

ESG SUPPLEMENTARY DISCLOSURE 2024-25

Piramal Pharma Limited

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GOVERNANCE AND ECONOMIC DIMENSION

1.2 Corporate Governance

Board Average Tenure (S&P GLOBAL 1.2.7)

The average tenure of board members in years is 3.37* years. The Executive Directors of the Company are appointed for a period of 3 years from the date of their appointment and are eligible for re-appointment. Non-Executive Directors do not have a fixed tenure/term. Non-Executive Independent Directors are appointed for a period of 5 years from the date of their appointment and are eligible for re-appointment. (The term of Independent Director is not more than 2 consecutive terms).

*Mr. Neeraj Bharadwaj resigned from the position of Non-Executive Director of the Company on May 14, 2025, with immediate effect. Mr. Amit Jain was appointed as a representative nominated in his place, by CA Alchemy Investments, shareholder of the Company, with effect from May 14, 2025. Tenure of Mr. Neeraj Bharadwaj is not considered as had resigned before 31st March 2025 and Tenure of Mr. Amit Jain was not considered as he has joined after 31st March 2025.

Board Industry Experience (S&P GLOBAL 1.2.8)

As on March 31, 2025, there are 4 independent or non-executive Board members with industry experience. They are Mr. S. Ramadorai, Mr. Peter Stevenson, Mr. Sridhar Gorthi, Ms. Nathalie Leitch.

The members of the Board have been selected from diverse backgrounds encompassing corporate management, science and innovation, public policy, entrepreneurship, pharmaceuticals, public health, finance, economics, technology, banking, risk and governance, human resources, and various other fields. Details about the experience of each Board member is available on page 14 to 17 of the Company's [Annual Report FY 2024-25](#).

1.3 Materiality

Materiality Analysis (S&P GLOBAL 1.3.1)

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

In FY 2022, the Company conducted a materiality assessment encompassing critical areas, including the environment, people, human rights, supply chain, governance, community, and economy. The key stakeholders engaged in the assessment were the Company's top leadership, senior management, employees, customers, supply chain partners, investors and external stakeholders. The materiality assessment of the Company is integrated in its ERM process, with the detailed assessment of each material issue available on page 120 to 126 of the Company's [Sustainability Report FY 2024-25](#).

The materiality assessment process has been verified by a third-party assurance provider, more details of which can be found in the Assurance Statement on page 133 to 136 of the Company's [Sustainability Report FY 2024-25](#).

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

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

The material issues are prioritized in a materiality matrix, which can be accessed on page 18 and 19 of the Company's [Sustainability Report FY 2024-25](#). The detailed material topics are covered on page 120 to 126 of the Company's [Sustainability Report FY 2024-25](#).

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

Material Issues for External Stakeholders (S&P GLOBAL 1.3.4)

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

Overview of the Company's material responsible business conduct issues can be accessed on page 18, 19 and 120-126 of its [Sustainability Report FY 2024-25](#).

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

1.7 Supply Chain Management

KPIs for Supplier Screening (S&P GLOBAL 1.7.5)

Supplier Screening	FY 2024-25
Total number of Tier-1 suppliers	6467
Total number of significant suppliers in Tier-1	166
% of total spend on significant suppliers in Tier-1	100 %
Total number of significant suppliers in non-Tier-1	0
Total number of significant suppliers (Tier-1 and non-Tier-1)	166

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

KPIs for Supplier Assessment and Development (S&P GLOBAL 1.7.6)

Coverage and progress of supplier assessment program

Supplier Assessment	FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments	44
% of unique significant suppliers assessed*	26.5 %*
Number of suppliers assessed with substantial actual/potential negative impacts	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0%
Number of suppliers with substantial actual/potential negative impacts that were terminated	0

*target for FY24-25 was 25% of significant suppliers

Coverage and progress of suppliers with corrective action plans

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

Coverage and progress of suppliers in capacity building programs

Capacity building programs	FY 2024-25
Total number of suppliers in capacity building programs	20
% of unique significant suppliers in capacity building programs	12.05 %*

*target for FY24-25 was 5% of significant suppliers

ENVIRONMENTAL DIMENSION

2.1 Environmental Policy & Management

Environmental Management Systems Verification (S&P GLOBAL 2.1.2)

The Company has a globally harmonized Environment, Occupational Health and Safety Management System

Certification/Audit/Verification	Coverage (%)
EMS is verified through international standards: ISO 14001:2015	56.2
Third party certification/audit/verification by specialized companies	56.2
Internal certification/audit/verification by company's own specialists from headquarters	100

implemented across all its sites globally. Additionally, 9 sites out of 16 i.e., 56.2% are ISO 14001 and ISO 45001 certified. The Company has a robust EHSMS governance procedure in place. 100% of India sites are internally audited by cross-functional teams from headquarters and sites.

Environmental Violations (S&P GLOBAL 2.1.3)

There are no fines/penalties levied to the Company in the last four financial years.

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of violations of legal obligations/regulations	0	0	0	0
Amount of fines/penalties related to the above (INR)	0	0	0	0
Environmental liability accrued to year end	0	0	0	0

2.7 Product Stewardship

Product Design Criteria (S&P GLOBAL 2.7.1)

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

Aspect	Detailed comments for each aspect
Choice of raw materials or components that have a lower environmental footprint (e.g. reduced water/energy/material use, increase in renewable raw materials, reduction of hazardous substances and toxic materials)	The Company handles various raw materials and substances due to its business operations. The Company is dedicated to sourcing raw materials from sustainable sources and continuously works to integrate sustainability practices throughout its value chain. The Company prioritises the use of environmentally and socially responsible materials, products, and services that provide high performance, safety, and long-lasting value. The Company also focuses on reducing hazardous materials through process optimisation, this is achieved by redesigning and improving procedures to lower the quantity of hazardous materials required. The Company also recovers and reuses the solvent in the processes through advanced

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

Exposure to Hazardous Substances (S&P GLOBAL 2.7.3)

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

SOCIAL DIMENSION

3.1 Labor Practices

Workforce Breakdown: Gender (S&P GLOBAL 3.1.4)

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

Diversity Indicator	Percentage	Target %	Target % Year
Share of women in the total workforce	20%	20%	FY'25
Share of women in all management positions	20.1%	20%	FY26
Share of women in junior management positions	20.1%		
Share of women in top management positions	10%	15%	FY26
Share of women in management positions in revenue-generating functions	9.1%		
Share of women in STEM-related positions	16.5%		

For the reporting year FY 25, women represented 20% of the global workforce at Piramal Pharma Limited (PPL), up from 17.3% in the prior year. The Board achieved 30% women representation, exceeding statutory requirements. Campus hires included 63.3% women, highlighting strong early-career diversity. The Board is led by a woman Chairperson and includes one woman Independent Director. Operational roles and senior leadership data will be updated in future disclosures.

Workforce Breakdown: Race/Ethnicity & Nationality (S&P GLOBAL 3.1.5)

Firmly rooted in principles of non-discrimination, the Company does not differentiate based on race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other criteria. The Company is not able or allowed to report on ethnic and racial minorities and therefore providing a breakdown based on the country of employment. For more details, please refer to Page 30 of [Annual Report FY 2024-25](#).

Nationality	Share in total workforce%	Share in all Management Positions, Including Junior, Middle, and Senior Management (%)
India	75%	75%
USA	10%	11%
UK	10%	11%
Rest of the World	3%	3%

Gender Pay Indicators (S&P GLOBAL 3.1.6)

The Company monitors and disclose the results of its equal pay assessment. Pay transparency drives to bridge the gender pay gap. Together, the Company builds an inclusive and equal workplace. The Company reports gender

based median pay/ wages for Board of Directors (BoD), Key Managerial Personnel (KMP), Employees other than BoD & KMP and workers.

Indicator	Difference between men and women employees
Mean bonus gap	0.48
Median bonus gap	0.93

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

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

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

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

In the reporting year, the Company received 'ET Now Best Organization for Women 2025' award.

3.3 Human Capital Management

Training & Development Inputs (S&P GLOBAL 3.3.1)

Average amount spent per FTE on training and development is INR 4,415.

Hiring (S&P GLOBAL 3.3.4)

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

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

During the reporting period, the Company hired 1,970 employees. The breakdown of these hires by gender and age group is mentioned in the table below. 5 senior leaders hired during this period. The average hiring cost per

employee is INR 1.2 Lakhs. During the reporting period 22.7 % employees were hired internally through the COP program.

Long-Term Incentives for Employees (S&P GLOBAL 3.3.6)

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

3.4 Occupational Health & Safety

OHS Programs (S&P GLOBAL 3.4.2)

The Company has implemented the Piramal EHS Management System (Piramal EHSMS), which includes a focus on Occupational Health and Safety (OHS). Detailed information about this program is available in the [Sustainability Report FY 2024-25](#), on page 96. The Piramal EHSMS covers the following key areas:

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

The EHSMS has undergone independent external verification for health, safety, and well-being through various standards, including ISO 45001. Nine of Piramal's global sites are certified under ISO 45001 and 14001.