



Innovating for
affordable healthcare

GHG EMISSIONS REPORT



Reporting Year

FY 2022-23
FY 2023-24
FY 2024-25
FY 2025-26



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Sustainable tomorrow.



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Stewardship



Measuring
Today for a
Greener
Tomorrow



Driving Climate
Action



Building a
Sustainable
Future



TOWARDS A
LOW CARBON
FUTURE

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EXECUTIVE SUMMARY

Shilpa Pharma Lifesciences Limited (SPL) has prepared this Greenhouse Gas (GHG) Inventory Report to quantify and understand greenhouse gas emissions associated with its operations and selected value-chain activities. The inventory covers FY 2022–23, FY 2023–24, FY 2024–25 and FY 2025–26, with FY 2025–26 representing the latest reporting year.

The inventory has been prepared with reference to the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and ISO 14064-1:2018. The organisational boundary has been established using the operational control approach.

For FY 2025–26, the reported gross GHG emissions are 13,718.03 tCO₂e, comprising 4,246.14 tCO₂e of Scope 1, 7,992.32 tCO₂e of Scope 2 and 1,479.58 tCO₂e of selected Scope 3 emissions.

The major reported emission sources include purchased electricity, fugitive refrigerant emissions, CNG consumption, employee commuting and downstream transportation and distribution. The inventory also separately discloses renewable electricity associated with the Company's captively sourced renewable power arrangement. The renewable electricity information is presented separately from the location-based Scope 2 emissions and is considered for market-based Scope 2 accounting, subject to the applicability of the contractual arrangement and relevant Scope 2 accounting criteria.

1. INTRODUCTION

Shilpa Pharma Lifesciences Limited (SPL) is an India-based pharmaceutical and contract development and manufacturing organisation (CDMO) specialising in small molecules and complex chemistry. The Company supports pharmaceutical development and manufacturing activities across areas including APIs, high-potency APIs (HPAPIs), peptides, ADC linkers, polymers and specialty chemicals. Its capabilities extend from drug development and process optimisation to pilot-scale and commercial-scale manufacturing, supported by analytical and quality-control facilities. The inventory covers emissions associated with the Company's operations and selected value-chain activities for FY 2022-23 to FY 2025-26.

The inventory has been prepared with reference to the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and ISO 14064-1:2018. The assessment applies an activity-data and emission-factor-based methodology to quantify emissions in tonnes of carbon dioxide equivalent (tCO₂e).

2. PURPOSE & OBJECTIVES OF THE REPORT

2.1 Purpose of the Report

This report has been prepared to present the greenhouse gas emissions arising from the operations of Shilpa Pharma Lifesciences Limited (SPL) within the defined reporting boundary. The inventory is intended to help SPL recognise the activities contributing to its GHG footprint, establish a reliable reference for future comparisons and identify areas where improvements in data collection and emissions management may be pursued.

2.2 Objectives

The GHG inventory provides Shilpa Pharma Lifesciences Limited (SPL) with a consistent assessment of its greenhouse gas emissions and key sources. It aims to:

- Quantify Scope 1, Scope 2 and selected Scope 3 emissions.
- Track emissions performance over time.
- Identify major emission sources and improvement opportunities.
- Support sustainability planning, stakeholder reporting

3. ORGANISATIONAL BOUNDARY & REPORTING LOCATIONS

3.1 Organisational Boundary

The organizational boundary for this GHG inventory has been defined using the operational control approach, consistent with the GHG Protocol Corporate Accounting and Reporting Standard. Under this approach, Shilpa Pharma Lifesciences Limited accounts for the GHG emissions from operations over which it exercises operational control.

The manufacturing units, research and development centers, Registered office included within the reporting boundary are listed in Table 1 below.

3.2 Facilities Included

The following facilities fall within the organizational boundary of this report and are included in the consolidated GHG inventory presented in this document:

Table 1: Operational units and registered addresses

Name of Operational Unit	Registered Address
Registered Office	Plot No. 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur 584135. Karnataka, India.
Unit 1	Plot No.1A & 1A P,1B,2,2A, 2B,3A to 3E ,4A,5A,4B & 5B, Deosugur Industrial Area, Raichur 584170, Karnataka, India.
Unit II (100% EOU) and R &D Centre	Plot No.33, 33A & 40-47, Raichur Industrial Growth Centre, Wadloor Road, Chicksugur Post, Raichur 584134. Karnataka, India.

4. REPORTING STANDARDS & METHODOLOGY

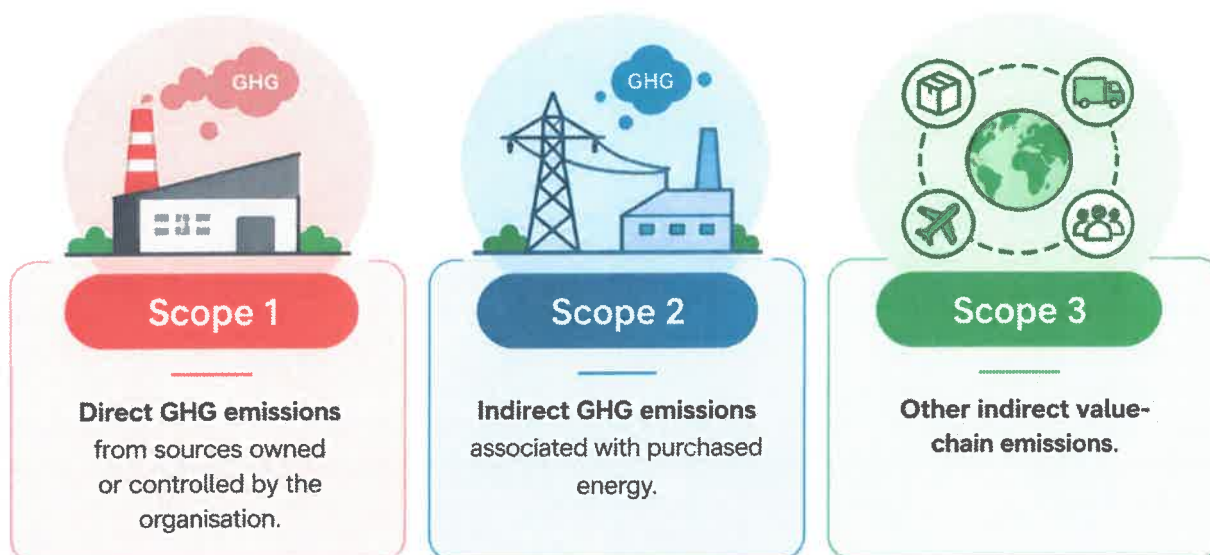
4.1 Reporting Standards

The GHG inventory has been compiled with reference to the following standards and frameworks:

- **GHG Protocol Corporate Accounting and Reporting Standard (WRI/WBCSD)** – for the classification of emissions into Scope 1, Scope 2 and Scope 3, and for the operational control consolidation approach.
- **GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard** – for the identification and categorization of value-chain (Scope 3) emission sources.

- **Principles of ISO 14064-1:2018** – for the quantification and reporting of organization-level GHG emissions.

4.2 Emission Scopes Covered



- ✓ **Scope 1** — Direct emissions: stationary combustion of diesel, furnace oil, LPG and CNG and fugitive emission of refilling refrigerant gases.
- ✓ **Scope 2** — Energy indirect emissions: Electricity purchased from the grid and renewable electricity associated with the Company's captively sourced renewable power arrangement. Scope 2 emissions are reported using the location-based method based on applicable grid-average emission factors. Where the captively sourced renewable power arrangement meets the applicable GHG Protocol Scope 2 requirements, the associated renewable electricity is also considered for market-based Scope 2 reporting.
- ✓ **Scope 3** — Value-chain emissions: Indirect GHG emissions associated with relevant upstream and downstream activities across the Company's value chain. The quantified Scope 3 categories include Upstream categories (purchased goods and services, capital goods, fuel- and energy-related activities, waste generated in operations, business travel, employee commuting) & Downstream Transportation and Distribution as a Downstream categories. Relevant downstream activities have been quantified from FY 2025–26 onwards. The assessment also considered the applicability of other Scope 3 categories. Upstream Transportation and Distribution, Upstream Leased Assets and the following downstream categories were determined to be not applicable: Processing of Sold Products, Use of Sold Products, End-of-Life Treatment, Leased Assets, Franchises, and Investments.

4.3 Calculation Methodology

Emissions have been calculated using an activity-data × emission-factor approach: fuel, electricity, water, waste, travel and other activity data for each site were multiplied by the relevant emission factor and, where applicable, the global warming potential (GWP) of the gas concerned, and results were aggregated to entity and group level.

$$\text{GHG Emissions (TCO}_2\text{Eq)} = \text{Activity Data} \times \text{Emission Factor}$$

Emission Factor Sources

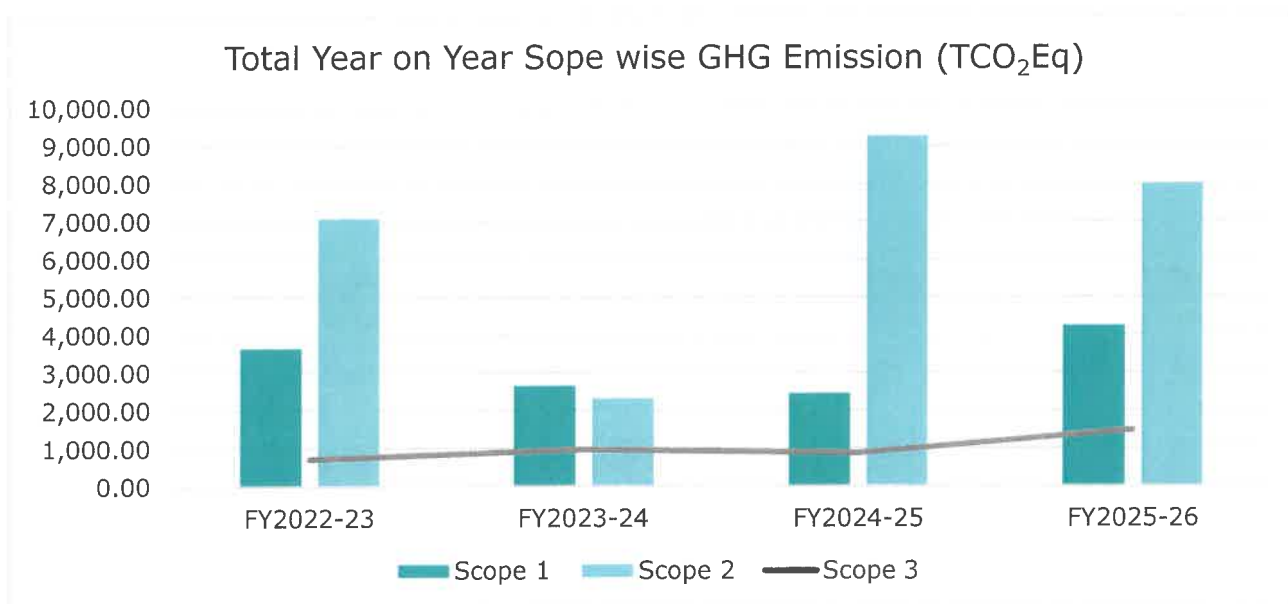
- Grid electricity emission factors are based on the Central Electricity Authority (CEA) CO₂ Baseline Database for the Indian power sector.
- Fuel combustion emission factors (diesel, furnace oil, LPG, CNG, petrol) are based on DEFRA conversion factors.
- Global Warming Potential (GWP) values are referenced from the Intergovernmental Panel on Climate Change (IPCC) assessment reports and relevant guidance.

The inventory has been prepared using the best available data provided at the time of assessment. Downstream Transportation and Distribution emissions have been included in the inventory from FY 2025–26 onwards. This category was considered not applicable for the preceding reporting years based on the organization's business activities and available data.

5. GHG EMISSION RESULT

Table summarizes total GHG emissions by scope, in tonnes of carbon dioxide equivalent (TCO₂Eq), for each reporting year.

Scope	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Scope 1	3,652.71	2,655.68	2,446.77	4,246.14
Scope 2	7,091.24	2,324.72	9,277.92	7,992.32
Scope 3	710.42	961.27	862.59	1,479.58
Total GHG Emission	11,454.37	5,941.66	12,587.28	13,718.03



5.1 Scope 1 — Direct Emissions

Category	Subcategory	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Stationary Combustion	Diesel and Furnace Oil	KL	718.95	607.17	480.10	165.61
		TCO ₂ Eq	1,987.23	1,677.17	1,329.80	481.22
	LPG	KL	15.81	18.50	13.02	12.07
		TCO ₂ Eq	47.09	55.12	38.78	35.95
Fugitive Emissions	CNG	SCM	—	—	1,48,685.96	12,05,532
		TCO ₂ Eq	—	—	778.97	2,429.97
	Refrigerant refilling	kg	955.35	539.00	357.50	618.00
		TCO ₂ Eq	1,618.39	923.39	299.70	1,298.99

Scope 1 emissions increased from 3,652.71 tCO₂e in FY2022-23 to 4,246.14 tCO₂e in FY2025-26, mainly due to higher fugitive refrigerant and CNG emissions. Diesel and furnace oil emissions declined to 517.17 tCO₂e.

5.2 Scope 2 — Indirect Emissions

Scope 2 emissions from purchased electricity have been calculated using the applicable emission factors for the reporting period. Purchased electricity has been assessed using a location-based approach based on the applicable grid-average emission factor.

Location based

Purchased electricity emissions are calculated using the applicable grid-average emission factor representing the average emissions intensity of electricity generation in the relevant grid.

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Purchased Electricity (Location Based)	kWh	86,47,850	28,35,025	1,13,14,541	97,46,731
GHG Emission	TCO ₂ Eq	7,091.24	2,324.72	9,277.92	7,992.32

Scope 2 emissions increased from 7,091.24 tCO₂e in FY2022-23 to 7,992.32 tCO₂e in FY2025-26, primarily due to higher purchased electricity consumption.

Market based

Under the market-based method, Scope 2 emissions are calculated based on the contractual arrangements through which electricity is purchased or acquired.

Shilpa Pharma Lifesciences Limited procures renewable electricity through a captively sourced renewable power arrangement. The renewable electricity is generated by wind power projects and supplied through the electricity grid for consumption by Shilpa Pharma Lifesciences Limited.

The Company has Power Purchase Agreements executed with Atria Wind Power (Basavana Bagewadi) Private Limited and NeoGreen Power Projects Private Limited.

In addition, Shilpa Medicare Limited has a 7.06 MW wind power portfolio across Karnataka, from which electricity generated by the windmills is supplied to and utilized by Shilpa Pharma Lifesciences Limited.

For market-based Scope 2 accounting, the renewable electricity attributable to Shilpa Pharma Lifesciences Limited under the applicable PPAs and captive renewable power arrangements will be considered based on the actual electricity supplied during the reporting period and the applicable contractual or project-specific emission factor.

The Company has historically procured electricity from both renewable and conventional sources. Source-wise data was not separately maintained for earlier periods. From FY 2023-24 onwards, renewable electricity under the PPA/captive renewable power arrangements has been separately identified for market-based Scope 2 accounting. Earlier

periods are reported based on the available electricity consumption and emission-factor data.

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Wheeling from Shilpa Medicare, Gadag (Wind Power)	kWh	-	21,25,000	14,89,650	25,20,977
Group Captive (Atria Wind Power)	kWh	-	2,35,39,000	2,29,68,758	1,88,79,507
Non-Captive Renewable Source (GOKAK)	kWh	-	3,69,000	20,75,809	17,50,000
Total Renewable Electricity	kWh	2,01,80,000	2,60,33,000	2,65,34,217	2,31,50,484

Note: The reported renewable electricity is associated with the Company's captively sourced renewable power arrangement. It is disclosed separately from the location-based Scope 2 emissions and is considered for market-based Scope 2 accounting, subject to the applicable contractual arrangements and GHG Protocol requirements. Where a qualifying contractual or project-specific emission factor of zero tCO₂e/kWh is applicable to the renewable electricity procured under the PPA, the corresponding market-based Scope 2 emissions for such electricity will be reported as zero.

5.3 Scope 3 — Other Indirect Emissions

The Scope 3 inventory includes only those categories for which relevant activity data was available and assessed during the reporting period.

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Purchased Goods and Services	KL	132.00	1,29,599.42	1,06,978.64	1,34,054.40
	TCO ₂ Eq	348.48	342.14	282.42	318.12
Capital Goods	KL	-	1,046.98	8,852.33	-
	TCO ₂ Eq	-	2.76	23.37	-
Fuel and Energy Related Activities	KL	-	7,285.87	808.00	-
	TCO ₂ Eq	-	19.23	2.13	-
Waste Generated in Operations	KL	-	19,963.61	21,161.74	31,988.67
	TCO ₂ Eq	-	52.70	55.87	76.91
Business Travel	KL	-	3,986.00	4,765.00	26,579.00
	TCO ₂ Eq	-	10.25	12.31	63.72
Employee Commuting	KL	156.00	2,27,426.00	2,06,445.00	2,17,155.00
	TCO ₂ Eq	361.94	534.17	486.49	540.95
Downstream Transportation and Distribution	KL	-	-	-	21,82,395.00
	TCO ₂ Eq	-	-	-	479.88
Total GHG Emission	TCO₂Eq	710.42	961.27	862.59	1,479.58

Note: Values marked as "-" have not been calculated for the respective reporting year due to the unavailability of relevant activity data at the time of reporting.

Scope 3 Upstream and Downstream Emissions Summary

For enhanced transparency, the reported Scope 3 emissions have been further presented by upstream and downstream categories in accordance with the GHG Protocol Scope 3 category structure. The upstream emissions comprise the applicable categories associated with activities occurring prior to the Company's operations and other relevant upstream activities, while downstream emissions comprise applicable activities occurring after the Company's operations.

Based on the categories assessed for the reporting periods, the Scope 3 emissions are bifurcated as follows:

Scope 3 Classification	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Upstream Categories	710.42	961.27	862.59	999.70
Downstream Categories	-	-	-	479.88
Total Scope 3 Emissions	710.42	961.27	862.59	1,479.58

All values are reported in tCO₂e.

The reported upstream emissions comprise Purchased Goods and Services, Capital Goods, Fuel- and Energy-Related Activities, Waste Generated in Operations, Business Travel and Employee Commuting, where applicable for the respective reporting year. Downstream emissions comprise Downstream Transportation and Distribution, which has been included from FY2025-26 based on the availability of relevant activity data.

Reported Scope 3 emissions increased from 710.42 tCO₂e in FY2022-23 to 1,479.58 tCO₂e in FY2025-26. In FY2025-26, upstream categories accounted for 999.70 tCO₂e, while downstream categories accounted for 479.88 tCO₂e. The principal contributors to the reported Scope 3 emissions were employee commuting, downstream transportation and distribution, and purchased goods and services. Downstream Transportation and Distribution was included from FY2025-26 based on the availability of relevant activity data.

6. GHG EMISSION REDUCTION BUDGET PLAN

As part of its climate action programme, Shilpa Pharma Lifesciences Limited has allocated an indicative budget of **₹9.64 crore** towards GHG emission reduction and associated climate initiatives. The planned investment will support energy-efficiency improvements, renewable-energy adoption, low-carbon technologies, sustainable procurement, transportation optimisation, GHG data management and related climate initiatives.

The planned investments are intended to support emission reduction opportunities across Scope 1, Scope 2 and relevant Scope 3 categories, while strengthening the Company's ability to measure, monitor and manage its GHG performance.

Key areas of planned investment include:

- Energy-efficient machinery, HVAC systems and process equipment.
- Renewable electricity generation and procurement.
- Low-carbon fuels and electrification of internal logistics.
- Sustainable and lower-carbon raw-material procurement.
- Transportation and logistics optimisation.
- Employee mobility initiatives.
- Water, steam and energy recovery systems.
- GHG data management and data-quality improvement.
- Independent verification/assurance of GHG information, where applicable.

Budget Plan Table:

Scope	Initiative	Period	Budget	Expected Reduction (TCO ₂ Eq)	KPI
Scope 1	Machinery & HVAC efficiency	FY2029–31	₹1.50 Cr	3,000–3,500	Energy consumption / specific energy consumption
Scope 1	Low-carbon fuel transition	FY2028–29	₹1.00 Cr	2,000–2,500	% fossil fuel replaced
Scope 1	EV forklifts	FY2028–30	₹0.75 Cr	1,000–1,200	Diesel consumption avoided; EV utilisation
Scope 2	Rooftop solar – completed	FY2019–20	Already invested	4,000–5,000	Solar generation (MWh)
Scope 2	Green electricity procurement	FY2029	₹1.20 Cr	2,000–2,500	% renewable electricity

Scope	Initiative	Period	Budget	Expected Reduction (TCO ₂ Eq)	KPI
Scope 3	Sustainable raw-material procurement	FY2027-30	₹1.00 Cr	3,000-4,000	% relevant materials covered
Scope 3	Logistics optimisation	FY2028-30	₹0.60 Cr	1,000-1,500	Fuel/km or tonne-km
Scope 3	EV last-mile pilot	FY2026-27	₹0.40 Cr	700-1,000	EV km fuel avoided
Scope 3	Employee commuting programme	FY2027-28	₹0.50 Cr	500-800	Reduction in single-occupancy travel
Scope 3	Water & steam recovery	FY2030-31	₹0.50 Cr	800-1,200	Steam/energy recovered
Scope 3 / Other	Carbon removal/offset initiatives	FY2028-31	₹0.99 Cr	Report separately	Verified tonnes removed/offset
Governance	GHG data system & verification	FY2028-31	₹0.90 Cr	Data quality improvement	% data verified

7. CONCLUSION

The GHG Emissions Inventory for Shilpa Pharma Lifesciences Limited (SPL) provides an assessment of the Company's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for FY 2025-26, supported by historical emissions data for FY 2022-23 to FY 2024-25.

For FY 2025-26, the Company's reported gross GHG emissions are 13,718.03 TCO₂Eq, comprising 4,246.14 TCO₂Eq of Scope 1, 7,992.32 TCO₂Eq of Scope 2 and 1,479.58 TCO₂Eq of Scope 3 emissions. The principal emission sources include purchased electricity, stationary fuel combustion, fugitive refrigerant emissions, employee commuting and downstream transportation and distribution.

The inventory provides a baseline for strengthening the Company's climate action programme. Priority areas identified include energy efficiency, renewable electricity adoption, low-carbon fuel transition, electrification of internal logistics, refrigerant management, sustainable procurement, transportation optimisation, employee mobility and improved Scope 3 data management.

The Company will continue to strengthen activity-data quality, emission-factor management, documentation and governance to support transparent GHG reporting and continuous improvement in emissions management.

Review mechanism:

This report will be reviewed annually by the Sustainability Officer, or earlier if required, to assess progress against the organization's GHG emission reduction objectives, evaluate the effectiveness of the measures implemented, and identify opportunities for further improvement.

Approved by: K. Sharath Reddy

Designation: Director

Date: 05/05/2026

Sign & Stamp:

