



## Our Position on Water

### Version History

Version: R01



## **Introduction**

Access to clean water, a fundamental element of life, remains inadequate for billions of people around the world. The scarcity of water poses a significant risk to our operations and supply chain, as our business is dependent on this precious resource.

At Lupin, we uphold a strong commitment to conducting our business in a financially, socially, and environmentally responsible manner. Recognizing that water usage carries global implications and plays a vital role in the sustainable production of our medicines, we are dedicated to taking proactive measures to mitigate long-term water supply risks and enhance water efficiency management.

## **Our Commitment**

We firmly believe that access to clean water is not only a fundamental human right but also a pressing global issue. With this understanding, we are dedicated to taking decisive actions to minimize water withdrawal, mitigate potential impacts on water quality from our own operations and supply chain, and responsibly manage our discharge into water bodies.

Moreover, we are committed to making a positive contribution to water stewardship in the river basins where we operate. To achieve this, we have set forth the following goals:

- Focus on water use within site boundaries
- Understand local water risks
- Establish site specific water stewardship plans
- Optimize water consumption at water stressed areas

## **Applicability and Scope**

Our commitment extends to identifying and implementing appropriate actions within our company premises. We understand that change starts from within, and we are fully dedicated to implementing sustainable practices throughout our operations.

## **Institutional Framework**

ESG Committee oversees progress against our environmental targets, including those related to water. As a member of the Leadership Team and ESG steering Committee, our President of Manufacturing Operations holds responsibility for water management and environmental sustainability.

Water management plays a crucial role in planning and strategizing cost-effective options for the future, enabling a resilient waters landscape. We actively practice this through the following measures:

- Monitoring Regulatory Compliance for all our facilities on water
- Monitoring and improving site water usage, quality and discharges and continuously improve water reuse, recycling, reduction, and wastewater treatment
- By implementing technological solutions like Zero Liquid Discharge plants, we maximize the recyclability of water in our manufacturing operations



- Rainwater harvesting and groundwater recharge within and around our facilities to ensure that we remain water neutral. These initiatives help replenish water resources and reduce our environmental impact
- We utilize greywater and implement infrastructural innovations for efficient sewage treatment. These measures contribute to water conservation and promote sustainable water management practices.
- We actively undertake water conservation projects to minimize water usage at its source and improve recyclability
- We have institutionalized reward and recognition programs to acknowledge and appreciate individuals and teams who contribute to water conservation and reduction initiatives

### **Understanding Water Risks**

As a company operating in regions with varying levels of water stress and interacting with local communities, it is our responsibility to effectively manage and conserve our water resources. These resources are not only crucial for our operations but also compete with agricultural and domestic water needs. To gain a comprehensive understanding of water-related risks, we have developed a standardized methodology for assessing water risk across all our manufacturing facilities.

Based on the WWF Water Risk Filter Tool, which identifies and evaluates water risks worldwide, our methodology has allowed us to expand our knowledge of water-related risks and prioritize areas for investment. We have successfully conducted water risk assessments for all our manufacturing locations in India. Currently, we are in the process of formulating strategies to address high water-risk regions, aiming to reduce our dependence on water resources by increasing recycling and reuse within our own operations.

### **Our Approach to Water Stewardship**

We are committed to water stewardship and have implemented various initiatives across our operations to reduce our environmental impacts and act as a positive force in the river basins where we operate. Our approach encompasses the following key projects:

- **At Our Sites:** Water conservation is a priority within our overall Environmental Strategy. We focus on reducing water usage and promoting water reuse at our production sites. We are actively working towards obtaining ISO14001 certification for all our manufacturing and R&D facilities in India by FY2025. Through our continuous improvement and exploration of opportunities, we aim to optimize water usage, ultimately striving for 'no waste of water.' This involves optimizing production processes, utilizing existing capacity more efficiently, and implementing water reuse practices whenever feasible.
- **In Drug Development:** We are dedicated to adopting resource-efficient approaches in the development of drugs. Through life cycle assessments, we plan aim to estimate the water footprint associated with our products throughout their entire life cycle.
- **For the Environment:** We prioritize the prevention of water pollution by setting safe discharge limits for active pharmaceutical ingredients (APIs) produced or formulated in our manufacturing



operations. As part of our commitment, we have implemented Zero Liquid Discharge units in 6 out of our 13 facilities in India. Additionally, we take a proactive approach to manage emissions of APIs, including those that may contribute to antimicrobial resistance, by keeping them below the predicted no-effect level at all our sites. Rigorous environmental testing is conducted on all our pharmaceutical products, enabling us to establish safe discharge targets for our manufacturing supply chain.

### **Alignment with Global Frameworks**

Our efforts align with the UN Global Compact Water Mandate and SDG 6 Clean Water and Sanitation, addressing critical global sustainable development challenges.

### **Our Water Targets**

At Lupin we are committed to addressing freshwater challenges and ensuring availability and sustainable management of water. To achieve this, we have set the following goals:

- Achieve a 5% overall water reduction at all our manufacturing sites by 2030, using the base year of 2019-20. This target emphasizes our commitment to reducing water usage across our operations
- Aim to recycle and reuse 50% of the total water withdrawn at our Indian sites by 2025
- Maintain zero impact active pharmaceutical ingredients in water discharges at all our sites
- Sustain our water-neutral status through our efforts in CSR initiatives and operational practices. We recognize the importance of responsible water management beyond our immediate operations and actively contribute to water conservation efforts in the broader community

We have established annual water targets for relevant business units to increase water use efficiency and promote the reuse of water. While we acknowledge that reducing water use is ideal, we understand that fluctuations in product mix and varying water demands are inherent in meeting market demands for our pharmaceutical products. Nonetheless, we remain committed to reducing water use relative to production output, ensuring responsible water management throughout our operations.

By setting these targets, we demonstrate our commitment to sustainable water practices and contribute to the global efforts of conserving this vital resource for future generations.

### **Monitoring and Reporting**

We maintain a robust system to monitor and report on our freshwater consumption, wastewater generation, treated water recycling, and water recharge. Our commitment to transparency and accountability is evident in our comprehensive reporting practices.

All wastewater generated undergoes thorough treatment in our advanced biological-chemical wastewater treatment plants to ensure compliance with local standards and limit values. We continuously strive to enhance the efficiency of our Zero Liquid Discharge plants, aiming for maximum effectiveness and the highest quality of permeate water.



Water-related risks, including those associated with flooding and water stress, are integrated into our risk management procedures. Through the use of 'AQUEDUCT' tool from WRI, we have mapped all our production sites and conducted detailed water risk analyses. This enables us to closely monitor and manage facilities located in water-stressed areas, ensuring appropriate measures are implemented to mitigate risks and minimize our water footprint.

In alignment with our new 2030 Environmental Strategy, we actively engage with key suppliers to foster collaboration in reducing water use and managing water-related risks across our supply chain. This collaborative approach strengthens our overall water stewardship efforts and contribute to sustainable water management practices.

As part of our commitment to external initiatives, we support the 'Alliance for Water Stewardship' and have developed our own 'Water Stewardship procedures' specifically tailored for production facilities operating in water-stressed regions. By adhering to these procedures, we promote responsible water management and contribute to the preservation of water resources.

To ensure transparency and communicate our progress, we annually report our water-related performance, initiatives, and processes in our Integrated Report. Additionally, we actively participate in the CDP Water Disclosure, providing comprehensive information on our water management practices and efforts to address water-related challenges.

### **Approval and Review**

This Policy is approved and reviewed by the President – Manufacturing Operations, who is a member of the ESG Committee reporting to the Board. The ESG Committee ensures policy enforcement and reviews it periodically. Reports on the key performance indicators (KPIs) and status updates are provided to the Board, ESG Committee, and during sustainability strategy meetings to track progress on commitments outlined in the Policy.