

8th September 2023

BSE Limited
P.J. Towers, Dalal Street, Fort,
Mumbai- 400 001
BSE scrip code: 543635

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE symbol: PPLPHARMA

Dear Sir / Madam,

Sub: Sustainability Report of Piramal Pharma Limited (“the Company”) for financial year 2022-23

Please find enclosed herewith a Sustainability Report of the Company for the financial year 2022-23. The said information is also available on the website of the Company at www.piramal.com

Request you to please take the above on record.

Yours faithfully,
For **Piramal Pharma Limited**

Tanya Sanish
Company Secretary



Operating Responsibly.
Growing Sustainably.



About this Report

Piramal Pharma Limited (hereafter referred to as PPL, Piramal Pharma, the Company, Our, Us, We) is pleased to present its third sustainability report that provides a comprehensive view of its performance on Environment, Social, and Governance (ESG) parameters for Financial Year (FY) 2023. Through this report, the Company intends to inform stakeholders of its approach, performance, and responsible growth aspirations through sustainable operations.



Reporting Principles

The Report has been prepared in accordance with Global Reporting Initiatives (GRI) Universal Standards, 2021. The disclosures are complied with all 9 (Nine) requirements of Global Reporting Initiatives to report on disclosure from **GRI 1:** Foundation 2021, **GRI 2:** General Disclosures 2021, **GRI 3:** Material Topics 2021, and **United Nations Sustainable Development Goals (UNSDGs)**.

Requirement 1 Apply the reporting principles

Requirement 2 Report the disclosures in **GRI 2:** General Disclosures 2021

Requirement 3 Determine material topics

Requirement 4 Report the disclosures in **GRI 3:** Material Topics 2021

Requirement 5 Report disclosures from the GRI Topic Standards for each material topic

Requirement 6 Provide reasons for omission for disclosures and requirements that the organisation cannot comply with

Requirement 7 Publish a GRI content index

Requirement 8 Provide a statement of use

Requirement 9 Notify GRI

Reporting Period, Scope, and Boundary

The Report provides details of the Company's non-financial performance for the period FY2023, i.e. from 1st April 2022 to 31st March 2023. The scope and boundary of the report cover its three business units-Piramal Pharma Solutions (PPS), Piramal Critical Care (PCC), and Consumer Products Division, having development and manufacturing facilities across India, the United Kingdom, and North America.

Materiality

The contents of this Report are built on material topics that are key to ensuring the sustainability of the business and have been identified through robust stakeholder engagement. Stakeholder inclusiveness and materiality reinforce the Company's ability to create long-term sustainable value for its stakeholders.

This report demonstrates the Company's commitment to embedding ESG principles deeper within its strategic and operational framework, enhancing the transparency of its disclosures, and staying accountable for its actions and their impact on people and the planet.

Responsibility Statement

PPL sustainability disclosures are reviewed and verified internally by cross-functional teams providing management assurance.

Forward-looking Statements

The Report may contain some statements about business activities, which may be considered forward-looking. Regarding a discussion of future operational or financial performance, terms like 'believes', 'estimates', 'anticipates', 'expects', 'will', 'plans', 'outlook', and other words of similar meaning can be characterised as forward-looking statements. These statements are not intended to guarantee future results. They represent the Company's current expectations based on reasonable assumptions. Due to different events, risks, uncertainties, and other circumstances, actual results may differ considerably from those projected in any forward-looking statements. The Company does not intend to update or amend any forward-looking statements mentioned in this report due to new information, future developments, or any other factors.

Contact Us

PPL maintains open channels of communication with its stakeholders and encourages them to reach out. You can reach out to the Company at esg@piramal.com with your queries, feedback, questions, or comments related to any information disclosed in this Report.

What's Inside

Overview

- 04** Leadership Message
- 08** Company at a Glance
- 10** Geographical Presence
- 12** Evolution of the Company
- 14** Piramal Pharma's ESG Purpose and Vision
- 16** Key ESG Highlights
- 18** Stakeholder Engagement and Materiality Assessment

Governance

- 32** Board of Directors and Board Committees
- 36** Ethical Business Conduct
- 38** Enterprise Risk Management
- 42** Product Excellence
- 46** Business Resilience
- 48** Responsible Supply Chain
- 50** Technology Automation and Cyber Security

Environment

- 54** Nurturing Nature for Environmental Stewardship
- 55** Energy Management
- 59** Climate Change
- 61** Water Stewardship
- 62** Waste Management
- 64** Biodiversity

Social

- 68** People, Patients and Community
- 69** Human Capital Management
- 76** Occupational Health and Safety
- 80** Patient, Customer, and Consumer Centricity
- 82** Community Engagement and CSR

84 GRI Index



Environment



Social



Governance

Operating Responsibly. Growing Sustainably.

In a world marked by evolving trends and challenges, we stand resolute in our commitment to a future where healthcare and sustainability converge. Our twin pillars of "Operating Responsibly" and "Growing Sustainably" form the basis of our corporate ethos as we navigate the complex landscape of pharmaceuticals. Our operational responsibilities extend far beyond the workplace, touching the lives of individuals and communities worldwide. To that end, we aim to achieve sustainable growth by using innovations and interconnecting economic progress, environmental protection, and social welfare.

In this sustainability report, we showcase our roadmap, where responsible operations and sustainable growth intersect to shape not only the future of our Company but also the well-being of the environment and our stakeholders.



Leadership Message

Leading with Responsibility



As a responsible corporate entity, while we are aware of our responsibility to deliver shareholder value through profitable growth, we are equally conscious of our role to integrate sustainable practices in our operations.

Nandini Piramal
Chairperson

Dear Stakeholders,

We would like to thank you all for your year-long support. This fiscal year (FY2023) has been an important one for the Company as we demerged from our parent company, Piramal Enterprises Ltd. and became an independent company listed on leading Indian stock exchanges. This milestone also marks the beginning of a new journey for the Company to scale up its businesses, optimise profitability, and integrate sustainability in its operations.

As a responsible corporate entity, while we are aware of our responsibility to deliver shareholder value through profitable growth, we are equally conscious of our role to integrate sustainable practices in our operations. We are working diligently to drive sustainable operations by optimising our operational efficiencies, minimising

resource consumption, conserving biodiversity, providing a safe workplace for all employees, delivering quality products and services, promoting diversity and inclusion in our workforce, ensuring accountability and transparency across all our functions, and enhancing the quality of life of the communities in which we operate.

In the previous financial year (FY2022), we adopted a robust ESG framework built on the four pillars and 12 focus areas to guide our strategic and operational imperatives. We had also communicated our 50+ time-bound ESG targets which are material to our business. We are pleased to share that we have made significant progress on many of these targets in the year gone by. Some of the important highlights are:

Environment

Greenhouse Gas (GHG) Emissions

We have conducted a detailed assessment of all our global development and manufacturing facilities to understand their carbon emission profiles and hotspots. Post the assessment, we have developed a decarbonisation roadmap to reduce our Scope 1 and Scope 2 emissions by 42% by FY2030 (with baseline of FY2022), which aligns with the 1.5°C decarbonisation pathway as recommended by the Science-Based Targets initiative (SBTi). Our decarbonisation plan includes increasing the share of renewable energy, shifting to greener fuels like bio-briquettes, improving the energy efficiency of processes through operational excellence and changing to more energy-efficient equipments.



We have taken a target to reduce our Scope 1 and Scope 2 emission by 42% by FY2030 - in-line with 1.5°C pathway as suggested by Science-Based Targets Initiative.

Peter DeYoung
CEO, Global Pharma

Water Stewardship

We carried out in-house comprehensive water use assessments (CWA) at our development and manufacturing facilities in India to identify opportunities for minimising freshwater usage by promoting reuse and recycle. Based on these assessments, we have identified a scope to save about 400 Kilo Litres per day (KLD) of freshwater through multiple interventions which we plan to implement over the near to medium term. We plan to carry out similar CWA across our overseas sites as well in FY2024.

Waste Management

During the year, we re-assessed our hazardous waste disposals at our development and manufacturing facilities. While all our overseas facilities

are disposing of their hazardous wastes in incineration facilities and not in landfills, however, for our Indian facilities we have initiated a review of options including pre-processing of hazardous wastes to achieve our target of zero hazardous waste to landfills.

Green Cover and Afforestation

In line with our commitment to conserve biodiversity and create green spaces, tree plantation programmes were conducted across all our locations to improve the ecological balance. We currently have more than 82,000 trees across our manufacturing facilities and are planning to plant more trees in the future. We have already identified vacant land at some of our facilities to plant more saplings.

Resource Conservation

Our Operational Excellence team is working on multiple resource conservation initiatives across our global facilities to reduce waste through yield improvement, optimise fresh solvent usage through recovery and reuse, reduce energy consumption in utilities, explore sources of renewable energy (wind, solar, hydel), and build rainwater harvesting.

82,000

Number of trees planted across manufacturing sites

Leadership Message

Social

Global Human Rights Policy

We have adopted and published our Global Human Rights Statement in accordance with the United Nations Universal Declaration of Human Rights (UDHR) and Guiding Principles on Business and Human Rights. Through this policy, we have committed to issues such as child labour and forced labour, discrimination and harassment, freedom of association, rights to privacy, employee safety and workplace security.

Diversity and Inclusion (D&I)

At PPL, we celebrate D&I by creating a diverse and inclusive workplace that fosters a sense of belonging, which can increase the morale and productivity of the whole system. Currently, women constitute about 15.3% of our global workforce. We also have 30% women representation in our Board of Directors. During the year, 18.3% of the new hires comprised women. The hiring mix for trainees, in FY2023, also constituted 34.8% female.

Learning and Development (L&D)

More than 12,700 e-learning hours and 34,000 ILT (Instructor-led Training) hours were recorded on PLU (Piramal Learning University) VC during FY2023. In the said period, over 90% of all our employees upgraded themselves by leveraging content available in PLU VC.

Occupational Health and Safety (OHS)

We prioritise the occupational health and safety of our employees, as they are our prime partners that help us in achieving our future endeavours. Relevant training programmes are



deployed to secure the employees while working. This year on average an employee was engaged for 1.87 person days annually for safety trainings. We adhere to the globally accepted standards of the Occupational Health and Safety Management System, and all our manufacturing facilities in India (excluding the PDS facility in Ahmedabad) are ISO 45001:2018 certified and Occupational Health and Safety Management System (OHSMS) certified. Our Lost Time Injury Rate (LTIR) for the year was 0.10 – better than target of LTIR < 0.2 per 200,000 person days worked. We are also pleased to share that during FY2023, we reported zero fatalities.

Governance

Sustainability and Risk Management Committee

To successfully achieve our ESG purpose of 'Operating Responsibly. Growing Sustainably', we instituted the Sustainability and Risk Management Committee, headed by the Company Chairperson. The Committee guides us in our sustainability endeavours and meets bi-annually to track our progress on sustainability initiatives.

Sustainability for us is more than just being compliant with regulatory norms and standards. It is about giving back to the environment and community through purpose-driven operations and responsible governance.

Adopted strong set of Policies

Our governance has a set of policies, conducts, and standards, which integrate our vision and goals with sustainable practices. We have a Code of Conduct and Ethics which guides our employees on conducting themselves in an ethical manner. We also have a Whistle Blower Policy that promotes active and unbiased reporting of violations of the Company's Code of Conduct. We also have an ESG policy that provides us with comprehensive norms about responsible practices. We have also released our revised Anti-bribery and Anti-corruption policy to emphasise our zero tolerance towards bribery and corruption.

We have been accepted as a participant of the United Nations Global Compact (UNGC).

Enterprise Risk Management

We have implemented an independent and dedicated Enterprise Risk Management (ERM) system that identifies, assesses, and controls risks that could potentially affect our operations, assets, or reputation risks.

Best-in-class Track Record for Quality and Compliance

We have a strong and independent Quality and Compliance framework that ensures strict adherence to the highest quality standards, both at our own facilities and outsourcing partners. The governance, review, and escalation model implemented across the Company, places patients at the core of all our quality decisions.

In FY2023, we successfully cleared 36 regulatory inspections and over 190 customer audits across our sites, upholding our quality and compliance track record.

ESG Awareness amongst Employees

Initiatives were taken to increase awareness about ESG among our employees through formal training sessions and discussions at each site and corporate office. We also launched an ESG-themed e-learning module comprising of case studies and ways employees can contribute towards ESG initiatives.

Responsible Supply Chain

While we are taking initiatives to build sustainable operations, we also took steps towards integrating sustainability into our value chain. As a member of Pharmaceutical Supply Chain Initiatives (PSCI), we have deployed a plan of identifying and conducting suppliers' audits as per the requirement. Additionally, we are screening our new suppliers and existing critical suppliers on ESG parameters for building a robust

As a member of PSCI, we are taking steps to integrate sustainability in our value chain.

supply chain that resonates with our sustainable principles.

On the Corporate Social Responsibility (CSR) front, Piramal Foundation – the philanthropic arm of the Piramal Group – took several initiatives to enhance the quality of life of the communities in which we operate through high-impact solutions, thought leadership, and collaboration.

Overall, sustainability for us is more than just being compliant with regulatory norms and standards. It is about giving back to the environment and community through purpose-driven operations and responsible governance.

As we step into the future as an independent entity, we will continue to make judicious investments to expand sustainable practices across our operations to minimise our environmental footprint and empower our people and communities to create a greener tomorrow and a better future for all. Our stakeholders and their insights have always been the guiding force for us, and we thank them for their responsible and transparent participation and feedback on our progress.

'Knowledge, Action, Care and Impact' are more than just value statements, but a purpose and promise of serving people, making a positive difference, and living our values.

Warm regards,

Nandini Piramal
Chairperson

Peter DeYoung
CEO, Global
Pharma

Zero

Fatalities and LTIR of 0.10 per 200,000 person days worked in FY2023.

Company at a Glance

Three-Pronged Diversified Business Model

Piramal Pharma Limited (PPL) is a global pharmaceutical company offering a portfolio of differentiated products and services through its 17 development and manufacturing facilities having end-to-end capabilities and a worldwide distribution network in over 100 countries.

While PPL was incorporated in March 2020, it was originally a part of Piramal Enterprises Limited (PEL), which has a track record of building scalable and differentiated pharmaceutical business. As the pharma business of PEL grew, a scheme of arrangement was entered into in October 2021 to simplify the group structure and consolidate all pharma business under Piramal Pharma.

PPL demerged from PEL and listed on BSE and NSE on October 19, 2022.

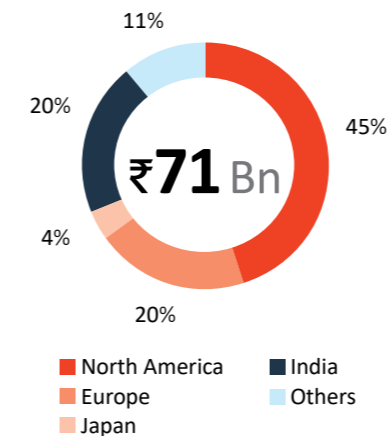
PPL operates under three business verticals:



Contract Development and Manufacturing Organisation	Complex Hospital Generics	India Consumer Healthcare
<p>Piramal Pharma Solution (PPS) provides integrated drug discovery, development, and manufacturing services for both drug substances, i.e. active pharmaceutical ingredients (APIs) and drug products, i.e. formulations.</p> <p>The Company has a global footprint with development and manufacturing facilities located in North America, the United Kingdom, and India. It offers differentiated offerings in the areas of high potency APIs (HP API), antibody-drug conjugates (ADC), peptides, sterile injectables, and hormonal products, and has a diversified customer base across innovator pharma, emerging biopharma, and generic pharma companies.</p>	<p>Piramal Critical Care's (PCC) complex hospital product portfolio comprises over 35 hospital-focused products in the areas of inhalation anaesthesia, injectable anaesthesia and pain management, intrathecal therapy, and other injectables. These products are sold in over 100 countries to more than 6,000 hospitals, surgical centres, and veterinary clinics.</p> <p>PPL is the fourth* largest company globally in the inhalation anaesthesia market and also the leading* player in Sevoflurane and Baclofen pre-filled syringe and vial segments in the US market. The Company also has vertically integrated manufacturing capabilities for inhalation anaesthesia and a direct sales force in the US having a relationship with group purchase organisations (GPOs).</p> <p><small>*Source - IQVIA MIDAS MAT* December 2022</small></p>	<p>The Company's ICH business has a diverse portfolio of over 30 OTC products across categories of analgesics, skin care, VMS, kids' wellness, digestives, women's health, and hygiene and protection categories, with well-known brands such as Little's, Lacto Calamine, i-Pill, Polycrol, and Tetmosol. The Company also has a manufacturing and distribution agreement with Bayer Pharmaceuticals Private Limited for their brands such as Saridon, Supradyn, Becozym, and Benadon, among others.</p> <p>The Company has good reach in traditional channels like chemist and cosmetic stores and is also strengthening its presence in alternate channels like modern trade and e-commerce. The Company also has its own e-commerce website, wellify.in.</p>

In addition, one of PPL's associate companies, Allergan India Private Limited, is a joint venture (JV) with AbbVie Inc. and is amongst the market leaders in the ophthalmology therapy in India. Further, PPL has a minority investment of 33.33% in Yapan Bio that operates in the biologics/bio-therapeutics and vaccine segments.

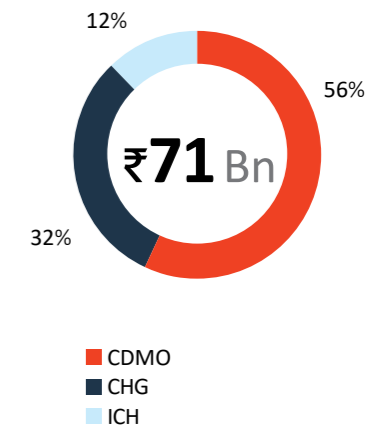
FY2023 Revenue by Geography



69%

Revenue from regulated markets of North America, Europe and Japan

FY2023 Revenue by Business Verticals



Company's Purpose and Core Values

Company's Core Value system is adopted from the Group's value system of Knowledge, Action, Care, and Impact, which are integral to its guiding philosophy. This core value system represents PPL's deeply held beliefs, and it encourage its adoption across the Company to build the distinctive 'Piramal culture'. The Company envisions 'to become a leading integrated pharmaceutical company globally, operating on the principles of sustainability, inclusivity, and ethics'.

Our Purpose

'Doing Well and Doing Good'

Serving people

Serving our patients, customers, consumers, community, employees, partners, stakeholders, and our planet.

Making a positive difference

Making a positive difference to the health of our patients and customers through our products and services.

Living our values

Living our values in our everyday actions, decisions and conduct at a personal and corporate level.

Core Value System

Knowledge

Expertise: We strive for a deeper understanding of our domain.

Innovation: We aspire to do things creatively.

Action

Entrepreneurship: We are empowered to act decisively and create value.

Integrity: We are consistent in our thought, speech and action.

Care

Trusteeship: We protect and enhance the interests of our customers, community, employees, partners and shareholders.

Humility: We aspire to be the best, yet strive to be humble.

Impact

Performance: We strive to achieve market leadership in scale and profitability, wherever we compete.

Resilience: We aspire to build businesses that anticipate, adapt and endure for generations.

Geographical Presence

Operating across the Globe



Map not to scale

PPL has a strong presence across all major markets in the world. The Company caters to these markets through a robust network of manufacturing facilities established at strategic locations.

17
Development and manufacturing sites

100+
Countries with commercial presence

500+
CDMO customers

6,000+
CHG customers (hospitals)

- 1 Lexington, USA**
Sterile Development and Manufacturing
US FDA, PMDA
- 2 Riverview, USA**
HPAPI Development and Manufacturing
US FDA, PMDA, HC
- 3 Aurora, Canada**
API Development and Manufacturing
US FDA, PMDA, HC
- 4 Sellersville, USA**
Formulation Development and Manufacturing
US FDA, EMA
- 5 Bethlehem, USA**
Anaesthesia Manufacturing
US FDA, MHRA, PMDA
- 6 Morpeth, UK**
API and Formulation Manufacturing
US FDA, MHRA, PMDA, HC
- 7 Grangemouth, UK**
ADC Development and Manufacturing
US FDA, MHRA, PMDA
- 8 Ahmedabad PDS, India**
R&D - Discovery services
- 9 Ahmedabad PPDS, India**
Formulation Development
FIMEA Finland
- 10 Pithampur, India**
Formulation Manufacturing
US FDA, FIMEA Finland
- 11 Dahej, India**
Specialty Fluorochemicals
WHO-GMP
- 12 Digwal, India**
API Development & Manufacturing
Anaesthesia Manufacturing
US FDA, MHRA, PMDA
- 13 Ennore, India**
API Development and Manufacturing
WHO-GMP
- 14 Mahad, India**
Vitamins and Minerals Premixes
US FDA, WHO-GMP
- 15 Turbhe, India**
Peptide API Development and Manufacturing
US FDA, WHO-GMP, EDQM, KFDA, AIFA
- 16 Rabale, India**
R&D-API Development
- 17 Thane, India**
Peptide API R&D
- Shanghai, China**
Sourcing Office

Evolution of the Company

Piramal Pharma's Phases of Evolution



Piramal Pharma's ESG Purpose and Vision

Focused Path to Sustainability

PPL is strongly committed to its ESG purpose and vision articulated during the previous year. As a part of its ESG strategy, the Company continues to work with its stakeholders to promote sustainability and social responsibility across its operations. It is committed to promoting innovation and maintaining a high standard of corporate governance and transparency. PPL believes that its commitment to ESG is an important aspect of its overall business strategy and a key factor in long-term success.



Our ESG Purpose

**Operating Responsibly.
Growing Sustainably.**

Our ESG Vision

To become a globally leading integrated pharmaceutical company, operating on the principles of sustainability, inclusivity, and ethics.

ESG Strategy Framework

PPL has a comprehensive Environmental, Social and Governance (ESG) Framework in place that guides its operations and decision-making process across the organisation and its value chain. As part of the framework, the Company has defined four essential strategic pillars and twelve focused ESG areas relevant to its business. The Company has also defined over 50 time-bound ESG targets in these focus areas, which it strives to achieve over the near to medium term.

The Company's ESG governance structure, comprising efficient governance at the apex level, along with Global Sustainability Leads, ensures seamless implementation of various ESG initiatives. To successfully achieve its ESG

purpose of 'Operating Responsibly. Growing Sustainably,' the Company has also instituted the Sustainability and Risk Management Committee, headed by the Company's Chairperson. The Committee guides the Company in its sustainability endeavours and tracks its performance on set targets.

Furthermore, with an intent of transparently sharing its sustainability performance with its stakeholders, the Company releases its annual Sustainability Report and responds to CDP Climate Change and Water Security disclosures.

Key ESG Highlights

Environment

52

Climate Change and Energy Management

42% Target* to reduce Scope 1 and Scope 2 emission by FY2030	6.4% YoY reduction in Scope 1 emission in FY2023	9.8% YoY reduction in Scope 2 emission in FY2023	15% YoY reduction in emission intensity in FY2023	12% Of total energy from renewable sources
--	--	--	---	--

*Against the baseline of FY2022

Water and Waste Stewardship

32.8% Of waste water generated that was recycled and reused	400 KLD Identified freshwater saving potential across India sites	9,760 KL Fresh water saved by collecting rain water and reusing it	1,478 MT Hazardous waste diverted from incineration and landfill	Zero Target to achieve zero hazardous waste to landfill by FY2025
---	---	--	--	---

Afforestation

~82,000 Trees across global sites	~33% Plot area across sites covered by green belt
---	---

Social

66

Diversity and Inclusion

15.3% Of employees represented by women	30% Women participation on the Board	18.3% Of new hires in FY2023 were women	40% Corporate roles filled by women	100% Compliance with PoSH guidelines
---	--	---	---	--

Learning and Development

+12,700 e-learning hours in FY2023	~34,000 Instructor led training hours in FY2023	483 Learners covered across the Company by functional academies in FY2023
--	---	---

Occupational Health and Safety

Zero Fatalities in FY2023	0.10 LTIR per 200,000 person days in FY2023	15 Hours of safety training per employee in FY2023
-------------------------------------	---	--

Corporate Social Responsibility

₹7.58 Crores Spent on CSR activities in FY2023	112 Aspirational districts where focus is on improving health and education indicators
--	--

Customer Satisfaction

85% Customer Satisfaction Index for PPS and PCC business in FY2023
--

Governance

30

Board Independence and Overview

50% Independent Directors	96% Average Board meeting attendance	Bi-annual Review of ESG performance by the Board Committee
-------------------------------------	--	--

Strong Policies

Global Human Right Statement	Anti-Corruption and Anti-Bribery Policy	Code of Conduct and Ethics	Whistle Blower Policy	ESG & EHS Policies
-------------------------------------	--	-----------------------------------	------------------------------	-------------------------------

Quality Product and Services

36 Successful regulatory inspections in FY2023	4 Successful US FDA inspections in FY2023	Zero OAI (Official Action Initiated) since FY2012	190+ Successful customer audits in FY2023	Zero Class I and II recalls in FY2023
--	---	---	---	---

Responsible Supply Chain

SAQ Deployed Supplier Assessment Questionnaire (SAQ) for assessment of new suppliers and critical suppliers on ESG	70% Target to assess 70% of critical suppliers by FY2026
--	--

Others – Memberships / Commitments / Disclosures

SBTi Committed to SBTi (Science Based Target Initiative)	PSCI Member of Pharmaceutical Supply Chain Initiative	UNGC Member of United Nations Global Compact
CDP Responding to CDP Climate Change and Water Security since FY2021	DJSI Responded to Dow Jones Sustainability Index in 2023	




Stakeholder Engagement and Materiality Assessment





Stakeholders Driving our Strategy

Stakeholder Engagement

PPL encourages a mutually dependent ecosystem between business operations and stakeholders. Its engagement with stakeholders is focused on understanding their priorities and pivoting operations accordingly to deliver relevant value. The Company is focused on maximising positive impacts from its operations through stakeholder inclusivity. Its commitment to ethical and transparent business practices resonates with stakeholders' expectations. Its stakeholders have the authority and power to influence the Company's operations. Their involvement is morally and legally justified. The Company identifies and engages stakeholders through different mechanisms according to its influence on the topics and vice versa.

The Company's key stakeholders represent different focus areas with different expectations. The Company periodically communicates with its stakeholders through different channels to understand their concerns.

Stakeholder group	Channels of communication	Frequency of engagement	Expectations of stakeholders
 <p>Investors and shareholders</p>	Investor calls, investor presentations, conferences, one-on-one meetings, Annual Reports, press releases, Company website	Monthly Quarterly Half-yearly Annually	<ul style="list-style-type: none"> Responsible use of investment proceeds Good corporate governance Ethical business conduct Brand management Risk management Consistent and robust financial performance Long-term business growth
 <p>Government and regulators</p>	Legal filings, industry representations, other forums	Quarterly Annually one-on-one interaction on need basis	<ul style="list-style-type: none"> Regulatory compliance Corporate governance Disclosures Participation in public policy
 <p>Employees</p>	Online surveys, one-on-one with managers, Speak-up portal, Newsletters, training and development, policies, Townhalls	Monthly Quarterly Half Yearly	<ul style="list-style-type: none"> Health and safety Training and learning Career progression Growth opportunities Recognition Job security Fair remuneration Diverse, inclusive, and enabling work culture Work-life balance Annual performance appraisals

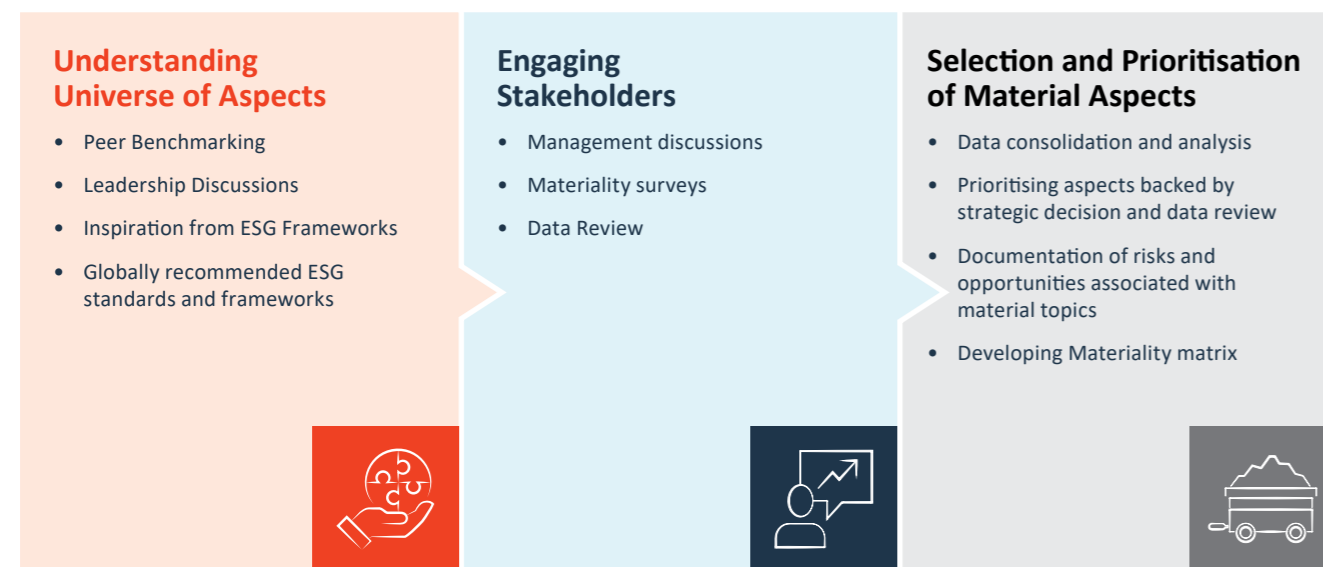
Stakeholder group	Channels of communication	Frequency of engagement	Expectations of stakeholders
 <p>Suppliers and partners</p>	Supplier performance evaluation, Supplier Engagement Forum, Procurement meetings	Need-based	<ul style="list-style-type: none"> Ethical business conduct Risk and opportunity management Material sourcing Sustained business growth Contract development and procurement Timely payment of invoices Knowledge sharing and technical capacity-building
 <p>Patients, Consumers, and Customers</p>	Surveys, Web portals, Performance review meetings, Customer meetings and audits	Monthly Half-yearly Annually	<ul style="list-style-type: none"> Accessibility and affordability of healthcare Product quality and safety Data privacy and security Value added services Patient and customer experience Supply chain management
 <p>Industry, organisations, and NGOs</p>	Industry forums	Need-based	<ul style="list-style-type: none"> Policy advocacy Peer learning Collaborative Growth Partnership for CSR project implementation
 <p>Community</p>	CSR projects, employee social impact, awareness programmes, Regular community outreach	Continuous, Need-based, annually	<ul style="list-style-type: none"> Contributions to community welfare Community emergency response Responsible and inclusive growth

Stakeholder Engagement and Materiality Assessment

Materiality Assessment

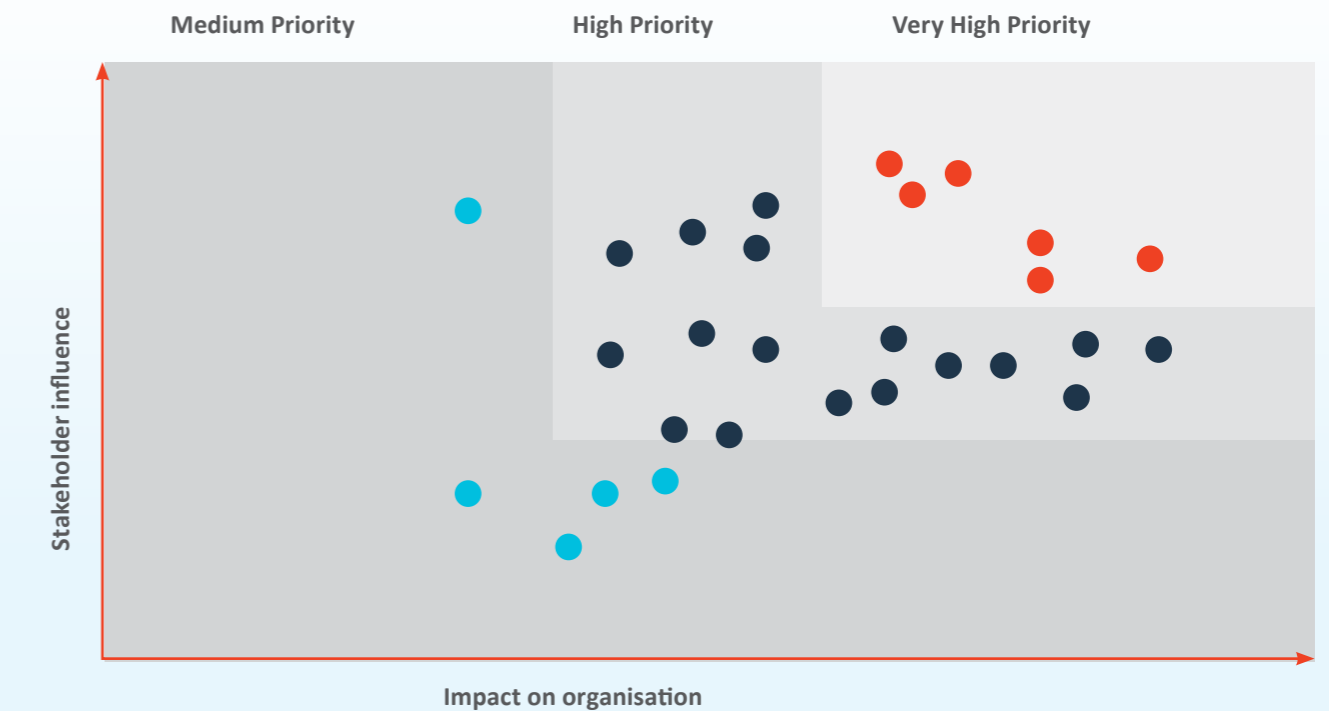
PPL recognises the coherence between its value delivery and materiality assessment. It undertakes a robust process of identification of material topics on which it has a significant impact and those which are relevantly influential on its business and stakeholders in ESG aspects.

The Company's active approach to understanding the material issues and mapping them with risks and opportunities has provided it with the leverage to operate with prudence and resilience. The key stakeholders engaged in the assessment are the Company's top leadership, senior management, employees, customers, supply chain partners, and investors. It propels its assessments by internal collation of inputs and concerns through a channel of qualitative and quantitative surveys from its stakeholders.



Materiality Matrix

The Company has developed its materiality matrix in accordance with the norms prescribed by the Global Reporting Initiative (GRI) and other frameworks. It is important for the company to categorise material issues into very high, high, and medium priority to pivot its corporate focus accordingly. The Company has mapped its material topics and respective functions to ensure contribution to relevant United Nations Sustainable Development Goals (UN SDGs) effectively.



List of Material issues

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

Stakeholder Engagement and Materiality Assessment


1 Business Ethics
Risk

Rationale
External regulatory environment on corporate ethics is dynamic. Ethical business standards, framework, and activism are evolving that needs continuous improvement and preparedness.

Mitigation Approach
The Company has established robust guiding principles ensuring ethical functioning across its value chain. Its code of conduct for Board members, senior management, employees, suppliers, vendors, and contractors aligns with its commitments of ethical and transparent business practices.

Financial Implications
Positive financial Impact

Relevant UN SDGs mapping



2 Patient, Customer, and Consumer centricity
Risk

Rationale
Increased regulatory oversight with respect to patient and product safety in a highly competitive industry space is an imperative for the Company to have a robust focus on patient, customer, and consumer-centricity.

Mitigation Approach
The Company's expertise in patient, customer, and consumer-centricity is driven by its fundamental principles of knowledge, action, care, and impact. The Company recognises patient-centricity as its key strategic priority and has undertaken various initiatives.

Financial Implications
Potential positive implications due to customer trust and long-term strategic partnership.

Relevant UN SDGs mapping



3 Data Privacy and Data Security
Risk

Rationale
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.

Mitigation Approach
The Company closely scrutinises its data management systems through the following ways:

- 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

Financial Implications
Negative implication due to cost incurred on purchase of hardware and software needed for data security management system.

Relevant UN SDGs mapping



4 Product Quality and Safety
Risk


Rationale
Increased regulatory oversight with respect to patient and product safety in a highly competitive industry space, which is an imperative for the Company to have a robust focus on patient, customer, and consumer-centricity. Thus, the Company needs to maintain its standards in order to be compliant to avoid the risk that may arise.

Mitigation Approach

- 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 the prescribed product quality standards.

Financial Implications
Potential positive implication due to customer loyalty and long-term strategic partnership.

Relevant UN SDGs mapping




5 Financial Performance
Opportunity

Rationale
Due to growing population, increasing access to healthcare, and augmented affordability, pharmaceutical sector is poised to grow at a steady rate.

Mitigation Approach
The Company's strong fundamental and robust business model enables a resilient business strategy to capitalise market opportunities effectively. The Company's focus on quality and safety ensures overall financial performance.

Financial Implications
Positive implication due to growing market.

Relevant UN SDGs mapping




6 Regulatory Compliance
Risk

Rationale
Stringent compliance regulations have challenged companies in a variety of ways. Any failure to obtain, retain, or renew them in a timely manner may adversely affect operations. A change in laws or regulations made by the government or a regulatory body may increase the cost of operating a business.

Mitigation Approach
The applicable regulatory framework is continuously tracked by the Company and it is compliant to the applicable laws and regulations.

Financial Implications
Negative implication due to cost incurred on systems and processes to ensure strict compliance with applicable/emerging regulations.

Relevant UN SDGs mapping




7 Accessibility and Affordability
Opportunity

Rationale
With increasing accessibility and affordability, the pharmaceutical industry is poised to grow at a steady rate.

Mitigation Approach
The Company ensures that the products can be accessed by wider number of consumers via traditional distribution channels, e-commerce platforms, and own website wellify.in.

Financial Implications
Positive implications in the longer run due to increased market share and development.

Relevant UN SDGs mapping




8 Asset Integrity
Opportunity

Rationale
With growing technological advancements, better quality of assets are available at cost effective prices. An upgrade in asset base will ensure effective and efficient operations and productivity.

Mitigation Approach
The Company has developed robust systems and processes for asset management. Project Catalyst has been implemented for enhancing digitisation and automation.

Financial Implications
Positive implication due to increased productivity.

Relevant UN SDGs mapping



Stakeholder Engagement and Materiality Assessment

9 Business Continuity and Disaster Resilience
Risk

Rationale
Due to increased uncertainty in external environment, such as increased frequency of natural and man-made disasters, emerging infections, and cyber security risks, it is imperative for a company to have robust business continuity and disaster resilience mechanism.

Mitigation Approach
The manufacturing facilities are well equipped with a resilient disaster-preparedness plans in terms of robust response, rescue measures, and quick recovery processes. The Company's robust IT systems ensure data continuity and resumption of operations at the earliest.

Financial Implications
Negative implication due to expenditure on preparedness measures.

Relevant UN SDGs mapping



10 Climate Action/Climate Change
Risk

Rationale
Due to rapid and evolving global warming and carbon emissions, the preparedness to tackle climate change is an imperative for the Company. Various stakeholder groups want immediate action and aggressive plans to be taken so as to address any risk that may arise.

Mitigation Approach
The Company is undertaking a detailed exercise to develop a robust decarbonisation strategic plan to mitigate the risk. The Company has already initiated to switch to agro-briquettes and renewable energy.

Financial Implications
Positive implication due to process improvement, energy efficiency, and improved stakeholder output.

Relevant UN SDGs mapping




11 Corporate Governance
Risk

Rationale
External regulatory environment on corporate governance is dynamic and varies across regions. Corporate Governance standards, framework, and activism are evolving that needs continuous improvement.

Mitigation Approach
The Company has a strong governance mechanism across all its business operations and ensures a transparent communication of its corporate governance policies and protocols for a smooth functioning. This is essential to safeguard the stakeholders' priorities and expectations.

Financial Implications
Positive implication due to smooth business operations.

Relevant UN SDGs mapping




12 Employee Health and Safety
Risk

Rationale
Employees and workers within the Company are exposed to chemically and biologically hazardous materials which may have health impacts. Furthermore, heavy machinery usage also poses risk of accidents and other hazards.

Mitigation Approach
The Company has implemented robust global EHS standards for all its business operations inclusive of guidelines, and Company-level EHS policy, which acts as a guiding tool to identify and mitigate potential hazards and provide a secure working environment for all its employees/workers/visitors.

Financial Implications
Negative impact due to increased operational cost incurred on safety training and protective gears.

Relevant UN SDGs mapping




13 Energy Management
Opportunity

Rationale
With evolution of energy-efficient technologies, increasing commercial viability of renewable and other alternative sources of energy, reliance on fossil fuels is expected to get diminished.

Mitigation Approach
The Company is committed to procuring and using energy in an efficient, cost-effective, and environmentally responsible manner. The Company has already initiated to switch to agro-briquettes and renewable energy.

Financial Implications
Negative impact due to increased cost of fuel and capex in energy-efficient appliances. However, positive financial impact is expected in the long-run due to lower cost of energy.

Relevant UN SDGs mapping



15 Operational Excellence
Opportunity

Rationale
With growing technological advancements and innovations, more avenues are available for resource efficiency, product stewardship, and cost savings.

Mitigation Approach
The Company focuses on operational resilience, agility, and transparency through greater deployment of digital and analytical tools, along with the automation of processes.

Financial Implications
Positive impact due to increased productivity and efficiency.

Relevant UN SDGs mapping




14 Human Capital Development
Opportunity

Rationale
With the evolution of knowledge-based economy and availability of trained and skilled people, the productivity of human resources has been significantly augmented, resulting in effective significant operations.

Mitigation Approach
The Company focuses on continuous learning to foster professional growth. It has robust talent management systems that nurtures its human capital through comprehensive learning and career development initiatives, and by mentoring pathways, and employee engagement activities.

Financial Implications
Positive implications due to increased productivity of workforce.

Relevant UN SDGs mapping




16 Product Sustainability/Stewardship
Opportunity

Rationale
Demand for safe and sustainable products is increasing thus providing an opportunity for the organisation to increase customer base through product stewardship initiatives.

Mitigation Approach
The Company has adopted adequate measures to ensure safety of the products and eco-efficiency of the operations. The Company plans to undertake systemic studies to identify lifecycle environmental footprints of its products and take appropriate measures to improve product sustainability.

Financial Implications
Positive implication because of customer trust, loyalty, and strategic partnerships.

Relevant UN SDGs mapping



Stakeholder Engagement and Materiality Assessment

17 R&D and Innovation
Opportunity

Rationale
Due to increasing demand of healthcare, there is opportunity for product innovation. Furthermore, R&D and innovation can provide operational excellence.

Mitigation Approach
The Company focuses on innovation-led research and has a robust R&D and quality team.

Financial Implications
Positive impact due to increased productivity and new product development.

Relevant UN SDGs mapping




18 Responsible Investment (CapEx)
Opportunity

Rationale
With the Government of India's focus on green projects, the Company has an immense opportunity to tap into responsible investment, thereby, resulting in a potential to impact the productivity of the business operations.

Mitigation Approach
The Company has started evaluating CapEx plans w.r.t. non-financial aspects in addition to the financial aspect during the feasibility phase.

Financial Implications
Positive impact due to increased relevant and strategic investments.

Relevant UN SDGs mapping




19 Risk and Opportunity Management
Opportunity

Rationale
Risks and opportunities assessment provides relevant insights to the company. It is a proactive, dynamic, and continuous process inclusive of all the operations. The motive of the process is to prioritise and implement necessary actions to mitigate risks and perform for opportunities.

Mitigation Approach
The Company has a robust Risk Management system to identify, manage, and mitigate business risks. Risk management, internal controls, and assurance processes are embedded into all activities of the Company.

Financial Implications
Positive implications are due to benefits incurred by mitigating risks and delivering opportunities.

Relevant UN SDGs mapping



20 Stakeholder Relationship
Opportunity

Rationale
Stakeholders' trust and credibility aligns with the Company if its motives are coherent with stakeholders' priorities. The involvement and agreement of stakeholders eliminate the chances of conflicts and increase productivity.

Mitigation Approach
The Company undertakes a robust stakeholder engagement process to understand the needs and expectations of its stakeholders. The Company engages with all its stakeholders, thereby helping in increasing stakeholder trust and loyalty.

Financial Implications
Positive impact due to reputation, goodwill, and increased productivity of employees.

Relevant UN SDGs mapping




21 Supply Chain Management
Risk

Rationale
Dependency on single-source and trans-border supplier engagement as well as procurement has a likelihood to disrupt the supply of the products of the Company, resulting in lower sales and negative impact on the Company's reputation.

Mitigation Approach
The Company has signed up for the membership of Pharmaceutical Supply Chain Initiative (PSCI). The Company is pro-actively working towards diversifying vendor base and obtaining alternative suppliers, in order to minimise any risk arising from supply chain interruptions.

Financial Implications
Negative implication due to increase in cost of supplier evaluation.

Relevant UN SDGs mapping



22 Technology Adoption
Opportunity

Rationale
With growing technological advancements and innovations, more avenues are available for resource efficiency, product stewardship, and cost savings.

Mitigation Approach
The Company focuses on operational resilience, agility, and transparency through greater deployment of digital and analytical tools, along with the automation of processes.

Financial Implications
Positive impact is due to increased efficiency, accuracy, and productivity.

Relevant UN SDGs mapping




23 Water and Waste Management
Risk

Rationale
With decreasing availability of water, there are risks of regulatory restrictions, stakeholder activism, and operational shutdown. Due to an increased regulatory constraints on waste disposal, it becomes imperative for the Company to adopt responsible waste management practices.

Mitigation Approach
The Company focuses on reduced consumption and reuse of water, patch leaks, and embraces technologies with lower water intensities. The Company ensures that the hazardous waste generated by its operations is safely handled and disposed in an environmentally responsible manner. Additionally, the Company has undertaken comprehensive water audits at its operating locations.

Financial Implications
Negative implication due to cost incurred in handling and safe disposal of waste and water.

Relevant UN SDGs mapping




24 Air Emissions and Air Quality
Risk

Rationale
Due to an increased regulatory constraints on ambient air quality, it is an imperative for the Company to mitigate air emissions.

Mitigation Approach
The Company practices responsible management of air emissions of Nitrogen Oxides (NOx), Sulphur Oxides (SOx), Particulate Matter (PM), and Volatile Organic Compounds (VOCs) to maintain ambient air quality.

Financial Implications
Negative implication due to increase in CapEx and operating cost.

Relevant UN SDGs mapping



Stakeholder Engagement and Materiality Assessment

25 Community Development Opportunity

Rationale

Community engagement helps the Company to build trust in the community. Business operations should be coherent with community priorities and wellness. Being harmonious with community prevents the risks of conflicts and creates a positive image of the Company.

Mitigation Approach

The Company, with the help of the Piramal Foundation, has developed three strategies for community development highlighted below and implemented them as 6 Big Bets.

- 1: Enable marginalised populations to benefit from India's growth story
- 2: Strengthen the government's capacity through leadership development and digitisation
- 3: Develop the youth of the nation

Financial Implications

Positive implications are found due to a better reputation and goodwill.

Relevant UN SDGs mapping



26 Ecosystem and Biodiversity Risk

Rationale

To be sustainably relevant in the long term, it is important for the Company to operate in harmony with surroundings. The ecosystem is about striking a balance between business operations and biodiversity with relevant natural resources including their sourcing and disposal whilst maintaining a balance.

Mitigation Approach

The Company is involved in multiple projects to safeguard ecosystem and biodiversity. Its ESG policy also promotes the conservation of biodiversity, while mitigating the risks and impacts arising from operations.

Financial Implications

Negative implication due to cost incurred for the protection of ecosystem and biodiversity.

Relevant UN SDGs mapping



27 Human Rights Risk

Rationale

Human Rights are an inclusive concern for the Company throughout the supply chain. It also affects reputation and public relations of the Company, hence making it a critical business conduct issue.

Mitigation Approach

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.

Financial Implications

Negative impact is observed due to costs incurred for the strict applications and compliance with fundamental human rights.

Relevant UN SDGs mapping



28 Product Tracking Opportunity

Rationale

For the Company to be responsible, not only should its operations align with the sustainable goals but so should its products. It provides them with products' footprint and the impact it has on the environment.

Mitigation Approach

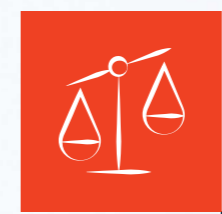
The Company strives to analyse the negative impact of its products on the environment and takes consistent efforts to minimise them.

Financial Implications

Negative implications due to cost incurred in complex product tracking.

Relevant UN SDGs mapping





Governance

Board of Directors and Board Committees

Diversified and Globally Experienced Board

Board Governance

PPL has adopted the top-driven approach to achieve its purpose of 'Operating Responsibly. Growing Sustainably'. It has a strong Board of Directors (BoD) responsible for defining its vision, policies, and strategic goals, and monitoring organisational performance. The Board looks at Climate Change as a serious issue in the long term and believes in being prepared ahead of time. The Board keeps reviewing the business plan and its alignment with ESG purpose of the Company. It also guides in the formulation of PPL policies and mandates strict implementation with an aim to operate responsibly ensuring overall well-being of the stakeholders.

The Company's Board of Directors adheres with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Companies Act, 2013 and other laws applicable to PPL as a listed entity. As on 31st March 2023, its Board comprised of ten (10) members, with three (3) Executive Directors including an Executive Chairperson, two (2) Non-Executive Non-Independent Directors, and five (5) Non-Executive Independent Directors. The Board also has three women members, including the Chairperson, which is higher than the statutory requirement of having one woman on the Board. The Independent Directors comply with the Section 149 (6) of the Act, wherein the criteria of independence is met by them. The Independent Directors are persons with integrity and possess requisite experience, expertise, and proficiency required under applicable laws and the policies of PPL.

50%

Independent Directors

30%

Women representation on the Board

Board of Directors have **diverse experience** in the fields of corporate management, science and innovation, public policy, entrepreneurship, pharmaceuticals, public health, finance, economics, technology, banking, risk and governance, and human resources, among others

The Company has Board level committees for effective functioning of the Board

Board of Directors



NANDINI PIRAMAL
Chairperson,
Executive Director
C M M M



JAIRAJ PURANDARE
Non-Executive,
Independent Director
C M C M



SRIDHAR GORTHI
Non-Executive,
Independent Director
M M



VIVEK VALSARAJ
Executive Director,
Chief Financial Officer (CFO)
M M



PETER DEYOUNG
Executive Director,
CEO, Global Pharma



S. RAMADORAI
Non-Executive,
Independent Director
M C



VIBHA PAUL RISHI
Non-Executive,
Independent Director
M M C







NEERAJ BHARADWAJ
Non-Executive,
Non-Independent Director
M



PETER STEVENSON
Non-Executive,
Independent Director




NATHALIE LEITCH
Non-Executive,
Non-Independent Director

-  Audit Committee
-  Sustainability and Risk Management Committee
-  Corporate Social Responsibility Committee
-  Nomination and Remuneration Committee
-  Stakeholders Relationship Committee

- C** Chairman | Chairperson
- M** Member

96%
Average Board Meeting Attendance

 Details on the Company's Board of Directors and responsibilities of Board Committees is available in the Company's Annual Report for FY 2022-23 [<Weblink of the Annual Report>](#).

Board of Directors and Board Committees

Visionary Leaders Guiding the Journey

Board Committees (Statutory)

For the effective functioning of the Board, the Company has constituted various Board-level committees. These committees focus on specific areas and make informed decisions within the authority delegated to them. Each committee of the Board has defined scope and terms of reference in accordance with regulatory requirements. Decisions and recommendations of the Committees are placed before the Board for information or approval.

Audit Committee

It is responsible for oversight of financial reporting and disclosures, resulting in integrity of the Company's financial reporting, the internal control processes and procedures, and the risk management system.

MR. JAIRAJ PURANDARE (CHAIRMAN)
Non-Executive, Independent Director

MR. S. RAMADORAI
Non-Executive, Independent Director

MR. SRIDHAR GORTHI
Non-Executive, Independent Director

Corporate Social Responsibility (CSR) Committee

It recommends and reviews the progress of CSR initiatives along with monitoring the CSR Policy undertaken by the Company.

MR. JAIRAJ PURANDARE (CHAIRMAN)
Non-Executive, Independent Director

MS. NANDINI PIRAMAL
Chairperson and Executive Director

MR. VIVEK VALSRAJ
Executive Director and Chief Financial Officer

Stakeholders Relationship Committee

It resolves the grievances of various shareholders of the Company, including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

MS. VIBHA PAUL RISHI (CHAIRPERSON)
Non-Executive, Independent Director

MS. NANDINI PIRAMAL
Chairperson and Executive Director

MR. VIVEK VALSRAJ
Executive Director and Chief Financial Officer

Sustainability and Risk Management Committee

It provides guidance on the Company's ESG vision and strategy while overseeing ESG performance and tracking its progress. It also ensures that appropriate methodology, processes, and systems are in place to monitor and evaluate business-related risks; while monitoring implementation of the risk management policy, including evaluating the adequacy of risk-management systems.

MS. NANDINI PIRAMAL (CHAIRPERSON)
Chairperson and Executive Director

MR. JAIRAJ PURANDARE
Non-Executive, Independent Director

MR. SRIDHAR GORTHI
Non-Executive, Independent Director

MS. VIBHA PAUL RISHI
Non-Executive, Independent Director

MR. NEERAJ BHARADWAJ
Non-Executive, Non-Independent Director

Nomination and Remuneration Committee

It formulates the criteria for determining qualifications, positive attributes, and independence of a director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel, and other employees.

MR. S. RAMADORAI (CHAIRMAN)
Non-Executive, Independent Director

MR. JAIRAJ PURANDARE
Non-Executive, Independent Director

MS. VIBHA PAUL RISHI
Non-Executive, Independent Director

MS. NANDINI PIRAMAL
Chairperson and Executive Director

Targets

KPIs	Targets	Timelines	Performance Progress
Training of BoD on ESG	• Average four hours of training of BoD and KMPs on ESG annually	w.e.f. FY2023	Conducted session for BoD with ESG expert and also rolled out mandatory e-learning module on ESG for KMPs and senior management
Board Diversity	• 30% women participation on the Board	FY2023	Completed
Dedicated ESG Professional	• At least one ESG expert on Board	FY2024	Completed
	• Appointment of the Head of Sustainability	FY2023	Completed
Board Review of ESG Performance	• Bi-annual review of ESG performance by the Board Committee on Board	w.e.f. FY 2023	Bi-annual review conducted by Sustainability and Risk Management Committee
Ethical Business Conduct	• 100% coverage of Board of Director (BoD), Key Management Personnel (KMPs), and all employees under training on business code of conduct, anti-corruption, anti-bribery, and whistle-blower protection policy	FY2023	Rolled out e-learning modules for all employees on these topics

ESG Governance

To successfully achieve its sustainability purpose of 'Operating Responsibly. Growing Sustainably', the Company has constituted a statutory Sustainability and Risk Management Committee led by the Company Chairperson. The committee is responsible for overseeing the sustainability and ESG-related aspects. It also guides the Company in its sustainability endeavours and tracks its performance against the set targets.

The terms of reference of the committee are:

- Provide guidance to the Company on ESG and sustainability-related matters
- Monitor and track business risks and opportunities arising from ESG aspects and advise Risk Management Committee in integrating such risk into Enterprise Risk Management Framework
- Guide the Company on stakeholder engagement on ESG matters
- Oversee development and implementation of ESG Strategy and ensure its alignment with SDGs and other globally recommended standards and frameworks
- Review Company's non-financial performance on identified KPIs and ensure accurate, transparent, and timely disclosure of ESG performance to external stakeholders
- Review the Company's performance on external ESG ratings and Indices and guide the Company in improving such ratings
- Track emerging trends in sustainability and guide the Company on preparedness to mitigate risks and leverage opportunities arising from these trends
- Oversee the progress of the Company against the set ESG targets

During the reporting year, the Company onboarded an ESG expertise at the Board-level and appointed a Head of Sustainability, who is responsible for the implementation of the ESG initiatives across business operations. Furthermore, various management-level committees such as Pharma Executive Council (PEC) and respective business Executive

Committee (EXCOM) monitor progress on sustainability parameters in addition to business level indicators. These management-level committees meet on a monthly basis to appraise the Board on Company's sustainability performance and major interventions. The Company recognises that conducting business in a responsible manner is imperative to ensuring

business sustainability. Its ESG Policy https://www.piramal.com/wp-content/uploads/2023/01/PPL_ESG-Policy.pdf acts as a guiding tool and policy commitment to overall sustainability framework and identified focus areas of 'Responsible Operations', 'Stakeholder Centricity', 'Business Resilience', and 'Quality & Excellence'.



Ethical Business Conduct

Strong Policies to Drive Ethical Conduct

Company Policies


The Company has developed a sound and robust governance structure, with clear roles and responsibilities that showcase adherence to business ethics through detailed policies and procedures on anti-corruption, anti-bribery, human rights, data protection, and customer privacy norms, among other policies. 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.



Code of Conduct and Ethics

The Company is committed to the highest standards of ethical conduct in all business activities. This Code reflects the business practices and principles of behaviour that are acceptable, in support of this commitment. This Code is intended to provide guidance to all the employees on concerns related to handling conflict of interest, ethical issues, provide a mechanism to report potential conflicts or unethical conduct and help foster a culture of honesty and accountability.


All employees have a duty to actively prevent fraud, bribery, and all forms of corruption. Anyone who suspects or is aware of misconducts, has a duty to report it to the Company through its anonymous reporting hotline, SpeakUp.

 The policy is available at the below link:
https://www.piramal.com/wp-content/uploads/2023/06/PPL_Code-of-Conduct-and-Ethics-Document_June-2023.pdf



Anti-Corruption and Anti-Bribery Policy

This Policy, which is a supplement to the Company's Code of Conduct, intended to ensure that each employee and each individual acting on behalf of the Company conducts its activities ethically and in compliance with all applicable laws, rules and regulations, whether local, national or international. This Policy emphasises Company's zero tolerance approach to bribery and corruption.


 The detailed policy is available at the below link:
<https://www.piramal.com/wp-content/uploads/2023/07/Anti-Corruption-Anti-Bribery-Policy-PPL.pdf>



Global Human Rights Policy

The Company is committed to upholding and respecting all fundamental human rights through the promotion of universal respect for, and observance of, human rights and fundamental freedoms as mandated by the United Nations Universal Declaration of Human Rights (UDHR) and Guiding Principles on Business and Human Rights. The Company is committed to providing equal opportunities and maintaining a discrimination- and harassment-free workplace.

At PPL, human rights are embedded in the organisational values and flow uniformly across the organisation including its suppliers and supply chain partners as well. **The Company works to maintain workplaces that are free from discrimination or harassment on the basis of race, sex, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion, or any other status protected by applicable law.** It encourages its stakeholders to report each time there is a concern regarding unethical behaviour, unlawful practices, inhumane treatment, or any other violation identified through its robust governance and grievance redressal mechanism. All grievances concerning human rights can also be reported at humanrights.ppl@piramal.com.

 The Company's Global Human Rights Policy is available at the below link:
https://www.piramal.com/wp-content/uploads/2023/05/Annexure-Q-Global-Human-Rights-Statement_Updated-19.05.2023.pdf




Launch of online whistle-blowing platform (SpeakUp)



ESG Policy


The Company recognises that conducting business in a responsible manner is imperative to ensuring business sustainability. The ESG policy outlines all business practices related to environmental, social, and governance issues to help company achieve its ESG mission.

 Company's ESG Policy is available at the below link:
https://www.piramal.com/wp-content/uploads/2023/01/PPL_ESG-Policy.pdf



Whistle Blower Policy


This policy establishes a channel for the employees and directors to report any genuine concerns related to unethical behaviour, fraud, violations of Code of Conduct & Ethics, or instances of leakage of unpublished price-sensitive information.

 The below link provides details on the Company's Whistle Blower Policy.
<https://www.piramal.com/wp-content/uploads/2023/06/PPL-Whistle-Blower-Policy-2.pdf>



Code of Conduct for Directors


The Code of Conduct for Directors highlights that Directors must act in accordance with the highest standard of personal and professional integrity, honesty, and ethical conduct in the discharge of duties and promote professionalism in the Company.

 Details on the Code of Conduct for Directors is available at the below link:
<https://www.piramal.com/wp-content/uploads/2022/09/PPL-Code-of-Conduct-for-Directors.pdf>



Risk Management Policy

The Risk Management Policy helps the establishment of an effective risk management framework and a robust reporting mechanism within the Company. It helps to ensure that all the major risks to the business are properly identified and effectively managed.

 The detailed Risk Management Policy can be accessed at the below link:
<https://www.piramal.com/wp-content/uploads/2023/02/Risk-Management-Policy.pdf>

Apart from the above policies, the Company has also laid out CSR Policy, Dividend Distribution Policy, Remuneration Policy, EHS (Environment, Health, and Safety) Policy and Policy for Appointment of Independent Directors.
<https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/>

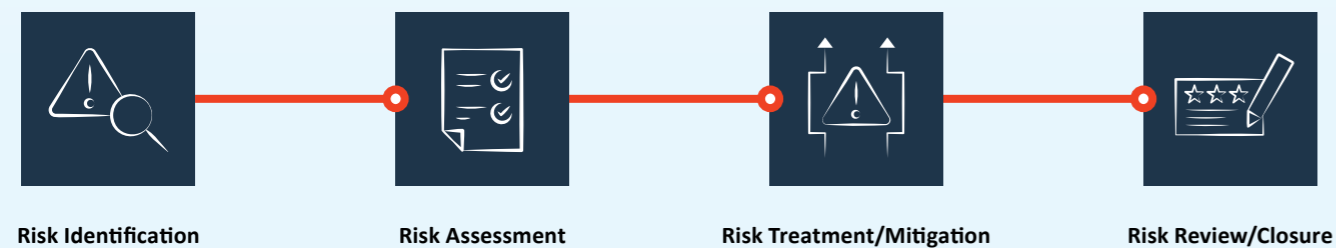
Enterprise Risk Management

Identifying, Managing and Mitigating Risks

PPL has a well-structured Risk Management Policy in place which defines the Risk Management process, principles, and framework, thereby, ensuring that the risks faced by the Company and its subsidiaries are well-managed on an ongoing basis.

The Company has implemented a compressive risk management system to ensure that all the major risks to the business are properly identified and effectively managed. The detailed Risk Management policy can be accessed [here](#). This process is integral to its business operations which comprises key activities such as identification, assessment, treatment/mitigation, review, and closure of risk.

Risk Management Process



Risk Identification

Under this process, PPL focuses on identification of risks that have an impact on business objectives. The Company uses a diverse set of tools and methodologies to identify new and emerging risks. The methodologies include:

- Structured workshops
- Brainstorming sessions
- Interviews by risk coordinator
- Review of loss events
- Review of documents (such as strategy documents, business reports, etc.)

The risks identified are then listed in a risk register maintained by risk coordinators. The risk register is reviewed and updated on yearly basis to ensure the persistence of the risks listed and closure of ceased risks.

Risk Assessment

The Company assesses the risks identified on two key parameters of:

- Likelihood of the risk event
- Impact created on the business by the risk

A five-point scale is used to rate risk on these parameters, where 1 represents very low likelihood of risk and 5 represents its very high likelihood. Impact is also rated from 1 to 5, with 1 being low impact and 5 being high impact. A risk prioritisation activity is undertaken based on the combined scores and critical risks are then prioritised for treatment and preparation of mitigation strategies.

Risk Treatment/Mitigation

The Company uses multiple treatment options based on the nature of risk which can range from risk avoidance to acceptance to reduction to transfer.

Category	Risk Responses
Risk Avoidance	Exiting the activities that are considered the source of risk. This is done when exposure of risk is very high as compared to the expected benefits in continuing those activities.
Risk Acceptance	No action is taken to mitigate the risk or reduce the likelihood or impact.
Risk Reduction	Developing mitigation plan to reduce risk exposure.
Risk Transfer	Includes purchasing insurance products, engaging in hedging transactions, or outsourcing an activity.



Risk Review and Closure

The Company conducts regular reviews to ensure that the mitigation plans remain relevant to the changing business and regulatory needs. The risk coordinator reviews the risk register and risk profile of the critical risks on a yearly basis, ensuring the action plans are relevant and are 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 CRO to maintain reliability in the risk management process.







Risk Governance






The Company has established a three-tier risk governance structure to have an effective oversight of the risk management process. It starts from the top with the Board of Directors responsible for reviewing and approving the risk management process and policy along with providing directions to the executive management. At the second level, it has a Sustainability and Risk Management Committee which provides oversight of the risk management process and reviews risk reports presented by the management. At the bottom of the governance structure, it has the Chief Risk Officer (CRO), who is responsible for effectively conducting 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.



Enterprise Risk Management

Risks Identified

Probable Risks	Possible Impact	Mitigation Measures
 <p>Client and product concentration risk</p>	<p>Client concentration: There are large contracts with few customers. Any setback may adversely affect the Company's financials.</p> <p>Product concentration: With few products with high margins, a drop in sales of any of these products can adversely impact the Company's overall financials.</p>	<ul style="list-style-type: none"> PPL's business development teams actively seek to diversify the Company's client base and products to mitigate concentration risk. The Company is also developing a pipeline of new products, which are in various stages of development, with a view to reduce product concentration risk.
 <p>Risk of adverse fluctuations in foreign exchange</p>	<p>The Company's revenue accrues in multiple global currencies. Negative fluctuations could impact profitability adversely.</p>	<ul style="list-style-type: none"> Based on current macro-economic conditions and applicable regulatory guidelines, the central treasury aggregates the foreign exchange exposure and takes effective measures to hedge these exposures.
 <p>Talent acquisition and retention risk</p>	<p>Human capital is an important pillar for the Company's growth, which makes it imperative to attract and retain quality talent. High attrition rates could impact the performance of the Company.</p>	<ul style="list-style-type: none"> Employee retention is attained through several learning and skill-development programmes, employee engagement initiatives, and rewards/recognition programmes that enables PPL to motivate employees and increase loyalty.
 <p>Liquidity risk</p>	<p>Lack of available liquid financial assets, such as cash, may cause difficulties in meeting the obligations associated with the financial liabilities.</p>	<ul style="list-style-type: none"> PPL has raised a strategic investment from the Carlyle Group and has also recently raised capital via Rights Issue, which provides adequate liquidity to fund the Company's growth plans. The Company is also taking several measures to drive revenue growth and optimise costs to improve cashflows.
 <p>Manufacturing and site interruption risk</p>	<p>Frequent machinery breakdowns, ageing sites/equipment, and inadequate maintenance procedures could result in production loss/interruptions.</p>	<ul style="list-style-type: none"> PPL lists down all assets along with performance trends and life cycle and makes plans for equipment replacement. It also works towards refurbishment of the equipment through its Original Equipment Manufacturer (OEM) in order to attain extension in its life cycle. The Company also assesses the quality of current preventive maintenance and generates a five-year plan for maintenance/replacement, with appropriate prioritisation that is based on risk/impact.
 <p>Supply-chain-interruption risk</p>	<p>Dependency on single vendor for sourcing, especially for critical materials, could lead to supply disruption risks.</p>	<ul style="list-style-type: none"> The Company has developed alternate vendors for its critical materials to reduce dependence on a single source. PPL also conducts regular vendor reviews of its top-contributing vendors to assess supply risk.

Probable Risks	Possible Impact	Mitigation Measures
 <p>Cyber risk</p>	<p>Loss of data and unauthorised access to information technology systems, owing to security breach, could adversely impact business operations and the Company's reputation.</p>	<ul style="list-style-type: none"> The Company has a robust cyber security framework in place, which uses antivirus, anti-spyware protection and firewalls to protect against any possible breach. Additionally, the Company uses remote data backups and the latest versions of software through secured computers and servers to mitigate the technology risks.
 <p>M&A risk</p>	<p>PPL may not be able to achieve the projected additional revenue following the acquisition of a business. This could incur significant additional debt and contingent liabilities, or ongoing operations could be disrupted.</p>	<ul style="list-style-type: none"> Decisions like mergers and acquisitions are well-thought-out and considered moves. PPL only selects companies with capabilities that complement its own and that are synergistic with the Company. PPL has an experienced M&A team that has worked on multiple mergers and acquisitions across various geographies and business segments.
 <p>Environment risk</p>	<p>PPL recognises the importance of preserving the environment and is committed to conserving natural resources. The Company has dedicated Environment, Health, and Safety (EHS) practices and procedures in place. Any non-adherence to them may expose the Company to adverse consequences.</p>	<ul style="list-style-type: none"> The Company has adopted the principal of the R5 (reduce, reuse, recover, recycle, and rethink) for managing natural resources. Additionally, there are multiple sustainability initiatives underway in areas, such as water conservation, waste management, energy conservation, and reduction of carbon footprints.
 <p>Inflationary risk</p>	<p>There are margin pressures due to global inflationary impact and the inability to entirely pass on the same rising costs through price increases.</p>	<ul style="list-style-type: none"> PPL is looking to increase production efficiency through operational excellence initiatives. The Company is setting up new contracts with an appropriate inflation-tracking index, undertaking judicious price increases where there is high price elasticity, negotiating better deals with vendors to optimise input costs, and entering long-term contracts for key raw materials.
 <p>Product and quality risk</p>	<p>PPL is expected to maintain global quality standards in manufacturing, as quality issues with products can impact customer confidence worldwide, and in turn adversely affect its reputation.</p>	<ul style="list-style-type: none"> The Company's adherence to prescribed quality standards is monitored by a dedicated Corporate Quality Assurance Group. It has independent quality teams that report directly to the Board. The Company is also moving from 'quality for compliance' to 'quality as a culture' in its quality enhancement journey, with a focus on systems, processes, technology, and people.

Product Excellence

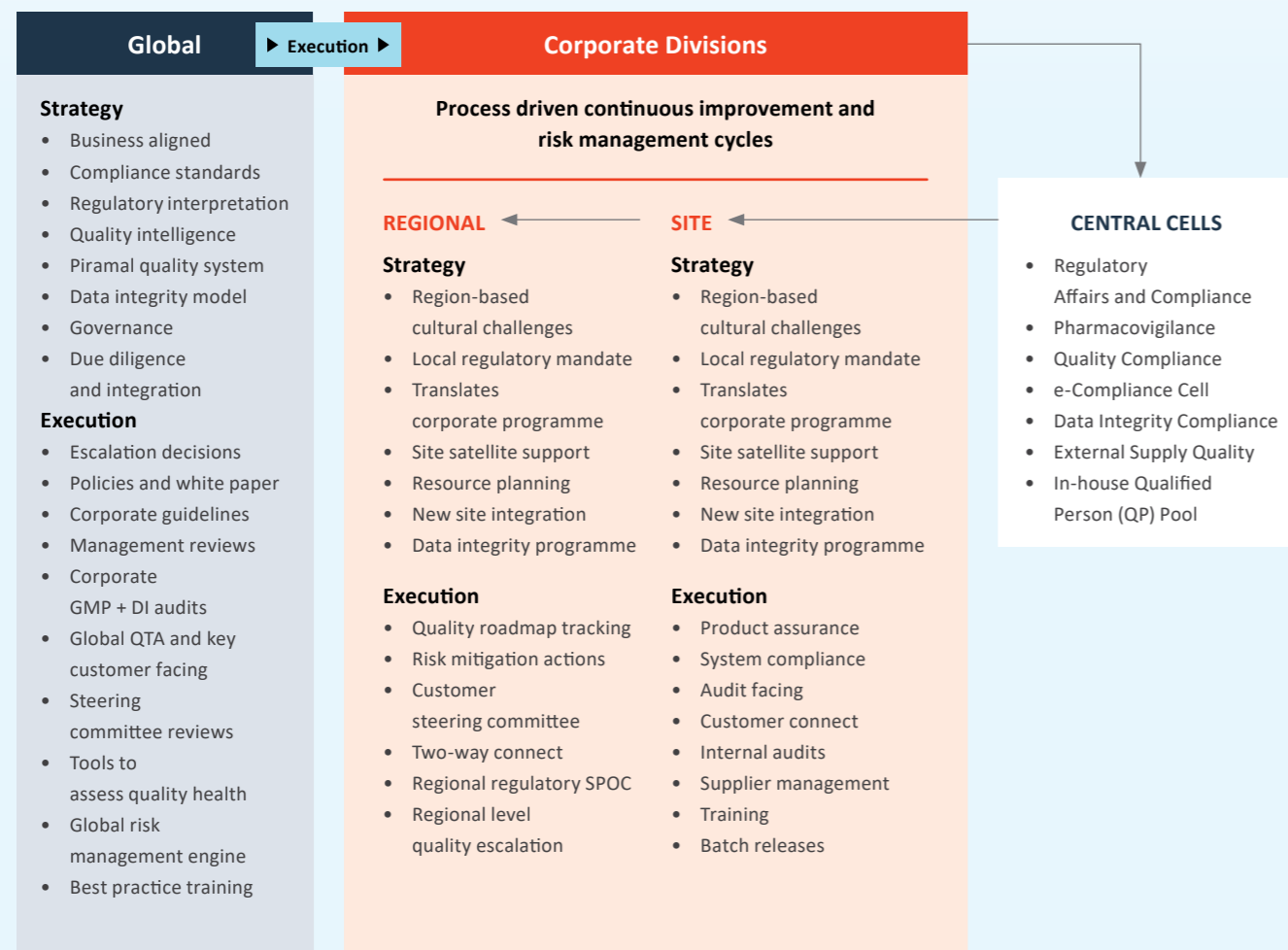
Best-in-class Quality Track Record

Quality is at the centre of everything that PPL does. This is reflected in the Company's commitment to deliver quality products to its patients, customers, and consumers.

The Company has developed a comprehensive quality model with three tiers that encompasses all its global sites and employees. The Company's quality strategy is guided by a top-level policy that has defined quality procedures and processes. This policy is regularly reviewed and refined to promote continuous improvement and alignment with changing business and regulatory needs. The Company's best-in-class quality and compliance track record is aligned with its overall business objective and commitment to ESG values.

The Company has developed a set of proprietary tools using cutting-edge technology that helps it meet its quality goals through an ongoing evaluation of raw data from different sites and influences subsequent group action to ensure high quality production meeting the demands of its customers and patients.

Quality Model



Quality division reporting roll up to Chief Quality Officer and then into Chairperson



36 Successful regulatory inspections in FY2023

4 Successful US FDA inspections in FY2023

Zero Official Action Indicated (OAI) since FY2012

~200 Successfully cleared customer audits in FY2023

Zero Class I and Class II Recalls in FY2023

Inspection Highlights since FY2012



Others: Germany, Poland, TFDA, Turkish MOH, Saudi FDA, MCC South Africa, Congo, Tunisia, Kenya, Uganda, Turkey

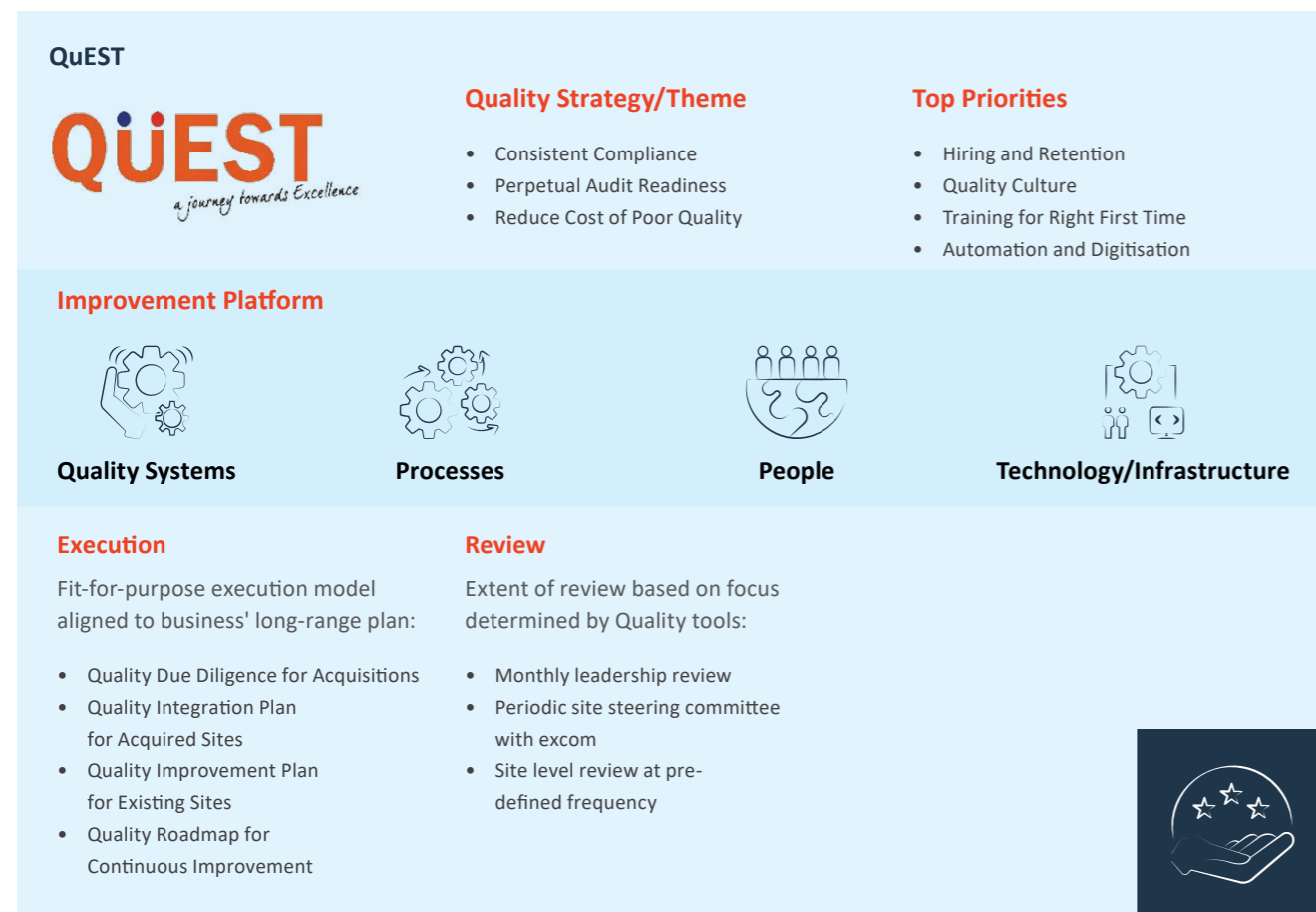
Note: All numbers are since FY2012 upto FY2023



Product Excellence

Quality Strategy

PPL has built a robust mechanism of systems and processes to implement a dynamic quality management framework in all its locations. The frameworks help it in being compliant with the continuously evolving and changing regulatory requirements and attain a leading position in terms of quality that attracts customers to select it as a preferred partner. Strengthening the Company's quality management system is an ongoing process which is implemented through the QuEST (Quality Empowering Strategic Transformation) programme. It uses the following framework to align the Company's vision and quality goals.

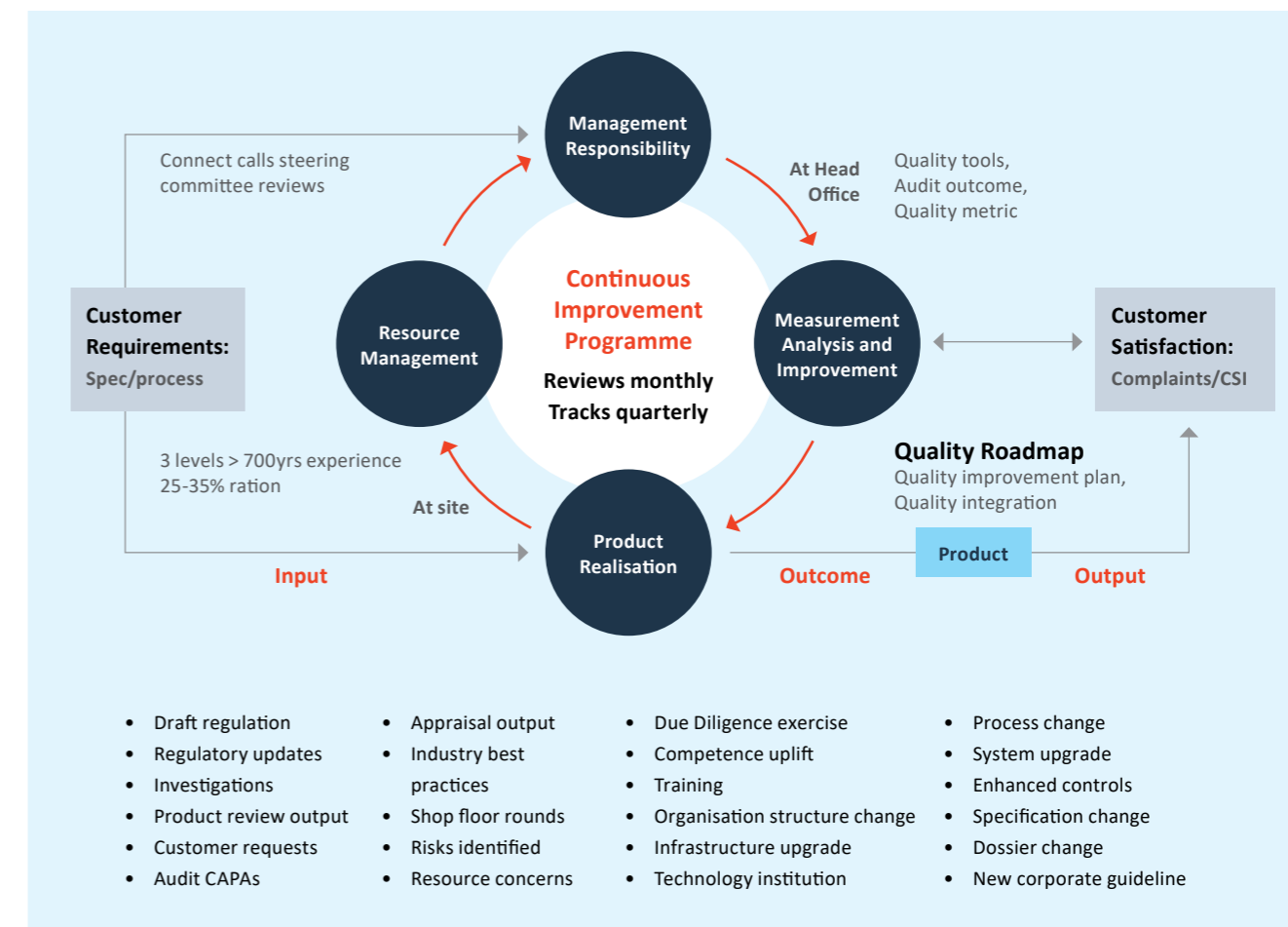


Targets

KPIs	Targets	Timelines	Performance Progress
Product quality	Cost of Poor Quality (COPQ): Compute true cost in a year and aim to improve year-on-year (yoy)	FY2024	New calculations for COPQ rolled-out in FY2023
	First time right for more than 80% of commercial batches in the next two years	FY2024	New Right First Time (RFT) definition and calculation finalised and rolled in FY2023
Regulatory audits	Ensure successful outcomes of regulatory audits	w.e.f. FY2023	Successfully cleared 36 regulatory inspections and over 190 customer audits in FY2023
Pharmacovigilance	Ensure adverse drug reaction (ADR) reporting in accordance with applicable norms.	w.e.f. FY2023	The Company is compliant with the current requirements for ADR reporting to health authorities
Product tracking and serialisation	Use of QR Codes/Product Authentication Codes on primary packings of relevant products in accordance with applicable regulations.	FY2024	The Company is compliant with the current requirements

Quality Process

The Company has implemented a responsive quality process that continuously interacts with the customers and provide actionable inputs to the management for ensuring the right quality for customers. The detailed quality process is illustrated below.



The Company is making constant efforts to improve its product offering by maintaining a high-quality output of its products. The Company has made progress in its targets taken in the previous year by implementing various initiatives. The Company has finalised the new equation for calculating the Cost of Poor Quality (COPQ) and the same will be rolled in FY2024 for all facilities, which will help it in taking new targets in the coming year.

In the reporting period, PPL has started calculating first-time right batches. During FY2023, the Company successfully cleared 36 regulatory inspections (including 4 US FDA inspections) and close to 200 customer audits. The Company is in compliance with all the pharmacovigilance requirements as per the applicable norms in FY2023. It has also taken necessary steps in response to the regulatory requirements to use QR codes on primary packaging and is compliant with all applicable regulations.

The Company has initiated its journey to explore automation in its operations and is currently analysing the possible opportunities to implement automation projects. A few projects like Timesheet Management and certain projects on Digitisation have gone live in FY2023 as a response to PPL's target in Automation. Additionally, data validation activities are also being undertaken across PPS sites to implement the Digital MIS system across functions.

Business Resilience

Navigating a Challenging Year

Financial Performance

Business resilience is the core of the Company’s business model. It is crucial for the organisation to have strong fundamentals and consistency in delivering value for its stakeholders. The Company’s healthy financial performance helps it to reinvest in operations and incorporate sustainable practices.

PPL’s financial decisions are dealt with systematic and scientific approaches which are highly influenced by its ESG strategy. The Company regularly monitors, reports, and optimises its financial performance through a robust mechanism to ensure consistency and integrity.

Economic Value Generation

(in ₹ Crores)

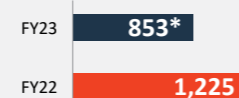
Revenues from Operations



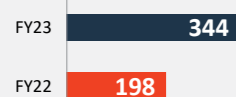
Operating Cost (includes cost of raw materials, employee expenses and other expenses)



EBITDA (earnings before interest, taxes, depreciation, and amortisation)



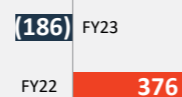
Interest Payment to Providers of Credit



Payment to Government (taxes)



Net Profit



FY2023 Business-wise Revenue Performance

CDMO



1% yoy growth

CHG



14% yoy growth

ICH



16% yoy growth

*FY23 EBITDA impacted by near expiry inventory provision of ₹ 92 Crores (due to lower demand during COVID-19 pandemic) and one-off provision for receivables from a biotech customer of ₹32 Crores.

Growth-Oriented Capex Investments

The Company is building and expanding its operations and assets under its strategic priority of continued organic investments for growth. During the year, the Company invested ₹965 Crores towards capex, which was used

to expand capacities at sites that are witnessing high demand. The sites where expansion went live in FY2023 are listed below. Moreover, the Company has plans to go live with expanded capacities at its Grangemouth facility in H2 FY2024.

This will further strengthen its position in the niche space of anti-body drug conjugation. The Company is also investing to add capacities in Digwal and Dahej to meet the growing demand for inhalation anaesthesia.

Expansion went live in FY2023

Aurora Canada

CAPACITY EXPANSION FOR COMPLEX API

Riverview US

CAPACITY EXPANSION FOR HIGH POTENT API

Turbhe India

CAPACITY EXPANSION FOR PEPTIDES

Ahmedabad India

STARTING A NEW IN-VITRO LAB

Currently undergoing expansion

Grangemouth UK

CAPACITY EXPANSION FOR ANTI-BODY DRUG CONJUGATE

Digwal India

CAPACITY EXPANSION FOR INHALATION ANAESTHESIA

Dahej India

CAPACITY EXPANSION FOR INHALATION ANAESTHESIA KSM

Defined Benefit Plan Obligations and other Retirement Plans

As a responsible employer, PPL focuses on providing its employees with long-term stability through its well-established retirement plans and other benefits. The benefits include maternity leave, paternity leave, medical and life insurance, personal accident insurance, and a provident fund. This year, the Company spent about ₹118.8 Crores on defined contribution plan obligations, and other retirement plans, which was 12.1% higher than the previous year.

Contribution to Defined Benefits Schemes

Contribution to Provident Fund

(in ₹ Crores)



Contribution to Superannuation Fund

(in ₹ Crores)



Contribution to Gratuity Fund

(in ₹ Crores)



Responsible Supply Chain

Engaging with Supply Chain Partners on ESG

As the Company is experiencing growth in every aspect of its business, it has realised the importance of a resilient supply chain. It is critical for the Company to provide its consumers and patients with uninterrupted supplies and meet their demands, ensuring them accessible and affordable services. A resilient supply chain is flexible enough to adapt at unanticipated times to deliver the supplies quickly without compromising on quality. PPL is focusing on diversifying its supply chain, which will ensure the availability of products with a higher negotiation power and at a lower cost.

The Company has well-established principles for responsible supply chain management and a supplier code of conduct. These principles apply to its operations and the value chain and are embedded in its supplier code of conduct. All its suppliers must abide by these principles of ethical conduct and transparent operations. The suppliers and partners are mandated to integrate aspects like freedom of association, fair working hours, wages and benefits, equal opportunity, diversity and inclusion, freedom to work, and prevention of sexual harassment and child labour, in their operations to help the Company extend principles of sustainable growth across its value chain, as a part of their business agreement with PPL.

The Company believes in adopting responsible supply chain practices and has demonstrated its intent by signing up for Pharmaceutical Supply Chain Initiative (PSCI) membership. In this endeavour, it will adhere to the norms prescribed by PSCI.





Assessment of Suppliers

PPL has adopted some strategic commitments to identify ESG risks in its supply chain. In this endeavour, it has deployed its Supplier Assessment and Screening Tool for the assessment of new suppliers and critical suppliers. The Company has taken a target to complete the assessment of 70% of its critical suppliers on ESG criteria by FY 2026. The Company has updated its Procurement SOP, purchase order conditions, and supplier code to make the necessary provisions.



Supplier Capacity Building

For strengthening its supply chain, the Company has targeted to cover at least 5% of its suppliers into the supplier capacity building programme (on ESG) for FY2025. The Company is working towards its commitments by executing capacity building of PPL Supply Chain Management (SCM) on ESG and PSCI.

KPIs	Targets	Timelines	Performance Progress
 CDMO Business Supplier Engagement on ESG	Screening of new strategic suppliers on ESG criteria: • New domestic vendors - Annual spend is more than ₹10 Million • New international vendors - Annual spend more than \$100,000	w.e.f. FY2025	<ul style="list-style-type: none"> Supplier Screening Tools are in place for onboarding new suppliers PPL has updated its procurement SOP as well with necessary provisions
 CHG Business Supplier Engagement on ESG	Assessment of all critical suppliers on ESG in a phased manner	15% by FY2024 40% by FY2025 70% by FY2026	<ul style="list-style-type: none"> PPL has segmented its strategic vendors as per Kraljic matrix Targeted vendors are also identified for FY2024, FY2025, and FY2026.
	Coverage of at least 5% of suppliers (by value) into supplier capacity building programmes (on ESG)	FY2025	<ul style="list-style-type: none"> The Company is executing capacity building of PPL Supply Chain Management (SCM) on ESG and PSCI It has engaged external specialist for workshops and onboarded 5% of suppliers
 ICH Business Supplier Engagement on ESG	Screening of 90% of new strategic suppliers on ESG criteria.	w.e.f. FY2025	<ul style="list-style-type: none"> Supplier Screening Tools are in place for onboarding new suppliers PPL has updated its Procurement SOP as well with necessary provisions
	Assessment of all critical suppliers on ESG in a phased manner.	15% by FY2024 40% by FY2025 70% by FY2026	<ul style="list-style-type: none"> PPL has segmented its strategic vendors as per Kraljic matrix Targeted vendors are also identified for FY2024, FY2025, and FY2026.
 PSCI Membership	Assessment of all critical suppliers on ESG in a phased manner.	15% by FY2024 40% by FY2025 70% by FY2026	<ul style="list-style-type: none"> In the process of developing Supplier Assessment tool and shortlisting critical suppliers for assessment on ESG parameters.
	Sign-up for PSCI Membership	FY2023	<ul style="list-style-type: none"> Completed

Technology Automation and Cyber Security

Future-proofing the Company

Technology Automation

PPL's approach to robust, efficient, effective, and safe operations is supported by its progress in technology automation. It is important for the Company to identify the opportunities where technology integration would decrease the burden of human intervention. Its 'CATALYST' initiative is supporting multiple IT operations with continuous improvements.



The Company believes that modern and up-to-date IT infrastructure is instrumental in allowing it to stay

competitive and, at the same time, handle enhanced workload as it grows. It is continuously upgrading its underlying network and server infrastructure at all sites, both national and international, to a hyper-converged unified infrastructure, which will provide high levels of availability, scalability, and better performance, and enhance the Company's ability to serve growing business requirements.

PPL has also aligned its processes and IT architecture for better technology integration, which puts it forward in

performing for its target to finalise plans to leverage technology and align internal processes with Pharma 4.0 by FY2025. The Company's Capital Project Digitisation - Phase 1, went into action in March 2023 to deliver the same purpose.

PPL's data validation process went live with Minimum Variable Product (MVP) across PPS sites in March 2023 (excluding Turbhe) to support its commitment to ensure the digitisation of MIS across functions and sites by FY2023.

KPIs	Targets	Timelines	Performance Progress
 Process Automation	<ul style="list-style-type: none"> Assess and explore opportunities for automation. Assess and explore opportunities for elimination of manual operation. 	FY2023	<ul style="list-style-type: none"> Went live with Phase 1 of Capital Project Digitisation. Working on Phase 2 Timesheet Management system is gradually being rolled out across the sites Rolling out Warehouse Management & Scanning Solutions across multiple sites in a phased manner Finalised the Quality IT Automation roadmap Working on other automation initiatives in the areas of plant maintenance, manufacturing automation and RFP automation
		FY2024	
	Finalise plans to leverage technology and align internal processes with Pharma 4.0	FY2025	
 MIS Digitisation	Ensure digitisation of MIS across functions and sites	FY2023	<ul style="list-style-type: none"> Data validation process went live across PPS sites with Minimum Variable Product (MVP). MDM (Master Data Management) and EDP (Enterprise Data platform) strategy being put in place


Digital Security and Data Privacy



The Company recognises that digital security and data privacy are important issues that require diligent attention, as they are directly related with the corporate reputation. **PPL is investing in and implementing robust data frameworks and solutions to mitigate the concerned risk of data breach and provide everyone with digital security.** The Company believes that information

security is the responsibility of everyone and therefore runs many initiatives to disseminate information and raise awareness. To ensure all employees are aware of information security, cybersecurity, and the latest trends/issues in these areas, every employee is mandated to undertake a compulsory gamified online training programme on cybersecurity awareness.

Piramal Information Security also conducted phishing assessments and formulated a cyber-quiz to gauge employee digital awareness levels, and they continue to send periodic emails, newsletters, and posters to inform them about this topic.

KPIs	Targets	Timelines	Performance Progress
 Data privacy and Data Security	Ensure adherence with applicable data privacy and data security norms	w.e.f. FY2025	<ul style="list-style-type: none"> Draft policy on data privacy under review
	Ensure zero high- and mid-level data breaches	FY2025	<ul style="list-style-type: none"> Web proxy has been implemented for all users in PPL.
	Conduct vulnerability assessment and penetration testing (VAPT) across IT infrastructure	FY2023	<ul style="list-style-type: none"> VAPT scans were conducted as per schedule. The reports were shared with respective IT & Application teams for necessary actions



Environment



Environment

Nurturing Nature for Environmental Stewardship

Piramal Pharma showcases its deep commitment to environmental stewardship by taking various initiatives to manage material environmental aspects such as energy management, climate change, air emissions and air quality, water and waste management, and biodiversity, thereby ensuring a seamless integration of sustainability into all its business operations. The Company's unwavering efforts in energy conservation, emissions reduction, water conservation, and waste management are elaborated in the following sections.

Key Metrics and Highlights for FY2023



42%

Company's target to reduce its Scope 1 and 2 carbon emission by FY2030



24,613 GJ

Renewable Electricity

1,33,239 GJ

Energy from Bio-briquettes

32.8%

of waste water generated recycled and reused

43,277 tCO₂e

Scope 1 Emissions
6.4% reduction yoy

80,972 tCO₂e

Scope 2 Emissions
9.8% reduction yoy

1,478 MT

of hazardous waste diverted from incineration and landfill to pre-processing/co-processing

Energy Management

The Company places a strong emphasis on energy management and focuses on energy efficiency, fuel minimisation, and technology upgradation across sites. **It is currently in the process of conducting energy audits across its development and manufacturing sites for a comprehensive analysis of energy use. Using these audit outcomes, a detailed roadmap will be created to replace old, less efficient equipment with the latest, highly efficient alternatives, resulting in decreased overall energy consumption.**

Several energy-saving initiatives have been implemented by the Company across different sites to reduce energy consumption. They are as follows:



Pithampur

- Installed fresh steam jet pumps in various blocks, increasing steam condensate to over 80% of total steam. This led to an improved steam-fuel ratio and reduced overall fuel consumption.
- Installed steam condensate recovery systems to improve the efficiency of boilers and reduce fuel usage upto 40 Metric Tonnes (MT) and freshwater consumption of 9,000 Kilo Litre (KL) annually.
- Replaced V-Belt drives of air handling units with flat belt drives to reduce power consumption by 1.5 Lakhs units/annum.
- Optimisation in heating, ventilation, and air conditioning (HVAC) operation to reduce energy consumption by 1.6 Lakhs units/annum.

- Installation of variable frequency drive (VFD), LED Light, etc. under new projects and optimisation of temperature for office air conditioner. Optimum utilisation of resources: A) Changeover time reduction by 8 hours in granulation and compression B) Batch size increase for products.

Ahmedabad PDS

- Entered into power purchase agreement to generate energy through renewable sources such as solar, wind, etc. through a vendor to save on monthly power bill and increase the contribution of renewal power.

Dahej

- Installed a screw-type air compressor in place of the reciprocating type, which reduced power consumption by 288 units/day.

- Replaced a thermostatic expansion valve with an electronic expansion valve in the -30 degree C refrigeration system which resulted in a 5% efficiency improvement of the refrigeration system and reduced power consumption by 100 units/day.
- Reduced power consumption in the chilled water system by 5% (from 1.08 KW/TR to 1.00 KW/TR) by adding oil additives in the compressor which reduces friction loss.

Turbhe

- Upgraded illumination using energy efficient LED lamps in the production plant.
- Initiated execution for a focused energy audit on heating, ventilation and air conditioning (HVAC) activities and identified multiple energy conservation projects.

Environment

Ennore

- Installed Variable Frequency Drive 'VFD' in air compressor leading to power reduction of ~15,834 KWH/annum.

Digwal

- Automated firing operation of coal-fired 16 tonnes per hour (TPH) boiler. The automated mechanism regulated coal and air to optimise oxygen O₂ percent in flue gases in a range of 5%-6%.
- Installed energy-efficient centrifugal compressor of 1,550 CFM capacity that will reduce around 660 MWh units/year.
- Automated 7 cooling tower fans to stop automatically after attaining

desired water cooling temperature. This results in power saving of 78 MWh units/year.

- Upgraded Chilled water Chillers evaporators using better design resulting in 88 MWh/year savings.
- Various Kaizen initiatives for energy savings like bigger size Coal Vibro Feeder, use of pressure power pumps for condensate pumping, rationalising compressed air network piping to improve compressors capacity utilisation, use of variable frequency drives for boiler equipment results in 193 MWh/year savings.



Morpeth Case Study

Energy Reduction in API Development & Manufacturing

Project Overview - The PPS site located at Morpeth, is a significant manufacturer of APIs needed for the synthesis of important drugs. Due to escalating energy costs and increasing environmental concerns, employees at the Morpeth site worked together to analyse current processes and develop new ways to move forward that are considerate of energy consumption and potential impacts on global health. To focus these efforts, this project was further divided into 4 phases: reduction, replacement, generation, and procurement of energy.

Initiatives Taken

- A global task force was implemented across all 14 sites of PPS with the goals of reducing energy and sharing best practices
- Green Teams were formed within different manufacturing processes at Morpeth. These groups generated over 130 initiatives that were shared with other PPS sites across the globe

- Installation of new equipment, such as a solar panel farm, is in progress to provide alternative energy sources for some processes. When completely online, the solar panel farm will generate 4.7 million KWh of energy, which amounts to 22% of the site's total power requirements
- More than half (65%) of suggested initiatives did not require additional funding and were successfully deployed at multiple sites. Initiatives that required capital investment were ranked accordingly and built into a future plan to address these concerns and continue implementing new initiatives at PPS sites
- Power reduction initiatives were applied for simple fixes, such as turning off lights and HVAC systems on the weekends or during other times when the facility is not in use, switching to LED lighting, and turning off equipment when not in use

Key Benefits/Outcomes

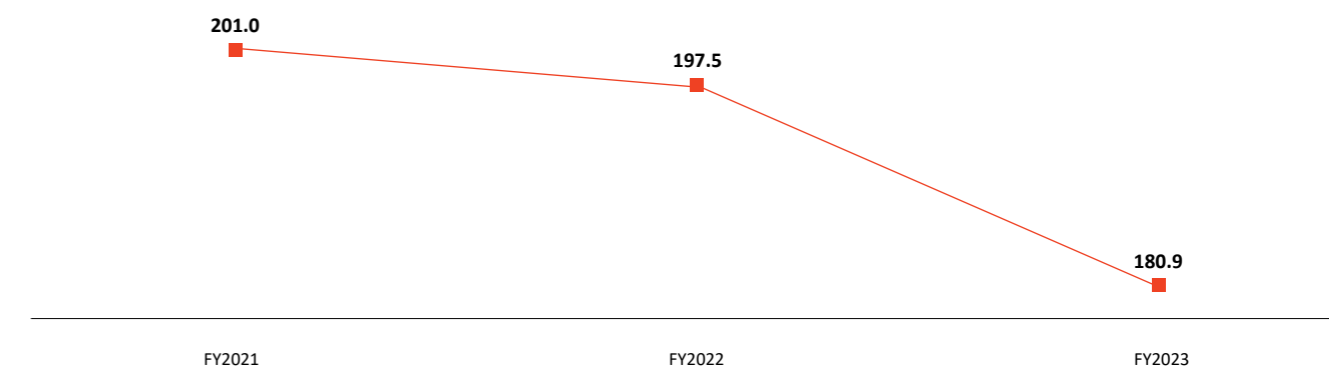
- Alternative energy options were explored
- Reduction of more than 400,000 KWh in energy consumed based on ultrasonic compressed air leakage surveys
- A concerted effort to switch off equipment not in use generated a huge reduction of almost 350,000 kWh in energy consumed
- Conversion to LED lighting yielded a reduction of over 160,000 kWh
- Recirculation of HVAC equipment showed a reduction of 700,000 kWh
- Cost savings of more than £125,000

Energy Mix

Source of Energy (GJ)	FY2021	FY2022*	FY2023
Energy from Non-renewable Sources	10,25,873	11,49,658	11,23,516
Low Sulphur Diesel (LSD)	102	136	-
High Sulphur Diesel (HSD)	14,086	14,281	18,958
Coal	2,35,097	2,53,097	2,31,251
Natural Gas	2,26,950	2,59,912	2,57,851
Furnace Oil	67,751	12,683	7,330
Fuel Oil	-	68,618	59,955
Purchased Electricity (Grid)	4,81,888	5,21,453	5,27,487
Purchased Steam	-	19,478	20,684
Energy from Renewable Sources	1,35,357	1,45,675	1,57,852
Bio-briquettes	1,35,357	1,45,675	1,33,239
Renewable Electricity	-	-	24,613
Total Energy	11,61,231	12,95,333	12,81,368
Energy Intensity (GJ/INR Crores of revenue)	201.0	197.5	180.9

*As a result of strengthening of the internal accounting process, few numbers for FY2022 are modified

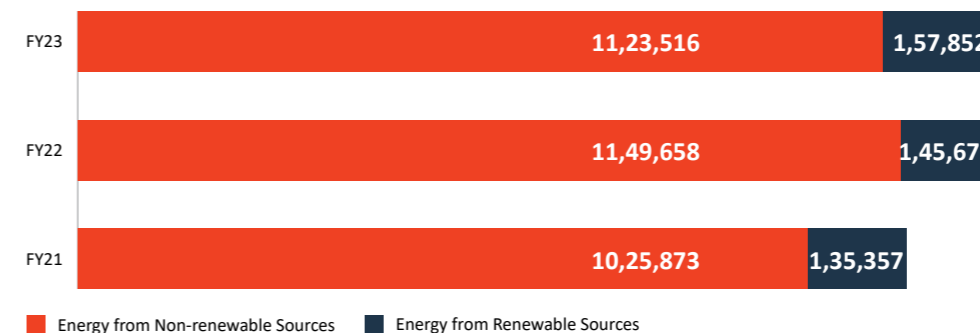
Emissions Intensity (GJ/₹ Crores of Revenue)



Energy from Renewable and Non-renewable Sources

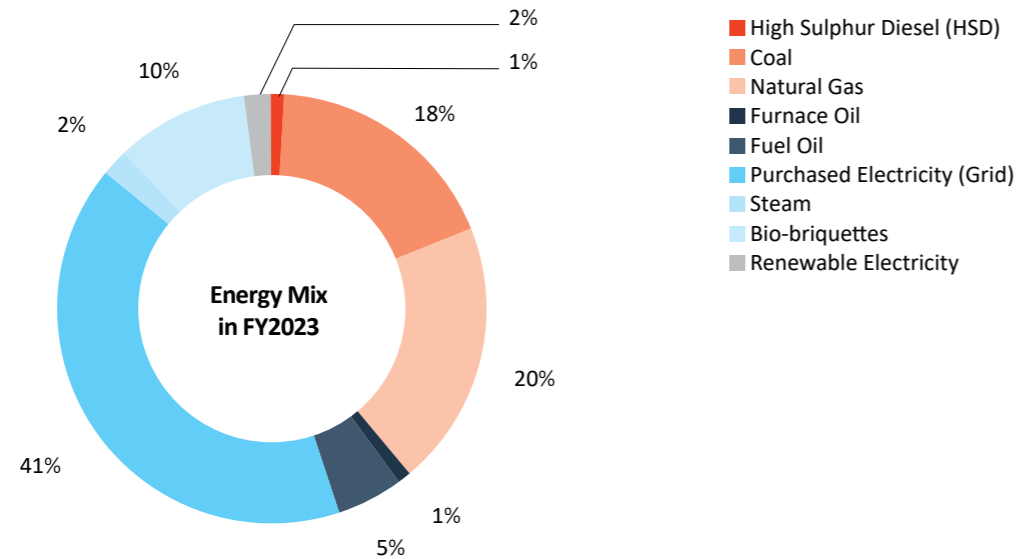
The Company's primary energy is derived from various sources, including grid electricity, coal, HSD, natural gas, bio-briquette, furnace oil, and LPG. However, it is continuously striving to decrease reliance on fossil fuels and pursue more sustainable energy alternatives.

Energy Consumption in GJ



Environment

Energy Consumption in GJ for FY2023



Steam and Condensate Recovery through Process Improvement

Piramal Pharma is focused on continuously improving its operations through technology upgradation and process improvement to achieve efficient operations. In one such intervention, PPL has converted its 7 direct steam purging systems to indirect systems to increase the overall recovery of steam condensate. Through this initiative, the Company can increase the condensate recovery from 48% to 53% resulting in overall savings of 10-12 KLD water. Along with the recovered condensate, the waste heat is also recovered which reduces the overall heat consumption of producing steam.

The project has resulted in the reduction of load on ETP by 10-12 KLD and an overall reduction of freshwater consumption by 10-12 KL in boiler feed. Besides water saving, this initiative has also led to energy savings by utilising heat from condensate recovered.



Climate Change

PPL recognises its responsibility to contribute significantly to national and global emission reduction goals, with a resolute commitment to achieving net-zero emissions. In order to combat climate change, the Company has been tracking its Scope 1 and Scope 2 carbon emissions and is in the midst of assessing Scope 3 emissions. It has also committed to take the Science-Based Targets initiative (SBTi) and developed a comprehensive decarbonisation plan comprising of deploying higher energy-efficient technologies, use of renewable energy, and switching to bio-based fuels, among others.



The Company has taken a target to reduce its Scope 1 and Scope 2 carbon emission by 42% by FY2030 with the baseline of FY2022 - in line with the 1.5 degree pathway recommended by the SBTi.

The Company's direct emissions (Scope 1) arise from various sources, including the consumption of natural gas, coal, diesel, fuel oil, and furnace oil within the boundaries of PPL. These emissions are carefully monitored and managed as part of PPL's comprehensive emission reduction strategy.

The Company sources about 12% of its energy from clean fuels such as bio-briquettes and renewable electricity; this has resulted in a reduction of equivalent tCO₂ emissions. The Company's sites at Ennore, Pithampur, and Mahad are generating steam from bio-briquettes-based boilers.

Additionally, it acknowledges the significance of indirect emissions (Scope 2), which results from purchased grid electricity and steam. As a responsible organisation, the Company is actively working to optimise energy sources and minimise these indirect emissions to the best extent possible by increasing the proportion of electricity from renewable sources like solar, wind and hydro.

As it moves ahead, PPL's intent will be to engage with value chain partners to minimise Scope 3 emissions, thereby preparing for the stringent requirements coming from institutional buyers and customers. By aligning its actions with its ESG purpose, the Company aims to lead by example and inspire positive change within the industry.

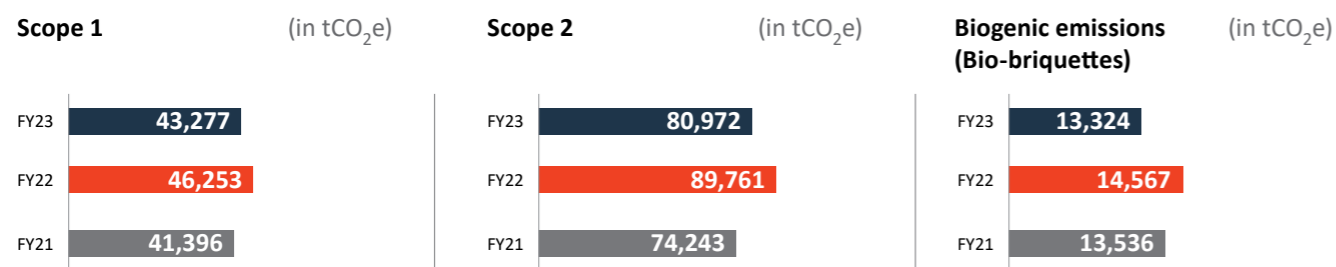
Environment

Carbon Emission

Calculation Methodology

PPL has collected the data from each site through a semi-automated system and used emissions factors from the IPCC guidelines for GHG inventories (2006) for direct energy and from the Indian Central Electricity Authority's (CEA) Baseline Carbon Dioxide Emissions Database, DEFRAO (UK) and the United States Environmental Protection Agency (EPA) for calculating emissions from indirect energy.

Emission Details

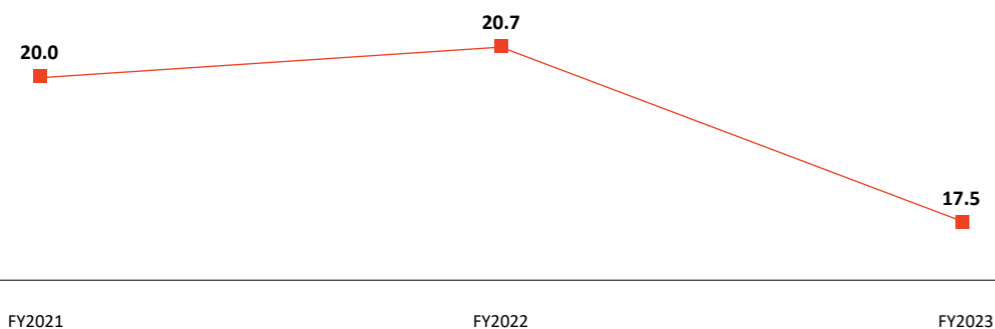


6.4% yoy
Reduction in Scope 1* emissions in FY2023

9.8% yoy
Reduction in Scope 2* emissions in FY2023

15% yoy
Reduction in emission intensity

Emissions Intensity (tCO₂e/₹ Crores of Revenue)



*As a result of strengthening of the internal accounting process, numbers for FY21 and FY22 have undergone change

Air Emission

The Company is conscious of air emissions generated during its operations, including NO_x, SO_x, and particulate matter. Its steadfast commitment is to keep these emissions well below the thresholds set by regulatory authorities and industry norms through rigorous monitoring and proactive measures such as switching

to cleaner fuels and process controls like efficient scrubbing systems, bag filters, and electrostatic precipitator (ESP). Additionally, it has installed High-Efficiency Particulate Absorption (HEPA) filters to control and maintain the indoor air quality in pharmaceutical powder handling areas and deployed more closed systems to reduce emissions.

The Company has also established continuous monitoring systems as per site-specific legal requirements as demanded by regulators and as per permits obtained. Through these interventions, it aims its air emission to be well below the permissible limits of environmental standards.

Water Stewardship

At PPL, the importance of water is recognised and it is proactively enhancing water management practices across all its sites. As part of its operations, the Company draws freshwater mainly from third-party and groundwater sources while simultaneously generating various wastewater streams from processes, washings, utilities, and domestic sources. To effectively manage these, it segregates the wastewater based on its characteristics and employs appropriate treatment technologies for effective treatment. The Company's Effluent Treatment Plants (ETPs) are thoughtfully designed to meet regional statutory requirements and ensure compliance with environmental norms. Additionally, **all its API sites in India are zero liquid discharge (ZLD) plants that effectively treat and recycle the effluents generated during their operations back into their utilities to reduce the consumption of freshwater.** During the year, 1,99,549KL of fresh water was saved by recycling of treated water through ZLD plants. Moreover, it has implemented several initiatives to enhance freshwater efficiency. These efforts involve both demand-side management such as the reuse of steam condensate, the utilisation of closed-loop chillers, and supply-side augmentation such as rainwater collection systems.

Through these efforts, the Company prioritises responsible freshwater and wastewater management to protect the environment and meet the regulatory obligations.

During the reporting year, 32.8% of waste water generated was recycled and reused in Utilities

Additionally, in pursuit of fulfilling its commitment to optimise freshwater usage, the Company launched a comprehensive water use assessment across all locations, aiming to identify water use hotspots and potential areas for savings. This assessment encompasses water accounting, pinch analysis, and water balance, enabling it to develop a holistic plan for reducing freshwater withdrawal. Driven by a dedicated cross-functional team at each site, the comprehensive water use assessment ensures proactive action and yields promising results. The observations have already highlighted the potential to reduce freshwater consumption by over 400 KLD at the Indian sites.



Comprehensive Water use Assessment study identified a potential of 400 KLD of fresh water withdrawal reduction in India

Environment

Water Withdrawal

Type of source (KL)	FY2021*	FY2022*	FY2023
Ground water	2,25,287	2,45,976	1,82,811
Third-party water	6,38,682	6,30,767	7,50,221
Rainwater/Others (Catchment water and other sources)	-	-	38,702
Total water withdrawn	8,63,969	8,76,743	9,71,734

9,760 KL
of fresh water saved by collecting rain water and reusing it

*As a result of strengthening of the internal accounting process, few numbers for FY2021 and FY2022 have undergone change

Waste Management

At PPL, its hazardous waste includes ETP sludge, process residue waste, spent solvent, and contaminated barrels, among others. Additionally, it also handles non-hazardous waste such as plastic waste, paper, cardboard, glass scrap, aluminium scrap, etc. During the reporting year, the Company generated 12,645 MT of hazardous waste and 2,787 MT of non-hazardous waste. It prioritises the safe handling of such waste and has implemented robust processes for its proper management, temporary storage, and environmentally responsible disposal.

To ensure compliance, the Company adheres to all regulatory requirements for disposing of hazardous waste. Furthermore, **it has taken proactive measures to reduce waste by installing solvent recovery plants at its API and chemical plants.** In its ongoing efforts to reduce waste sent to landfills, the Company is also conducting a comprehensive review of the waste streams and exploring opportunities to increase the calorific value of waste for co-processing in cement plant operations. PPL's commitment is to divert the maximum amount of incinerable waste from landfills and is working towards its ultimate aim of achieving zero waste to landfill by FY2025.

PPL is primarily involved in the contract manufacturing business and do not have any control over the post consumptions and post sales waste. Therefore, end of life treatment of product is not material to its business. However, plastic packaging waste generated in its Consumer business is being collected and recycled under Extended Producer Responsibility (EPR).

During the reporting period, the Company diverted 1,478 MT of hazardous waste from incineration and landfill to pre-processing/co-processing, as Alternate Fuels and Raw Materials (AFR) to cement industries.

Waste Management Strategy

Through the Company's proactive waste management strategy, it has adopted a 5R (Reduce, Reuse, Recycle, Recover, and Rethink) waste hierarchy to efficiently manage and minimise the total waste generated. Embracing a culture of recycling within the organisation, its EHS guidelines prioritise waste minimisation techniques to limit waste generation in its operations. Its dedicated employees are motivated to take every possible step to reuse materials wherever feasible. Continuously striving for improvement, they explore innovative ways to reduce waste generation at its source and actively seek opportunities for recycling and reusing waste in their operations.

Implementing various small but impactful interventions, such as modifying packaging patterns and utilising technologies such as polyhouse and paddle dry for ETP waste, are helping to move towards waste reduction.

Consequently, it successfully recycled the majority of non-hazardous waste through authorised recyclers and diverted valuable waste, such as boiler ash, to brick manufacturing plants and high-calorific waste to the cement industry.

During the reporting year, the Company successfully reduced hazardous waste generation to the tune of about 1,000 MT by commissioning of paddle dryer and polyhouse.

Digwal Case Study

Solvent Efficiency Improvement Initiative

Project Overview - The Solvent Efficiency Improvement Initiative at the PPS Digwal, India site was part of a larger programme called 'Project Phoenix', a site-wide initiative aimed at transforming the use and handling of solvents. The API manufacturing plant uses a significant quantity of solvents that play a critical role in the production of pharmaceutical products, but excessive consumption and low recoveries can pose multiple challenges, including the generation of waste and impacts on the environment.

The Digwal site analysed current methods and designed new, more efficient solvent management strategies to optimise resource utilisation, increase process efficiency, and reduce waste.

Initiatives Taken

- Analysis of solvents based on their value and further classification into categories in accordance with their potential for recovery and reuse to guide appropriate next steps
- Introduction of solvent management practices, such as solvent recovery and recycling
- New standards to reduce risks and costs by minimising solvent consumption and generation of waste
- Research and development initiatives to analyse and establish the most efficient recovery methods

for various products with a focus on high-value and high-volume solvents

- Infrastructure upgrades to optimise current processes and support future endeavours in cutting-edge engineering, distillation, and purification techniques
- Conversations with clients at the proposal stage to incorporate sustainability practices, such as solvent recovery into the validation process
- These innovations were completed with no additional risk to the manufacturing process and no impact on the quality of the batches manufactured.

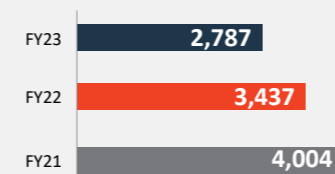
Key Benefits/Outcomes

- Improvement in identifying top products of solvent recovery by 21%
- Reduced the handling risk of solvent for employees and facilitated an overall reduction in carbon footprint for the Digwal site. Reduction in carbon emissions by 7%
- Reduced incoming and outgoing freight for both fresh and spent solvents
- Reduction of stored inventory
- Lessened the impact of price fluctuation on raw materials
- Enhanced safety and continuity of facility operations
- Overall improvement in compliance

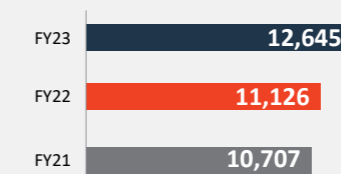
Waste Generated

Type of Waste Generated (MT)*

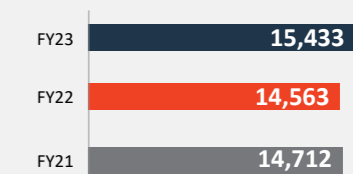
Non-hazardous Waste



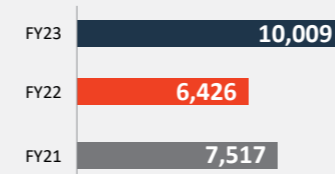
Hazardous Waste



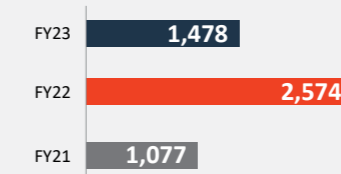
Total Waste Generated



Waste directed to Disposal (Incineration+Landfill)



Waste Co-processed



*As a result of strengthening of the internal accounting process, few numbers for FY2021 and FY2022 have undergone changes

Environment

Biodiversity

PPL is dedicated to conducting its operations with utmost responsibility and care for the environment. To ensure minimal impact on endangered species and their natural habitats, the Company has strategically chosen the location of its facilities to avoid interference with any protected areas or high biodiversity value regions.

In its ongoing commitment to interact positively with biodiversity, it proactively identifies areas within its facilities to enhance green cover. As a result, the Company has achieved an impressive **aggregated 33% of the plot area as a green belt**. To further bolster this effort, the Company has plans to increase the density of green cover through internal plantation drives.

KPIs	Targets	Timelines	Performance Progress
Reduction in Scope 1 and 2 GHG Emissions	Undertake a comprehensive review of energy and GHG emission profile	FY2024	<ul style="list-style-type: none"> Energy and GHG data for calculation of baseline emissions is collected and identification of emission hotspot is completed
	Develop decarbonisation plan	FY2024	<ul style="list-style-type: none"> Company has developed a comprehensive decarbonisation plan to reduce its Scope 1 and Scope 2 emissions by 42% by FY2030
Scope 3 GHG Emission Management	Estimate Scope 3 GHG emissions	FY2024	<ul style="list-style-type: none"> Scope 3 emission estimation under process
Energy Consumption Reduction	<ul style="list-style-type: none"> Energy consumption audit plan for all existing sites executed Roadmap for sites retrofitting present in all site master plans 	FY2024	<ul style="list-style-type: none"> External agency has been finalised for conducting energy audit for Indian and North American sites. Offers are being evaluated at UK sites to finalise the vendors Retrofitting plan will be prepared after energy audits are completed
	Implement energy-efficient equipment and appliances when relevant, as a part of the capital plans for the PPL	FY2027	<ul style="list-style-type: none"> Implementation plan shall be prepared after energy audit is completed
Energy Management System	Develop and adopt energy management system in accordance with global accepted standards (at all operating locations)	FY2027	<ul style="list-style-type: none"> During energy audit, gaps would be identified in existing infrastructure. Based on these gap analyses, a roadmap for improvement will be prepared by FY2024 and will be executed by FY2027.

KPIs	Targets	Timelines	Performance Progress
Water Management	Conduct comprehensive water use assessment (CWA/water footprinting) of all sites	FY2024	<ul style="list-style-type: none"> CWA completed for all Indian sites and is in progress for international sites and will be completed by FY2024
	Develop plans to reduce freshwater withdrawal	FY2025	<ul style="list-style-type: none"> Initiation of budget requirement post CWA and implementation of plans identified during assessment.
Zero Incinerable Hazardous Waste to Landfill	Diversion of incinerable hazardous waste from landfilling	w.e.f FY2025	<ul style="list-style-type: none"> Exploring option to increase calorific value in waste at Indian sites by pre-processing Targeting to achieve zero waste to landfill by March, 2024
Non-Hazardous Waste Disposal	Ensure reuse/recycling of non-hazardous waste	FY2024	<ul style="list-style-type: none"> Detailed review of waste generation and disposal is under process and new auditing process is being set up
Green Cover and Afforestation	Identify the scope of maximising green belt at operating sites and plan and initiate afforestation drive	FY2024	<ul style="list-style-type: none"> Aggregated green cover at Indian is more than 33% Internal plantation is being conducted to increase density of tree cover New land identified at Ennore and Digwal for saplings plantation

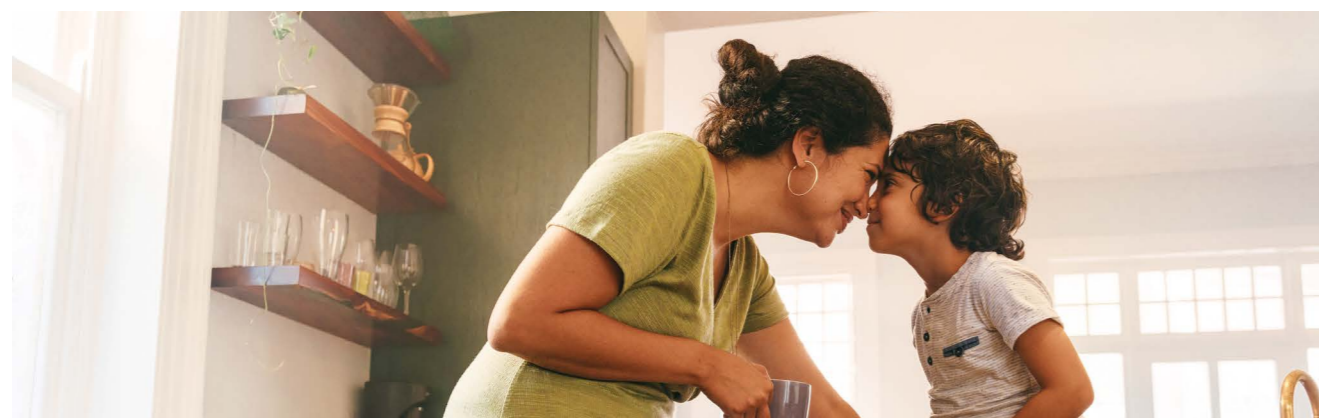


Social

Social

People, Patients and Community

PPL believes in creating value that resonates with its ethics and core values. The Company's purpose of "Doing Well and Doing Good" guides it and forms the foundation of its people practices. The Company's focus on the social aspect of its system encircles every aspect of its people, patients, and community.



The Company focuses on delivering and providing solutions to people and the community around it by following stakeholder-centricity. It is consistently working to uplift its performance every year in Human Capital Management, Patient-, Customer-, Consumer-Centricity, Occupational Health and Safety Management, and Community Development.



Understanding and meeting the evolving needs of patients, customers, and consumers, and broadening access to quality care and medicines, is what drives everyone each day at Piramal Pharma.

The Company has achieved sustained success over the years only because of its talented and purpose-driven workforce, whose contributions have helped PPL realise its aspirations. The Company's ESG values of sustainability, inclusivity, and ethics guide it to create a better working environment for its employees. It integrates aspects like freedom of association, fair working hours, wages and benefits, equal opportunity, diversity and inclusion, freedom to work, and prevention of sexual harassment and child labour, into its operations and supply chain, to drive

its sustainability agenda which is governed by its Global Human Right Statement. The Company has a robust talent management system that nurtures its human capital through comprehensive learning and career development initiatives as well as by mentoring pathways and employee engagement activities.

Patient-, customer-, and consumer-centricity is the fulcrum around which the Company has built its business. Understanding and meeting the evolving needs of patients, customers and consumers and broadening access to quality care and medicines, is what

drives everyone each day at PPL. The Company is committed to serving its patients, customers and consumers responsibly, and impacting their lives positively.

The support of the communities in which the company operates allows it to run its operations seamlessly without disruptions. Led by its purpose of "Doing Well and Doing Good", the Company undertakes several projects that aim to bridge developmental gaps and empower the unserved and underserved people to enhance the quality of their lives and facilitate community development and economic prosperity of the nation.

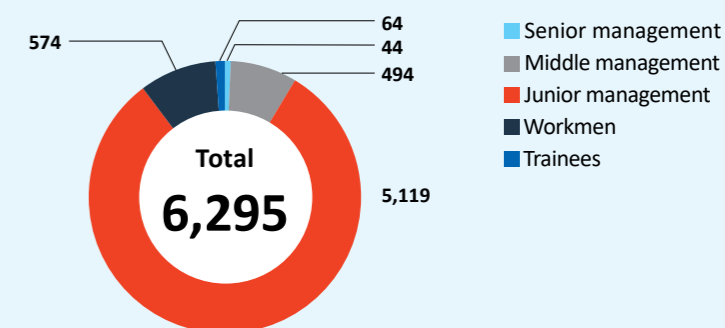
Human Capital Management

PPL Values of Knowledge, Action, Care, along with Impact and Piramal Success Factors, are the building blocks that guide the employees in achieving individual and organisational growth.



The Company has a worldwide presence, employing 6,295 permanent employees of different nationalities, cultures, demographics, genders, ethnicities, and experiences. It values its employees as they are engaged with it in fulfilling its mission and growing sustainably. These employees bring knowledge, expertise, and determination to the Company's operations and help it serve its markets and meet its demands. The Company nurtures them with a suitable working environment where they feel inclusive, respected, and safe.

Employee Split by Category

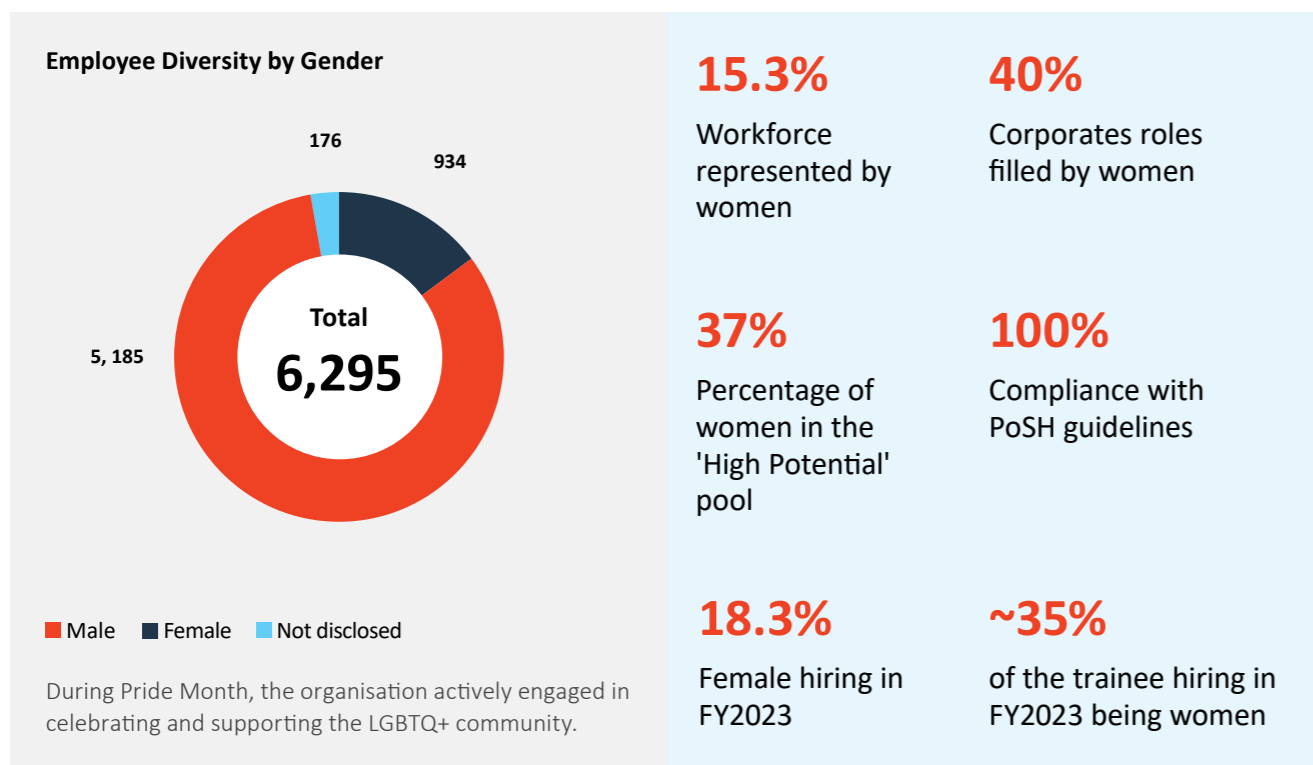


Social

Diversity and Inclusion

Led by its values of inclusivity and ethical conduct, the Company is committed to being fair and equal in its operations, supply chains, and the communities it operates in. It strongly believes that everyone deserves to be treated with dignity and respect, and has the freedom to be themselves. The Company has a zero-tolerance policy towards any kind of discrimination on the basis of race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other criteria. The Company's Human Rights Policy and Code of Conduct, which are based on values of fair treatment, diversity and inclusion, fair competition and equal opportunity, ensure a safe and harmonious working environment for all its employees and workers.

Gender diversity is nurtured in the organisation. The Company provides equal opportunities to all individuals irrespective of their gender, based on their relevant skills, knowledge, and expertise. It is consistently working to foster a gender-balanced workforce within the organisation at every position and role with diverse responsibilities. Currently, the Company's workforce comprises 15.3% women, and it takes pride in the fact that 40% of corporate roles are held by women. Moreover, women represent 37% of the 'High Potential' talent pool, showcasing their strong presence in critical leadership positions. 30% of the Company's Board is also represented by women. The Company places a high priority on ensuring the safety and well-being of its women employees, fully adhering to the guidelines outlined in the Prevention of Sexual Harassment (PoSH) policy.



Initiatives such as celebrating Pride Month and nurturing programmes such as the PPL's Women's Circle are a step towards making a difference within the organisation and contributing to a more inclusive and equitable society at large.

Women's Circle

The Company launched its first Women's Circle this year. The Circles are a safe and empowering space for all the incredible women in the organisation to address the unique challenges faced by women and the importance of solidarity in overcoming them.

The Circles are a network of compassionate individuals who support and address both personal and professional challenges of women in their respective Circles. The Circles empower each other in skill building, networking with women from diverse backgrounds, and learning from each other's experiences and help each other to reach their full potential together.

Women's Circles facilitate mentorship and knowledge sharing. Senior employees often share their experiences and wisdom with younger colleagues, helping them navigate their careers and overcome obstacles. This knowledge transfer is invaluable for career growth and personal development. The Company believes that Women's Circles

will help women employees be more empowered and create a more inclusive and diverse workplace culture.

Other initiatives taken to enhance women participation at workplace:

- Restarting the crèche facility at the Kurla office for all employees
- Sanitary pad vending machine has been installed in female washrooms
- Females only bus service has been initiated at some of the locations
- Differential plan for women resuming post-maternity break has been launched

Pride Month

Throughout the Pride Month, the Company demonstrated its dedication to fostering an environment that truly embraces diverse backgrounds and perspectives. The central theme for the month was focused on building awareness and engaging employees on how to be allies to the LGBTQ+ community.

It hosted sessions which provided valuable insights into what it means to be an ally, how to offer support, and why allyship is crucial for creating an inclusive workplace.



The Company also organised panel discussions which shed light on the unique challenges faced by LGBTQ+ individuals and emphasised the importance of creating an inclusive work environment. The speakers shared their personal experiences, triumphs, and struggles, providing a powerful platform for understanding the issues at hand.

PPL stands united in its commitment to creating a better future for all and living the purpose of 'Doing Well and Doing Good'. It continues advocating for Diversity, Inclusion, Belonging and Accessibility (DIBA) in every aspect of its work.

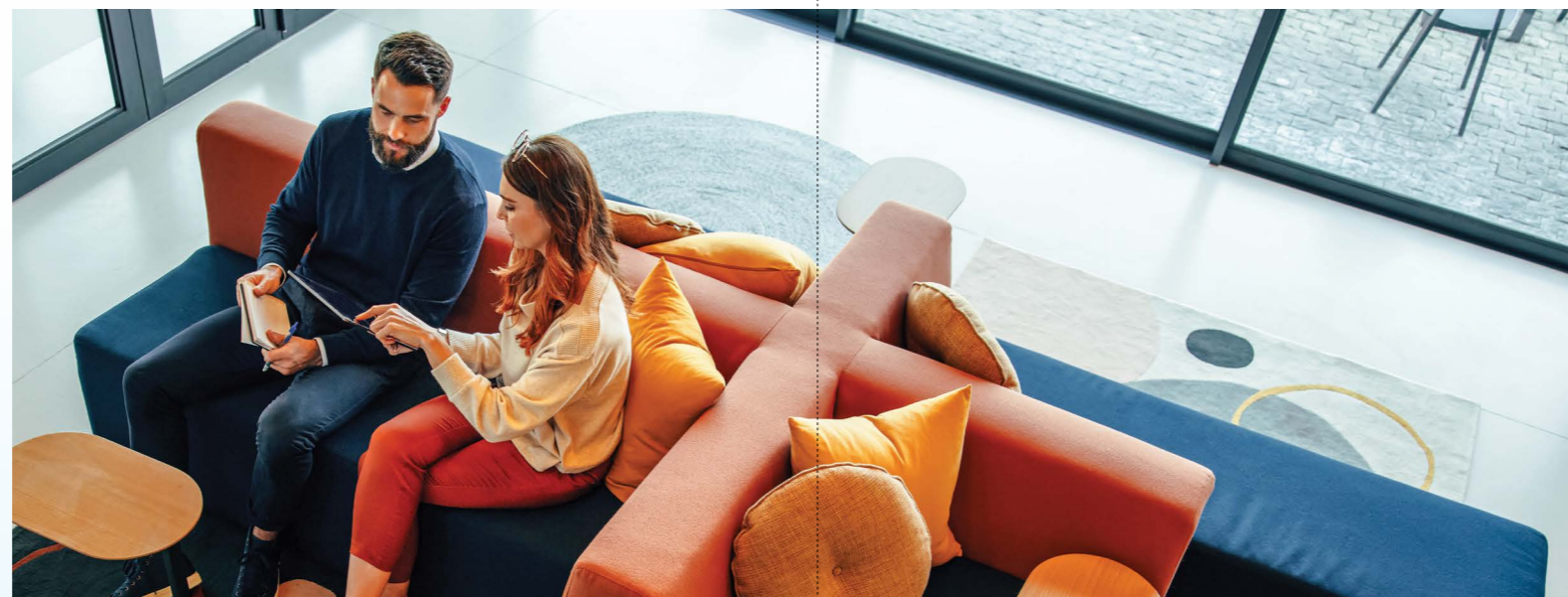
KPIs	Targets	Timelines	Performance Progress
 Diversity & Inclusion (D&I)	16% women in the workforce globally	FY2025	<ul style="list-style-type: none"> Females comprise 15.3% of the workforce in FY2023 18.3% of the new hires in FY2023 were women.
	25% of new hires through Management Trainee (MT), Graduate Engineering Trainee (GET), and Global Emerging Leaders (GEL) Programmes are women	FY2025	<ul style="list-style-type: none"> Women hiring for Trainee programmes were as follows: GELs - 38% MTs - 29% GETs - 25% To support women employees, facilities like Sanitary pad vending machines have been installed. PoSH and Internal Complaint Committee (ICC) workshops are conducted across the sites. Budget allocated for crèche facilities, females-only bus service, girls' hostel, changing rooms, and washrooms across multiple development and manufacturing sites.
 Human Rights Protection	Address 100% of complaints concerning violation of Human Rights	w.e.f. FY2023	Adopted and published Company's Global Human Right Statement in accordance with the United Nations Universal Declaration of Human Rights (UDHR) and Guiding Principles on Business and Human Rights
	Train all employees on human rights policy	FY2023	
 Employee turnover rate	Monitor and reduce the overall and voluntary employee turnover rates (in %)	w.e.f. FY2023	The Company is continuously working on initiatives to increase employee engagement, employee recognition and provide competitive compensation and benefits to bring down the attrition rate

Social

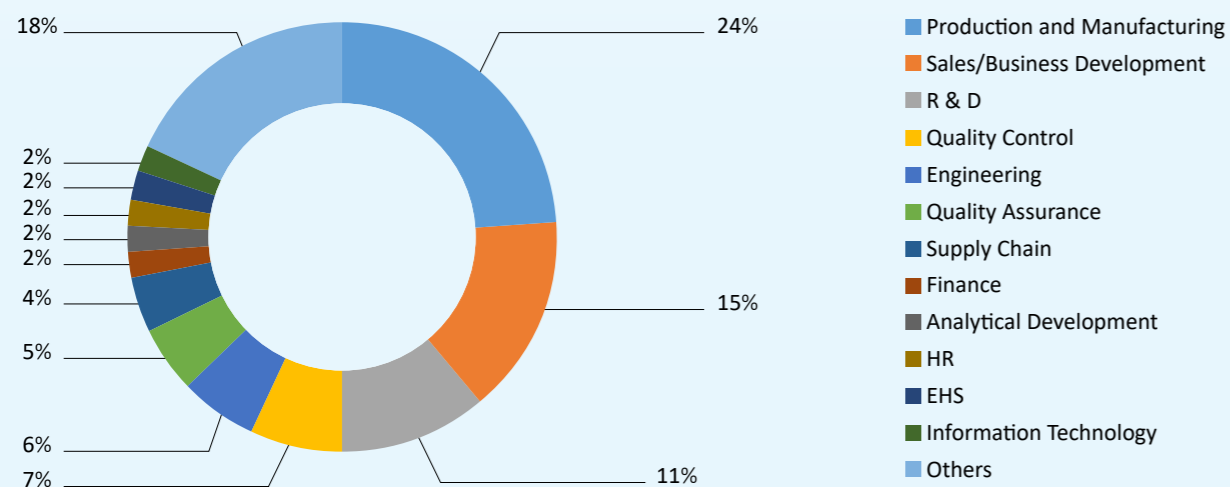
Talent Development & Management

Talent Management is one of the crucial processes that ensures better performance and productivity in the workforce. Through these processes, the Company identifies appropriate people with relevant skills for different roles. It periodically enriches its talent pool by hiring from reputed institutes and further refining their skills in accordance with the requirements of their roles and responsibilities. At the same time, PPL also provides career progression opportunities to its internal colleagues through the Career Opportunity Programme.

The Company's employees possess a range of qualifications including scientific, engineering, management and pharmacy graduation and post-graduation. They work in varied functions such as Production and Manufacturing, Business Development, R&D, Quality Control, Supply Chain, Finance, and Information Technology, among others.



Employees in Diverse Roles and Responsibilities



Employee satisfaction and retention is also an important aspect of talent management. The Company prioritises talent retention by leveraging three primary drivers: employee engagement, employee recognition, and competitive compensation and benefits. These levers collectively contribute to creating a conducive work environment.

In January 2023, the Company hosted the inaugural PPL Chairperson's Awards in three different regions. These awards were designed to honour individuals who exemplified the Company's values and made a notable and lasting impact on the business. For recognising the importance of competitive pay and benefits in retaining top-quality talent, the Company has taken measures to enhance the earning potential of its employees, through performance pay plan changes. The Company also has Long-Term Incentive Programme, including both performance and time-based vesting.

The Company also conducts regular employee surveys to gauge employee experience and identify areas of improvement. Over 4,000 employees participated in an employee engagement survey 'Prism' conducted by the Company in November 2021. The anonymous responses of the colleagues pegged the engagement score at 67% and set the ground for development of action plans by all businesses, sites, and functions. In all, 79% of the engagement action plans have been completed or are in progress.

The Company has deployed multiple policies and Code of Conduct to direct and support its employees throughout their journey with the Company. It understands and respects their personal growth and engagement, and to support these, it has made provisions for multiple benefits including Parental Leave, Group Medical Claim, Group Term Life Insurance, Group Personal Accident Coverage, Disability Coverage, and Mental Well-being programmes. Some of them are:

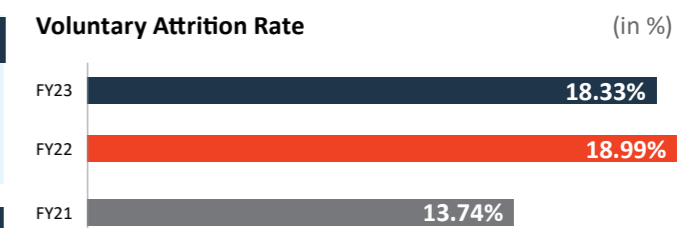
- 1 Parental Support**
 Leaves are granted to the parent irrespective of the gender and have also established 'Parental Support Scheme'.
- 2 Childcare Support**
 Childcare assistance is provided to employees with children under the age of six via in-house crèche services and other partnerships with external crèche.
- 3 Flexi-work Policies**
 Flexible working hours are provided to employees to enable them to balance their professional and personal responsibilities.



The Company also places significant emphasis on utilising technology to enhance the efficiency of its people, processes, and elevate the overall employee experience. It has automated various processes, including a transparent recruitment process, onboarding, goal setting, performance management, and compensation. Additionally, the Company has developed custom applications to address specific requirements such as learning management, talent management, and succession planning.

100%

Workforce paid more than minimum wages and covered by medical insurance, maternity and paternity benefits



Social

Learning and Development

PPL encourages the culture of continuous learning and growth. It has deployed multiple initiatives in various aspects to support its employees throughout their journey.

Ascend and Ignite Programmes

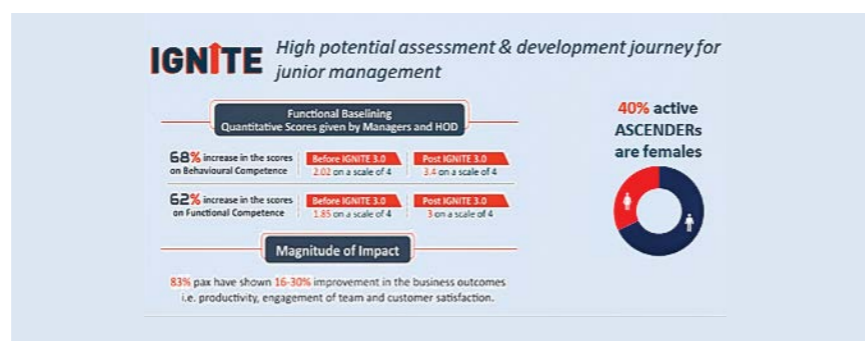
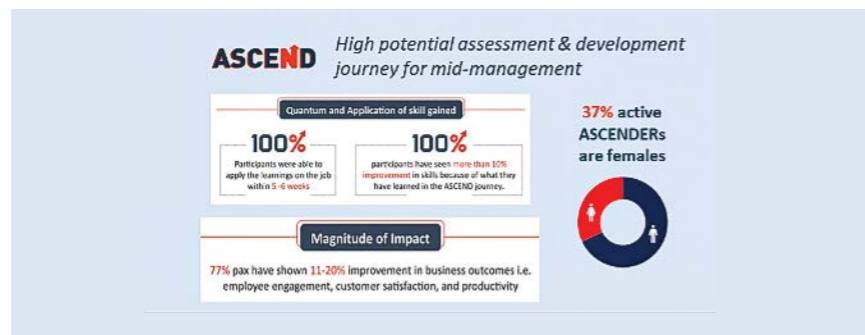
With an aim to identify successors for critical roles and analyse the talent health and capability needs of the business, the Talent Review and Succession Planning process is run for 450+ mid, senior, and top management employees.

The Company invests in identifying and grooming high potential talent at the junior and mid-management levels through its Ascend and Ignite programmes. Participants of these programmes undergo a 12 to 18-month development journey consisting of business impact projects, executive coaching, and access to world-class learning content. In FY2023, a total of 40 participants graduated from these programmes of whom more than 60% witnessed a significant improvement in their skill levels leading to over 10% impact on business outcomes.

The Piramal Learning University (PLU)

The Piramal Learning University Virtual Campus (PLU-VC) is a mobile-enabled learning experience platform. Powered by over 21,000 behavioral and functional courses, the platform promotes self-driven learning across the group. In FY2023, over 90% of all the employees upgraded themselves by leveraging the content available in PLU VC. **During the year, the Company witnessed increased engagement with more than 12,700 e-learning hours and 34,000 Instructor-led Training (ILT) hours being recorded on PLU VC.**

PLU also enables leadership development of the senior leaders through several custom designed programmes aimed at enhancing their leadership skills. Some of the key areas of leadership development include coaching skills for leaders, ability to deal with ambiguity, crucial conversational skills, and overcoming unconscious bias.



In FY2023, the Company launched a specially curated learning journey titled Summit 3.0, which aimed at building self-awareness to motivate and galvanise others and lead and influence colleagues strategically to cause maximum impact. Across businesses, top 22 leaders are participating in the Summit journey.

Piramal Leadership Series

This series focuses on the upliftment of leadership skills of junior management and mid-management cadre. It is an in-house programme that fosters and nurtures leadership traits through a series of structured modules including self-learning content, assignments, regular check-ins with managers and knowledge tests. During the reporting year, 418 employees participated in this programme.

Piramal Functional Academies

PPL recognises that functional skill building is critical for the continued success of individuals and the

organisation. For this, it runs more than 9 functional academies aimed at developing functional capabilities in IT, HR, Finance, Shared Services, Quality, R&D, Operations, Supply Chain, and Sales. Each academy consists of learning workshops, e-Learning modules, assignments, practice sessions, and assessments leading to the certification of the learners. The academy curriculum is designed and curated in-house by SME (Subject Matter Expert). In FY2023, the academies covered 483 learners across the Company.

483
Number of learners covered across the Company by functional academies in FY2023

Induction Programmes

To ensure a consistent onboarding experience, a standardised Day 1 induction programme is implemented across the globe. Additionally, Discover Piramal, a bi-annual, two-day event, is curated for new hires in the mid-management positions, giving them an insight into the ethos, values, and intricacies of PPL. Trainees and interns also undergo specially structured induction programmes called Headstart and Launchpad, respectively.

Vision

A living, thriving ecosystem that drives business results and enables individual experience

Leadership Development	Leadership Academy	Functional Academies	Induction Programs	Piramal Learning University Virtual Campus
Customised behavioural programmes for ExCom level leaders on: Leaders as coaches Crucial conversations Top team effectiveness Unconscious bias Dealing with ambiguity	Piramal Leadership Series A set of 5 programmes for employees in Band 1 to 4 aligned with Piramal Success Factors 418 Employees covered through Piramal Leadership Series programs in FY2023	9 Functional academies in PPL covering 483 employees Central Academies IT HR Finance GBSS PPS & PCC Academies Quality R&D Operations Supply Chain CPD Academies Sales	All new joiners undergo a consistent Day 1 induction and are assigned mandatory e-courses Discover Piramal Biannual curated 2 day induction programme for new hires in Band 3 & 4 Headstart & Launchpad Structured induction program for MTs/GTs and summer interns	Promoting self learning through PLU CC which has 21,000+ courses powered by Skillssoft along with functional content 90% coverage on PLU VC Learning initiatives Learning Festival Winter Games ML led recommendations

Piramal Learning University powered by PLU Virtual Campus

Learn
Build expertise and skills

Grow
Harness individual potential

Share
Enable collaboration and knowledge sharing

Create
Expand organisational capability

Innovate
Build expertise and skills

KPIs	Targets	Timelines	Performance Progress
Learning & Development (L&D)	85% of employees covered through ESG training annually	FY2025	<ul style="list-style-type: none"> Launched in-house developed e-learning SCORM course to build awareness on ESG Sending creative mailers to employees on basics of ESG Deployed e-learning contest on ESG for employees
	Monitor and increase person hours of e-learning annually	FY2025	Embedding e-learning programmes in employees' functional and behavioural journey: <ul style="list-style-type: none"> Piramal Leadership Series Consideration of e-learning courses and assignments in annual performance review and talent review Encouragement through activities like Piramal learning festival, Winter Games contest, etc. Monthly review by Chairperson and CHRO on e-learning uptake across businesses and sites/functions

Social

Occupational Health and Safety

PPL prioritises occupational health and safety of its employees, who are its key partners that help it achieve its future endeavours. Its prime focus is to ensure safe and healthy working environment for them as their right. The Company believes that all the work-related injuries and illness are preventable. Its principle of 'Doing Good and Doing Well' boost its EHS (Employee Health and Safety) values and aligns it to upkeep its efforts towards occupational health and safety.

The Company thrives to go beyond the industry standards in terms of safety for its employees, workers, contractors, and visitors engaged. Its culture promotes safety as a core intervention. The Company's medical screening results provides the employees with cure and care advises and support on lifestyle management. PPL has robust interventions to ensure health and safety including:

- EHS policy in place which directs its whole system and operations in association with EHS standards
- Focused Industrial Hygiene and Occupational Health initiatives active across manufacturing plants
- Risk-Based Exposure Assessment (RBEA), a qualitative risk assessment approach for risk evaluation due to exposure to hazardous materials
- For personal exposure monitoring, Task-based Exposure Assessment (TBEA) has been deployed for high-risk products and/or chemicals
- Deployment of Subject Matter Expert (SME) as a part of Corporate EHS team in Industrial Hygiene, Occupational Health, and Well-being
- Dedicated safety committees have been set up including employees and contract workers from multiple departments for every plant for continuous monitoring
- Regular EHS Audits (self-audits, management, and specialist audits) for gap identification and further improvement
- Implementation of '5 Whys' and Root Cause Analysis (RCA) models to support investigations
- Periodic reviews and Hazard Studies (6 levels) that includes HAZOP at HS-3 level are conducted at each site
- Comprehensive and rigorous safety training programmes for both employees and contractors, ensuring that everyone working on-site is equipped with the necessary knowledge and skills to prioritise safety, prevent accidents, and maintain a secure work environment
- Employees and contractors are promoted to report the incidents and near-misses, which act as a learning case studies for further strengthening of system

The Company has also deployed 12 Life Safety Rules (LSR) across the sites and adherence to them is made compulsory for employment. The deviations from these LSR are taken strictly and CAPA is implemented to prevent recurrence of incidents.

The Company promotes the culture of training and learning sessions for both, newly onboarded employees as well as for the existing ones. It trains them to adopt the best practices and update on new industry norms. Virtual self-learning is also promoted for the concerned topic. Piramal Learning University also provides lessons on various EHS aspects. During the reporting year, the Company spent about 15 hours of safety training per employee.

Standards and Certifications

All the manufacturing facilities in India (excluding the PDS facility in Ahmedabad) are ISO 45001:2018 certified and Occupational Health and Safety Management System (OHSMS) certified.

MySafe Portal

It is digital platform for end-to-end EHS monitoring and reporting. It is equipped for reporting incidents and their global communication across facilities. The portal tracks EHS audits and investigation process for all incidents under 10 defined categories, including Learning Incidents (near-misses), Corrective and Preventive Actions (CAPA) management, and staff health assessments. It spreads Company-wide learning from incidents.



Project Lighthouse



Like a lighthouse, the Safety Culture Transformation shall show us how to be safe and eliminate at-risk behaviour.

Piramal has embarked on a journey of Cultural transformation on Occupational Health & Safety

In October 2022, the Company embarked on a three-year Safety Culture Transformation journey at 3 locations (Digwal, Ennore, and Dahej) with the help of SWASYA Solutions. The first stage was a comprehensive Diagnostic Study. During the study, SWASYA directly engaged with 431 employees (full time and contract) and also received input from over 1300 employees (full time and contract) through a survey. These inputs were analysed to develop a plan in collaboration with the Piramal Leadership Team, to build a sustainable and strong Safety Culture in the Company. The broad areas of change were as follows:

- Establishing an integrated Safety Governance Structure
- Line leadership accountability for Safety
- Build a robust Behavioural Intervention (BI) Programme, enabling proactive two-way communication among people
- Develop a robust incident reporting and investigation mechanism
- Capability development across all levels, from shopfloor personnel to top management
- Upgradation of Safety Management Standards
- Institute a structured Contractor Safety Management process



Social



Since January 2023, in consultation with SWASYA, the Company has achieved the following:

- Developed a framework for Safety Governance, with Safety Steering Committees overseeing the functioning of Behavioural Intervention, Incident Investigation, and Competence Cross-Functional Teams (CFTs) at all locations. The SWASYA team observes the functioning of the Steering Committees and CFTs, participates in the team meetings and provides inputs that help build a collaborative culture in the organisation.
- Conducted leadership workshops, training 175 employees (top and middle management), helping them build their leadership character, foster powerful relationships, understand the nuances of safety culture, and proactively engage and encourage safety on the shop floor. Each of these individuals conducts Safety Engagement and Encouragement (SEE) rounds in their facility, contributing to the development of a better Safety Culture with every interaction.
- Conducted Incident Investigation workshops, training 75 employees to conduct structured investigations using a nine-step process. The SWASYA Team regularly reviews Incident Investigation Reports prepared by these teams, aiding in identifying systemic causes and horizontal deployment of findings from each critical incident.

Work-related ill health in FY2023

S. No.	Description	Male	Female
1	The number of fatalities as a result of work-related ill health	0	0
2	The number of cases of recordable work-related ill health	0	0

For all workers, who are not employees but whose work and/or workplace is controlled by the organisation in FY2023

S. No.	Description	Male	Female
1	Fatalities as a result of work-related ill health	0	0
2	Cases of recordable work-related ill health	0	0

Work-related injuries in FY2023

S. No.	Description	Number
1	No. of fatalities	0
2	Total reportable injuries	9
	2(a) Reportable injuries (permanent employees)	3
	2(b) Reportable injuries (contractual employees)	6
3	Man-hours worked (permanent + contractual)	1,73,03,377

0.10 LTIR

Per 200,000 person days

Zero

Fatalities during FY2023

15 hours

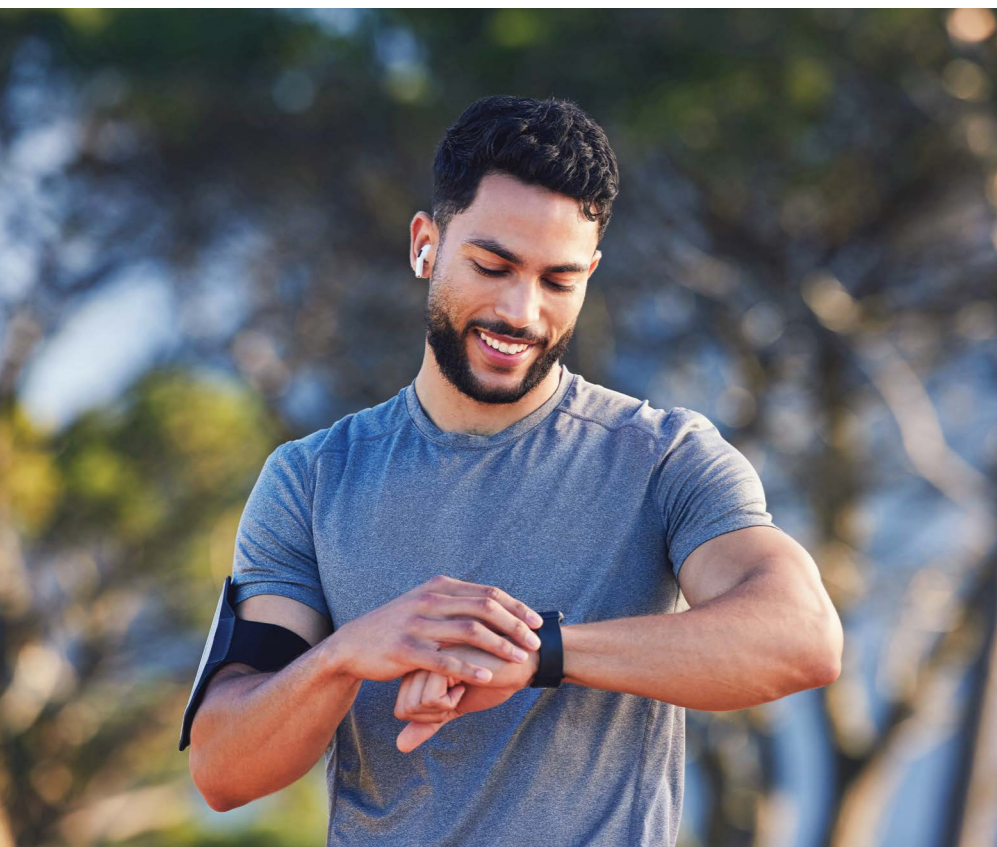
of safety training per employee per year



KPIs	Targets	Timelines	Performance Progress
Lost Time Injury Rate (LTIR)	Maintain LTIR < 0.2 per 200,000 person-days worked	FY2023	FY2023 LTIR = 0.1 for PPL globally
	Investigate all incidents and implement Corrective Action Preventive Actions (CAPA)	FY2023	<ul style="list-style-type: none"> All incidents are investigated with project Lighthouse bringing enhanced focus on incident investigation as a critical workstream. ~65% CAPA completed in FY2023
Safety trainings at manufacturing sites	Two person days per employee annually devoted to safety training	w.e.f. FY2023	<ul style="list-style-type: none"> Safety trainings are executed at all sites. Achieved 15 hrs. i.e. 1.87 person-days per employee annually devoted to safety training.
Occupational Health and Safety Management System (OHSMS)	Adopt an OHS Management system in alignment with the globally accepted standard	FY2024	<ul style="list-style-type: none"> Indian sites Digwal, Ennor, Pithampur, Mahad, Dahej and PPDS are certified to ISO 45001 (OHSMS) & ISO 14001 (EMS).

Social

Patient, Customer, and Consumer Centricity



Building a patient, customer, and consumer centric organisation is of utmost importance to the Company. It strives to instill across the organisation the value of 'Serving Customers'.

Understanding and meeting the evolving needs of patients, customers and consumers, and broadening access to quality care and medicines, is what drives each employee at PPL. The Company strives to win the hearts of patients, customers, and consumers by providing high-quality products and services which gave rise to the concept of patient, customer, and consumer-centricity.

The Company undertakes various initiatives, such as quarterly surveys and seminars, dedicated forums for patient awareness, senior management involvement, and one-on-one customer mapping to

its leadership team for key customers, and promote use of technology and software. Each manufacturing site has Patient Awareness Council (PACs) comprising of site employees representing multiple functional roles. The responsibility of this council is to foster patient-centric behaviour, share best practices, and brainstorm new ways to communicate the benefits of patient-centric behaviour to their sites, suppliers, and customers. "Patient Moments" campaign initiated by site PACs presents patient stories for drugs in progress at the site. It creates awareness among employees of the importance of the products they are manufacturing.

The Company also carries out an annual survey of its customers globally, the data of which is analysed, compiled, summarised, and shared within the Company. Further, action plans are developed based on the survey results, which are then built upon and followed-up further.

Initiatives Taken Across Business Verticals

Contract Development and Manufacturing Organisation	Complex Hospital Generics	India Consumer Healthcare
<ul style="list-style-type: none"> Customer-Centricity incorporated within a strategic business function All customer needs are handled by a single point of contact Company wide initiatives towards Customer-Centricity, including senior management involvement, one-to-one customer mapping to leadership team for top customers, implementation of necessary software, and quarterly surveys and seminars Dedicated forums for patient awareness Customer Satisfaction Survey 	<ul style="list-style-type: none"> Recognising the voice of patients and customers Balancing operations, the concerns and needs of customers and patients Shift in culture to position patients at the centre of decision-making <ul style="list-style-type: none"> Patient-self-awareness surveys Patient-Centricity forum Periodic customer communication 	<ul style="list-style-type: none"> Increasing self-care accessibility for a wider audience via traditional distribution channels and e-commerce Using media and direct contact to ensure product recognition and awareness among consumers and retailers Decision-making based on first-hand research, tailored studies, and data analytics

KPIs	Targets	Timeline	Performance Progress
Customer Satisfaction	Achieve and maintain customer satisfaction rate above 80%	Annually w.e.f. FY2023	In FY2023, Consumer Satisfaction rate were 85.2% and 85% across PPS and PCC businesses respectively.
	Achieve and maintain Net Promoter Score above 60%		In FY2023, Net Promoter Score for PPS and PCC businesses were 55% and 58% respectively.

Social

Community Engagement and CSR

PPL's Corporate Social Responsibilities (CSR) are primarily carried out by the Piramal Foundation, the philanthropic arm of the Piramal Group. Piramal Foundation is committed to solve the most intractable problems of India through innovation and collaboration.

During the year, the Company spent ₹7.58 Crores on CSR initiatives, mainly towards improving the health and education indicators in 112 aspirational districts in India, where more than 10 Crore people live below the poverty line.

Employee Social Impact (ESI) – The Company motivates its employees to connect and actively volunteer in its community development activities and programmes. Its portal helps and guides the employee volunteers, partner NGOs, and end-users to connect and identify opportunities to contribute to social good. Its 'Champion for Change' advises and encourages others to increase engagement in social activities, which helps in building a responsible culture.

KPIs	Targets	Timeline	Performance Progress
Community Engagement	Quarterly/periodic engagement with communities around operating sites	Annually w.e.f. FY2023	Ongoing
Impact Assessment	Third-party impact assessment of key CSR programmes, in accordance with CSR Rules notified by MCA	Annually for all projects completed after Jan 2021	Would be carried out as per CSR Rules notified by MCA

Piramal Foundation

Piramal Foundation is the philanthropic arm of the Piramal Group. It develops and implements innovative solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation is committed towards improving primary healthcare and nutrition, education leadership, women and youth empowerment, and enabling access to safe drinking water.

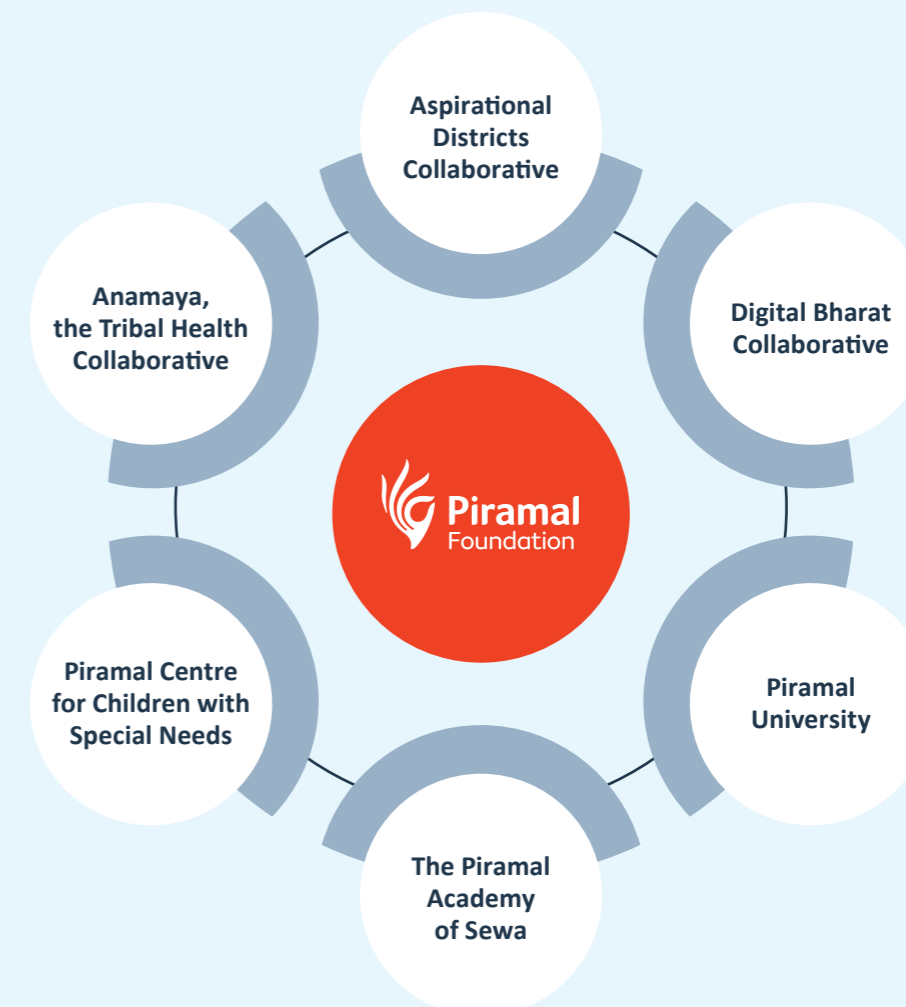
The Foundation believes that bringing impact at scale across diverse geographies and communities can be achieved only through partnerships with governments (public-private-partnership model) and like-minded organisations. Therefore, it works in conjunction with state and central governments, philanthropists, corporates, donors, NGOs, and social delivery organisations.



Piramal Foundation's 6 Big Bets

The Foundation focuses on 6 Big Bets, designed to address critical roadblocks affecting the country's most underserved. These include:

- **Aspirational Districts Collaborative:** Aims to accelerate and support the Government's efforts to improve the lives of 100 Million people through hyperlocal collaboration and last mile convergence.
- **Anamaya, the Tribal Health Collaborative:** Addresses the unique and complex challenges faced by tribal people in 182 districts, collaborating with indigenous people, and local governments to develop an empathetic and effective public health system informed by community voice.
- **Piramal Centre for Children with Special Needs:** Establish a top-tier facility to help children with disabilities become self-sufficient and productive. The inclusive institute will have a world-class curriculum and pedagogy, with a focus on social, emotional, and ethical competencies, as well as experiential learning.
- **Digital Bharat Collaborative:** Aims to use technology to transform the delivery of public services with increased accountability, accessibility, and quality of service for all.
- **Piramal University:** Build a first-of-its-kind, world-class institute for strengthening systems (institutional processes, practices, and governance) within the Government by leveraging technology, and developing leadership skills of officials to drive innovation and learning for improving service delivery.
- **The Piramal Academy of Sewa:** Works towards harnessing the Sewa Bhaav of youth and empowering rural women with digital skills to enable them to contribute to nation building.



GRI Index

GRI Standard	Disclosure	Description	SASB	UNGC	Page No./remarks	
GRI 2 General Disclosures 2021	2-1	Organisational details			8	
	2-2	Entities included in the organisation's sustainability reporting			About the Report	
	2-3	Reporting period, frequency and contact point			About the Report	
	2-6	Activities, value chain and other business relationships			48	
	2-7	Employees			69	
	2-8	Workers who are not employees			69	
	2-9	Governance structure and composition			32	
	2-10	Nomination and selection of the highest governance body			32	
	2-11	Chair of the highest governance body			32	
	2-12	Role of the highest governance body in overseeing the management of impacts			32	
	2-13	Delegation of responsibility for managing impacts			32	
	2-14	Role of the highest governance body in sustainability reporting			32	
	2-15	Conflicts of interest			36	
	2-16	Communication of critical concerns			38	
	2-17	Collective knowledge of the highest governance body			32	
	2-18	Evaluation of the performance of the highest governance body			34	
	2-19	Remuneration policies			37	
	2-20	Process to determine remuneration			34	
	2-22	Statement on sustainable development strategy			14	
	2-23	Policy commitments			36	
	2-24	Embedding policy commitments			36	
	2-25	Processes to remediate negative impacts			14	
	2-26	Mechanisms for seeking advice and raising concerns			18	
	2-27	Compliance with laws and regulations			36	
	2-28	Membership associations			17	
	2-29	Approach to stakeholder engagement			18	
	2-30	Collective bargaining agreements		Principle 3 (Uphold the freedom of association and the effective recognition of the right to collective bargaining)	36	
	GRI 3 Material Topics 2021	3-1	Process to determine material topics			20
		3-2	List of material topics			21
	Specific Standard Disclosures (Category: Economic)					
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed			46	
	201-3	Defined benefit plan obligations and other retirement plans			47	






GRI Standard	Disclosure	Description	SASB	UNGC	Page No./remarks
GRI 205: Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures		Principle 10 (Fight corruption in all its forms including extortion and bribery)	36
	205-3	Confirmed incidents of corruption and actions taken		Principle 10 (Fight corruption in all its forms including extortion and bribery)	36
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices			36
Category: Environment					
GRI 302: Energy	302-1	Energy consumption within the organization		Principle 7 (Adopt a precautionary approach to environmental challenges)	57
	302-3	Energy Intensity		Principle 8 (Conduct environmentally responsible activities)	57
	302-4	Reduction of energy consumption		Principle 8 (Conduct environmentally responsible activities)	55
GRI 303: Water	303-1	Interactions with water as a shared resource		Principle 7 (Adopt a precautionary approach to environmental challenges)	61
	303-2	Management of water discharge-related impacts		Principle 8 (Conduct environmentally responsible activities)	61
	303-3	Water withdrawal		Principle 8 (Conduct environmentally responsible activities)	62
	303-4	Water discharge		Principle 8 (Conduct environmentally responsible activities)	62
	303-5	Water consumption		Principle 8 (Conduct environmentally responsible activities)	62
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Principle 7 (Adopt a precautionary approach to environmental challenges) Principle 8 (Conduct environmentally responsible activities)	64
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions		Principle 7 (Adopt a precautionary approach to environmental challenges)	60
	305-2	Energy indirect (Scope 2) GHG emissions		Principle 7 (Adopt a precautionary approach to environmental challenges)	60
	305-4	GHG Emissions Intensity		Principle 8 (Conduct environmentally responsible activities)	60
	305-5	Reduction of GHG emissions		Principle 8 (Conduct environmentally responsible activities)	55
	305-6	Emissions of ozone-depleting substances (ODS)		Principle 7 (Adopt a precautionary approach to environmental challenges)	61
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Principle 8 (Conduct environmentally responsible activities)	61
	GRI 306: Waste	306-1	Waste generation and significant waste-related impacts		Principle 7 (Adopt a precautionary approach to environmental challenges)
306-2		Management of significant waste-related impacts		Principle 8 (Conduct environmentally responsible activities)	63
306-3		Waste generated		Principle 8 (Conduct environmentally responsible activities)	63
306-4		Waste diverted from disposal		Principle 9 (Encourage the development and diffusion of environmentally friendly technologies)	63
306-5		Waste directed to disposal		Principle 9 (Encourage the development and diffusion of environmentally friendly technologies)	63

GRI Index

GRI Standard	Disclosure	Description	SASB	UNGC	Page No./remarks
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management HC-BP-430a.1	Principle 7 (Adopt a precautionary approach to environmental challenges) Principle 8 (Conduct environmentally responsible activities)	48
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management HC-BP-430a.1	Principle 7 (Adopt a precautionary approach to environmental challenges) Principle 8 (Conduct environmentally responsible activities)	48
Category: Social					
GRI 401: Employment	401-1	New employee hires and employee turnover	Employee Recruitment, Development & Retention HC-BP-330a.1 HC-BP-330a.2	Principle 6 (Eliminate discrimination in employment and occupation)	71
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			73
	401-3	Parental leave			73
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system			76
	403-2	Hazard identification, risk assessment, and incident investigation			76
	403-3	Occupational health services			76
	403-4	Worker participation, consultation, and communication on occupational health and safety			76
	403-5	Worker participation, consultation, and communication on occupational health and safety			76
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			76
	403-8	Worker training on occupational health and safety			76
	403-9	Work-related injuries			76
	403-10	Work-related ill health			79
	GRI 404: Training and Education	404-1	Average hours of training per year per employee		
404-2		Programs for upgrading employee skills and transition assistance programs			74
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		Principle 6 (Eliminate discrimination in employment and occupation)	70,32
GRI 406: Non-discrimination	406-1	Incidents of non-discrimination and corrective actions taken	Business Ethics HC-BP-510a.2	Principle 6 (Eliminate discrimination in employment and occupation)	36
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Principle 3 (Uphold the freedom of association and the effective recognition of the right to collective bargaining)	36
GRI 408: Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Business Ethics HC-BP-510a.2	Principle 5 (Abolish child labour)	48

GRI Standard	Disclosure	Description	SASB	UNGC	Page No./remarks
GRI 409: Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Business Ethics HC-BP-510a.2	Principle 4 (Eliminate all forms of forced and compulsory labour)	48
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs			82
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Supply Chain Management HC-BP-430a.1	Principle 1 (Support and respect the protection of internationally proclaimed human rights)	48
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management HC-BP-430a.1	Principle 2 (Ensure that business practices are not complicit in human rights abuses)	48

SDGs

SDG	Description
	End poverty in all its forms everywhere
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
	Ensure healthy lives and promote well-being for all at all ages
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	Achieve gender equality and empower all women and girls
	Ensure availability and sustainable management of water and sanitation for all
	Ensure access to affordable, reliable, sustainable and modern energy for all
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG	Description
	Reduce inequality within and among countries
	Make cities and human settlements inclusive, safe, resilient and sustainable
	Ensure sustainable consumption and production patterns
	Take urgent action to combat climate change and its impacts
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development



Registered Office: Piramal Ananta, Agastya Corporate Park (Opposite Fire Brigade)
Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070

CIN: U24297MH2020PLC338592