19.8%	18		
Clinical trials/pathway to approval (B)	0%	0		0%
Clinical trials: Phase I	8.8%	8		25%
Clinical trials: Phase II	0%	0		0%
Clinical trials: Phase III	7.7%	7		66.67%
Launches (C)	63.7%	58		100%

## Product Quality and Recall Management

### Product Quality Programs (1.11.1)

Our quality management systems continue to serve as the guiding hand to our manufacturing processes. In FY25, we implemented newer assessment models and enhanced our quality management practices to ensure that the medication we produce is of the highest standards. Lupin has 16 laboratories, certified at 5-Sigma level across our regulated sites. We advanced technology

solutions in our labs successfully. Lupin Goa won the Technology Leader of the Year award at the Manufacturing Today Conference and Award for its innovative automated mobile phase preparation assembly project. We have also developed a methodology to monitor and improve HPLC utilization, achieving cost savings equivalent to 52 new HPLC's.

Across the organization, quality is a deeply embedded discipline that represents trust. Our Global Quality Management System (QMS) integrates best practices across our global network, creating a unified ecosystem led by more than 2,700 dedicated quality professionals. We adhere to cGMP, ICH Q10, and FDA 21 CFR regulations to ensure product and data integrity. Regular internal audits on quality management systems (20 internal audits conducted in FY25) and external audits (60 external audits conducted in FY25), gap analyses, and proactive compliance with global regulatory updates are conducted covering quality across the organization.

Streamlined Standard Operating Procedures (SOPs) and robust Corrective and Preventive Actions (CAPA) are implemented to effectively address deviations and non-conformities. We also incorporate ISO 9001:2015 principles across all key operational areas, including manufacturing, research, clinical trials, and distribution.

Our Process Development, Quality Control and Assurance, and R&D teams play a critical role in maintaining manufacturing integrity. From managing input material attributes to defining product specifications and performing rigorous end-product testing, each step is carefully designed to uphold quality. We maintain detailed in-house testing specifications for every product and raw material. We also conduct precautionary testing to proactively identify and mitigate emerging quality or safety concerns. This disciplined approach focused on critical quality attributes and process consistency helps prevent deviations and sustain sigma levels above 4.0, ensuring our products reach patients with uncompromised quality and safety and to avoid product recalls.

Our governance structure ensures rigorous oversight through three key layers: Site Quality Councils (SQC), Quality Council Meetings (QCM), and the Global Quality Council Steering Committee (GQCSC). To further elevate this framework, we introduced the role of Chief Quality Officer — reinforcing accountability and uniformity at the highest level. To instill a culture of quality, manufacturing teams undergo annual refresher courses on quality.

For complaints regarding the quality of products or defective products, the company's Drug Safety and Risk Management (DSRM) Team established accessible channels for consumers and healthcare professionals to contact Lupin regarding product inquiries or to report safety, quality concerns, and defective products. These include a dedicated call center and email facility. Contact details are prominently displayed on product packaging and Lupin's official website

In FY25, we took decisive steps to benchmark and elevate our quality maturity. In alignment with the U.S. FDA's Quality Management Maturity (QMM) initiative, we initiated structured internal audits across six practice areas at our Tarapur API, Pithampur Unit 1 (API and Formulations), and Pithampur Unit 3 sites. These assessments were followed by on-site evaluations conducted by consultants who have worked on the FDA's own QMM pilot programs. The six focus areas included:

- Advanced Pharmaceutical Quality System
- Management Commitment to Quality
- Business Continuity

- Technical Excellence
- Employee Engagement and Empowerment
- Corporate Responsibility

We are preparing to volunteer for future FDA-led QMM pilots, with an intent to institutionalize best-in-class practices across our manufacturing sites. Insights from these assessments will guide systemic QMM enhancements, reinforcing quality as a strategic differentiator.

Our Process Development and R&D teams play a pivotal role in ensuring manufacturing integrity. From controlling input material attributes to defining product specifications and conducting rigorous end-product testing, every step is designed to safeguard quality. This disciplined approach centered on critical quality attributes and process consistency enables us to prevent deviations and maintain sigma levels above 4.0, ensuring our products reach patients with uncompromised quality and safety.

The tables below provide an overview of our product recalls and regulatory inspections carried out at our manufacturing facilities. We are pleased to note that we have maintained 0 class I recalls in FY2024-25.

#### Product Recalls (Health Care) (1.11.2)

Class I Recalls	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of Class I recalls (or equivalent)	0	0	1	0
Total value of recalled products (in USD millions).	0	0	0.0334	0

Class II Recalls	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of Class II recalls (or equivalent)	11	7	6	9
Total value of recalled products (in USD millions)	3.758	3.33	0.1942	0.3714

#### Regulatory Agency Inspections

Regulatory agency inspections	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
U.S. FDA Inspection (including GMP and Bioresearch center)	2	9	3	6

## Form 483 Observations

Form 483 Observations (or equivalent)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of Form 483 Observations (or equivalent)	20	55	3	17
Annual revenues generated from the affected facilities. (in USD millions.)	-	352	119.7	69.8
Annual revenues impacted by production stoppages. (in USD millions.)	0	267	0	0

## FDA Warning letters

FDA Warning Letters	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of FDA Warning Letters (or equivalent)	0	1	1	0
Annual revenues generated from the affected facilities. (in USD millions.)	0	20	71.9	0
Annual revenues impacted by production stoppages. (in USD millions.)	0	51	0	0



# Environment

## Environment Policy and Management

### Environment Policy (2.1.1)

Lupin has a comprehensive Environmental, Health, Safety, and Sustainability (EHS&S) policy, which drives environment, health and safety practices covering our own operations, suppliers and partners. The EHS&S policy is applicable to all our own operations, manufacturing facilities, R&D facilities, subsidiaries, joint ventures (JVs), and business operations. The scope of the policy is applicable to our suppliers, partners, service providers, and contractors and we require them to embrace EHS&S processes as per the policy.

The key policy pillars are specified below:

#### Policy accountability

The policy has clearly defined accountability for its implementation in roles & responsibilities section. The policy states that the company's board is the highest oversight body to ensure the policy implementation. Clear roles and responsibilities are provided for policy implementation with accountability for Board of Directors, Executive Leadership, the EHS&S Team and Employees.

#### Continuous improvement

Any action we take is evaluated through the Plan, Do, Check, Act (PDCA) approach for ensuring continuous improvement of environmental performance. The PDCA cycle is aligned with ISO 14001 and ISO 45001 standards.

#### Targets, Objectives and KPIs

Our EHS&S policy has clearly defined various environment related KPI's including targets and objectives that we need to monitor and achieve to drive progress towards a sustainable future.

#### Role of external stakeholders

We conduct regular benchmarking checks, comparing our performance to industry standards and best practices. Such assessments are conducted by the EHS&S internal audit team and third-party consultants. We constantly engage our stakeholders in the development of our policy and actions.

#### Training

The policy defines the framework for capacity building and training of our employees on various environmental initiatives and KPI's that the company follows. We strive to continuously improve our workforce to keep up with the latest technologies and best practices.

The EHS&S policy and commitments are endorsed and overseen by the Lupin Board of Directors, ensuring alignment with the company's strategic objectives, regulatory compliance, and stakeholder expectations.

The policy can be accessed here:

<https://www.lupin.com/wp-content/uploads/2023/08/environmental-health-safety-and-sustainability-policy-aug-11-2023.pdf>

### Environmental Management Systems Verification (2.1.2)

100% of our operations (15 production sites) are covered by external verification and internal audits. In India all our manufacturing sites are ISO 14001 and 45001 certified. In addition, we have a team of in-house lead auditors who undertake internal audits of our business functions as per the procedure defined by our risk management function and Environmental Management System. As a result, 100% of our global sites have been audited and verified for compliance with the Environmental Management System (EMS).

Certification Type	Coverage (%)
100% of manufacturing sites based in India are ISO 14001 and ISO 45001 certified. Covering 12 Sites in India.	80%
The remaining 3 manufacturing facilities which are based outside of India are audited by our team of in-house auditors annually.	20%
Total coverage	100%

Our internal audits of Environment Management System are conducted by trained experts and is aligned to regulatory compliance and provides a clear lever for continuous improvement. The audit outcomes and results are shared with the Board once in six months, facilitating discussions around critical EHSS aspects and identifying areas for improvement. 13 Internal Audits have been completed which also covers global sites.

### Environmental Violations (2.1.3)

We are proud to report that we have been **100% compliant** with applicable environmental regulations. Our comprehensive compliance management policies and practices act as an enabler of ethical business practices. The company did not receive any legal actions or violations or fines regarding environmental or ecological matters during the past fiscal years as detailed below.

Description	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of violations of legal obligations/regulations	0	0	0	0
Amount of the fines/penalties related to the above (INR)	0	0	0	0
Environmental liability accrued at year end (INR)	0	0	0	0

No environmental violation in the past 4 years. Zero penalties/legal action from any bodies from the past 4 years,

## Energy

### Energy Management Programs (2.2.1)

At Lupin, we are not just focused on reducing energy consumption but also switching towards environment-friendly options. The company has implemented a holistic energy management program aligned with our EHS&S policy and international best practices for monitoring and benchmarking our energy performance. The key principles of our energy management program are described below.

#### **Energy audits**

In FY25, we conducted comprehensive energy audits across our manufacturing operations, encompassing 13 internal and 18 external audits. These audits were aimed at mapping the energy consumption lifecycle, identifying improvement opportunities, and implementing energy conservation measures to enhance overall energy performance. This approach enables Lupin to pinpoint high-energy-use areas and uncover opportunities to enhance energy performance, reduce costs, and support sustainability goals.

#### **Targets and progress**

In FY25 we had a site level Energy Savings League designed to achieve energy savings across facilities with a target for end of year. We worked on setting clear, measurable objectives and targets to enhance energy efficiency and reduce overall energy consumption across our sites. These targets are data-driven and time-bound through a gamified program across our manufacturing units in FY25. For example, the targets included were achieving a % reduction in electricity usage by year-end and MWh/year energy savings.

As part of the energy saving league, employees were rewarded for their innovative ideas, and the winning team/site received special recognition.

A few examples of energy savings progress in FY25 as against the targets are:

- Energy savings achieved at Pithampur Unit – 3400 MWh/year
- Energy savings achieved at Tarapur Unit – 7500 MWh/year

Our overall target covering all 15 sites is 8% reduction in electricity consumption and we have achieved 10.8% by the end of the year FY25.

We have also set an ambitious target of achieving 35% renewable electricity share by 2030 in our operations. In FY25, 18% of the electricity consumed was from renewable sources.

#### **Initiatives and actions to reduce the amount of energy use:**

We enhanced energy efficiency by implementing a range of measures, including upgrading to LED lighting, converting AC to DC motors, optimizing refrigeration and pumping systems, and installing heat pumps, boilers, and utility equipment. These initiatives have led to significant cost reductions and decreased CO<sub>2</sub> emissions. We have reduced consumption of approximately 31,200 MWh of energy across our manufacturing operations in FY25.

For more information on our energy conservations efforts, please refer to Annexure E on page no 189 of Integrated report FY25.

**Evaluation of progress in reducing energy consumption:** Lupin has undertaken a structured evaluation to measure the impact of its energy efficiency action plans. By comparing energy consumption data before and after implementation, the company has demonstrated tangible improvements across key operational sites. In FY25, we have reduced 31,200 MWh of energy which translates to 10.8% reduction compared to previous year. Initiatives such as equipment upgrades, process optimization, and enhanced monitoring have led to a measurable reduction in energy usage. This progress not only supports Lupin's sustainability goals but also contributes to cost efficiency and reduced carbon emissions. Continuous tracking and refinement of these measures ensure sustained performance and alignment with long-term ESG commitments.

**Use of clean and green energy:** We have expanded our renewable electricity capacity by over ten times, from 5 MW in FY21 to 58 MW by FY25 through the installation of rooftop solar panels and procurement of solar and wind energy.

**Investment in new technologies & research:** Over the past three years, fossil fuel boilers have been replaced with biomass-based boilers at ten manufacturing units, accompanied by investments in innovation, research and development to reduce energy consumption. In FY25, Bioenergy represents 78% of the overall consumption from fuel-based energy. We have also invested a capital of INR 201 million in new innovative energy conservation equipment and technologies.

**Energy conservation training:** In FY25, we organized 21 training sessions at our manufacturing units to enhance our employees' knowledge of the latest energy conservation technologies and practices and to raise awareness and bring in culture about energy consumption reduction. A total of 131,998 manhours were dedicated to Energy Conservation training across our manufacturing plants during FY25.

### **Energy Consumption (2.2.2)**

The following table provides Lupin's energy consumption categorized under Renewable and Non-Renewable energy.

Energy Consumption	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total non-renewable energy consumption	MWh	819,021	717,714	615,001	490,637
Total renewable energy consumption	MWh	70,783	40,743	176,234	314,837
Data coverage (as % of)	Operations	100	100	100	100

Our target for Non-renewable Energy Consumption in FY2024-25 was 494,498 MWh.

The above indicators have been third party assured and verified by DNV Business Assurance India Pvt Limited.

## **Waste and Pollutants**

### **Waste Management Programs (2.3.1)**

At Lupin, we are committed to minimizing our environmental footprint through a comprehensive and data-driven approach to waste management. We conduct regular waste audits across our operations to identify opportunities for improving waste performance and efficiency. Based on these insights, we implement targeted action plans aimed at reducing waste generation at the source. We have established quantified targets to minimize waste and continuously track our progress against these goals. Our investment in innovation and R&D enables us to explore new technologies and sustainable practices that further reduce waste.

To foster a culture of environmental responsibility, we provide waste reduction training to our employees across all levels. We have also integrated robust recycling programs to significantly reduce the volume of waste sent to landfills. Importantly, our waste diversion efforts are certified by an independent accredited body, ensuring transparency and accountability in our sustainability practices.

Guided by the 3R principle - Reduce, Reuse, and Recycle, we meticulously carry out an inventory of all our waste streams, including hazardous waste, non-hazardous waste, e-waste, and biomedical waste. We ensure responsible recycling or disposal through third-party service providers, in compliance with government requirements.

#### **Waste audits**

At Lupin, we actively conduct comprehensive waste assessments to monitor and manage the types and volumes of waste generated across our manufacturing and operations. These audits cover waste generation sources, record reviews, facility walk-throughs, and waste sorting, recycling and disposal areas enabling us to identify high-impact areas and actions for targeted improvements.

In FY25, we conducted 13 internal audits and 18 external audits on EHS, which covered waste management practices to identify the hotspots to increase waste recycling and reduce waste generation. These audits helped us with the volume, type, and source of waste generated across operations, enabling data-driven decisions to reduce environmental impact and improve resource efficiency.

#### **Initiatives and actions on waste management (reduce waste generation)**

Lupin continues to advance its environmental stewardship through proactive waste management strategies. Guided by detailed waste audits, the company has identified high-impact areas in FY25 and implemented targeted interventions to reduce waste generation.

Key actions include enhanced source segregation, process optimization to reduce raw material wastage, rationalization of packaging materials, employee engagement programs, and strategic partnerships with certified waste management vendors. These initiatives have led to a measurable reduction in waste, particularly in critical operational zones.

**Reducing Packaging Material Waste:** Lupin has substituted conventional paper inserts in medicine packaging with QR codes in select products, enhancing both environmental sustainability, user experience and reducing waste. Patients can access accurate, up-to-date information by simply scanning the QR code. This program is an example of Lupin's commitment to sustainability by

reducing paper usage and packaging waste and also illustrates how digital solutions enhance patient care. Through this program in FY25, around 10.9 Mn paper pack inserts were saved.

We responsibly dispose of all waste, including e-waste, plastic waste, and biomedical waste, in accordance with regulatory requirements. We adhere to the Central Pollution Control Board's 'Plastic Waste Management Rules, including Extended Producer Responsibility (EPR) for plastic.

We are 100% compliant with EPR regulations and have undertaken the collection and appropriate disposal/ recycling of 3041 MT of plastic waste.

In partnership with suppliers, we responsibly dispose of both hazardous and non-hazardous waste. Over the last two years, we have repurposed disposed waste as an alternative raw material or fuel for co-processing, reinforcing our commitment to sustainable waste management.

### **Targets and Progress**

Lupin is committed to minimizing waste generation through clearly defined, measurable, and time-bound objectives. These targets focus on reducing total waste output and improving waste management efficiency across our operations.

Key targets include:

- Ensuring 90% of incinerable hazardous waste generated in operations goes for preprocessing/coprocessing year on year.
- Ensure 50% of our manufacturing sites in India are covered under "Zero Waste to Landfill" by 2030.

In FY25, 92% of our incinerable hazardous waste generated being sent to pre-processing/co-processing. These targets are aligned with Lupin's broader sustainability goals and are tracked through regular audits and performance reviews to ensure accountability and continuous improvement.

### **Investments in waste management (Innovation and R&D)**

Lupin is actively investing in research, innovation, and cross-functional collaboration to reduce waste generation across its operations. We have allocated dedicated resources - both financial and human capital - to explore and implement technologies that support sustainable manufacturing and waste reduction.

Key initiatives include:

- Green Chemistry Projects: Our R&D teams are working on process redesigns that reduce solvent use and generate fewer by-products, particularly in API synthesis.
- Zero-Waste Formulation Trials: In our formulation development labs, we are piloting processes that minimize excipient waste and optimize batch sizes to reduce material loss.
- Packaging Innovation: A dedicated working group is exploring biodegradable and recyclable packaging alternatives, aiming to reduce packaging waste. In addition, we are scaling digital technologies in reducing paper inserts in our products which results in significant packaging material use.

In FY25, Lupin has installed biomass composting systems at our manufacturing facilities, transforming biodegradable waste into high-quality organic manure which is used for plantation

management within our premises. In the upcoming fiscal year, we have planned to install bio-composter units at two more manufacturing plants.

### **Trainings**

At Lupin, we believe that building awareness and empowering our workforce is key to driving sustainable operations. To this end, we provide regular training programs focused on waste reduction, recycling and compliance across all levels of the organization.

The sessions covered in FY25 include:

- Understanding Waste Streams: Educating employees on different types of waste — hazardous, non-hazardous, recyclable, and organic — and their environmental impact.
- Best Practices in Waste Segregation: Hands-on training on proper segregation techniques to improve recycling rates and reduce landfill dependency.
- Operational Efficiency: Demonstrating how small changes in daily operations can lead to significant reductions in waste generation.
- Success Stories and Case Studies: Sharing real examples from Lupin sites where waste reduction initiatives have led to measurable improvements.

To kick-start the journey of achieving “Zero Waste to Landfill” benchmark, we have institutionalized capacity building programs for our employees on waste management and circularity guided by our EHS&S policy and applicable industry standards. In FY25, a total of 214,496 manhours were invested in Waste Management and Circularity training across our manufacturing plants.

### **Recycling Programs and Certification:**

We recycle or reuse, and process 100% of the non-hazardous waste generated by manufacturing operations.

In FY25, in collaboration with external partners, we successfully collected and recycled 1916 MT of plastic waste, 70 MT of e-waste and 9440 MT of other hazardous waste

Additionally, we have taken an ambitious target for achieving the ‘Zero Waste to Landfill’ certification for 50% of our manufacturing plants in India by 2030 to improve waste circularity and reduce ecological impact.

All of our waste generation and disposal data is certified by an independent auditor- DNV Business Assurance India Pvt. Limited.

Our R&D facility has received LEED Platinum Certification for Operations and Maintenance from the U.S. Green Building Council, making Lupin one of the first Indian pharmaceutical companies to achieve this distinction. This is yet another reaffirmation of our commitment to sustainability with certifications covering Sustainable Waste Management. This ensured we adhere to the principles of reduce, reuse, recycle and repurpose, the Pune facility achieves near-zero waste to landfill, aligning with LEED’s global sustainability standards.

## Waste Disposal (2.3.2)

### Non-Hazardous Waste

The following table provides Lupin's waste management categorized under recycling, reusing, and disposal amounts across several fiscal years.

Non-Hazardous waste	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total waste recycled/reused*	MT	7,344	6,982	16,461	21,997
Total waste disposed (A+B)	MT	0	0	5060	6285
- Waste landfilled (A)	MT	0	0	4,023	5,160
- Waste incinerated with energy recovery	MT	0	0	0	0
-Waste incinerated without energy recovery (B)	MT	0	0	1037	1125
-Waste otherwise disposed	MT	0	0	0	0
-Waste with unknown disposal method	MT	0	0	0	0
Data coverage (as % of)	Operations	100	100	100	100

\*The total waste recycled/reused includes plastic waste, battery waste, e-waste and mycelia and canteen waste sent for composting. Hence in FY2023-24, The total waste recycled/reused is 16,461 MT (11,614 MT Non Hazardous waste recycled/reused + 4847 MT Mycellia and Canteen waste for composting). Similarly, in FY2024 -25, The total waste recycled/reused is 21,997 MT (17,502 MT Non Hazardous waste recycled/reused + 4495 MT Mycellia and Canteen waste for composting).

Our target for Total Non-Hazardous Waste Disposal in FY2024-25 was 6,599 MT.

The above indicators have been third party assured and verified by DNV Business Assurance India Pvt Limited.



### Hazardous waste (2.3.3)

Shown below is a summary of hazardous waste management, illustrating the recycled, reused, and disposed quantities over various fiscal years.

Hazardous Waste	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total hazardous waste recycled/reused	MT	14,724	11,679	12,630	16,567
Total hazardous waste disposed (A+B+C)	MT	34,618	28,168	20,751	19,315
-Hazardous waste landfilled (A)	MT	12,940	9,651	12,169	10,080
-Hazardous waste incinerated with energy recovery (B)	MT	3,100	4,175	1,248	1,060
-Hazardous waste incinerated without energy recovery	MT	3,854	2,663	0	0
-Hazardous waste otherwise disposed (C) (Co-processing/preprocessing)	MT	14,724	11,679	7,334	8,175
-Hazardous waste with unknown disposal method	MT	0	0	0	0
Data Coverage (as % of)	Operations	100	100	100	100

Our target for Total Hazardous Waste Disposal in FY2024-25 was 20,282 MT.

The above indicators have been third party assured and verified by DNV Business Assurance India Pvt Limited.

## Water

### Water Efficiency Management Programs (2.4.1)

At Lupin, we understand that water is a critical natural resource for ensuring continuity of our business and human subsistence. We have instituted a systematic water management program to manage this important natural resource. The water management program is driven by key enablers mentioned below.

#### Water Consumption assessment

Lupin has implemented a structured process to review and optimize water usage across its operations, in line with the principles of ISO standards. This includes identifying high-consumption activities, analyzing water quality impacts, and continuously monitoring usage patterns to drive efficiency.

In FY25, our 'Water Savings League' program, a gamified initiative under "Mission Jal Shakti," at sites was strengthened. This program included awareness camps and encouraged employees to share innovative water-saving ideas. We undertook 3 internal audits to map our water consumption to identify leakages points and improve process efficiencies.

### **Initiatives and actions to reduce water consumption**

As a result of the Water Savings League, numerous suggestions were implemented in FY25 such as:

- Installing water flow meters at unmonitored usage points for accurate monitoring
- Using rainwater in the fire hydrant tank during the monsoon instead of fresh water
- Installing flow restrictors in taps to enhance water efficiency
- Removing redundant connections from the main water supply

Active employee participation in this program helped us reduce freshwater consumption by 1600 KL annually. Our Chhatrapati Sambhaji Nagar (CSN) unit managed to reduce effluent generation by 32% (approximately 40 KLD) and freshwater consumption by 32% (approximately 80 KLD) in FY2024-25.

### **Wastewater quality management**

Lupin is committed to maintaining high standards of wastewater management across its manufacturing and research facilities. We have implemented a range of measures to ensure that the quality of discharged water meets regulatory and environmental standards, while also supporting our sustainability goals.

Key actions include:

- **Effluent Monitoring and Sampling:** Continuous and periodic sampling is conducted to monitor key parameters such as COD, BOD, TDS, and pH. This data is used to ensure compliance and guide corrective actions.
- **Advanced Wastewater Treatment Systems:** Facilities are equipped with multi-stage treatment plants including biological treatment, reverse osmosis, and activated carbon filtration tailored to the type of effluent generated.
- **Water Discharge Controls:** Automated systems regulate discharge volumes and quality, ensuring treated water meets prescribed norms before release or reuse.
- **Internal Audits and Inspections:** Regular inspections and third-party audits are conducted to assess system performance and identify areas for improvement.
- **Water Reuse Initiatives:** Treated wastewater is reused for non-potable applications such as cooling towers, gardening, and utility operations, reducing freshwater dependency.

As of FY25, our dedication to responsible wastewater management is evident through our initiatives such as wastewater recycling and zero liquid discharge at six manufacturing sites. This ensures safe disposal of effluents and minimizes groundwater contamination, thereby reinforcing our environmental sustainability commitment.

In FY25, two antibiotics (Ethambutol and Linezolid) were evaluated for Anti-Microbial Resistance (AMR). The wastewater samples tested had limits of quantification well below Predicted No-Effect Concentration (PNEC) limits for both the antibiotics, indicating safe manufacturing practices and effective wastewater management. An additional assessment of three more antibiotics is planned for the upcoming fiscal year.

### **Targets and progress**

Our goal is to sustain our 'Water Positive' status year on year and we have been Water Positive for 4 years in a row. This means Lupin has conserved more water than it consumes in its operations.

In FY25, we recycled 44% of the total water withdrawn for our operations. We aim to achieve 50% recycling of the water used in the India operations by 2030.

We are targeting a 10% reduction in absolute water withdrawal by 2030, using FY21 as the baseline. As of FY25, we have already achieved a 7% reduction.

### **Water Recycling**

Lupin has adopted a proactive approach to water conservation through the reuse and recycling of treated wastewater across its facilities. These initiatives are designed to reduce freshwater dependency and improve operational efficiency.

- **Treated Water Reuse:** At multiple manufacturing sites, treated wastewater is reused for non-potable applications such as cooling towers, boiler feed, and landscaping, significantly reducing freshwater intake.
- **Closed-Loop Systems:** In select API units, closed-loop water systems have been implemented to recycle process water, minimizing discharge and improving water efficiency.
- **Rainwater Harvesting Integration:** Rainwater collected on-site is treated and blended with recycled water for utility use, enhancing overall water availability.
- **Advanced Treatment Technologies:** Facilities are equipped with multi-stage treatment systems—including membrane filtration and reverse osmosis—to ensure water quality meets reuse standards.
- **Space-Efficient Solutions:** Compact modular treatment units have been deployed at space-constrained sites, enabling effective recycling without compromising operational layout.

Key initiatives identified and implemented in FY25 include - water recycling, utilization of RO reject for cooling tower makeup, process RO reject reused for flushing and cleaning, and AHU condensate reused for cleaning. We have installed rainwater harvesting systems at our manufacturing plants to store the abundant rainwater during monsoon season experienced in India, further reducing freshwater withdrawal.

### **Employee trainings**

Lupin actively conducts targeted training programs to build employee awareness and engagement around water efficiency management. These sessions are designed to help staff understand the importance of water conservation, recognize inefficiencies in daily operations, and contribute to innovative solutions.

Key components of the training include:

- **Water Use Awareness:** Educating employees on how water is used across various processes — from cleaning and cooling to formulation — and its environmental impact.

- **Practical Conservation Techniques:** Training on simple, actionable steps to reduce water use in daily tasks, such as optimizing cleaning cycles, reporting leaks, and using water-efficient equipment.
- **Problem Identification and Innovation:** Encouraging employees to identify inefficiencies and propose solutions. For example, staff at our Chhatrapati Sambhajnagar facility suggested a change in CIP (Clean-in-Place) procedures that led to a 10% reduction in water use.
- **Site-Specific Workshops:** Customized sessions are held at different facilities to address local water challenges and share best practices.
- **Performance Tracking and Feedback:** Employees are shown how their actions contribute to site-level water performance metrics, fostering a sense of ownership and accountability.

In FY25, we trained 50+ employees (water champions) on various water conservation methodologies as well as industry practices & a total of 148,497 manhours were devoted to Water Conservation and Management training across our manufacturing plants.

### Water Consumption (2.4.2)

The following table provides Lupin's Water Consumption across several fiscal years.

Water	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Water withdrawal (excluding saltwater)	Million m <sup>3</sup>	1.697	1.62	1.694	1.766
Water discharge (excluding saltwater)		0.07	0.02	0.065	0.073
Total net freshwater consumption		1.627	1.60	1.63	1.69
Data coverage (as % of)	Operations	100	100	100	100

Our target for Freshwater Consumption in FY 2024-25 was 1.71 million m<sup>3</sup>.

The above indicators in the table have been third party assured and verified by DNV Business Assurance India Pvt Limited.

## Climate Strategy

### Direct Greenhouse Gas Emissions (Scope 1) (2.5.1)

The table below provides Lupin annual direct greenhouse gas emissions (Scope 1) for the last fiscal years.

Description	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Scope 1 GHG emissions	tCO <sub>2</sub> e	86,175	108,371	86,345	82,174
Data coverage (as % of)	Operations	100	100	100	100

Our target for Scope 1 GHG emissions in FY 2024-25 was 82,459 tCO<sub>2</sub>e.

The above indicators have been third party verified and assured by DNV Business Assurance India Pvt. Limited.

### Indirect Greenhouse Gas Emissions (Scope 2) (2.5.2)

The table below provides Lupin annual indirect greenhouse gas emissions (Scope 2) over several fiscal years, featuring both location-based and market-based data.

Scope 2 in tCO <sub>2</sub> e	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Scope 2 GHG emissions – Location Based	tCO <sub>2</sub> e	387,665	349,915	306,503	300,872
Data coverage (as % of)	Operations	100	100	100	100
Total Scope 2 GHG emissions – Market Based	tCO <sub>2</sub> e	380,306	340,945	277,320	249,975
Data coverage (as % of)	Operations	100	100	100	100

Our target for Scope 2 GHG emissions in FY2024-25 was:

- Location based: 303,438 tCO<sub>2</sub>e
- Market based: 264,841 tCO<sub>2</sub>e

The above indicators have been third party verified and assured by DNV Business Assurance India Pvt. Limited.

### Indirect Greenhouse Gas Emissions (Scope 3) (2.5.3)

The table below provides Lupin's annual indirect greenhouse gas emissions (Scope 3) presented across various fiscal years.

Description	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Scope 3 GHG emissions	tCO <sub>2</sub> e	676,018	854,936	1,119,125	1,018,683

Our target for Scope 3 GHG emissions in FY 2024- 25 was 1,050,782 tCO<sub>2</sub>e.

The above indicators have been third party verified and assured by DNV Business Assurance India Pvt. Limited.

### Scope 3 emissions category wise and methodology

Scope 3 emissions for FY 25 are outlined by category, including the methodologies employed for their calculation.

Category	FY 2024-25 (tCO <sub>2</sub> e)	Methodology
<b>Purchased Goods and Services</b>	406,943	Lupin utilizes a hybrid approach combining both spend-based and supplier-specific methodologies to calculate emissions.
<b>Capital Goods</b>	7,428	Spend Based Methodology which involves estimating emissions for goods by collecting data on the economic value of goods purchased and multiplying by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods).
<b>Fuel and Energy Related Activities</b>	72,735	Average-data method which involves estimating emissions by using secondary (e.g., industry average) emission factors for upstream emissions per unit of consumption (e.g., kg CO <sub>2</sub> e/kWh). For electricity & steam purchased, the emissions related to transmission and generation loss are both considered in the calculation. For fuel, Well-To-Tank emissions are considered.
<b>Upstream Transportation and Distribution</b>	44,802	Distance-based method, which involves determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used.
<b>Waste Generated in Operations</b>	6,840	Waste-type-specific method, which involves using emission factors for specific waste types and waste treatment methods

<b>Business Travel</b>	12,236	Distance-based method which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used
<b>Employee Commute</b>	5,340	Distance-based method, which involves collecting data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and applying appropriate emission factors for the modes used.
<b>Upstream Leased Assets</b>	-	Lupin does not have any upstream leased asset. Hence this category is not applicable.
<b>Downstream transportation and distribution</b>	26,418	Distance based Method- This method involves determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used.
<b>Processing Sold Products</b>	20,706	Average-data method- Lupin estimates emissions from the processing of Active Pharmaceutical Ingredients (APIs) by calculating emissions intensity based on Scope 1 and 2 emissions from its plants in Jammu, Sikkim, and Chhatrapati Sambhajinagar. Although direct energy consumption data from customers is unavailable, Lupin multiplies this emissions intensity by the kilograms of API sold to third parties to estimate associated emissions.
<b>Use of Sold Products</b>	412,630	Emissions during the Direct use phase Lupin quantifies emissions from inhalers containing greenhouse gas propellants (HFAs) by collecting sales volumes and calculating emissions using IPCC AR6 emission factors, assuming full discharge of propellants. Emissions from other products, such as capsules and tablets, are not considered, as they do not contribute to climate impact during the use phase.
<b>End of Life Treatment of Sold Products</b>	22	Total mass of sold products and packaging from the point of sale by the reporting company to the end-of-life after consumer use (e.g., packaging used to transport products through to the point of retail and any packaging that is disposed of prior to the end-of-life of the final product.)
<b>Downstream Leased Assets</b>	-	Lupin does not have any Downstream leased assets. Hence this category is not applicable.
<b>Franchises</b>	2,583	Lupin calculates Scope 1 and 2 emissions for its franchises, Lupimitra and Lupin Diagnostics, by considering their electricity and fuel consumption.

<b>Investments</b>	-	Lupin is not involved in investment activities. Hence, this category is not relevant and not applicable.
<b>Other Upstream</b>	-	There are no other upstream activities, hence it is not applicable.
<b>Other Downstream</b>	-	There are no other downstream activities, hence it is not applicable.
<b>Total</b>	<b>1,018,684</b>	

The above indicators have been third party verified and assured by DNV Business Assurance India Pvt. Limited.

#### **Climate Governance (2.5.4)**

Lupin has recognized the importance of assessing and identifying climate-related risks and opportunities, and of 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. Considering this, we have developed a governance structure that includes development and monitoring of our climate-related issues and sustainability strategies, with a feedback and reporting mechanism that allows the organization to continuously evaluate its aim to embed climate change into its overall business practices and strategies.

Climate-related issues are discussed by the Board of Directors half-yearly (2 times a year) during the proceedings of board-designated Sustainability & CSR (SCSR) committee meetings.

In addition the ESG core committee overseen by the Sustainability & CSR committee meets every month to review climate-related initiatives at Lupin.

#### **Sustainability Governance Structure**

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 on climate and ensures that climate risks and opportunities receive consistent management focus, alignment, and resources to achieve goals.

At the executive level, our ESG Core Committee, comprising the Managing Director, Global CFO, and President – Human Resources, is pivotal in embedding ESG considerations including climate actions into corporate strategy.



#### Sustainability Governance Structure



The Risk Management Committee reviews strategic risks and opportunities, including ESG risks such as climate change and information security. The SCSR monitors and reviews the statutory requirements for sustainability reporting and disclosures, such as Business Responsibility and Sustainability Reporting (BRSR).

### TCFD Disclosure (2.5.5)

We have adopted the Task Force on Climate-Related Financial Disclosures (TCFD) framework to identify and assess the potential risks associated with climate change within our business operations, encompassing the entire value chain. We have established a robust governance process, supporting our strategy with targeted actions, and have integrated climate risk into our enterprise risk management framework. Furthermore, we have identified key metrics, set improvement targets, and assigned corresponding responsibilities and resources.

In FY 2024-25, we also undertook another detailed analysis of climate-related risks and opportunities, the outcomes of which were compared with our TCFD findings. This was reviewed by the Sustainability and Corporate Social Responsibility (SCSR) Committee, which observed them to be adequate for continuity.

Our TCFD reports are available on Lupin's website.

### Climate related Management Incentives (2.5.6)

Our ESG targets for FY25 were shaped by our enterprise-wide materiality assessment and focused sharply on high-impact areas such as climate change, GHG emissions reduction, water recycling, waste management, biodiversity, Diversity Equity & Inclusion, patient centric innovation, and access and affordability. These objectives are assigned to functional Presidents and cascaded downstream, where they are weighted within annual performance reviews and the year-end rewards process. Performance against these climate goals directly influences both monetary and non-monetary outcomes. Bonuses, increments, and ESOPs are tied to the achievement of ESG-linked KPIs.

High-performing individuals who embody Lupin's values are also celebrated through The Desh Bandhu Gupta Spirit of Lupin Awards, a prestigious recognition of excellence in integrity, customer focus, innovation, and care.

All executive-level ESG performance outcomes are reviewed and approved annually by the Nomination and Remuneration Committee (NRC) and the Board. In parallel, the Board's Sustainability and Corporate Social Responsibility Committee periodically reviews our progress against sustainability goals — ensuring that Lupin's purpose-driven ambitions remain firmly on track.

Key climate related incentives and their impacts are described in the table below.

Management Level	Type of incentive	KPIs Linked	Description
Chief Executive Officer / MD / CFO	Monetary	Emission Reduction: Goals: 1) 38% reduction in Scope 1 & 2 GHG emissions by 2030 2) 61.07% reduction in Scope-3 emissions by 2034 3) Achieve 35% renewable electricity share by 2030	For senior leadership—including the Chief Executive Officer, Managing Director, and CFO—performance evaluation is deeply integrated with the company's ESG strategy. ESG goals, aligned with Lupin's material priorities, are embedded into individual scorecards to ensure a direct connection between strategic objectives and personal accountability. Achievement against these ESG-linked KPIs has a tangible impact on both <b>monetary and non-monetary outcomes</b> , influencing annual bonuses, salary increments, and the allocation of ESOPs as applicable. This approach reinforces a culture of sustainability-driven leadership and ensures that climate and ESG performance are central to executive decision-making.
Other Named Executive Officers – Presidents	Monetary	Other Goals: 1) 50% of our manufacturing sites in India to attain Zero Waste to landfill certification by 2030. 2) 100% of global sites to be covered by biodiversity assessment 3) 90% of incinerable hazardous waste generated in our Indian operations goes for preprocessing/coprocessing (year over year) 4) 10% Reduction in absolute water withdrawal from FY21 by 2030	Our ESG targets for FY25 have been shaped by a comprehensive, enterprise-wide materiality assessment, ensuring a sharp focus on high-impact areas. These objectives are owned by functional Presidents and cascaded throughout the organization. They are integrated into annual performance reviews and are weighted within the year-end rewards process, reinforcing accountability and alignment with our sustainability goals. Achievement against these ESG-linked KPIs has a tangible impact on both <b>monetary and non-monetary outcomes</b> , influencing annual bonuses, salary increments, and the allocation of ESOPs as applicable
Business Unit Managers – Procurement Leads	Monetary	Supply Chain Engagement Goal: 1) Supply Chain Engagement: 100% Coverage of critical suppliers (RM and PM) through ESG framework within a three-year cycle 2) Contribute in supply chain emission reduction to attain Lupin's overall Scope 3	The business unit managers at the Global Technical Operations (GTO) are responsible for Climate goals pertaining to Supply Chain Management. These goals are embedded for the procurement leads at the beginning of year in their goals and are reviewed at regular intervals to monitor performance. These goals are linked to their performance bonus and variable compensation.

		emissions reduction of 61% by 2034.	
Other Employees	Non-monetary	Water conservation & recycling, Energy Conservation & Reduction, Near Miss reporting, etc.	At Lupin, we honour high-performing individuals who exemplify our values and remain focused on their goals through the prestigious <i>Desh Bandhu Gupta Spirit of Lupin Awards</i> —a distinguished recognition of excellence. Our pioneering <i>Environment, Health and Safety Awards and Accolade System (EHSAAS)</i> celebrates exceptional contributions to EHS performance, including initiatives that reduce greenhouse gas emissions and promote resource conservation. This recognition framework reinforces our 'EHS First' culture across all facilities—for both employees and contractors—and drives continuous improvement in our environmental performance and management systems.

### Climate Risk Management (2.5.7)

Our response to climate risk management begins through the correct identification of a risk or opportunity, and their importance to our organization. This is done through a risk management tool which helps categorize risks based on our risk appetite. All risks are usually bucketed into one of the following – Pricing Pressure and Competitive, Regulatory (Legal Risk), Current regulations, Emerging regulations, Environmental Health and Safety, Cyber Security & Data Privacy (Technology Risk), Ethical Conduct (Reputational Risk), Financial, Market Risk, Acute and Chronic Physical risks.

The detailed risk description of our enterprise and climate risks along with mitigation measures are mentioned on Page-138 of our FY 25 Integrated Report & our TCFD report. TCFD report covers climate related risk and opportunities over short-, medium- and long-term time horizon.

Once risks are categorized into their corresponding buckets, an in-depth assessment is carried out to prioritize them based on their likelihood and severity. This assessment includes the identification of a risk using a range of qualitative and quantitative measures. Risks are usually then categorized into low, medium, and high ranking.

It's important to note that our material topics are linked to the Enterprise Risk Management Framework (ERM). We have aligned our material issues with the organizational enterprise risk management framework. As part of this process, we have identified key risks and opportunities and our management approach to mitigating the risks and realizing the opportunities. This analysis was conducted by collaborating with our internal functions and business units.

Lupin has adopted a comprehensive approach to climate risk assessment, covering all critical stages of its value chain. The evaluation includes:

- **Own Operations:** Assessment of physical and transitional climate risks across manufacturing sites, R&D centers, and corporate facilities.

- **Upstream Activities:** Evaluation of climate-related vulnerabilities in the supply chain, including raw material sourcing, logistics, and vendor practices.
- **Downstream Activities:** Consideration of climate risks impacting product distribution, client operations, and end-user markets.

This holistic assessment enables Lupin to identify exposure points, strengthen resilience, and integrate climate considerations into strategic decision-making across the enterprise.

In FY 25, we carried out a climate risk assessment for suppliers, evaluating 4 national and 6 international suppliers involved in material sourcing and processing within our upstream operations. This assessment aimed to understand how extreme heat days, and water scarcity could affect their operations. We examined two scenarios— SSP 4.5 Business as Usual (BAU) and SSP 8.5 Pessimistic—over the periods 2020-2039 and 2040-2059.

### **Impact of Extreme Heat Days**

We approached the study differently for Indian and international suppliers based on regional definitions of heat risk. In the EU and USA, heat risk is defined within the range of 25 to 30 degrees Celsius, while in India, it is delineated as 40 degrees Celsius and above. Suppliers in Mellrichstadt and Ingelheim, Germany, as well as Illinois, USA, operate in areas identified as high heat stress zones. By 2060, under the pessimistic SSP 8.5 scenario, our German suppliers could experience up to 9 days exceeding 30 degrees Celsius (an increase of 0.8 times compared with the current BAU scenario), and those in the USA might face up to 25 days (0.25 times increase compared with the current BAU scenario). In India, suppliers situated in West Bengal, Gujarat, and Andhra Pradesh might see a doubling of extreme heat days by 2060.

**Impact on Suppliers:** Extreme heat days can significantly impact pharmaceutical suppliers through increased operational disruptions due to equipment failures and cooling requirements, heightened worker safety concerns that reduce labor efficiency, elevated costs associated with additional energy consumption and cooling measures, quality control challenges for temperature-sensitive materials, logistical complexities in transporting heat-sensitive products, and potential supply chain degradation, as sustained high temperatures might necessitate modifications in supplier operations or force companies to seek alternative suppliers to ensure the continued supply of pharmaceutical products.

### **Impact of High-Water Scarcity**

We evaluated our suppliers' operations in relation to groundwater stress, which could lead to water scarcity. We established that an elevated risk is categorized as High or Extremely High. During the period from 2020 to 2039, under the SSP 4.5 scenario, the sites in the USA and Germany are under high water stress, gradually increasing to Extremely High for the USA operations in 2040-2059 for both BAU and Pessimistic scenarios. Other suppliers across Switzerland, Netherlands, and the UK are operating in Low water stress zones. In the Indian operations, our suppliers in Andhra Pradesh operate under a medium- to high- water stress region across both time periods and scenarios. Suppliers in Himachal Pradesh operate in an extremely high-water stress region, while those in Gujarat are under high water stress across both time periods and scenarios.

**Impact on Suppliers:** High water scarcity within upstream supplier operations can severely affect production, increasing operational costs, and challenging quality control measures. Water scarcity

can also compromise product quality, leading to compliance issues with stringent industry regulations. Additionally, such scarcity can disrupt our supply chains, hamper timely deliveries, and negatively impact the company's sustainability initiatives and reputation.

**Impact on Downstream Value Chain:** Extreme heat days and water scarcity pose serious challenges to our customers as well. Rising temperatures contribute to the spread of vector-borne diseases like malaria and dengue. This increases demand for specific medications, potentially straining supply chains and affecting pricing and access. Medications exposed to high temperatures during transport or storage may degrade, leading to reduced efficacy or safety for patients. Heat-related disruptions in manufacturing or logistics can cause delays or shortages, affecting timely access to critical treatments.

In water-stressed regions, production slowdowns or shutdowns can lead to shortages of essential drugs, impacting patient care and public health outcomes. Higher operational costs due to water scarcity (e.g., water recycling, purification) may be passed on to customers through increased drug prices. In healthcare settings, water scarcity can affect sanitation, sterilization, and infection control, putting patients at greater risk. This affects patients and healthcare providers, especially in remote or underserved areas.

## Financial Risks of Climate Change (2.5.8)

Through the exhaustive physical and transition risk quantitative analysis, we have identified key risks that have a substantive financial impact on our operations, requiring planned mitigation measures through technological interventions, investments, and changes in the risk management framework.

Transition Risk	
<b>Description of Risk and its Mitigation Measures</b>	<p>The potential implementation of carbon pricing mechanisms in India poses a significant risk to Lupin, potentially impacting our business financially, with strategic implications. If a carbon tax or pricing mechanism were to be implemented, it would significantly alter the economic model of the pharmaceutical industry in favor of low-emission production. Under the NDC scenarios, Lupin would face financial implications due to carbon costs, particularly in the coming years, as the emissions continue to remain high. Lupin could incur up to USD 500 million in the delayed transition scenario. However, in the Below 2-degree scenario, the maximum obligation to be paid is around USD 162 million, which is lower than the other scenarios.</p> <p>Our forecast highlights that we can be expected to pay upto INR 85,526,405 in carbon tax by 2040 and INR 41,618,248 by 2035 (under delayed scenario).</p> <p>To address this risk, we are actively reducing carbon emissions on an annual basis, thereby minimizing the potential impact of a carbon tax or pricing mechanism.</p> <p>The cost towards reducing our overall GHG emission reduction initiatives is around INR 1,038,000,000.</p> <p>In FY 26, the Indian government has rolled out the Carbon Credit Trading Scheme (CCTS) for hard-to-abate sectors, wherein industries are assigned annual GHG targets and are legally obligated to comply with those.</p>

	In order to meet NDC targets, we expect that the coverage of the CCTS will be expanded to other manufacturing industries over the next 10 years, which might include pharmaceuticals manufacturing.
<b>Risks driven by change in physical climate parameters</b>	
<b>Description of Risk and Mitigation Measures</b>	<p>We expect physical risks related to extreme weather events, including changes in the availability of water due to climate change, and have conducted physical risk assessments for all locations. Water stress is increasing in Mumbai and Vadodara. Mumbai may be at risk due to the increased frequency of cyclones. Rising temperatures have been identified as a major risk for Vadodara, Mumbai, Mandideep, and Chhatrapati Sambhaji Nagar (Aurangabad). The projected impacts of hot days for all locations are related to service disruption due to higher operating costs and lower employee productivity.</p> <p>The physical climate risk analysis highlighted potential financial impact of INR 4,509,900,000 on our operations due to extreme weather events (forecasted till 2040).</p> <p>To mitigate these risks, new infrastructure within the plants and surrounding communities will be built with climate resilience as a key design factor. We are adopting a hybrid renewable power model comprising wind and solar.</p> <p>In FY 25, we recycled 44% of the total water withdrawn for our India operations and aim to recycle 50% of water consumption by the end of FY 2030.</p> <p>We anticipate an increase in water OPEX due to the increasing water stress the country is facing. These climate events will lead to our operations having to outsource water supply to maintain the continuity of our manufacturing operations.</p> <p>We anticipate a decrease in CAPEX due to our water circularity activities.</p> <p>We have increased insurance coverage to include physical climate risk scenarios to effectively mitigate the risk of financial impact on our operations. Our insurance premium to cover climate risks is INR 201,571,000.</p>

### Financial Opportunities Arising from Climate Change (2.5.9)

<b>Description of Opportunity</b>	<p>Developing and utilizing lower-emission energy sources is recognized as an opportunity for Lupin. We are committed to enhancing energy efficiency and have implemented various energy efficient technologies and measures across all our sites. Regular progress tracking is conducted at our 12 manufacturing locations in India and our 3 overseas locations in Brazil, Mexico, and the USA.</p> <p>Key initiatives undertaken in FY25:</p> <ul style="list-style-type: none"> <li>• 26 MW of conventional power was replaced with renewable power, increasing the share of renewable power from 11% in FY24 to 19% in FY25. The share of total renewable energy (renewable power + renewable fuel) in FY25 was 39%.</li> <li>• Targeted actions were implemented across multiple manufacturing locations, including usage of biomass fuel, installation of efficient lighting systems, pumps and motors, power factor correction, usage of solar, wind &amp; hybrid energy and HVAC.</li> <li>• Briquette boiler was installed at Ankleshwar in FY25.</li> </ul> <p>Steps taken for utilizing alternate sources of energy:</p> <p>Several key initiatives were undertaken in FY25 to promote the use of alternative energy sources at various locations which are mentioned hereunder:</p>
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	<ul style="list-style-type: none"> <li>• 21 MW solar renewable energy procurement under open access for the Tarapur plant.</li> <li>• 4 MW of hybrid renewable power commenced in Mandideep plant from June 2024.</li> <li>• Installed 247 KW of rooftop solar plant at Goa.</li> <li>• Installed 498 KW of rooftop solar plant at Tarapur.</li> <li>• Installed 575 KW of rooftop solar plant at Nagpur.</li> </ul> <p>The total cost associated is INR 306,657,692 comprising of INR 201,157,692 towards the above stated energy initiatives and an additional equity investment of INR 105,500,000 in solar power purchase.</p> <p>We expect to realize cost savings of INR 10,341,106 per year for the next 3 years from these initiatives.</p>
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### Climate related Scenario Analysis (2.5.10)

We have assessed physical risks, both qualitatively and quantitatively, across our 16 global sites, using the IPCC AR5 Risk Assessment Framework. As part of this, we analyzed two climate scenarios: SSP 2 (Middle of the road) and SSP 5 (Fossil-fueled development). Extreme indicators, including temperature, precipitation, cooling degree days, cyclones, and water stress, were modeled for the periods 2020-2039 and 2040-2059.

We conducted a transition risk scenario analysis through 2050 to evaluate potential risks from climate-related changes in policies, regulations, markets, and technologies. This assessment used NGFS (Network for Greening the Financial System) scenarios developed in collaboration with leading academic institutions. The scenarios vary based on temperature targets, net-zero timelines, policy approaches, and technology availability. The five scenarios considered were:

- Nationally Determined Contributions (NDCs)
- Below 2°C
- Net Zero 2050
- Delayed Transition
- Divergent Net Zero

The financial impacts of the physical and transitions risks were evaluated by leveraging insights from scenario analysis, climate risk models, carbon pricing analysis, supply chain analysis, and data and metrics integration. Based on the financial impacts, the identified risks were prioritized into material and non-material risks for the organization.

### Physical Climate Risk Adaptation (2.5.11)

In FY 25, we reviewed our investments towards climate risk adaptation deciding to revise our physical climate risk mitigation strategy and roadmap to reduce the CAPEX and implementation outlook from more than 10 years to 5-10 years' time horizon. Our risk assessment and mitigation plan cover 100% of our existing and new operations.



Lupin has developed a structured climate risk adaptation plan to address **physical climate risks** across its operations. The plan includes implementation timeline for existing operations, categorized as follows:

- **Less than 5 years:** High-priority sites with immediate exposure to climate-related risks (e.g., flooding, heat stress) are targeted for early adaptation measures such as infrastructure upgrades, water conservation systems, and enhanced emergency protocols.
- **5 to 10 years:** Medium-risk facilities will undergo resilience-building measures including energy efficiency retrofits, green landscaping, and supply chain diversification.
- **More than 10 years:** Long-term adaptation strategies are planned for low-risk sites, aligned with evolving climate models and regulatory frameworks.

For **new operations**, Lupin's climate risk assessment and adaptation planning cover 100% of projects, ensuring that climate resilience is embedded from the design phase. This includes site selection criteria, climate modeling, and integration of sustainable technologies.

This approach reflects Lupin's commitment to proactive climate risk management and supports long-term business continuity and stakeholder confidence.

Risk type	Location	Impact	Adaptation measure
High Temperature	Vadodara Mumbai Chhatrapati Sambhaji Nagar Mandideep	Rising temperature impacts the integrity of building structures  Building's energy usage will go up if extreme climatic conditions continue  Wide temperature fluctuations to have an impact on staff's comfort and productivity  Heat waves are a primary cause of weather-related morbidity and mortality. It can have a direct impact on the health of the staff/community in the vicinity	Internal surveys assessing heat related impact on workers and employees.  Ensure deployment of heat-resistant roofing, heat resistant tiles wherever applicable  Installation of efficient heating, ventilation and air-conditioning (HVAC) systems  Assess and deploy measures to address the impact of high temperature on energy usage and product storage  A study on lowering the rising cooling costs, due to increased temperatures, is underway
Cyclones	Mumbai Visakhapatnam New Jersey	Disconnection/ disruption of internet, telecommunication, or electricity services may lead to disruptions in business operations.	Ensure new infrastructure construction are capable of withstanding any natural calamity  Retrofit all existing structures as per IS:875 (Part 3) codes



		<p>Infrastructure damage due to cyclones/winds, such as the collapse of the galvalume roofing system, failure of connections/structures, progressive collapse of roof steel trusses, and breakage of window panes at plants and office sites.</p>	<p>for various types of buildings and structures</p> <p>Provide shelter and resilient assembly places for staff in the event of climate-related or industrial disasters</p> <p>Identified cyclone-vulnerable areas — such as roofing, shafts, and chimney stacks — and constantly reviewing transmission lines and assessing the potential impact of power outages on operations</p>
Sea Level Rise	Mumbai Visakhapatnam	Saltwater inundation	<p>Set up flood barriers and plantations</p> <p>Explore relocation plans during business interruption</p> <p>Provide for supplementary insurance for buildings/assets</p> <p>Avoid new projects in low-lying coastal zones</p>
Dry Spell and Water Stress	Mumbai Vadodara Indore Mandideep	<p>Dry spells may not directly impact the lab's infrastructure but can result in water scarcity.</p> <p>This could impact site's cooling systems, water requirement, and pools etc.</p> <p>Water scarcity can cause health and safety issues</p> <p>Limited water availability may also affect sanitation and hygiene</p>	<p>Organize annual training programs on water conservation</p> <p>Encourage water reuse and recycling.</p> <p>Invest in and encourage rainwater harvesting systems</p> <p>Drive site-level initiatives to minimize water consumption. Explore alternatives for groundwater.</p>

### Emission Reduction Targets (2.5.12)

Lupin's emissions reduction targets for Scope 1+2 and Scope 3 are detailed, encompassing baseline years, target time frames, and percentage reduction goals.

Scope Covered by Target	Time Frame	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year	SBTi Validation
Total Scope 1 + 2 combined	Base year - FY 2023 Target Year - FY 2030	Base Year Emissions: 449,316 tonCO <sub>2</sub> e  Percentage of total base year emissions: 100%	38% (absolute reduction target)	Targets are under Validation through SBTi.  We have submitted our targets to SBTi in 2025.
Scope 3	Base year - FY 2024 Target Year - FY 2034	Base Year Emissions: 1119125 tonCO <sub>2</sub> e  Percentage of total base year emissions: 69%	61% (economic intensity reduction target)	

### Internal Carbon Pricing (2.5.13)

Lupin has adopted a robust Internal Carbon Pricing (ICP) mechanism that spans Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (value chain emissions) covering all business decision making process. This framework is designed not only to quantify the cost of carbon but also to embed climate-conscious decision-making across the organization.

Lupin's Internal Carbon Pricing (ICP) framework is designed to strategically embed climate considerations into its core business operations and decision-making processes. The primary objectives of implementing carbon prices include conducting rigorous cost-benefit analyses to evaluate climate-related initiatives, driving energy efficiency across facilities, and catalyzing low-carbon investments. By setting a carbon offset budget and stress-testing investments, Lupin ensures resilience against climate risks while incentivizing the integration of climate-related issues into both strategic planning and risk assessments. The ICP also supports the identification and pursuit of low-carbon opportunities, aligns with regulatory navigation, and contributes to the reduction of upstream value chain emissions. Ultimately, this framework enables the setting and achievement of climate-related policies and targets, reinforcing Lupin's commitment to sustainable growth and ESG leadership.

Lupin has initiated a series of decarbonization initiatives to reduce emissions as part of its commitment to achieve Net zero. To enhance energy efficiency, we've established robust energy metrics and benchmarking practices. Our engineering and environment teams are tasked with identifying, budgeting, and executing energy conservation projects across the organization. These initiatives have led to reduction in fuel consumption and electricity usage, in turn resulting in

reduction in greenhouse gas emissions, while also delivering cost savings and process enhancements.

To integrate environmental considerations into financial decisions, we've adopted an Internal Carbon Price (ICP). This approach enables us to account for the cost of carbon in all our decision-making processes, to evaluate the carbon impact of capital investments, helping prioritize low-carbon or energy-efficient projects and helping us manage our carbon footprint, aligning with sustainability objectives. Using an ICP not only mitigates future financial risks but also supports our environmental goals by making investments in low-carbon activities.

The Internal Carbon Price (ICP) is estimated using the implicit pricing method, which involves dividing the total cost of mitigation measures by the required emissions reductions. This ICP accounts for both Scope 1 and Scope 2 emissions and has been determined to be INR 1,567 per tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

Lupin's Internal Carbon Pricing (ICP) mechanism is embedded across all business decision-making processes, serving as a strategic tool to align financial planning, operational choices, and investment decisions with the company's climate goals.

More details on our strategic objectives of the ICP framework

1. **Conduct Cost-Benefit Analysis:** The ICP enables systematic evaluation of projects and investments by factoring in carbon costs. This helps prioritize initiatives that deliver both financial and environmental returns.
2. **Drive Energy Efficiency:** By assigning monetary value to emissions, the framework incentivizes operational improvements that reduce energy consumption and enhance process efficiency.
3. **Promote Low-Carbon Investments:** Projects with lower carbon footprints become more attractive under the ICP model, encouraging capital allocation toward renewable energy, electrification, and sustainable technologies.
4. **Incentivize Climate-Related Decision Making:** Decision-makers across departments are encouraged to integrate climate considerations into planning, procurement, and operational strategies.
5. **Incentivize Climate Risk Assessment:** The ICP supports proactive identification and mitigation of climate-related risks, including regulatory, reputational, and physical risks.
6. **Identify and Seize Low-Carbon Opportunities:** The pricing mechanism helps uncover opportunities for emissions reduction, such as process optimization, material substitution, and circular economy initiatives.
7. **Influence Strategy and Financial Planning:** Carbon pricing is embedded into strategic planning and financial modeling, ensuring alignment with long-term sustainability goals and climate targets.
8. **Navigate Regulations:** The framework prepares Lupin to comply with evolving carbon regulations, including carbon taxes, emissions trading schemes, and disclosure requirements.

9. **Reduce Upstream Value Chain Emissions:** By extending carbon pricing to Scope 3, Lupin encourages suppliers and partners to adopt low-carbon practices, fostering a greener supply chain.
10. **Support Climate Policy and Target Achievement:** The ICP acts as a tool to operationalize Lupin's climate commitments, including net-zero goals, science-based targets, and renewable energy transitions.
11. **Set a Carbon Offset Budget:** The framework includes provisions for budgeting carbon offsets, ensuring that residual emissions are addressed through credible offset mechanisms.
12. **Stress Test Investments:** Investments are evaluated under different carbon pricing scenarios to assess resilience and long-term viability in a carbon-constrained future.

This comprehensive approach ensures that Lupin's internal carbon pricing is not just a financial tool, but a strategic enabler for climate action, risk management, and sustainable growth.

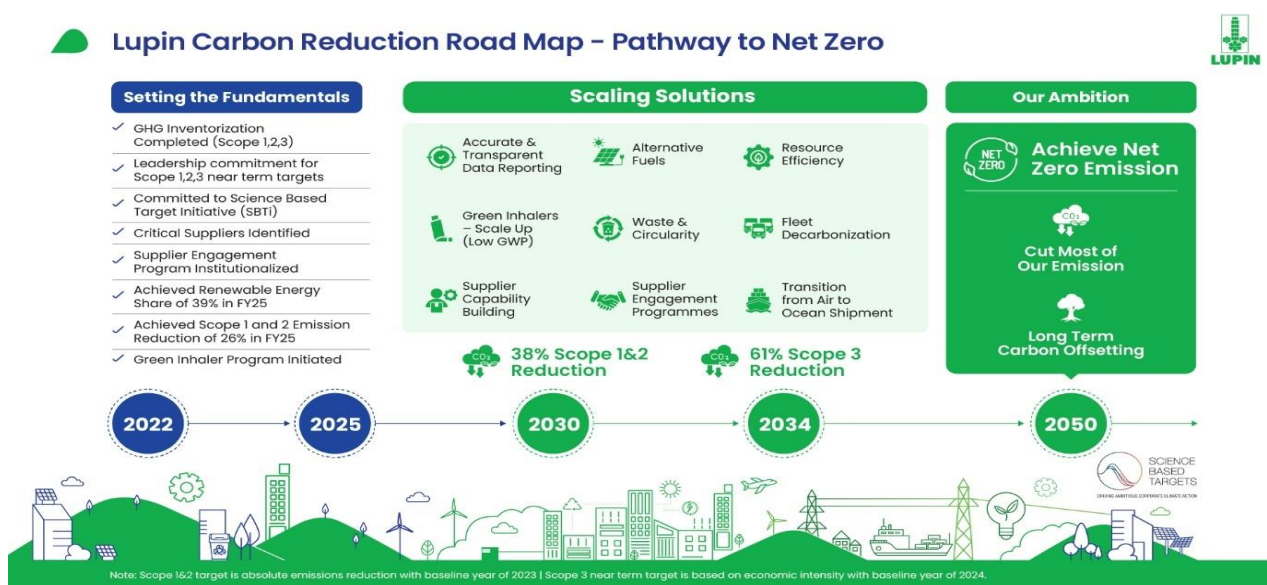
### Net-Zero Commitment (2.5.14)

As part of our broader sustainability strategy, we have developed a comprehensive and actionable roadmap to achieve Net Zero emissions by 2050. This roadmap outlines key initiatives, interim targets, and investment priorities that align with the latest climate science and global best practices. Our commitment reflects not only our responsibility to the planet but also our dedication to long-term business resilience and stakeholder value.

Target time frame	Target scope & related emission reduction target (as % of base year emissions)	Remarks
<b>Base Year: 2024</b>	Scope 1 & 2: 100%	We are committed to seeking validation of this target by SBTi
<b>Target Year: 2050</b>	Scope 3: 90%	

We are taking significant steps forward in our climate strategy. We have submitted our near-term science-based target (SBTi) for validation successfully marking a significant milestone in our climate action journey.

### Our Net Zero Strategy



We intend to neutralize residual emissions and further mitigate emissions beyond our value chain; we are committed to implementing a diverse set of impactful climate actions.

**Afforestation and Reforestation Programs:** We actively contribute to reforestation and afforestation efforts by planting trees in degraded areas and community lands. These projects enhance carbon sequestration, restore biodiversity, and improve ecosystem resilience. In FY25, we planted 7215 trees on community lands aimed at carbon sequestration.

**Carbon Credit Purchases:** To offset emissions beyond regulatory requirements, we focus on purchasing high-quality carbon credits from both compliance and voluntary markets. The credits are sourced from verified projects that deliver measurable and permanent emission reductions or removals. In FY25, Lupin retired 30,000 verified carbon credits from CDM projects.

**Renewable Energy Investments:** We support the development of solar and wind projects, particularly in regions heavily reliant on fossil fuels. These investments will help displace carbon-intensive energy sources and accelerate the global transition to clean energy.

## Biodiversity

### Biodiversity Risk Assessment (2.6.1)

We conduct a comprehensive biodiversity risk assessment using a location-specific approach, focusing on ecologically sensitive areas. The process is aligned with recognized frameworks such as TNFD and is fully integrated into the company's enterprise-wide risk management system. It considers both dependency-related risks (e.g., reliance on ecosystem services) and impact-related risks (e.g., land use, emissions), ensuring a balanced and proactive approach to biodiversity stewardship.

The scope of our biodiversity risk assessment in FY 25 covers the following:

1. **Own Operations** meaning the direct impacts from manufacturing sites and facilities.
2. **Adjacent Areas**, which are ecological zones surrounding operational sites, especially those near sensitive habitats (covering 0 to 10km radius from sites).
3. **Upstream Activities**, covering biodiversity risks and impacts associated with raw material sourcing and supplier practices.
4. **Downstream Activities**, covering potential risk and impacts related to product distribution, usage, and disposal.

This comprehensive scope ensures that both direct and indirect biodiversity risks are identified, assessed, and managed across the value chain at Lupin.

**Integration of Biodiversity Risks into Lupin's Risk Management Framework:** Lupin has embedded biodiversity considerations into its company-wide, multi-disciplinary enterprise risk management processes and materiality assessment. This integration ensures that both dependency-related and impact-related biodiversity risks are systematically identified, assessed, and managed across operations with utmost care (Eg risks covering Water Management, Pollution, Waste and Anti Microbial Resistance).

Key actions include:

- **Dependency-Related Risk Assessment:** Lupin evaluates its reliance on natural resources such as water, raw plant-based materials, and ecosystem services. These dependencies are assessed for potential vulnerabilities such as water scarcity or supply chain disruptions especially in ecologically sensitive regions. The company has defined actions to address the dependency related risks.
- **Impact-Related Risk Assessment:** Lupin assesses how its operations, including manufacturing, effluent discharge, and land use, may affect local biodiversity. This includes monitoring impacts on flora, fauna, and surrounding habitats, and implementing mitigation measures where necessary. (Refer page no 118 of Lupin Integrated Report 2025 for Simpson's diversity index for the impact)
- **Cross-Functional Risk Integration:** Biodiversity risks are reviewed alongside environmental, operational, and compliance risks through a centralized risk management platform, enabling informed decision-making and prioritization.
- **Site-Level Biodiversity Screening:** Facilities and operations located near ecologically sensitive zones undergo additional assessments to ensure compliance with environmental norms and to minimize ecological disruption.

In FY 25, we undertook assessments covering three of our key manufacturing facilities: Goa, Ankleshwar, and Nagpur.

The assessments involved detailed surveys of flora and fauna within a radius of 10 km of each site, utilizing the WWF Risk Filter and Encore tools to identify key risks and dependencies related to biodiversity. We identified potential vulnerabilities, including physical, political, and reputational risks. The significant physical risks noted were extreme heat, tropical cyclones, need for improving natural vegetation in the community and potential disruptions in the water supply. In the previous fiscal year, similar evaluations were conducted for three of Lupin's largest sites: Mandideep, Pithampur, and Tarapur, across India.

Our biodiversity risk assessment adopted TNFD's LEAP assessment process, employing a combination of desk research and primary data collection methods. We conducted direct field observations, engaged internal and external stakeholders, and collected remote sensing data to build a comprehensive picture. We also incorporated secondary data from Environmental Impact Assessments, Plant Operation and Production Reports, and Sustainability Reports to ensure accuracy and depth.

The findings of the biodiversity evaluations in FY25 at three manufacturing sites looked into the positive or negative effects a company has on the state of nature. The following are the outcomes of the assessment.

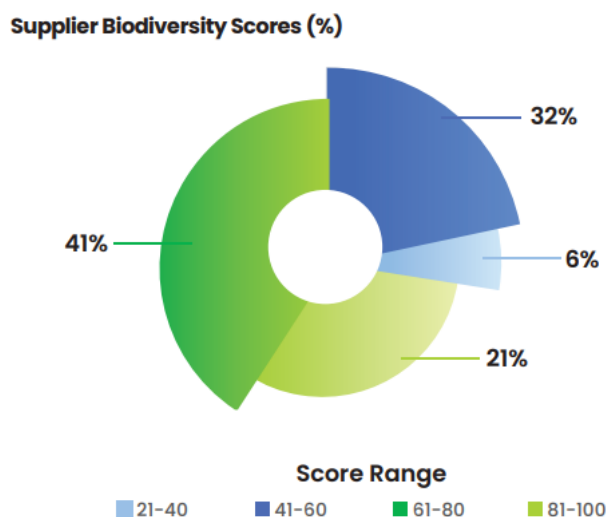
- No Lupin sites are located near any UNESCO World Heritage Site.
- No Lupin sites are near any UNESCO Man and the Biosphere Reserves.
- No Lupin sites are located near any Ramsar Site.
- None of the faunal species at these plants feature in the IUCN RED list or have a protected status.

- None of the three manufacturing plants are located within or near legally protected/biodiversity habitat areas.

In order to manage the potential biodiversity risks, we have undertaken programs such as Tree Planation and Integrated Watershed Development in communities. As part of our employee volunteering program, we have identified key themes that reflect our commitment to both environmental sustainability and human well-being. One of our core focus areas is tree plantation. Our plantation drives have made a meaningful impact, with 7,255 trees planted in FY25. Activities such as seed ball preparation added an interactive and educational dimension to the initiative, while also supporting our broader reforestation objectives.

### **Supply Chain Biodiversity**

In FY25, we embarked on a journey to undertake a biodiversity assessment covering our entire supply chain, including both upstream and downstream stages. Through an independent third-party agency, we are collaborating with critical suppliers to evaluate their biodiversity risks, impacts, and dependencies. Below is the summary of the study:



### **Biodiversity and No Deforestation Commitment (2.6.2 & 2.6.3)**

Our Biodiversity and No-Deforestation policy align with the UN Global Biodiversity Framework, TNFD, India's National Biodiversity Action Plan, and applicable regional laws. We champion sustainable forest management and prevent deforestation by sourcing FSC or PEFC certified natural resources through our suppliers. Our initiatives adhere to the UN Global Compact promoting SDG 15, SDG 12, and SDG 13. We endorse the UN Convention on Biological Diversity, aligning with its 2050 vision of 'Living in Harmony with Nature.' Additionally, we are committed to advancing the goals of the Kunming-Montreal Global Biodiversity Framework.

The policy can be accessed from: <https://www.lupin.com/wp-content/uploads/2025/06/biodiversity-and-no-deforestation-commitment-policy-signed.pdf>

Our main objectives towards biodiversity conservation and no-deforestation include: • To preserve the diversity of species • Sustainable utilization of species and ecosystems • To maintain life-supporting systems and essential ecological processes • Work towards and achieve

deforestation-free sourcing • Collaborate with value chain partners to ensure operational activities do not occur near locations with significant biodiversity importance at global or national levels.

The key components and pillars of our biodiversity and no-deforestation commitment are:

### **Scope**

The policy is applicable to all our manufacturing facilities, R&D facilities, subsidiaries, JVs, business operations, products, and services. We partner with our suppliers, service providers, and contractors to embrace biodiversity conservation and no deforestation processes for improved performance. The policy is applicable to all Lupin employees, contractors, suppliers and business partners.

The Policy is approved by the Board Member (Executive Director & Global CFO), who is a member of the ESG Core Committee and is responsible for making decisions on sustainability-related issues.

### **Stakeholder engagement**

The policy provides a framework to Identify, engage, and collaborate with stakeholders (such as local community, NGOs, suppliers and subject matter experts) on biodiversity to develop and implement a robust and comprehensive biodiversity management plan and actions.

Lupin recognizes that effective biodiversity management requires collaboration with a diverse group of stakeholders who influence or are impacted by our operations. We have integrated stakeholder engagement into our environmental strategy to ensure inclusive, science-based, and locally relevant biodiversity actions.

Key engagement initiatives include:

- **Expert Collaboration:** Lupin has worked with environmental consultants and NGOs to develop site-specific biodiversity strategies, particularly for facilities located near ecologically sensitive zones.
- **Supplier Engagement:** We engage suppliers to promote sustainable sourcing practices, including the responsible use of natural resources and biodiversity-friendly raw materials. Through our ESG framework, we encourage partners and suppliers to adopt biodiversity-conscious practices aligned with Lupin's sustainability goals.
- **Local Community Involvement:** At several locations, Lupin has partnered with local communities to support afforestation, water conservation, and habitat restoration projects, fostering shared ownership and long-term impact.

### **Biodiversity and No-Deforestation Targets**

- Net Positive Impact on biodiversity at all manufacturing sites by 2035
- Explore sustainably sourced agricultural, forestry and marine derived materials and deforestation free efforts through our suppliers by 2035
- By 2035, we aim to source 100% of our agricultural, forestry, and marine-derived products responsibly and without deforestation (including both no gross deforestation and no net deforestation).

### **Supply Chain commitment**

We are committed to conserving and preserving biodiversity, to incorporating biodiversity in our operations, and promoting sustainable business practices that will not harm any species. We work



with our supply chain partners towards achieving deforestation-free sourcing and ensure operational activities do not occur near locations with significant biodiversity importance at global or national levels.

### **Mitigation Hierarchy**

Our mitigation hierarchy works on the basis that development plans try and aim for as little biodiversity loss as possible. The measurement of biodiversity loss is categorized into the following four stages:

- Complete avoidance
- Minimization, where possible
- Restoration of areas within the development
- Offsetting, either onsite or offsite

### **Risk assessment**

We are committed to conducting risk assessments at a site level to understand the dependencies and impacts on biodiversity and ecosystem services for business and stakeholders with a focus on mitigating potential environmental and social risks.

### **Product stewardship**

#### **Product Design Criteria (2.7.1)**

Lupin actively incorporates environmental criteria into the development of new products and services. These considerations are embedded in our R&D, product design, and manufacturing processes to ensure sustainability is addressed from the outset. We utilize a 360-degree approach to reduce the carbon footprint of our operations and value chain. Highlighted below are key aspects that we focus on to reduce our environmental impact.

#### **Low Carbon Footprint Raw Material**

Over the past two years, we have conducted product-level carbon footprint for 30 of our most significant products. In FY25 alone, this assessment covered 20 of those 30 products. The results of the carbon footprinting study have given us insights into the key hotspots that can be targeted to develop and procure raw materials with low ecological impact such as reduced water use and energy use in development.

We are investing in Green Chemistry, and Anti-Microbial Resistance studies to establish an environment friendly supply chain and raw material identification. By prioritizing safer reagents, cleaner reactions, and smarter synthesis pathways, we aim to minimize waste at its source — not just manage it downstream. Metrics such as atom economy, E-factor, and Process Mass Intensity (PMI) guide us in selecting the most environmentally responsible routes.

#### **Reducing the environmental impact of our direct operations**

At Lupin, we have made significant investments in reducing consumption, including water consumption, and greenhouse gas emissions from our operations. In FY 25, 26 MW of conventional power was replaced with renewable power, increasing the share of renewable power from 11% in FY 24 to 19% in FY 25. The share of total renewable energy (renewable power + renewable fuel) in

FY 25 was 39%. Targeted actions were implemented across multiple manufacturing locations, including usage of biomass fuel, installation of efficient lighting systems, pumps and motors, power factor correction, the use of solar, wind, and hybrid energy and HVAC.

### **Adoption of eco-friendly logistics**

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. In FY 25, this percentage dropped to an all-time low of 14%, a substantial improvement from 34% in FY24. This has resulted in a transportation emissions reduction of 5,345 tCO<sub>2</sub>e.

### **Reducing use-phase emissions**

Lupin integrates sustainability and operational efficiency into the use phase of its products and services, ensuring long-term value for customers, healthcare providers, and the environment.

- **Energy and Water Savings:** Our manufacturing processes are designed to produce formulations that require less energy and water during preparation and administration, particularly in hospital and clinical settings during use phase.
- **Durable and Efficient Packaging:** Lupin's packaging innovations—such as moisture-resistant blister packs and recyclable materials—extend product shelf life and reduce waste during storage and transport during the use phase.
- **Extended Product Stability:** Enhanced formulation stability reduces the need for frequent replacements, minimizing resource use and improving cost-efficiency for end users.
- **Maintenance-Friendly Equipment:** For diagnostic and therapeutic support products, Lupin ensures that servicing protocols are streamlined, reducing water and material use during maintenance cycles.
- **Training and Support:** We provide guidance and training to healthcare professionals on efficient product use, including minimizing waste during administration and optimizing storage conditions.

Lupin Healthcare (UK), a subsidiary of Lupin Ltd, has taken a significant step toward environmental responsibility by assessing the Cradle-to-Grave carbon emissions of its Luforbec and Beclu inhalers. This comprehensive assessment includes emissions from raw material sourcing, manufacturing, transportation, usage, and end-of-life disposal.

### **Use Phase Value Addition:**

- **Carbon Footprint Transparency:** By evaluating emissions during the use phase, Lupin empowers healthcare providers and patients to make informed, environmentally conscious choices.
- **Efficient Product Design:** The inhalers are designed to deliver effective treatment with minimal environmental impact, optimizing propellant use and reducing waste.

- **Durability and Reliability:** Enhanced product stability and performance reduce the need for replacements, contributing to lower resource consumption over time.
- **Carbon Assessed Product Certification:** Achieving the Carbon Footprint Standard Carbon Assessed Product branding demonstrates Lupin's commitment to reducing emissions and improving sustainability throughout the product lifecycle.

In addition, Lupin is making significant investments in using Honeywell's Solstice® Air (HFO-1234ze cGMP) propellant to develop next-generation inhalers for asthma and COPD patients. This innovative propellant aims to significantly reduce carbon emissions by preventing the release of high GWP molecules. Lupin is the first Indian pharmaceutical company to implement Solstice Air at scale in pressurized metered-dose inhalers (pMDIs). This transition from traditional HFC-based propellants results in greenhouse gas emissions reduction by up to 99.9%, enhancing respiratory care while mitigating environmental impact during the use phase.

### **Process Innovations - Green Chemistry**

Investing in green chemistry and sustainable manufacturing processes is a strategic initiative that can significantly optimize and enhance the efficiency of our operations.

We have successfully redesigned the production process for APIs in the antidepressant category, transitioning from a resource-intensive method that relied on non-recoverable solvents and high-water usage. The new process streamlines reaction steps and reduces processing time, while simplifying work-up procedures. It delivers higher yields with exceptional purity and significantly lowers the formation of impurities. We've enhanced product stability and minimized degradation, ensuring consistent high-quality output. The process also limits powder handling to the API stage, contributing to cost efficiency.

#### **Key outcomes include:**

- **7% increase in output**
- **17% reduction in water usage**
- **33% reduction in solvent consumption**
- **Elimination of 57 metric tons of waste**

We replaced a multi-step manufacturing process for an API in the Selective Cholesterol-Absorption Inhibitor category with a streamlined, optimized approach. The new process minimizes organic and aqueous phase handling and simplifies production through telescoping, enabling multiple steps to occur without intermediate isolation.

#### **Key outcomes include:**

- **7% improvement in yield**
- **40% reduction in waste generation**
- **35% decrease in water and solvent usage**
- **50% reduction in powder handling steps**
- **33% improvement in E-factor** (from 5.86 to 3.96), indicating a significantly greener process

We transformed a five-step synthesis into a streamlined three-step process for an API in the Antidepressant-Class Drug category. This innovation leverages selective imine reduction using a metal catalyst to achieve a chirally pure product with significantly higher yield.

The optimized process reduces batch testing requirements, cuts solvent usage by 40%, lowers water consumption by 30%, and decreases waste generation by 16%. It also enhances process efficiency, with a 40% improvement in Process Mass Index (PMI) and a reduction in E-factor from 16.5 to 7.96, indicating a cleaner, more sustainable approach. Atom efficiency has increased from 64% to 84%, reflecting better utilization of raw materials.

**Key outcomes:**

- **63% increase in yield**
- **30% reduction in raw material usage**
- **30% decrease in residue per kilogram of product**

These initiatives mark a significant step toward greener manufacturing, improving both environmental performance and cost-effectiveness without compromising product quality.

**End-of-Life management**

We are fully committed to our Extended Producer Responsibility (EPR) obligations, ensuring the efficient recovery of post-consumer plastic waste from our products. This waste is either recycled or used as an alternative energy source. In addition, we have digitized all our consumer and patient information leaflets, reducing both costs and paper consumption.

In FY 25, we recycled 3041 MT plastic waste to comply with our EPR obligations. In addition, we have substituted conventional paper inserts in medicine packaging with digital QR codes, enhancing both environmental sustainability and user experience (72,000+ kgs of paper saved from the 10.9 million paper inserts avoided).

Note- Extended Producers Responsibility (EPR) regime is implemented under the Plastic Waste Management Rules, 2016, according to which it is the responsibility of Producers, Importers, and Brand-owners have to ensure processing of their plastic packaging waste through recycling, re-use, or end of life disposal (such as co-processing, waste-to-energy, plastic-to-oil, road-making, or industrial composting).

**Life Cycle Assessment (2.7.2)**

Lupin utilizes Life Cycle Assessment (LCA) tools to assess and communicate the potential impact of its products on human health and the environment throughout their lifecycle. In FY 25, guided by ISO 14040 and ISO 14044 standards, we conducted LCA studies for 20 products. Building on the previous year, we have now completed LCA study of 30 major products. Until now, we have completed full LCA of 36.55% of our products.

In FY25, LCA studies included both cradle-to-gate and cradle-to-grave assessments. These assessments provided a holistic view of emissions from raw material production, manufacturing, supply chain, use phase, to the disposal stage, as defined by our system boundary. We used industry-leading SimaPro LCA software and Ecolnvent database to model the environmental impacts of the chosen products.

The LCA report details the findings using eleven midpoint indicators, including Ecotoxicity and resource depletion indicators, to measure environmental impacts such as Climate Change/Global Warming Potential (GWP), Ozone Depletion Potential (ODP), Human toxicity (cancer and non-cancer), Dust & Particulate Matter, Ionizing Radiation, Photochemical Ozone Creation Potential, Acidification Potential, Terrestrial, Freshwater, and Marine Eutrophication, Freshwater Ecotoxicity Potential, Land Use, Water Use, Abiotic Depletion (Minerals & fossils) and Renewable Resource Depletion and Species richness.

The findings of the LCA study highlighted that the environmental impact of raw materials extraction and chemicals manufacturing (materials) accounts for more than 50% of the total environmental impact. Electricity and heating consumption add another 18% impact on total GWP of the assessed products.

### **Exposure to Hazardous Substances (2.7.3)**

Lupin Limited and its subsidiaries are in the business of manufacturing pharmaceutical preparations, which contributes more than 95% of revenue from operations. Accordingly, exposure to hazardous substances is not applicable as per the defined criteria of S&P CSA.

Lupin is a pharmaceutical manufacturing company and not a producer or importer of industrial chemical substances regulated under frameworks such as REACH or POPs hence exposure to hazardous substances is not applicable.

Our operations are governed by stringent pharmaceutical regulations focused on patient safety, product efficacy, and quality, rather than the broader chemical substance regulations applicable to other sectors. Consequently, the assessment of revenues from hazardous substances or related risk assessments under these frameworks does not apply to our business model.

However, Lupin remains committed to ensuring product safety and regulatory compliance across its portfolio. We have established comprehensive internal protocols to assess and manage chemical risks throughout our operations.

Our Hazard Identification and Risk Assessment (HIRA) framework is embedded within our Standard Operating Procedures (SOPs) and includes both qualitative and quantitative assessments of chemical hazards. These assessments cover:

- Raw materials and intermediates used in formulations,
- Operational exposure risks based on quantity, duration, and handling conditions,
- Material safety characteristics, including toxicity, flammability, and reactivity,
- Occupational hazard classifications, aligned with global standards.

In addition, Lupin conducts product-level risk assessments during development and manufacturing stages to ensure that all products meet stringent safety and quality standards before market release. These assessments are aligned with applicable pharmaceutical regulations such as those from the US FDA and Indian CDSCO, which include requirements for impurity profiling, toxicological evaluation, and environmental safety.

Our Enterprise Risk Management (ERM) system integrates chemical risk considerations into broader strategic and operational decision-making. This includes:

- Scenario analysis for potential exposure events,
- Double materiality assessments to evaluate both financial and environmental impacts,
- Periodic audits and reviews to ensure compliance and continuous improvement.

Furthermore, Lupin is actively pursuing green chemistry initiatives to reduce reliance on hazardous substances, replacing them with safer, renewable alternatives wherever feasible. Waste management protocols ensure that hazardous and non-hazardous waste is properly segregated, treated, and disposed of in accordance with local and international environmental regulations.

Moreover, we have well defined SOPs in our operations to evaluate chemical hazards, raw materials, intermediates, and potential exposures during handling through qualitative and quantitative assessments.

Our risk assessment characterizes hazards and determines exposure potential based on quantity, operation duration, material properties, and Occupational Hazard classification. All our products undergo rigorous quality checks and testing in compliance with applicable industry regulations and standards before market release.

# Social Dimension

## Labor Practices

We are committed to upholding fair labor practices in line with internationally recognized standards, including those outlined by the UN Global Compact, to which we are a signatory. This commitment is reflected not only in our policies but also in structured programs and on-ground measures that ensure safe, inclusive, and equitable working conditions across our operations.

### Labor Practices Commitment (3.1.1)

Lupin's labor practices reflects a strong commitment to fair, safe, and equitable working conditions across its own operations and supply chain. The commitment includes the following key aspects:

- **Paying a Living Wage:** Ensures all workers receive wages that meet basic living standards, not just minimum wage.
- **Avoiding Excessive Working Hours:** Actively monitors and reduces overtime to prevent worker fatigue and burnout.
- **Setting Maximum Working Hours:** Establishes clear limits on daily and weekly working hours in line with labor laws.
- **Equal Remuneration for Men and Women:** Promotes gender pay equity across all roles and levels.
- **Paying for Annual Leave:** Guarantees paid leave entitlements for rest, recovery, and personal time.
- **Minimum Consultation/Notice Periods Before Mass Terminations:** Upholds responsible restructuring practices by ensuring advance notice and consultation with affected employees

Lupin's labor practices commitment applies to:

- **Own Operations:** All employees across manufacturing, R&D, corporate, and field functions.
- **Contractors:** Third-party labor providers are required to comply with Lupin's labor standards.
- **Partners:** Strategic partners and suppliers are expected to align with Lupin's ethical labor expectations through contractual obligations and periodic assessments.

Aspects	Remarks
Paying a living wage	<p>As covered in our Corporate Sustainability Policy (CSP) and Human Rights Policy we are committed to promoting fair wages and ensuring a <b>living wage</b> for all our employees, contractors, and workers and we encourage our supply chain partners to pay a living wage.</p> <p>Link for Corporate Sustainability Policy and Human Right Policy:</p>

	<a href="https://www.lupin.com/wp-content/uploads/2025/02/corporate-sustainability-policy.pdf">https://www.lupin.com/wp-content/uploads/2025/02/corporate-sustainability-policy.pdf</a> <a href="https://www.lupin.com/wp-content/uploads/2025/06/human-rights-policy-signed.pdf">https://www.lupin.com/wp-content/uploads/2025/06/human-rights-policy-signed.pdf</a>
Avoiding or reducing overtime or excessive working hours	<p>To safeguard the wellbeing of our employees and contract workers, we've instituted clear <b>limits on working hours</b> and we actively monitor overtime to <b>avoid excessive working hours</b>, ensuring transparency and compensation for all additional work. This is also covered in our Human Rights Policy.</p> <p>Link for Policy: <a href="https://www.lupin.com/wp-content/uploads/2025/06/human-rights-policy-signed.pdf">https://www.lupin.com/wp-content/uploads/2025/06/human-rights-policy-signed.pdf</a></p>
Setting maximum working hours	
Equal remuneration for men and women	<p>At Lupin, compensation is fair, consistent, and free from bias, ensuring <b>equal remuneration for men and women</b>, regardless of gender or background as outlined in our Human Rights Policy.</p> <p>In line with our Company Code of Business Conduct and Ethics, we ensure that wages, benefits, and other conditions of employment are equitable and compliant with applicable local laws.</p> <p>Link for Human Right Policy and Code of Conduct: <a href="https://www.lupin.com/wp-content/uploads/2025/06/human-rights-policy-signed.pdf">https://www.lupin.com/wp-content/uploads/2025/06/human-rights-policy-signed.pdf</a>  <a href="https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf">https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf</a></p>
Paying workers for annual leave	<p>Every Lupinytt (which includes our workers) receives paid annual leaves and support to take their entitled time off. We believe that rest is a basic right.</p>
Setting minimum consultation or notice periods before mass terminations	<p>We uphold dignity during transitions by ensuring reasonable notice periods and providing reskilling opportunities to adapt to industry shifts, climate transition changes, and mitigate their negative effects.</p> <p>Lupin is committed to ensuring that any workforce restructuring, including mass terminations, is conducted ethically, legally, and with due regard for employee welfare. The company's policies are aligned with the Industrial Disputes Act, 1947, and relevant state-level Shops and Establishments Acts, which mandate minimum notice periods and procedural safeguards.</p> <p>Lupin adheres to these requirements and ensures that termination notices clearly state the reason, and that affected employees receive statutory retrenchment compensation.</p>



Scope of commitment	Our commitment to fair labor practices applies to Lupin's <b>own operations</b> , including all employees (full-time, part-time, and subcontractors) as well as to our <b>contractors</b> working on-site. It also extends to our broader ecosystem of <b>partners</b> , including subsidiaries, joint ventures, suppliers, and business associates, in line with our Third-Party Code of Conduct.
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This comprehensive approach ensures that Lupin fosters a respectful, inclusive, and legally compliant work environment, while also extending ethical labor standards throughout its value chain.

### Labor Practices Programs (3.1.2)

Fairness at Lupin is a practice woven into how we support, protect, and empower our people every day. We know that when individuals feel respected, secure, and valued, they show up with greater commitment, not just to their roles, but to the purpose we all share. Lupin's labor practices are designed to uphold the dignity, well-being, and long-term resilience of its workforce. The company integrates ethical employment standards across its operations, contractors, and partners, with a focus on both compliance and proactive employee support.

#### (1) Wages Aligned to Cost of Living

Lupin ensures fair and adequate compensation through structured wage policies aligned with local laws and cost-of-living benchmarks. We regularly review our compensation frameworks to reflect inflationary trends and regional living costs. To ensure fairness, we reference region-wise living wage estimates localized from valid sources such as Wage Indicator, Fair Wage Network, and IDH Salary Matrix, alongside other relevant studies. Our internal and external benchmarking processes in FY25, supported by market surveys and third-party compensation studies, are further strengthened by governance mechanisms to maintain wage equity across roles and geographies. These programs are part of our broader commitment to employee well-being and to ensuring that all employees globally receive a salary that is competitive. Lupin is a signatory of UN Global Compact, which encourages companies to promote and provide a living wage as an essential aspect of decent work, to ensure that all workers, families and communities can live in dignity. Wage structures are regularly reviewed against industry standards and regional living wage estimates.

#### (2) Monitoring Working Hours and Overtime

Lupin ensures that all working hours across its operations are in full compliance with applicable local labor laws, including the Factories Act, 1948 and relevant State Shops and Establishments Acts in every region.

To safeguard the wellbeing of our employees and contract workers, we've instituted clear limits on working hours and we actively monitor overtime, ensuring transparency in overtime practices and compensation for our employees for all additional work/overtime. Digital systems are in place to track working hours of every worker and employee.

Lupin's HR systems monitor daily and weekly working hours to ensure compliance and prevent overwork. We continuously train **HR and line managers** on overtime regulations and ethical scheduling practices.

Lupin's approach to working hours and overtime reflects its commitment to employee well-being, legal compliance, and ethical labor practices. Through robust systems, transparent policies, and continuous improvement, Lupin ensures that its workforce is protected from excessive working time and fairly compensated for additional efforts.

### (3) Fair Compensation for Overtime

We adhere to statutory norms regarding working hours and overtime. The company monitors employee schedules and ensures that any additional work / overtime is both documented and remunerated fairly to ensure compliance with labor laws & our internal policy. We avoid excessive working hours, and this is part of our broader commitment to human rights and workplace safety.

### (4) Engagement with Worker Representatives

Regular dialogue with workers' representatives on working conditions at our manufacturing plants allows us to identify concerns early and respond with agility, strengthening mutual trust. Lupin maintains regular dialogue with workers' representatives and unions, fostering a collaborative approach to improving working conditions. These engagements include structured feedback sessions, grievance redressal mechanisms, and joint reviews of workplace policies, systems and processes. The outcomes of the engagement are converted into actions and implemented as applicable.

### (5) Closing the Gender Pay Gap

We also routinely benchmark salaries against industry standards to close the gender pay gap, ensuring equity across the board. We ensure compensation is fair, consistent, and free from bias, regardless of gender or background. To promote equal remuneration, in FY 25 Lupin routinely analyzed pay data across roles and genders. Disparities are addressed through corrective actions, transparent salary bands, and inclusive hiring and promotion practices.

### (6) Extending Social Protection

We extend social protections (life Insurance, health insurance, accident insurance, paid parental leave including both maternity & paternity leave, day-care facilities, sick leave) to our workers, supplementing public programs with company-backed safeguards.

### (7) Promoting Paid Leave and Rest

Every Lupinytt (which includes our workers) receives paid annual leaves and support to take their entitled time off. We believe that rest is a basic right. Systems are in place to support leave planning and promote a culture of respect for personal time. In FY25 we have undertaken, integrating leave tracking and nudges into HR systems to encourage timely use of annual leave. In addition, managers are trained to proactively support leave planning and prevent burnout.

### (8) Reskilling Through Transitions and Training

We uphold dignity during transitions by ensuring reasonable notice periods during transitions and offering reskilling opportunities to adapt to industry shifts and climate transition changes, while

mitigating their negative effects. Recognizing the impact of industrial and climate transitions, Lupin invested in reskilling and upskilling programs to future-proof our workforce around the year. These include: Digital literacy and automation training, Sustainability, ESG, Climate awareness modules and transition support for roles affected by decarbonization or process shifts. This ensures employees remain employable and adaptable in a changing business landscape.

We at Lupin take pride in fostering a culture of fairness- the foundation of a workplace where people feel safe to grow, supported to succeed, and empowered to make a difference. Lupin's labor practices program reflects a holistic and human-centered approach to employment. By combining fair compensation, inclusive policies, proactive engagement, and future-readiness, Lupin ensures that its workforce is supported, respected, and empowered to thrive.

### Discrimination & Harassment (3.1.3)

Policy Aspects	Remarks
<p>Explicit statement prohibiting harassment:</p> <ul style="list-style-type: none"> <li>• Sexual harassment</li> <li>• Non-sexual harassment</li> </ul>	<p>We provide equal employment opportunities and respect the personal dignity of every individual regardless of race, age, ancestry, gender, color, ethnic origin, citizenship, sexual orientation, gender identity, marital status, family status, disability, religion, handicap, or any other classification protected by applicable laws. These principles extend to all employment decisions, including recruitment, training, evaluation, promotion, rewards or any other terms and conditions of work.</p> <p>As covered in our Human Rights Policy and Code of Conduct, Lupin is committed to providing a work environment free from <b>all forms of harassment or any other disrespectful conduct</b>, whether committed by fellow employees, by a supervisor or manager, or by someone not directly connected to Lupin (e.g., an outside vendor, consultant, or customer). Harassment can come in many forms, including physical actions, verbal or written remarks or visual depictions. Sexual harassment, as a subset of harassments, includes any unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.</p> <p>Harassment is unacceptable at Lupin whether it is at the workplace or in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events. We have institutionalized POSH (Prevention of Sexual Harassment at the Workplace) policy and have formulated an Internal Complaint Committee to address such incidents as and when reported.</p>
Zero tolerance policy for discrimination	We maintain a <b>zero-tolerance policy</b> towards all types of discrimination, including sexual discrimination.

<p>Training for all employees on discrimination or harassment in the workplace</p>	<p>Employees are <b>regularly sensitized</b> about matters pertaining to discrimination, harassment and prevention of sexual harassment at the workplace. During FY 2024-25, we conducted a <b>dedicated workshop focused on cross-location audits</b>, preparing our internal teams to proactively identify and mitigate risks. In parallel, all Lupin employees completed <b>refresher training</b> on Lupin's Human Rights Policy and the Code of Conduct that describes our zero-tolerance stance on discrimination and harassment.</p>
<p>Defined escalation process for reporting incidents specific to discrimination and/or harassment</p>	<p>Our Code of Business Conduct &amp; Ethics, Whistleblower Policy, Human Rights Policy and Prevention of Workplace Harassment Policy, empower employees to report unethical practices, sets-up <b>specified mechanisms</b> to deal with workplace harassments and facilitate their swift redressal.</p> <p>Employees are encouraged to reach out to their immediate supervisor, Head of Department or Human Resource Department. Additionally, our employees can raise their concerns with the Office of Ombudsperson about potential issues concerning unethical behavior, discriminating or gender-biased misconduct and violation of Company's policies or CODE at <a href="mailto:ombudsperson@lupin.com">ombudsperson@lupin.com</a>. To create a transparent process and maintain anonymity, Lupin also has a 24/7 independent third party service that routes inquiries and concerns to the Compliance and Ethics Office. They can be reached through: <a href="https://lupinglobal.ethicspoint.com">Lupinglobal.ethicspoint.com</a> (India &amp; APAC) and <a href="https://lupin.ethicspoint.com">Lupin.ethicspoint.com</a> (Americas &amp; EMEA).</p>
<p>Corrective or disciplinary action taken in case of discriminatory behavior or harassment</p>	<p>Lupin maintains a zero-tolerance policy towards any form of discriminatory behavior or harassment in the workplace. The company has established clear protocols and governance mechanisms to ensure prompt and fair resolution of such incidents.</p> <p>We maintain a zero-tolerance approach to discrimination, harassment, or any conduct that undermines individual dignity. Corrective or disciplinary action will be taken in instances of such behavior, in accordance with established systems and processes outlined in our Human Rights Policy. These mechanisms ensure that all concerns are addressed fairly, confidentially, and with due process.</p> <p><b>Key Measures Include:</b></p> <ul style="list-style-type: none"> <li>• <b>Policy Framework:</b> Lupin's Code of Conduct and Prevention of Sexual Harassment (POSH) policy outline unacceptable behaviors and the disciplinary consequences for violations.</li> <li>• <b>Reporting Mechanisms:</b> Employees can report incidents through multiple confidential channels, including internal committees and third-party helplines.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Investigation &amp; Resolution:</b> All reported cases are investigated by designated committees, including the Internal Complaints Committee (ICC), in accordance with legal and ethical standards.</li> <li>• <b>Corrective Actions:</b> Depending on the severity of the violation, actions may include formal warnings, mandatory training, suspension, or termination of employment.</li> <li>• <b>Awareness &amp; Training:</b> Regular sensitization programs are conducted to promote a respectful and inclusive workplace culture.</li> </ul>
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We actively track and report on workforce diversity and inclusion across levels and roles. The following tables (3.1.4, 3.1.5 and 3.1.6) reflect our current gender representation, the public commitments we've made to improve it, and how we monitor both nationality diversity and gender pay equity across the organization.

#### Workforce Breakdown: Gender (3.1.4)

Diversity Indicator	Percentage (%)
Share of women in total workforce (as % of total workforce)	9
Target for share of women in total workforce	15% by 2030
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6.8
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	6.7
Target for share of women in junior management positions	10% by 2030
Share of women in top management positions (as % of total top management positions)	11.5
Target for share of women in top management positions	15% by 2030
Share of women in management positions in revenue-generating functions (as % of all such managers)	3.6
Share of women in STEM-related positions (as % of total STEM positions)	22.6

#### Workforce Breakdown: Nationality (3.1.5)

Less than 20% of our workforce is based in the US. As we are neither able nor allowed to report on ethnic and racial minorities, we therefore provide a breakdown based on nationality. The nationalities representing the highest percentage of our workforce are provided on the table below.

Nationality/ Geography	Share in total workforce (as a % of total workforce)	Share in all management positions, including junior, middle and senior management (as a % of total management workforce)
Indian	91.097	94.884
Brazilian	1.693	0.220
American	1.247	0.665
Filipino	1.243	0.293
Mexican	1.232	0.775
South African	0.751	0.734
German	0.324	0.408
Dutch	0.130	0.064
Canadian	0.122	0.050

### Gender Pay Indicators (3.1.6)

Employee level	Average Women Salary (INR)	Average Men Salary (INR)
Executive level (base salary only)	6,256,238	9,492,307
Executive level (base salary + other cash incentives)	8,818,565	12,620,880
Management level (base salary only)	2,035,664	2,225,542
Management level (base salary + other cash incentives)	2,334,582	2,504,799
Non-management level (base salary only)	571,574	688,142

*The data has been third party verified and assured by DNV Business Assurance India Pvt Limited.*

Indicator	Difference between men and women employees (%)
Mean gender pay gap	-4.86
Median gender pay gap	5.90
Mean bonus gap	-14.83
Median bonus gap	-15.08

### Freedom of Association (3.1.7)

We respect our employees' right to freedom of association and collective bargaining, and the table below reflects the share of our workforce represented through unions.

	FY 2024-25
% of workers represented by an independent trade union or covered by collective bargaining agreements	56%

*The data has been third party assured (DNV Business Assurance India Pvt Limited)*

# Human Rights

## Human Rights Due Diligence Process (3.2.2)

We carry out regular human rights due diligence in line with our Company's Human Rights Policy, with a commitment to uphold these principles across both our own operations and our value chain. Furthermore, all our business partners, including joint ventures, are expected to meet these same high standards through contractual obligations and ongoing engagement.

### (1) Risk identification in our own operation

Risk identification within our own operations is managed by our HR Head, supported by site and functional teams, who develop and implement mitigation plans. We have institutionalized Human Rights management processes through Site-level Human Rights Core Committees — cross-functional and inclusive forums led by site heads and comprising representatives from management, junior staff, women employees, and contractors.

### (2) Systematic periodic review of the risk mapping of potential issues

*"Protection of Human Rights"* is a formally recognized ESG risk in our corporate risk register, with designated risk owners accountable for its management. Supported by site and functional teams, these owners ensure the development and implementation of consistent mitigation plans. We conduct a systematic and periodic review of the risk mapping of potential human rights issues through internal audits every fiscal year. This is supplemented by independent third-party audits that are conducted every year. Insights from these reviews inform ongoing refinements to our risk treatment strategies, ensuring responsiveness and alignment with our human rights commitments.

### (3) Risk identification in our value chain or other activities related to our business

Risk identification in our value chain, especially with key suppliers, is addressed through our supplier ESG Program, which monitors their performance against social criteria, including specific human rights standards.

### (4) Risk identification in new business relations (mergers, acquisitions, joint ventures, etc.)

When establishing new business relationships, including mergers, acquisitions, and joint ventures, we prioritize risk identification to ensure alignment with our Human rights policy and commitments. All new agreements and associations undergo an extensive due diligence process which covers checks against human rights violations. All our business agreements and contracts include a standard provision to ensure compliance with relevant laws and policies that cover human rights requirements.

### (5) Actual or potential human rights issues covered

This year, we renewed our human rights certifications and achieved Platinum Rating. Independent third-party auditors conducted audits at all our 17 locations (including two Lupin subsidiaries). The human rights issues included for evaluation encompassed the following:

- Leadership
- Discrimination
- Diversity and Inclusion
- Forced Labour

- Human Trafficking
- Child Labour
- Freedom of Association & Right to Collective Bargaining
- Fair Wages, Equal Remuneration and Benefits
- Anti-Harassment
- Environment
- Health & Safety
- Community Engagement
- Reporting Concerns
- Non-Retaliation

#### (6) Groups at risk of human rights issues covered

In our human rights risk identification process, we have considered the specific risks faced by vulnerable groups including - Group of employees including third-party contract employees, migrant workers, all employees including on roll employees, supervisors, managers, women, interns, apprentices & the extended workforce if any in facility management, security, process and other areas recognizing them as key stakeholders in our due diligence approach.

#### Human Rights Assessment (3.2.3)

We conduct human rights assessments across all our sites and proactively evaluate our contractors and joint ventures to identify and manage potential risks. As part of our commitment, we have set a target to complete these assessments annually. The following table outlines our coverage over the past three years.

Category	% of total assessed in last three years	% of total assessed where risks have been identified	% of risk with mitigation actions taken
Own operations (as a % of sites)	100	0	0
Contractors and Tier I suppliers (as a % of contractors or Tier I Suppliers)	100	0	0
Joint ventures	100	0	0

#### Human Rights Mitigation and Remediation (3.2.4)

Category	Remarks
Processes implemented to mitigate human rights risks	We have institutionalized Human Rights management processes through <b>Site-level Human Rights Core Committees</b> — cross-functional, inclusive forums led by site heads, and comprising representatives from management, junior staff, women employees, and contractors. These committees collaborate to ensure our human rights policy isn't just documented — it's actively implemented, monitored, and lived. They <b>track performance indicators, investigate grievances, and enable early interventions wherever needed</b> , reinforcing our zero-tolerance stance toward any form of workplace injustice.



The number of sites with mitigation plans	<p>Following independent third-party audits across all our operations last year, we renewed our certifications in the current year and achieved Platinum Rating. Independent third-party auditors conducted audits at all 17 locations (including two Lupin subsidiaries) and these certifications cover both Lupin employees and contractual workers.</p> <p>Although the company has neither caused nor contributed to any adverse effect related to any of the human rights topics/human rights violations during the reporting year, we have a few special projects ongoing <b>at all sites</b>.</p>
The type of remediation actions taken	<p>We conducted independent third-party audits across all our operations this year, covering contractors and JVs. These comprehensive assessments found no violations or adverse findings, and all sites achieved the highest possible Platinum Rating. This strong outcome is a testament to the effectiveness of our governance systems and the integrity of our day-to-day practices, and accordingly, no remediation actions were warranted during the reporting period.</p> <p>While no remediation was required this year, we have robust systems in place to act swiftly if needed. We maintain a zero-tolerance policy against retaliation, supported by clear protocols to ensure that all concerns are investigated promptly, fairly, and confidentially. Where risks are identified, we implement targeted corrective and preventive actions to strengthen our human rights safeguards.</p>

## Human Capital Management

Our human capital strategy is anchored around three core pillars: capability-building through strategic learning, culture-building through inclusive leadership, and care-building through holistic well-being. This integrated approach enables us to build future-ready teams.

### Training and Development Inputs (3.3.1)

To stay competitive and close skills gaps, we invest thoughtfully in learning and development, focusing not just on capability-building, but also on fostering retention, internal mobility, and employee engagement. The tables below reflect our average time and investment in L&D, along with learning hours across employee levels and the key themes covered.

	FY 2024-25
Average hours per FTE of training and development	52.22
Average amount spent per FTE on training and development (in INR)	12,050

GLOBAL TRAINING DATA BREAKDOWN (MANAGEMENT LEVEL & GENDER WISE) FY 2024-25			
Category	Unit	Male	Female
Top Management	Total hours of training	236	128
Senior Management	Total hours of training	24716	3267
Middle management	Total hours of training	158631	8928
Junior management	Total hours of training	964994	76563
Other permanent employees	Total hours of training	6814	9179

*All the above indicators are third party assured (DNV Business Assurance India Pvt Limited)*

TOPIC-WISE TRAINING FY 2024-25			
Category	Unit	Global	India
Technical	Total hours of training	926462	910062
Non-Technical	Total hours of training	135634	133973
POSH	Total hours of training	19265	18880
Code of Conduct	Total hours of training	17254	14769
Skill-upgradation	Total hours of training	162034	148901
Others	Total hours of training	307	-

MANDATORY TRAINING IN FY 2024-25			
Category	Unit	Global	India
POSH	% of Participants who have completed the training	NA	100%
Code of Conduct	% of Participants who have completed the training	100%	100%

### Employee Development Programs (3.3.2)

We are passionate about creating truly engaging learning experiences that foster meaningful development for our employees. **E-learning** is a core component of our strategy, and we utilize **external platforms** and our **in-house Learning Management System (LMS)** to deliver compliance training, behavioral and leadership development programs. We also offer a plethora of opportunities for **cultural education, digital transition and leadership development, both internal and external**. These include **coaching and mentorship programs**, and opportunities to connect and learn through **employee resource groups and professional networks**.

For instance, “EMERGE: Empowering Women's Leadership” is a program that nurtures leadership skills in female employees, focusing on empowerment, communication, and collaboration, preparing them for advancement. Delivered by the **Lupin Women's Network**, this program has already reached more than 80% of the employees.

**All our learning programs cover all our employees – be it contractual/part time/ our own workforce.**

Type of program offered for employee development	Remarks	Coverage (FTE/Contractual/Both)
Leadership development program	Our flagship leadership development program, L.A.M.P. (Lead: Accelerate: Motivate: Perform), cultivates essential leadership competencies through a blended learning journey. ENHANCE equips senior manufacturing leaders with critical business, leadership, and technical capabilities through a hybrid learning experience.	Both
Cultural education	Given that we have a global multi-national workforce, we consistently foster a culture of belonging and ally-ship through periodic awareness campaigns, webinars, and events celebrating days of international significance. These cultural sensitization programs are organized for the workforce and contractual staff.	Both
Transition program for retiring and terminated employees	Our retirement transition program is thoughtfully designed to support employees with personalized guidance, financial confidence, and emotional recognition. We begin with one-on-one support on retirement payout options, helping employees navigate decisions with transparency and ease. Retirees continue to receive access to group health insurance benefits, including coverage for pre-existing conditions, ensuring continuity of care beyond active employment. Our HR Operations team and Business Partners are hands-on throughout the process, offering reassurance and resolving logistical queries. In the month before retirement, we organize engagement activities to celebrate the individual's legacy, culminating in the presentation of a commemorative silver plaque as a token of our gratitude — because long service deserves more than a farewell. It deserves a tribute. In instances of involuntary separation, we remain equally committed to compassion and fairness, offering severance in	Both

	accordance with policy and local regulations.	
Digital transition program	The IT department conducts various training programs for all staff and contract workers on cybersecurity and generative AI. These programs equip employees with the skills to effectively utilize new digital tools and processes, driving increased productivity.	Both

*More details on all the above programs can be found under “Learning & Development” in the Human Capital section of our Integrated Report FY25.*

	Program 1	Program 2
<b>Name &amp; Description of the program</b>	<p><b>The Lupin LAMP ((Lead: Accelerate: Motivate: Perform) Program</b></p> <p>Developed in collaboration with the Indian Institute of Management Nagpur, our six-month program blends academic excellence with practical application through campus modules, virtual masterclasses, live organizational projects, and immersive experiences.</p>	<p><b>ENHANCE – Building the Next Level of Site Heads</b></p> <p>ENHANCE equips senior manufacturing leaders with critical business, leadership, and technical capabilities through a hybrid learning experience. Delivered in partnership with IIM Lucknow, this 18-month hybrid program blends the best of classroom learning with immersive campus sessions and online modules.</p>
<b>Business benefits of the program</b>	<p>Participants undertake action-learning projects focused on real business challenges, with reviews by Lupin's Executive Leadership Committee to ensure strategic alignment.</p> <p>Participants completed 18 Action Learning Projects (ALPs) focused on high-impact business challenges, providing valuable, tangible returns for Lupin. With 180 senior leaders graduating across four batches and a Net Promoter Score of 76%, L.A.M.P. has proven to be a high-impact investment in leadership development.</p>	<p>Participants apply their learning through hands-on projects implemented directly on the shop floor, bridging the gap between theory and practice.</p> <p>Regular management reviews provide valuable feedback, mentorship from senior leadership, and opportunities for deep reflection on their leadership journey. This integrated approach ensures that the program delivers tangible business impact while cultivating a strong pipeline of future-ready manufacturing leaders.</p>
<b>Quantitative impact of business benefits</b>	The impact of business benefits includes a 36% reduction in back orders, procurement cost savings of USD 706,000 and a five-fold increase	The program has proven highly effective, with 42% of participants receiving promotions or increased

	in patient and doctor outreach while reinforcing participant learning. It has also demonstrably improved cross-functional collaboration, fostered a culture of continuous learning and peer collaboration, and strengthened team bonds, building a sustainable leadership ecosystem.	responsibilities within 18 months of program completion.
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The following tables (3.3.3, 3.3.4 and 3.3.5) highlight our Human Capital ROI, hiring patterns, and turnover trends over the past four years. Together, these indicators offer a meaningful view of how we're investing in our people, attracting talent, and sustaining a stable, engaged workforce.

### Human Capital Return on Investment (3.3.3)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Revenue (INR)	165471700000	167150200000	201309900000	229037200000
Total Operating Expense (INR)	161182600000	148435400000	177087000000	174303000000
Total Employee-related expenses (salaries + benefits) (INR)	29893000000	30871500000	34946000000	39642000000
Resulting HC ROI	1.14	1.60	1.69	2.38
<b>Total Employees</b>	19789	20933	22645	26210

### Hiring (3.3.4)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total number of new employee hires	4625	4099	5192	3884
Percentage of open positions filled by internal candidates (internal hires)	19.2%	39%	55.79%	12.47%
Average hiring cost/FTE (in INR)	14400	56531	15970	204370

NEW EMPLOYEE HIRES DATA BREAKDOWN (MANAGEMENT, GENDER AND AGE-WISE)				
Category	Breakdown	Unit	Global FY 25	India FY 25
Top management	Male	No.	7	0
	Female	No.	3	0
	<30	No.	0	0
	30-50	No.	2	0
	>50	No.	2	0
Senior management	Male	No.	28	14
	Female	No.	6	1
	<30	No.	3	3
	30-50	No.	10	7
	>50	No.	10	5
Middle management	Male	No.	985	955
	Female	No.	95	71
	<30	No.	622	622
	30-50	No.	433	395
	>50	No.	17	9
Junior management	Male	No.	2200	2169
	Female	No.	193	144
	<30	No.	1832	1814
	30-50	No.	534	488
	>50	No.	26	11
Other permanent employees	Male	No.	131	0
	Female	No.	133	0
	<30	No.	86	0
	30-50	No.	77	0
	>50	No.	8	0
Permanent workers	Male	No.	40	3
	Female	No.	63	0
	<30	No.	22	0
	30-50	No.	76	3
	>50	No.	5	0

Note: Age-wise hiring data is not reported for the USA due to local legal restrictions. As a result, gender-wise and age-wise hiring totals will not align.

*The hiring data has been third party assured (DNV Business Assurance India Pvt Limited)*

### Employee Turnover Rate (3.3.5)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total employee turnover rate	17.4	24.6	18.4	17.19
Voluntary employee turnover rate	17.4	24.6	17.8	17.19
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%

EMPLOYEE TURNOVER DATA BREAKDOWN (MANAGEMENT, GENDER AND AGE-WISE)				
Category	Breakdown	Unit	Global FY 25	India FY 25
Top management	Male	No.	3	0
	Female	No.	0	0
	<30	No.	0	0
	30-50	No.	3	0
	>50	No.	0	0
Senior management	Male	No.	43	29
	Female	No.	8	3
	<30	No.	0	0
	30-50	No.	24	14
	>50	No.	25	18
Middle management	Male	No.	502	485
	Female	No.	68	50
	<30	No.	48	48
	30-50	No.	484	460
	>50	No.	37	27
Junior management	Male	No.	2642	2627
	Female	No.	200	164
	<30	No.	1849	1840
	30-50	No.	963	934
	>50	No.	30	17
Other permanent employees	Male	No.	111	0
	Female	No.	118	0
	<30	No.	81	0
	30-50	No.	100	0
	>50	No.	12	0
Permanent workers	Male	No.	99	62
	Female	No.	70	2
	<30	No.	47	14
	30-50	No.	76	13
	>50	No.	47	37
Total		No.	3864	3422

*Note: Age-wise turnover data is not reported for the USA due to local legal restrictions. As a result, gender-wise and age-wise turnover totals will not align.*

*The turnover data has been third party assured (DNV Business Assurance India Pvt Limited)*

### Long-Term Incentives for Employees (3.3.6)

Our long-term incentive programs are built to recognize sustained contributions and strengthen long-term ownership among employees.

<p>a) The type of long-term incentive program</p> <p>b) The type of employees below the senior management level the program applies to</p>	<p>Company's long-term incentives for employees below the senior management level are on average paid out after</p>	<p>Percentage of company's workforce below senior management level (max. two levels from the CEO) that this program applies to</p>	<p>Do the long-term incentives include targets associated with sustainability performance?</p>
<p><b>Employees Stock Options Plans (“ESOPs”)/ SESOP (Lupin Subsidiary Companies Employees Stock Option Plan):</b> The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in Other Equity recognized in connection with share-based payment transaction is presented as a separate component in equity under “Employee Stock Options Outstanding Reserve”. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.</p>	<p>Longer than 3 years</p>	<p>95%</p>	<p>Yes, long-term incentives for employees are directly tied to the performance on sustainability goals.</p> <p>These include organization-wide targets like reaching reduce scope 1, 2, 3 emissions by 2030 &amp; 2034, 15% women in workplace in India operations by 2030, 50% water recycling by 2030, 35% renewable energy by 2030 and supporting 3,00,000 patients through assistance programs by 2030.</p>



### Employee Support Programs (3.3.7)

We take a holistic approach to the well-being of our workforce, recognizing that health, balance, and a supportive work environment are essential for people to do their best work. Our programs are designed to meet diverse needs across roles, regions, and life situations.

<b>Workplace stress management</b>	Launched in 2024, Well-being 360 supports our employees' physical and emotional well-being through medical checkups, health talks, workplace stress management, yoga, zumba, fitness classes, and sports tournaments. Program activities are tracked via a digital dashboard and are overseen by a governance committee. For our U.S. staff, we conducted workshops supporting their holistic well-being. Workshops covered issues like mental health (such as coping with anxiety and recognizing burnout), healthy lifestyles, and financial wellness.
<b>Sport &amp; health initiatives</b>	We promote fitness and community engagement through regular sports events. This includes cricket and football tournaments (for both men and women) and monthly or annual Pharmathon events across our sites. This year, our Sikkim location (and Lupin Women's Network) hosted an inter-company women's football tournament, bringing together teams from other leading pharmaceutical players. We also supported and participated in the 20th Tata Mumbai Marathon. We were proud to sponsor and participate in Pharmathon 2.0, organized by the Indian Pharmaceutical Association in Pune.
<b>Work Conditions</b>	We offer flexible work arrangements such as hybrid, on-site, and work-from home options, based on roles and business needs, to help employees balance their work and personal lives.
<b>Family Benefits</b>	We are committed to support our employees during child-birth phase. In India, primary caregivers receive 26 weeks (about 6 months) of paid leave, while non-primary caregivers receive one week. Similar benefits in other regions might vary, in adherence with local laws. For example, recent legislative changes in Switzerland extended co-parent rights to eligible same-sex couples, provisioning a 10-day paid leave for the mother's wife. We also offer daycare facilities for the children of our employees. In our U.S. offices, we have designated "Mothers' Rooms" (breast-feeding/lactation rooms) providing a private and comfortable space for feeding mothers.

### Type of Performance Appraisal (3.3.8)

Performance management at Lupin is a structured, year-round process that helps employees set clear goals, track progress, and build capabilities, ensuring their growth stays in step with the company's evolving priorities.

	Remarks
Management by objectives	We follow a collaborative, transparent approach toward performance management. We involve employees in setting objectives (MBO) and development plans. Performance conversations track employee progress against key targets, allowing timely support.
Multidimensional performance appraisal	Our performance conversations, facilitated by managers, encourage open dialogue as well as discussion around the eight Lupin leadership competencies. This ensures multi-dimensional feedback, reflecting the evolving needs of a modern workplace.
Team-based performance appraisal	For our employees, performance assessment also incorporates a shared accountability component. Teams are given responsibility for achievement of

	relevant corporate ESG goals, establishing a team-based appraisal system across different functions.
Agile conversations	Continuous feedback is facilitated through our SuccessFactors platform, supplementing annual reviews and self-appraisals. This year, we have further digitized this process. Performance conversation documents that track progress in Key Result Areas enable us to identify development needs and provide timely support. For our mid- to senior-level employees, we have integrated development objectives, linking performance management with talent development. This creates a more agile and holistic system, supporting continuous growth and improvement.
Performance Appraisal Frequency	Performance evaluation at Lupin is an ongoing process, designed to provide regular touchpoints that support individual growth, align efforts with evolving goals, and ensure timely recognition and development throughout the year.

### Trend of Employee Wellbeing (3.3.9)

Once every two years, we conduct the McKinsey Organizational Health Index (OHI) survey to assess critical markers of employee experience, such as job satisfaction, sense of purpose, overall happiness, and stress levels. In our most recent OHI cycle, we achieved a remarkable 85% global participation rate — with scores reflecting strong engagement: 80% satisfaction globally and an even stronger 89% satisfaction across our India operations.

Core focus	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Target for FY2024-25
Employee engagement (% of employees with top level of engagement, satisfaction)	NA	NA	80	80	80
Data coverage (% of FTEs)	NA	NA	85	85	

Aspects addressed in the company's employee surveys	Remarks
Job satisfaction	The McKinsey Organizational Health Index (OHI) employee survey that we conduct at Lupin assesses critical markers of employee experience, such as job satisfaction, sense of purpose, overall happiness, and stress levels at work.
Purpose	
Happiness	
Stress	

## Occupational Health and Safety

### OHS Programs (3.4.2)

We conduct comprehensive risk and hazard assessments to proactively identify potential sources of harm in the workplace. Based on these assessments, we prioritize and implement targeted action plans with clearly quantified objectives to mitigate identified risks. Our emergency preparedness framework is robust, integrating specific actions to ensure swift and effective responses to unforeseen situations. We continuously evaluate our progress in reducing and preventing health-related issues by benchmarking outcomes against predefined targets.

Regular internal inspections and structured procedures for investigating work-related injuries, illnesses, and incidents further reinforce our commitment to a safe work environment. To foster a culture of safety, we provide ongoing OHS training to employees and relevant stakeholders, enhancing awareness and minimizing operational health and safety incidents. Additionally, we have embedded the OHS criteria into our procurement and contractual processes, ensuring that our safety standards and EHS Policy commitments are upheld across our value chain. We ensure compliance with all laws and regulations, adopting high safety standards across all our operations and value chain.

#### Well-Defined OHS Management

We have implemented a holistic OHS management system that clearly defines the roles and responsibilities of each EHS employee, ensuring successful integration of safety practices and active worker involvement in preventive measures.

#### Proactive Risk Mitigation

We employ comprehensive hazard identification and risk assessment practices to implement effective control measures. This includes HAZOP assessments, risk evaluations for formulation units, and job safety analyses. Regular mock drills are conducted to ensure our response effectiveness, prioritizing rapid access to medical services and antidotes.

#### Continuous Improvement and Oversight

Monthly reviews of Environmental, Health, and Safety (EHS) performance are conducted at both site and corporate levels to identify challenges and implement improvements. Our dedicated EHS units help integrate safety management with performance appraisals, setting clear safety targets. Rigorous internal and external audits of our EHS policies & practices, aligned to ISO 45001 standard, provide key oversight to maintain high performance levels. All our manufacturing units are ISO 45001 certified with independent external verification of health, safety and well-being.

Internal Health & Safety audits (No)	13 Audits
External/Third party Health & Audits (ISO 45001) (No)	12 Audits

#### Reporting and Incident Response

We encourage employees to report hazards and incidents through our well-established Incident Management System. Our well-qualified and specialized safety team performs root-cause analyses and implements preventive actions to prevent recurrences.

## Occupational Health and Safety Trainings

Effective safety and health practices stem from a well-trained and informed workforce. To that end, we conduct safety and health training across all Lupin manufacturing sites, utilizing a diverse array of training modes.

**Classroom Training:** Interactive sessions delivered by subject matter experts.

**On the Job Training:** Hands-on, practical training sessions conducted at the workplace, ensuring direct application of safety procedures.

**Toolbox Talks:** Brief, focused discussions on specific safety topics, refreshing best practices and raising awareness.

**Digital Learning:** Leverage the L2LMS/SABA training platform to provide accessible and engaging online safety training modules. Some examples of safety training programs are: material safety data sheet, laboratory safety, chemical safety, near-miss reporting, process safety, and basic firefighting.

A few examples of health training topics are: first-aid training, health and hygiene, prevention of eye injury, and awareness on hypertension and diabetes.

### Safety Performance (3.4.3, 3.4.4, 3.4.5)

Safety Incident/Number	Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of work-related fatalities	Employees	0	0	0	0
	Workers	0	0	0	1
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.26	0.05	0	0
	Workers	0.16	0.09	0.12	0.085

*All the above indicators are third party assured (DNV Business Assurance India Pvt Limited)*

## Contribution to Societal Healthcare

### Access to Healthcare Programs- Products and Drugs (3.5.1)

Access to healthcare is a core focus of our responsibility as a global healthcare leader. With our reach across diverse geographies, we are uniquely positioned to make a meaningful difference in people's lives by enabling access to quality, affordable care. Our programs reflect this purpose—driven by patient trust, community impact, and a commitment to equity in health.

#### (1) Reporting on targets associated with access to healthcare products and drugs

- Patient Assistance Programs: Benefitting 3,00,000 patients by 2030
- Education & Awareness Programs: Target to reach 3 million patients and 50,000 Health Care Professionals (HCP)/Doctors by 2030
- Diagnosis: By 2030, assist in diagnosis of lung disease of greater than 2 million patients and target the diagnosis of breast cancer in 5000 women

- Rehabilitation: Neuro Rehabilitation Centre targeting an outreach to 1,00,000 sessions by 2030
- Full Care: Lyfe provides post-acute coronary syndrome (ACS) & Heart failure patient care, aiming to reach 1,00,000 patients by 2030

## **(2) Reporting on progress of targets associated with access to healthcare products and drugs**

Our progress in the reporting year of FY 2024-25

- a) Patient Assistance Programs
  - JAI: 31,300 patients
  - Humrahi: 72,277 patients
  - Total patients reached: 1,03,577
- b) Education & Awareness Programs
  - Patients reached: 14,91,740
  - HCPs/Doctors reached: 38,974
- c) Diagnosis
  - Spirometry: 8,71,098
  - FENO: 40,510
  - FOT: 78,691
  - Total lung diseases cases diagnosed: 9,90,229
  - Total breast cancer cases diagnosed: 2,432
- d) Rehabilitation
  - Total sessions: 39,811
- e) Full Care
  - Total patients reached: 3,749

## **(3) Initiatives on improving access to medicine for vulnerable populations or Least Developed Countries (LDCs)**

We are committed to expanding access to essential medicines, for vulnerable populations in low- and middle-income countries. Our mission is to deliver safe, effective, and high-quality medicines and health solutions that improve global health outcomes.

### **(3.1) Access-Centric Models for High-Burden Diseases**

We have pioneered access-oriented models across both regulated and non-regulated markets. Our efforts are especially focused on combating tuberculosis, cardiovascular diseases, and diabetes through medication, diagnostics and holistic care solutions. We are also investing in digital transformation to bridge gaps in healthcare accessibility.

### **(3.2) Ensuring Affordability Through IP and Pricing Commitments**

We are firmly committed to refraining from patenting or enforcing intellectual property rights on diseases covered by ATMI-2021 in **Least Developed Countries (LDC), Low Income Countries (LIC), and Lower-Middle-Income Countries (LMIC)**. This policy ensures that medications remain affordable and accessible for those who need them. Recently, we reduced global prices of two life-saving TB drugs — Bedaquiline by 33% and Pretomanid by 25% — to enhance their accessibility in low- and middle-income markets. Our commitment to global health is further underscored by the

inclusion of our anti-tuberculosis (TB), antiretroviral (ARV), and women's health therapies on the WHO List of Prequalified Medicinal Products.

### (3.3) Supplying Essential Medicines Through Global Health Partnerships

We are among the leading suppliers of anti-TB medicines to key international agencies, including the Global Drug Facility, UNDP, UNOPS, PAHO, MSF, and others. We also provide ARV medicines to international health programs supported by the Global Fund and PEPFAR. Through Lupin Access Business, we have secured approximately 140 registrations in low- and middle-income countries across Africa and Asia, including 25 high burden countries. Lupin's medicines continue to remain humanity's bulwark against TB.

### (3.4) Improving Access Through Medical Capacity Building

During the year, we reached over 38000 HCPs and Doctors through training programs. We empowered doctors and other healthcare professionals in India with knowledge of cutting-edge medical advancements through targeted programs like awareness campaigns on dry and refractory cough, symposia on diabetes, and certification courses on heart failure. To enhance cardiac care and diabetes management expertise among medical professionals, we have partnered with leading organizations like the European Society of Cardiology and Joslin Diabetes.

## (4) Medical products or drug donations based on WHO Guidelines for drug donations

Through our Brazilian subsidiary, Medquímica, we have improved access to Cuprimine. It is a critical medicine for the treatment of Wilson's Disease, a rare genetic disorder that can cause severe liver and neurological damage if untreated. We have made multiple donations to Instituto Vidas, a Brazilian organization dedicated to supporting patients with rare diseases. We have facilitated timely access to this critical treatment, thereby enhancing survival rates and mitigating long-term complications for affected individuals. As the exclusive producer of this medicine in Brazil, we recognize our responsibility to ensure its availability for those requiring it. When there were floods in May 2024 in Rio Grande do Sul, we provided essential medicines to assist the affected community during this challenging period.

All donations we make fully comply with our **Company Donation Policy**, which adheres to the principles and practices of the **WHO Guidelines for drug donations**. Key principles we follow are:

- **Benefit to the recipient**  
We donate medicines based on need, working closely with organizations to understand exactly what they require and ensure medicines reach the right people.
- **Respect for local policies and regulations**  
We only donate to legitimate organizations that meet all legal and health standards. Through a thorough due diligence process, we check their credentials to ensure responsible distribution.
- **Quality assurance**  
We donate our own high-quality, safe-to-use medicines with adequate shelf life, in accordance with WHO guidelines. For medicines with a shorter shelf life (under 12 months), we clearly inform the recipient's technical expert, who confirms acceptance and ensures timely use.
- **Communication between donor and recipient and respect for their needs or demands.**

We use a clear, step-by-step process for donations, from the initial request to final delivery. This ensures everything is transparent and traceable, and that the recipient's needs are always respected.

## **(5) Product innovation to facilitate access**

In FY 2024-25, we became the first company globally to develop and receive WHO PQ approval for 150 mg dispersible Rifapentine tablet for TB prevention in children. We were the **first to file shorter-course Rifapentine-based fixed-dose combinations (3- and 4-drug FDCs) that cut treatment from six to four months**, dramatically simplifying pediatric TB care. This **addresses a critical access gap** faced by national TB programs in low- and middle-income countries.

## **(6) Providing patient assistance to access and reimbursement support**

We provide **financial assistance** to eligible commercially insured patients in the U.S. through **co-pay card programs**, significantly reducing their monthly out-of-pocket expenses. This program currently supports three of our medications: Doxycycline capsules, Tiotropium Bromide Inhalation Powder, and Lapatinib tablets. For patients with insurance, out-of-pocket costs can be as low as USD 0, while those without coverage may benefit from savings up to the program's maximum limit. In FY 2024-25, we **reimbursed over USD 524,000** across these three products, alleviating the financial burden for patients who depend on these treatments.

In the United States, we partnered with the Mark Cuban Cost Plus Drug Company and the COPD Foundation to make **medicines for Chronic Obstructive Pulmonary Disease (COPD) more affordable**. COPD is a serious lung condition that affects over 11 million adults nationwide. It often goes under-treated due to the high cost of medications. Through this collaboration, we are addressing the gap by ensuring that financial constraints do not impede access to care.

In the Philippines, we partnered with Mercury Drug Corporation, the largest pharmacy chain, to provide **free monthly medical consultations** at 200 of their branches. In collaboration with over 150 Primary Care Physicians (PCPs), this initiative offers complimentary check-ups alongside access to affordable, high-quality medicines. Since its launch in October 2024, this program has already supported over 15,800 patients, significantly improving healthcare access in underserved communities.

## **(7) Conducting research to develop new medicines for neglected diseases**

We are committed to advancing global health through research and innovation, including efforts that align with the **development of treatments for neglected diseases**. While our current portfolio addresses high-burden conditions such as tuberculosis, diabetes, and respiratory illnesses, these **areas often intersect with underserved populations affected by neglected diseases**. Our R&D infrastructure, global partnerships, and access-driven approach position us to contribute meaningfully to the discovery and development of new therapies that address unmet medical needs.

In 2025, we received tentative approval from the U.S. FDA under the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) for our Abacavir, Dolutegravir and Lamivudine Tablets. This enables us to improve the well-being of **pediatric patients with HIV-1** in low-and middle-income countries.

We continue to explore opportunities to expand our impact through **collaborations with global health organizations and research institutions focused on neglected disease areas**, reinforcing our commitment to equitable healthcare access worldwide.

We have developed and supplied high-quality, affordable medications that are essential to national and international TB control programs. TB shares many characteristics —such as high disease burden in low-income regions and historical underinvestment in research. By advancing TB research, manufacturing, and access initiatives, we are actively contributing to the global effort to reduce the impact of diseases that are often overlooked, reinforcing our mission to improve health outcomes for the most vulnerable communities.

Pediatric tuberculosis (TB) remains a neglected<sup>1</sup> disease, especially in resource-limited settings. Children living with TB are a vulnerable and overlooked group, often left without timely diagnosis or treatment, even though it is both preventable and curable. It is among the top 10 causes of death for children under five, yet more than half of the 1.25 million children and adolescents who fell ill with TB in 2022 were undiagnosed or unreported, with an even larger gap for multidrug-resistant TB.<sup>2</sup>

Recognizing this gap, we developed a new child-friendly formulation of rifapentine for the short-course 3HP TB prevention regimen. When combined with a pediatric isoniazid formulation, it creates a fully child-friendly regimen that is water-dispersible and raspberry-flavoured, making it easier for children to take and for caregivers to administer. Priced between US\$6.53 and US\$15.80 depending on a child’s weight, it is cheaper than existing pediatric TB preventive treatments and is now available to governments and global health procurers in over 135 countries. This is the first time low- and middle-income countries can access a pediatric TB formulation without paying a higher price per tablet, removing a major cost barrier to treatment.<sup>3</sup> This breakthrough was made possible through our work with the Unitaid-funded IMPAACT4TB Consortium, which is expanding access to rifapentine-based TB prevention worldwide.

This demonstrates that with the right partnerships and targeted efforts, it is possible to make medicines affordable and widely available for neglected populations. It also offers a model for research and innovation that can better address the needs of vulnerable groups affected by neglected diseases.

Source:

1. <https://www.who.int/news/item/21-03-2012-childhood-tuberculosis-neglected-despite-available-remedies>
2. <https://msfaccess.org/diagnosing-paediatric-tb-challenges-and-needs>
3. <https://www.kncvplus.com/articles/news/new-child-friendly-formulation-rifapentine-short-course-tuberculosis-prevention>

### Local Capacity Building (3.5.2)

The table below showcases select initiatives focused on patient education, healthcare provider training, and mobile healthcare delivery to rural communities. These programs reflect our ongoing efforts to build local healthcare capacity and improve access where it is most needed.

Type of Activity	Description of Local Capacity Improvement Initiatives	Duration of Initiative
Patient Education	For millions in India managing asthma, inconsistent inhaler use, and fragmented care often lead to preventable flare-ups and hospitalizations. Lupin’s Joint Airway Initiative (JAI) addresses this gap as the country’s first digital platform dedicated to asthma	Long-term



	<p>education. The platform provides guidance on correct inhalation techniques along with virtual services recommended by doctors, such as pulmonary physiotherapy, diet counselling, and yoga sessions to improve breathing capacity. These measures aim to address the underlying causes of poor control.</p> <p>Presence: Pan-India</p> <p>Patients reached: 31,300</p>	
Patient Education	<p>Humrahi simplifies diabetes management for patients by offering personalized diet and lifestyle counselling, free blood sugar diagnostic tests and complimentary medicines to eligible patients, through an award-winning, zero-cost and multilingual app. With educational content delivered in 12 regional languages through 275+ coaches, the platform is designed to ensure its users get consistent support. This year, we rolled out an enhanced version of the app, which now includes cardiovascular care, offering patients insights into heart-healthy practices, regular monitoring, and expert guidance on managing diabetes-related cardiovascular risks.</p> <p>Presence: Pan-India</p> <p>Patients reached: 72,277</p>	Long-term
Provider Education	<p>We empower doctors and other healthcare professionals with knowledge of cutting-edge medical advancements through targeted programs like awareness campaigns on dry and refractory cough, symposia on diabetes, and certification courses on heart failure. Our mission is to improve patient outcomes by ensuring these providers understand the benefits of our products and have the knowledge to utilize our treatments safely and effectively.</p> <p>Presence: Pan-India</p> <p>Medical professionals reached: 38,974</p>	Long-term
Provider Education	<p>To enhance cardiac care and diabetes management expertise among medical professionals, we have partnered with leading organizations like the European Society of Cardiology and Joslin Diabetes.</p> <p>Presence: Pan-India</p> <p>Medical professionals reached: 4063</p> <p>Healthcare providers reached: 20,436</p>	Long-term

Mobile Healthcare Units (MHUs) to provide primary health services and generate awareness amongst underserved rural communities	<p>In the remote corners of rural India, where healthcare remains out of reach for many, Lupin's Lives Program is transforming the way care is accessed and delivered. For countless communities in Rajasthan's Alwar district and Maharashtra's Palghar district, our program brings hope on wheels, bridging the last mile in healthcare with compassion and consistency.</p> <p>This year, we deepened our commitment to health equity by expanding our mobile medical fleet from two to five vans. These fully equipped units now make regular visits to Primary Health Centers (PHCs) and Community Health Centers (CHCs) every 15 days. For areas like Palghar, where the nearest healthcare facility can be over 12 kilometers away, these vans serve as lifelines, ensuring that no one is denied care due to limitations of accessibility. Our mobile units deliver a full spectrum of services: doctor consultations, free medicines, advanced diagnostics, and lifestyle counseling. Their operations now extend to over 690 villages, facilitating early detection of illnesses, preventing complications, and guiding people toward healthier lifestyles. This year, we initiated community-based screenings for non-communicable diseases (NCDs) in individuals over the age of 30 to address the increasing prevalence of chronic illnesses in underserved regions.</p> <p>Presence: Alwar district (Rajasthan) and Palghar district (Maharashtra), India</p> <p>Camps: 690+</p> <p>Patients reached: 165,000</p>	Long-term
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### Impact on Access to Healthcare (3.5.3)

We actively track our performance in reaching low-cost access patients by estimating product and service reach across key markets. This is done using our market share in major therapy areas and approximate treatment uptake rates in our four primary countries of sale (*USA, India, Brazil, and South Africa*).

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of patients with low-cost access to the organization's products or services to address diseases/conditions	-	-	899,398	1,036,221
Total number of patients for the organization's products or services to address diseases/conditions	-	-	245,634,758	247,503,367

### Patent Filing Policy (3.5.4)

We are firmly committed to refraining from patenting or enforcing intellectual property rights on diseases covered by ATMI-2021 in **Least Developed Countries (LDC), Low Income Countries (LIC), and Lower-Middle-Income Countries (LMIC)**. This policy ensures that medications remain affordable and accessible for those who need them.

### Fair Pricing (3.5.5)

We remain committed to keeping our legacy products affordable, consistently working to maintain downward pricing trends to support patient access and long-term treatment adherence.

Weighted Percentage Y-o-Y change in	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Average List Price	-13.90%	-13.00%	10.30%	4.10%
Average Net Price	-15.30%	-13.10%	29.70%	6.40%

### Contribution to Increasing Healthcare Efficiency (3.5.6)

While symptom relief is a clear measure of a medicine's value, reducing healthcare costs is equally important and we at Lupin recognize this responsibility as an industry leader.

We assess the impact of our products on healthcare costs through formal health economic evaluations. NaMuscla®, one of our flagship innovations with orphan drug designation, has been launched in select geographies. **In FY 2024-25, it generated sales of Rs 1,310 million, representing 0.6% of our total sales and 100% of our innovative product revenue.**

An advantage for us is that health economic evaluations conducted in the UK, Norway, and other markets have consistently demonstrated NaMuscla®'s clinical value and cost-effectiveness for patients with non-dystrophic myotonic disorders. Leading Health Technology Assessment (HTA) bodies including National Institute for Health and Care Excellence (NICE UK), IQWiG (Germany), PBAC (Australia), NoMA (Norway), and MSCBC (Spain) have also acknowledged its therapeutic benefits, facilitating its inclusion in public healthcare systems and improving patient access to this vital treatment. The NICE price approval process primarily evaluates the cost-effectiveness of new treatments or technologies for the NHS (National Health Service), using the incremental cost-effectiveness ratio (ICER), which compares a new treatment's additional cost against its additional health benefits. Through such rigorous health economic evaluations, Lupin ensures that treatments like NaMuscla® deliver cost-effective care, enhancing patient access and health outcomes globally.

Parameter	FY 2024-25
Percentage of products assessed	1%
Percentage of revenues generated during the last fiscal year for which such evidence can be provided	0.6%

### Measure Contribution to Health Outcome (3.5.7)

Key Programs	Description	KPI used to measure impact	Impact FY 2024-25	Forecast Impact FY 2025-26
Prevention	<p>Our flagship patient support programs such as Humrahi , Joint Airways Initiative (JAI), and SAARTHI are designed to raise awareness, improve treatment adherence, and empower patients across key health areas. Lupin's JAI is the country's first digital platform dedicated to asthma education. The platform provides guidance on correct inhalation techniques along with virtual services recommended by doctors, such as pulmonary physiotherapy, diet counselling, and yoga sessions to improve breathing capacity. Through Humrahi, we simplify diabetes management for patients by offering personalized diet and lifestyle counselling, free blood sugar diagnostic tests and complimentary medicines to eligible patients, through an award-winning, zero-cost and multilingual app. With educational content delivered in 12 regional languages through 275+ coaches, the platform is designed to ensure its users get consistent support. This year, we rolled out an enhanced version of the app, which now includes cardiovascular care, offering patients insights into heart-healthy practices, regular monitoring, and expert guidance on managing diabetes-related cardiovascular risks. By FY30, we aim to support 300,000 patients through these initiatives.</p>	Number of patients reached	14,91,740	18,00,000
Diagnosis	<p>We are committed to improving early diagnosis through targeted screening initiatives. Our goal is to assist in the diagnosis of lung diseases for over 2 million patients through FeNO and</p>	No of Patients reached	992,731	11,52,500

	spirometry tests. Additionally, we are working to help diagnose breast cancer in 5,000 women by 2030.			
Treatment	Lupin's Atharv Ability is India's first-of-its-kind outpatient neuro-rehabilitation center, offering specialized care for patients recovering from stroke, traumatic brain injury, spinal cord injury, and pediatric neurological conditions, as well as those living with Parkinson's, cerebral palsy, and multiple sclerosis. Our objective is to expand the services of the Neuro Rehabilitation Centre, reaching 1,00,000 sessions by 2030.	Number of patients	39,811	60,000
End to End Cycle Solutions / Other Program	Lyfe is India's first and only evidence-based Digital Therapeutics solution for cardiac rehabilitation, designed to support post-acute coronary syndrome (ACS) care. By FY30, we aim to reach 1,00,000 patients through this program. Building on its success, last year we introduced Lyfe HF, an extension of the platform tailored for patients living with heart failure. Our exclusive collaboration with the American College of Cardiology strengthens the program's clinical capabilities. Regulatory achievements, such as ISO 27001:2022 certification and approval from the Central Drugs Standard Control Organization for our platform as a Class C Software as a Medical Device, emphasize our adherence to high levels of quality care.	Number of patients	3,749	10,000

## Extending Our Patient Outreach Globally

- Programs that are implemented on a global scale (in percentage of the total number of programs) = 27.27%
- Disease areas/indications that the company contributes to the improvement of the patient's full cycle of care (in % of disease areas relevant to the company) = 100%

3 out of our 11 patient outreach programs (27.27%) have a global footprint. The details of the programs are provided below:

(a) The Journey to motherhood is program designed by Multicare Pharmaceuticals, Philippines (wholly owned subsidiary of Lupin) to support pre-natal care. For more details please see:

<https://m.facebook.com/journeytomotherhoodandbeyondsocialmediapage/posts/149158836750495/>

(b) Mydynamics is a patient awareness and education program by Pharma Dynamics, South Africa which is a wholly owned subsidiary of Lupin. This program focuses on holistic well-being and nutrition. A flagship initiative under this is our long-standing partnership with the Heart and Stroke Foundation South Africa, through which we developed "Cooking from the Heart" (CFTH)—a free, award-winning cookbook series promoting heart-healthy eating. Since its launch in 2012, this has

evolved into a nationally recognized resource for preventing and managing cardiovascular disease, hypertension, diabetes, and other metabolic conditions.

Recently we expanded the series with two new editions: the 7th Edition: HEARTY (2024, digital-only) and the 8th Edition: Low Sugar Booklet (2025). In 2025, HEARTY received the Gourmand World Cookbook Award for *Best Free Recipe Resource in the World* and was named Runner-Up in the category for *Free Resources for Healthcare Professionals*. For more details please see: <https://www.mydynamics.co.za/> ; <https://www.mydynamics.co.za/cooking-from-the-heart-healthy-recipes/recipes/>

(c) Grin is our visual health strategy in Mexico which focuses on dry eye, glaucoma, and DMRA diseases. It raises awareness, promotes prevention, early detection, and effective management of ophthalmic diseases. This program is administered by Laboratorios Grin, Mexico which is wholly owned subsidiary of Lupin. Their disease awareness efforts are channelled through a comprehensive multichannel strategy tailored specifically for the general public. The core objective is to educate individuals about various ophthalmological conditions and to encourage them to seek professional care from certified ophthalmologists. To support this initiative, we utilize:

- Social media platforms such as Instagram, TikTok, and Facebook, where we share valuable, medically validated content curated by our expert medical team.
- Podcasts on Spotify, featuring ophthalmologists and skilled communicators who engage in friendly, informative conversations about eye health and the importance of prevention.
- Additionally, this year we plan to expand our outreach through medical influencers, who will raise awareness about ophthalmological conditions via their social media channels.

**Accessibility & Transparency of Research (3.5.8)**

Research at Lupin hinges on the principles of transparency and sharing relevant information. We are committed to sharing **clinical trial research outcomes, post-launch study outcomes, anonymized patient-level data, demographic breakdown of clinical research participants, cost-effectiveness analysis data and health economic output data**, with stakeholders, researchers, clinical research participants, payors, regulators, healthcare professionals, and patient advocacy groups. We consistently conduct **post-launch observational studies** to gather patient-level clinical research data, emphasizing safety and effectiveness. These studies are regularly published on our website and clinical research registries, such as [www.clinicaltrial.gov](http://www.clinicaltrial.gov) and <https://www.clinicaltrialsregister.eu/> depending on the region where the study was conducted.

We are **committed to sharing this data with researchers, healthcare providers and stakeholders**, as we believe it will advance scientific research and ultimately enhance access to healthcare.

For instance, products contributing to 90% of Lupin Healthcare UK Ltd revenue deliver a range of **savings** from 52% to 98% versus the originator list price.

Product	NSP	List	Of Revenue	Saving %
Luforbec	13.98	29.32	81%	52%
Emt / Teno	7.88	355	6%	98%
Raltegravir	71.97	471.41	3%	85%
			90%	

Health economic evaluations conducted in the UK, Norway, and other markets have consistently demonstrated NaMuscla®'s clinical value and cost-effectiveness for patients with non-dystrophic myotonic disorders. Leading Health Technology Assessment (HTA) bodies including National Institute for Health and Care Excellence (NICE UK), IQWiG (Germany), PBAC (Australia), NoMA (Norway), and MSCBC (Spain) have acknowledged its therapeutic benefits, supporting its inclusion in public healthcare systems and improving patient access to this important treatment. The NICE price approval process primarily focuses on evaluating the **cost-effectiveness** of new treatments or technologies for the NHS (National Health Service) using the incremental cost-effectiveness ratio (ICER), which compares a new treatment's additional cost against its additional health benefits. Through such rigorous health economic evaluations, Lupin ensures that treatments like NaMuscla® deliver cost-effective care, enhancing patient access and health outcomes globally. Health technology assessment by NICE and the SMC for Namuscla can be accessed here: <https://www.nice.org.uk/guidance/ta748>

## **Customer Relations**

### **Ethical Marketing Commitment (3.6.1)**

At Lupin, we maintain high ethical standards, with responsibility and accountability being at the heart of our organization. We are committed to ethical marketing and promotional practices of our healthcare products/services to ensure well-being of patients and customers.

Lupin is committed to maintaining the highest standards of integrity, transparency, and ethics in all communications related to its products and services. This commitment is reflected in the following practices:

#### **Accurate and Balanced Product Information**

Lupin ensures that all product-related information is scientifically validated, balanced, and clearly presented. Marketing and educational materials are designed to support informed decision-making by healthcare professionals and patients, without exaggeration or omission.

#### **Non-Misleading Communication**

All promotional and non-promotional content undergoes rigorous internal review to ensure it is not misleading. Claims are substantiated by clinical data and regulatory approvals, and materials are regularly updated to reflect the latest evidence.

#### **Ethical Interactions with Healthcare Professionals and Patient Groups**

Lupin adheres to global and local codes of conduct governing interactions with healthcare professionals (HCPs) and patient organizations. These include:

- Transparent reporting of contributions and sponsorships to HCPs.
- Ethical collaboration with patient organizations that respects their independence and avoids undue influence.
- Clear separation between promotional and educational engagements.

#### **Approval of Process for Materials**

- **Promotional Materials:** All promotional content is subject to a formal approval process involving medical, legal, and regulatory teams before dissemination.
- **Non-Promotional Materials:** Educational and scientific materials also undergo review to ensure accuracy, relevance, and compliance with ethical standards.

Detailed commitments and systems followed at lupin are:

- Ensure drug promotions and any marketing communication are reliable, accurate, up-to-date, informative, balanced and not misleading.
- Ensure any promotional material such as mailers and advertisements provide accurate, balanced and scientifically substantiated information and are not designed to disguise any other messaging.
- Avoid making any misleading or unsubstantiated claims regarding the efficacy or safety of Lupin's products.
- Not misuse technical or scientific data or terminology or vocabulary to mislead customers, patients or HCPs on Lupin's products or services.
- Comply with applicable anti-bribery and anti-corruption laws and ensure interactions with organizations (such as patient groups/patient organizations) and individuals outside of Lupin are conducted with integrity.
- Conduct ethical business practices and prohibit use of any unlawful inducement, bribe, or other payment in order to improperly influence a third party for the sale, recommendation, prescription or preferential treatment of Lupin's products or services.
- Conduct promotions, marketing, and sales of Lupin's products and services in accordance with national health policies, regulations, and applicable marketing standards, practices and guidelines like the Uniform Code for Pharmaceutical Marketing Practices (UCPMP) and World Health Organization's (WHO) Ethical Criteria for Medicinal Drug Promotion. The promotional materials and non-promotional materials are approved by Lupin Business Ethics and Compliance team.
- Follow ethical practices and country specific guidelines while engaging with HCPs to avoid unethical marketing practices.
- Ensure that no financial or material benefit is offered to HCPs or customers for influencing them to promote or endorse or increase sales of Lupin's products or services.
- Abstain from gifting, travel, any form of entertainment, social, or recreational activity for personal benefit of HCPs or their relatives.
- Pay reasonable and justifiable consideration to HCPs in the line with the fair market value only for actual professional services rendered by HCPs to Lupin. To disclose contributions to healthcare professionals if any in accordance with applicable regulations or industry codes.
- Provide periodic training for Lupin's sales representatives in product knowledge and ethical marketing practices.
- Include all information needed for the safe use of drugs, in line with regulatory authority guidelines on packaging and labels.
- Clearly state any ingredients or excipients which may cause adverse reactions as required by the regulatory guidelines on packaging and labels.
- Ensure ethical marketing practices and promotions are covered in internal control management system, corporate audits and form a part of enterprise risk management system.
- Monitor product safety and quality post-launch, analyze issues through quality and pharmacovigilance system, and report to regulatory authorities as per guidelines issued by them.



- Monitor and review frequently the content, materials and activities on social media and other digital channels to ensure compliance with local laws and applicable regulations on consumer marketing.
- Ensure that our direct-to-consumer marketing clearly specifies the approved health conditions for the medicine which is approved. Provide a balanced presentation of both the benefits and risks associated with the medication.
- Train and inform employees and relevant stakeholders to adhere to, and enforce this policy effectively.
- Establish a mechanism for reporting and voicing concerns against unethical marketing and sales practices or any related promotional activities.
- Document and thoroughly investigate all concerns by ensuring appropriate actions to address the concerns reported.
- Stakeholders may report their concerns at [Lupinglobal.ethicspoint.com](https://lupinglobal.ethicspoint.com)

### Lupin's Ethical Commitment to Direct-to-Consumer (DTC) Marketing

Lupin's ethical marketing policy ensures that all direct-to-consumer communications are transparent, responsible, and compliant with applicable laws and industry codes. The company's publicly available policy commits to the following key principles:

- **Clear Communication of Approved Uses:** All DTC materials explicitly state the health conditions for which a medicine is approved, avoiding any misleading claims or off-label promotion. **Balanced Information on Benefits and Risks:** Marketing content provides a fair and accurate balance between the benefits and potential risks of the medication, enabling informed decision-making by consumers. **Monitoring and Review of Digital Channels:** Lupin has established provisions to review and monitor all DTC activities across social media and digital platforms. This ensures that content remains compliant with regulatory standards, local laws and appropriate ethical codes.

These commitments reflect Lupin's broader values of patient safety, transparency, and regulatory integrity, ensuring that its consumer-facing communications uphold the highest ethical standards.

### Ethical Marketing Performance (3.6.2)

We adhere to a well-defined Ethical Marketing Policy to ensure that healthcare professionals, customers, and patients receive accurate, balanced, and complete information about our medicines. Given the high relevance of ethical marketing in the healthcare sector, we have strong systems in place to monitor compliance, prevent undue influence, and avoid legal or reputational risks.

Over the past four fiscal years, we have maintained a strong track record of compliance in relation to product and service information, labeling, and marketing communications. There have been:

- **Zero incidents of non-compliance** concerning product and service information and labeling.
- **No reported violations** related to marketing communications.
- **No monetary losses** incurred from legal proceedings associated with false marketing claims.

This reflects our ongoing commitment to ethical business practices, transparent communication, and adherence to global regulatory standards.

Link for Ethical Marketing Policy: <https://www.lupin.com/wp-content/uploads/2025/02/ethical-marketing-policy-final-feb-7th-2025.pdf>

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Incidents of non-compliance concerning product and service information and labelling	0	0	0	0
Incidents of non-compliance concerning marketing communications	0	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0	0	0	0

*The above indicators have been third party assured (DNV Business Assurance India Pvt Limited)*

## Privacy Protection

### Privacy Policy: Systems/ Procedures (3.7.1)

	Remarks
Privacy policy applies to the entire operations, including suppliers	Lupin privacy policy is applicable to its entire operations as well as partners, suppliers, and joint ventures. Lupin's privacy policy is enterprise-wide, covering all business units, subsidiaries, and third-party vendors.  <a href="https://www.lupin.com/privacy-policy/">https://www.lupin.com/privacy-policy/</a>
Designated person or department responsible for privacy issues	Lupin has appointed Bird & Bird DPO Services SRL as a Data Protection Officer ("DPO") who can be reached out at <a href="mailto:dpo@lupin.com">dpo@lupin.com</a>  The Corporate Legal & Compliance function is the dedicated department for any privacy issues or concerns at Lupin. Responsibilities include: <ul style="list-style-type: none"> <li>• Overseeing privacy governance and policy, systems and procedures implementation</li> <li>• Responding to data subject requests and breach incidents.</li> <li>• Coordinating with IT, HR, and business units on privacy matters.</li> </ul>
Privacy policy system embedded in group-wide risk/compliance management	Privacy is integrated into Lupin's <b>Enterprise Risk Management (ERM)</b> and <b>Compliance Framework</b> , ensuring: <ul style="list-style-type: none"> <li>• Privacy risks are assessed alongside financial, operational, and reputational risks.</li> </ul>

	<ul style="list-style-type: none"> <li>• Regular updates to the Board and Audit Committee on privacy compliance.</li> <li>• Use of <b>Privacy Impact Assessments (PIAs)</b> for new projects and technologies.</li> </ul> <p>Data Privacy and Protection is an operational risk identified in our company risk register. The Privacy Policy implementation, actions procedures are embedded in our corporate risk management and managed by the IT team with Chief Technology Officer (CTO) as the risk owner. Risk mitigation strategies are implemented to ensure that customer and employee data is not exposed to external threats. A section on data privacy is also embedded in the Code of Conduct document which is applicable to all employees of the Lupin group globally.</p> <p><a href="https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf">https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf</a></p> <p><a href="https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf">https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf</a></p>
Disciplinary actions in case of breach (i.e. zero tolerance policy)	<p>At Lupin, we recognize the critical importance of safeguarding personal and sensitive data in accordance with applicable data protection laws and internal policies. Any breach of our Data Privacy Policy is treated with utmost seriousness and is subject to a structured disciplinary process.</p> <p>In the event of a confirmed breach of data privacy, Lupin will initiate corrective and disciplinary actions based on the severity, intent, and impact of the violation. These actions may include:</p> <ul style="list-style-type: none"> <li>• <b>Formal Warning:</b> Issued for minor or first-time breaches, accompanied by mandatory retraining on data privacy protocols.</li> <li>• <b>Suspension:</b> Temporary removal from duties involving data handling, pending investigation or remediation.</li> <li>• <b>Termination of Employment:</b> In cases of gross negligence, willful misconduct, or repeated violations.</li> <li>• <b>Legal Action:</b> Where applicable, Lupin may pursue legal remedies or report the breach to regulatory authorities.</li> <li>• <b>Remediation Measures:</b> Including revocation of access rights, system audits, and process reviews to prevent recurrence.</li> </ul> <p>All disciplinary actions are administered in accordance with Lupin's HR policies and applicable labor laws, ensuring fairness, transparency, and due process.</p> <p>In case of any breach of data privacy, we have a clearly defined escalation process with disciplinary actions, outlined in the ISMS policy document, to ensure speedy resolution.</p>

	<p>A section on data privacy is also embedded in the Code of Conduct document.</p> <p><a href="https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf">https://www.lupin.com/wp-content/uploads/2022/12/english_coc-handbook.pdf</a></p> <p><a href="https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf">https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf</a></p>
Conduct third-party audits of the privacy policy compliance	<p>As part of continuous improvement, we conduct annual external audits on data privacy compliance. The Data Loss Prevention (DLP) tool monitors any potential data leakage.</p> <p>To ensure objectivity and transparency, Lupin engages <b>external auditors</b> to assess privacy compliance across the business. These audits include:</p> <ul style="list-style-type: none"> <li>• Validate adherence to global standards (e.g., ISO/IEC 27701) and internal policy.</li> <li>• Identify gaps in vendor compliance and data handling practices.</li> <li>• Provide recommendations for improvement and remediation.</li> </ul> <p>The result of the third-party audits conducted in FY 25, have demonstrated strong privacy compliance at the organization.</p> <p>Lupin has Zero privacy complaints and Zero instances of data breaches.</p>
Conduct internal audits of the privacy policy compliance	<p>As outlined in our ISMS policy, we have conducted internal audits in FY25 at regular intervals and conform to ISO/IEC 27001:2022 standard (which covers the protection of Personally Identifiable Information (PII)) and other identified and defined organizational requirements.</p> <p>The company also undertakes internal audits for privacy policy related compliance as a part of the Digital Personal Data Protection (DPDP) project pursuant to the requirements of the DPDP Act 2023 issued by the Government of India.</p> <p><a href="https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf">https://www.lupin.com/wp-content/uploads/2025/04/information-security-management-systems-policy.pdf</a></p> <p>The results of the multiple internal audits conducted in FY 25, have demonstrated strong privacy compliance at the organization.</p>

## Customer Privacy Information (3.7.2)

Our Privacy Policy reflects a comprehensive and transparent approach to data protection and privacy, aligning with globally accepted standards and regulations. The policy clearly outlines the nature of personal information collected and the intended purposes for its use, ensuring that individuals are well informed. The company has implemented a comprehensive privacy framework that governs how customer data is collected, used, stored, and shared.

### (1) Nature of Information Captured

Lupin collects personal identifiers (e.g., name, email, IP address), health data, commercial information, and internet activity. Sensitive health data is collected for regulatory and safety purposes

### (2) Use of Collected Information

Data is used for customer service, product safety, marketing, legal compliance, and improving services. Specific uses include responding to adverse event reports, processing job applications, and website analytics

### (3) Customer Control Over Data

We uphold the principle of informed consent, requiring opt-in consent prior to the collection or processing of personal data and offering individuals the right to withdraw consent or opt out of future communications at any time. Customers are empowered with the ability to control how their data is collected, used, retained, and processed, and they have the right to access, update, correct, delete, or transfer their data to other service providers, with appropriate contractual clauses supporting data portability.

- Customers can opt out of data sharing and targeted advertising via webforms and browser signals like Global Privacy Control (GPC).
- Consent is required for direct marketing and newsletter subscriptions
- Customers can request access to their personal data by contacting Lupin's Data Protection Officer.
- Customers may request their data to be transferred to other service providers.
- Customers can request correction or deletion of their data, subject to legal and regulatory constraints

### (4) Data Retention Periods

**Data is retained for a time period strictly in accordance with the purpose of its use**, and the Company employs **robust measures** to ensure that information is protected throughout its lifecycle.

Retention varies by data type:

- Internet activity: 14 months
- Customer service recordings: 10 years
- Employment data: Duration of employment + 6 years
- Pharmacovigilance data: As long as legally required

<https://www.lupin.com/US/privacy-policy>

### (5) Data Protection Measures

Lupin uses industry-standard security protocols including firewalls, password protection, and restricted access. To ensure the security and confidentiality of personal data that we collect online, we use data networks protected, inter alia, by industry standard firewall and password protection. Access to personal data is restricted to employees on a need-to-know basis, for the sole purpose of preserving the data and only to those who are otherwise authorized and trained to handle such data properly. Staff are trained, and compliance with our policies and procedures is regularly reviewed.

We also maintain a non-disclosure policy regarding the sharing of information with **third parties, both private and public**, as detailed in the “**Non-Disclosure of Information**” section of its Privacy Policy. Furthermore, we confirm that customer data is used solely for the purposes specified in the policy and we do not use data for secondary purposes without consent. This structured and user-centric approach underscores our commitment to privacy, data protection, and regulatory compliance.

	FY 2024-25
Percentage of users whose customer data is used for secondary purposes	0

Lupin ensures strong protection of customer data through a comprehensive privacy framework that aligns with global regulations. The company collects only necessary personal, health, and digital information, and uses it strictly for service delivery, product improvement, and regulatory compliance.

Customers are given full control over their data:

- They can **opt-in** before any sensitive data is collected or shared.
- They have the right to **opt-out** of marketing and non-essential data uses.
- They can **access, correct, delete, or transfer** their data at any time.

Lupin maintains transparency about how long data is retained and ensures it is securely protected through encryption, access controls, and regular audits. The company also enforces strict policies on third-party data sharing, allowing disclosures only for legitimate purposes and with proper safeguards.

This privacy system is supported by designated privacy officers, embedded in Lupin’s risk and compliance framework, and subject to both internal and third-party audits to ensure accountability and continuous improvement.

