

ESG SUPPLEMENTARY DISCLOSURE 2023-24

Piramal Pharma Limited

Table of Contents

Governance & Economic Dimension.....3

- 1.1 Transparency & Reporting
- 1.2 Corporate Governance
- 1.3 Materiality
- 1.4 Risk & Crisis Management
- 1.5 Business Ethics
- 1.6 Policy Influence
- 1.7 Supply Chain Management
- 1.8 Tax Strategy
- 1.9 Information Security/ Cybersecurity & System Availability
- 1.11 Product Quality & Recall Management

Environmental Dimension.....18

- 2.1 Environmental Policy & Management
- 2.2 Energy
- 2.3 Waste & Pollutants
- 2.4 Water
- 2.5 Climate Strategy
- 2.6 Biodiversity
- 2.7 Product Stewardship

Social Dimension.....27

- 3.1 Labor Practices
- 3.2 Human Rights
- 3.3 Human Capital Management
- 3.4 Occupational Health & Safety

GOVERNANCE AND ECONOMIC DIMENSION

1.1 Transparency & Reporting

Sustainability Reporting Boundaries (DJSI 1.1.1)

Piramal Pharma Limited's (hereby 'the Company') sustainability reporting covers the financial and non-financial performance of all the global operations for the period April 1, 2023 to March 31, 2024. All activities under operational control and/or majority-owned are covered in the sustainability reporting. Details on *Reporting Period, Scope and Boundary* can be found on page 1 of the Company's [Sustainability Report FY 2023-24](#).

Sustainability Reporting Assurance (DJSI 1.1.2)

All the non-financial disclosures in the Company's Sustainability Report FY 2023-24 have been externally assured by DNV Business Assurance India Private Limited. The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#). The assurance was carried out in accordance with DNV's VeriSustain protocol V6.0, which is based on the international standard in Assurance Engagements, ISAE 3000 (revised) – *Assurance Engagements other than Audits*. The assurance also followed the ISO 14064-3 – *Specification with guidance for the verification and validation of greenhouse gas statements* and ISO 14046 – *Environmental management – Water footprint – Principles, requirements, and guidelines* to evaluate indicators wrt. Greenhouse gases and water disclosures respectively.

The assurance statement contains a statement of competence and independence where it is clearly mentioned that the assurance provider was not involved in the preparation of any statements or data included in the Sustainability Report of the Company except for the assurance statement. The scope of the assurance statement clearly indicates that it covers environmental KPIs and social KPIs. The assurance statement contains a conclusion mentioning limited level of assurance with adherence of the Sustainability Report to the GRI Standards 2021, including the GRI 2: General Disclosures. GRI 3: Management Approach and other GRI disclosures in accordance with the reporting criteria.

The scope of the assurance is Limited assurance of the GRI disclosures in the [Sustainability Report FY 2023-24](#) for the reporting period April 1, 2023 to March 31, 2024. The reporting topic boundaries of non-financial performance are based on the internal and external materiality assessment covering the Company's operations. The operational boundary covers all the worldwide operations of the Company that fall under the direct operational control of the Company's Legal structure, which includes 16 manufacturing facilities, 1 R&D unit and 16 offices. The boundary for environmental disclosure is 16 manufacturing facilities across the globe including 9 facilities in India, 2 facilities in UK, 4 facilities in US and 1 facility in Canada.

Sustainability Taxonomies (DJSI 1.1.3)

Sustainability Taxonomy is not applicable to the Company because the Company is listed on Bombay Stock Exchange and National Stock Exchange of India. Hence, EU Taxonomy is not applicable to the Company's business operations. However, the Company will explore to disclose its operational performance in accordance with EU Taxonomy over the subsequent years, in case of applicability.

1.2 Corporate Governance

Board Independence (DJSI 1.2.1)

The Company has a publicly available independence statement for the board of directors. The company complies with the National Stock Exchange (NSE) and Securities and Exchange Board of India (SEBI) (LODR) corporate governance code/stock exchange guidelines. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

As on March 31, 2024, the Company’s Board comprised of 10 Directors and was in conformity with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements. 50% of the Company’s Board was comprised of Independent Directors as on March 31, 2024. More details can be found in *Report on Corporate Governance* section on page 78 to 99 of Company’s [Annual Report FY 2023-24](#).

Board Type (DJSI 1.2.2)

The Company publicly reports on the Company’s Board type. The Company has a one-tier system, details of which are provided below:

	Number of members (as on March 31, 2024)
Executive directors	3
Independent directors	5
Other non-executive directors	2
Total board size	10

For more details about the Board of Directors, please visit <https://www.piramalpharma.com/board-of-directors>. Details about the Company’s Board of Directors can also be found in the *Board of Directors* section on page 14 to 17 and *Report on Corporate Governance* section on page 78 and 79 of the Company’s [Annual Report FY 2023-24](#). Page 24 of the Company’s [Sustainability Report FY 2023-24](#) also contains the details about the Company’s Board.

Non-Executive Chairperson/Lead Director (DJSI 1.2.3)

At Piramal Pharma Limited, the Chairperson is an executive director. Ms. Nandini Piramal is the Chairperson and Mr. Peter DeYoung is the Chief Executive Officer for Global Pharma.

For more details about the Board of Directors, please visit <https://www.piramalpharma.com/board-of-directors>. Details about the Company’s Board of Directors can also be found in the *Board of Directors* section on page 14 to 17 and *Report on Corporate Governance* section on page 78 and 79 of the Company’s [Annual Report FY 2023-24](#). Page 24 of the Company’s [Sustainability Report FY 2023-24](#) also contains the details about the Company’s Board.

Board Diversity Policy (DJSI 1.2.4)

The Company does not publicly report on a policy for board diversity. However, the Company has included its commitment on Board diversity in publicly available ESG policy which can be found here – [ESG Policy](#). Furthermore, the Company is cognizant of importance of gender diversity on Board. The information is available on page 24 of the Company’s [Sustainability Report FY 2023-24](#). Additionally, certain diversity attributes are also embedded in the [Nomination Policy](#) of the Company and page 117 of its [Annual Report FY 2023-24](#).

Board Gender Diversity (DJSI 1.2.5)

The Company has 3 female directors as on March 31, 2024. They are Ms. Nandini Piramal, Ms. Nathalie Leitch and Ms. Vibha Paul Rishi. The Company recognises gender diversity as a significant aspect of diversity and acknowledges the role that women with the right skills and experience play in contributing to diversity of perspective in the Board.

For more details about the Board of Directors, please visit <https://www.piramalpharma.com/board-of-directors>. Details about the Company’s Board of Directors can also be found in the *Board of Directors* section on page 14 to 17 and *Report on Corporate Governance* section on page 78 and 79 of the Company’s [Annual Report FY 2023-24](#). Page 24 of the Company’s [Sustainability Report FY 2023-24](#) also contains the details about the Company’s Board.

Board Effectiveness (DJSI 1.2.6)

Board Meeting Attendance - The average board meeting attendance during the reporting year was 86.67%. Details of Board meetings attendance can be found on page 81 of the Company's [Annual Report FY 2023-24](#).

Board Mandates - As on March 31, 2024, the Company had 7 non-executive/independent directors with 4 or less other mandates. The names of these directors are: Mr. Sridhar Gorthi, Mr. Peter Stevenson, Mr. Neeraj Bharadwaj, Ms. Nathalie Leitch, Mr. Jairaj Purandare, Mr. S. Ramadorai, Ms. Vibha Paul Rishi.

For more details about the Board of Directors, please visit <https://www.piramalpharma.com/board-of-directors>. Details about the Company's Board of Directors can also be found in the *Board of Directors* section on page 14 to 17 and *Report on Corporate Governance* section on page 78 and 79 of the Company's [Annual Report FY 2023-24](#). Page 24 of the Company's [Sustainability Report FY 2023-24](#) also contains the details about the Company's Board.

Board Performance Review - Evaluation of performance of all Directors is undertaken annually. The Company has established a system of performance evaluation, the details of which are provided in the Board's Report forming part of this Annual Report. For FY 2023-24, performance evaluation was carried out based on the said systems and the Board of Directors, discussed the feedback and expressed its satisfaction with the evaluation process.

More details can be found in *Board Evaluation* section on page 81 of the Company's [Annual Report FY 2023-24](#).

Board Election Process – The Company has formulated a [Nomination Policy](#) in accordance with applicable laws which determines the process and criteria for identification and nomination of persons who are qualified to become directors. The Executive Directors are appointed for a fixed tenure of 3 years and are liable to retire by rotation. The Independent Directors are appointed by the board on the recommendation of the Nomination and Remuneration Committee for a fixed tenure of 5 years and are not liable to retire by rotation. Non-Executive Directors do not have a fixed tenure/term and are liable to retire by rotation. For more details on the Company's Board election process, please refer to page 117 of its [Annual Report FY 2023-24](#).

Board Average Tenure (DJSI 1.2.7)

The average tenure of board members in years is 4.25 years. The Executive Directors of the Company are appointed for a period of 3 years from the date of their appointment and are eligible for re-appointment. Non-Executive Directors do not have a fixed tenure/term. Non-Executive Independent Directors are appointed for a period of 5 years from the date of their appointment and are eligible for re-appointment. (The term of Independent Director is not more than 2 consecutive terms).

Board Industry Experience (DJSI 1.2.8)

As on March 31, 2024, there are 8 Board members with industry experience. They are Ms. Nandini Piramal, Mr. Peter DeYoung, Mr. Vivek Valsaraj, Mr. Neeraj Bharadwaj, Mr. S. Ramadorai, Mr. Sridhar Gorthi, Mr. Peter Stevenson and Ms. Nathalie Leitch.

The members of the Board have been selected from diverse backgrounds encompassing corporate management, science and innovation, public policy, entrepreneurship, pharmaceuticals, public health, finance, economics, technology, banking, risk and governance, human resources, and various other fields. Details about the experience of each Board member is available on page 16 and 17 of the Company's [Annual Report FY 2023-24](#).

Government Ownership (DJSI 1.2.13)

The shareholding pattern as of December 31, 2024 is available in public domain on the website of the Stock Exchanges at <https://www.bseindia.com/stock-share-price/piramal-pharma-ltd/pplpharma/543635/shareholding-pattern/> and

<https://www.nseindia.com/companies-listing/corporate-filings-shareholdingpattern?symbol=PPLPHARMA&tabIndex=equity>.

Family Ownership (DJSI 1.2.14)

The founding individuals or family members individually own more than 5% of the voting rights. Total % of the voting rights of the Company – 34.95%.

Details for the individual/family ownership (e.g., calculation, members, organizations, etc.): Total Promoter Holding as of Dec 31, 2024 is 34.95%.

The shareholding pattern as of December 31, 2024 is available in public domain on the website of the Stock Exchanges at <https://www.bseindia.com/stock-share-price/piramal-pharma-ltd/pplpharma/543635/shareholding-pattern/> and <https://www.nseindia.com/companies-listing/corporate-filings-shareholdingpattern?symbol=PPLPHARMA&tabIndex=equity>.

CEO-to-Employee Pay Ratio (DJSI 1.2.15)

CEO Compensation	Total CEO Compensation
Please indicate the total annual compensation of the Chief Executive Officer (or any equivalent position): Total compensation includes fixed and variable compensation as well as all other parts of compensation which are required to be included in total remuneration reporting according to national accounting standards	42398000
Employee Compensation	Median Employee Compensation
Please indicate either median or mean annual compensation of all employees, except the Chief Executive Officer (or any equivalent position):	650000
The ratio between the total annual compensation of the Chief Executive Officer and the mean or median employee compensation: <i>CEO compensation divided by the mean or median employee compensation</i>	65
The currency used in the table:	INR - Indian Rupee

1.3 Materiality

Materiality Analysis (DJSI 1.3.1)

The Company prioritises engagement and collaboration with all stakeholders across the value chain, recognising their crucial role in streamlining and boosting organisational efficiency and delivering consistent value.

In FY 2022, the Company conducted a materiality assessment encompassing critical areas, including the environment, people, human rights, supply chain, governance, community, and economy. The key stakeholders engaged in the assessment were the Company’s top leadership, senior management, employees, customers, supply chain partners, investors and external stakeholders. The materiality assessment of the Company is integrated in its ERM process, with the detailed assessment of each material issue available on page 94 to 100 of the Company’s [Sustainability Report FY 2023-24](#).

The materiality assessment process has been verified by a third-party assurance provider, more details of which can be found in the Assurance Statement on page 105 of the Company’s [Sustainability Report FY 2023-24](#).

The outcome of the exercise was instrumental in aligning the Company’s business strategy, strategic objectives, and long-term plans.

The materiality assessment results of the Company were signed-off by the Board of Directors.

The material issues are prioritized in a materiality matrix, which can be accessed on page 20 and 21 of the Company's [Sustainability Report FY 2023-24](#). The detailed material topics are covered on page 94 to 100 of the Company's [Sustainability Report FY 2023-24](#).

Very High Priority	High Priority	Medium Priority
Business Ethics	Accessibility and Affordability	Emissions and Air Quality
Data Privacy and Data Security	Asset Integrity	Community Development
Financial Performance	Business Continuity and Disaster Resilience	Ecosystem and Biodiversity
Patient, Customer, and Consumer Centricity	Climate Action/Climate Change	Human Rights
Product Quality and Safety	Corporate Governance	Product Tracking
Regulatory Compliance	Employee Health and Safety	
	Energy Management	
	Human Capital Development	
	Operational Excellence	
	Product Sustainability/Stewardship	
	R&D and Innovation	
	Responsible Investment (Capex)	
	Risk and Opportunity Management	
	Stakeholder Relationship	
	Supply Chain Management	
	Technology Adoption	
	Water and Waste Management	

Material Issues for Enterprise Value Chain (DJSI 1.3.2)

The Company conducts materiality analysis to identify key issues for long-term value creation. The material issues are prioritized in a materiality matrix, which can be accessed on page 20 and 21 of the Company's [Sustainability Report FY 2023-24](#). The detailed material topics are covered on page 94 to 100 of the Company's [Sustainability Report FY 2023-24](#).

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Business Ethics	Product Quality & Safety	Data Privacy and Data Security
Business Case	Rational for identifying as a material topic (Business Ethics) – External regulatory environment on corporate ethics is dynamic. Ethical business standards, framework, and activism are evolving that needs continuous improvement and preparedness	Increased regulatory oversight with respect to patient and product safety along with highly competitive industry space, is an imperative for the Company to have a robust focus on patient, customer, and consumer centricity. Thus, the Company needs to maintain their standards in order to be compliant to avoid the risk that may arise.	Data integrity and privacy is an imperative to guarantee trust between the stakeholders. Evolving regulations and increasing sensitivity towards data privacy is driving focus on information security. Data breach of the Company's Information Technology system leads to business damage and reputational risk, causing damage at both financial and non-financial ends.
Business Impact	Risk	Risk	Risk

Business Strategies	The Company has established robust guiding principles ensuring ethical functioning across their value chain. Its code of conduct for Board members, senior management, employees, suppliers, vendors, and contractors aligns with their commitments of ethical and transparent business practices.	The Company is on a quality advancement journey from 'Quality for compliance' to 'Quality as a culture', with a focus on systems, processes, technology, and people. A dedicated corporate quality assurance group actively monitors adherence to prescribed product quality standards. Financial implication of the risk – potential positive implication due to customer loyalty and long-term strategic partnership	The Company closely scrutinizes its data management systems through the following ways: <ul style="list-style-type: none"> • Using secure computers and servers • Adopting data back-ups software for remote storage as well • Having robust cyber security framework • Application of anti-virus, anti-spyware protection, and firewall • Implementing better cyber policies for remote workers
---------------------	--	--	---

Materiality Metrics for Enterprise Value Creation (DJSI 1.3.3)

The material issues are prioritized in a materiality matrix, which can be accessed on page 20 and 21 of the Company's [Sustainability Report FY 2023-24](#). The detailed material topics are covered on page 94 to 100 of the Company's [Sustainability Report FY 2023-24](#).

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Business Ethics – Risk	Product Quality and Safety – Risk	Data Privacy and Data Security
Target	Address 100% of complaints concerning violation of Human Rights. Train all employees on human rights policy	Cost of Poor Quality (COPQ): Compute true cost in 1 year and aim to improve year-on-year (YoY) First time right for more than 80% of commercial batches in the next 2 years	Ensure adherence with applicable data privacy and data security norms. Ensure zero high and mid-level data breaches.
Target Year	2023	2024	2025
Progress	Adopted and published Company's Global Human Rights Statement in accordance with the United Nations Universal Declaration of Human Rights (UDHR) and Guiding Principles on Business and Human Rights	New calculations for COPQ rolled out. Finance team to share the details by 19 May 2023. New RFT definition and calculation finalized and rolled out. RFT data for Apr. 2023 collated (Commercial – 79%; Clinical – 83%)	Zero cases of data breaches and information security-related incidents (including customer data) reported for FY 2023-24

Material Issues for External Stakeholders (DJSI 1.3.4)

The Company conducted an assessment of positive and negative impacts on external stakeholders resulting from its business operations, products & services and/or supply chain.

Overview of the Company's material responsible business conduct issues can be accessed on page 20, 21 and 94-100 of its [Sustainability Report FY 2023-24](#).

Particular	Material Issue 1	Material Issue 2
Material Issue	Business Ethics	Product Quality and Safety
Cause of the Impact	Operations	Products/Services
External Stakeholders Impacted	Society, External employees (e.g., supply chain, contractors)	Environment, Society, Consumers/end-users
Type of Impact	Positive	Positive
Topic Relevance	It aims to go beyond compliance requirements by continuing to adapt to ever-evolving international ESG parameters and standards. The Company's policies, codes and compliances are vital components of its corporate governance structure and ensure the successful translation of its commitments into actions. The Company communicates its relevant policies transparently to its stakeholders	Potential positive implication due to customer loyalty and long-term partnership

Materiality Metrics for External Stakeholders (DJSI 1.3.5)

Overview of the Company's material responsible business conduct issues can be accessed on page 20, 21 and 94-100 of its [Sustainability Report FY 2023-24](#), highlighting rationale for identifying as risk/opportunity, approach to adapt or mitigate risk and financial implications of the risk/opportunity.

1.4 Risk & Crisis Management

Risk Governance (DJSI 1.4.1)

The company has a risk governance framework. The Company has an independent Enterprise Risk Management (ERM) function that focusses on identifying and managing key business, operational and strategic risks to ensure business sustainability and growth. The Company has a comprehensive Risk Management Policy that outlines its risk management process, principles, and framework that helps manage the risks faced by the Company and its subsidiaries on a continuous basis. Link for policy - [Risk Management Policy](#).

The Company has established a three-tier risk governance structure for effective oversight of the risk management process. Leading the structure is the Board of Directors, responsible for reviewing and approving the risk management process and policy as well as providing guidance to the executive management. At the second level is the Sustainability and Risk Management Committee which oversees the risk management process and reviews the risk reports presented by the management. At the bottom tier is the Chief Risk Officer (CRO), who is responsible for the effective execution of the risk management process across businesses in collaboration with business heads and risk coordinators. The CRO is also responsible for providing oversight and reviewing the risk management framework.

More details can be found on page 30, 31 of [Sustainability Report FY 2023-24](#) and page 74, 75 of [Annual Report FY 2023-24](#).

Risk Management Process (DJSI 1.4.2)

The Company has risk management processes and strategies to promote an effective risk culture. The aspects of risk review process include the following:

- Description of the company-specific risk exposure (considering likelihood and magnitude) of at least two identified risks – Page 31 to 33 of [Sustainability Report FY 2023-24](#) and page 76, 77 of [Annual Report FY 2023-24](#).
- Description of process or framework to determine the risk appetite for identified risks - Page 31 to 33 of [Sustainability Report FY 2023-24](#) and page 76, 77 of [Annual Report FY 2023-24](#).
- Description of mitigating actions for at least two identified risks - Page 31 to 33 of [Sustainability Report FY 2023-24](#) and page 76, 77 of [Annual Report FY 2023-24](#).

The Company reviews its risk exposure at least yearly.

The Company has strategies in place to promote an effective risk culture throughout the organisation focused on training throughout the organization on risk management principles.

The Company has a robust established 4 step risk management process:

- Risk Identification:** This involves recognising the risks that could impact the Company’s business objectives. The Company uses a diverse set of tools and methodologies to identify new and emerging risks. These include structured workshops, interviews by the risk coordinator, reviews of loss events, review of documents (such as strategy documents, business reports, etc.). These risks registered in risk registers are reviewed and updated on a yearly basis to monitor the persistence of the risks and closure of the ceased risks.
- Risk Assessment:** Risks are assessed for their likelihood and impact on the business. Both aspects are graded on a scale of one through five, with one being least likely and least impactful, five being most likely and most impactful.
- Risk Review/Closure:** Regular reviews are conducted to ensure that the mitigation plans remain relevant to the evolving business and regulatory needs. The risk coordinator reviews the risk registers and risk profile of the critical risks every year to ensure the action plans are relevant and on track. The risks that are either mitigated or are not relevant in the current situation are closed after proper approval from the business head and Chief Risk Officer to maintain reliability in the risk management process.
- Risk Treatment/Mitigation:** Multiple treatment options are considered based on the nature of the risk. Risk avoidance may involve exiting a product line or declining expansion into a new geographical market. In case of acceptance, no action is taken to mitigate risk or reduce its likelihood or impact. In case of risk reduction, mitigation plans are developed and implemented to reduce the risk exposure. Risk transfer includes purchasing insurance products, engaging in hedging transactions, or outsourcing an activity.

More details can be found on page 30, 31 of [Sustainability Report FY 2023-24](#) and page 74, 75 of [Annual Report FY 2023-24](#).

Emerging Risks (DJSI 1.4.3)

	Emerging Risk 1	Emerging Risk 2
Name of the emerging risk	Biotech funding environment	Global supply chain disturbance
Category	Economic	Economic
Impact	Continued stress in the biotech funding environment could result in lower Contract Development and Manufacturing Organisation	Geopolitical issues could lead to supply chain disruptions resulting in higher supply chain costs, delays in the delivery of raw materials and finished goods,

	(CDMO) orders (especially early stage orders in discovery and development segments) or order deferment due to delays in decision-making by the customers.	and increased working capital requirements to accommodate the higher inventory and transit time Moreover, restricted sales to countries embroiled in geopolitical issues could impede revenue growth.
Mitigating Actions	The Company has a diversified customer base that includes a balanced mix of large pharmaceutical companies, emerging biotech companies, and generic pharmaceutical companies The Company has strengthened the business development team to reach out to more customers supported by a robust pipeline of products in various stages of development.	The Company continuously monitors the geopolitical situation worldwide and identifies the potential impact on the supply chain. To mitigate the issues caused by increased transit times due to longer routes and the unavailability of containers, the Company modified the inventory levels and production/sourcing schedules as necessary.

1.5 Business Ethics

UN Global Compact Membership (DJSI 1.5.1)

The company is a participant of United Nations Global Compact. The Certificate of Participation can be accessed on the Company's Sustainability webpage - [UNGC Certificate of Participation](#).

The Letter of Commitment on UNGC website can be found here - [UNGC Letter of Commitment](#).

Codes of Conduct (DJSI 1.5.2)

The company has a group-wide code of conduct, and it covers the aspects – corruption and bribery, discrimination, confidentiality of information, conflicts of interest, antitrust/anti-competitive practices, money-laundering and/or insider trading/dealing, environment, health and safety and whistleblowing.

Anti-corruption and anti-bribery: The Company operates with zero tolerance for bribery and corruption. The Company strictly prohibits giving, authorizing, or promising anything of value to any person, including a government official, for any improper purpose, such as to obtain or retain business, secure an improper advantage, influence a decision or act, or cause the intended recipient to act improperly or in breach of a duty of trust. Similarly, no employee should request, agree to receive or accept a financial or other advantage in connection with their employment or relationship with the Company.

Discrimination: The Company aims to provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuses of workers. Discrimination for reasons such as race, color, gender, age, religion, national origin, ancestry, ethnicity, disability, sexual orientation, gender identity, gender expression, genetic information, citizenship status, marital status, military/veteran status, or any other characteristic protected by applicable law is not tolerated.

Confidentiality: Employees are committed to protect Company's intellectual property and confidential information, including any personal information collected, stored, or processed for or from the Company, and act to prevent its loss, misuse, theft, improper access, disclosure, or alteration. All the confidential and proprietary information is used for the business purposes of the Company only and is not disclosed or used for the personal gain or advantage of any employee.

Conflict of interest: The employees always make business decisions based on the best of the Company over any other personal purpose, objective, individual, or entity. Employees avoid situations that might conflict, or appear to conflict, with the best interests of the Company.

Antitrust/anti-competitive behaviour: Employees conduct the Company's business, consistent with fair and vigorous competition with applicable antitrust laws. The Company does not collaborate with competitors. It competes based on quality and efficacy of its products, the pricing offered, and other services provided to customers. It does not interfere with its competitors' abilities to compete in the same way. The Company utilizes fair business practices including accurate and truthful advertising. Employees do not engage in activities and practices that amount to restrictive trade practices, abuse of market dominance, or similar unfair trade practices. The Company has established a comprehensive antitrust compliance program. Employees who engage in anticompetitive behaviour are subject to disciplinary actions.

Money laundering and/or Insider trading: Employees are prohibited from trading in securities based on unpublished, non-public material information. Employees are also prohibited from sharing unpublished, non-public material information before that information is made available to the public. Unpublished price sensitive information (USPI) is required to be kept confidential and secure and is not passed on directly or indirectly for recommending any purchase or sale of securities and should be handled strictly on a need-to-know basis. Trading of any listed security of the Company on the basis of USPI is prohibited.

Environment, health, and safety (EHS): The Company is fully committed to maintain high standards of health and safety at the workplace and to be sensitive to protection of the environment by responsible management of wastes and pollution. Employees follow the policies and procedures in place to protect from overexposure to chemical, biological, and physical hazards, and physically demanding tasks in the workplace, and in any Company-provided living quarters. Employees take all necessary steps to prevent or mitigate catastrophic incidents associated with operations and processes. Employees comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations, and restrictions are obtained and their operational and reporting requirements followed. Employees utilize the systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions and wastewater discharges.

Whistleblowing: If an employee finds or has concerns related: (a) questionable accounting, accounting controls, auditing matters or reporting of fraudulent information to shareholders, government or financial markets, (b) grave misconduct, or (c) conduct which is in violation of any law, the employee promptly contacts the internal auditor in accordance with the Company's whistleblower policy.

The Company's detailed code of conduct and ethics document can be found on its webpage - [Code of Conduct and Ethics Document](#).

Corruption & Bribery (DJSI 1.5.3)

The company has a group-wise policy on anti-corruption and bribery. The policy addresses the Company's zero tolerance approach to bribery and corruption in any form. The Company prohibits bribes in any form (including kickbacks) on any portion of contract payments or soft dollar practices. The Company is committed to and supports the institutions and governance systems of the countries it operates in. The Company does not support any specific party or candidate for political office. It is strictly prohibited to provide a political contribution to improperly influence a government official or in exchange for any improper advantage. The Company maintains transparency and neutrality in dealings with political parties and government authorities, complying with laws and regulations and properly disclosing interactions. The Company is committed to the communities in which it does business and permits reasonable donations to charities. Charitable contributions on behalf of the Company are made only by the Corporate Social Responsibility Committee if constituted, and with the express approval of the Board of Directors of the Company and are made without demand or expectation of business in return. No employee can make charitable contributions on behalf of the Company. It is never permissible to provide a donation to a charitable organization in order to

improperly influence a government official. The Company’s Anti-Corruption and anti-bribery policy can be found on its webpage - [Anti-Corruption and Anti-Bribery Policy](#).

Codes of Conduct: Systems/Procedures (DJSI 1.5.4)

The company has mechanisms in place to ensure effective implementation of its codes of conduct. The Company has a code of conduct and ethics document that clearly outlines the responsibilities, accountabilities and reporting lines are systematically defined in all divisions and group companies. Employees of the Company not only comply with the applicable laws, rules and regulations but also promote honest and ethical conduct of the business. Employees abide by the policies and procedures that govern the conduct of the Company’s business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance. Employees can always contact their manager, senior leadership, human resources department, Legal department, or the Compliance department, for clarification on their responsibilities and duties. The Code applies to Employees while working on the Company premises, at offsite locations where the business of the Company is being conducted, at Company sponsored business and social events, or at any other place where the concerned employees are representatives of the Company.

Whenever the employees observe or suspect potential misconduct, it is their duty to report the matter to their manager, senior leadership, human resources, legal department, compliance department, or through the anonymous reporting platform (<https://www.speakupfeedback.eu/web/piramal/>), so that management can address and fix problems, and prevent any recurrence.

Allegations of Code violations are reviewed and investigated by the Company’s legal department and human resources department or, in appropriate circumstances by other officers designated by the Company. Violations of this Code may result in, among other actions, suspension of work duties, diminution of responsibilities or demotion and termination of employment. Those who violate the standards in the Code would be subject to disciplinary action. Failure to follow the Code or to comply with Central, State, or Local and any applicable foreign laws, and the Company’s corporate policies and procedures may result in termination of employment. The Company’s detailed code of conduct and ethics document can be found on its webpage - [Code of Conduct and Ethics Document](#).

Reporting on Breaches (DJSI 1.5.5)

The Company is dedicated to creating a harassment and discrimination free work environment, enforcing a strict zero-tolerance stance against any such behaviour. The Company adheres to the Prevention of Sexual Harassment (POSH) guidelines and has also formed an Internal Complaints Committee (ICC) across sites and locations to promptly handle reported cases.

Reporting Areas	Number of breaches in FY 2023
Corruption or Bribery	0
Discrimination or Harassment	2
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider Trading	0

1.7 Supply Chain Management

Supplier Code of Conduct (DJSI 1.7.1)

The Company is committed to upholding the highest ethical standards and sustainable practices across its operations and supply chain. The Company’s [Sustainable Procurement Policy](#), supported by the [Supplier Code of Conduct \(SCoC\)](#), establishes clear expectations for suppliers in areas such as Human Rights, Labour, Environmental Responsibility, and Business Ethics. The code applies to its diverse supplier base, including product suppliers, service providers, and personnel suppliers.

The Company's SCoC sets clear objectives for its suppliers in critical areas such as fair working conditions (reasonable working hours, fair wages, and a safe work environment), human rights protection (prohibiting forced and child labour, discrimination, and harassment), and environmental sustainability (including the management of greenhouse gas emissions, energy consumption, biodiversity, land conservation, pollution prevention and waste management). The Company also ensures responsible mineral sourcing and track the use of conflict minerals (e.g., tantalum, tin, tungsten, gold).

The Company requires all suppliers to uphold these standards and as part of the onboarding process, where they formally accept the Supplier Code of Conduct. Suppliers must also adhere to the Company's Occupational Health and Safety standards and support freedom of association and collective bargaining. The SCoC enforces anti-corruption measures, anti- competitiveness competition, and the avoidance of conflicts of interest.

The Company monitors supplier compliance through established key performance indicators (KPIs) and regular internal sustainability performance reviews. 100% of the suppliers are governed by the SCoC. If non-compliance or performance gaps are identified, the Company takes corrective actions, which may include engaging with suppliers for improvement plans or re-evaluating supplier relationships. The Company is committed to continuously updating and refining its Supplier Code of Conduct to address emerging global best practices and feedback from its sustainability reviews.

Supplier ESG Program (DJSI 1.7.2)

The Company's Sustainable Procurement Management system is designed to create long-term environmental, social, and economic value for all stakeholders. It addresses key issues such as climate change, water security, deforestation, human rights, fair labour practices, and corruption.

The Sustainable Supply Chain Management (SSCM) program aims to establish an ESG-compliant supplier ecosystem across categories and sites. The program includes supplier screening, risk assessments, training, guidance, and compliance assessments, all aligned with the Supplier Code of Conduct, which outlines environmental, social, and governance requirements. Executive management oversees the program to ensure alignment with the sustainability goals, and sustainability objectives are integrated into buyer performance reviews. The Company regularly reviews its purchasing practices to ensure ongoing alignment with the Supplier Code of Conduct and to proactively identify and address any potential conflicts with ESG requirements. This continuous assessment process helps maintain the integrity of the supply chain and ensures that all procurement decisions support the long-term sustainability objectives. The Company has also updated its Purchase/Service Order agreements to require suppliers' assurances on ESG best practices.

The Company prioritize suppliers that demonstrate strong ESG performance and recognize top performers at annual supplier meets. Virtual ESG training has been provided to critical suppliers, covering 13% in Phase 1, with additional training for 65 suppliers*. ESG awareness is also part of the annual training for its Supply Chain Management team.

The Company' Sustainable Procurement Handbook outlines the management of supply chain risks and the integration of sustainability into procurement practices, aligning with corporate values and driving positive industry change. Continuous monitoring ensures that suppliers uphold these standards, supporting the Company's sustainability objectives and fostering a responsible, resilient supply chain.

**As on 31st Dec 2024*

Supplier Screening (DJSI 1.7.3)

The Company follows a streamlined supplier screening process as part of its Sustainable Supply Chain program. This process evaluates potential suppliers based on key risk factors, including Environmental, Social, and Governance (ESG) criteria, business relevance, financial stability, country-specific risks, regulatory compliance, and sector and commodity-specific risks.

Through its Supplier Risk Assessment Questionnaire, the Company assesses supplier adherence to ethical labour practices, environmental sustainability, and overall risk management. The questionnaire helps determine ESG maturity, identify high-risk suppliers, and prioritize engagement efforts. This supports the Company’s goal of building a resilient supply chain while ensuring compliance with its Supplier Code of Conduct. The results also guide the capacity-building initiatives to improve supplier alignment with ESG best practices, reinforcing continuous improvement within the supply chain.

Supplier Assessments and Development (DJSI 1.7.4)

Performance evaluation is a key component of supplier lifecycle management at the Company. To assess sustainability, the Company uses the Supplier Sustainability Assessment Questionnaire (SAQ), based on best practices such as ISO 20400, ISO 26000, PSCI, UNGC, CDP, EcoVadis, and DJSI. The SAQ evaluates suppliers on management systems, climate, environment, labour and human rights, sustainable procurement, and business integrity, with a minimum score of 40% required for selection.

The Company accepts globally recognized ESG scorecards, including EcoVadis, DJSI, Sustainalytics, and PSCI reports, to assess ESG maturity. Assessments primarily involve desk-based evaluations, complemented by on-site audits conducted by independent third-party auditors for critical suppliers, covering management systems, ethics, human rights, labour, environment, and health & safety.

Suppliers receive scorecards, and those with low maturity are provided corrective action plans, along with tailored technical guidance, resources, and training to close performance gaps and improve sustainability. Regular follow-ups ensure progress and alignment with the expectations. The Company also conducts training on its sustainability framework, requirements, process and industry best practices.

To date, the Company have completed 3 on-site assessments and 53 desktop assessments. The Company also organized virtual workshops for 128 participants from 86 companies globally*.

**As on 15th Jan 2025*

Additionally, to reduce Scope 3 emissions, the Company is developing a 5-year plan for engaging critical suppliers, including capability-building sessions, decarbonization training, and annual reporting.

KPIs for Supplier Screening (DJSI 1.7.5)

Supplier Screening	FY 2023-24
Total number of Tier-1 suppliers*	6212
Total number of significant suppliers in Tier-1*	161
% of total spend on significant suppliers in Tier-1*	14%
Total number of significant suppliers in non-Tier-1*	0
Total number of significant suppliers (Tier-1 and non-Tier-1) *	161

**Data is provided for FY2024.*

The Company has defined the categorization criteria for identifying the critical suppliers. It includes factors like revenue, spend, ESG risk, geopolitical risk, regulatory risk, price volatility, etc.

KPIs for Supplier Assessment and Development (DJSI 1.7.6)

Coverage and progress of supplier assessment program

Supplier Assessment	FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments* ¹	56
% of unique significant suppliers assessed*	15%
Number of suppliers assessed with substantial actual/potential negative impacts*	0

% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan*	0%
Number of suppliers with substantial actual/potential negative impacts that were terminated*	0

*As on 15-Jan-2025. 1. Out of 56 suppliers assessed, 24 were significant suppliers.

Coverage and progress of suppliers with corrective action plans

Corrective action plan support	FY 2024-25
Total number of suppliers supported in corrective action plan implementation*	0
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation*	0%

*As on 15-Jan-2025

Coverage and progress of suppliers in capacity building programs

Capacity building programs	FY 2024-25
Total number of suppliers in capacity building programs* ¹	86
% of unique significant suppliers in capacity building programs*	13%

*As on 15-Jan-2025. 1. Out of 86 suppliers that attended capacity building sessions, 21 were significant suppliers.

1.8 Tax Strategy

Tax Strategy and Governance (DJSI 1.8.1)

The Company does not publicly report on a group-wide policy for tax strategy and governance but has a publicly available [tax strategy](#) for sites situated in the United Kingdom. The financial information of each subsidiary including their location is disclosed in the Company Annual Report under the Board's Report section. The details are available on page 242 of Annual Report FY 2023-24. Furthermore, the Company discloses detailed subsidiary reports on the Company's website - <https://www.piramalpharma.com/financial-reports> which has tax details of each subsidiary and the location where they are located.

Tax Reporting (DJSI 1.8.2)

The Company does not publicly report on key business, financial and tax information for each tax jurisdiction. The financial information of each subsidiary including their location is disclosed in the Company Annual Report under the Board's Report section. The details are available on page 242 of [Annual Report FY 2023-24](#). Furthermore, the Company discloses detailed subsidiary reports on the Company's website - <https://www.piramalpharma.com/financial-reports> which has tax details of each subsidiary and the location where they are located.

1.9 Information Security/Cybersecurity & System Availability

IT Security/Cybersecurity Governance (DJSI 1.9.1)

The Company has a director on the Board with relevant background in IT engaged on the cybersecurity strategy process and there is a Chief Information Officer in the executive management responsible for the oversight of cybersecurity.

Mr. S. Ramadorai is the Board member with a background in IT, more details of which can be found on page 16 of the Company's [Annual Report FY 2023-24](#). Mr. Viral Gandhi is the Chief Information Officer (CIO) for the Piramal Group, more details of which can be found on the Company's Management Team webpage - <https://www.piramalpharma.com/management-team>. The Company has additional positions for Chief Information Security Officer (CISO) and Chief Technology Officer (CTO), who further report to the Chief Information Officer.

IT Security/Cybersecurity Measures (DJSI 1.9.2)

The Company has implemented policies and procedures for all employees in order to ensure that they are aware of threat issues and the importance of information security/cybersecurity. The Company's [Code of Conduct and Ethics Document](#) clearly outlines the procedures for employees regarding information security. In order to maintain systems integrity and protect the Company network, no employee divulges any passwords used to access any Company computer or database. All employees refrain from using or distributing software that may damage or disrupt the Company's work environment by transmitting a virus or conflicting with Company systems. Employees do not engage in the unauthorized use, copying, distribution, or alteration of computer software whether obtained from outside sources or developed internally. All software contains terms of use that are adhered to. All suspicious emails from unknown sources are not opened and reported to the Information Security team. Any suspected breach of the Company's network security systems is reported to information security team – infosec@piramal.com immediately. More details about the Company's advancement in technology and automation can be found on page 34 and 35 of its [Sustainability Report FY 2023-24](#).

IT Security/Cybersecurity Process & Infrastructure (DJSI 1.9.3)

The Company has the right processes in place to prevent IT system interruptions and cyberattacks and the Company is well-prepared to react in case of such events.

The Company has business continuity/contingency plans and incident response procedures in place and tests them at least semi-annually. The IT infrastructure of the Company has not been verified. The Company's IT infrastructure and information security management systems have been externally audited by external auditors in the last fiscal year.

1.11 Product Quality & Recall Management

Product Recalls (Health Care) (DJSI 1.11.1)

The Company is committed to fair and responsible business practices in all customer dealings. It ensures transparent communication about the economic, environmental, and social impacts of its brands, products, and services. During the reporting period, there were three voluntary recalls. There were no customer complaints, and no reported incidents of non-compliance concerning product health and safety norms and standards. Health and safety impacts were assessed for key product and service categories. More details on Company's product recall management can be found on page 47 of [Sustainability Report FY 2023-24](#).

Compliance to Regulatory Standards (DJSI 1.11.2)

Regulatory agency inspections	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of inspections	29	35	36	36

The Company did not receive any Form 483s (or equivalent) or Warning Letters in the last four years.

ENVIRONMENTAL DIMENSION

2.1 Environmental Policy & Management

Environmental Policy (DJSI 2.1.1)

The Company has an Environment, Health, and Safety (EHS) Policy and Environment, Social and Governance (ESG) Policy. The policies address the commitment and oversight to implementation of environmental management policy and improving performance. The Board of Directors is the highest committing decision-making body, governing EHS and ESG policies. The policy clearly defines the roles and responsibilities for implementing environmental management policy throughout the Company operations and all personnel, which includes all directors, full and part-time employees, contractors, sub-contractors, and consultants involved in conducting the Company's business, are subject to the policy.

The Company complies with applicable EHS regulations and participate with government and industry in creating responsible laws, regulations, and standards. The Company identifies environmental hazards and assess associated risks (aspects and impacts) through periodic assessments, implement necessary risk mitigation and control measures, and conduct audits. The company fosters a sustainable environmental culture by training employees and contractors on safe work practices and making them understand the impact of their work activities on the environment.

The Company supports sustainable development by encouraging and promoting waste minimization, energy efficiency and resource conservation. The Company makes environmental considerations a priority in the planning for new projects, products, and processes, including upgradation of existing ones.

The Company strives to continuously improve its environmental performance by integrating environmental considerations into planning and decision making in all areas and continually strives to adopt the appropriate standards that reflect best practices in plant design, equipment selection and purchase, operation and maintenance, and selection and placement of personnel. The policy can be accessed through the link - [EHS Policy](#) and [ESG Policy](#).

Coverage of Environmental Management Policy (DJSI 2.1.2)

The company has a policy on environmental management - EHS Policy and ESG Policy. The policy coverage includes production operations and business facilities, products and services, distribution and logistics, management of waste, suppliers, service providers and contractors. The Company policies are applicable to all its business operations. The Company remains committed to develop, manufacture, transport, store, use and dispose products safely and in an environmentally responsible manner with due consideration for occupational health and safety for its employees, contractors and others who may be involved and/or affected by its operations. The policy can be accessed through the link - [EHS Policy](#) and [ESG Policy](#).

Verification of Environmental Programs (DJSI 2.1.3)

The Company has a globally harmonized Environment, Occupational Health and Safety Management System implemented across all its sites globally. Additionally, 6 sites out of 16 i.e., 37.5% are ISO 14001 and ISO 45001 certified. Additionally, 5 out of 16 sites i.e., 31.25% were audited in FY 2023-24 by third party agencies. The Company has a robust EHSMS governance procedure in place. 100% of India sites are internally audited by cross-functional teams from headquarters and sites.

Certification/Audit/Verification	Coverage (%)
EMS is verified through international standards: ISO 14001:2015	37.5
Third party certification/audit/verification by specialized companies	31.25
Internal certification/audit/verification by company's own specialists from headquarters	100

The details are available on page 78 of the Company's [Sustainability Report FY 2023-24](#).

Environmental Violations (DJSI 2.1.4)

The Company has paid fines or penalties related to the environment or ecological issues in FY 2020-21. However, there are no fines/penalties levied to the Company in the last three financial years.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of violations of legal obligations/regulations	1	0	0	0
Amount of fines/penalties related to the above (INR)	83160000	0	0	0
Environmental liability accrued to year end	0	0	0	0

2.2 Energy

Energy Management Programs (DJSI 2.2.1)

The Company has energy management programs with an objective to optimise the use of energy resources to achieve efficiency and environmental sustainability. In FY 2023-24, the Company conducted comprehensive energy audits across 13 out of 16 operational sites, with audits of the remaining sites scheduled for FY 2024-25. The energy audits identified a 7% potential reduction in overall energy consumption.

The primary focus is to reduce energy consumption, thereby decreasing operational costs and increasing profitability while meeting its Science Based Targets Initiative (SBTi). The Company has aimed to increase use of clean or green energy contribution of overall energy profile across facilities. The Company achieved a 49% increase in renewable energy consumption in FY 2023-24. Energy consumption from bio-briquettes/biomass contributed to 9.64% of the total energy consumption in FY 2023-24.

The Company undertook several energy efficiency initiatives to reduce the amount of energy use and the progress of the energy saving projects is monitored through regular management routine. Major initiatives taken in FY 2023-24 are:

- Reduction in steam consumption by 1.6 metric tonnes daily, savings of 400 kg of bio-briquettes daily by installation of a piping system to channel flash steam from the condensate recovery system into the hot water tank for HVAC system.
- Installation of draft controller to address inconsistent furnace draft and inefficient fuel combustion.

- Elimination of continuous pumping operation and implementation of a gravity feed operation for the product intermediate distillation setup.
- Replacement of V-belt drives of air handling units in phase II with flat belt drives.
- Modification of chilled water system with energy-efficient pumps.
- Optimisation of Diesel Generators.

Complete details on the Company's energy management program can be found on page 54 to 57 of the Company's [Sustainability Report FY 2023-24](#).

Energy Consumption (DJSI 2.2.2)

Total energy consumption	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total non-renewable energy consumption	MWh	284987.5194	319374.9924	312112.7448	325241.94
Total renewable energy consumption	MWh	37602.1746	40468.515	43847.78	45866.4468
Data coverage (as % of denominator)	100%	100%	100%	100%	100%

The Company's energy consumption data is available on page 55 of its [Sustainability Report FY 2023-24](#) and page 57 of [Sustainability Report FY 2022-23](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).

2.3 Waste & Pollutants

Waste Management Programs (DJSI 2.3.1)

Yes, the Company has developed guidelines on waste management based on which all the sites have site-specific Environment, Health, and Safety (EHS) procedures. The Company has a comprehensive programme to identify wastes and track quantities generated and disposed. Wastes generated are collected and disposed as per local regulations and are complied with. For FY 2023-24, all hazardous waste generated was successfully diverted from landfills. The hazardous waste was disposed through co-processing, recycling, and incineration. For hazardous wastes with low calorific values, pre-processing techniques were employed to increase their calorific values, facilitating their use in co-processing applications. This strategy helped the Company achieve a zero hazardous waste to landfill status. Non-hazardous waste was effectively managed by sending them to third parties for recycling. This practice aligns with sustainability goals and reduces overall environmental impact. These details are available on page 64 of the Company's [Sustainability Report FY 2023-24](#).

Waste Disposal (DJSI 2.3.2)

	Unit	FY 2021-22	FY 2022-23	FY 2023-24
Non-hazardous waste generated	Metric tonnes	3,437	2,787	8,342
Hazardous waste generated	Metric tonnes	11,126	12,645	10,288

Total waste generated	Metric tonnes	14,563	15,433	18,640
-----------------------	---------------	--------	--------	--------

In FY 2023-24, 14190.61 metric tonnes of total waste was sent for recycling and 831.59 metric tonnes of total waste was sent for landfill and incineration. 6,277.3 metric tonnes of hazardous waste generated was diverted from disposal and sent for pre-processing and co-processing. Also, 3,336.8 metric tonnes of hazardous waste generated was sent for incineration. The data is available on page 64 of Company's [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).

Hazardous Waste (DJSI 2.3.3)

In FY 2023-24, 6275.68 hazardous waste was sent for recycling/processing and 3189.28 metric tonnes of hazardous waste was incinerated. The data on hazardous waste is available on page 64 of [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).

2.4 Water

Water Efficiency Management Programs (DJSI 2.4.1)

The Company acknowledges the critical importance of water conservation and strives to lead in sustainable water management practices. To support this commitment, the Company has embarked on a Comprehensive Water Use Assessment (CWA) across its operations in India and UK, with ongoing assessments in North America. The primary objective of the CWA is to identify opportunities for water reduction and to develop strategies for optimising water use across the Company's operations. The assessments and established targets, focusing on identified micro projects, quick wins, and significant Capital Expenditure (Capex) projects, aimed at reducing water use and enhancing recycling technologies. The Company has identified site-wise micro projects and is implementing projects as planned. These projects resulted in reduction, reuse, and recovery of water. For more substantial and long-term improvements, the Company has identified several Capex projects requiring investment which include technology absorption and infrastructure upgradation. Following micro projects were implemented during FY 2023-24:

- Condensate Recovery
- Auto back wash for multigrade filters
- Flow regulation guns for equipment washing
- Water-less urinals
- Reuse of sanitised hot water
- Drip sprinkling systems for green belt development

The importance of water efficiency management programs was covered under ESG training modules, covering 100% employees.

To improve wastewater quality at API sites in India, the Company has adopted Zero Liquid Discharge (ZLD) plants, a significant step in the Company's water conservation efforts. ZLD systems ensure the complete recycling of treated water back into utility processes, minimising wastewater and reducing the need for freshwater. Some sites have rainwater collection system, offsetting the use of an equivalent amount of fresh water, contributing to overall freshwater reduction goals.

More details about Water Stewardship in the Company is available on page 62 and 63 of its [Sustainability Report FY 2023-24](#).

Water Consumption (DJSI 2.4.2)

	Units	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
A. Water withdrawal (excluding saltwater)	Million cubic meters	0.864	0.876	0.971	1.05
B. Water discharge (excluding saltwater)	Million cubic meters	0.475	0.310	0.453	0.465
Total net freshwater consumption	Million cubic meters	0.324	0.541	0.454	0.586
Data coverage	% of operations	100%	100%	100%	100%

The data is available on page 62 of Company's [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).

2.5 Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1) (DJSI 2.5.1)

Direct GHG (Scope 1)	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total direct GHG emissions (Scope 1)	Metric tonnes CO2 equivalents	41,396	56,578	55,229	56,230
Data coverage (as % of denominator)	% of operations	100%	100%	100%	100%

Scope 1 emissions were calculated using emission factors based on the World Resources Institute (WRI) GHG Emission factors compilation (2024) from the Intergovernmental Panel on Climate Change (IPCC) 2006 guidelines for National Greenhouse Gas Inventories.

The data is available page 58 of the Company's [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The GHG verification statement can be found on page 101 of the Company's [Sustainability Report FY 2023-24](#). The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).

Indirect Greenhouse Gas Emissions (Scope 2) (DJSI 2.5.2)

IGHG (Scope 2)	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Location-based	Metric tonnes of CO2 equivalents	74243.22	85,844	75,494	79,415

Data coverage (as % of denominator)	% of	100%	100%	100%	100%
-------------------------------------	------	------	------	------	------

Scope 2 emissions from purchased electricity were calculated using location-based grid emission factors specific to regions: the Central Electricity Authority of India, the US Environmental Protection Agency for Emissions & Generation Resource Integrated Database (eGRID) regions, and Canada’s greenhouse gas offset credit system as per government publications. Purchased steam calculations were based on the Department for Energy Security and net zero GHG conversion factors for the Company reporting for the UK.

The Company’s Scope 1 and Scope 2 emissions for FY 2022-23 have got revised as per SBTi requirement and presented SBTi validated numbers.

The data is available on page 58 of the Company’s [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The GHG verification statement can be found on page 101 of the Company’s [Sustainability Report FY 2023-24](#). The assurance statement can be found on page 105 of the Company’s [Sustainability Report FY 2023-24](#).

Indirect Greenhouse Gas Emissions (Scope 3) (DJSI 2.5.3)

IGHG (Scope 3)	Unit	FY 2021-22	FY 2022-23	FY 2023-24
Total indirect GHG emissions (Scope 3)	Metric tonnes of CO2 equivalents	4,77,407	4,50,639	4,99,659

Scope 3 Category	Emissions in the reporting year (Metric tons CO2e)	Emissions calculation methodology and exclusions
1. Purchased Goods and Services	1,91,060	The Company has used Average data method materials whose weight is available. Spend based method for materials whose weight is unavailable but spend is available.
2. Capital Goods	14,917	Average Spend based method
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	40,854	Average Data Method
4. Upstream transportation and distribution	1,00,368	Distance based method and Spend based method
5. Waste generated in operations	633	Waste Type Specific Method
6. Business Travel	2,473	Distance Based Method
7. Employee Commuting	10,941	Distance Based Method
8. Upstream Leased Assets	976	Asset Specific Method
9. Downstream transportation and distribution	9,378	Distance based method and Spend based method
10. Processing of Sold Products	6,718	Average data method
11. Use of Sold Products	1,13,702	Product specific Life Cycle Emission Factors
12. End of life treatment of sold products	5,742	Waste Type Specific Method
13. Downstream leased assets	Not applicable	Not applicable

14. Franchises	Not applicable	Not applicable
15. Investments	1,897	Average Data Method

Scope 3 emissions have been calculated following *GHG Protocol's [Technical Guidance for Calculating Scope 3 Emissions](#)*.

The data is available on page 58 of the Company's [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The GHG verification statement can be found on page 101 of the Company's [Sustainability Report FY 2023-24](#). The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).

Climate Governance (DJSI 2.5.4)

The Company's Board of Directors has oversight and management responsibility of climate-related issues. The Company has a board level committee with oversight of climate-related issues. The statutory Sustainability and Risk Management Committee chaired by the Company's Chairperson, guiding the Company's sustainability vision and strategy while overseeing sustainability performance and progress tracking. The committee oversees developing and implementing the sustainability strategy aligned SDGs and global standards. The committee reviews the Company's performance on external ESG ratings and indices, guiding improvements, and advises on integrating sustainability risks into Enterprise Risk Management (ERM). It conducts half yearly reviews and approves the sustainability strategy concerning material topics and all sustainability information. Additionally, it facilitates stakeholder engagement on sustainability matters and monitors emerging sustainability trends to enhance preparedness for mitigating risks and leveraging opportunities. More details on climate governance can be found on page 26 and 27 of the Company's [Sustainability Report FY 2023-24](#).

Emissions Reduction Targets (DJSI 2.5.12)

Scope Covered by Target	Time Frame	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year	Is this target validated by the Science-based Targets Initiative?
Scope 1 + 2 combined	Base year – 2022	Base year emissions – 1,42,422 tCO ₂ e	42%	Yes
	Target year – 2030	Percentage of total base year emissions – 100%		
Scope 3	Base year - 2022	Base year emissions – 4,77,407 tCO ₂ e	25%	Yes
	Target year – 2030	Percentage of total base year emissions – 100%		

The Company has a company-wide absolute emissions target for its Scope 1 + Scope 2 (combined) and Scope 3 emissions with the reduction targets approved by SBTi. This information is publicly available on the Company's website - [SBTi Target Approval Letter](#). The Company's commitment to SBTi targets and its approval can also be found on page 56 and 57 of its [Sustainability Report FY 2023-24](#).

2.7 Product Stewardship

Product Design Criteria (DJSI 2.7.1)

The Company considers environmental criteria in the development of new products and services. These include the following:

Aspect	Detailed comments for each aspect
Choice of raw materials or components that have a lower environmental footprint (e.g. reduced water/energy/material use, increase in renewable raw materials, reduction of hazardous substances and toxic materials)	The Company handles various raw materials and substances due to its business operations. The Company is dedicated to sourcing raw materials from sustainable sources and continuously works to integrate sustainability practices throughout its value chain. The Company prioritises the use of environmentally and socially responsible materials, products, and services that provide high performance, safety, and long-lasting value. The Company also focuses on reducing hazardous materials through process optimisation, this is achieved by redesigning and improving procedures to lower the quantity of hazardous materials required. The Company also recovers and reuses the solvent in the processes through advanced recovery systems. This ensures efficient resource consumption.
Direct operations, production & manufacturing (e.g., reduction of emissions/energy/water use/waste generation)	The Company's objective is to optimise the use of energy resources to achieve efficiency and environmental sustainability. The primary focus is to reduce energy consumption, thereby decreasing operational costs and increasing profitability while meeting the Science Based Targets initiative (SBTi). The Company has aimed to increase renewable energy contribution of overall energy profile across facilities. The Company has implemented a system where high value projects are assessed for energy efficiency carbon impact.
Distribution, storage and transportation (e.g., increased safety, packaging choice, or reduced environmental impact)	Product tracking is crucial for the Company to ensure regulatory compliance, uphold quality standards, address safety concerns, optimise supply chain operations, prevent counterfeit activities, and improve traceability throughout the supply chain. The Company adheres to current regulations and aims to implement Quick Response (QR) codes or authentication codes on the primary packaging of relevant products, in line with applicable requirements.
Use phase - operation and servicing/maintenance (e.g. provides energy/water/material savings, increased product durability)	The Company has identified site wise micro projects and is implementing projects as planned. These projects resulted into Reduction, Reuse and Recovery of water. For more substantial and long-term improvements, the Company has identified several Capex projects requiring investment which include technology absorption and infrastructure upgradation.
End of life management (e.g., recovery, disposal, biodegradation)	The Company also focuses on reducing hazardous materials through process optimisation, this is achieved by redesigning and improving procedures to lower the quantity of hazardous materials required. The Company also recovers and reuses the solvent in the processes through advanced recovery systems. This ensures efficient resource consumption.

Life Cycle Assessment (DJSI 2.7.2)

The Company indicates the impacts covered by its life cycle assessment.

Resource Use	Ecological Consequences	Human Health
Land use Water depletion	Global warming Ozone depletion	Human toxicity

Description of the Life Cycle Assessment approach	% of Total Products
Full LCAs Description - Cradle to Grave for division specific products contributing to 33% of business	33%

Exposure to Hazardous Substances (DJSI 2.7.3)

100% of the Company's products have undergone risk assessment for their potential impact on human health and the environment.

SOCIAL DIMENSION

3.1 Labor Practices

The company has a group-wide policy on non-discrimination and anti-harassment, which is publicly available. The policy includes an explicit statement prohibiting both sexual and non-sexual harassment, and it upholds a zero-tolerance approach to any form of discrimination. The company ensures that 100% of employees are trained on issues related to discrimination and harassment in the workplace. Additionally, the policy outlines a defined escalation process for reporting incidents of discrimination and/or harassment. In the past period, two cases were addressed through corrective or disciplinary actions. For more details on the Company’s policies, please refer to the website – [Code of Conduct and Ethics Document](#), [POSH Guidelines](#), and [DIBA Guidelines](#).

Discrimination & Harassment (DJSI 3.1.1)

The Company’s [Global Human Rights Policy Statement](#) is fully aligned with the United Nations Universal Declaration of Human Rights (UDHR) and the Guiding Principles on Business and Human Rights. This commitment involves addressing crucial issues such as employee safety, eradicating child and forced labour, preventing discrimination and harassment, and ensuring workplace security. The Company also encourages its employees to raise concerns about discrimination, harassment, human rights, freedom of association, working conditions, and forced and child labour, through the anonymous reporting platform SpeakUp. The Company has imparted awareness training covering all 9 principles through a blended learning experience with 100% coverage of employees. For more details, please refer to Page 136 of [Annual Report FY 2023-24](#).

The Company has in place a robust policy on prevention of sexual harassment at workplace which is in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'), a copy of which is available on the website under the 'Policies, Code & Compliances' tab at <https://www.piramalpharma.com/corporate-governance>. The Company has complied with provisions relating to the constitution of Internal Complaints Committee ('ICC') under the POSH Act. ICC has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. ICC has its presence at corporate offices as well as at site locations. The policy is gender neutral. For more details, please refer to Page 74-76 of [Sustainability Report FY 2023-24](#) & Page 7 of [Global DIBA Guidelines](#).

During the year under review, 2 (two) complaints were filed with ICC under the provisions of the POSH Act, detailed investigation was carried out and same were disposed-off as per the provisions of POSH Act. For more details, please refer to Page 29 of [Sustainability Report FY 2023-24](#).

Workforce Breakdown: Gender (DJSI 3.1.2)

The Company has set targets for women in the total workforce as well as for women in leadership/top management positions. The Company promotes gender diversity based on merit and competencies, operationalised through Diversity, Inclusion, Belonging and Accessibility (DIBA) guidelines that support both individual and organisational growth. The efforts yielded tangible results in key metrics related to gender diversity.

Diversity Indicator	Percentage	Target %	Target % Year
Share of women in the total workforce	17.3%	20%	FY'25
Share of women in all management positions	17.6%	20%	FY26
Share of women in junior management positions	18.2%		
Share of women in top management positions	12.0%	15%	FY26
Share of women in management positions in revenue-generating functions	7.90%		
Share of women in STEM-related positions	43.62%		

For the reporting year, women represented 17.3% of the workforce (including apprentices), vis-a-vis 15.3% in the previous year. Senior leadership roles have a 12% women representation and 30% of the Company’s Board members were women for the reporting year. 72% of campus hires were women which included engineering trainees from premier campuses, summer and management trainees, and graduates and post-graduates with specialisation in Pharma against the set target of 25%. Furthermore, the Board is led by a woman Chairperson and includes one women Independent Director, which is higher than the statutory requirement. For more details, please refer to Page 74-75 of [Sustainability Report FY 2023-24](#).

Workforce Breakdown: Race/Ethnicity & Nationality (DJSI 3.1.3)

Firmly rooted in principles of non-discrimination, the Company does not differentiate based on race, color, religion, caste, gender, age, marital status, disability, nationality, or any other criteria. The Company is not able or allowed to report on ethnic and racial minorities and therefore providing a breakdown based on the country of employment. For more details, please refer to Page 141 of [Annual Report FY 2023-24](#).

Nationality	Share in total workforce%	Share in all Management Positions, Including Junior, Middle, and Senior Management (%)
India	75.8%	74.2%
USA	10.1%	10.8%
UK	11%	11.1%
Rest of the World	3.6%	3.7%

Gender Pay Indicators (DJSI 3.1.4)

The Company monitors and disclose the results of its equal pay assessment. Pay transparency drives to bridge the gender pay gap. Together, the Company builds an inclusive and equal workplace. The Company reports gender based median pay/ wages for Board of Directors (BoD), Key Managerial Personnel (KMP), Employees other than BoD & KMP and workers.

Indicator	Difference between men and women employees
Mean Gender Pay gap	2.62
Median Gender Pay gap	0.77

The company has Nomination and Remuneration Committee (NRC) in place. The remuneration packages of employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

The Company also initiated Women’s Circles, a network of supportive women colleagues, providing a safe and empowering space for discussing unique challenges and learning from each other’s experiences. This knowledge transfer is invaluable for career growth & personal development. Women hiring increased at sites, especially in quality control, R&D, customer centricity, safety, and HR functions.

The Company’s dedication to nurturing an environment of inclusion and belonging continued during the Pride month. This year, the focus was on raising awareness and engaging employees on how to be allies to the individuals from the

LGBTQ+ community. The Company hosted sessions to provide insights into what it means to be an ally, including how to offer support, and why allyship is essential for building an inclusive workplace. Panel discussions shed light on the unique challenges faced by LGBTQ+ individuals, with speakers sharing their personal experiences, triumphs, and struggles, providing a powerful platform for understanding the issues at hand.

In the reporting year, the Company received 'ET Now Best Organization for Women 2024' award. Further this year also marked the inaugural celebration of Persons with Disability (PWD) month.

Freedom of Association (DJSI 3.1.5)

The Company fosters a positive work environment by ensuring freedom of association, fair working hours, competitive wages, equal opportunity, diversity, inclusion, and the prevention of sexual harassment and child labour, as outlined in its [Global Human Rights Statement](#). It is also committed to safeguarding employee rights, including the right to privacy, freedom of association, and the ability to join trade unions. In India, 96.2% (refer page number 76 of [Sustainability Report FY 2023-24](#)) of permanent workers are members of associations or unions across all operations. Overall, 7.96% of total employees are covered by Freedom of association/ collective bargaining agreements. For more details, please refer to Page 76-77 of [Sustainability Report FY 2023-24](#).

3.2 Human Rights

Human Rights Commitment (DJSI 3.2.1)

The Company's [Global Human Rights Policy Statement](#) is fully aligned with the United Nations Universal Declaration of Human Rights (UDHR) and the Guiding Principles on Business and Human Rights. The Company fosters a positive work environment by ensuring freedom of association, fair working hours, competitive wages, equal opportunity, diversity, inclusion, and the prevention of sexual harassment and child labour, as outlined in its Global Human Rights Statement. For more details on the Company's policies, please refer to the website <https://www.piramal.com/wp-content/uploads/2023/12/5.-Global-Human-Right-Statement.pdf>.

In FY 2023-24, the Company reported zero human rights violations involving indigenous people, zero instances of child labour, forced labour and discrimination within its operations, and zero cases of discrimination. To combat child labour, forced labour, and human trafficking, The Company has implemented a robust grievance mechanism that allows employees and stakeholders to report concerns confidentially and safely through anonymous reporting portal 'SpeakUp'. All permanent and contract employees are trained on [Code of Conduct & Ethics Document](#) and [Global Statement on Human Rights](#).

The Company strictly prohibits the hiring of the young workers (less than 18 years old), however in some cases but have sufficient safeguards to protect human rights. The Company conducts internal audits by external agency and social impact assessment for contractual labours in India through NGO. (For more details, please refer page 76 of [Sustainability Report FY 2023-24](#)). Continuous monitoring of internal controls and the effectiveness of preventive actions is also conducted for identifying risks and promptly addressing any incidents.

The Company prioritises providing a living wage for all its employees. Its Remuneration Committee actively looks into the matter of living wage, ensuring equitable pay for its workforce. The Company has incorporated fair wage considerations into its broader business strategy for workplace fairness, with an aim to cultivate a motivated and dedicated workforce.

The Company's approach to community and security is guided by its Global Human Rights Statement, which outlines its commitment to safeguarding community well-being and employee safety. A robust redressal mechanism is in place to address any concerns or issues that may arise. The leadership team closely monitors key performance indicators to ensure that policies and practices effectively support and protect its communities.

The Company's Human Rights Policy underscores its firm commitment to providing equal opportunities for differently abled employees and workers. The Company upholds transparency and equality in hiring, valuing each candidate's

potential without discrimination based on age, gender, race, religion, or any other status. An independent third party, audits the recruitment process and controls regularly.

The Company ensures discrimination-free workplaces for differently abled employees. Following the Rights of Persons with Disabilities Act, 2016, all premises are accessible. The Company endeavours to create inclusive workspaces facilitated by accessible infrastructure, robust and inclusive policies and processes and an enabling work environment. In FY24, there are 2 differently abled employees at the Company. For more details, please refer to Page 75 of [Sustainability Report FY 2023-24](#).

Human Rights Due Diligence Process (DJSI 3.2.2)

In FY 2023-24, as no significant human rights issues have arisen, the Company has not conducted Human Rights Due Diligence to date. Therefore, there are no specific details available currently regarding the scope and coverage of such due diligence activities. (For more details please refer page 150 [Annual Report FY 2023-24](#)).

In FY 2023-24, 100% of the Company's permanent workers were paid more than minimum wages set by government. 100% of the Company's plants & offices were assessed by entity or statutory authorities or third parties on Child/forced labour, Sexual harassment, discrimination at workplace & wages.

Human Rights Mitigation & Remediation (DJSI 3.2.4)

The Company has developed a Human Rights Policy and redressal mechanism to address and mitigate any risk arising from human rights standpoint. The Company has established policies and processes related to ethical conduct, equal opportunities, prevention of sexual harassment, child labour, involuntary labour, and sexual harassment. Negative impact is observed due to costs incurred for the strict applications and compliance with fundamental human rights.

To assess the importance of each topic, the Company identified stakeholder groups by prioritising them based on their ability to influence and be influenced by the business's performance and operations. The Company engaged with stakeholders through surveys and online questionnaires to rank each ESG topic according to its importance to its business. The Company conducted interactions with the senior personnel to understand Environmental, Social, and Governance (ESG) topics relevant to its business. This comprehensive approach allowed the Company to prioritise material topic and gain a deeper understanding of their significance. The outcome has also led to the development of the ESG Policy, highlighting policy commitments regarding key material topics, sustainability strategy, and a roadmap aimed at delivering on its ESG goals and targets.

3.3 Human Capital Management

The Company strives to enhance its performance in key areas such as human capital management, patient and customer centricity, occupational health and safety, and community development. The Company promotes gender diversity based on merit and competencies, operationalised through Diversity, Inclusion, Belonging and Accessibility (DIBA) guidelines that support both individual and organisational growth. The Company strives to foster a discrimination-free workplace with zero tolerance for human rights violations and enhance engagement through regular employee surveys. This commitment is further reflected in its diverse workforce, enriched by various nationalities, cultures, genders, and experiences.

Training & Development Inputs (DJSI 3.3.1)

Through learning and development initiatives, the Company strives to continuously upskill its employees, enabling them to progress within the organisation and reach their full potential. The Company has imparted awareness training covering all 9 principles through a blended learning experience for employees other than BoDs & KMPs with 100% coverage. The company plans to impart 100% awareness training covering all 9 principles through on-job training to contractual workers by FY 2024-25. Till Dec. 2024, the Company has covered 100% employees globally for the mandatory trainings on the 9 principles. The programmes mentioned above are some of the key interventions. The Company has established clear procedures and offers ongoing support to ensure that contract workers are well-

informed and adhere to sustainability and human rights standards. Regular monitoring and feedback mechanisms are in place to assess the effectiveness of this training. During the reporting period, the Company imparted 1,06,375 training hours to the employees. For more details, please refer to Page 74-76 of [Sustainability Report FY 2023-24](#).

Employee Development Programs (DJSI 3.3.2)

At the Company, continuous growth and employee development are paramount. Some of the key initiatives include:

- (i) **Induction Programs:** The Company ensures a consistent onboarding experience worldwide through a standardised Day 1 induction programme for all new employees. Additionally, the 'Discover Piramal Pharma' programme is tailored for new joiners at mid-senior levels, offering insights into the Company's Purpose, Values, and Culture alongside a business overview.

Customised programmes include 'HeadStart' for Summer Trainees and 'Launchpad' for Management Trainees, aimed at nurturing a talent pipeline by attracting the talent from campuses. These programmes involve cross-functional and business rotations to promote talent fungibility.

- (ii) **Piramal Learning University:** PLU VC is a comprehensive learning platform offering over 20,000 courses, enabling employees to upskill themselves conveniently with just a click of a button. This platform allows employees to develop skills that will benefit them in their current or future roles. Additionally, it supports the organisation in achieving its business objectives by offering a wide range of e-learning courses and training modules that empower employees to take charge of their development. Notably, more than 85% of active employees have leveraged their e-learning platform for their skill development.

- (iii) **Piramal Leadership Series:** The Piramal Leadership Series is a set of flagship role-based leadership programmes designed for a targeted profile of learners based on their organisational bands. The primary objective of these programmes is to enhance employees' capabilities, enabling them to excel in their current roles and develop essential leadership skills aligned with Piramal Success Factors. The Piramal Leadership series focus on Leading Self, business & people excellence and Leading Managers in business and people excellence. Participants gain a deeper understanding of their existing competencies and identify the critical leadership skills they need to develop. 89% employees and 100% workers have undergone skill upgradation training. For more details, please refer to Page 142 of [Annual Report FY 2023-24](#).

- (iv) **Building Leadership Pipeline through Development Programs:** The Company focuses on nurturing high-potential talent at junior and mid-management levels through their flagship programs: Ignite and Ascend programmes respectively. Participants of these programmes undergo a comprehensive development journey spanning 9-12 months. Individual and team projects, coupled with executive coaching and leadership programmes by Harvard provide a well-rounded experience and exposure to the participants, equipping them to build their skills for future leadership roles. In FY 2023-24, 40 employees graduated from these programmes, 60% of employees acknowledged significant skill enhancement, leading to more than a 10% positive impact on business outcomes. For more details, please refer to Page 72-76 of [Sustainability Report FY 2023-24](#).

Summit represents a bespoke leadership development programme designed specifically for select senior leaders to amplify their strategic and social presence for inspiring diverse stakeholders towards agile decision-making. It endeavours to cultivate an environment conducive to collaboration, innovation, and overarching growth initiatives.

- (v) **EmpowerHer:** With the objective of enhancing the capabilities of its women colleagues, the Company launched the EmpowerHer programme. This initiative led this all-women cohort on a journey of self-discovery and application-based learning, aimed at preparing them for future roles in the organisation. The Company's 'Inspiration at Work' sessions, conducted under the SHETalks banner, provided a blend of

inside-out and outside-in perspectives, allowing women colleagues to gain insights from the experiences of successful and resilient women, both within and outside the organisation.

Apart from the above-mentioned Learning/ skill upgrade programs and development programs, the Company also operates **9 functional academies** specialising in IT & Digital, Human Resources (HR), Finance, Shared Services, Quality, and Sales to facilitate this. Each academy offers a blended learning journey comprising learning workshops, e-learning modules, assignments, practice sessions, and assessments leading to certifications for learners. The curriculum is curated by in-house Subject Matter Experts (SMEs), supplemented by external insights as required. In FY 2023-24, the academies covered 1,601 learners across the Company.

The Piramal Learning Festival 2023 was a week-long celebration of the Company's learning culture. It included fireside conversations with internal and external leaders focusing on learning priorities, engaging in activities such as Winter Games and Fun Games, and recognising and rewarding top learners and subject matter experts.

Hiring (DJSI 3.3.4)

The Company upholds transparency and equality in hiring, valuing each candidate's potential without discrimination based on age, gender, race, religion, or any other status. Its recruitment process attracts top talent from esteemed institutions and organisations. The Career Opportunity Programme (COP) at the Company is aimed at building an ecosystem for employee's career growth and professional growth. The policy aims to provide internal job market for employees using the Career Opportunity Programme.

The hiring process at the Company is fully automated and hosted on Oracle Recruiting Cloud, with established Standard Operating Procedures (SOPs). Online psychometric and reasoning ability tests are conducted, interview feedback is obtained, reviewed and reported based on these assessments. Key hiring metrics, such as sourcing-to-selection ratios, sources of hiring, and turnaround times, are tracked using Qlik Sense and reviewed periodically by business leaders. Background verification is also conducted through external agencies in accordance with geography-specific regulations.

During the reporting period, the Company hired 1,809 employees. The breakdown of these hires by gender and age group is mentioned in the table below. 12 senior leaders hired during this period. The average hiring cost per employee is INR 1.2 Lakhs. During the reporting period 10.12 % employees were hired internally through the COP program.

The Company has made substantial progress in hiring women from campus. In the reporting year, 72% of campus hires were women which included engineering trainees from premier campuses, summer and management trainees, and graduates and post-graduates with specialisation in Pharma against the set target of 25%.

Type of Performance Appraisal (DJSI 3.3.5)

The Company uses a structured performance management system to conduct timely performance appraisals for all eligible employees. The performance appraisal process is conducted twice in a year.

The Performance appraisal process consists of goal setting, Mid-year review, Talent review for Middle management & above and End Year Review. The goal setting process is Top-down process and focuses on measuring KPIs like Financial & profitable goals, customer, Internal process, Quality, EHS, ESG, compliance and people. The performance management philosophy is to help employees maximize their performance and potential.

The Company has established processes to gather formal feedback from internal stakeholders during employee performance and potential assessments. Recommendations are reviewed and approved at various management levels, including the Chairperson.

The Company ensures that all employees and workers receive performance and career development reviews. The entire performance appraisal process is automated. All employees are part of the performance appraisal process with goal setting and detailed performance reviews. In FY 2023- 24, 100% of employees received a regular performance and career development review. For more details, please refer to Page 73-76 of [Sustainability Report FY 2023-24](#).

People Analytics

The Company continues to advance in its commitment to leverage analytics to enable data backed decision making. By delivering interactive data on dashboards, to providing customised BI reports, the Company has made data accessibility a standard way of working. The Company is continuously advancing in its journey towards automating HR processes and interventions. API integrations for data flow from HRMS to internal Data Platform, as well as data updates, scheduling, and validation in core systems, have become standard practices. The aim is to shift gears to a zero manual intervention process architecture, allowing more focus on strategic initiatives.

In the reporting year, the Company has revamped 25 Dashboards, automated 5 processes and done 100% onboarding.

Long-Term Incentives for Employees (DJSI 3.3.6)

Band 4 and above employees in Piramal Pharma are eligible to participate in the Long-Term Incentive (LTI) Plan. The LTI Plan is designed as a wealth sharing plan. The LTI for the participating employees will be arrived at on the basis of various factors including, but not limited to the revenue growth of the business during the financial year, with no cap on revenue growth. The Company holds the discretion to eliminate or modify the design of the LTI Plan or quantum of LTI at any point in time without notice. Please note that LTI pay-outs may vary depending on the terms and conditions of the afore-mentioned LTI Plan. Please note that LTI pay-outs under the afore-mentioned LTI Plan are not obligatory and shall be paid solely and exclusively at the option, choice and discretion of the Company.

Employee Support Programs (DJSI 3.3.7)

At the Company, employee engagement is deeply intertwined with ensuring adherence to statutory benefits while offering comprehensive, additional perks across geographies. Beyond legal requirements, the Company provides enhanced benefits such as Future Service Gratuity, Term Insurance, and Flexible Benefit Pay in India, along with Paternity Leave to support family needs. The safety, welfare, and well-being of employees and their families are paramount, with provisions like subsidised transportation and canteen facilities ensuring daily comfort.

Health & Workplace Stress

In FY2024, the Company introduced Piramal Rx, an employee wellness programme designed to address three key pillars – physical wellness, mental wellness, and financial wellness. The aim is to build a healthier, positive, and vibrant work environment. Piramal Rx represents its commitment to supporting the wellbeing of the employees, both personally and professionally. This initiative underscores the dedication to purpose of 'Doing Well and Doing Good' and reflects one of the Company's core values: Care.

Mental well-being is supported through programmes like Piramal Rx, available in India and North America, with a full-year calendar of activities in place. The Company promotes work-life balance through a Flexi-Work Policy and various connect programmes. The Company held virtual sessions for all employees covering topics such as – common conditions affecting women's health and precautions to be taken, technology and screen detox, building a positive attitude, practicing gratitude and journaling, and promoting mental wellbeing in the workplace. The manufacturing sites promoted wellness activities by organising multiple events at the local level to emphasise the importance of self-care, be it physical, mental or financial.

The Company is committed to the health & wellness of its employees. For the same, the Company globally takes multiple initiatives like conducting health webinars, blood donation drives across its sites & offices. The employees benefit from an inclusive environment with Parental Leave, Group Medical Claims, Life Insurance, Disability Coverage, and stock ownership benefits.

Parental Support

Leaves are granted to the parent irrespective of gender as per parental support program. The program includes maternity, paternity and adoption related leaves. A female employee is entitled to twenty-six weeks of maternity leave in case where she is a 'Commissioning mother' and 'Adopting mother' where the adopted child is younger than three months of age.

Commencing the maternity leave before twelve weeks will mean a balance of only fourteen weeks post-delivery of the child, at which point the infant is still very young and needs attention. In such situations, the Maternity Leave can be extended by availing PLs in her credit, with a capping of maximum four weeks.

In the unfortunate event of a miscarriage or medical termination of pregnancy, to help the employee cope with it both physically and mentally, Company shall grant a maximum leave of six weeks with full pay, provided a doctor's certificate is submitted. This leave will be granted from the date of miscarriage or the date of termination and will need to be taken in one go.

Return-to-work rate and retention rate for FY 2023-24 are 99.51% and 88.27%, respectively.

Childcare Support

Lactating mothers are provided the facility of using Creche for breast feeding as well as childcare assistance is provided to employees with children under the age of six via in-house crèche services within the site.

Flexible Work Policies

The Company strives to offer flexible working arrangements to support its employees' diverse needs. Remote working options are available to attract and retain talent for specific roles. The Company provides flexible working hours and work-from-home opportunities whenever job requirements permit. The Company also accommodates shift schedules and compressed workweeks. Policies and systems are in place to effectively manage these arrangements. By offering flexible working hours, the Company aims to help employees achieve a better balance between their professional & personal responsibilities.

Reduced Work Schedule

All female employees returning from maternity leave will get an option to work at a reduced work schedule of 6 hours a day - in case of 9 hours normal work schedule (5 hours - in case of 8 hours work schedule), for one month transition period immediately following the maternity leave period.

Second Innings Program for hiring women who wish to return to work after a career break. *Reboot Policy for returning mothers* piloted for the Head Office with the aim to provide a seamless career experience to women through the maternity phase and successful transition post their return to work, including experience design for adoptive mothers and mothers who undergo pregnancy loss.

Employee Turnover Rate (DJSI 3.3.8)

In FY 2023-24, the Company experienced a turnover rate of 20.89% among permanent workforce with 15.86% of voluntary turnover rate. Despite the competitive landscape in the pharmaceutical industry posing challenges for talent retention, the Company's comprehensive approach to employee engagement and development is essential in mitigating turnover. Age group and gender wise Turnover rate are available on page 70 of Company's [Sustainability Report FY 2023-24](#).

Nationality	Voluntary Attrition % in FY 2023-24
India	19.75%
US	16.66%
UK	12.21%
ROW	15.10%

In FY 2023-24, overall attrition was reduced by 9.24%. Various measures were taken to retain the latest talent. Measures include but are not limited to, the implementation of a five-day work week, the introduction of a retention incentive, revision of the flexible retirement policy, promotion of internal movements, strengthening functional academies, the introduction of Long-Term Incentive (LTI) for Band 4 and above employees, and various other actions based on Prism findings employee feedback during Focus Group Discussions (FGDs) and exit interviews were implemented.

The overall Return to Work Rate in India is 99.51% and the Retention Rate is 88.27%. The gender-based retention rate in India is shared in the below table. For more details, please refer to Page 74-76 of [Sustainability Report FY 2023-24](#).

Trend of Employee Wellbeing (DJSI 3.3.9)

At the Company, listening to employees is recognised as a cornerstone for cultivating a positive work environment, enhancing engagement, wellbeing and satisfaction, and driving organisational success. In line with this commitment, the Company conducted its second Prism Employee Engagement Survey in collaboration with Kincentric, a global consulting firm specialising in culture and engagement, leadership assessment, and development.

With an impressive 84% participation rate, the survey yielded an employee engagement score of 68%, surpassing the industry benchmark by 8% points.

The survey identified the Company's key strengths to enhance further while pinpointing areas for improvement. The senior leadership team and HR are committed to developing action plans to address these areas, enriching the overall employee experience and reinforcing its commitment to becoming an 'employer of choice'.

Employee Engagement/Wellbeing Initiatives at the Company

The Company cultivates a sense of belonging by engaging its employees through virtual and in-person engagement activities, festive celebrations, and employee recognition forums.

This year, the Company embraced the joy of togetherness with Family Day celebrations across its global sites. *Family Day* serves as a heartfelt expression of gratitude towards its employees and their families for their exceptional dedication to the Company. It also provides an invaluable opportunity for families to immerse themselves in the Company culture, gaining a deeper understanding and pride in the significant contributions their loved ones bring to the organisation. The day was filled with delightful activities tailored for employees and their loved ones, including fun contests and interactive games for children. The event was cherished by both the employees and their families.

The Company's festive celebrations worldwide are a heart-warming blend of the cultural diversity the Company enjoys as an organisation. Employees come together to celebrate moments of joy, honouring the traditions that bind us while embracing the diversity that enriches us.

Recognising the employees' contributions is key to building a culture of appreciation. The Company's flagship event, Chairperson's Awards, recognises and celebrates the extraordinary contributions of the team members who set themselves apart through impactful actions, serving as an inspiration for all of us. Additionally, the Company conducts quarterly Excellence Awards across sites to commend the exemplary contributions of individuals and teams, helping us fulfil commitments to patients, consumers and customers worldwide.

Business projects such as Kaizen conventions are celebrated, rewarding the best teams for their innovative contributions. Nominations for awards are encouraged from all levels, allowing employees to nominate themselves, peers, or colleagues from cross-functional teams.

Site-specific Employee Engagement calendars ensure that local events are celebrated, and long service awards are given in accordance with global recognition guidelines. This multifaceted approach underscores the Company's dedication to nurturing an inclusive and engaging work environment.

3.4 Occupational Health & Safety

OHS Policy (DJSI 3.4.1)

The company has an [Environment, Health, and Safety \(EHS\) policy](#) that includes Occupational Health and Safety (OHS), which is publicly available on the company's corporate website. This policy applies to all operations, employees, contractors, and any individuals under the company's supervision. It is fully aligned with relevant international OHS standards and regulations, as well as voluntary programs and collective agreements on OHS. The policy emphasizes consultation with workers and their representatives, where applicable, and encourages active participation.

The company is committed to continuously improving the OHS management system and has established clear prioritization and action plans. Quantitative targets have been set to enhance OHS performance metrics. The implementation of the OHS policy is endorsed by the company's chairperson.

OHS Programs (DJSI 3.4.2)

The Company has implemented the Piramal EHS Management System (Piramal EHSMS), which includes a focus on Occupational Health and Safety (OHS). Detailed information about this program is available in the [Sustainability Report FY 2023-24](#), on page 78. The Piramal EHSMS covers the following key areas:

- OHS risk and hazard assessments to identify potential workplace dangers.
- Prioritization and integration of action plans with measurable targets to mitigate these risks.
- Actions to prepare for and respond to emergency situations.
- Evaluation of progress in reducing and preventing health risks in alignment with established targets.
- Conducting internal inspections.
- Procedures to investigate work-related injuries, illnesses, diseases, and incidents.
- OHS training provided to employees and other relevant parties to raise awareness and reduce operational health and safety incidents.
- Integration of OHS criteria into procurement and contractual requirements.

The EHSMS has undergone independent external verification for health, safety, and well-being through various standards, including ISO 45001. Six of Piramal's global sites are certified under ISO 45001.

Fatalities (DJSI 3.4.3)

The complete details of fatality given in the following table with the number of work-related fatalities for employees and contractors.

Fatalities	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Employees	01	0	0	0
Contractors	00	0	0	0

Lost-Time Injury Frequency Rate (LTIFR) – Employees (DJSI 3.4.4)

The company only tracks lost-time injury frequency rate (LTIFR) on a consolidated basis.

Parameter	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
LTIR	LTIR (n/200,000 hours worked)	0.75	0.3	0.1	0.09
Data coverage	% of Employees and Contractors	100%	100%	100%	100%

The data is available page 81 of the Company's [Sustainability Report FY 2023-24](#). The data has been third-party verified by DNV Business Assurance India Private Limited. The GHG verification statement can be found on page 101 of the Company's [Sustainability Report FY 2023-24](#). The assurance statement can be found on page 105 of the Company's [Sustainability Report FY 2023-24](#).