Biocon

2024 CDP Corporate Questionnaire 2024

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Contents

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Climate related risks are integrated into environmental risk reporting which is a key part of the company's enterprise risk management process These time horizons are generally aligned with other business practice time frames Detailed financial projections are developed and used to manage performance and expectations on a three year cycle

Medium-term

(2.1.1) From (years)

3

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Climate related risks are integrated into environmental risk reporting which forms a critical component of the company's enterprise risk management process These timeframes are typically aligned with other business practices

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.3) To (years)

7

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Climate related risks are integrated into environmental risk reporting which is a key part of the company's enterprise risk management process These time horizons are generally aligned with other business practice time frames Longterm opportunities are considered by the Corporate Social Responsibility CSR Environmental Social Governance ESG committees under the overall responsibility of the Board of Directors The CSR ESG committee reviews the long term ESG strategy to ensure that all climate change topics relevant to the company are covered
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ End of life management

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Sub-national

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

International methodologies and standards

☑ IPCC Climate Change Projections

☑ Life Cycle Assessment

Other

☑ Materiality assessment

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Heat waves

☑ Cyclones, hurricanes, typhoons

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

☑ Heat stress

☑ Increased severity of extreme weather events

Policy

☑ Changes to international law and bilateral agreements

☑ Changes to national legislation

Market

☑ Availability and/or increased cost of certified sustainable material

Reputation

☑ Impact on human health

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to lower emissions technology and products

☑ Unsuccessful investment in new technologies

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

☑ Indigenous peoples

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Climate Related Risk Management Overview At the business level the company identifies assesses and responds to climate related risks comprehensively These risks and opportunities are integrated into the companywide risk management process with systematic reporting to the Executive Leadership Team ELT delivered quarterly by the risk and governance team Inputs are provided by managers from functions such as EHS Energy and Utilities Corporate Communications Investor Relations Business Development and Procurement The Enterprise Risk Management ERM process includes an annual outreach to managers to identify changing and emerging risks Risk Identification The risk management process covers various aspects including upcoming climate regulations customer behaviour and expectations reputational risks and weather related changes Risks and opportunities are assessed at the company regional and asset levels considering factors like regulatory compliance costs and severe weather impacts on global operations Identified risks are classified into themes for efficient resource allocation with periodic reviews by the Risk Management Committee RMC ELT Chief Risk Officer CRO and Department Heads Risk Prioritization Identified risks are prioritized based on Impact significance Likelihood of occurrence Effectiveness of existing mitigation plans A rating system with qualitative and quantitative thresholds helps determine each risks gross rating The company's risk appetite guides the urgency of risk management actions The entire risk management governance team including the Board Department Heads and Function Heads is responsible for this ongoing prioritization process Risk Classification Risks are classified as Financial ESG Operational Strategic Regulatory Statutory Reputational Geopolitical Catastrophic Health and Safety Cyber and Information Assessment Risks and opportunities are evaluated based on their financial implications and probability of occurrence The assessment focuses on climate related Physical risks eg temperature floods sea surface temperature and precipitation and Transition risks eg technological market reputational and policy legal Mitigation Actions Biocon Limited Biocon Biologics and Syngene align their risk management processes with daily operations to effectively manage and minimize risks This approach supports a culture of risk awareness and responsiveness across corporate functions Responding Local regional and corporate units manage climate related risks by deciding to mitigate

transfer accept or control risks and capitalize on opportunities in line with corporate policies Monitoring and Reporting The CRO updates the Board and ELT on risk libraries prioritization ratings and mitigation plans The CRO uses external expert inputs and self assessment tools to track risks The Board and ELT conduct annual risk exposure reviews and a detailed risk management report is presented to the RMC and Board of Directors quarterly

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Sub-national

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ EcoVadis

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

☑ Life Cycle Assessment

Databases

☑ Nation-specific databases, tools, or standards

☑ Regional government databases

Other

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Heat waves

Chronic physical

☑ Water stress

☑ Groundwater depletion

☑ Declining water quality

☑ Poorly managed sanitation

☑ Rationing of municipal water supply

☑ Water quality at a basin/catchment level

☑ Precipitation or hydrological variability

☑ Water availability at a basin/catchment level

☑ Increased levels of environmental pollutants in freshwater bodies

Policy

☑ Changes to national legislation

☑ Increased pricing of water

☑ Statutory water withdrawal limits/changes to water allocation

Market

☑ Inadequate access to water, sanitation, and hygiene services (WASH)

Reputation

☑ Stakeholder conflicts concerning water resources at a basin/catchment level

Technology

☑ Transition to water efficient and low water intensity technologies and products

☑ Unsuccessful investment in new technologies

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

☑ Water utilities at a local level

☑ Other water users at the basin/catchment level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Climate Related Risk Management Overview At the business level the company identifies assesses and responds to climate related risks comprehensively These risks and opportunities are integrated into the companywide risk management process with systematic reporting to the Executive Leadership Team ELT delivered quarterly by the risk and governance team Inputs are provided by managers from functions such as EHS Energy and Utilities Corporate Communications Investor Relations Business Development and Procurement The Enterprise Risk Management ERM process includes an annual outreach to managers to identify changing and emerging risks Risk Identification The risk management process covers various aspects including upcoming climate regulations customer behaviour and expectations reputational risks and weather related changes Risks and opportunities are assessed at the company regional and asset levels considering factors like regulatory compliance costs and severe weather impacts on global operations Identified risks are classified into themes for efficient resource allocation with periodic reviews by the Risk Management Committee RMC ELT Chief Risk Officer CRO and Department Heads Risk Prioritization Identified risks are prioritized based on Impact significance Likelihood of occurrence Effectiveness of existing mitigation plans A rating system with qualitative and quantitative thresholds helps determine each risks gross rating The company's risk appetite guides the urgency of risk management actions The entire risk management governance team including the Board Department Heads and Function Heads is responsible for this ongoing prioritization process Risk Classification Risks are classified as Financial ESG Operational Strategic Regulatory Statutory Reputational Geopolitical Catastrophic Health and Safety Cyber and Information Assessment Risks and opportunities are evaluated based on their financial implications and probability of occurrence The assessment focuses on climate related Physical risks eg temperature floods sea surface temperature and precipitation and Transition risks eg technological market reputational and policy legal Mitigation Actions Biocon Limited Biocon Biologics and Syngene align their risk management processes with daily operations to effectively manage and minimize risks This approach supports a culture of risk awareness and responsiveness across corporate functions Responding Local regional and corporate units manage climate related risks by deciding to mitigate transfer accept or control risks and capitalize on opportunities in line with corporate policies Monitoring and Reporting The CRO updates the Board and ELT on risk libraries prioritization ratings and mitigation plans The CRO uses external expert inputs and self assessment tools to track risks The Board and ELT conduct annual risk exposure reviews and a detailed risk management report is presented to the RMC and Board of Directors quarterly

Row 3

(2.2.2.1) Environmental issue

Select all that apply

☑ Plastics

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ End of life management

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Sub-national

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Enterprise Risk Management

International methodologies and standards

☑ Life Cycle Assessment

Databases

☑ Nation-specific databases, tools, or standards

Other

☑ Other, please specify **:**Through Extended Producer Responsibility under plastic waste management rules 2016

(2.2.2.13) Risk types and criteria considered

Policy

☑ Other policy, please specify **:**Adherence to Plastic Waste Management rules and following Extended Producer responsibilities

Market

☑ Availability and/or increased cost of certified sustainable material

Technology

☑ Transition to reusable products

☑ Transition to recyclable plastic products

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees
☑ Local communities
☑ Regulators
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ Yes

(2.2.2.16) Further details of process

We have included Plastic waste management and its risks and impacts under our overarching enterprise risk management system Climate Related Risk Management Overview At the business level the company identifies assesses and responds to climate related risks comprehensively These risks and opportunities are integrated into the companywide risk management process with systematic reporting to the Executive Leadership Team ELT delivered quarterly by the risk and governance team Inputs are provided by managers from functions such as EHS Energy and Utilities Corporate Communications Investor Relations Business Development and Procurement The Enterprise Risk Management ERM process includes an annual outreach to managers to identify changing and emerging risks Risk Identification The risk management process covers various aspects including upcoming climate regulations customer behaviour and expectations reputational risks and weather related changes Risks and opportunities are assessed at the company regional and asset levels considering factors like regulatory compliance costs and severe weather impacts on global operations Identified risks are classified into themes for efficient resource allocation with periodic reviews by the Risk Management Committee RMC ELT Chief Risk Officer CRO and Department Heads Risk Prioritization Identified risks are prioritized based on Impact significance Likelihood of occurrence Effectiveness of existing mitigation plans A rating system with qualitative and quantitative thresholds helps determine each risks gross rating The company's risk appetite guides the urgency of risk management actions The entire risk management governance team including the Board Department Heads and Function Heads is responsible for this ongoing prioritization process Risk Classification Risks are classified as Financial ESG Operational Strategic Regulatory Statutory Reputational Geopolitical Catastrophic Health and Safety Cyber and Information Assessment Risks and opportunities are evaluated based on their financial implications and probability of occurrence The assessment focuses on climate related Physical risks eg temperature floods sea surface temperature and precipitation and Transition risks eg technological market reputational and policy legal Mitigation Actions Biocon Limited Biocon Biologics and Syngene align their risk management processes with daily operations to effectively manage and minimize risks This approach supports a culture of risk awareness and responsiveness across corporate functions Responding Local regional and corporate units manage climate related risks by deciding to mitigate transfer accept or control risks and capitalize on opportunities in line with corporate policies Monitoring and Reporting The CRO updates the Board and ELT on risk libraries prioritization ratings and mitigation plans The CRO uses external expert inputs and self-assessment tools to track risks The Board and ELT conduct annual risk exposure reviews and a detailed risk management report is presented to the RMC and Board of Directors quarterly

Row 4

(2.2.2.1) Environmental issue

Select all that apply

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Every three years or more

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WWF Biodiversity Risk Filter

Enterprise Risk Management

☑ Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

International methodologies and standards

☑ Environmental Impact Assessment

☑ ISO 14001 Environmental Management Standard

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Other acute physical risk, please specify **:**Limited Wild Flora & Fauna Availability

Chronic physical

☑ Changing temperature (air, freshwater, marine water)

☑ Soil degradation

Policy

☑ Changes to national legislation

Technology

☑ Unsuccessful investment in new technologies

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Local communities

☑ Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ Yes

(2.2.2.16) Further details of process

Climate Related Risk Management Overview At the business level the company identifies assesses and responds to climate related risks comprehensively These risks and opportunities are integrated into the companywide risk management process with systematic reporting to the Executive Leadership Team ELT delivered quarterly by the risk and governance team Inputs are provided by managers from functions such as EHS Energy and Utilities Corporate Communications Investor Relations Business Development and Procurement The Enterprise Risk Management ERM process includes an annual outreach to managers to identify changing and emerging risks Risk Identification The risk management process covers various aspects including upcoming climate regulations customer behaviour and expectations reputational risks and weather related changes Risks and opportunities are assessed at the company regional and asset levels considering factors like regulatory compliance costs and severe weather impacts on global operations Identified risks are classified into themes for efficient resource allocation with periodic reviews by the Risk Management Committee RMC ELT Chief Risk Officer CRO and Department Heads Risk Prioritization Identified risks are prioritized based on Impact significance Likelihood of occurrence Effectiveness of existing mitigation plans A rating system with qualitative and quantitative thresholds helps determine each risks gross rating The company's risk appetite guides the urgency of risk management actions The entire risk management governance team including the Board Department Heads and Function Heads is responsible for this ongoing prioritization process Risk Classification Risks are classified as Financial ESG Operational Strategic Regulatory Statutory Reputational Geopolitical Catastrophic Health and Safety Cyber and Information Assessment Risks and opportunities are evaluated based on their financial implications and probability of occurrence The assessment focuses on climate related Physical risks eg temperature floods sea surface temperature and precipitation and Transition risks eg technological market reputational and policy legal Mitigation Actions Biocon Limited Biocon Biologics and Syngene align their risk management processes with daily operations to effectively manage and minimize risks This approach supports a culture of risk awareness and responsiveness across corporate functions Responding Local regional and corporate units manage climate related risks by deciding to mitigate transfer accept or control risks and capitalize on opportunities in line with corporate policies Monitoring and Reporting The CRO updates the Board and ELT on risk libraries prioritization ratings and mitigation plans The CRO uses external expert inputs and self assessment tools to track risks The Board and ELT conduct annual risk exposure reviews and a detailed risk management report is presented to the RMC and Board of Directors quarterly
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

We have identified the interconnections between climate water biodiversity and plastics through the following approach 1Established individual risks and opportunities through qualitative and quantitative assessments and established a baseline for each environmental issue Examples Climate Risks and Opportunities Risks Extreme weather events temperature fluctuations shifting weather patterns and changes in sea levels Opportunities Innovations in climate resilient technologies adaptation strategies and sustainable practices Water Risks and Opportunities Risks Water scarcity pollution and altered precipitation patterns affecting water availability Opportunities Water conservation technologies efficient water management practices and infrastructure improvements Biodiversity Risks and Opportunities Risks Habitat destruction species extinction and ecosystem degradation Opportunities Conservation projects sustainable land use practices and biodiversity offsets Plastic Risks and Opportunities Risks Pollution wildlife harm and regulatory pressures on plastic use Opportunities Usage of biodegradable materials recycling technologies

and reduced plastic usage 2Assessing Combined Risks and Opportunities Combined Risks o Climate and Water Risks Droughts and floods caused by climate change can worsen water scarcity and affect biodiversity o Climate and Plastic Risks Rising temperatures and extreme weather events can lead to increased plastic pollution and its effects on ecosystems o Water and Plastic Risks Increased plastic waste in water bodies can lead to ecosystem degradation and affect water quality Combined Opportunities o Climate and Biodiversity Opportunities Investing in climate resilient ecosystems can support biodiversity and provide natural solutions to climate impacts o Water and Biodiversity Opportunities Implementing sustainable water management practices can protect aquatic habitats and support biodiversity o Plastic and Water Opportunities Developing advanced recycling technologies and reducing plastic use can improve water quality and protect aquatic ecosystems 3Strategic Integration Risk management We have developed a strategic approach to our overall enterprise risk management process extending beyond conventional business risks to encompass environmental social and governance ESG risks This includes risks and opportunities related to climate water biodiversity and plastics This holistic perspective recognizes the interconnectedness of risks across all environmental issues considering their impacts on direct operations stakeholders and the value chain Opportunities for synergies Opportunity mapping is conducted across environmental issues identifying synergies while assessing their overall impact on the organizations environmental challenges Case study Reforestation through Forest Land Objective To identify forest land for reforestation efforts aimed at enh
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we are currently in the process of identifying priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

☑ Areas of high ecosystem integrity

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Risk Prioritization Process Our identified risks related to overarching environmental issues are prioritized based on the likelihood of occurrence and the severity of their impact Risks are assessed according to three core dimensions Significance of the Impact Likelihood of Occurrence Effectiveness of Existing Mitigation Plans A rating system has been developed for these dimensions incorporating both qualitative and quantitative thresholds to assign a precise gross rating to each risk The company's risk appetite further supports the prioritization process by determining the urgency with which identified risks must be managed and mitigated This ongoing risk prioritization process is managed by the entire risk management governance team which includes the Board as well as Department and Function Heads Case study We have conducted a comprehensive biodiversity risk assessment for all our operating locations using the WWF Biodiversity Risk Filter This assessment addressed both physical and reputational risks across eight risk factors specified by the tool The overall risk ranking revealed that both physical and reputational risks fall into the medium risk category Based on this assessment these risks have been incorporated into our overall risk management process and classified as prioritized risks due to their significant potential impact especially in the context of climate change scenarios In response to these identified risks particularly in relation to climate change and our inherited forest land we have initiated a reforestation project This initiative is aimed at mitigating the identified climate change risks by leveraging reforestation as a strategic opportunity The reforestation effort not only contributes to our climate change adaptation strategy but also serves as a de risking measure enhancing our overall environmental resilience

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

☑ Other, please specify :2.Significance of Impact 3.Effectiveness of existing mitigation plans/ Controllability of Risk

(2.4.7) Application of definition

At the business level the company is identifying assessing and responding to climate related risks on multiple fronts Climate related risks and opportunities are integrated into the companywide risk identification assessment and management process Climate related risk reporting is systematically integrated into the aggregated opportunity risk exposure of the company delivered quarterly by the risk and governance team to the ELT The inputs for the same is provided by managers across functions like EHS Energy and utilities corporate communications investor relations business development and procurement One component of the company's Enterprise Risk Management ERM process is to proactively reach out to managers across the organization each year to flag changing and emerging risks that should be added into the overall ERM process Company prioritizes risks based on three core dimensions Significance of the impact Likelihood of occurrence Effectiveness of existing mitigation plans A rating system has been developed across these dimensions incorporating qualitative and quantitative thresholds to accurately assign a gross rating to each risk Each company's risk appetite helps bolster the prioritization process as this aids in determining the urgency with which identified risks must be managed and mitigated This ongoing risk prioritization process is the responsibility of the entire risk management governance team ranging from the Board to the Department and Function Heads All risks and opportunities are evaluated based on a their potential financial implications for the company and b their probability of occurrence with the results of the assessment highlighting those risks and opportunities arising out of climate related Physical risks Temperature flood sea surface temperature precipitation Transition risk technological Market reputational policy legal which can have a substantial impact Mitigation Actions To achieve high cohesion and effectiveness in risk management each prioritize aligning all aspects of their risk management process with their daily operations With this we ensure that we manage risks effectively and minimize any potential negative impact on our business

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 11-20

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

☑ Other, please specify **:**2.Significance of Impact

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Our process of freshwater and wastewater quality monitoring is governed by a structured regulatory framework designed to ensure environmental sustainability on water monitoring Here's a detailed overview of the process 1 Regulatory Framework Key Regulations Water Prevention and Control of Pollution Act 1974 This Act provides the legal framework for preventing and controlling water pollution establishing the Central Pollution Control Board CPCB and State Pollution Control Boards SPCBs Environment Protection Act 1986 An overarching Act that includes provisions for controlling pollution in all environmental media including water The Water Prevention and Control of Pollution Cess Act 1977 This Act imposes a cess tax on the consumption of water by industries which is used for funding pollution control measures Regulatory Bodies Central Pollution Control Board CPCB Responsible for setting national water quality standards guidelines and monitoring water pollution across India State Pollution Control Boards SPCBs Operate at the state level enforcing regulations monitoring water quality and ensuring compliance with CPCB standards 2 Monitoring Freshwater Quality Establishment of Monitoring Stations Site Selection Monitoring stations are strategically placed in the water treatment inlet and outlets based on pollution sources ecological importance and water usage and internal standard operating procedures Parameters Monitored
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:
☑ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Inorganic pollutants in our wastewater are a significant concern due to their potential environmental and health impacts These pollutants arise from various stages of our manufacturing process including raw material processing synthesis and formulation Inorganic salts Sodium Chloride NaCl Calcium Chloride CaCl2 Sulphates $SO4^2$ are present in the wastewater which is coming from our manufacturing process in the form Total Dissolved Salts TDS and hardness Impact Water Hardness High concentrations can contribute to water hardness affecting aquatic organisms and the effectiveness of water treatment processes Salinity Elevated salinity levels can disrupt local ecosystems and harm freshwater organisms

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Resource recovery

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

☑ Upgrading of process equipment/methods

(2.5.1.5) Please explain

In our wastewater treatment processes addressing hardness and Total Dissolved Solids TDS is critical to ensure that treated water meets environmental standards and can be safely reused or recycled back to our non-process operations The combined approach of biological treatment Multiple Effect Evaporation MEE systems and Reverse Osmosis RO effectively addresses these issues through a multistage process the following are the detailed narrative of this integrated treatment approach 1 Biological Treatment Objective The primary aim of the biological treatment phase is to reduce organic contaminants and remove some of the dissolved solids from the wastewater setting the stage for more advanced treatment processes Process Aerobic and Anaerobic Treatment Wastewater is first subjected to aerobic or anaerobic biological treatment methods Aerobic treatment uses microorganisms that require oxygen to decompose organic pollutants while anaerobic treatment employs microorganisms that do not require oxygen These processes effectively reduce biochemical oxygen demand BOD and chemical oxygen demand COD lowering the organic load and some inorganic contaminants Activated Sludge System In an activated sludge system microorganisms are introduced into the wastewater in aeration tanks where they consume organic matter This process also helps in reducing some dissolved solids

Row 2

(2.5.1.1) Water pollutant category

Select from:

☑ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

COD measures the total amount of oxygen required to chemically oxidize organic and inorganic substances in wastewater It provides an indication of the overall pollution load Potential Impacts Environmental Impact High COD levels indicate a high concentration of organic and inorganic pollutants When such wastewater is discharged into natural water bodies it can lead to severe pollution disrupting aquatic ecosystems High COD can lead to the depletion of oxygen in the water harming aquatic life and reducing biodiversity Water Treatment Challenges Elevated COD levels can strain wastewater treatment systems making it difficult

to achieve regulatory compliance High COD demands more extensive treatment processes increasing operational costs and energy consumption Operational Issues High COD can lead to the accumulation of sludge and fouling in treatment equipment reducing efficiency and increasing maintenance requirements 2 Biochemical Oxygen Demand BOD Definition BOD measures the amount of oxygen required by microorganisms to decompose organic matter in wastewater over a specified period usually 5 days It reflects the degree of organic pollution Potential Impacts Environmental Impact High BOD levels indicate a high concentration of biodegradable organic matter When discharged into water bodies high BOD can lead to oxygen depletion causing hypoxia low oxygen levels and potentially resulting in fish kills and the collapse of aquatic

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Resource recovery

☑ Beyond compliance with regulatory requirements

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

1 Biological Treatment Objective The primary aim of the biological treatment phase is to reduce organic contaminants measured as BOD and COD and remove some of the dissolved solids from the wastewater setting the stage for more advanced treatment processes Process Aerobic and Anaerobic Treatment Wastewater is first subjected to aerobic or anaerobic biological treatment methods Aerobic treatment uses microorganisms that require oxygen to decompose organic pollutants significantly reducing BOD and COD Anaerobic treatment involves microorganisms that do not require oxygen which also lowers BOD and COD but is often used in conjunction with aerobic processes for more complete treatment Activated Sludge System In an activated sludge system microorganisms are introduced into the wastewater in aeration tanks These microorganisms consume organic matter reducing BOD and COD The process also assists in lowering some dissolved solids including hardness and TDS Secondary Clarification After biological treatment the wastewater moves to secondary clarifiers where the biomass is separated from the treated water This step helps in reducing TDS and prepares the effluent for further treatment By settling out the biological sludge the system reduces COD and BOD further 2 Multiple Effect Evaporation MEE System Objective The MEE system is designed to concentrate and reduce the volume of wastewater by removing a significant portion of dissolved solids including

Row 3

(2.5.1.1) Water pollutant category

Select from:

☑ Other physical pollutants

(2.5.1.2) Description of water pollutant and potential impacts

TSS refers to the solid particles suspended in wastewater which can include organic and inorganic materials such as dirt grit and biological matter Potential Impacts Environmental Impact High TSS levels can lead to sedimentation in water bodies which can smother aquatic habitats disrupt the growth of aquatic plants and damage the reproductive cycles of fish and other organisms Increased sediment can also reduce light penetration affecting photosynthesis and overall ecosystem health Treatment Process Elevated TSS levels can cause operational issues in treatment facilities by leading to clogging and fouling of equipment It can also impact the efficiency of secondary treatment processes by reducing the effectiveness of biological treatment Infrastructure Damage High TSS can contribute to the wear and tear of pipes pumps and other infrastructure increasing maintenance and repair costs

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Resource recovery

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

v1 Biological Treatment Objective The biological treatment phase aims to reduce organic contaminants measured as BOD and COD and some dissolved and suspended solids preparing the wastewater for more advanced treatment processes Process Aerobic and Anaerobic Treatment Wastewater is subjected to aerobic or anaerobic biological treatment methods Aerobic treatment uses microorganisms that require oxygen to decompose organic pollutants significantly reducing BOD and COD Anaerobic treatment involves microorganisms that do not need oxygen and is often used in conjunction with aerobic processes for more thorough treatment This stage also helps reduce TSS by allowing suspended solids to settle or be consumed by microorganisms Activated Sludge System In an activated sludge system microorganisms are introduced into aeration tanks where they consume organic matter lowering BOD and COD This process also assists in reducing TSS as microorganisms and flocculent materials are settled out in subsequent stages Secondary Clarification After biological treatment the wastewater moves to secondary clarifiers where the biological sludge containing TSS is separated from the treated water This step significantly reduces TSS preparing the effluent for further treatment 2 Multiple Effect Evaporation MEE System Objective The MEE system concentrates and reduces the volume of wastewater by removing a substantial portion of dissolved solids including hardness and TDS .

Row 4

(2.5.1.1) Water pollutant category

Select from:

☑ Other physical pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Types of Metals Platinum Pt and Palladium Pd Often used as catalysts in our process synthesis Rhodium Rh and Iridium Ir Used in specialized catalytic processes Impact Toxicity and Persistence These metals can be toxic to aquatic life and persist in the environment due to their nonreactive nature

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Resource recovery

☑ Beyond compliance with regulatory requirements

☑ Water recycling

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Heavy Metal Removal Biological Treatment Some heavy metals may be bioaccumulated or precipitated but this is not a primary method for heavy metal removal MEE System Concentrates heavy metals in the residual brine which is further treated to remove toxicity and waste is being sent as an alternate fuel for other operations RO Effectively removes remaining heavy metals producing water that meets stringent quality standards.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ Yes, only within our direct operations

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

1 Nature of Waste Low Proportion At Biocon which focuses on biopharma the primary waste includes biological and chemical byproducts rather than significant volumes of plastic Plastics are mainly used for packaging and receiving the raw material and consumable supplies which constitute a smaller portion of the overall waste 2 Effective Management Regulatory Compliance We adheres to stringent regulations of plastic waste management rules 2016 and comply with the Extended Producers Responsibility (EPR) and disclosing the plastic waste generation in the central pollution control board portal Specialized Disposal Plastic waste is handled through dedicated recycling programs and waste to energy processes ensuring minimal environmental impact 3 Operational Focus Primary Concerns Biocon's major environmental focus is on managing biological and chemical waste which poses a more significant risk compared to plastic waste Mitigation Efforts The company is committed to reducing plastic use and improving recycling as part of its broader sustainability initiatives under circular economy on waste management commitment 4 Regulatory and Industry Trends Proactive Measures Biocon is actively implementing measures to address plastic waste staying in line with emerging regulations and industry standards Comparative Risk Plastic waste represents a lower risk compared to biological and chemical waste which is prioritized in risk management strategies In summary plastic waste in Biocon's biopharma operations has a lower substantive effect due to its controlled usage effective management practices and lower relative risk compared to biological and chemical waste The company's focus on managing more impactful waste streams and its commitment to sustainability help address plastic waste effectively
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical
☑ Heat wave

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ India

(3.1.1.9) Organization-specific description of risk

Heatwaves as a significant climate risk will have profound impacts on both infrastructure and human health of our organization Building structures may suffer from temperature induced stress leading to potential damage and increased maintenance costs Concurrently the need for heightened cooling efforts drives up energy consumption and operational costs On the human side rising temperatures can hinder employee productivity due to discomfort and pose severe health risks including heat related illnesses and increased mortality

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Increased Operational Costs Energy Expenses Higher temperatures will lead to increased energy consumption for cooling systems This results in elevated utility bills straining on operational budget and impacting overall financial performance Maintenance Costs Heat induced structural damage to buildings will lead to increased repair and maintenance expenses These costs can reduce profitability and affect cash flows 2 Productivity Losses Reduced Efficiency Heatwaves can negatively impact employee productivity due to discomfort and health issues Lower productivity can lead to decreased output and potentially reduced revenues impacting the company's financial performance Operational Disruptions Prolonged heatwaves may cause disruptions in operations or necessitate temporary shutdowns further affecting revenue streams and cash flows 3 Health Related Costs Healthcare Expenses Increased incidence of heat related illnesses among employees can lead to higher healthcare costs and potential absenteeism These additional costs can affect our bottom line and financial stability Insurance Costs Higher health risks and property damage might lead to increased insurance premiums or claims further impacting financial resources 4 Medium Term Financial Implications Capital Expenditures The need to retrofit or upgrade facilities to better withstand heatwaves can result in significant capital expenditures These upfront investments can impact cash flows and require careful financial planning Asset Depreciation Heat related damage can accelerate asset depreciation affecting the company's balance sheet and potentially leading to additional financial adjustments 5 Reputation and Market Position Customer Perception Frequent operational disruptions or health issues related to heatwaves can harm the company's reputation potentially affecting customer trust and market position This could lead to reduced sales or loss of market share impacting overall financial performance Summary Heatwaves can significantly affect our company's financial position and cash flows through increased operational and maintenance costs reduced productivity and higher health related expenses Additionally medium term financial implications such as capital expenditures and asset depreciation along with potential reputational damage can further impact financial stability Managing these risks involves investing in infrastructure resilience energy

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

672887000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

81210500000

(3.1.1.25) Explanation of financial effect figure

Heat stress impacts labour productivity by reducing efficiency during regular working hours in hot and humid conditions due to the decreased capacity of the human body to perform physical labour Projections weighted by population or GDP were calculated with the assumption that both the size and distribution of these

parameters would remain constant as of 2005 Consequently we estimate a revenue loss ranging from a minimum of 29 to a maximum of 35 of our basline FY24 revenue which amounts to 23023 million INR

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of direct operations

(3.1.1.27) Cost of response to risk

10000000

(3.1.1.28) Explanation of cost calculation

The decision to allocate 100 million rupees over 5 years for heat stress mitigation is driven by the need for a comprehensive and manageable approach It allows for phased implementation effective budget management long term investments and risk mitigation This strategic allocation ensures that the company can address heat stress impacts efficiently while maintaining financial stability and achieving long term benefits

(3.1.1.29) Description of response

1 Total Cost of Response Amount The total cost allocated for addressing the heat stress impact on productivity is 100 million rupees Duration This cost is planned to be incurred over a period of 5 years 2 Purpose of the Response Cost Mitigation Measures The cost covers various measures to mitigate the impact of heat stress on labour productivity These measures may include o Upgrading Cooling Systems Installing or improving air conditioning and ventilation systems to create a more comfortable working environment o Workplace Modifications Making adjustments to work schedules breaks or work environments to reduce heat exposure o Health and Safety Programs Implementing programs to educate employees about heat stress and provide support such as hydration stations and medical checkups 3 Cost Justification Comparison with Revenue Loss The response cost of 100 million rupees is compared to the potential revenue loss from heat stress which ranges from 66967 million INR to 80581 million INR Financial Efficiency By investing 100 million rupees over 5 years the company aims to reduce the risk of substantial revenue losses due to heat stress making the investment financially justifiable 4 Budget Allocation Annual Distribution The total cost will be spread out over 5 years meaning an average annual expenditure of 20 million rupees per year Financial Planning This distribution helps in planning the budget and managing cash flows ensuring that the financial impact is manageable over the long term 5 Expected Outcomes Reduced Productivity Loss The response measures are expected to mitigate the impact of heat stress thereby preserving or enhancing productivity and minimizing revenue losses Improved Working Conditions Enhanced comfort and safety for employees lead to better overall health and productivity which contributes to improved financial performance The planned response cost of 100 million rupees over 5 years is allo

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ India

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify

(3.1.1.9) Organization-specific description of risk

Infrastructure Impact Process Disruption Water shortages can affect cleaning cooling sterilization and production compromising quality and efficiency Increased Costs Procuring external water or investing in recycling can raise production costs Human Impact Community Conflict Water stress may lead to disputes with local communities over shared resources Sanitation Issues Reduced water availability can impact sanitation and hygiene affecting employee health

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Financial Performance Risks Increased Operating Costs Water shortages may necessitate higher expenditures on external water procurement or advanced recycling technologies which could raise operational costs and reduce profit margins Production Disruptions in critical processes due to water scarcity may lead to decreased production capacity potential delays and missed revenue opportunities Cash Flow Risks Higher Capital Expenditures Investment in water saving technologies and infrastructure upgrades may require significant capital outlays affecting cash flow and liquidity Revenue Losses Reduced production capability or quality issues resulting from water stress can lead to decreased sales and revenue impacting overall cash flow stability

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

63569863.01

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

381419178.1

(3.1.1.25) Explanation of financial effect figure

o evaluate the potential financial impact of production stoppage due to water stress or other disruptions we have assessed scenarios involving varying durations of operational downtime Specifically Minimum Scenario 1 Day We have estimated the financial impact of a minimum one day production stoppage Given our annual revenue of 23203 million even a single day of halted production could significantly affect daily revenue as it equates to a substantial portion of our earnings Maximum Scenario 6 Days For a more severe impact we considered a six day production stoppage This extended downtime could have a compounding effect on our revenue potentially leading to substantial financial losses The calculation for both scenarios involves analysing daily revenue loss which helps in quantifying the financial risk associated with such disruptions This approach ensures that we are prepared for potential revenue impacts and can implement mitigation strategies to minimize financial losses By assessing these scenarios Biocon Limited aims to understand the possible financial ramifications of production stoppages and strengthen our risk management strategies to safeguard our revenue and cash flows

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Implementing buffer stocks or dual sourcing

(3.1.1.27) Cost of response to risk

5000000

(3.1.1.28) Explanation of cost calculation

To address water related challenges and ensure operational continuity we have projected an additional 1 capital expenditure on our current budget This translates to an investment of 5 million aimed at Building Infrastructure Developing facilities for water storage and inventory management to secure reliable water supply Identifying Alternative Sources Exploring and securing alternative water sources to mitigate risks associated with water shortages This investment is essential to enhance our resilience against water stress and maintain production efficiency

(3.1.1.29) Description of response

To mitigate the impact of potential water shortages and address drought risks we have implemented several strategic measures Enhanced Water Storage We have increased our water storage capacity across all sites to cover a maximum of 3 days of operational needs This buffer is designed to ensure continuity in critical processes such as cleaning cooling and production during periods of water scarcity Alternative Water Sources In addition to our primary municipal water supply we

have identified and secured alternative water suppliers This diversification of water sources helps to reduce dependency on a single source and enhances our resilience to supply disruptions Water Reduction Target As part of our long term sustainability strategy we have set a water reduction target of 25 by FY29 using FY23 as the baseline year This ambitious goal reflects our commitment to improving water efficiency and reducing overall water consumption across our operations These initiatives are integral to our broader de risking strategy aimed at minimizing the impact of drought and ensuring sustainable water management for our future operations

Plastics

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Liability

☑ Non-compliance with legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ India

(3.1.1.9) Organization-specific description of risk

Biocon Limited current practices if not fully align with the Extended Producer Responsibility EPR requirements of the Plastic Waste Management Rules 2016 which mandate responsibility for managing plastic waste Key Implications Regulatory Risks Noncompliance can result in fines penalties and operational disruptions Reputational Damage Failure to comply may harm Biocon's reputation as a responsible company Cost Implications Addressing noncompliance will require investment in new technologies and processes

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Fines, penalties or enforcement orders

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Biocon Limited's current practices if not fully align with the Extended Producer Responsibility EPR requirements of the Plastic Waste Management Rules 2016 which mandate responsibility for managing plastic waste Key Implications Regulatory Risks Noncompliance can result in fines penalties and operational disruptions Reputational Damage Failure to comply may harm Biocon's reputation as a responsible company Cost Implications Addressing noncompliance will require investment in new technologies and processes Revenue Impact Regulatory Fines Noncompliance with EPR regulations can lead to substantial fines which could directly reduce revenue Operational Disruptions Potential disruptions in operations due to regulatory penalties or adjustments could impact production and sales Cash Flow Impact Increased Costs Investments required to upgrade waste management systems and meet EPR requirements may strain cash flow Compliance Expenses Additional costs for audits reporting and new technologies could impact short term liquidity Reputation Impact Public Perception Failure to comply with environmental regulations may damage Biocon's reputation as a responsible corporate entity Stakeholder Trust Noncompliance can erode trust among stakeholders including investors customers and regulatory bodies Conclusion Biocon anticipates potential risks to revenue cash flow and reputation due to noncompliance with EPR regulations Addressing these risks involves investing in compliance measures and enhancing sustainability practices to mitigate financial and reputational impacts

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

Biocon has adopted a comprehensive circular economy approach to waste management with a focus on plastic waste reduction and sustainability Our strategy includes Circular Economy Implementation Plastic Waste Reduction Target Achieve 100 circular economy in waste management by FY29 using FY23 as the baseline year Actions Taken We are actively working on minimizing plastic waste through various initiatives and have set ambitious targets to integrate circularity into all waste management practices Recycling Initiatives LDPE Bags We have already repurposed 4 tons of used LDPE Low Density Polyethylene bags for waste collection This not only reduces the need for new plastic but also supports our recycling efforts and reduces overall plastic waste EPR Compliance Disclosure We are committed to adhering to the Extended Producer Responsibility EPR regulations which mandate that producers take responsibility for the lifecycle of their products including waste management Reporting We regularly disclose our waste management practices and progress in meeting EPR requirements ensuring transparency and compliance with regulatory standards Long Term Goal Plastic Neutrality Our ultimate aim is to achieve plastic neutrality This involves not only reducing and recycling plastic waste but also offsetting any residual plastic through various sustainability initiatives Strategic Actions We are investing in technologies and practices that support the circular economy and reduce plastic waste throughout our operations Overall Action Plan Integration Our approach integrates circular economy principles into all aspects of waste management ensuring that waste is minimized recycled and reused effectively Monitoring and Reporting We continuously monitor our progress towards achieving a circular economy and regularly report our performance against our targets Future Focus We are committed to exploring new technologies and practices that will further o

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ India

(3.1.1.9) Organization-specific description of risk

Heavy rainfall and flooding can significantly impact both our infrastructure and human resources as well as the upstream and downstream components of our value chain Infrastructure Impact Flooding can severely damage building structures compromising their stability and potentially leading to partial or total collapse This damage extends to critical equipment and stored inventory incurring substantial repair and replacement costs Essential services such as electricity internet and phone connectivity may also be disrupted further impeding operational efficiency and halting production processes Human Capital The safety and accessibility of our workforce are also at risk Flood damage to electrical systems poses safety hazards including potential electrical shocks and fire risks Additionally prolonged floods can obstruct employee commutes increasing absenteeism and affecting overall productivity Health risks such as waterborne diseases from contaminated water sources can further impact workforce availability and effectiveness Value Chain Impact The repercussions of flooding extend beyond immediate infrastructure and workforce issues to affect both upstream and downstream elements of the value chain Disruptions in transportation due to damaged roads and vehicles can delay the delivery of raw materials and the distribution of finished products These delays can lead to production bottlenecks increased operational costs and a weakened market position In summer

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Closure of operations

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Revenue Loss Operational Disruptions Flooding can damage Biocon infrastructure and essential services leading to production halts and lower revenue Inventory losses due to water damage can further reduce sales and disrupt supply chains 2 Increased Costs Repair and Replacement Significant costs may arise from repairing damaged facilities and replacing equipment Restoring essential services also incurs additional expenses 3 Supply Chain Disruptions Transportation Delays Damage to transport routes can delay raw material deliveries and product distribution increasing logistics costs and affecting revenue 4 Labor Costs Increased Absenteeism Flooding may hinder employee commutes and affect health leading to higher absenteeism and additional labour costs for temporary staffing 5 Health and Safety Costs Workplace Safety Addressing safety hazards and health risks from flooding will require extra spending on safety measures and health programs 6 Cash Flow Impact Financial Strain Combined impacts of revenue loss increased costs and disruptions can strain Biocon's cash flow complicating financial management and operational continuity In summary Heavy rainfall and flooding pose significant financial risks for Biocon including potential revenue loss from operational disruptions and inventory damage increased repair costs supply chain delays and higher labour costs Effective risk management and contingency planning are crucial to mitigating these risks and maintaining financial stability

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

63569863.01

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

381419178.1

(3.1.1.25) Explanation of financial effect figure

The estimated financial impact assumes a shutdown of our key facilities due to extreme weather such as flooding ranging from 1 to 6 days Using our annual revenue of 23303 million INR we calculated the potential revenue loss per day of shutdown This estimate is based on our internal procedures for assessing the financial risks of operational disruptions

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase geographic diversity of facilities

(3.1.1.27) Cost of response to risk

4000000000

(3.1.1.28) Explanation of cost calculation

To enhance business continuity and mitigate flood risk we have invested 400 million INR in establishing a new facility

(3.1.1.29) Description of response

To safeguard our critical operations and ensure business continuity in the face of flood risks we have invested 400 million INR in the construction of a new facility in Visakhapatnam India This strategic investment is particularly crucial due to the importance of our product portfolio which includes key pharmaceutical and biopharmaceutical products The new facility is designed with state-of-the-art flood protection systems and resilient infrastructure to withstand extreme weather conditions This proactive measure is essential to protect our manufacturing processes and prevent potential disruptions that could impact the production of our highvalue products By reducing our vulnerability to flooding we not only mitigate operational risks but also secure the ongoing availability of our important products which are vital for meeting market demands and maintaining our competitive edge This investment supports our commitment to business continuity and reinforces our ability to deliver critical products without interruption thereby safeguarding our revenue and upholding our reputation in the industry

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to national legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ India

(3.1.1.9) Organization-specific description of risk

Current Context Currently Biocon Limited is not subject to mandatory emission reduction regulations However as India aims for netzero carbon emissions by 2070 it is expected that new regulations will emerge potentially impacting the pharmaceutical sector Future Carbon Pricing India is developing the Indian Carbon Market ICM to regulate GHG emissions This could include a carbon tax or pricing mechanism affecting companies like Biocon While no carbon pricing is in place now its future implementation could have significant financial implications

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased capital expenditures

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Compliance Costs Carbon Pricing Future carbon taxes could increase operating costs Technology Investments Compliance may require significant capital expenditure on new technologies impacting cash flow 2 Operational Adjustments Increased Costs Adapting to new regulations may raise production and energy costs affecting profitability Efficiency Regulatory changes might initially reduce production efficiency but could lead to long term savings 3 Revenue Impact Pricing Strategies Higher compliance costs may lead to increased product prices potentially impacting competitiveness and demand Market Access Adapting early may open new markets while noncompliance risks losing business to competitors 4 Financial Planning Complexity New regulations will add complexity to financial planning and reporting increasing administrative costs Financing Future regulations might affect Biocon's ability to raise capital or alter financing terms 5 long-term Benefits Efficiency Gains Sustainable investments can lead to cost savings and improved operational efficiency Reputation Adapting to regulations can enhance Biocon's market reputation and attract environmentally conscious customers Future emission regulations and carbon pricing in India will impact Biocon's revenues and cash flows through increased costs and operational changes Proactive adaptation and investment in sustainability can mitigate these impacts and offer long term financial benefits

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

125922000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

251844000

(3.1.1.25) Explanation of financial effect figure

In assessing the potential financial impact of future carbon taxes on Biocon Limited we have considered a range of carbon tax rates Based on global benchmarks the minimum tax rate is set at 1000 INR per ton of CO2 while the maximum is 2000 INR per ton The minimum and maximum financial impacts have been calculated based on FY24 total emissions

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

386320000

(3.1.1.28) Explanation of cost calculation

We anticipate a 2 increase in capital expenditure amounting to an additional 386 million INR against the current capital expenditure budget of 19316 million INR This adjustment reflects the need to invest in new technologies infrastructure improvements or other strategic initiatives The increase is intended to support our growth objectives and enhance operational efficiency ensuring we remain competitive and compliant with evolving industry standards

(3.1.1.29) Description of response

Currently Biocon Limited is not required to adhere to mandatory emission reduction regulations However recognizing Indias ambitious goal of achieving netzero carbon emissions by 2070 we anticipate that new regulations may soon affect the pharmaceutical sector In anticipation of these developments Biocon has proactively undertaken several initiatives to align with future environmental standards and enhance our sustainability efforts 1 Investment in Biomass Boiler We have invested in a new biomass boiler in one of our Bengaluru sites which will significantly reduce our reliance on fossil fuels and lower our carbon footprint Biomass being a renewable resource supports our commitment to cleaner energy solutions 2 Renewable Energy Utilization Our Bengaluru facilities have already transitioned to 90 renewable energy This shift not only aligns with our sustainability goals but also positions us favourably for future regulatory requirements by reducing our greenhouse gas emissions 3 Enhanced Fuel Mix We are incorporating biomass as a major component of our fuel mix for boiler operations with coal being less in proportion in our Hyderabad and vizag facilities This move will further decrease our environmental impact and improve our overall energy efficiency 4 Exploring Renewable Power We are actively exploring opportunities to access renewable power through the open access system for our Hyderabad and Vizag facilities This strategy aims to increase our use of clean energy sources and support our long term sustainability objectives By implementing these measures Biocon Limited is preparing for the evolving regulatory landscape and reinforcing our commitment to environmental stewardship These investments not only help mitigate potential regulatory risks but also contribute to our goal of leading the industry in sustainable practices

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to international law and bilateral agreements

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ France

☑ Germany

☑ Greece

☑ Spain

☑ Switzerland

(3.1.1.9) Organization-specific description of risk

Currently Biocon Limited experiences limited legal and financial implications in the countries where we market our products However with the introduction of the Carbon Border Adjustment Mechanism CBAM in 2023 there is potential for future financial impact While the initial phase of CBAM targets six sectors there is a possibility that pharmaceuticals may be included in future phases which could affect our costs and operations related to marketing in the EU

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption to sales

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Financial Position Biocon Limited financial position may be influenced by potential future regulatory changes such as the Carbon Border Adjustment Mechanism CBAM While we currently face limited direct financial implications in the regions where we market our products the inclusion of pharmaceuticals in future phases of CBAM could introduce additional costs These costs could arise from carbon pricing adjustments or compliance requirements impacting our overall financial stability Additionally fluctuations in energy costs driven by the EUs transition to a low carbon economy could further affect our financial metrics Cash Flows Future regulatory developments such as CBAM could affect our cash flows by introducing new expenses related to carbon adjustments and compliance If pharmaceuticals are included in the scope of CBAM we might face increased costs for carbon emissions associated with our products These additional costs could strain our cash flows particularly if they are not offset by higher revenues or cost efficiencies On the positive side the EUs shift towards renewable energy presents an opportunity to stabilize our energy costs which could improve our cash flow stability in the long term However initial investments required to align with these changes might temporarily impact our liquidity Conclusion Anticipating these risks and their potential impacts on our financial position and cash flows is crucial for strategic planning By proactively addressing these risks and exploring opportunities in the evolving regulatory and market landscape Biocon Limited aims to mitigate potential negative impacts and enhance financial resilience

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Engagement

☑ Engage with customers

(3.1.1.27) Cost of response to risk

2000000

(3.1.1.28) Explanation of cost calculation

We have assumed 2 million Indian Rupees for strategic investments aimed at enhancing customer engagement and establishing comprehensive product carbon footprint data

(3.1.1.29) Description of response

Customer Engagement Initiatives We have developed a robust customer portal to enhance interaction and address sustainability concerns This portal facilitates transparent dialogue and provides a platform for customers to engage with us on environmental impact issues Product Carbon Footprint Data In response to increasing customer requests for product carbon footprint data we have initiated the process of collecting and disclosing this information We have also published our carbon reduction plan specifically for the EU market demonstrating our commitment to meeting regulatory and customer expectations This investment supports our ongoing efforts to improve transparency meet customer demands and align with global sustainability standards

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Heat wave

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China

(3.1.1.9) Organization-specific description of risk

China a major global supplier of raw materials is increasingly vulnerable to extreme weather events including severe heat waves According to Chinas 4th Climate Change Assessment Report the frequency and intensity of heat waves are expected to rise significantly due to climate change This poses several risks to the supply chain particularly for industries dependent on raw materials sourced from this region

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Financial Performance Risks Increased Operational Costs The impact of extreme weather events such as heat waves in key raw material supply regions like China can lead to increased operational costs These include higher costs for climate control measures potential damage to production facilities and increased raw material prices Such cost escalations may pressure Biocon's profit margins and overall financial performance Revenue Disruptions in the supply chain due to weather related delays or facility shutdowns can affect Biocon's ability to meet production targets and fulfil customer orders on time This may result in missed revenue opportunities

and reduced sales impacting overall financial performance Cost of Mitigation Measures Investing in mitigation strategies such as diversifying suppliers or enhancing supply chain resilience requires capital expenditure While these investments are necessary for long-term stability they represent a short term financial outlay that could impact profitability 2 Cash Flow Issues Delayed Cash Inflows Supply chain disruptions can lead to delays in fulfilling customer orders which may in turn delay cash inflows from sales Prolonged delays could strain cash flow and liquidity affecting Biocon's ability to meet short term financial obligations Increased Working Capital Requirements Higher inventory costs due to supply chain uncertainties and increased raw material prices can lead to higher working capital requirements Managing these increased working capital needs could strain cash flow and limit financial flexibility Capital Expenditures Investments in infrastructure upgrades such as enhancing resilience against extreme weather or diversifying supply sources require substantial capital While these expenditures are aimed at mitigating future risks they could temporarily impact cash flow and liquidity Conclusion The anticipated financial performance and cash flow risks for Biocon driven by extreme weather events and associated supply chain disruptions highlight the need for strategic risk management and proactive financial planning By addressing these risks through diversification and investment in resilience Biocon aims to mitigate potential negative impacts and maintain financial stability

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Diversification

☑ Increase supplier diversification

(3.1.1.27) Cost of response to risk

2000000

(3.1.1.28) Explanation of cost calculation

To address the anticipated risks associated with extreme weather events and potential disruptions in our supply chain we assumed have 5 increase in capital expenditure This investment is designed to enhance our operational resilience and mitigate the financial impact of these risks Heres a detailed breakdown of how this capital will be utilized

(3.1.1.29) Description of response

In parallel with these investments Biocon has launched supplier engagement programs focused on building strong relationships with our suppliers and enhancing their resilience to climaterelated risks We are actively engaging with suppliers to understand their risk exposure and develop joint strategies for risk mitigation

Additionally we are incorporating alternate suppliers into our procurement strategy and increasing local sourcing where feasible This approach not only reduces our reliance on global supply chains but also supports local economies and enhances supply chain stability

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Technology

☑ Transition to water efficient and low water intensity technologies and products

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ India

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify

(3.1.1.9) Organization-specific description of risk

Biocon faces significant water related risks due to the high water intensity of pharmaceutical manufacturing processes including cooling cleaning and production activities With increasing global focus on sustainability and water conservation transitioning to waterefficient and lowwater intensity technologies is crucial

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased capital expenditures

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Increased Capital Expenditure Biocon's commitment to water efficient technologies and infrastructure upgrades entails significant capital investment notably an additional 2 to 3 additional 100 million INR This will have several financial implications a Short Term Costs The upfront capital expenditure will strain cash flow reducing liquidity as funds are diverted from other operational or strategic investments b Delayed ROI The benefits of these investments such as reduced water costs and operational efficiencies will accrue over time Initially this may lead to reduced financial performance until the ROI is realized

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

69609000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

116015000

(3.1.1.25) Explanation of financial effect figure

We have considered a minimum revenue loss of 02 and a maximum of 05 due to the additional capital expenditure of 100 million INR for water infrastructure upgrades This short term revenue impact reflects the immediate financial strain and potential temporary reduction in operational efficiency Despite this the longterm benefits from improved water efficiency and cost savings are anticipated to outweigh this initial revenue decline

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

10000000

(3.1.1.28) Explanation of cost calculation

We have estimated a CAPEX investment of approximately 100 million INR representing 2 to 3 of our current budget This figure is derived from our internal evaluation which included detailed assessments of current infrastructure needs projected improvements in water efficiency and potential cost savings Basis for the 100 Million INR Estimation Infrastructure Assessment Detailed analysis of existing water management systems and required upgrades Efficiency Improvements Cost projections for implementing advanced water recycling and conservation technologies Cost Benefit Analysis Evaluation of long term savings versus initial expenditure While this investment may impact short term cash flow it is expected to yield significant long term benefits in water efficiency and reduced operational costs supporting overall sustainability and financial health

(3.1.1.29) Description of response

This investment is integral to our strategic objective of achieving a 25 reduction in water withdrawal by FY29 using FY23 as the baseline year 1 Alignment with Water Reduction Goals This investment supports our commitment to reducing water withdrawal by 25 by FY29 It encompasses the implementation of advanced technologies and systems essential for meeting this target and aligns with our long term water neutrality strategy 2 Technological Upgrades o Chlorine Dioxide ClO2 Treatment Enhances the recycling of water making it suitable for reuse across various processes o High Pressure Reverse Osmosis RO Efficiently

separates salts and impurities from water improving recovery and quality o Nano Filtration Employs advanced filtration methods to remove salts and contaminants complementing our water recycling efforts 3 Strategic Investment This expenditure is crucial for integrating new technologies and optimizing our water management systems It will ensure we meet our water reduction targets and supports our broader goal of achieving water neutrality in the long term By investing in these technologies we are not only addressing immediate water management needs but also reinforcing our commitment to sustainable and responsible water use which is vital for our operational resilience and environmental stewardship

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China

☑ India

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify

(3.1.1.9) Organization-specific description of risk

Drought conditions in key regions such as India and China pose significant risks to Biocons supply chain primarily impacting the availability of raw materials and operational continuity Both countries are critical sources of raw materials used in our biopharmaceutical manufacturing processes

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Revenue Impact Supply Chain Disruptions Drought related disruptions in the supply chain could lead to delays in obtaining raw materials potentially affecting our production schedules and leading to reduced output This may result in missed sales opportunities and a potential decrease in revenue We anticipate that these disruptions could cause a revenue loss depending on the severity and duration of the impact Increased Costs The need to source alternative suppliers or pay premium prices for scarce materials may increase our production costs These higher costs can impact our pricing strategy and reduce our profit margins further affecting revenue 2 Cash Flow Impact Higher Operational Costs Investing in alternative suppliers increased inventory and water efficient technologies may lead to higher operational expenses These additional costs could strain our cash flow particularly if they are significant and sustained over a prolonged period Contingency Reserves Maintaining higher inventory levels and developing alternative sourcing strategies may tie up cash reserves potentially limiting our liquidity in the short term Overall Summary The anticipated financial impact of drought on Biocon includes potential revenue losses due to supply chain disruptions

and increased costs Additionally higher CAPEX investments and increased operational expenses could strain cash flow Proactive measures and strategic investments are crucial to managing these risks and ensuring the long term stability of our operations

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Diversification

☑ Increase supplier diversification

(3.1.1.27) Cost of response to risk

2000000

(3.1.1.28) Explanation of cost calculation

we assume 2 million INR to enhance our supplier engagement strategy This investment focuses on developing a comprehensive vendor portal and conducting Environmental Social and Governance ESG audits

(3.1.1.29) Description of response

1 Vendor Portal Development Enhanced Communication The creation of a vendor portal will streamline communication with suppliers providing a centralized platform for information exchange order management and performance tracking Transparency and Efficiency This portal will facilitate transparent interactions improve operational efficiency and help manage supplier relationships more effectively It will also enable Realtime updates on supply chain status and potential disruptions 2 ESG Audits Compliance and Standards Investing in ESG audits ensures that our suppliers adhere to environmental and social standards mitigating risks related to sustainability and ethical practices Risk Management These audits will help identify and address potential risks in our supply chain including environmental impacts and labour practices supporting our commitment to responsible sourcing Expected Benefits Strengthened Supply Chain Improved supplier engagement and compliance will enhance the resilience and reliability of our supply chain Sustainability Goals Aligning with ESG standards supports our broader sustainability objectives and enhances our reputation as a responsible corporate entity Operational Efficiency Streamlined processes through the vendor portal will reduce administrative burdens and improve overall supply chain management This 2 million INR investment could is a strategic move to fortify our supply chain ensure compliance with ESG standards and support our long term sustainability goals
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :EBITA

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

2000000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

2008000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

5 to 10 EBITDA Loss This projected EBITDA loss of 5 to 10 is based on risk management procedure s These procedures involve forecasting potential financial impacts under various scenarios to ensure that the company is prepared for different eventualities Internal Risk Management Procedure The EBITDA loss estimate

is a precautionary measure built into Biocon's risk management strategy It represents a conservative approach to financial planning allowing the company to anticipate and prepare for potential operational or market uncertainties However Biocon is investing on Infrastructure and LowEnergy Transition Technologies Infrastructure Investment For Biocon investing in infrastructure could involve upgrading facilities for research and development enhancing manufacturing processes or expanding production capacities Such investments are crucial for maintaining and improving operational effectiveness and scalability LowEnergy Transition Technologies This involves adopting technologies that enhance energy efficiency and sustainability For Biocon this might include implementing energy saving equipment optimizing production processes to reduce energy consumption or integrating renewable energy sources into their operations

Water

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :EBITA

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

2000000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

2008000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

5 to 10 EBITDA Loss This projected EBITDA loss of 5 to 10 is based on risk management procedure s These procedures involve forecasting potential financial impacts under various scenarios to ensure that the company is prepared for different eventualities Internal Risk Management Procedure The EBITDA loss estimate is a precautionary measure built into Biocon's risk management strategy It represents a conservative approach to financial planning allowing the company to anticipate and prepare for potential operational or market uncertainties However Biocon is investing on Infrastructure and Low Energy Transition Technologies and innovative technologies on water management Infrastructure Investment For Biocon investing in infrastructure could involve upgrading facilities for research and development enhancing manufacturing processes or expanding production capacities Such investments are crucial for maintaining and improving operational effectiveness and scalability Low Energy Transition Technologies innovative technologies on water This involves adopting technologies that enhance energy efficiency and better water conservation and sustainability For Biocon this might include implementing energy saving equipment optimizing production processes to reduce energy consumption or integrating renewable energy sources into their operations
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

India

☑ Cauvery River

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

2

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 26-50%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 31-40%

(3.2.11) Please explain

Assessment Tool Biocon uses the WRI Aqueduct tool to evaluate water related risks including water stress storage flood drought demand supply reputation wastewater management and total water use Risk Management Process At the site level Biocon employs an Enterprise Risk Management ERM process to address water risks conducting annual assessments to prioritize and implement risk mitigation measures Findings For Biocon's key Bengaluru sites most physical and reputational risks are medium or low in both pessimistic and optimistic scenarios However long term water stress is identified as a high risk Initiative In response to this Biocon has implemented ClO_2 chlorine dioxide treatment at one of its Bengaluru sites This advanced technology is used to improve water recycling processes by effectively treating and purifying wastewater which helps increase the percentage of water recycled and reused at the site This initiative is part of Biocon's broader strategy to enhance water management and mitigate water stress Strategic Implications The high long term water stress risk underscores the need for continued proactive measures including water conservation and advanced recycling technologies to ensure sustainable water management
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☑ No

(3.3.3) Comment

Biocon has not faced any water related regulatory violations including fines enforcement orders or penalties We ensure full compliance with all legal requirements through our Enterprise Risk Management ERM process which includes Notice Tracking Tool Monitors and records notices from regulatory agencies Compliance Monitoring Tool Tracks adherence to water regulations and internal policies These tools help us identify and address potential compliance issues promptly reinforcing our commitment to regulatory adherence and sustainable practices
[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.8) Organization specific description

Biocon is committed to sustainability through strategic renewable energy procurement using captive and group captive mechanisms This approach has enabled Energy Coverage Over 75 of the energy used across five of Biocon's operating sites comes from renewable sources Additionally two major Bengaluru sites utilize renewable energy for 93 of their total energy needs CO_2 Offset These initiatives contribute to an annual CO_2 offset of 66000 tons significantly mitigating Biocons carbon footprint and supporting global climate goals This proactive shift to renewable energy reflects Biocon's dedication to reducing greenhouse gas emissions and advancing its climate responsibility objectives

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Returns on investment in low-emission technology

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Biocon's strategic investment in renewable energy through captive and group captive mechanisms has delivered significant financial and operational benefits Revenue Impact By shifting to renewable energy Biocon has achieved notable cost savings in energy expenditure This reduction in energy costs contributes positively to the company's overall financial performance helping to improve profit margins and support revenue growth While the direct impact on revenue from energy procurement is indirect the operational efficiencies gained translate into stronger financial health and competitive positioning Operational Gains The use of renewable energy has led to a substantial operational gain with a 14 to 15 reduction in energy costs This decrease in energy expenses enhances Biocon's operational efficiency as lower energy costs directly reduce the company's operational expenses and improve profitability Cash Flow Benefits The reduction in energy costs translates into improved cash flow for Biocon By lowering operational expenses the company retains more cash which can be reinvested into growth initiatives research and development or other strategic areas This positive cash flow effect supports overall financial stability and enables greater flexibility in managing future investments In summary Biocon's renewable energy initiatives have led to a 14 to 15 reduction in energy costs which not only improves operational efficiency but also contributes to better financial performance and enhanced cash flow These benefits underscore the financial viability of Biocon's sustainability strategy and its positive impact on the company's revenue and profitability

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

141300000

(3.6.1.23) Explanation of financial effect figures

Biocon's renewable energy procurement has led to significant cost savings With a cost reduction of 090 per million units of energy and a total renewable energy purchase of 151 million units the company has realized a total savings of 1359 million This substantial reduction in energy expenses enhances Biocon's operational efficiency and profitability By lowering energy costs Biocon improves its financial performance and cash flow reinforcing its commitment to both sustainability and economic efficiency

(3.6.1.24) Cost to realize opportunity

500000000

(3.6.1.25) Explanation of cost calculation

Biocon has invested 50 million in renewable energy through a group captive and captive model via the Open Access system This strategic investment supports Biocon's commitment to sustainability by securing a substantial portion of its energy from renewable sources This approach not only aligns with environmental goals but also enhances operational efficiency and long term cost savings

(3.6.1.26) Strategy to realize opportunity

Biocon embarked on its strategic journey towards renewable energy in 2020 marking a significant shift towards sustainability and operational efficiency Through investments in a group captive and captive model via the Open Access system Biocon has made remarkable strides in increasing its renewable energy usage Current Achievements Renewable Energy Integration By this year Biocon has achieved substantial progress with 75 of the energy used across five of its operating sites coming from renewable sources In its Bengaluru operations this commitment is even more pronounced with 93 of energy now sourced from renewable power Scope 2 Emissions Reduction Significant Impact This strategic shift has led to a notable reduction in Scope 2 emissions which are indirect greenhouse gas emissions from purchased electricity In particular Biocon has realized an 80 reduction in Scope 2 emissions across its Bengaluru operations This impressive achievement underscores the effectiveness of Biocon's renewable energy strategy in lowering its carbon footprint Strategic Benefits Environmental Leadership The substantial uptake of renewable energy and significant reduction in Scope 2 emissions reflect Biocon's leadership in environmental sustainability By transitioning to renewable energy the company not only contributes to global climate goals but also enhances its corporate reputation as a responsible and forward thinking organization Operational Efficiency The increased use of renewable energy aligns with Biocon's commitment to operational efficiency and cost management supporting long term financial and environmental benefits In summary since initiating its renewable energy strategy in 2020 Biocon has successfully achieved 75 renewable energy usage across five sites and 93 in Bengaluru The company has also realized an 80 reduction in Scope 2 emissions in its Bengaluru operations demonstrating the significant impact of its investment in sustainable energy solutions

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Use of recycling

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Cauvery River

(3.6.1.8) Organization specific description

CLO_2 Dosing for Enhanced Water Recycling Technology Overview Biocon has implemented chlorine dioxide CLO_2 dosing in our Effluent Treatment Plant ETP to improve the recycling of treated permeate water Key Benefits Enhanced ORP CLO_2 dosing increases the Oxygen Reduction Potential ORP of the water improving disinfection and oxidation Improved Water Quality Higher ORP levels result in cleaner higher quality water which enhances recycling efficiency Increased Recycling Percentage Better water quality allows for a greater percentage of treated water to be reused reducing the need for fresh water Strategic Impact Sustainability Supports Biocon's sustainability goals by improving water reuse and reducing overall consumption Operational Efficiency Enhances system reliability and reduces operational costs related to water treatment Summary CLO_2 dosing improves water quality and recycling efficiency in Biocon's ETP contributing to sustainability goals and operational cost savings by maintaining a robust and effective treatment system

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Financial Impact of CLO_2 Dosing Technology Investment Overview Biocon has invested 06 million in implementing CLO_2 dosing technology for our Effluent Treatment Plant ETP This investment is projected to have a payback period of less than 2 years Cash Flow Impact Cost Savings The improved recycling efficiency from CLO_2 dosing reduces the need for fresh water and lowers operational costs related to water treatment These savings enhance cash flow by decreasing ongoing expenses Quick Payback With a payback period of under 2 years the initial investment will be recovered relatively quickly through the cost savings achieved This swift recovery contributes positively to our cash flow and financial stability Revenue Impact Indirect Revenue Benefits While the technology does not directly increase revenue it supports operational efficiency and sustainability Improved water recycling and reduced operational costs can indirectly enhance profitability allowing for better resource allocation and potential cost savings that could support revenue growth initiatives Summary The 06 million investment in CLO_2 dosing technology is expected to improve cash flow through cost savings and achieve a payback period within 2 years While the impact on revenue is indirect the enhanced operational efficiency and sustainability contribute to overall financial stability and profitability

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

6000000

(3.6.1.25) Explanation of cost calculation

Investment Overview Biocon has invested 06 million in CLO_2 dosing technology for our Effluent Treatment Plant ETP aimed at enhancing water recycling efficiency Financial Impact Cash Flow The investment will lead to reduced operational costs by improving recycling efficiency and decreasing the need for fresh water This will positively impact cash flow by generating cost savings Payback Period With a projected payback period of less than 2 years the initial 06 million investment will be recovered quickly through these savings Summary The 06 million investment in CLO_2 dosing technology is expected to enhance cash flow through operational cost reductions and be recovered within 2 years contributing to improved financial efficiency

(3.6.1.26) Strategy to realize opportunity

Objective Biocon has set a target to reduce water usage by 25 by FY29 based on FY23 levels and aims for long term water neutrality To support these goals we are investing 06 million in CLO_2 dosing technology to enhance water recycling Strategic Actions Investment in CLO_2 Dosing Technology Purpose The 06 million investment is directed towards implementing CLO_2 dosing in our Effluent Treatment Plant ETP This technology improves the recycling percentage of treated water by

enhancing the quality and reducing contaminants Expected Outcome The initiative will increase the recycling percentage of treated water from 70 to 80 significantly contributing to our water reduction targets Achievement of Water Reduction Target Enhanced Efficiency By increasing the recycling percentage we reduce our dependency on fresh water sources This directly supports our target of reducing overall water usage by 25 by FY29 Sustainability Alignment Improved water recycling aligns with our long term goal of achieving water neutrality ensuring that we use water resources more efficiently and responsibly Long Term Benefits Operational Efficiency Enhanced water recycling reduces operational costs related to water procurement and treatment providing financial benefits and operational stability Environmental Impact Achieving a higher recycling rate contributes to our environmental stewardship reducing the environmental footprint and supporting our sustainability goals Summary The 06 million investment in CLO_2 dosing technology is strategically aligned with Biocon's goal of reducing water use by 25 by FY29 and achieving water neutrality By increasing the recycling percentage from 70 to 80 the investment supports both operational efficiency and long term environmental sustainability reinforcing our commitment to responsible water management

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.8) Organization specific description

Biocon has recently installed a biomass based boiler at one of our Bengaluru sites replacing CNG fuel This move is a key part of our decarbonization strategy and contributes to reducing Scope 1 emissions Emission Reduction The shift to biomass a renewable fuel significantly lowers Scope 1 emissions by offering a more sustainable alternative to CNG Decarbonization Targets This initiative supports our goal of achieving a 25 reduction in Scope 1 and Scope 2 emissions by FY29 aligning with our commitment to sustainability Strategic Benefits The new biomass boiler enhances our environmental performance and operational efficiency while reinforcing Biocon's leadership in green technologies and sustainable practices

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Cost Savings The switch from CNG to biomass for boiler fuel has resulted in 143 million in cost savings Biomass is more cost effective significantly reducing fuel expenses Financial Performance This reduction enhances Biocon's profit margins allowing for better financial performance and pricing flexibility The savings contribute to stronger profitability and competitive advantage Cash Flow Benefits The 143 million in annual savings improves Biocon's cash flow providing greater liquidity and enabling reinvestment into growth and sustainability initiatives Strategic Impact The switch aligns with Biocon's sustainability goals boosts operational efficiency and reinforces the company's commitment to green practices

(3.6.1.24) Cost to realize opportunity

10000000

(3.6.1.25) Explanation of cost calculation

Biocon has invested 10 million in a partnership with Thermax to install a 30ton biomass boiler This upgrade replaces CNG with renewable biomass fuel offering significant cost savings and reducing greenhouse gas emissions Financial Impact The biomass boiler enhances cost efficiency by lowering fuel expenses and supports Biocon's sustainability goals Environmental Benefit The switch helps reduce Scope 1 emissions and aligns with Biocon's target of a 25 reduction in Scope 1 and Scope 2 emissions by FY29

(3.6.1.26) Strategy to realize opportunity

Biocon has recognized the significant impact of installing the 30ton biomass boiler which plays a crucial role in our strategy to reduce Scope 1 and Scope 2 greenhouse gas emissions Contribution to Scope 1 Reduction The biomass boiler which replaces the previous CNG fuel source directly reduces Scope 1 emissions Scope 1 emissions are the direct greenhouse gases emitted from owned or controlled sources By switching to biomass a renewable and less carbon intensive fuel Biocon decreases its carbon footprint from energy production processes Alignment with Reduction Targets Target Biocon aims to achieve a 25 reduction in Scope 1 and Scope 2 emissions by FY29 using FY20 as the baseline year Impact The biomass boiler contributes significantly to this goal by lowering Scope 1 emissions This reduction aligns with our broader decarbonization strategy and helps us make substantial progress towards our 25 reduction target Strategic Benefits Environmental Stewardship The installation of the biomass boiler underscores Biocon's commitment to environmental sustainability and climate action By adopting cleaner technology Biocon not only meets regulatory requirements but also leads by example in the industry Operational Efficiency Beyond emissions reductions the new boiler improves operational efficiency and supports Biocon's overall sustainability efforts In summary the 30ton biomass boiler has a substantial impact on Biocon's emission reduction strategy It directly contributes to reducing Scope 1 emissions and supports our goal of a 25 reduction in Scope 1 and Scope 2 emissions by FY29 based on the FY20 baseline This initiative highlights Biocon's dedication to achieving its environmental targets and advancing its sustainability agenda

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.8) Organization specific description

Biocon has implemented several key energy efficient technologies to support our goal of reducing Scope 1 and Scope 2 emissions by 25 by FY29 using FY20 as the baseline Economizer for Boilers Captures waste heat to preheat feed water reducing fuel consumption and Scope 1 emissions Energy Efficient Centrifugal Compressors Optimize air compression lowering electricity use and Scope 2 emissions Heat Pump for Boiler Feed Water Recovers heat to preheat water decreasing fuel use and Scope 1 emissions Variable Frequency Drives VFDs Control motor speeds for cooling tower pumps and air handling units reducing energy consumption and Scope 2 emissions FRP Fans for Cooling Towers Lightweight efficient fans lower energy needs contributing to reduced Scope 2 emissions Overall Impact These technologies collectively contribute to significant reductions in both Scope 1 and Scope 2 emissions aligning with Biocon's 25 reduction target by FY29 and enhancing our environmental and operational efficiency

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

1 Return on Investment ROI Biocon's energy efficiency initiatives including the installation of economizers energyefficient compressors heat pumps VFDs and FRP fans have yielded an impressive return on investment ROI of approximately 34 million 2 Effect on Cash Flow Increased Cash Flow The ROI of 34 million represents a direct improvement in Biocon's cash flow By reducing energy costs through these initiatives the company has realized significant savings that enhance liquidity and

provide more financial flexibility Reinvestment Opportunities The improved cash flow enables Biocon to reinvest in further growth opportunities sustainability projects or other strategic initiatives supporting long term financial health 3 Effect on Revenue Cost Savings Lower energy expenses lead to reduced operational costs which can enhance profit margins While the initiatives do not directly increase revenue the savings from reduced energy costs contribute to better overall profitability Competitive Advantage Improved financial performance due to cost savings strengthens Biocon's competitive position potentially enabling better pricing strategies and reinforcing market presence Summary The energy efficiency initiatives have generated a ROI of 34 million positively impacting Biocons cash flow by increasing liquidity and providing reinvestment opportunities Although the initiatives do not directly affect revenue the reduction in operational costs enhances profitability and strengthens Biocon's competitive advantage

(3.6.1.24) Cost to realize opportunity

90000000

(3.6.1.25) Explanation of cost calculation

Biocon has invested 90 million INR in a series of energy saving technologies to enhance operational efficiency and sustainability This investment includes the installation of economizers for boilers energy efficient centrifugal compressors heat pumps variable frequency drives VFDs for cooling systems and FRP fans for cooling towers

(3.6.1.26) Strategy to realize opportunity

Strategic Impact of Energy Saving Measures Investment Overview Biocon's strategic investment of 90 million INR in energy efficient technologies such as economizers for boilers energy efficient centrifugal compressors heat pumps variable frequency drives VFDs and FRP fans has been pivotal in enhancing our operational efficiency and sustainability Realized Benefits Return on Investment ROI Achievement We have already realized a substantial ROI of 34 million approximately 28 billion from these energy saving initiatives This signifies that the savings generated from reduced energy costs have far exceeded the initial investment delivering significant financial returns Strategic Value The positive ROI not only reflects efficient capital allocation but also reinforces Biocon's financial health by enhancing profitability and providing funds for further strategic investments Environmental Impact CO2 Offset The initiatives have resulted in the offset of around 10000 tonnes of CO2 This reduction aligns with Biocon's commitment to lowering our carbon footprint and contributing to global climate action Sustainability Leadership By achieving significant CO2 reductions Biocon demonstrates leadership in sustainability supporting our long term environmental goals and improving our corporate reputation Strategic Benefits Operational Efficiency The energy saving measures have optimized our energy use reduced operational costs and improved overall system performance This enhanced efficiency strengthens Biocon's competitive advantage Financial and Environmental Alignment The realized ROI and CO2 offsets align with Biocon's strategic objectives of financial growth and environmental stewardship The investment not only delivers economic benefits but also advances our sustainability agenda positioning Biocon as a responsible and forward thinking leader in the industry In summary the 90 million investment in energy efficient technologies has delivered substantial financial returns and significant environmental benefits The realized ROI of 34 million and the offset of 10000 tonnes of CO2 underscore Biocon's commitment to operational excellence and sustainability reinforcing our strategic objectives and enhancing our competitive edge

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.8) Organization specific description

Biocon is investing 20 million in the installation of a steam turbine at our Bengaluru site This project is expected to pay for itself within 2 years through energy savings and increased operational efficiency Key Benefits Financial Return The payback period is projected to be 2 years reflecting the cost effectiveness of the investment Environmental Impact The turbine will help us save up to 1400 tonnes of CO2 annually aligning with our sustainability targets and reducing our carbon footprint This initiative underscores Biocon's commitment to enhancing energy efficiency and supporting environmental sustainability

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

1 Effect on Revenue Operational Cost Savings The installation of the steam turbine is expected to improve energy efficiency leading to lower operational costs While this doesn't directly increase revenue the cost savings can indirectly support revenue growth by allowing Biocon to allocate resources more effectively towards core business activities and expansion opportunities Competitive Advantage Enhanced operational efficiency and sustainability can strengthen Biocon's market position Improved efficiency and lower costs could enable more competitive pricing or higher margins potentially benefiting overall revenue indirectly through better market positioning and increased customer appeal 2 Effect on Cash Flow Positive Cash Flow Impact The project is expected to achieve a payback period of approximately 2 years This means the initial 20 million investment will be offset by the savings generated from reduced energy costs within this period The resulting cost savings will improve cash flow by lowering ongoing operational expenses Increased Liquidity With reduced energy costs translating into direct savings Biocon's cash flow will improve providing more liquidity for other investments strategic initiatives or operational needs This enhanced cash flow contributes to overall financial stability and flexibility Summary The steam turbine installation is anticipated to positively impact Biocon's financial position by improving cash flow through reduced energy costs and potentially enhancing revenue indirectly by strengthening market competitiveness The payback period of 2 years reflects the cost effectiveness of the investment which will lead to better financial flexibility and support our broader business objectives

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

20000000

(3.6.1.25) Explanation of cost calculation

Investment Overview Biocon has committed an investment of 20 million INR for the installation of a steam turbine at one of our Bengaluru sites This investment covers various aspects essential for successfully implementing the project Breakdown of Costs Capital Expenditure Equipment Purchase A significant portion of the 20 million is allocated to purchasing the steam turbine itself This includes the cost of the turbine unit which is a critical component of the investment Installation and Commissioning Costs also cover the installation setup and commissioning of the turbine This involves integrating the new turbine into existing systems which requires specialized labor and technical expertise Infrastructure Upgrades Site Modifications The installation may necessitate modifications to existing infrastructure such as adjustments to steam systems piping and electrical connections These upgrades ensure the turbine operates efficiently and integrates seamlessly with current operations Operational and Safety Measures Testing and Calibration Ensuring the turbine operates correctly involves thorough testing and calibration This ensures the turbine meets performance specifications and safety standards Training and Support Costs include training staff to operate and maintain the new equipment effectively as well as any ongoing support required during the initial phase of operation Anticipated Financial Benefits Cost Savings The investment is expected to be recouped within 2 years through significant reductions in energy costs These savings will improve operational cash flow and overall financial performance Environmental Impact The turbine will contribute to reducing CO2 emissions aligning with Biocon's sustainability goals and enhancing our environmental profile Summary The 20 million INR investment for the steam turbine covers equipment purchase installation site modifications testing and staff training This investment is strategically planned to enhance energy efficiency reduce operational costs and support Biocon's sustainability objectives The expected return on investment and associated cost savings justify the expenditure reinforcing the projects value to Biocon's financial and environmental goals

(3.6.1.26) Strategy to realize opportunity

Strategic Explanation of the Steam Turbine Project 1 Investment Justification Biocon's strategic decision to invest 20 million in the installation of a steam turbine at our Bengaluru site reflects our commitment to advancing energy efficiency and operational sustainability This investment is crucial for achieving long term financial and environmental goals 2 Efficient Payback Period Short Payback Period The project is expected to have a payback period of less than 2 years This means that the cost of the investment will be recovered through energy savings within this timeframe A shorter payback period highlights the projects efficiency and the quick realization of financial benefits Cost Efficiency The rapid return on investment underscores the cost effectiveness of the steam turbine By reducing energy consumption the turbine generates substantial savings that offset the initial expenditure swiftly 3 Financial and Operational Benefits Enhanced Cash Flow The energy savings from the turbine improve cash flow by decreasing operational costs This enhanced liquidity provides Biocon with greater financial flexibility for reinvestment in growth opportunities and strategic initiatives Increased Operational Efficiency The turbine boosts energy efficiency optimizing performance and reducing waste This contributes to lower operating costs and strengthens Biocon's competitive position 4 Strategic Alignment Sustainability Goals The project supports Biocon's sustainability objectives by reducing carbon emissions and advancing our environmental stewardship Saving up to 1400 tonnes of CO2 annually aligns with our commitment to sustainability and regulatory compliance Market Position The successful implementation of this energy efficient technology enhances Biocon's market reputation as a forward thinking and responsible organization This can improve customer perception and potentially open new business opportunities Summary The 20 million investment in the steam turbine project with a payback period of less than 2 years represents a strategically sound decision for Biocon The swift payback period and substantial cost savings highlight the projects financial viability Enhanced operational efficiency and alignment with sustainability goals further strengthen Biocon's competitive position and support our long term strategic objectives

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Cauvery River

(3.6.1.8) Organization specific description

Objective Biocon is installing a high pressure Reverse Osmosis RO system to support our goal of reducing water consumption by 25 by FY29 relative to FY23 levels Key Benefits Reduced Steam Consumption The RO system will lower the feed required for our Multiple Effect Evaporator MEE system cutting steam usage and resulting in energy savings Decreased Fresh Water Use Improved treatment efficiency will reduce our reliance on fresh water aligning with our water reduction targets Strategic Alignment This system is crucial for achieving our 25 water reduction goal by FY29 and advancing toward water neutrality by optimizing water and energy use Summary The high pressure RO system will enhance water treatment efficiency reduce steam and fresh water consumption and support Biocon's sustainability targets

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Investment Overview Biocon is investing 66 million in a high pressure Reverse Osmosis RO system This investment is expected to generate a return of 30 million with a payback period of 2 years Financial Effects Cash Flow Impact Cost Savings The new RO system will lead to reduced steam and fresh water consumption This will lower operational costs and improve cash flow by decreasing expenses related to energy and water procurement Positive Cash Flow The investment will be recouped within 2 years through the anticipated savings and operational efficiencies positively affecting cash flow Revenue Impact Indirect Benefits While the RO system itself does not directly increase revenue the operational cost savings and improved efficiency can indirectly support revenue growth Reduced costs allow for better resource allocation and potential investment in revenue generating activities Summary The 66 million investment in the high pressure RO system is anticipated to yield a 30 million return with a payback period of 2 years This will enhance cash flow through cost savings and improve financial stability while also supporting potential revenue growth by freeing up resources for other strategic initiatives

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

66000000

(3.6.1.25) Explanation of cost calculation

The 66 million investment in the high pressure RO system will initially increase fixed assets on Biocon's balance sheet The ROI of approximately 4545 will be realized over a 2year payback period enhancing cash flow and liquidity Annual depreciation of 66 million will reduce the assets book value while operational savings will positively impact profitability

(3.6.1.26) Strategy to realize opportunity

1 Investment Overview Biocon is investing 66 million in a high pressure Reverse Osmosis RO system to enhance our water treatment efficiency 2 Strategic Objectives Improved Efficiency The high pressure RO system will reduce the feed needed for our Multiple Effect Evaporator MEE lowering steam consumption and operational costs Cost Savings Expected to generate a 30 million return the investment will deliver significant cost savings through reduced energy and fresh water use Quick Payback With a 2year payback period the project recovers its cost rapidly improving financial stability and liquidity 3 Financial Impact Enhanced Cash Flow The 30 million return will boost cash flow providing additional funds for reinvestment Operational Efficiency Lower steam and water consumption will support Biocon's target of a 25 reduction in water usage by FY29 4 Long Term Benefits Sustainability Goals Supports our water management goals and moves us closer to water neutrality Environmental Impact Reduces environmental footprint and strengthens Biocon's commitment to sustainability Summary The 66 million investment in the high pressure RO system will enhance water treatment efficiency achieve cost savings and support Biocon's sustainability goals with a rapid payback period and significant return on investment

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ India

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Cauvery River

(3.6.1.8) Organization specific description

Biocon's Reject RO System Installation Biocon is installing a Reject RO system to enhance our existing RO infrastructure This upgrade will increase the recovery of fresh water from the reject stream and reduce fresh water withdrawal Key Points Improved Efficiency The Reject RO system will optimize water recovery minimizing reject water and maximizing fresh water recovery Target Alignment This initiative supports our 25 reduction target for fresh water withdrawal aligning with our sustainability goals Operational Benefits By recovering more water we reduce reliance on new fresh water sources cutting operational costs and reinforcing our commitment to environmental stewardship This project is a significant step towards achieving our longterm water reduction and sustainability objectives

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Biocon is investing 10 million expecting an annual return of 03 million and a 3year payback period Revenue Impact The project will add 03 million to annual revenue contributing to overall revenue growth Cash Flow The annual return will enhance cash flow offering increased liquidity With a 3year payback period the investment will be fully recovered and subsequent returns will continue to boost cash flow Long Term Benefits Post payback the project will consistently generate 03 million annually supporting financial stability and operational efficiency In summary this investment will improve cash flow contribute to revenue and offer sustained financial benefits beyond the payback period

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

10000000

(3.6.1.25) Explanation of cost calculation

Biocon is investing 10 million to install a high efficiency Reject RO system This system will enhance our existing Reverse Osmosis RO infrastructure significantly improving water recovery and efficiency

(3.6.1.26) Strategy to realize opportunity.

Objective Biocon is investing 10 million in a Reject RO system to enhance water recovery from RO reject streams This aligns with our target of reducing fresh water withdrawal by 25 by FY29 based on the FY23 baseline Benefits Increased Efficiency Improves fresh water recovery reducing waste and operational costs Sustainability Supports our commitment to achieving a 25 water reduction Cost Savings Lowers water treatment costs and reduces reliance on external sources Financial Metrics Payback Period 3 years recovering the initial investment through cost savings ROI Provides an annual return of 03 million offering longterm financial and operational benefits Implementation Plan Execute a detailed project plan Monitor Track system performance and efficiency Optimize Regularly review and adjust for maximum benefits Summary The 10 million investment in the Reject RO system will enhance water efficiency support our 25 water reduction target by FY29 and provide significant financial benefits with a 3year payback period
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

118000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

Biocon is investing 118 million in capital expenditures to advance infrastructure and operational capabilities This investment is strategically aligned with our goals of reducing Scope 1 2 emissions by 25 and achieving a 25 reduction in water usage by FY29 Financial Impact Capital Allocation The investment will enhance production efficiency implement advanced technologies and support sustainable practices Key initiatives include projects aimed at reducing greenhouse gas emissions and optimizing water use ROI and Benefits Expected returns include increased productivity cost savings and alignment with environmental targets The improvements will support our commitment to reducing Scope 1 2 emissions by 25 and cutting water usage by 25 enhancing both operational efficiency and sustainability Cash Flow While the investment will impact short term cash flow it is projected to deliver significant longterm financial benefits through operational enhancements and reduced environmental costs Conclusion The 118 million CAPEX investment is a critical component of Biocons strategy driving substantial operational improvements and supporting our environmental targets The initiative will contribute to achieving a 25 reduction in Scope 1 2 emissions and a 25 reduction in water usage reinforcing our commitment to sustainability and operational excellence

Water

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

140000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

Biocon is investing 140 million in capital expenditures to advance our infrastructure and operational capabilities This investment is strategically aligned with our goals of reducing Scope 1 2 emissions by 25 and achieving a 25 reduction in water usage by FY29 Financial Impact Capital Allocation The investment will be directed toward improving production efficiency implementing advanced technologies and supporting sustainable practices Key initiatives include projects focused on reducing greenhouse gas emissions and optimizing water use ROI and Benefits The anticipated returns include increased productivity significant cost savings and progress toward our environmental targets The investment will support achieving a 25 reduction in Scope 1 2 emissions and a 25 reduction in water usage Cash Flow While the initial investment will impact short term cash flow it is expected to deliver substantial long term benefits through enhanced operational efficiency and reduced environmental costs Conclusion The 140 million CAPEX investment is a key component of Biocon's strategic plan driving both operational improvements and sustainability goals This initiative will contribute to our targets of a 25 reduction in Scope 1 2 emissions and a 25 reduction in water usage reinforcing our commitment to environmental stewardship and operational excellence

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Every two years

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Every two years
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 1.9

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Policy

☑ Market

☑ Reputation

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

1995

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2040

☑ 2050

☑ 2060

☑ Other, please specify :2014

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Global targets

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1 Scenario Overview SSP1 Scenario This Sustainability pathway envisions significant advancements in sustainability with strong technological and policy progress It assumes substantial efforts toward achieving ambitious climate goals 2 Data Assumptions Coverage Data extends to 2030 and 2050 used as proxies for 20202039 and 20402059 Timelines Baseline 19952014 Anomaly2040 Based on 20202039 Anomaly2060 Based on 20402059 3 Uncertainties Projection Limitations Extrapolating from 2030 and 2050 introduces uncertainty for 2040 and 2060 The ambitious assumptions of SSP1 may not be fully captured by current data SSP1 Assumptions SSP1s rapid progress might overlook potential disruptions or breakthroughs Climate Response Variability Variability in models and regional factors can impact projection accuracy 4 Constraints Data Resolution May not capture all regional or sector specific impacts Scenario Specificity SSP1s broad view may not address specific industry or regional nuances Historical Data Limitations The baseline period might not fully reflect recent trends 5 Implications Decision Making Consider uncertainties and constraints when interpreting SSP1 results Using additional scenarios or sensitivity analyses can provide a more comprehensive view In summary SSP1 provides a forward looking view on sustainability but involves uncertainties related to data extrapolation rapid advancements and data resolution These factors should be considered for accurate climate impact projections and strategic planning

(5.1.1.11) Rationale for choice of scenario

1 Alignment with Sustainable Development Sustainability Focus SSP1 is known as the Sustainability scenario characterized by a strong emphasis on sustainable development and significant advancements in technology and policy to address climate change This aligns with Biocon's commitment to sustainability and supports our strategic goals in environmental responsibility 2 Ambitious Assumptions Progressive Outlook SSP1 assumes rapid progress in socioeconomic and technological advancements aimed at achieving ambitious sustainability targets This scenario provides a forward-looking perspective that aligns with Biocon's aspiration to be a leader in climate action and innovation 3 Enhanced Policy Insights Policy Relevance The scenario reflects aggressive climate policies and technological improvements Analysing SSP1 helps Biocon understand the potential impacts of such policies and advancements offering insights into how we can align our strategies with future sustainability trends 4 Data Compatibility Proxy Data Usage With available data extending to 2030 and 2050 SSP1 provides a framework for projecting future conditions for the periods 20202039 and 20402059 This allows Biocon to use current data to explore a more ambitious future trajectory in line with SSP1s sustainability goals 5 Strategic Advantage Proactive Planning SSP1s focus on sustainability and innovation supports Biocons proactive approach to environmental challenges By evaluating this scenario we can better anticipate and prepare for future sustainability trends ensuring that our strategies are robust and forward thinking 6 Scenario Robustness Comprehensive Outlook SSP1 offers a comprehensive view of potential future conditions under ambitious sustainability efforts This scenario provides a benchmark for assessing the effectiveness of current and future strategies in achieving longterm sustainability goals In summary Biocon chose the SSP1 scenario due to its alignment with sustainability goals ambitious assumptions relevance to policy and technological advancements compatibility with available data and its support for proactive strategic planning This scenario helps us anticipate and navigate future sustainability challenges effectively

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

1995

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2040

☑ 2050

☑ 2060

☑ Other, please specify **:**2014

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Global targets

Direct interaction with climate

☑ Perception of efficacy of climate regime

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1 Assumptions SSP1 Scenario Assumes significant progress in sustainability with advancements in technology and policy Baseline Data from 19952014 Projections o 2040 Based on data from 20202039 o 2060 Based on data from 20402059 2 Uncertainties Projection Limitations Future risks are uncertain due to reliance on current trends and SSP1 assumptions SSP1 Assumptions May not capture all potential disruptions or slower advancements Regional Variability Localized water risks might be underrepresented 3 Constraints Data Resolution May not reflect site specific water issues relevant to Biocon Scenario Specificity SSP1s broad framework may not address specific operational challenges Historical Data Baseline data may not fully capture recent changes 4 Implications for Biocon Strategic Planning Helps in developing water management strategies and preparing for future risks Adaptive Planning Using SSP1 insights alongside other scenarios enhances resilience In summary the SSP1 scenario analysis involves uncertainties and constraints related to data projections and assumptions impacting water risk assessments for Biocon

(5.1.1.11) Rationale for choice of scenario

1 Alignment with Sustainability Goals Focus on Sustainability SSP1 assumes significant advancements in sustainability aligning with Biocon's commitment to environmental stewardship and long term sustainability 2 Future Planning Proactive Approach The SSP1 scenario helps Biocon anticipate and prepare for a future with enhanced environmental policies and technological advancements supporting proactive risk management and strategic planning 3 Risk Management Identifying Risks By modelling future water risks under a sustainability focused scenario Biocon can identify potential water related challenges and opportunities enabling better risk mitigation strategies 4 Regulatory Preparedness Policy Alignment SSP1s emphasis on sustainability helps Biocon stay ahead of potential regulatory changes and align with future environmental policies ensuring compliance and operational resilience 5 Enhanced Resilience Adapting to Change Using SSP1 alongside other scenarios provides a comprehensive view of potential future conditions enhancing Biocon's ability to adapt to various environmental and operational changes In summary the SSP1 scenario supports Biocon's sustainability objectives aids in future planning enhances risk management prepares for regulatory changes and improves overall resilience

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 3.4

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy
☑ Market
☑ Reputation
☑ Technology
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

1995

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2040
☑ 2050
☑ 2060
☑ Other, please specify :2014

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision
☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Impact of nature footprint on reputation

☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Global targets

Direct interaction with climate

☑ Perception of efficacy of climate regime

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Scenario Overview SSP2 Scenario A Middle of the Road pathway assuming continued global trends with moderate adaptation and mitigation challenges without major technological or societal shifts Data Assumptions Coverage Data extends to 2030 and 2050 used as proxies for 20202039 and 20402059 Timelines Baseline 19952014 Anomaly2040 Data from 20202039 Anomaly2060 Data from 20402059 Uncertainties Projection Limitations Reliance on extrapolation from 2030 and 2050 introduces uncertainty for 2040 and 2060 SSP2 Assumptions Assumes moderate progress missing potential disruptions or breakthroughs Climate Response Variability in climate models and regional factors can affect outcomes Constraints Data Resolution May not capture all regional or sector specific impacts Scenario Specificity Generalized scenario may not address specific industry or regional nuances Historical Data Limitations Baseline data 19952014 may not reflect recent trends Implications Decision Making Consider uncertainties and constraints when interpreting SSP2 results Complement with additional scenarios or sensitivity analyses for a broader view In summary SSP2 scenario analysis involves uncertainties and constraints related to data extrapolation scenario assumptions and limitations in data resolution affecting the accuracy of climate impact projections

(5.1.1.11) Rationale for choice of scenario

1 Alignment with Historical Trends Historical Continuity SSP2 is characterized as a Middle of the Road scenario that reflects a continuation of historical trends This makes it suitable for Biocon as it aligns with past and current data providing a stable basis for projecting future conditions without assuming radical shifts 2 Moderate Assumptions Realistic Expectations SSP2 assumes moderate progress in socioeconomic development and technological advancements This balanced approach helps Biocon anticipate future conditions based on likely scenarios rather than extreme or highly uncertain outcomes 3 Policy and Planning Policy Relevance The scenario supports the assessment of climate and environmental impacts under current policy trajectories This helps Biocon evaluate how existing policies and practices might evolve and impact future sustainability efforts 4 Data Compatibility Proxy Data Usage Given that our available data extends to 2030 and 2050 SSP2 provides a practical framework for extrapolating data to the 20202039 and 20402059 periods This ensures that our projections are based on a coherent and structured scenario that complements our data availability 5 Strategic Fit Strategic Alignment SSP2 allows Biocon to assess risks and opportunities in a scenario that reflects a moderate approach to climate change and socioeconomic development This aligns with our strategic goals of adapting to future conditions while addressing climate and sustainability challenges 6 Scenario Robustness Balanced Outlook The SSP2 scenario offers a balanced outlook

reducing the risk of overestimating or underestimating future impacts This robustness supports more reliable planning and decisionmaking in our climate strategy In summary Biocon chose the SSP2 scenario because it aligns with historical trends offers realistic assumptions complements available data supports policy relevance and provides a balanced outlook for strategic planning

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Chronic physical

☑ Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

1995

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2040

☑ 2050

☑ 2060

☑ Other, please specify :2014

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Number of ecosystems impacted

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Consumer sentiment

☑ Impact of nature footprint on reputation

☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes

☑ Global regulation

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Scenario Overview SSP5 Scenario This Fossil Fuel Development pathway assumes high economic growth with significant reliance on fossil fuels and associated challenges in climate mitigation and adaptation 2 Data Assumptions Coverage Data up to 2030 and 2050 is used as proxies for 20202039 and 20402059 Timelines Baseline 19952014 Anomaly2040 Based on 20202039 Anomaly2060 Based on 20402059 3 Uncertainties Projection Limitations Extrapolating data from 2030 and 2050 for 2040 and 2060 introduces uncertainty SSP5s assumptions may not capture future technological or policy changes SSP5 Assumptions SSP5s focus on fossil fuels and rapid growth may overlook potential shifts toward cleaner technologies or policy changes Climate Response Variability Variability in climate models and regional factors can affect accuracy 4 Constraints Data Resolution May not capture specific regional or sectoral impacts relevant to Biocon Scenario Specificity SSP5s broad focus may not fully address Biocon's specific industry and regional contexts Historical Data Limitations The baseline period may not reflect recent changes impacting projection relevance 5 Implications Strategic Planning Consider uncertainties and constraints when using SSP5 results Complement with additional scenarios for a fuller understanding In summary SSP5s projections involve uncertainties from data extrapolation and assumptions about future fossil fuel use Limitations in data resolution and scenario specificity should be considered for accurate climate impact assessments and strategic planning

(5.1.1.11) Rationale for choice of scenario

1 Alignment with Growth Trajectories High Economic Growth SSP5s focus on significant economic growth aligns with Biocons expansion goals Understanding this scenario helps in planning for an environment of increased demand and economic activity 2 Understanding Fossil Fuel Dependence Fossil Fuel Utilization SSP5 assumes continued reliance on fossil fuels which is relevant for Biocon to anticipate potential regulatory and market impacts related to energy use and sustainability 3 Climate Impact Insights Mitigation Challenges SSP5 highlights challenges in climate mitigation helping Biocon gauge potential future difficulties in meeting sustainability targets and adapting to climate impacts 4 Strategic Planning Future Projections Using SSP5 allows Biocon to prepare for a high growth high emissions future supporting robust strategic planning and risk management in the context of potential regulatory changes and market dynamics 5 Complementing Other Scenarios Broader Perspective Incorporating SSP5 alongside other scenarios provides a comprehensive view of potential future states aiding Biocon in balancing growth ambitions with sustainability goals In summary SSP5 offers valuable insights into highgrowth and fossil fueldependent futures aiding Biocon in strategic planning and understanding potential climate impacts

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

1995

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2040

☑ 2050

☑ 2060

☑ Other, please specify :2014

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Number of ecosystems impacted

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Consumer attention to impact

☑ Impact of nature footprint on reputation

☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Global targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1 Assumptions SSP2 Scenario Assumes moderate adaptation and continued trends in policies and technology Baseline Data from 19952014 Projections 2040 Anomaly Based on data from 20202039 2060 Anomaly Based on data from 20402059 2 Uncertainties Projection Limitations Future projections may not fully capture changes beyond 2030 and 2050 SSP2 Assumptions May overlook major technological or policy shifts Climate Response Variability Variability in models and regional factors may affect accuracy 3 Constraints Data Resolution May not capture site specific or regional water risks Scenario Specificity Generalized view may not address Biocon's unique challenges Historical Data Baseline may not reflect recent trends 4 Implications Strategic Planning Helps develop robust water management strategies Adaptive Planning Using SSP2 with other scenarios enhances resilience In summary SSP2 scenario analysis provides valuable insights but involves uncertainties and constraints related to data extrapolation and regional specificity

(5.1.1.11) Rationale for choice of scenario

1 Moderate Future Conditions Balanced View SSP2 offers a Middle of the Road perspective representing a balanced approach to future trends without extreme changes which aligns with Biocon's need for a stable planning framework 2 Alignment with Current Trends Ongoing Policies It assumes the continuation of existing policies and practices reflecting Biocon's current operational and environmental context allowing for realistic planning 3 Risk Management Anticipating Risks SSP2 helps identify potential water risks under moderate future conditions enabling Biocon to anticipate and mitigate possible impacts on operations 4 Regulatory Readiness Policy Preparation By aligning with SSP2 Biocon can prepare for future regulations that are likely to evolve gradually ensuring compliance and strategic alignment 5 Strategic Adaptation Long term Planning Using SSP2 alongside other scenarios supports comprehensive risk assessment and adaptive strategies enhancing Biocon's resilience to future water related challenges In summary SSP2 provides a balanced and realistic framework for assessing future water risks aligning with Biocon's operational context and supporting strategic planning and risk management

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

1995

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2040

☑ 2050

☑ 2060

☑ Other, please specify :2014

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Number of ecosystems impacted

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Level of action (from local to global)

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1 Assumptions SSP5 Scenario Assumes a Fossil fuel Development pathway characterized by high economic growth and energy consumption with limited focus on sustainability and climate mitigation Baseline Historical data from 19952014 reflecting past water use and risk conditions Projections 2040 Anomaly Based on data from 20202039 projecting water risks under SSP5s high growth conditions 2060 Anomaly Based on data from 20402059 projecting future water risks assuming continued SSP5 trends 2 Uncertainties Projection Limitations Reliance on extrapolation from available data up to 2030 and 2050 introduces uncertainty for 2040 and 2060 projections SSP5 Assumptions SSP5s focus on high growth and limited climate action may not account for potential technological advancements or sudden policy changes affecting accuracy Climate Response Variability in climate models and regional water impacts can influence the accuracy of projections under SSP5 3 Constraints Data Resolution The WRI Aqueduct tools data may not capture all specific regional or operational water risks relevant to Biocon Scenario Specificity SSP5s generalized approach may not address Biocon's unique water challenges or operational specifics Historical Data Limitations Baseline data from 19952014 might not reflect recent developments or emerging trends affecting water risk 4 Implications for Biocon Strategic Planning Helps anticipate water risks in a high growth low regulation scenario guiding the development of robust water management strategies Adaptive Measures Using SSP5 insights along with other scenarios enhances Biocon's ability to adapt to diverse future water risk conditions In summary the SSP5 scenario provides insights into potential water risks under high growth

conditions but involves uncertainties related to data extrapolation scenario assumptions and regional specifics These factors should be considered for effective water risk management and strategic planning

(5.1.1.11) Rationale for choice of scenario

1 High Growth Context Economic Perspective SSP5 assumes high economic growth and energy use reflecting scenarios where Biocon operates in a rapidly expanding market This helps anticipate water risks under conditions of increased industrial and economic activity 2 Strategic Planning Future Risks By exploring SSP5 Biocon can understand potential water risks in a scenario with limited environmental regulations and high resource consumption This aids in proactive risk management and long term strategic planning 3 Compliance Readiness Regulatory Insight While SSP5 assumes limited climate action understanding this scenario prepares Biocon for potential regulatory shifts or pressure to adopt sustainable practices as the market evolves 4 Resilience Building Adaptation Strategy Using SSP5 helps Biocon develop resilient water management strategies that account for extreme future conditions ensuring the company can adapt to diverse scenarios 5 Comprehensive Analysis Diverse Scenarios Incorporating SSP5 alongside other scenarios provides a broad view of possible future conditions supporting more robust and adaptable water risk strategies In summary SSP5 provides Biocon with valuable insights into water risks under high growth conditions supporting strategic planning compliance readiness and resilience building
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Resilience of business model and strategy

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

1 Methodology Data Collection o Location Data Latitude longitude district city state and country information for Biocon sites was gathered to pinpoint geographical relevance o Global Climate Data Historical climate data 19952014 and projected future data 20152060 were collected including metrics on temperature precipitation water stress wind storms and sea level rise Overlay Geographic Location Geographic information of Biocon's sites was mapped using software overlaying SSP1 SSP2 and SSP5 scenarios for comparative analysis over designated time periods Data Analysis The analysis focused on evaluating the impact of climate scenarios SSP1 SSP2 and SSP5 on Biocon site locations NGFS Scenario Consideration Transition risks and their implications were assessed under the NGFS Network for Greening the Financial System scenarios up to 2050 2 Variables Analysed Temperature o MaxTemperature Evaluated changes in average maximum temperatures o Number of Very Hot Days Assessed the increase in days with temperatures exceeding 35C Precipitation o Largest 5Day Cumulative Precipitation Analysed the change in the maximum precipitation over a 5day period Water Scarcity o Water Stress Index Measured the ratio of water demand to availability indicating water stress levels Wind Storm o Wind Speed Cyclone Examined changes in wind speed and cyclone frequency Coastal o Sea Level Rise Assessed the rise in sea levels annually 3 Results Number of Very Hot Days o SSP2 Scenario 2020- 2039 Biocon sites in Bangalore Hyderabad and Vizag will experience an average increase of 72 days with temperatures exceeding 35C 2040-2059 This increase will rise to 3075 days o SSP5 Scenario 2020-2039 The average number of very hot days will increase by 1595 days 20402059 This will escalate to 409 days MaxTemperature o SSP2 2020-2039 Average maximum temperatures will rise by 125C across all locations 20402059 The rise will be 188C o SSP5 20202039 An increase of 118C is projected 2040-2059 Temperatures will rise by 273C Largest 5Day Cumulative Precipitation o SSP2 SSP5 All sites are expected to see changes in maximum 5day precipitation though specific increases or decreases will vary by location Change in Wind Speed o All Sites Wind speeds will change though the extent and direction of change will vary by site and scenario Cyclone Hurricane Tracks o SSP2 SSP5 Cyclone and hurricane frequency and intensity will affect all sites based on historical data with increased risks under both scenarios Flood Risk o Vizag Shows low risk for sea level rise and riverine flooding making it relatively secure from flood impacts o Other Sites Flood risk assessments are not as critical for these locations under current data but localized factors could still pose risks 4 Implications for Biocon Temperature Increases o Operational Impact Biocon sites will experience a rise in very hot days and average temperatures which can affect worker productivity energy consumption and cooling needs Precipitation Changes o Water Management Altered rainfall patterns may impact water availability and necessitate adjustments in water resource management and planning Water Stress o Resource Management Increased water stress under SSP scenarios will demand more efficient water use and conservation measures to mitigate operational risks Wind Storms oInfrastructure Changes in wind speed and cyclone frequency could impact infrastructure and logistics requiring enhanced building resilience and contingency planning Flood Risks o SiteSpecific Adaptations While Vizag faces minimal flood risk other sites might need to address potential flood management strategies based on local conditions Summary The SSP5 scenario analysis highlights significant climate risks for Biocons sites including more frequent very hot days increased maximum temperatures and changing precipitation patterns The impact on water stress wind and storm frequency underscores the need for strategic planning and adaptation Understanding these risks will help Biocon develop resilient operational strategies to address the anticipated climate impacts and ensure sustainable management of resourcesTransition Risk Summary Assumption Emissions from FY23 will remain constant under a Business as Usual BAU scenario Comparison NDC Scenarios Emissions are below NDC targets from 2025 Net Zero 2050 B2D2 Delayed Divergent Emissions exceed targets from 2035 2045 2050 and 2060 respectively Conclusion Without emission reduction measures Biocon will not achieve net zero

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

1 Methodology Data Collection Location Data Precise geographical information for Biocons sites was gathered including latitude longitude district city state and country This data is crucial for mapping and assessing sitespecific water risks Global Water Data Historical climate data from 1995 to 2014 and projected future data from 2015 to 2060 were collected This includes Water Stress Measures the ratio of total water demand to available renewable surface and groundwater supplies Water Demand Covers domestic industrial irrigation and livestock uses Seasonal Variability Changes in water availability due to seasonal factors Overlay Geographic Location Geographic data for Biocons sites was mapped using specialized software The mapping included overlaying projections from SSP1 SSP2 and SSP5 scenarios to compare water stress under different future conditions This helps visualize how future scenarios might impact water availability at Biocons locations Data Analysis Tool Utilized WRI Aqueduct tool was used for analyzing water stress impacts under different scenarios Scenarios Considered SSP1 Sustainability Scenario Represents a world with sustainable practices and policies SSP2 Middle of the Road Scenario Assumes moderate changes and continuation of current trends SSP5 FossilFueled Development Scenario Envisions a high reliance on fossil fuels with less emphasis on sustainability Scenario Variants Evaluations included Business as Usual BAU optimistic and pessimistic scenarios NGFS Consideration Transition risks related to climate change and financial implications were assessed under NGFS Network for Greening the Financial System scenarios up to 2050 2 Summary of Findings Water Stress Index Definition The water stress index measures the ratio of total water demand to available renewable water supplies A higher index indicates greater competition for limited water resources among users Data Components Water stress considers domestic industrial irrigation and livestock demands and how upstream water usage affects downstream availability Scenario Outcomes SSP1 Sustainability Scenario Water Stress Levels In the SSP1 scenario which assumes sustainable practices water stress levels are projected to remain normal across all Biocon locations Bengaluru Hyderabad and Vizag for all timelines 19952014 20252039 and 20402060 This suggests that if sustainable practices are adopted water stress will be managed effectively SSP2 Middle of the Road Scenario Water Stress Levels Under the SSP2 scenario which predicts moderate changes and trends water stress is expected to be high at Bengaluru Hyderabad and Vizag locations This indicates a moderate increase in competition for water resources due to the continuation of current trends without significant improvements in sustainability practices SSP5 FossilFueled Development Scenario Water Stress Levels In the SSP5 scenario characterized by high reliance on fossil fuels and less focus on sustainability water stress is projected to be extremely high at Bengaluru Hyderabad and Vizag This scenario predicts severe competition for water resources due to high water demand and inadequate management practices Transition Risks Findings Under all scenarios water stress remains a critical issue especially in the SSP5 scenario This indicates a significant need for actions to mitigate water risk The projected increase in water stress highlights the urgent need for Biocon to implement strategies to manage water resources effectively and address potential future challenges Implications for Biocon Action Required The findings emphasize the need for Biocon to proactively address water risk through robust water management strategies particularly in scenarios predicting high or extreme water stress Actions may include improving water use efficiency investing in watersaving technologies and enhancing water resource management practices to ensure resilience against future water challenges

[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ No, but we plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

Biocon is dedicated to reducing our Scope 1 and 2 greenhouse gas emissions by 25 by FY29 We are actively transitioning from fossil fuels to biomass including optimizing our boiler operations to use more biomass However completely ceasing all spending on fossil fuels and related revenuegenerating activities is not currently feasible for several reasons Operational Dependence Steam is crucial for our manufacturing process and while we are increasing biomass use fossil fuels remain essential to meet production needs and ensure business continuity Availability and Affordability Nonfossil fuels like biomass are not always readily available or economically viable in our regions We are addressing these challenges but a full transition requires time Transition Period We are gradually integrating alternative fuels and improving efficiency An abrupt shift away from fossil fuels could disrupt operations and impact financial stability In summary while we are committed to reducing fossil fuel use and advancing sustainability a complete and immediate transition is not practical due to operational supply chain and economic considerations We are working diligently towards our goals in a responsible manner

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

1 Decarbonize at the Source Transition from Coal to Biomass and Electrical Boilers Assumptions Reliable supply of sustainable biomass technical feasibility for boiler adaptation and supportive regulatory environment Dependencies Stable biomass supply chain and capability to retrofit existing infrastructure 2 Energy Optimization Procedure and Technology Changes Assumptions Effective energy savings from procedural and technological changes balanced upfront costs with longterm savings and adequate staff training Dependencies Availability of advanced technologies and seamless integration into existing operations 3 Electrothermal Transition Heat Pumps and Steam Ejector Vacuum Pumps Assumptions Expected performance and economic viability of heat pumps and steam ejector vacuum pumps and regulatory compliance Dependencies Access to reliable technology suppliers and integration into current systems 4 Carbon Sequestration Plantations Assumptions Effective carbon sequestration by plantations availability of suitable land and ongoing maintenance Dependencies Land acquisition and resource management for longterm plantation health Additional Considerations Green Hydrogen or Electrical Boilers Assumed commercial viability and infrastructure development Business Expansions Alignment with sustainability goals scalability and integration of environmental measures into new operations These assumptions and dependencies are critical for guiding our transition strategy to meet 15degree pathway targets

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

1 Transition to Renewable Energy Previous Period FY23 Renewable energy constituted 62 of our power consumption Current Period FY24 This has increased to 75 reflecting our continued commitment to enhancing renewable energy use Since FY20 our journey has significantly advanced with Bengaluru sites achieving 93 renewable power underscoring our focus on major business locations 2 Green Chemistry Previous Period Implemented green chemistry principles through Life Cycle Analysis LCA specifically for Sitagliptin Phosphate Monohydrate The LCA adhering to ISO14040 and ISO14044 guidelines identified that the SBA process significantly impacted global warming potential GWP with 326 kg CO2 equivalent per kg of API Hotspot analysis revealed that ethyl acetate was a key contributor By switching to transaminase as a catalyst we achieved a 68 reduction in GWP and an overall reduction in environmental impact by 58 times 3 Energy Audits Previous Period Energy audits were conducted to pinpoint areas for improvement These audits align with our broader decarbonization strategy enabling us to identify and act on opportunities for energy reduction and efficiency 4 Water Management Previous Period Progress was made in identifying water conservation technologies We set a target of a 25 reduction in water use by FY29 Current Period Our ongoing efforts are focused on implementing these technologies and tracking progress towards our reduction target 5 Waste Management Previous Period We adopted a circular economy approach to waste management setting a target for 100 circularity and zero waste to landfill by FY29 Current Period We have achieved 83 circularity demonstrating substantial progress towards our zero waste to landfill goal 6 Green Fuel Biomass Briquettes for Boilers Previous Period Progress was made in commissioning biomassbased boilers at one of our Bengaluru sites Current Period The use of biomass briquettes is expanding contributing to our efforts to decarbonize boiler operations and further our sustainability objectives Overall our transition plan has seen significant advancements in renewable energy adoption green chemistry improvements energy efficiency water management waste reduction and green fuel utilization We remain committed to achieving our sustainability targets and continually enhancing our environmental performance

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Water

☑ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Water and Biodiversity in the Transition Plan Water Management Previous Period We identified and explored technologies for water conservation as part of our overall decarbonization strategy This effort includes setting a target to reduce water usage by 25 by FY29 Current Period We are actively implementing these water conservation technologies and strategies to meet our reduction target Progress includes optimizing water use across our operations and integrating advanced technologies to enhance efficiency and sustainability in water management Biodiversity Tree Plantation Initiatives As part of our commitment to biodiversity we have announced a target to plant 15000 trees by FY29 This initiative aims to enhance local ecosystems improve air quality and support our broader sustainability goals External Partnerships We are partnering with external organizations to develop and implement biodiversity enhancement programs These collaborations are crucial for leveraging expertise and resources to maximize the impact of our biodiversity efforts Biodiversity Impact Assessment We have conducted biodiversity impact assessments for our operating sites to understand and mitigate our operational impact on local ecosystems These assessments help us identify key areas for improvement and guide our biodiversity management strategies Carbon Sequestration Potential Through our biodiversity initiatives including tree planting we have established the carbon sequestration potential of our efforts This helps quantify the environmental benefits of our activities and supports our overall goal of reducing greenhouse gas emissions By integrating these water and biodiversity measures into our transition plan we aim to support ecological balance enhance resource efficiency and contribute to our sustainability objectives
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:
☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply
☑ Upstream/downstream value chain
☑ Operations
[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Objective To reduce Scope 3 emissions related to purchased goods services and capital goods through effective supplier engagement Key Components Supplier Audits Assess suppliers environmental performance and compliance to identify improvement areas Capacity Building Training Programs Provide training on best practices for sustainability to enhance suppliers environmental performance Supplier Communication Portal Use a dedicated portal for transparent communication and updates on sustainability expectations ESG Risk Classification Categorize suppliers based on their environmental social and governance risks to prioritize engagement and focus efforts Supplier Code of Conduct Set clear sustainability standards and ethical practices that suppliers must adhere to Outcome This program is designed to integrate sustainability into our supply chain improve supplier practices and significantly reduce Scope 3 emissions

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

For Biocon integrating climate and water related risks into the business strategy involves addressing both physical risks and transition risks Acute risks might include disruptions from extreme weather affecting production facilities while chronic risks involve long term changes in climate and water availability impacting operations Opportunities identified include enhancing operational efficiency through technological innovations such as advanced water recycling systems and energy efficient manufacturing processes These improvements can help Biocon manage increased commodity prices and input costs Adapting to regulatory changes by adopting sustainable practices not only mitigates compliance risks but also positions Biocon as a leader in responsible biotech manufacturing In the short term Biocon's cost leadership programs aim to counteract financial implications like higher energy costs and asset impairments Long term a focus on innovation supports sustainable growth helping Biocon remain competitive and resilient within a shifting regulatory landscape This strategy ensures alignment with Biocon's 5year business goals integrating climate and water considerations into its overall sustainability framework That will enable us to capitalize on the emerging risks and opportunities and maintain sustainability
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply
☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply
☑ Risks
☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply
☑ Climate change
☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Biocon has invested 120 million INR in energy and emissions reduction technologies and 140 million INR in water related technologies These investments affect our financial planning as follows Mitigating Risks Energy and Emissions Upgrading to energy efficient systems helps manage risks from rising energy costs and emissions regulations For example new HVAC systems reduce energy use stabilizing operational expenses Water Technologies Advanced water recycling at our Bangalore campus addresses water scarcity and regulatory compliance reducing water procurement costs and mitigating related risks Capitalizing on Opportunities Cost Savings Energy efficient upgrades lower long-term operational costs supporting our financial strategy with reduced expenses and improved efficiency Sustainability Water recycling technologies enhance our sustainability credentials attracting eco conscious investors and aligning with regulatory expectations Financial Planning Strategic Allocation The investments balance initial costs with long term benefits leading to lower operational expenses and improved compliance Return on Investment The capital expenditure is expected to generate savings and avoid penalties supporting our 5year financial strategy and enhancing financial stability
[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
	Select from: ☑ No, but we plan to in the next two years

[Fixed row]

(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

140000000

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

147000000

(5.9.3) Water-related OPEX (+/- % change)

25000000

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

23250000

(5.9.5) Please explain

Biocon has invested 140 million INR in water saving technologies with a possible future capex increase of 5 This investment is expected to reduce our current OPEX of 25 million INR by 7 Key Points Enhanced Efficiency Advanced water saving technologies will lower water consumption and procurement costs directly reducing our utility bills Cost Savings Improved water management will decrease operational costs related to water and wastewater treatment Regulatory Compliance The investment helps avoid fines and additional costs associated with regulatory compliance Overall despite a potential capex increase the investment will lead to significant long term OPEX savings and support our financial strategy
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☑ No, but we plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☑ Not an immediate strategic priority

(5.10.4) Explain why your organization does not price environmental externalities

Biocon does not currently have internal pricing for water and carbon due to the following reasons Strategic Priorities At present pricing carbon and water is not an immediate strategic priority for Biocon Our focus is on other pressing initiatives that align more directly with our short term business goals and operational needs Implementation Timeline We are in the process of developing and refining our internal pricing mechanisms We anticipate implementing these pricing strategies within the next two years This timeline allows us to integrate pricing effectively while aligning with our broader sustainability and financial strategies Resource Allocation Our current resources are directed towards other critical sustainability projects and investments such as advanced water saving technologies and energy efficient systems These initiatives are prioritized to address immediate environmental impacts and operational efficiencies Future Planning Internal pricing for carbon and water will be integrated into our financial and sustainability strategies as part of a long term plan This approach ensures that when implemented these pricing mechanisms will be aligned with our overall strategic goals and provide meaningful insights for decision making
[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Other value chain stakeholders	*Select from:* ☑ No, but we plan to within the next two years	*Select all that apply*

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

☑ Other, please specify **:**Based on spend values

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Spend Value We use the financial value of critical raw materials to determine supplier impact focusing on those with higher expenditures Scope 3 Emissions This approach amplifies our understanding of Scope 3 emissions covering purchased goods services and capital goods By evaluating spend we capture a more accurate picture of our indirect environmental impacts The spend based method improves Scope 3 emissions calculations and helps prioritize suppliers for sustainability initiatives

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

52

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

Plastics

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☑ Business risk mitigation

☑ Procurement spend

☑ Supplier performance improvement

(5.11.2.4) Please explain

At Biocon we prioritize suppliers for climate change engagement based on the spend value across our raw material purchases This method helps us manage and mitigate risks in our supply chain by focusing on suppliers with significant environmental impacts Key Aspects 1 Spend Based Prioritization We analyse financial spend on raw materials to identify suppliers with the highest environmental and climate change impacts This prioritization enables us to target suppliers that have the most substantial influence on our environmental footprint 2 DE Risking Strategy By concentrating on high impact suppliers we reduce our reliance on those with elevated climate risks This strategy helps us safeguard against potential disruptions and ensures more sustainable sourcing 3 Enhanced Engagement Through ESG audits with defined criteria we assess suppliers Scope 1 direct and Scope 2 indirect from energy emissions This enhanced engagement provides critical insights into their sustainability performance and drives improvements 4 Decarbonization of Scope 3 Emissions Integrating data on suppliers Scope 1 and 2 emissions into our strategy allows us to manage and reduce our Scope 3 emissions This supports our overall goal of reducing our environmental impact and advancing our decarbonization targets In summary Biocon's approach involves prioritizing suppliers based on spend conducting ESG risk analyses and engaging with suppliers to improve their sustainability practice

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Business risk mitigation

☑ Procurement spend

☑ Regulatory compliance

(5.11.2.4) Please explain

At Biocon our supply chain de risking process includes engaging with suppliers on water management to support our goal of becoming water neutral by FY29 Heres how we approach this Water Reduction Targets We have set a target to reduce fresh water usage by FY29 using FY23 as our baseline This long term objective is

part of our broader strategy to achieve water neutrality in our direct operations Supplier Engagement We prioritize suppliers located within key watersheds where our operations are based By engaging these suppliers we ensure that our water management efforts extend throughout our supply chain Tracking and Advocacy We work with suppliers to track their water consumption data This allows us to monitor their water usage and advocate for water reduction practices Offset Strategy For any remaining water usage that cannot be reduced we implement offset strategies This includes investing in water conservation projects or initiatives that replenish water resources helping us meet our water neutrality goal In summary Biocon's engagement with suppliers on water issues aligns with our long term objective of water neutrality By tracking water use advocating for reductions and implementing offset strategies we manage our water footprint effectively and promote sustainability throughout our supply chain

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Regulatory compliance

(5.11.2.4) Please explain

At Biocon we prioritize suppliers based on their plastic usage to comply with Extended Producer Responsibility EPR under Plastic Waste Management Rules 2016 As an importer and brand owner we engage with suppliers to ensure they meet EPR regulations and support our target of 100 circular economy with zero waste to landfill by FY29 This includes tracking supplier plastic management and addressing Scope 3 emissions from endoflife products
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

At Biocon our policy for addressing supplier noncompliance is outlined in our purchase and service order agreements under Section 20 Compliance with Law This section ensures that Environmental Compliance We monitor and enforce adherence to environmental regulations Suppliers must comply with all relevant environmental laws and standards Noncompliance triggers a review process and corrective actions Code of Conduct Adherence Suppliers are required to follow Biocon's Code of Conduct This includes ethical practices fair labour conditions and adherence to legal and regulatory requirements Any deviations are addressed through our established policy procedures Policy Enforcement Our policy mandates that suppliers who fail to meet these requirements face formal review and potential corrective measures Persistent noncompliance may result in penalties or termination of contracts This approach ensures that our supply chain remains aligned with legal and ethical standards supporting Biocon's commitment to environmental responsibility and ethical business practices

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

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through our established policy procedures Policy Enforcement Our policy mandates that suppliers who fail to meet these requirements face formal review and potential corrective measures Persistent noncompliance may result in penalties or termination of contracts This approach ensures that our supply chain remains aligned with legal and ethical standards supporting Biocons commitment to environmental responsibility and ethical business practices
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Disclosure of GHG emissions to your organization (Scope 1 and 2)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 26-50%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

☑ Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

(5.11.6.12) Comment

At Biocon our procedure for addressing supplier noncompliance includes ESG Audits and Risk Analysis Suppliers are categorized into beginner intermediate or steward levels determining audit frequency every 2 years 3 years or as needed Audit Criteria We assess environmental social and governance compliance through defined audit criteria Improvement Plans Suppliers with noncompliance issues receive improvement plans including capacitybuilding training programs and ongoing support Continuous Monitoring We monitor supplier progress and address noncompliance with additional audits or interventions as needed This approach ensures effective management of supplier compliance and supports our ESG objectives

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Total water withdrawal volumes reduction

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.12) Comment

At Biocon our procedure for addressing supplier noncompliance includes ESG Audits and Risk Analysis Suppliers are categorized into beginner intermediate or steward levels determining audit frequency every 2 years 3 years or as needed Audit Criteria We assess environmental social and governance compliance through defined audit criteria Improvement Plans Suppliers with noncompliance issues receive improvement plans including capacitybuilding training programs and ongoing support Continuous Monitoring We monitor supplier progress and address noncompliance with additional audits or interventions as needed This approach ensures effective management of supplier compliance and supports our ESG objectives
[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ No other supplier engagement

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ No other supplier engagement

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ No other supplier engagement

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization’s goals to support customers’ targets and ambitions

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 26-50%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Less than 1%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Biocon our engagement with customers on environmental compliance is guided by the following rationale and scope Customer Compliance Requirements We adhere to customer requirements regarding environmental compliance This ensures that we meet industry standards and align with our customers expectations for environmental stewardship PSCI Audits We are audited by companies that are members of the Pharmaceutical Supply Chain Initiative PSCI under PSCI principles This engagement fosters a mutual understanding of environmental requirements and ensures that we are compliant with recognized industry standards Scope of Engagement Our engagement with customers involves Downstream Scope 3 Decarbonization Collaborating with customers on reducing emissions associated with our products throughout their lifecycle This includes working on strategies to lower Scope 3 emissions from logistics and other downstream activities Policy Updates Aligning our logistics management policies with customer requirements and environmental goals This involves adapting our logistics practices to enhance sustainability and reduce carbon footprint In summary our engagement with customers ensures compliance with environmental requirements aligns with industry standards through PSCI audits and supports our mutual goals for decarbonization and sustainable logistics management

(5.11.9.6) Effect of engagement and measures of success

Engaging with customers through PSCI audits has had a significant impact on Biocons environmental practices Alignment with PSCI Principles This engagement has helped us align our practices with PSCI principles ensuring that we adhere to industry recognized standards for environmental stewardship and ethical operations Improved Climate and Water Management Our collaboration has led to enhancements in our climate and water management practices We have made notable progress in implementing more effective strategies for managing environmental impacts Scope 3 Decarbonization Progress The engagement process has also advanced our work on Scope 3 decarbonization We are actively working to reduce emissions associated with downstream activities and logistics contributing to our broader sustainability goals Measures of Success Compliance with PSCI Standards Successful alignment with PSCI principles and customer requirements Enhanced

Environmental Practices Improved climate and water management performance evidenced by better sustainability metrics Progress in Decarbonization Demonstrable advancements in reducing Scope 3 emissions through ongoing initiatives and policy updates Overall this engagement has been instrumental in driving improvements in our environmental practices and supporting our long term sustainability objectives

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 26-50%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

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(5.11.9.6) Effect of engagement and measures of success

Engaging with customers through PSCI audits has had a significant impact on Biocon's environmental practices Alignment with PSCI Principles This engagement has helped us align our practices with PSCI principles ensuring that we adhere to industry recognized standards for environmental stewardship and ethical operations Improved Climate and Water Management Our collaboration has led to enhancements in our climate and water management practices We have made notable progress in implementing more effective strategies for managing environmental impacts Scope 3 Decarbonization Progress The engagement process has also advanced our work on Scope 3 decarbonization We are actively working to reduce emissions associated with downstream activities and logistics contributing to our broader sustainability goals Measures of Success Compliance with PSCI Standards Successful alignment with PSCI principles and customer requirements Enhanced Environmental Practices Improved climate and water management performance evidenced by better sustainability metrics Progress in Decarbonization Demonstrable advancements in reducing Scope 3 emissions through ongoing initiatives and policy updates Overall this engagement has been instrumental in driving improvements in our environmental practices and supporting our long term sustainability objectives
[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply
☑ Water

(5.12.4) Initiative category and type

Promote collective action
☑ Invite customer to collaborate with other users in their river basins to reduce impact

(5.12.5) Details of initiative

As part of our long term goal to achieve water neutrality Biocon is leveraging our engagement processes to support water offset initiatives particularly through the Beyond Fence Program Here's how this engagement contributes to our Hyderabad sites recharge options Water Neutrality Ambition Our commitment to water

neutrality involves balancing our water use by offsetting it through various programs This means that we aim to replenish the water we use by investing in water recharge and conservation projects Beyond Fence Program This program allows us to support water recharge efforts beyond our immediate operational boundaries It involves collaborating with external projects that focus on replenishing groundwater and enhancing local water resources Hyderabad Site Recharge Through this engagement we are exploring specific recharge options for our Hyderabad site By participating in the Beyond Fence Program we aim to implement effective water recharge solutions that benefit the local watershed and support our water neutrality goals Offset Strategy Engaging in water recharge projects through the Beyond Fence Program helps us offset the water consumed in our Hyderabad operations This approach contributes to our broader objective of achieving water neutrality and aligns with our sustainability targets In summary our engagement with the Beyond Fence Program aids in developing water recharge solutions for our Hyderabad site supporting our longterm water neutrality ambition and contributing to sustainable water management practices

(5.12.6) Expected benefits

Select all that apply

☑ Improved water stewardship

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☑ > 5 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☑ No

(5.12.11) Please explain

Currently we do not have full visibility of the potential for water recharge at our Hyderabad site However we have set a target to achieve a 25 reduction in water use by FY29 with FY23 as our baseline year
[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement
	Select from: ☑ No, but we plan to within the next two years

[Fixed row]