

Environment, Social, Governance Policy

Purpose:

As a responsible organisation, Alembic Pharmaceuticals Limited is committed to providing a safe workplace and protecting the environment. Our stewardship on sustainability is to provide an overview of our approach to managing Environment, Social & Governance (ESG) risks across our organisation. The scope involves ESG comprehensively, inclusive of environmental sustainability, occupational health and wellbeing, environmental protection and compliance, occupational hygiene and safety of all employees, workers and all other stakeholders.

Scope:

This is applicable to all the Alembic Pharmaceuticals Limited manufacturing and value chain.

Objectives:

Environment:

- Protecting the environment by preventing air, water, soil pollution and minimising adverse impacts on the environment.
- Reduce greenhouse gas emissions and minimise the organisations carbon footprint to combat climate change.
- Enhance energy efficiency and promote the use of renewable energy sources to minimise energy consumption and dependence on fossil fuels.
- Reduce freshwater withdrawal by managing water resources responsibly and promote sustainable water practices.
- Reduce dependency on ground water and work towards improving ground water availability and quality around company facilities.
- Ensure no discharge of APIs in Environment and follow AMR Guidelines.
- Minimize waste generation and promote waste diversion through recycling and responsible waste management practices.
- Prevent or minimise any adverse EHS impacts of our operations and products throughout their life cycle, from research and development to manufacturing, distribution, use and disposal.
- Adopt and integrate material conservation, recycling and recyclability concepts in our operations and processes to the extent permissible.
- Manufacture and supply high-quality API products that are fully utilized in downstream processing, ensure safety and effectiveness for end users.

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- Incorporate concepts of green chemistry in product development and process optimization.
- Preserve and enhance biodiversity within and around the organization's operational areas.
- Increase green cover by resorting to plantation of native trees in and around company premises.

Social:

- Provide equal employment opportunities to all individuals, regardless of their race, caste, colour, religion, national origin, sex, gender identity, sexual orientation, age, disability, genetic information, marital status, pregnancy, veteran status or any other legally protected characteristic. All employment decisions, including but not limited to recruitment, hiring, promotions, transfers, training opportunities and terminations will be based on qualifications, merit and business needs.
- Ensure that no instance of child labour, forced labour, slavery or human trafficking occurs in any of its operations and establishments and supply chain.
- Encourage an inclusive work environment, wherein diversity is valued and equal opportunities are available to all the employees.
- Maintain safe working conditions by preventing work related injury & ill health by eliminating hazards and reducing Occupational Health & Safety (OH&S) risks
- Ensure Fair labour practices including fair compensation, social security benefits and move towards living wage including contract workers.
- Maintain a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions for all employees, contractors, and stakeholders.
- Conduct trainings to strengthen in-house talent both on technical and behavioural skills and ensure that employees have right to pursue any career growth opportunity.
- Collaborate with the local communities towards social interventions in the identified thrust areas.
- Promote diversity, equity and inclusion in the organisation.

Governance:

- Ensure that business is conducted in fair and transparent manner.
- Identify organizational risk and plan for mitigation of risks through a structured manner.
- Ensure compliance with legal and other requirements.
- Ensure implementation of business code of conduct & ethics policy.
- Ensure implementation of Anti-Bribery and Corruption policy (ABAC policy).

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- Implementation of whistle-blower policy as a mechanism for employees and other stakeholders to report any unethical practices.
- Implement information security management system in order to protect organisation's information assets from various internal and external cyber threats.

Supply Chain Management:

- Encourage suppliers to manage all ESG aspect in their operations actively and to continually improve their performance.
- Reduce the indirect environmental and social impacts arising from the purchase of goods and services from third party supplier to the greatest extent possible.
- Assess supply chain risks and collaborate with business partners to mitigate them through a formal risk management program.

Targets:

Alembic has established quantitative targets aligned with its twelve year maturity model to support the continual improvement of its ESG Maturity. To ensure consistency in performance measurement, a **common baseline year financial year (FY-2022)** and **target year (FY-2034)** are applied across all targets. Where a target follows a different timeline, the applicable baseline year and target year will be specified for that target.

Theme	Material Topic	Target details
Environment	Climate Change	• Alembic Pharmaceuticals Limited commits to reduce absolute scope 1, 2 and 3 GHG emissions 63% by FY2034 from a FY2022 base year. • Alembic Pharmaceuticals Limited commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by FY2050 from a FY2022 base year.
	Energy	• Reduce overall energy intensity by 10% by FY-2030 through operational efficiency and conservation initiatives.
	Water Stewardship	• Reduce water consumption intensity by 30% by FY-2030. • Water neutrality by 2027
	Waste Management	• Increase 25% Solvent Recovery by 2028.
	Biodiversity	• Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and habitats by FY-2031. • 50,000 Trees plantation by 2027
	Environment Pollution	• Reduce 10% air emission from Ozone Depleting Substances by 2028.
	Product stewardship	• Ensure 100% compliance of safe disposal and recycling of product packaging. • Use of 80% recycled material in tertiary packaging
Social	Health & Safety	• Maintain Zero Fatality Rate.

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Theme	Material Topic	Target details
		Use of 80% recycled material in tertiary packaging
Social	Health & Safety	- Maintain Zero Fatality Rate. - Increase total number of safety observations and safety inspections 40% by 2028
	Working conditions	A fair compensation structure is maintained. Aligned wage structure to living wages benchmarks for 100% company employees and 90% of contract workers by 2028.
	Equal opportunity	- Achieve 10% gender diversity in our workforce by FY2030 and 15% by FY2034. - Ensure 100% employee coverage through training on harassment, discrimination and the POSH (Prevention of Sexual Harassment) policy by 2027.
	Career Management	Achieve average 100 hours of training per employee annually by FY2031.
	CSR	5,00,000 beneficiaries by 2030
Ethics	Business Ethics	- Maintain zero incidents of business code of conduct & Ethics policy violation 100% of employees are trained on the employee business code of conduct & ethics policy.
	Corruption	Maintain Zero incidents of corruption and bribery
	Information Security	- Ensure all system-user employees complete mandatory annual training on cybersecurity best practices and data privacy requirements. - Implement automated patch management and continuous system hardening protocols across all endpoints, servers and network devices to minimize exposure to vulnerabilities. - Implement an enterprise-wide Data Loss Prevention (DLP) framework to safeguard confidential company data, intellectual property and personal information against unauthorized leakage or transfer.
	Sustainable Procurement	- Increase spend with diverse suppliers (MSME, local supplier and women-owned) to 30% of applicable procurement spend by FY2031, with annual progress reviews - Ensure that at least 70% of key supply partners are assessed against Alembic's sustainability criteria by FY2030, with the remaining suppliers covered through a risk-based assessment approach. - Obtain Supplier Code of Conduct acceptance from 75% of key suppliers by FY2029.

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Governance & Responsibilities:

- **Risk Management Committee:** RMC is Responsible for overseeing sustainability initiatives. They ensure that a system and framework is in place to address the ESG risks identified in the Enterprise Risk Management Plan and overview the objectives and targets w.r.t ESG risks.
- **Senior Management:** Senior management is accountable for integrating sustainability into the company's overall strategy. They ensure that sustainability goals are prioritised and resources are allocated appropriately.
- **Employees & Contract Workers:** Accountable for following the requirement of this document on the shop floor by participating in sustainability initiatives and contribute to our sustainability goals.

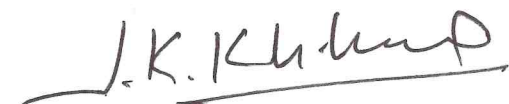
Accountability:

Responsibility for implementing and adhering to this policy rests with all employees and management across Alembic. All personnel are expected to understand and comply with the requirements of this policy. Any instances of non-compliance will be reviewed and addressed in accordance with applicable company policies, procedures, and disciplinary processes.

Policy Review

This policy is reviewed and updated by the ESG Team every four years to ensure its continued relevance, effectiveness, and alignment with regulatory requirements and organizational sustainability objectives.

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