

Environment, Social and Governance (ESG) Policy

1. INTRODUCTION

Piramal Pharma Limited (PPL or the Company) recognizes that conducting business in a responsible manner is imperative to ensuring business sustainability. ESG considerations underpin PPL's business strategy and are integrated into routine activities.

PPL believes that it must strive to minimize its environmental footprints, strengthen stakeholder relationships, and operate in a responsible manner. PPL is committed to complying with applicable laws and regulations. PPL plans to minimize risks and impacts through the development of robust and documented systems that implement, measure, monitor, and disseminate excellence in environmental performance both within its operations and across its value chain. The philosophy of 'Doing Well and Doing Good,' along with our core values of Knowledge, Action, Care and Impact, guide our people and our business operations.

2. SCOPE

The Policy is applicable to all our business operations. All personnel, which includes all directors, full and part-time employees, contractors and consultants involved in conducting PPL's business, are subject to this policy.

3. REFERENCES

The Company strives to align its ESG Strategy and performance with the United Nations' Sustainable Development Goals (SDGs) and Nationally Determined Contributions (NDCs). This policy is in conformity with the requirements of the Sustainability Accounting Standards Board (SASB) Industry Standards for Pharmaceuticals, IFC Performance Standards, and the United Nations Global Compact (UNGC) Framework.

4. OUR SUSTAINABILITY FRAMEWORK

4.1. Responsible Operations

Climate Change and Energy Management

The Company intends to implement measures toward the improvement of emission and energy efficiency and promote efficient usage of fuels. To support this endeavour, PPL will calculate and regularly monitor its scope 1 and 2 Greenhouse Gas (GHG) emissions, identify opportunities to reduce them by adopting adequate and appropriate measures, increase green cover and contribute towards afforestation efforts. The company further strives to estimate and monitor its scope 3 GHG emissions, and develop plans to address them.

PPL is committed to effectively manage its energy footprint. The company will take appropriate measures to improve energy efficiency, diversify its energy mix, and reduce reliance on fossil fuels. The company strives to augment share of alternate and renewable sources of energy in its energy mix.

Water Stewardship and Waste Management

The Company intends to develop a water risk management framework, reduce freshwater withdrawal, and increase the use of recycled and reused water. To support this endeavour, the Company is adopting practices that promote efficient usage of water and implement measures to facilitate the reuse and recycling of the treated water. The Company endeavours to promote efficient use of resources and adopt measures to reduce waste generation at source, explore the possibilities for reusing and recycling wherever possible along with the inclusion of solutions for resource efficiency. All these initiatives will support the Company's goal of diverting incinerable waste from landfills.

Air Quality

The company is committed to reducing air emissions. It will take appropriate measures on process and design improvements.

4.2. Stakeholder Centricity

Human Capital Management

The Company intends to implement measures to recognize and value the diversity of employees in terms of background, ethnicity, skills, and thought process by creating gender diversity based on merit and competencies. PPL is an equal opportunity employer and is ensuring that no forms of discrimination exist in its workplace and value chain.

The Company strives to reduce the employee turnover rate and develop a discrimination-free workplace with a “zero-tolerance” approach against violations of human rights. The company will conduct periodic employee engagement surveys to understand the experience of its people. The Company aspires to increase employee engagement.

Occupational Health and Safety

The Company aims to provide a systemic approach to achieving the aspiration of a “no-harm workplace”. The Company strives to provide information, equipment and procedures that ensure well-being. The Company is committed to complying with all the statutory provisions on occupational health and safety. PPL aims to conduct regular environment, health and safety audits and inspections of its under construction and operating sites, and critical and key suppliers.

Community Development

The Company intends to implement measures toward a better quality of life. PPL believes that sustainable communities are about partnering with them in their development, and will strive to engage with them on a regular basis. The Company strives to undertake Corporate Social Responsibility initiatives (CSR) initiatives for sustainable and inclusive development.

Patient, Customer, and Consumer Centricity

The Company has adopted patient, customer, and consumer centricity as a cultural priority. The Company will listen to, engage with, and respond to its patients, customers, and consumers.

4.3. Business Resilience

Corporate Governance

The Company is running an effective board governance, has prudent internal controls, is transparent, and accountable to its stakeholders. This includes maintaining board diversity, developing requisite expertise in sustainability, and adopting a culture of continual learning and development.

Business Ethics and Compliance

The Company upholds and respects the Universal Declaration of Human Rights (UDHR) and strives to ensure integrity in operations, and compliance with applicable norms and regulations. The company will ensure adherence to the applicable data privacy and data security norms.

The Company will disclose its non-financial performance in a transparent and timely manner in accordance with applicable regulations.

Responsible Supply Chain

The Company intends to implement measures to uphold high standards of governance, ethics, and transparency in operations and the value chain. The Company also strives to multi-source to reduce its dependency on single

sourcing. Responsible sourcing is about ensuring adherence to green procurement practices and instituting a supplier engagement programme. To support this endeavour, the Company is adopting the practice of supplier due diligence with coverage of new suppliers screened for ESG risks, self-assessment of existing suppliers, and capacity building of high-risk suppliers on ESG through its supplier engagement programmes. The company also aims to support suppliers to align with its ESG policy and strategy. The company is committed to the standards prescribed by Pharmaceutical Supply Chain Initiative (PSCI).

4.4. Quality and Excellence

Operational Excellence

The company strives to ensure the minimization of the Cost of Poor Quality (COPQ); aspires to achieve the Right First Time commercial batches; and ensure successful outcomes of all statutory audits.

Technology and Automation

The Company is committed to adoption of new technologies, reducing manual operations wherever appropriate and align its internal manufacturing with Pharma 4.0.

Product Excellence

The Company policies and procedures ensure that products are manufactured in accordance with regulations, best-in-class practices and standards. The Company takes appropriate steps to ensure adherence to pharmacovigilance norms. The Company is adopting product tracking and serialization norms.

5. POLICY GOVERNANCE

The Company will formulate and revise from time to time an appropriate implementation framework for the enforcement of this Policy. The Board Committee on ESG will periodically review the Policy and the implementation framework.

The company will develop a robust internal review and audit mechanism to oversee the implementation of the policy. The company will adopt appropriate measures to ensure ESG data integrity through internal and external assurances.



Nandini Piramal

Chairperson – Piramal Pharma Limited