



# Sai

Make it  
better together

# CLIMATE TRANSITION PLAN (FY 2025 – 2035)

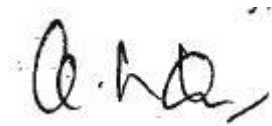
Effective Date: April 25<sup>th</sup>, 2025

Corporate

## Management Acknowledgement

This note formally acknowledges the completion of the organization's Climate Transition Plan, developed in alignment with science-based pathways and validated near-term SBTi targets. The plan outlines a clear roadmap across Scope 1, Scope 2, and Scope 3 emissions, supported by technology upgrades, renewable energy adoption, supplier engagement, operational efficiency, and improved Scope 3 data quality. A dedicated GHG management budget is integrated into financial planning and approved by the CFO and Leadership Team, ensuring climate action is embedded in business decision-making. Implementation is led by the Head of Sustainability and a cross-functional GHG Management Team, with oversight from the ESG Steering Team and final review by the CSR & Sustainability Committee. Management compensation is partially linked to GHG performance, reinforcing accountability. This acknowledgement confirms that the methodologies, targets, and governance mechanisms in the Climate Transition Plan have been reviewed and are fully endorsed for execution, disclosure, and integration into long-term business strategy.

Signed for acknowledgement:



Head of HSE-Sustainability

Name: Sreekrishna Chopperla

Date: 25/Apr/2025

Corporate

**Executive summary:**

We recognize the urgency of climate action as a cornerstone of a sustainable future. In alignment with science-based pathways, our organization has committed to near-term greenhouse gas (GHG) reduction targets validated by the Science-Based Targets initiative (SBTi), consistent with the 1.5°C trajectory.

Our decarbonization roadmap outlines strategic initiatives across Scope-1, Scope-2, and Scope-3 emissions, focusing on technology upgrades, renewable energy adoption, supplier engagement, and operational efficiency.

By FY2035, we aim to reduce absolute Scope-1&2 emissions by 58.8% (baseline FY2024) and Scope-3 emissions by 63.8% per value added, driving meaningful climate impact while supporting business growth and stakeholder expectations.

**Governance, Accountability, and Financial Integration for GHG Management:**

We have allocated a dedicated budget for GHG management, integrated into the annual financial planning cycle. All financial approvals—including those related to GHG reduction initiatives—are reviewed and approved by the CFO and the Leadership Team, ensuring that climate action is embedded within corporate decision-making.

A dedicated GHG Management Team, led by the Head of Sustainability, oversees implementation of emissions reduction initiatives. The team includes the Energy Manager and cross-functional technical personnel, supported by regular oversight from the ESG Steering Team, which monitors progress toward GHG reduction targets. Final review and strategic direction are provided by the CSR & Sustainability Committee.

To strengthen accountability, a portion of the management team’s compensation is linked to progress on GHG reduction targets, reinforcing leadership responsibility and ensuring sustained focus on achieving the organization’s climate objectives.

**Scope-1:**

Scope 1 covers on-site emissions from fuel combustion, refrigerants, and company vehicles. Our plan prioritizes:

- Coal Boiler Transition to 100% biomass by FY27, delivering the largest reduction potential.
- Diesel Generator Optimization through hybrid UPS, battery systems, and bio-diesel trials.
- Refrigerant Management with leak detection and low-GWP retrofits.
- Fleet Electrification and route optimization for company vehicles.

These initiatives will significantly reduce direct emissions while improving air quality and operational resilience.

**A. SCOPE 1 — DIRECT EMISSIONS (ON-SITE)**

Source	Current Status (What We Did)	Future Options / Levers	Technology Suggestions	Timeline	Emissions (tCO <sub>2</sub> e)	Reduction Potential	Notes / Priority
<b>Coal Boiler (Bidar)</b>	Biomass boiler transition initiated	Complete 100% switch from coal to biomass	High-efficiency biomass boiler, automated combustion control	FY27	15,319	<b>70–100%</b>	Largest Scope 1 lever; improves air quality
<b>Diesel Generators</b>	Efficiency checks; maintenance optimization	Hybrid UPS + battery; bio-diesel B10 trials; load mgmt	Lithium battery backup, DG optimization software, Other miscellaneous uses	FY 28	775	<b>10–20%</b>	India diesel EF unchanged; safe diesel reduction
<b>Refrigerants (F-gas)</b>	Inventory started	Leak detection; low-GWP retrofit; chiller upgrade	R-32 / R-454B / R-513A chillers; IoT leak sensors	FY25–FY28	1,629	<b>15–30%</b>	High GWP → critical lever
<b>Dry Ice Use (R&amp;D)</b>	Vendor assessment	Reduce usage; shift to mechanical cooling; recycled CO <sub>2</sub> dry ice	–80°C ULT freezers, chillers, metal pellets	FY25–FY27	587	<b>10–15% upstream only</b>	Scope 1 unchanged; Scope 3 reduces
<b>Company Vehicles (Petrol)</b>	Monitoring fuel	EV car/bike conversion; route and fleet optimization	EV fleet + telematics	FY26–FY28	1.2	<b>20–40%</b>	Ethanol blending cannot reduce EF yet

Corporate

**Scope-2:**

Scope-2 emissions primarily arise from grid electricity consumption. Our strategy includes:

- Maximizing Renewable Energy through PPAs and I-REC procurement, targeting 100% RE at Bidar and progressive increase at Hyderabad sites.
- Energy Conservation Programs driven by audits and annual GHG budgets to capture efficiency gains.
- On-site Solar and Battery Storage to complement grid RE and stabilize supply.

These measures will enable near-complete decarbonization of electricity-related emissions by FY2030.

**B. SCOPE 2 — PURCHASED ELECTRICITY**

Source	Current Status	Future Levers	Technology Suggestions	Timeline	Emissions	Reduction Potential	Notes
<b>Bidar – Grid Electricity</b>	96–98% RE via hybrid PPAs	Move to 100% RE using bundled/unbundled I-RECs	Solar + wind hybrid, grid RE integration	FY25	16,110	<b>Near 100%</b>	Flagship RE site
<b>Hyderabad – Grid Electricity</b> (Unit-2 & 3)	~50% RE through I-RECs at Unit-2 & 100% RE at Unit-3	Maintain 50% until OA stabilizes; rooftop solar; BESS	Rooftop PV + BESS	FY26–FY28	17,963	<b>50–70%</b>	Safest risk-free approach
<b>Energy conservation program</b>	Energy audit conducted.  Adaptation of My Green Lab principles through certification at Unit-2	Energy Reduction target.  2 labs are initiated for certification under 2 verticals of CMC & Medicinal Chemistry	As suitable for opportunities identified.  Based on the 2 lab learnings, to be implemented in other lab operations.	FY25–FY27  FY 25- FY 32	1,154  -	<b>15–25%</b>	Reduction through energy audit points and other methods. Every year to submit annual Capex and term it as “GHG Budget”.  The impact will also help on Green Chemistry Principles adoption.

Corporate

### **Scope-3: Value Chain Emissions**

Scope-3 represents the largest share of our footprint, spanning purchased goods, logistics, capital goods, and employee travel. Key levers include:

- Supplier Decarbonization Programs with scorecards and SBTi-aligned targets.
- Green Logistics Partnerships for upstream and downstream transportation.
- Low-Carbon Procurement for capital goods and waste treatment innovations.
- Behavioural Initiatives such as green travel policies and EV-based employee commute solutions.

These actions will drive deep reductions across the value chain and strengthen collaboration with partners for long-term sustainability.

### **Data Transition for Scope 3 Decarbonization**

We are transitioning from a purely spend-based methodology to an Average Data Method, which blends spend-based data with supplier-specific emission factors. This shift is planned to be completed within one year and represents a key step in strengthening the accuracy and reliability of Scope 3 emissions reporting.

As part of this enhancement, GHG emission intensity has been introduced as a criterion in supplier selection and evaluation, ensuring that low-carbon performance becomes an integral part of procurement decisions. In alignment with the Scope 3 transition plan, the organization has also begun collecting primary supplier data by partnering closely with suppliers, conducting on-site audits, and sharing standardized data-collection templates to support consistent and verifiable reporting.

This approach strengthens supplier engagement, improves data quality, and supports long-term decarbonization across the value chain.

### C. SCOPE 3 — VALUE-CHAIN EMISSIONS

Category	Current Status	Future Levers	Technology Suggestions	Timeline	Emissions	Reduction Potential	Notes
<b>Purchased Goods &amp; Services (APIs, solvents, KSMS)</b>	Top-20 suppliers mapped	Supplier decarb program; PCF data; RE adoption	Supplier scorecards; SBTi-aligned asks	FY25–FY30	54,822	<b>20–40%</b>	Largest Scope 3 lever
<b>Fuel- &amp; Energy-Related Activities</b>	Using DEFRA EF	Transition to renewable diesel when available	Certified bio-diesel, bio-fuels	FY27+	5,410	<b>60%</b>	Depends on govt EF
<b>Upstream Transportation</b>	Partnership with DHL for green logistics	Explore more partnership potential	Partnership with Green Logistics	FY26–FY30	5,317	<b>50%</b>	Requires one more logistics partner
<b>Downstream Transportation</b>	Partnership with DHL for green logistics	Explore more partnership potential	Partnership with Green Logistics	FY26–FY30	1,629	<b>60%</b>	Requires one more logistics partner
<b>Capital Goods</b>	CAPEX tracked	Low-carbon procurement	Green steel, green cement, Supplier scorecards; SBTi-aligned asks	FY26–FY30	8,520	<b>20–40%</b>	Long-term lever

<b>Waste Treatment</b>	Zero landfill; co-processing	Paddle dryer; salt recovery	Paddle dryer, advanced crystallizer	FY25–FY27	86	<b>5–10%</b>	Strong circularity story
<b>Business Travel</b>	Limited tracking	Green travel policy	Virtual first policy	FY25–FY27	730	<b>5–10%</b>	Soft lever
<b>Employee Commute</b>	Non-mapped	EV shuttle, pooling	EV buses	FY26–FY28	2,693	<b>5–10%</b>	Medium lever
<b>End-of-Life of Sold Product</b>	Not material	Monitor if required by customer	NA	NA	0.05	<b>5–10%</b>	Low relevance for CDMO