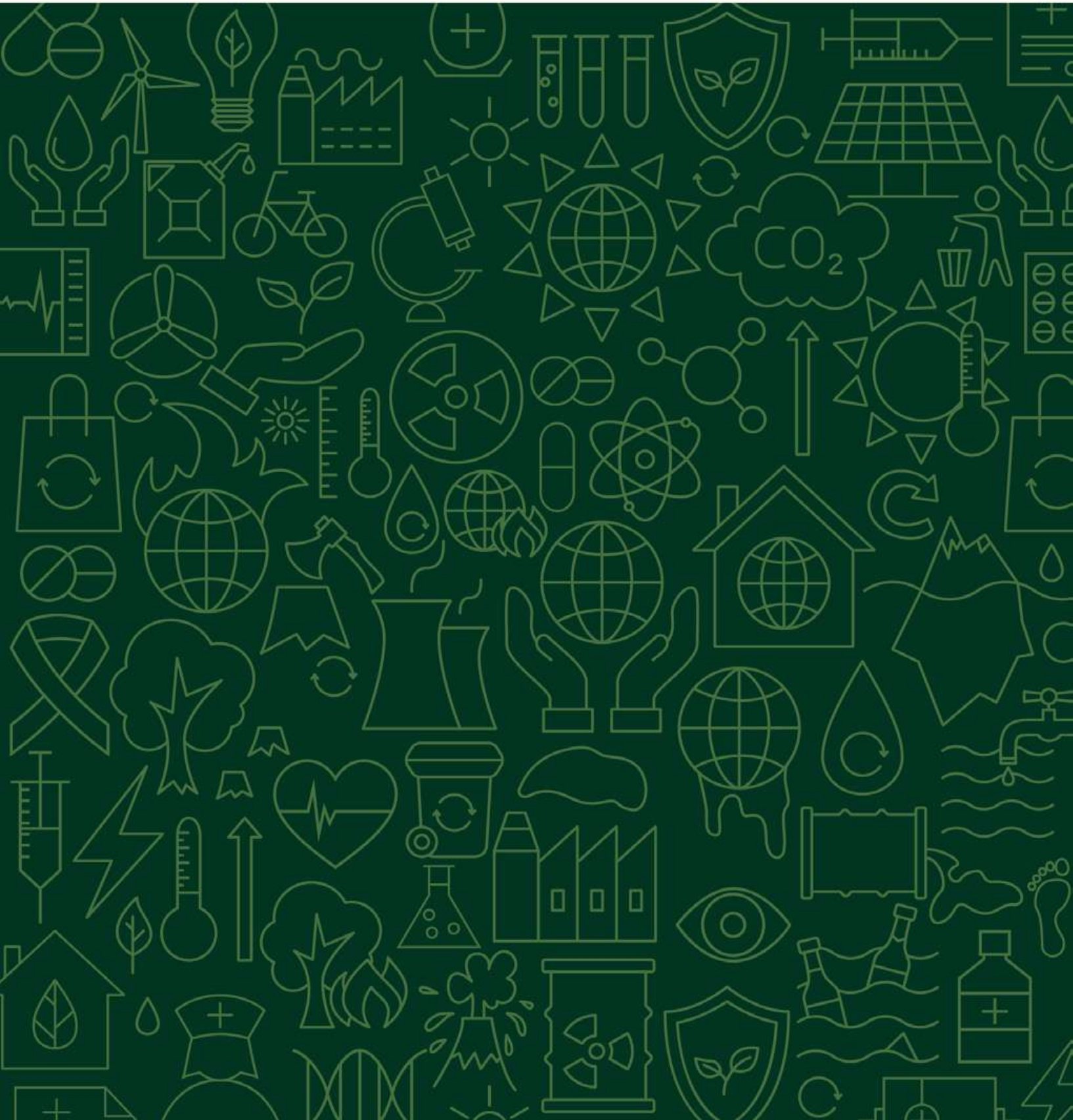
2024

TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) ALIGNED REPORT



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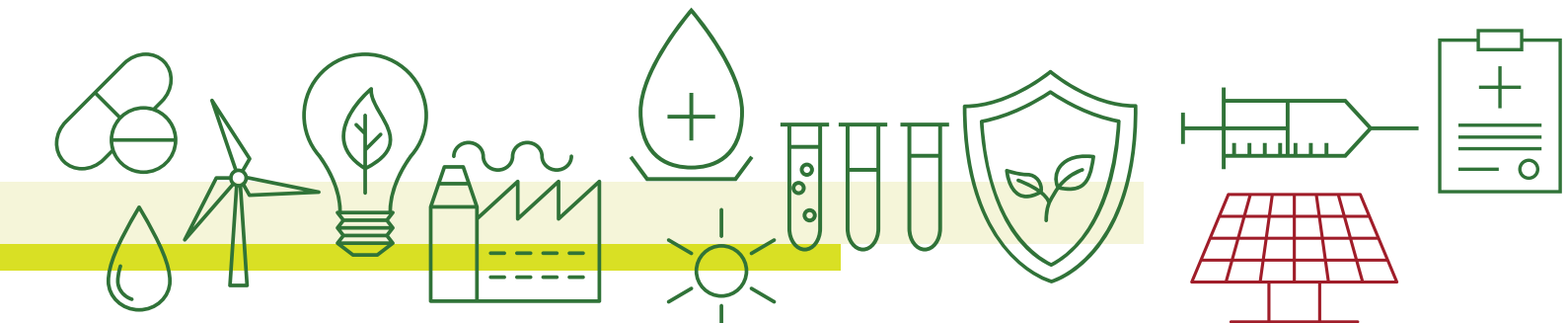
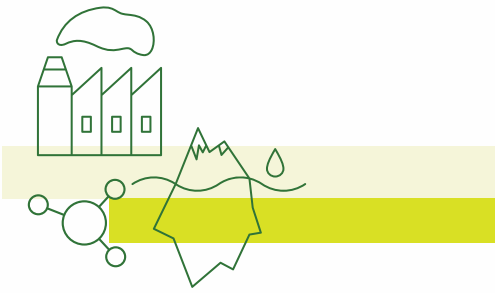


FOREWORD

At JB Pharma, our commitment to Building a Sustainable Future for Good Health drives every aspect of our operations. As a global pharmaceutical leader, we understand that addressing climate-related risks is essential to ensuring uninterrupted access to healthcare while fostering resilience and long-term value creation. The Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework for managing these risks and opportunities.



JB Pharma has undertaken a TCFD gap assessment to enhance our climate risk disclosures and resilience. This document outlines our methods, significant discoveries, and plans to promote our shift to low-carbon operations and create a more environment-friendly enterprise.

01 ABOUT J B PHARMA

48 years of rich legacy

5000+ employees with 2300+ strong India field force

Presence in **20+ therapeutic categories**

INR 3484 crores revenue in FY24 with a compounded annual growth rate of 19% in the last 3 years

Presence in **40+ regulated and semi-regulated markets** through direct operations and distributors

5 iconic brands now rank among the top 150 Indian pharmaceutical brands (IQVIA MAT Mar'24)

8 state-of-the-art multi-dosage formulation plants with key global regulatory approvals

Fastest growing company amongst top 10 in Cardiology segment

3 international subsidiaries in South Africa, Russia & UAE

*CDMO- Contract Development and Manufacturing Organization

Amongst the **top 5 manufacturers** of **medicated and herbal lozenges**, representing a substantial opportunity in the CDMO* business

Keeping innovation at the core of our strategies, **JB Pharma is among the few Indian pharma companies to implement OROS (Osmotic-controlled release oral drug delivery system) technology.** We also have set an unmatched technological lead in lozenges as a drug delivery format

65% of domestic business is generated from brands that are in **fast-growing therapy segments** viz. probiotics, hypertension, heart failure, lipid management, ophthalmology and pediatrics

CILACAR®

RANTAC®

CILACAR®-T
Cilnidipine 10 mg + Telmisartan 40 mg/80 mg Tablets

Azmarda

Nicardia®

metrogyl®

our global presence

Costa Rica
El Salvador
Guatemala
Haiti
Nicaragua
Dominican Republic
Panama
Jamaica
Chile
Columbia
Honduras
Trinidad

Exports to over **40+** regulated and semi-regulated markets

Renowned world-wide for reliability, commitment to quality and on-time delivery

A wide range of solutions: Tablets, Capsules, Herbal Syrups, Lozenges and Injectables, covering therapeutic categories of Cough & Cold (Respiratory), Dermatology, Gastroenterology, Cardiology and Radiology

Generics are exported to USA, UK, South Africa, Australia and Canada. Branded generics are exported to parts of Africa, South-east Asia. Gulf, Middle East countries.

The USA generics market is serviced through an asset-light and low-risk distributor model. We have over 17 ANDAs approved in the USA

3 international subsidiaries - Russia, South Africa and UAE with more than 100 employees catering to the respective markets

our core therapies at a glance

CHRONIC THERAPIES

CARDIOLOGY

JB's chronic therapies include the cardiology and nephrology therapy. Within cardiology, our emphasis on heart failure, hypertension and lipid management therapies continue to be a significant contributor in shaping the cardiology market in India

Heart Failure

Heart failure is no longer a life failure! With our advanced heart failure medication, we also offer comprehensive care through holistic lifestyle management for furthering heart-failure therapy in India

We rank #8 in the cardiology market in IPM* with **3 brands amongst the top 20 cardiology IPM brands**

NEPHROLOGY

Early detection and diagnosis can help control the progression of irreversible Chronic Kidney Disease (CKD). JB's commitment to nephro-protection includes public awareness initiatives, accurate diagnostic tests like micral tests and novel molecules for treatment

*India Pharmaceutical Market

PAEDIATRICS

JB's child health range of products offers effective yet gentle solutions for aiding digestion and sleep, fortifying nutrition to combatting infections and soothing diaper rashes

GASTROENTEROLOGY

JB is a pioneer in gastroenterology and has a diverse and comprehensive portfolio, which includes proton-pump inhibitors, pro-kinetics, antacids, laxatives and probiotics in various dosage forms

Pro-biotics

JB's range of probiotics spans across therapeutic areas like GI specific strains for treating dysbiosis, nephrology and urology, reproductive health and wellness

RESPIRATORY

JB's commitment to lung health spans across treatments for allergies, asthma, COPD, lower respiratory tract & viral infections and interstitial lung disease

Cough & Cold

Experience the gentle effect of our herbal and medicated cough and cold lozenges where taste mingles with quality, giving instant comfort and lasting relief

GYNAECOLOGY

JB plays a vital role in reproductive health with a wide range of treatments for infertility, anaemia, hormonal balance and pregnancy care. Through our quality hormones (IVF), we partner with millions of couples in their journey towards a fuller life

We are ranked #16 in terms of prescriptions in the Indian Pharma Market (IPM)

Rantac & Metrogyl are amongst the **top 10 most prescribed brands in the IPM**

DENTAL

Our comprehensive treatments for ulcers, pain and infections ensure good oral health and happy expressions!

WOUND CARE

JB's wound care portfolio offers products for treating both acute wounds with urgency and chronic wounds with patience.

OPHTHALMOLOGY

Our newest ophthalmology portfolio offers anti-infectives, antiglaucoma, NSAIDs and tear substitute drugs.

Product Portfolio

We diversify our portfolio across a wide range of healthcare services that cater to a broad range of consumer needs. We are constantly striving to pioneer in delivering affordable products to the patients.

Domestic Formulations

- **IQVIA Top 300 Ranked Brands**
  - Cilacar
  - Rantac
  - Metrogyl
  - Nicardia
  - Cilacar T
- **Emerging in Top 300 Brands**
  - Sporlac
- **Therapy Wise Presence**
  - Cardiac
  - Gastro intestinal
  - Pediatrics
  - Respiratory
  - Nephrology
  - Probiotics
  - Anti- Infectives
  - Anti-Diabetes

Active Pharmaceutical Ingredient (API)

- Diclofenac Sodium
- Cilnidipine
- Ciprofloxacin HCl
- Nifedipine
- Meclizine HCl
- Diclofenac Acid

CMO Business

- Medicated
- Herbal
- Soft Centered
- Lozenges
- Center Filled
- Powdered

- Square
- Oval
- Oblong
- Round

- Orange
- Mint
- Pineapple
- Strawberry
- Lemon
- Mixed Fruit

Export Formulations

- **USA**
  - Atenolol
  - Cetirizine
- **South Africa**
  - Myoprin
  - Bio Cimitidine
  - Ibuprofen
- **Russia/CIS**
  - Zott Panum Tabs
  - Jocet
- **ROW**
  - Pamidol Injection
  - Ifimol IV
  - Solone Tabs

manufacturing & research excellence

Manufacturing to the **world's highest standards** across **8 facilities**

Our manufacturing facilities are approved by **27 leading international regulatory authorities**

World's largest manufacturers and suppliers of Diclofenac API

Innovative packaging delivery formats including sachets, stick packs, etc.

Producing a wide array of **dosage forms**

TABLETS | CAPSULES | LIQUIDS | GELS | LOZENGES | CREAMS | INJECTABLES | POWDER | COLD RUBS | EYE DROPS | TROCHES

At the heart of our success lies the alchemy of innovation. Our **R&D brilliance is spread across 3 centres** which are approved by the Department of Scientific and Industrial Research (DSIR) and Good Laboratory Practices (GLP)

A fully automatic pilot plant/machine dedicated for research and development purposes

Quality for us is a driving force, in processes, practices, products and people

SR NO.	HEALTH AUTHORITY	FACILITY APPROVED FOR
1	US FDA	Tablets, APIs, Capsules
2	EU GMP	Tablets, Capsules, Lozenges, Ointments, Gel, Creams, Liquid
3	SAHPRA, South Africa	Tablets, Lozenges, Injectables, Creams, Ointment, Liquid, Hard shell Capsules, Eye drops
4	TGA, Australia	Tablets, Lozenges, Liquid, Ointments, Gel, Creams
5	PIC/S (MOH, Ukraine)	Tablets, Lozenges, Injectables, Ointments, Gel, Creams, Liquid, Powder
6	MOH, Japan	API
7	EAEU	Tablets, Hard shell Capsules, Lozenges, Injectables, Ointments, Gel, Cream, Liquid
8	ANVISA, Brazil	API, Injectables
9	Health Canada	Liquid, Lozenges
10	MOH, Korea	API

8 state-of-the-art manufacturing plants

State-of-the-art T20 US FDA accredited solid dosage manufacturing facility at Panoli, Gujarat

State-of-the-art Ti-10 US FDA accredited solid dosage manufacturing facility at Panoli, Gujarat

State-of-the-art D9 US FDA accredited API facility at Panoli, Gujarat

State-of-the-art Solid Dosage & Lozenges manufacturing facility at Kadaiya, Daman

State-of-the-art IV-17 Sterile preparaption - Ampoule/ Vial/FFS manufacturing facility at Panoli, Gujarat

look what we've done with 'simple' lozenges

Among the **top 5 manufacturers of lozenges globally**

Unmatched technological lead in customising **herbal & medicated lozenges**

Centre-filled and **powder-filled lozenges**

Processes developed for analytical method markers of herbal lozenge products

Innovative concepts developed for sleep disorder, pain management, immunity-boosters and anti-inflammatory




Customised for your unique needs

Myriad of flavours to suit all needs

Orange Mint Herbal Pineapple Strawberry Lemon Mixed Fruit

Shapes produced under stringent quality control measures

Square Oval Egg Round

Our experience of 2 decades in manufacturing lozenges has led us to export to 40+ countries and be the partners of choice for leading MNCs

Centre-filled, soft-centre lozenges

Centre-filled, powder-filled lozenges

Our lozenges are made from well-researched formulations under precise manufacturing techniques and stringent quality control methods

Our lozenges plant in Daman is fully automated, with state-of-the-art machines from Germany, GMP compliant, and has EU GMP, SAHPRA, TGA (Australia) and EA EU accreditations

technology that sets us apart!

- **Multi-layer tableting technology**
- **Wurster Technology**
- **Floating drug delivery system**
- **Centre-filled, powder-filled lozenges**
- **Extrusion/Spheronization techniques**
- **Delayed/Extended release delivery systems**
- **Laser-drill Osmotic Drug Delivery System (OROS)**

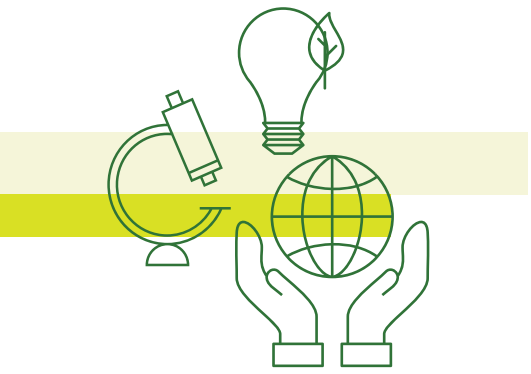
We use **innovative and advanced techniques** to deliver **highly efficacious and superior quality drugs for enhancing treatment outcomes**

Our cutting-edge facilities and skilled expertise are **well-equipped to handle novel drug delivery techniques** that are focused on delivering the molecule in the most convenient form to patients

02 ABOUT TCFD

As the global community continues to address the challenges posed by climate change, businesses across industries, including the pharmaceutical sector, are increasingly prioritizing the integration of climate-related risks into their strategic decision-making processes. For pharma companies, climate change presents unique opportunities and challenges, ranging from disruptions in supply chains due to extreme weather events to the growing demand for sustainable and resilient operations. Conducting thorough climate risk assessments and ensuring transparent disclosures are essential for mitigating financial risks, safeguarding operational continuity, and meeting the expectations of investors and stakeholders. Addressing these factors effectively is critical to maintaining business resilience, protecting market position, and ensuring long-term profitability in an evolving climate landscape.

TCFD has emerged as a leading framework for helping organizations identify and disclose climate-related risks and opportunities. By offering a structured approach to understanding and communicating these risks, the TCFD framework empowers pharmaceutical companies to navigate the transition to a low-carbon economy while ensuring sustained operational and financial viability.



The TCFD's recommendations are structured around four key areas: governance, strategy, risk management, and metrics and targets.

Governance

emphasizes the importance of clear roles and responsibilities within organizations concerning climate-related issues and opportunities.

Strategy

encourages businesses to integrate climate considerations into their long-term planning.

Risk Management

focuses on identifying and addressing climate-related risks and opportunities.

Metrics and Targets

promote the disclosure of greenhouse gas emissions, climate-related targets, and progress made towards achieving these targets.

In this context, JB Pharma has recognized the importance of conducting a TCFD gap assessment to evaluate its current practices in climate risk management and disclosure. This assessment aims to identify the climate risks associated with our assets, the financial and business impacts of the identified climate risks, mitigation/adaptation measures to be implemented, and areas where we can enhance climate-related financial disclosures, improve resilience to climate risks, and capitalize on opportunities associated with climate-related initiatives.

This report outlines the approach, key findings, impacts, and mitigation/adaptation measures of climate-related risks identified for JB Pharma. Through this process, we seek to strengthen our transition towards a low-carbon economy commitment to the broader effort of building a more resilient and sustainable brand.

SCOPE OF THE REPORT

The scope of the TCFD report extends beyond the JB Pharma, encompassing both upstream (U/S) and downstream (D/S) value chain partners to deliver a holistic framework for evaluating and disclosing climate-related financial risks and opportunities. For upstream partners, including contract manufacturers, raw material suppliers, and logistics providers, the scope of the report emphasizes a comprehensive evaluation of climate-related risks such as resource scarcity, evolving regulatory requirements, and the physical impacts of climate change on the pharmaceutical supply chain. It also identifies opportunities to adopt sustainable sourcing practices, improve energy efficiency, and drive innovation in production and distribution processes to mitigate climate risks and enhance resilience. For downstream partners, including distributors, healthcare providers, and patients, the report examines the effects of climate change on product demand, patient needs, and market trends. This includes evaluating risks such as changes in treatment preferences, regulatory pressures on the environmental impact of products, and potential disruptions in the downstream supply chain due to extreme weather events.

This report focuses on evaluating the potential impacts of climate-related risks and opportunities associated with the transition to a low-carbon future. The table below outlines the JB Pharma assets included in the scope of risk assessment under the TCFD framework.

Location	Country
Manufacturing Units	
Ankaleshwar, Gujarat	India
Panoli, Gujarat	India
Daman, Daman and Diu	India
Offices	
Mumbai, Maharashtra	India
Research and Development Centre (R&D)	
Thane, Maharashtra	India

Location	Country
Warehouse (Downstream)	
Zirakpur, Punjab	India
Hyderabad, Telangana	India
Panoli, Gujarat	India
Zirakpur, Punjab	India
Hyderabad, Telangana	India
Warehouse (Upstream)	
Panoli, Gujarat	India
Daman, Daman and Diu	India
Ankaleshwar, Gujarat	India

This report outlines how climate change scenarios could impact JB Pharma's business and details the company's strategy to mitigate those potential impacts while ensuring long-term resilience. JB Pharma's understanding of climate change challenges continues to evolve, and its plans are regularly updated to address emerging risks and opportunities. The company recognizes the profound connection between responsible operations and the planet's health, emphasizing the significance of a changing climate for its future. While the report focuses on JB Pharma's strategies to address transitional and physical risks posed by climate change to the pharmaceutical industry, the company is also committed to mitigating climate change at its root. To support a sustainable future, JB Pharma actively implements initiatives and programs aimed at reducing environmental impacts across its operations.

03 LOOKING AHEAD: JB PHARMA'S COMMITMENT

MESSAGE FROM CEO

At JB Pharma, we recognize the profound implications of climate change on global health and our responsibility as a leading pharmaceutical company to address these challenges. Our commitment to sustainable practices is deeply rooted in our vision to improve lives, not only through innovative healthcare solutions but also by contributing to a resilient and sustainable future.

TCFD provides a vital framework for aligning corporate strategies with climate resilience and transparency. This report reflects our proactive efforts to integrate climate considerations into our business operations, risk management practices and long-term growth strategy.

As a pharmaceutical company, climate change poses unique risks to our supply chain, manufacturing processes, and the communities we serve. Recognizing this, we have taken decisive steps to enhance the resilience of our operations and reduce our environmental footprint. Key actions include transitioning to renewable energy sources, improving energy efficiency in our manufacturing facilities and adopting sustainable supply chain practices.
The Climate Risk Assessment (CRA) process is central to our sustainability journey. By systematically evaluating climate-related risks and opportunities, we gain critical insights into how physical impacts such as extreme weather events and transition risks like regulatory shifts may affect our business. These assessments enable us to develop targeted strategies that not only mitigate risks but also position us to seize opportunities that arise from the global shift toward a low-carbon economy.

Through robust governance structures, our board actively oversees climate-related risks and opportunities, ensuring they are embedded in our strategic decision-making processes. Our risk assessment frameworks now incorporate climate scenarios to evaluate potential impacts on business continuity, enabling us to adapt to evolving regulatory, physical, and market dynamics.

This TCFD report is a testament to our dedication to transparency and accountability. By aligning with the TCFD recommendations, we aim to provide our stakeholders with a clear understanding of our climate-related actions and their impact on our business and the broader ecosystem.

As we move forward, we are steadfast in our commitment to leveraging our capabilities to combat climate change and drive sustainable progress. Together, we can build a healthier, more sustainable future for generations to come.

Best Regards,

Nikhil Chopra
CEO, JB Pharma

04 GOVERNANCE

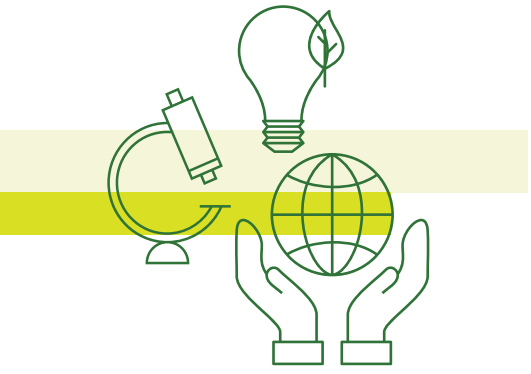
CLIMATE GOVERNANCE: MANAGEMENT OF CLIMATE RISKS

This section outlines the climate and sustainability governance framework of JB Pharma, which is pivotal for the organization to attain its climate risk-related disclosures and targets and embed climate risk-related responsibilities within its operational structure. JB Pharma has established a comprehensive governance model to achieve its climate and sustainability goals, clearly defining roles, oversight mechanisms, and coordination across the organization. This framework emphasizes the importance of integrating climate and sustainability considerations into the decision-making processes.

We recognize the critical importance of addressing climate-related risks in today's rapidly changing and non-stationary environment. As stewards of our organization, the Board of Directors and Management Team are deeply committed to overseeing and managing these risks effectively.

The governance architecture comprises multiple tiers and committees, each with distinct roles and responsibilities, including the Board of Directors (BoD), Risk Management Committee, the Steering Committee and the Working Committee. Each committee is instrumental in advancing sustainability initiatives and tracking their progress.

Through the implementation of this governance framework, JB Pharma reaffirms its dedication to sustainability and climate action, establishing a precise roadmap for integrating sustainability objectives into decision-making processes and ensuring continuous monitoring and reporting of achievements.



BOARD OVERSIGHT

The Board of Directors plays a critical role in overseeing the climate-related governance process, ensuring effective management of all identified risks in alignment with JB Pharma's strategic objectives.

The Steering Committee appraises the Board Risk Management Committee on ESG and climate-related risks to ensure thorough oversight and promote accountability. This process underscores the importance of ESG considerations within JB Pharma's key climate-related risk management framework.

The Board Risk Management Committee examines the findings presented by the Steering Committee, ensuring that the identified risks and opportunities are rigorously evaluated and addressed. By fulfilling this role, the RMC ensures the integrity and effectiveness of JB Pharma's approach to managing climate-related risks, thereby supporting the company's broader sustainability goals. This oversight promotes accountability and highlights the importance of incorporating Climate-related considerations into JB Pharma's primary risk management framework.

The RMC comprises 3 Directors— the Mr. Nikhil Chopra, CEO & Whole Time Director, Mr. Prashant Kumar, Non-Executive Director and Ms. Padmini Khare Kaicker, Independent Director. The RMC's role and responsibility are to define the risk threshold for all the risk categories including ESG and climate-related risks. The RMC approves and monitors the risk register.

The Board of Directors reviews climate-related issues on an annual basis, ensuring that these critical topics are systematically included in the agenda at least once every year. This approach provides a structured opportunity for comprehensive assessment and decision-making around the organization's climate strategy and related risks.

The Board of Directors, Risk Management Committee, Steering Committee, and the Working Committee's involvement guarantee that climate risks and opportunities receive the necessary attention and resources, demonstrating the company's dedication to sustainable and responsible business practices.

MANAGEMENT ROLE

At JB Pharma, we've established Steering Committee, comprising of several senior executive management and C-suite members. This committee convenes quarterly to deliberate on vital ESG domains, evaluate performance, and track progress toward key ESG objectives and benchmarks. The ESG Steering Committee identifies, assesses, and quantifies ESG risks, including climate risks and opportunities, and presents the findings to the RMC. It is led by the CEO.

The Steering Committee shares the identified climate-related risk with CFO, who consolidates all the climate-related risks including the risks identified by the Steering committee and integrates them into the risk register (ERM) for approval from Risk Management Committee.

As stewards of our organization, the Management Team ensures that the Board of Directors is kept timely apprised of climate-related and ESG risks and their effective management.

CLIMATE-RELATED GOVERNANCE ROLES AND RESPONSIBILITIES AT JB PHARMA

Level	Committee	Responsibilities
Board Level	Risk Management Committee	• The Board Risk Management Committee appraises the Board of Directors on ESG and climate-related risks to ensure thorough oversight and promote accountability • Perform an oversight role in shaping the company's ESG and climate aspirations • Review key ESG risks (including changing regulation & emerging risks) such as Water stress, Climate Change, Human Rights, Community Impact • Review mitigation/adaptation initiatives for specific risks. • The RMC defines the risk threshold for all the risk categories including ESG and climate-related risks. • The RMC approves and monitors the risk register. • The RMC also appraises the Board of Directors on all material risks including ESG and climate-related risks.
Management Level	Steering Committee	• Define strategic goals and identify initiatives • Responsible for sustainability strategy and adoption of ESG and climate-related targets • Drive overall ESG, climate-related & other sustainability aspirations, and long-term goals. • Review progress against such ESG and climate-related goals • Identify long-term business opportunities based on ESG and climate-related risks. • Assist the Board and the RMC in discharging its oversight responsibility related to all CSR & other ESG performance, including, but not limited to climate change impacts and other climate-related issues, natural resources conservation, environmental impacts, and supply chain sustainability, human rights, diversity and inclusion, and other ESG issues that are material to the company • To formulate and recommend to the Board key long-term Sustainability opportunities, ESG policies, and any change thereof, and maintain oversight and ensure periodic review of the implementation of these policies, as required. • Responsible for monitoring climate-related risks and disclosures • Oversee the function of a team in data collection and collation of climate risks • Implementation of ESG and climate initiatives • Conduct timely gap assessments and audits of ESG and climate activities
Department Level	Dedicated ESG & CSR Team (Plant level taskforce)	• Execute site-specific ESG and climate-related initiatives in line with company-wide sustainability goals. • Conduct regular internal audits and track plant-level compliance with ESG standards. • Monitor resource efficiency, emissions, waste management and water usage on-site. • Report on-site ESG performance metrics to the Steering Committee. • Ensure on-the-ground implementation of health, safety and human rights initiatives. • Coordinate with the data collection team for accurate site-level ESG data.

05 STRATEGY

INTEGRATING CLIMATE RISK ASSESSMENT INTO STRATEGIC PLANNING

Climate-related risk considerations are integral to our strategic planning processes, ensuring alignment with our long-term sustainability objectives. Addressing these risks requires a forward-looking approach and proactive measures to adapt to evolving environmental conditions. By utilizing data-driven analysis and scenario planning, we aim to anticipate and mitigate potential impacts on our business and the broader economy.

In line with the TCFD framework, climate-related risks are categorized into two main groups:

physical risks and transition risks. Physical risks encompass direct and indirect impacts of climate change on assets, infrastructure, and the environment. These include acute risks such as flash floods, cyclones, and wildfires, as well as chronic risks like water stress, heat stress, and rising sea levels. These risks are expected to increase in both frequency and severity, leading to consequences such as asset damage, supply chain disruptions, and reduced productivity of field operations.

Time Horizons for Climate Risk Assessment

To ensure robust climate resilience, we have established three distinct time horizons:

Short-term horizon (up to 2035)

This phase focuses on immediate actions to address high-priority risks. Our efforts will prioritize implementing targeted measures to mitigate and adapt to pressing climate risks.

Medium-term horizon (2035 to 2055)

This phase emphasizes the execution of key mitigation strategies, aiming to bolster our organizational resilience and achieve established climate and ESG targets.

Long-term horizon (beyond 2055)

In this phase, we will invest in advanced research and development to explore innovative materials, cutting-edge technologies, and state-of-the-art equipment. These efforts will position us as leaders in climate resilience and preparedness for future challenges.

By embedding these time horizons into our strategic planning, we aim to ensure a proactive and adaptive approach to climate-related risks while maintaining our commitment to sustainability and industry leadership.

Our climate risk assessment has been conducted with the short, medium and long-term time horizons as the boundary.

Short-term	Medium-term	Long term
short-term (up to 2030)	**medium-term (up to 2040)**	**long-term (up to 2050)**

Categories of Risks and Key Risk Indicators identified for JB Pharma

Risk Category	Risk Sub-Category	Risk Indicators
Physical	Acute	Cyclones
		Flash flood
		River flood
	Chronic	Heat stress
		Water stress
		Sea level rise
Transition	Policy and Legal	Enhanced reporting obligations under India's BRSR framework
		Carbon pricing mechanisms
		Stringent environmental regulations and litigation
	Technology	Increased CAPEX and OPEX for transitioning to low-emission technology in Indian industries.
	Market	Volatile carbon credit prices in carbon market
		Growing preference for ESG-compliant suppliers in procurement
	Reputation	Negative feedback from Indian stakeholders

CLIMATE RISK SCENARIOS ASSESSMENT

In our physical risk assessment, we incorporated climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). Specifically, we analyzed two Shared Socioeconomic Pathways (SSPs): the optimistic **SSP1-2.6** scenario and the pessimistic **SSP5-8.5** scenario.

Using two climate scenarios for TCFD assessments is recommended for several key reasons:

Comprehensive Risk Understanding

Employing at least two scenarios is a best practice offering a broader perspective on potential climate impacts under varying conditions. This enhances the robustness and credibility of risk assessments.

Industry Benchmarking

Adopting the use of dual scenarios ensures alignment with industry peers who have embraced this approach. This practice not only maintains competitiveness but also supports compliance with evolving standards in climate risk assessment.

Alignment with Rating Agencies

Climate assessments conducted using multiple scenarios align with the evaluation criteria of agencies like CDP and DJSI. These assessments play a critical role in shaping credit ratings and investor confidence.

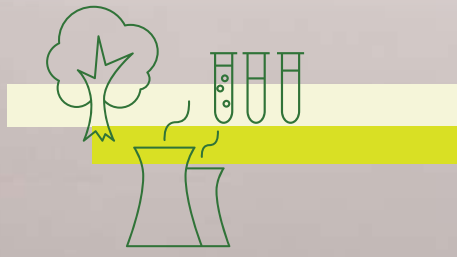
By leveraging these scenarios, we aim to enhance our understanding of climate-related risks and opportunities, ensuring alignment with global standards and fostering resilience in an uncertain climate future.

PHYSICAL RISK SCENARIO ANALYSIS

The physical risk assessment is a fundamental component of climate risk assessment, providing critical insights that enable JB Pharma to navigate the complexities of a changing climate, protect our assets, and ensure long-term resilience and sustainability.

Physical Risk Scenarios

IPCC's Shared Socio-economic Pathway (SSP) 1-2.6	IPCC's Shared Socio-economic Pathway (SSP) 5-8.5
SSP1 ↳ represents an optimistic scenario where proactive measures are taken to ensure that economic growth is both inclusive and environmentally sustainable.	**SSP5** outlines a future where economic growth and development are prioritized, driven by the extensive use of fossil fuels.
SSP1–2.6 ↳ scenario means the radiative forcing level reaches 3.1 W/m2 by mid-century but returns to 2.6 W/m2 by 2100.	**SSP5–8.5** being an extreme scenario represents a "pessimistic" scenario, leading to over 3.3°C to 5.7°C temperature rise by the end of the century due to minimal to no effort to reduce emissions.
The key features of this scenario are: • Sustainable Socioeconomic Growth • Stringent Environmental Regulations • Effective Institutions • Low Population Growth	Key features of this scenario are: • Fossil-fueled Development • Rapid Economic Growth • High Investment in Education • Population Dynamics



CYCLONES

All the sites of JB Pharma were considered for cyclonic risk. The historical data Return Period (in years) for cyclonic storm(cs) passing within 50 nautical miles of coastal districts, annual (1961-2020) by IMD was considered for analysing the risk posed in the future.

Location	Asset Type	State	Country	Risk
Ankaleshwar	Manufacturing Unit	Gujarat	India	Medium
Panoli	Manufacturing Unit	Gujarat	India	Medium
Daman	Manufacturing Unit	Daman and Diu	India	Medium
Mumbai	Offices	Maharashtra	India	Medium
Thane	Research and Development Centre (R&D)	Maharashtra	India	Medium

FLASH FLOOD

Heavy precipitation is considered for measuring the risk of flash floods, with more than 50mm of rainfall in a day. The risk rating considered is with respect to number of days with heavy precipitation annually. The assets with heavy precipitation of less than 2 day is at low risk, for 2 to 3 days is at medium risk, for 3 to 5 days is at high risk and more than 5 days is very high risk. The following asset locations are prone to high heavy precipitation as per the scenario analysis.

Risk as per SSP 2.6 Scenario						
Location	Asset Type	State	Country	2030	2040	2050
Location	Asset Type	State	Country	2030	2040	2050
Ankaleshwar	Manufacturing Unit and Warehouse (u/s)	Gujarat	India	Low	Medium	High
Panoli	Manufacturing Unit, Warehouse (u/s and d/s)	Gujarat	India	Low	Medium	High
Daman	Manufacturing Unit, Warehouse (u/s)	Daman and Diu	India	Low	Medium	High
Mumbai	Offices	Maharashtra	India	Medium	High	Very High
Thane	Research and Development Centre (R&D), Warehouse (d/s)	Maharashtra	India	Medium	High	Very High
Zirakpur	Warehouse (d/s)	Punjab	India	Low	Medium	High
Hyderabad	Warehouse (d/s)	Telangana	India	Low	Medium	High
Delhi	Warehouse (d/s)	Delhi	India	Low	Medium	High

Risk as per SSP 2.6 Scenario						
Location	Asset Type	State	Country	2030	2040	2050
Ankaleshwar	Manufacturing Unit and Warehouse (u/s)	Gujarat	India	Medium	High	Very High
Panoli	Manufacturing Unit, Warehouse (u/s and d/s)	Gujarat	India	Medium	High	Very High
Daman	Manufacturing Unit, Warehouse (u/s)	Daman and Diu	India	Medium	High	Very High
Mumbai	Offices	Maharashtra	India	High	High	Very High
Thane	Research and Development Centre (R&D), Warehouse (d/s)	Maharashtra	India	High	High	Very High
Zirakpur	Warehouse (d/s)	Punjab	India	Medium	High	Very High
Hyderabad	Warehouse (d/s)	Telangana	India	Low	Medium	High
Delhi	Warehouse (d/s)	Delhi	India	Medium	High	Very High

RIVER FLOOD

Climate change is expected to increase the frequency and intensity of extreme weather events, including heavy rainfall, which can lead to river flooding in various regions we operate. The total number of flood events from 1969 to 2019 by IMD has given us insights to the frequency and geographic distribution of floods over the past five decades. The classification of flood events is as follows: 0 to 10 events is considered Very Low, 11 to 30 events is Low, 31 to 50 events is Moderate, 51 to 70 events is High, and 71 to 127 events is Very High.

Location	Asset Type	State	Country	Risk
Ankaleshwar	Manufacturing Unit and Warehouse (u/s)	Gujarat	India	High
Panoli	Manufacturing Unit, Warehouse (u/s and d/s)	Gujarat	India	High
Delhi	Warehouse (d/s)	Delhi	India	Moderate
Thane	Research and Development Centre (R&D)	Maharashtra	India	Medium

HEATWAVES

Heatwaves: According to the IMD, a heatwave is defined when the maximum temperature at a station reaches 40°C or higher in the plains. The risk assessment for heatwaves is based on changes in temperature: a temperature changes below 1.7°C indicates low risk, between 1.7°C and 2°C indicates medium risk, between 2°C and 2.4°C indicates high risk, and above 2.4°C indicates very high risk. Based on the scenario analysis, the following asset locations are identified as being highly susceptible to heatwaves.

Risk as per SSP 2.6 Scenario

Location	Asset Type	State	Country	2030	2040	2050
Ankaleshwar	Manufacturing Unit and Warehouse (u/s)	Gujarat	India	Low	Medium	High
Panoli	Manufacturing Unit, Warehouse (u/s and d/s)	Gujarat	India	Low	Medium	High
Daman	Manufacturing Unit, Warehouse (u/s)	Daman and Diu	India	Low	Medium	High
Mumbai	Offices	Maharashtra	India	Low	Medium	High
Thane	Research and Development Centre (R&D), Warehouse (d/s)	Maharashtra	India	Low	Medium	High
Zirakpur	Warehouse (d/s)	Punjab	India	Low	Medium	High
Hyderabad	Warehouse (d/s)	Telangana	India	Low	Medium	High
Delhi	Warehouse (d/s)	Delhi	India	Low	Medium	High

Risk as per SSP 8.5 Scenario

Location	Asset Type	State	Country	2030	2040	2050
Ankaleshwar	Manufacturing Unit and Warehouse (u/s)	Gujarat	India	Medium	High	Catastrophic
Panoli	Manufacturing Unit, Warehouse (u/s and d/s)	Gujarat	India	Medium	High	Catastrophic
Daman	Manufacturing Unit, Warehouse (u/s)	Daman and Diu	India	Medium	High	Catastrophic
Mumbai	Offices	Maharashtra	India	Medium	High	Catastrophic
Thane	Research and Development Centre (R&D), Warehouse (d/s)	Maharashtra	India	Medium	High	Catastrophic
Zirakpur	Warehouse (d/s)	Punjab	India	Medium	High	Very High
Hyderabad	Warehouse (d/s)	Telangana	India	Medium	High	Very High
Delhi	Warehouse (d/s)	Delhi	India	Medium	High	Very High

WATER STRESS

The projections for 2030, 2040 and 2050 are carried out and the areas that would be prone to water stress is arrived using the “Aqueduct Water Risk Atlas” tool and applying both optimistic and pessimistic scenarios by IPCC.

Water Stress Risk as per SSP 2.6 Scenario

Location	Asset Type	State	Country	2030	2040	2050
Ankaleshwar	Manufacturing Unit	Gujarat	India	Medium	High	Catastrophic
Panoli	Manufacturing Unit	Gujarat	India	Medium	High	Catastrophic
Daman	Manufacturing Unit	Daman and Diu	India	Medium	High	Catastrophic
Mumbai	Offices	Maharashtra	India	Low	Medium	High
Thane	Research and Development Centre (R&D)	Maharashtra	India	Low	Medium	High
Zirakpur	Warehouse (d/s)	Punjab	India	Medium	High	Very High
Hyderabad	Warehouse (d/s)	Telangana	India	Medium	High	Very High
Delhi	Warehouse (d/s)	Delhi	India	Medium	High	Very High

Water Stress Risk as per SSP 8.5 Scenario

Location	Asset Type	State	Country	2030	2040	2050
Ankaleshwar	Manufacturing Unit	Gujarat	India	Medium	High	Catastrophic
Panoli	Manufacturing Unit	Gujarat	India	Medium	High	Catastrophic
Daman	Manufacturing Unit	Daman and Diu	India	Medium	High	Catastrophic
Mumbai	Offices	Maharashtra	India	Medium	High	Catastrophic
Thane	Research and Development Centre (R&D)	Maharashtra	India	Medium	High	Catastrophic
Zirakpur	Warehouse (d/s)	Punjab	India	High	High	Very High
Hyderabad	Warehouse (d/s)	Telangana	India	High	Very High	Very High
Delhi	Warehouse (d/s)	Delhi	India	High	High	Very High

SEA LEVEL RISE

IPCC AR6 WGI (2021) states that heating of the climate system has caused global mean sea level rise through ice loss on land and thermal expansion from ocean warming. Under a 2°C scenario global sea level could increase by 0.32 - 0.62m (medium confidence). In coastal cities, the combination of more frequent extreme sea level events (due to sea level rise and storm surge) and extreme rainfall/ river flow events will make flooding more probable. Sea level projections for 2 SSP scenarios, relative to a baseline of 1995-2014, in meters was analysed to map the risk for the two coastal cities of Daman and Mumbai, in which we operate.

Risk as per SSP 2.6 Scenario

Location	Asset Type	State	Country	2030	2040	2050
Daman	Manufacturing Unit, Warehouse (u/s)	Daman and Diu	India	Medium	High	Very High
Mumbai	Offices	Maharashtra	India	Medium	High	Very High

Risk as per SSP 8.5 Scenario

Location	Asset Type	State	Country	2030	2040	2050
Daman	Manufacturing Unit, Warehouse (u/s)	Daman and Diu	India	Medium	High	Very High
Mumbai	Offices	Maharashtra	India	Medium	High	Very High

TRANSITION RISK SCENARIOS

Transition risks are divided into four categories: Policy and Legal Risk, Technology Risk, Market Risk, and Reputation Risk.

The International Energy Agency (IEA) uses its Global Energy and Climate (GEC) Model in medium to long-term outlooks such as the World Energy Outlook (WEO) and the Energy Technology Perspective (ETP). This model employs a scenario approach to explore future energy trends, based on assumptions about how the global energy system might respond to the current crisis and develop in the future. The IEA offers four scenarios: Net Zero Emissions (NZE) by 2050, Announced Pledges Scenario (APS), Stated Policies Scenario (STEPS), and Sustainable Development Scenario (SDS).

Similarly, the Network for Greening the Financial System (NGFS) collaborated with climate scientists and economists to create a series of hypothetical scenarios that serve as a reference for understanding potential developments in climate change, policy, and technology trends. These scenarios illustrate a spectrum of risk outcomes, both high and low. NGFS presents six scenarios: Net Zero 2050, Below 2°C, Divergent Net Zero, Delayed Transition, Nationally Determined Contributions (NDCs), and Current Policies.
For JB Pharma, transition risks for their sites, offices, and R&D units were identified, and scenario analyses were conducted using the IEA and NGFS scenarios. The Divergent Net Zero Scenario from NGFS and the Announced Pledges Scenario from

IEA were chosen for analyzing transition risks. The Divergent Net Zero Scenario envisions achieving net zero by 2050 through substantial investments in low carbon technologies. Meanwhile, the Announced Pledges Scenario aligns the net zero target with each country's Nationally Determined Contributions (NDCs) submitted to the UNFCCC.

Scenario analyses addressed various transition risks, including: enhanced emission reporting obligations (Policy and Legal Risk), carbon pricing (Policy and Legal Risk), litigation exposure (Policy and Legal Risk), increased CAPEX and OPEX due to transitioning to low emissions technology (Technology Risk), and negative stakeholder feedback (Reputation Risk). These transition risks were specifically analyzed for India, with impacts rated on a scale from Insignificant to Catastrophic.

Transition risks under Divergent Net Zero and Announced Pledges Scenario			
Enhanced emission reporting obligations (Policy and Legal Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Minor	Moderate	Insignificant	Moderate
Carbon pricing (Policy and Legal Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Moderate	Major	Minor	Moderate
Stringent environmental regulations and litigation (Policy and Legal Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Minor	Minor	Insignificant	Minor
Increase in CAPEX and OPEX due to transition towards low emissions technology (Technology Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Major	Major	Moderate	Major

Transition risks under Divergent Net Zero and Announced Pledges Scenario			
Volatile carbon credit prices in carbon market (Market Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Minor	Minor	Insignificant	Minor
Growing preference for ESG-compliant suppliers in procurement (Market Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Minor	Moderate	Minor	Moderate
Negative stakeholder feedback (Reputation Risk)			
Divergent Net Zero (DNZ)		Announced Pledges Scenario (APS)	
2030	2050	2030	2050
Minor	Moderate	Insignificant	Minor

KEY PHYSICAL & TRANSITION RISKS AND IMPACTS IDENTIFIED BY JB PHARMA

KEY PHYSICAL RISKS, IMPACTS (BUSINESS AND FINANCIAL) & OPPORTUNITIES IDENTIFIED BY JB PHARMA

We have identified tropical cyclone, flash floods and river floods (acute climate risk) and heat stress, water stress and sea level rise (chronic climate risk) as the key physical risks for our business.

Climate-related physical risks and their potential impacts on the business and finance of JB Pharma

Physical Risk	Projected Impacts on JB Pharma		
	Business Impact	Financial Impact	Opportunities
Acute Climate Risk: Flash flood, River flood and Tropical cyclone	• High 5-day precipitation could lead to flooding, resulting in temporary shutdowns, equipment damage, or delays in production. • Water ingress and flooding can damage buildings, machinery and electrical systems • Blackouts due to damage to grid electricity resulting in dependency on alternate form of power consumption such as DG sets, etc. • Flash floods resulting in loss of connectivity • Loss of working hours due to disruption in employee transportation • Supply chain can get affected due to water logging situations • Excessive rainfall could create hazards around facilities, especially if there is waterlogging, increasing the risk of accidents. • Sea level rise and storm surge present substantial hurdles for coastal projects, amplifying flood risks, infrastructure vulnerability and adaptation	• Capital expenditure due to damage to infrastructure • Repair or replacement cost occurred due to cyclonic damage to property (breaking of façade glass, signage boards, and cooling tower shed) • Coastal locations may see lower values and higher insurance costs due to increased flood risks from sea level rise and storm surge. • Flooding may damage stored goods and raw materials, leading to financial losses and production delays	• Resilient infrastructure

Physical Risk	Projected Impacts on JB Pharma		
	Business Impact	Financial Impact	Opportunities
Chronic Climate Risk: Heat stress	• Decreased Property value of buildings located in areas prone to extreme heat or with inadequate heat resilience. • High demand for air conditioning leading to high energy demands in offices. • Increased HVAC Costs: Extreme heat necessitates higher usage of HVAC systems to maintain comfortable indoor temperatures, leading to increased energy consumption and operating costs. • Disrupted electricity supply – dependency on DG sets: High temperatures can strain the electricity grid, causing power outages and increasing dependency on diesel generator (DG) sets, which are costlier and less efficient. • Frequent Equipment Failures: Prolonged exposure to extreme heat can cause overheating and frequent failures of construction and operational equipment, leading to increased maintenance and replacement costs. • Worker Health & Safety: Heat stress poses significant health risks to workers, including heat exhaustion and heat stroke, resulting in reduced productivity, higher medical costs, increased absenteeism, and potential project delays.	• Increased operational expenses. • Exposure to wet bulb temperatures exceeding 35°C can result in decreased productivity of workers at sites due to thermal discomfort, increased risk of heat strokes, and potential fatalities. • Loss of revenue due to loss of productivity of workers might extend the project completion timelines leading to increase in project cost. • Increased cost of health insurance for workers. • Cooling technology to be employed at the construction site which will increase the cost.	• Use of more energy efficient equipments
Chronic risk - Water stress	• Present scenario projects the shortage of water for all the locations, this can lead to high cost of purchasing water and investment in water efficient equipment • Regulatory compliance with water use restrictions imposed by local and regional authorities during times of water stress	• Increased water demand may lead to high cost of purchasing water • Capital expenditure for investment in water efficient equipment	• Enhanced water efficiency
Chronic risk – Sea level rise	• Permanent shutdown of offices due to coastal flooding • Increased maintenance and repair costs for coastal assets • Higher operational costs due to transportation delays and damaged infrastructure • Displacement and safety risks for employees and local communities.	• Higher premiums and potential loss of insurability for coastal assets	• Adoption of elevated structures and flood-resistant building materials • Use of real-time flood monitoring and early warning systems

KEY TRANSITION RISKS & IMPACTS IDENTIFIED BY JB PHARMA

In the rapidly evolving landscape of the pharmaceutical industry, JB Pharma is navigating a complex array of transitional risks as it aligns its operations with global sustainability goals and regulatory frameworks. The transition towards a low-carbon economy presents significant challenges and opportunities, compelling companies to reassess traditional practices and adapt to emerging market realities. For JB Pharma, understanding and addressing these transitional risks is crucial to maintaining its competitive edge and ensuring long-term viability. This introduction explores the key transition risks identified by JB Pharma, highlighting the potential impacts on various aspects of its operations, including policy and legal compliance, market dynamics, technological advancement, and reputational management. As the company charts its path forward, these insights form the foundation for strategic decision-making aimed at fostering resilience and sustainable growth.

Summary of Transition Risks and Projected Impacts on JB Pharma

Risk/ Opportunities Indicator	Description	Projected Impacts on JB Pharma		
		Business Impact	Financial Impact	Opportunities
Policy and Legal Risk	• Enhanced reporting obligations under India's BRSR framework • Carbon pricing mechanisms • Stringent environmental regulations and litigation	• Increased costs for compliance with disclosure norms • Penalty for non-compliance with waste disposal rules under state pollution control boards • Increased costs due to EPR (Extended Producer Responsibility) under under Plastic Waste Management Rules, 2016 regulations	• Increased operational expenses.	• Capitalizing on India's upcoming carbon market and renewable energy incentives • Improved waste management practices

Risk/ Opportunities Indicator	Description	Projected Impacts on JB Pharma		
		Business Impact	Financial Impact	Opportunities
Technology Risk	• Increased CAPEX and OPEX for transitioning to low-emission technology in Indian industries.	• Our scenario analysis indicates a likely increase in stringent policy implementation in the short to mid-term future in India. India has taken a national target of **net zero by 2070.** We need to align our businesses with this target, at the least. • India has set a target of achieving 500 gigawatts (GW) of renewable energy capacity by 2030. With the increased push towards renewable energy across all sectors, this would result in a need to increase renewable energy in the energy mix of JB Pharma. • Higher investments required for adoption of clean technologies and R&D	• Increase in the capital expenditure. • Increased operational expenses. • R&D Expenditure • Compliance fines • Operational expenses for the purchase of renewable energy • Capital expense for setting up of solar power generation in owned assets	• Deployment of resource-efficient technologies to reduce energy consumption in manufacturing • Scaling renewable energy through India's open access solar and wind energy markets
Market risk	• Volatile carbon credit prices in carbon market • Growing preference for ESG-compliant suppliers in procurement	• Loss of market share due to inability to meet customer expectations • Exclusion from supply chains for non-compliance with buyer requirements	• Loss to market share	• Leveraging emerging carbon trading mechanisms for cost efficiency • Enhancing market position through alignment with global sustainability standards
Reputational Risk	• Negative feedback from Indian stakeholders	• Reputation damage for failing to meet stakeholder expectations	• Loss of brand image, hence sales.	• Improved stakeholder engagement through proactive ESG initiatives • Enhanced reputation through transparent disclosures

06 RISK MANAGEMENT

Our risk management strategy is designed to align with our business objectives through a structured approach to risk categorization. This framework facilitates regular interaction between leadership and management, with the Board of Directors providing oversight. Climate-related risks have been thoroughly assessed and integrated into our risk management processes, and we are incorporating climate change considerations into our business continuity plans. To ensure comprehensive risk identification and management, we have designated Risk Champions across all functions and business segments. These individuals collaborate with the Chief Executive Officer (CEO) to update risk registers twice a year, maintaining an adaptive and responsive approach to emerging risks.

KEY ELEMENTS OF JB PHARMA'S RISK MANAGEMENT

Risk Identification

We follow a structured process to identify climate and ESG-related risks across various areas, including market shifts, regulatory changes, operational vulnerabilities, and environmental impacts in alignment with TCFD principles.

Risk Assessment

Climate and ESG risks are evaluated to determine their likelihood and potential impact. We use both quantitative and qualitative methods to prioritize these risks, supporting effective decision-making and mitigation strategies.

Risk Registry Maintenance

After assessing climate and ESG risks, the Chief Executive Officer (CEO) ensures they are documented in the risk register, creating a centralized repository for tracking and updates.

Risk Reporting

Champions conduct quarterly reviews of the risk register, focusing on climate and ESG risks in their respective business segments. The mitigation plans are presented to the Risk Management Committee (RMC) on an annual basis by the CEO.

Risk Mitigation and Monitoring

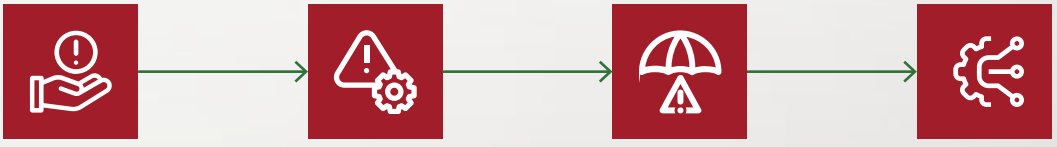
Quarterly reviews by Risk Champions track progress on climate and ESG risk mitigation plans approved by the Board of Directors or the RMC. The CEO consolidates updates from Risk Champions regarding the status and timelines of these plans.

Risk Categorization

Climate and ESG risks are categorized during quarterly risk register reviews. The CFO ensures that significant risks and their mitigation strategies are submitted to the RMC for semi-annual reviews, fostering a proactive and dynamic approach to managing climate and ESG risks in line with TCFD recommendations.

INTEGRATION OF CLIMATE RISKS INTO OUR ENTERPRISE RISK MANAGEMENT (ERM) PROCESSES

The integration of climate risks into our Enterprise Risk Management (ERM) framework strengthens our ability to address environmental challenges and safeguard our assets. By embedding climate-related considerations into risk management, we systematically assess risks across properties and portfolios, identify vulnerabilities, and explore opportunities for adaptation and mitigation. Key factors such as extreme weather events, sea level rise, regulatory shifts, and evolving market dynamics are evaluated to understand their impact on our operations and strategy. In alignment with our commitment to proactive risk management, JB Pharma incorporates climate risk considerations into its practices through:



Risk Identification

Evaluating climate-related threats and opportunities including physical and transitional risks, across operations and assets.

Risk Assessment

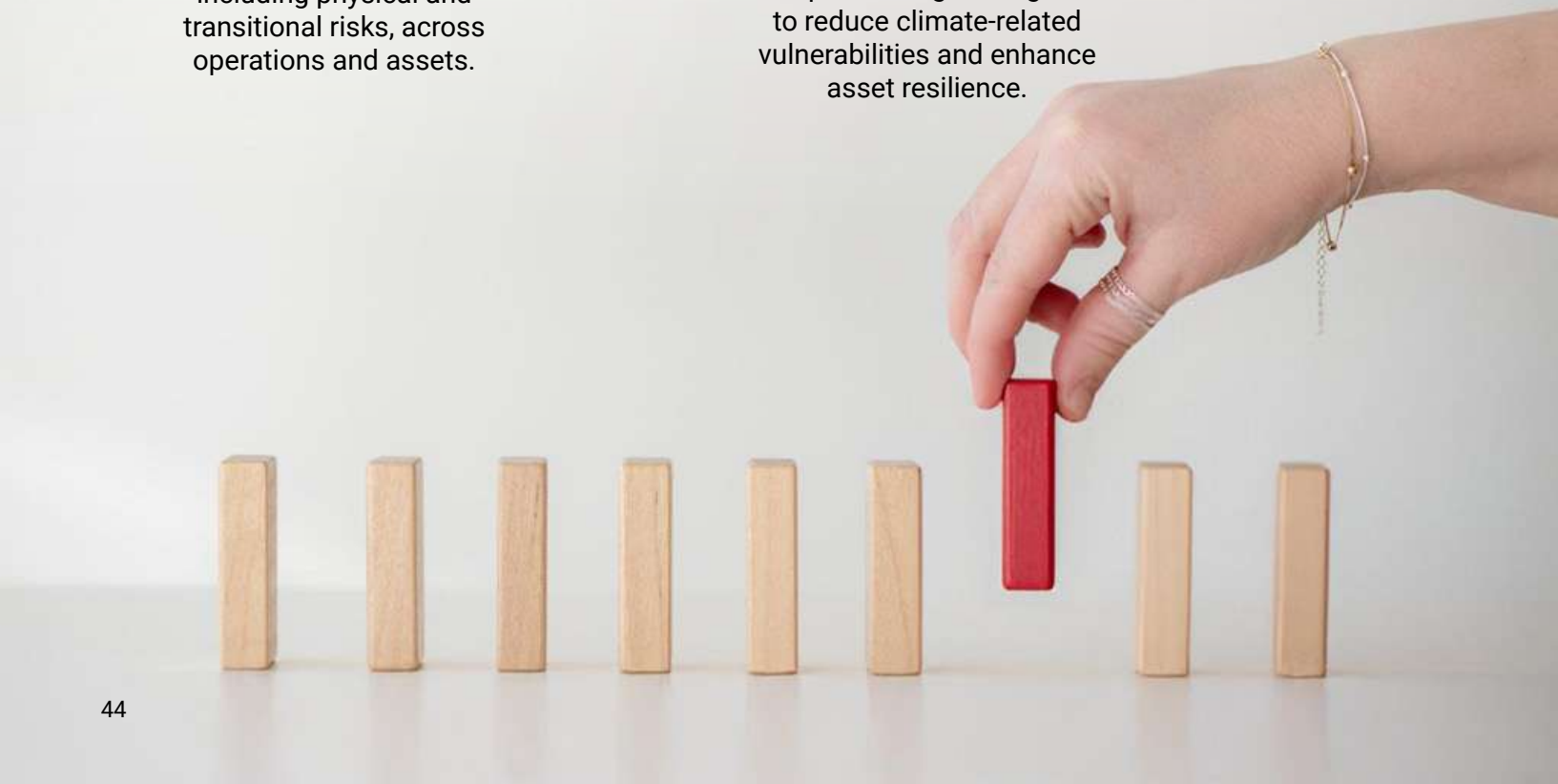
Using both qualitative and quantitative analyses to prioritize risks based on their likelihood and potential impact.

Mitigation and Adaptation Planning

Developing and implementing strategies to reduce climate-related vulnerabilities and enhance asset resilience.

Integration into Business Continuity

Embedding climate risk considerations into continuity planning to ensure operational stability under changing environmental conditions.



The table provided below outlines a summary of the identified physical climate risks, accompanied by the respective measures for mitigation and adaptation. JB Pharma is committed to addressing the challenges of climate change through comprehensive measures for both mitigation and adaptation. While many of these actions are still in the planning stages, the company expects to implement a series of initiatives in the near future.

MITIGATION AND ADAPTATION MEASURES FOR PHYSICAL RISKS

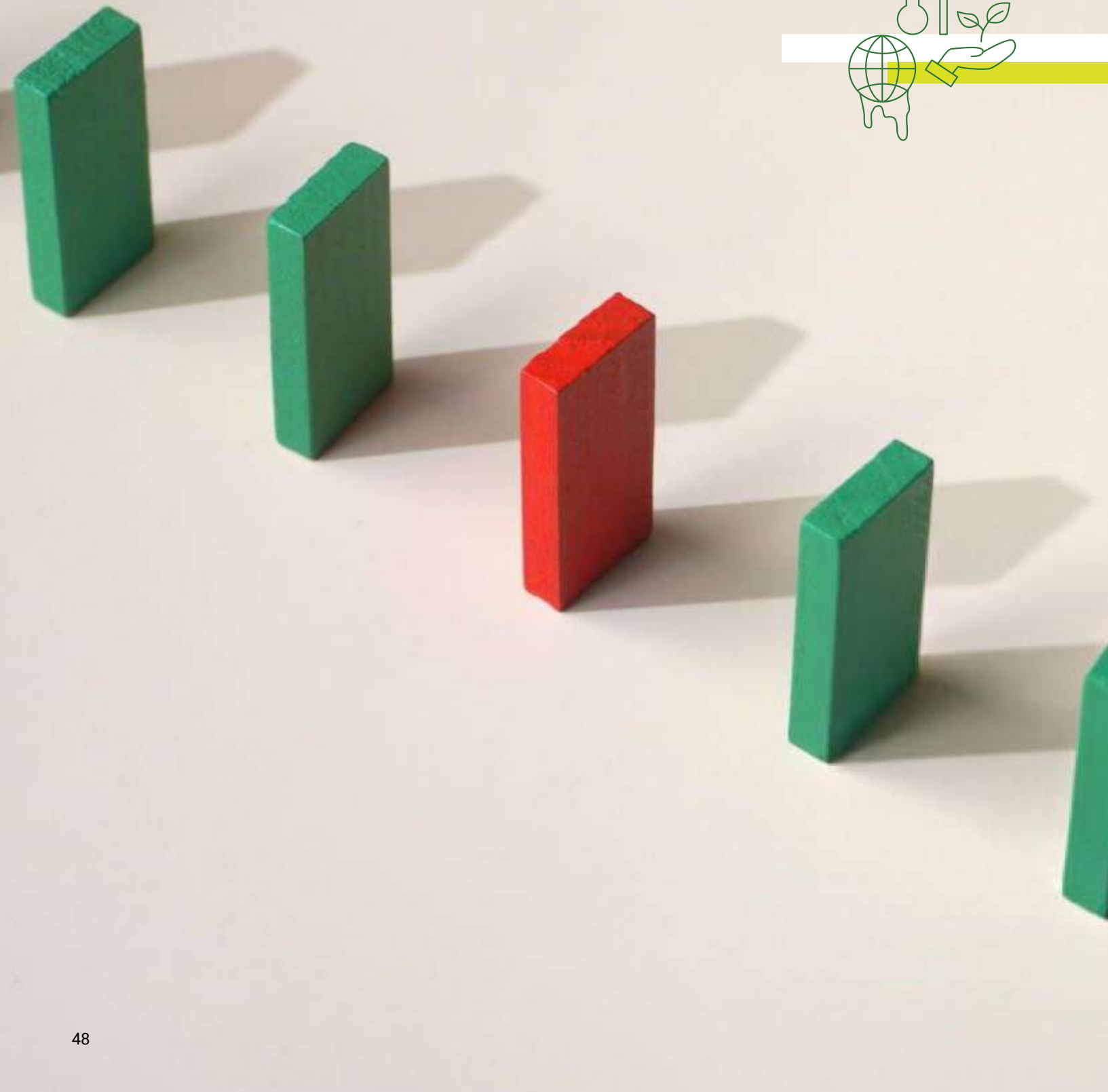
Physical Risk	Risk Mitigation and Adaptation	
	Mitigation Measures	Adaptation Measures
Acute Risks - Flash flood, River flood and Tropical cyclone	• Asset-level interventions such as suitable stormwater drainage and sufficient water and damp-proofing • Investing in solar-powered backup systems and battery storage units for offices • Provide secure housing and ensure the safety of workers during such events. • Install water diversion channels and rainwater harvesting systems to manage excess water and reduce flood risk. • Using permeable pavements and absorbent ground covers to mitigate runoff.	• Elevating future structures above potential flood levels based on historical flood event levels in the region. • Considering developing comprehensive flood response and evacuation plans. • Integrating green infrastructure to absorb rainwater and reduce runoff at the site. • • Incorporating climate risk assessments into financial planning • Improving drainage systems to manage high precipitation levels and prevent waterlogging. • Designing and implement landscaping that promotes natural water absorption in high-precipitation areas. • Training staff on an emergency flood response protocol particularly at high-risk sites. • Keeping emergency supplies (e.g., pumps, sandbags) and ensure staff know how to deploy them effectively.
Chronic Risk - Heat stress	• Review insurance policies to ensure adequate coverage for heat-related damages and consider additional coverage options as needed. • Reducing dependence on grid electricity- on-site solar panels at office locations, battery storages. • Investing in energy-efficient HVAC systems and renewable energy • Replacing old machinery with improved efficiency machines (boilers, chilling plants, AHUs etc.) • Switched incandescent bulbs with LED lightbulbs • Educating workers on heat stress prevention measures and adjusting work schedules to avoid the hottest times of the day.	• Modify facility design with heat-resistant materials and natural ventilation • Remediation measures from heat stress should be embedded in the SOPs for workers at the construction site of JB Pharma. • Educating workers on heat stress prevention measures and adjusting work schedules to avoid the hottest times of the day.

Physical Risk	Risk Mitigation and Adaptation	
	Mitigation Measures	Adaptation Measures
Chronic Risk - Sea Level Rise	• Coastal hazard zoning and future prediction on sea-level rise • Development of engineered structures such as flood barrier walls, levees and sea walls • Implement advanced drainage and pumping systems to prevent waterlogging	• Raise buildings, internal roads and critical facilities above projected sea levels. • Relocate vulnerable communities and assets to safer inland areas in such event.
Chronic Risk - Water stress	• Water efficiency mechanisms such as reuse and recycling of water, rainwater harvesting • Water efficiency fixtures, such as faucets and water closets, at offices	• Water consumption reduction targets • Reducing reliance on procuring water from water stressed regions

MITIGATION MEASURES FOR TRANSITION RISKS

Transition Risk	Mitigation Measures
Policy and Legal	• Reduction in emissions year-on-year
Technological Risk	• In FY23-24, we expanded our renewable energy use by sourcing power from solar and wind and installing solar rooftops. • 200kW rooftop solar energy system at Daman plant generating 226107 kWh of electricity • 2.7 MW of wind power and 0.63 MW of solar capacity receiving a total of 13139644 kWh of electricity Onsite renewable power generation through rooftop solar panels • Invest in offsite renewable power generation projects. • Enter into renewable Power Purchase Agreements.
Market Risk	• Incorporate sustainable supply chain throughout operations. • Implement internal carbon pricing • Actively participate in industry conferences and declare JB Pharma's stance on green building practices.
Reputational Risks	• Continuous assessment of customer needs. • Regular communication with stakeholders about non-financial Key Performance Indicators (KPIs)

07 METRICS AND TARGET



OUR KEY TARGETS

JB Pharma remains dedicated to addressing climate, ESG, and sustainability challenges by setting a variety of medium and long-term goals. In accordance with the TCFD framework, this section showcases our environmental and climate-related aims and achievements. Our annual report for 2024 provides an in-depth look at our extensive targets.

Indicator	Our Targets
Emissions	Carbon neutral in direct operations (Scope 1 and 2 emissions) by FY 2032-33.
Energy	To meet 40% of power demand from renewable energy by FY 2026-27 and 100% by FY 2032-33.
Water positivity	To achieve water positivity by FY 2032-33.
Zero waste to landfill	To achieve Zero waste to Landfill by FY 2032-33.

OUR PROGRESS TOWARDS OUR TARGETS

Energy consumption (GJ) from renewable and non-renewable sources

Metric	FY 2022-23	FY 2023-24
From renewable sources (GJ)		
Total electricity consumption	8464.89	48108.06
Total fuel consumption	0	0
Energy consumption through other sources	0	0
Total	8464.89	48108.06
From non-renewable sources (GJ)		
Total electricity consumption	229598.64	187947.84
Total fuel consumption	169547.91	133161.31
Energy consumption through other sources	0	1661.44
Total	399146.56	322770.59

EMISSIONS ($MTCO_2E$)

Direct Greenhouse Gas Emissions (Scope 1) and Indirect Greenhouse Gas Emissions (Scope 2)

Metric	FY 2022-23	FY 2023-24
Scope 1 (metric tonnes of CO2 equivalents)	10096.64	8608.58
Scope 2 (metric tonnes of CO2 equivalents)	45281.95	37544.06
Total Scope 1 and Scope 2 (metric tonnes of CO2 equivalents)	55,378.59	46,152.64

Indirect Greenhouse Gas Emissions (Scope 3)

Metric	FY 2022	FY 2023
Scope 3 (metric tonnes of CO2 equivalents)	136837.62	188961

08 TCFD INDEX

Topic	Recommended disclosures	Page Number
Governance	a) Describe the Board's oversight of climate-related risks and opportunities	
	b) Describe management's role in assessing and managing climate related risks and opportunities	
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	
	c) Describe the resilience of the organisation's strategy taking into account different climate scenarios including a 2-degree scenario or lower	
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks	
	b) Describe the organisation's processes for managing climate-related risks	
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	
	b) Disclose Scope 1 & 2 and if appropriate Scope 3 GHG emissions and the related risks.	
	c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	

GLOSSARY

AR	Assessment Report
BoD	Board of Directors
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO2	Carbon Dioxide
CRA	Climate Risk Assessment
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
DG	Diesel Generator
DJSI	Dow Jones Sustainability Indices
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
GJ	Gigajoule
GW	Global Warming
GWP	Global Warming Potential
HOD	Head of Department
IPCC	Intergovernmental Panel on Climate Change
MTCO2e	Metric Tons of Carbon Dioxide Equivalent
NGFS	Network for Greening the Financial System
R&D	Research and Development
RMC	Risk Management Committee
SOPs	Standard Operating Procedures
SSP	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-related Financial Disclosures

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