

ALEMBIC PHARMACEUTICALS LIMITED

POLICIES ON BUSINESS RESPONSIBILITY

Details of Adoption / Amendments to the Policies document				
Policy Adoption / Change Effective Date	Clause No.	Particulars of the Adoption / Change	Board Approval Date	Version of Policy
29/07/2016	-	Adoption of Policies on Business Responsibility	29/07/2016	Original
01/02/2023	Various clauses	The change in the principles from National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business for reporting on Environment, Social and Governance (“NVG”) to National Guidelines on Responsible Business Conduct (“NGRBC”) for new reporting requirements called Business Responsibility and Sustainability Report (“BRSR”).	01/02/2023	V-2
29/03/2024	Various Clauses	Aligned with ESG requirements.	29/03/2024	V-3

1. INTRODUCTION

Alembic Pharmaceutical Limited (“Alembic” or “the Company”) is one of the leading integrated pharmaceutical companies committed to delivering high-quality healthcare for patients around the world. The Company is committed to operating in a responsible, sustainable, and inclusive manner to create long-term value for its stakeholders.

Alembic is mindful of its environmental and social impacts and is cognizant of the importance of good governance in minimizing negative impacts and augmenting positive impacts. These considerations guide Company’s business strategy and routine operations. Furthermore, the Company strives to be inclusive of various expectations of all its stakeholders.

2. OBJECTIVE

The objective of this document is to adopt the nine principles prescribed by the National Guidelines on Responsible Business Conduct (“NGRBC”) and drive our business operations responsibly and sustainably. This Policy will lead to development of robust systems and processes for implementation of Company’s Environmental, Social, and Governance (“ESG”) strategies and achievement of desired objectives thereof.

3. APPLICABILITY

This Policy is applicable to all executives, employees, associates, retainers, consultants, and supply chain partners whether part-time or full-time, fixed term, or trainee of the Company, with partial or full access to its systems and information infrastructures.

4. REFERENCES

The Company strives to align its ESG strategy and performance with the UN Sustainable Development Goals (SDGs), National guidelines on Responsible Business Conduct (NGRBC), and Nationally Determined Contributions (NDCs).

5. IMPLEMENTATION

The subsidiary companies will participate in the Business Responsibility Initiatives of the Company to the extent required under the laws of the country in which they operate. The Company will endeavour to take its sustainability policies and initiatives beyond the boundaries of its manufacturing facilities and spread awareness amongst the relevant stakeholders.

The Key Managerial Personnel's (KMP's) and the respective functional heads of the Company, be and are hereby severally and/or jointly responsible for implementing and oversight of this Policy. Mr. Pranav Amin & Mr. Shaunak Amin, Managing Directors of the Company shall be responsible for decision making on sustainability relates issues.

6. BOARD APPROVAL

All the Business Responsibility Policies (including amendments thereto) have been formulated by the management of the Company in consultation with the relevant stakeholders and are approved by the Board of Directors of the Company.

7. POLICY AMENDMENTS

The Board and persons duly authorised by it, shall have the power to severally amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

PRINCIPLE - 1

ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Alembic has in place a Code of Conduct (“Code”) to ensure compliance with legal requirements and business ethos and values. The Code requires that the Directors, Senior Management Personnel and Employees at all levels abide by the said Code of Conduct. The Company expects confirmation of compliance from its employees. The Code has been disseminated across the organization and is also made available on the Company’s website as well as on the local intranet. The Code also ensures good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders across the value chain. The Company has also developed a Supplier Code of Conduct which is applicable to all our supply chain associates.

Policy: The Company’s conduct in all its sphere of activities while dealing with the internal and external stakeholders will endeavor adherence to the following:

1) Maintaining Values

The Company will endeavor to promote its values as well as demonstrate its commitment to upholding its ethics principles wherever it operates in conjunction with business partners.

2) Business Integrity

The Company will endeavor not to do nor give or receive, directly or indirectly for business or financial gain, any financial inducement or improper advantage, or engage in any form of unethical conduct or exercise undue influence over any third party. The Company expects its employees not to indulge in giving extravagant, lavish or uncustomary gifts to the third parties, which may obligate or appear to obligate or inappropriately influence the recipient.

3) Anti-Corruption and Fair Competition

The Company expects its employees not to engage in or promote practices which are abusive, corrupt and anti-competitive. The Company is committed to competing fairly and complying with appropriate competition laws. The Company’s employees, KMPs, and Board Directors shall adhere to the guidelines and norms including the Anti-Corruption and Anti-Bribery policy prescribed by the Company for accepting and giving gifts.

Our supply chain associates i.e. suppliers, vendors and contractors by virtue of their endorsement of Supplier Code of conduct support our mission for fair competition and commit themselves for not getting involved in unfair trade practices.

4) Equal Opportunities

The Company will provide equal opportunities to all its candidates/ employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, and nationality. The Company and its

supply chain associates will maintain a work culture that strictly prohibits any form of discrimination.

5) Conflict of Interest

The Company shall take appropriate steps to identify the potential conflict of interest in business transactions and take measures to avoid any such conflicts. The Company shall adopt requisite due diligence mechanisms on this aspect for its directors, KMPs, and employees. It is also incumbent upon all interested parties to promptly disclose any conflicts of interest. At

6) Redressal Mechanism

The Company shall develop, adopt and implement an appropriate redressal mechanism with formal procedures, for all stakeholders which shall be communicated with respective stakeholders.

7) Accuracy of Records and Disclosures

The Company shall make all reasonable efforts including by way of internal controls, third party reviews/audits, to vouch for completeness, validity, and accuracy of the records, financial or otherwise and the validity of all information. It will make all reasonable efforts to ensure that all its public announcements are accurate, complete, fair, timely and understandable and comply with all applicable laws and regulations.

8) Transparent Communication and Access to Information

The Company will endeavor that all the requisite information is communicated in a transparent manner to all those who are concerned and are required to be informed about the same. The Company follows an open-door policy, ensuring that everyone is approachable and can communicate freely without fear or favor. The Company will also endeavor ease of access to information across the entire value chain which includes its external stakeholders, whilst maintaining appropriate safeguards for confidentiality and statutory requirements.

9) Compliance

The Company will to the best of its ability comply with all the laws and regulations as applicable to its operations, will encourage everyone involved in its value chain to do the same and deal with compliant supply chain associates.

10) Contractual Obligations

The Company will take its contractual obligations seriously and will make reasonable efforts to pay its suppliers, employees and others entitled to receive money from it, according to agreed contracts and ensure compliance, with applicable contractual terms.

11) General

The Company will encourage all internal and external parties dealing with it to comply with the above mentioned principles and will try to avoid complicity with anyone that violates above principles.

PRINCIPLE - 2

PRODUCT SUSTAINABILITY

Being in the Healthcare industry, Alembic is committed to provide products and services that offer uncompromised quality. The Company continuously endeavours to use sustainably sourced ingredients in products and manufacture products based on internationally accepted standards of manufacturing. Some of the Company's manufacturing facilities are approved by international regulators like USFDA & UKMHRA and others. Besides, there are mandatory regulatory approvals required in India endorsing the safety of the product.

The Company through this policy endeavors to provide sustainable products that will results into economic, social and environmental benefits while protecting public health and environment over the product life cycle, from the extraction of raw materials until the final disposal.

Policy:

- 1) To make all reasonable efforts to ensure that its products and services comply with all applicable statutes and regulations;
- 2) To strive to adhere to quality and safety specifications and adopt the Right First Time Approach;
- 3) To endeavor measuring the lifecycle environmental and social impacts of its products and services (to the extent applicable) and manage it through working towards safe and optimal resource use over the life-cycle of its products and services, including recycling of materials wherever possible;
- 4) To strive providing relevant information about our products to customers, distributors, suppliers and other stakeholders to promote safe usage (and post life cycle disposal) of products.
- 5) To monitor and improve the environmental, health and safety performance of our products and processes by deploying contemporary technology.
- 6) To work towards ensuring that all goods and services are procured, manufactured and delivered through a system embedding its policies in terms of labour practices, human rights, ethics, occupational health, safety and environment;
- 7) To sensitize all the value chain partners, namely the third party manufacturers (TPMs), service providers including transporters and suppliers of significant raw materials to fulfil their roles and responsibilities towards sustainability;
- 8) To endeavor prompt review of any product related incident resulting in injury, ill-health, environment or security issues.
- 9) To continue to progressively factor in environmental considerations during the process of development of products / services;

- 10) To ensure exchange of information amongst value chain partners regarding product hazards, intended uses, handling practices, exposures and risks.
- 11) To leverage digitization and automation to improve quality, yield, and reduce / eliminate human exposure to hazardous materials; and
- 12) To ensure transparent, accurate, and timely communication with relevant stakeholders regarding safe use and responsible disposal of its products.

PRINCIPLE - 3

EMPLOYEES' WELL-BEING

Objectives

- To attract and retain the best talents.
- To keep its people motivated, feel included, and inculcate organizational citizenship.
- To ensure employees are in good state of mental and physical health.
- To promote health awareness amongst employees of Alembic.
- To ensure safety of all employees.

Policy

- 1) All employees of the Company across all work levels will treat employees fairly and promote mutual respect;
- 2) The Company and its employees will promote the chosen values of integrity, recognition, openness, ownership, collaboration and creativity;
- 3) The Company will try to foster a work environment that is free from all forms of physical and verbal abuse, harassment, discrimination , or stress;
- 4) The Company will treat all employees fairly and all decisions of hiring, promotions, rewards, compensation and separation will be impartial and done with established procedures;
- 5) The Company shall develop an enabling environment so that all employees and workers can discuss concern areas immediately with their managers / Human Resources on work-life balance and other work-related issues that cause them stress or negatively impact their wellness;
- 6) The Company will respect the right to freedom of expression, participation and provide access to appropriate grievance redressal mechanisms;
- 7) The Company will not use child labour, forced labour or any form of involuntary labour, paid or unpaid;
- 8) The Company will endeavor to provide facilities for the wellbeing of its employees including those with special needs;
- 9) The Company will ensure timely payment of fair living wages as per the applicable legislations, to a minimum and to meet basic needs and economic security of its employees;
- 10) The Company will ensure continuous skill and competence upgrading of all employees by providing necessary learning opportunities, on an equal and non-discriminatory basis;

- 11) The Company will promote employee morale and career development through appropriate performance management and development interventions right from the onboarding stage of employment;.
- 12) The Company will cover its employees through its group medical insurance policy or workmen's compensation policy;
- 13) The Company shall endeavor to provide hygienic environment to its employees and it shall periodically take measures to make employees aware of health concerns through expert talks and programs that benefit employees;
- 14) The Company will ensure that safety processes and procedures are made known adequately to all employees, right from date of joining;
- 15) The Company shall take appropriate measures to ensure that its facilities are friendly to people with special needs in accordance with the Rights of Persons with Disability Act, 2016;
- 16) Safety of each employee and fellow co-workers will be regarded as a collective responsibility and all employees will follow safety measures laid down by the Company;
- 17) The Company, through its laid down policy and procedures, will continuously promote and work towards improving environmental performance and conservation of energy; and
- 18) The Company shall institute adequate systems and processes to ensure compliance with applicable laws and regulations by its value chain partners regarding welfare and safety of employees and workers.

PRINCIPLE - 4

STAKEHOLDERS ENGAGEMENT

Alembic believes that an effective stakeholder engagement process is necessary for achieving its goal of sustainable, scaleable and inclusive growth. It is our intent to ensure appropriate and meaningful consultation throughout all components of our business.

Alembic is committed to:

- Fulfilling stakeholder expectations in just, fair, and inclusive manner;
- Disseminating relevant information in a timely, transparent, and accurate manner;
- Engaging with stakeholders to understand their expectations and concerns and communicate Company's expectations from them; and
- Instituting appropriate grievance redressal mechanism for all stakeholders.

Policy

The Company shall develop and adopt a comprehensive stakeholder engagement framework detailing mutual expectations, mode and frequency of engagement, and specific obligations towards each stakeholder. The Company strives to record and resolve all grievances raised by stakeholders.

The Company endeavours to engage with stakeholders on following principles:

1) Stakeholder Identification and Analysis

Identifying stakeholders as well as their interests, level of expertise and level of influence is crucial for successful stakeholder engagement and for allocating Company resources as efficiently as possible.

While identifying the stakeholders, consideration to the economic, environmental and social impacts will be observed and accordingly objectives and parameters of engagement are set and identification and prioritization of stakeholders with whom to engage is made.

While identification and engagement with stakeholders is a continuous process, the Company has identified its key stakeholders and they inter alia include employees, shareholders, vendors, doctors, healthcare practitioners, patients, government, regulators and the communities in which the Company operates.

2) Information Disclosure

Communicate information to stakeholders early in the decision-making process and in which that are meaningful and accessible.

3) Grievance Redressal

Institute a comprehensive grievance redressal mechanism with time-bound resolution of all grievances raised by the stakeholders.

4) Engaging on Identifying ESG Issues

Strive to adopt a broad-based consultative approach in identifying and prioritizing critical ESG material topics. The Company shall take appropriate steps to consult with relevant stakeholders on ESG issues, inform them of its performance and aspirations, and take feedback for continuous improvement.

5) Vulnerable and Marginalized Stakeholders

Identify vulnerable and marginalized stakeholders and take appropriate measures to protect their interests and promote their wellbeing.

PRINCIPLE - 5

HUMAN RIGHTS

Objectives

- The Company appreciates that the human rights are inherent, universal, indivisible and interdependent in nature and thus to ensure employees' basic human rights are protected Company has laid down policy on human rights of its employees'.

Policy

1) Applicable Frameworks

- In keeping with the Constitution of India, Laws, Policies, the International Bill of Human Rights, Universal Declaration on Human Rights (UDHR) and UN Guiding Principles on Human Rights for Businesses, Alembic will observe and ensure that basic human rights of each employee are respected, valued and protected and all policies, practices, procedures, and rules of the Company will be accordingly formed.

2) Non-Discrimination

- The Company shall not discriminate against any person on grounds of gender, sexual orientation, place of birth, religion, race, colour, language, ethnicity, nationality, and political inclinations for any employment and business related aspects.
- The Company shall strive to ensure non-discrimination in its value chain by engaging associates through its Supplier Code of Conduct
- The Company has established a robust governance and grievance redressal mechanism to handle issues pertaining to violation of human rights. The Company has a designated Head of Human Resources for addressing human rights impacts or violations due to its business operations.

3) Diversity and Equal Opportunity

- The Company shall strive to ensure that the employees and workers are treated with dignity, respect and fairness, and are not subject to harassment, discrimination, forced labour or inhumane treatment.
- The Company shall aim to keep the working environment free from any prejudices, bias, and physical or mental harassment.
- The Company shall practice zero-tolerance towards any act of sexual harassment. Proper investigation (with an opportunity to be heard) followed by finding of guilt and strict action is undertaken as per the internal policies.

4) Child Labour and Forced Labour

- The Company shall not employ any forced labour or child labour in any of its operations and shall take measures to ensure compliance with the same in its value chain.
- The Company shall ensure adherence to minimum working age requirements prescribed by local regulations.

- The Company shall respect the rights of all employees and workers to enter into an employment contract and leave it with free will.

5) Freedom of Association and Collective Bargaining

- The Company is mindful of the rights of the workers to form associations and negotiate Collective Bargaining Agreements.
- The Company shall not discriminate against any employee or worker negatively for participation in trade union activities.
- Various platforms like safety committee meetings, contractor meetings, town hall, etc. are used to openly discuss relevant issues and address them..

6) Wages, Working Hours and Leave Benefits

- The Company shall provide a flexible work culture as permissible and feasible under job requirements.
- The Company shall ensure the right to fair compensation and comply with all applicable laws relating to payment of wages, working hours and overtime compensation mandated.

7) Data Privacy

- The Company shall ensure the protection of personal and business information from all forms of misuse and unauthorized access in accordance with globally accepted norms.

8) Workplace Security

- The Company shall commit to maintaining a safe work environment that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats.
- The Company shall ensure that adequate security arrangements for employees are provided as needed and are maintained with respect for employee privacy and dignity in accordance with the guidelines on Security and Human Rights.
- The Company shall take appropriate measures to ensure that its facilities are friendly to people with special needs in accordance with the Rights of Persons with Disability Act, 2016.

9) Clinical Trials

- The Company shall adhere to the highest standards of ethics and norms during clinical trials.
- The Company shall ensure that conditions and consequences of the drug trials are communicated with participants accurately and transparently.
- The Company shall ensure that its associates are committed to follow ethical business propositions where their products are subject to clinical trails.

PRINCIPLE - 6

ENVIRONMENT

Alembic is a responsible and caring Company that is keenly aware of its duty to environment, health and safety. The Company considers the protection of the environment and insists on complying with all applicable environmental regulations. A clean & green environment is an absolute necessity, and we endeavour this by using state of the art technology to sustain all our business operation. We are therefore committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods. It is our priority to encourage our customers, suppliers and all business associates to do the same. Not only is this sound commercial sense for all; it is also a matter of delivering on our duty of care towards future generations.

Policy

Our core principles for protection of environment are:

- 1) As an environmentally responsible Company, we commit ourselves to take all reasonable initiatives towards utilization of natural and manmade resources in an optimal and responsible manner;
- 2) The Company should take initiatives to contribute toward global endeavour to tackle climate change;
- 3) The Company shall monitor its energy use and take appropriate measures to achieve energy efficiency and diversify energy-mix to transition towards green and clean sources of energy;
- 4) The Company shall monitor its scope 1, and 2 Greenhouse Gas (GHG) emissions and take appropriate measures to decarbonize its operations;
- 5) The Company shall develop the requisite capabilities to monitor and manage value-chain based GHG emissions (Scope-3 GHG emissions);
- 6) The Company shall adopt and continuously upgrade the mechanisms to reduce, reuse and recycle waste and manage it in responsible manner for ensuring resource sustainability;
- 7) The Company shall endeavor to take measures to check and reduce emissions of NOx, Sox, particulate matter, and other hazardous gasses and maintain the ambient air quality in accordance with applicable norms and regulations;
- 8) The Company shall monitor water usage and take appropriate measures to reduce water withdrawal through water recycling, rainwater harvesting, and water use efficiency;
- 9) The Company shall treat wastewater before discharging it into the environment so as to eliminate harmful impacts. The Company shall strive to institute zero-liquid discharge facilities;

- 10) The Company shall monitor the impact of its operations on biodiversity and natural ecosystem and take necessary steps towards protection and restoration of natural ecosystem in case of significant adverse impacts are identified;
- 11) The Company will, comply with all legal/regulatory requirements related to environment protection, management and sustainable development;
- 12) The Company will assess the environmental impact of any new processes or products that it intend to introduce;
- 13) The Company will try to identify hazardous process, asses its risk and determine appropriate control measures to minimize the impact on Environment;
- 14) The Company has a Environment Management Systems (EMS) and contingency plans and processes that will help in preventing, mitigating and controlling environmental damages and disasters;
- 15) The Company will make reasonable efforts to ensure that all the requisite information on environmental performance, including assessment of potential environmental risks associated with the Company's operations is communicated to all the stakeholders in a fair and transparent manner; and
- 16) The Company encourages all internal and external stakeholders to comply with the above mentioned principles and avoid complicity with anyone that violates above principles.

PRINCIPLE - 7

ADVOCACY

Alembic believes that it is necessary to represent to and engage with authorities and industry bodies on various matters concerning the sector in which it operates. The Company's engagement with the relevant persons is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

Policy

Our core principles for policy advocacy are:

- 1) The Company will make reasonable efforts to ensure that its advocacy positions are consistent with the principles and core elements enhancing business responsibility and transparency;
- 2) The Company may, in the best interest of all stakeholders, provide inputs in policy making decisions to various governmental authorities and agencies which concern the business and as well as the society in general, either directly or through the trade and industry chambers and such other collective platforms;
- 3) The Company expects from its employees and value chain associates that policy advocacy is conducted ethically and is carried out in the best interest of diverse stakeholders; and
- 4) The Company shall actively engage with industry peers, associations, and other relevant bodies for peer-learning and promote industry cooperation for collaborative growth and development.

PRINCIPLE - 8

COMMUNITY DEVELOPMENT

Community Development is not a new term for Alembic. Alembic Group has been proactively carrying out various community development activities since more than fifty years. Alembic Group has established, nurtured and promoted various Non - Profit Organisations focusing on three major areas – Education, Healthcare and Rural Development.

The Company has in place a Policy on Corporate Social Responsibility and is carrying out various CSR Activities from time to time. The Alembic Group of Companies has also established the Alembic CSR Foundation for carrying out Corporate Social Responsibility activities.

Policy

Our core principles for community development are:

- 1) Identification of the impact of the Company's operations on social and economic development and to minimize the negative impacts, if any on the same;
- 2) Innovation and investment in products, technologies and processes on continuous basis for the overall wellbeing of the society including vulnerable and marginalized groups;
- 3) The Company endeavors to undertake various community development activities throughout in India and inter alia assure development of communities living in the vicinity of its operations. The Company also endeavors that there is no disturbance to the communities living in the vicinity of its operations and has a mechanism to try for appropriate resettlement and rehabilitation of communities who may have been displaced, if at all any;
- 4) The Company will try to give priority to the needs and requirements of communities or area in the vicinity of the manufacturing facilities of the Company; and
- 5) The Company shall align its CSR activities with national priorities and measure impacts created by such initiatives in accordance with applicable rules and regulations.

PRINCIPLE - 9

CUSTOMER VALUE

Customers are one of the most important stakeholders for any business. Alembic, being in the Pharmaceuticals industry acknowledges that our customers, who in most cases are healthcare patients, are not just a stakeholder. We deeply believe that we are responsible in ensuring their well-being and providing them products for their healthy life. It is our constant endeavor to deliver quality healthcare and lifestyle products at affordable prices to all our customers.

Policy

Our core principles for enhancing customer value are:

1) Overall Well-Being

While providing healthcare products to our customers, the Company ensure that we take into account their overall well-being as well as act responsibly towards the society in general;

2) Freedom of Choice

The Company provides unrestricted freedom of choice to our customers and tries to ensure that patients are not restricted to products manufactured by us or under our brands;

3) Freedom of Competition

The Company tries to ensure freedom of competition while designing, promoting and selling our products;

4) Disclosure of Risks

The Company tries to ensure that we disclose all information truthfully and factually, through labelling and other means, including the risks to the customer, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. The Company also endeavours to educate our customers on the safe and responsible usage of their products and services;

5) Fair Product Promotion

The Company tries to ensure that we promote and advertise our products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines;

6) Data Security and Privacy

The Company shall adopt appropriate measures like sensitization and training on data security, Vulnerability Assessment and Penetration Testing (VAPT) of its systems and networks, access

control, end-point encryption, etc., to prevent unauthorized access and use of personal and business-related data of its customers and other stakeholders;

7) Conservation of Natural Resources

The Company believes that conservation of natural resources is the key to future sustainability of our plant. The Company tries to exercise due care and caution while providing products that result in usage of natural resources; and

8) Handling of Customer Grievance

The Company makes reasonable efforts to have a robust mechanism to handle and redress customer grievance. The Company also welcomes customer concerns and feedback and tries to address them promptly.
