

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**
L24110MH1947PLC005719
- Name of the Company:**
Piramal Enterprises Limited ('the Company' or 'PEL')
- Registered Address:**
Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070
- Website:**
www.piramal.com
- E-mail ID:**
complianceofficer.pel@piramal.com
- Financial Year reported:**
Financial year 2018-19
- Sector(s) that the Company is engaged in (industrial activity code-wise)**
 - 210: Manufacturing of pharmaceuticals, medicinal, chemical and botanical products
 - 649: Other Financial service activities, except insurance and pension funding
- List three key products/services that the Company manufactures/provides (as in balance sheet)**
 - Pharmaceuticals
 - Financial Services
 - Healthcare Insight and Analytics
- Total number of locations where business activity is undertaken by the Company:**
 - Number of International Locations: We have 7 locations of which 2 are in UK, 4 are in USA and 1 in Canada
 - Number of National Locations: We have 9 locations spread across Mumbai (3) & Mahad (1) in Maharashtra, Pithampur (1) in Madhya Pradesh, Digwal (1) in Telangana, Chennai (1) in Tamil Nadu and Ahmedabad (2) in Gujarat
- Markets served by the Company – Local/State/National/International:**
We serve Local/State/National/International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid Up Capital (₹)	₹ 36.89 Crores
2	Total Turnover (₹)	₹ 3671.40 Crores
3	Total Profit/(Loss) after Taxes (₹)	₹ (861.98) Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	As per the provisions of the Companies Act, 2013, PEL spent ₹ 31.2 Crores*
5	List of activities in which the expenditure in 4 above has been incurred	Donation towards: a) Education b) Gender Equality c) Women Empowerment d) Healthcare

*During the year, the Company incurred losses due to certain exceptional items. Accordingly the spending on CSR cannot be provided as a percentage of the Profit after Tax. However, the amount spent is in excess of the statutory requirement. Details of the same are contained in the annual report on Corporate Social Responsibility activities for the financial year 2018-19 which is annexed to the Board's Report.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?**
Yes, PEL has subsidiary companies in India and overseas.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
The Subsidiary Companies of PEL carry out their BR initiatives on a standalone basis.
- Do any other entity/entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? [Less than 30%, 30 – 60% and More than 60%]**
PEL is mindful of its duties as a responsible organisation and extends its Business Responsibility throughout its value chain. Providing a safe and healthy work environment for colleagues, contractors, visitors, business partners and stakeholders is a business priority and is linked with Piramal's core values. In order to increase awareness on sustainable business practices, the organisation uses a number of initiatives to engage with suppliers and vendors who are critical to its operations. Piramal uses the 'Creating Optimal and Responsible Environment' (CORE) platform to sensitise our supply chain about the benefits of health & safety and the environment and also encourage them to carry out sustainable business practices. As a part of the organisation's endeavour to forge stronger relationships across its value chain, periodic suppliers' meets are organised by the Company. Currently, less than 30% of our vendors and suppliers participate in our BR initiatives and we constantly strive to extend this across our supply chain.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies**

Name	DIN	Designation
Mr. Vijay Shah	00021276	Executive Director

- Details of the Business Responsibility Head**

DIN (if applicable)	NA
Name	Mr. Bharat Londhe
Designation	Head - Environment, Health and Safety, Corporate
Telephone number	022 38023630
E-mail ID	bharat.londhe@piramal.com

2. Principle-wise (as per NVGs) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
All the policies have been formulated in consultation with the Management of the Company										
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
The policies are in line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs.										
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
All the policies relating to the 9 principles of the NVG have been approved by the Board and have been signed by the Executive Director.										
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
PEL has appointed an Executive Director who is responsible for implementation of BR policies and a BR head to oversee the BR performance										
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
The link to view the policies online is: http://www.piramal.com/investor/overview										
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policiesw?	Y	Y	Y	Y	Y	Y	Y	Y	Y
The queries relating to BR polices can be sent to bharat.londhe@piramal.com										
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer against any principle, is 'No', please explain why:

NA

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of PEL is reviewed annually by the Board of Directors.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Business Responsibility Report has been published along with the Annual Report of PEL for Financial year 2018-19 and it can be viewed at: <http://www.piramal.com/investor/overview>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No, the policy relating to ethics, bribery and corruption extends beyond the Company. At PEL, we are driven by the philosophy of "Doing Well and Doing Good" and are committed towards ethical and transparent business practices. The PEL Code of Conduct for Board Members, PEL Code of Conduct for Senior Management and the PEL Code of Conduct applicable to all employees of the Company are

testaments to the Company's efforts in ensuring that ethical conduct is not compromised. PEL has implemented a Vigil Mechanism across the organisation to encourage reporting of unethical, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity. These policies propose directives in relation to matters like conflict of interest, unethical conduct, abuse of authority etc. Our values act as guiding principles to steer the path in forming the right partnerships in creating long-term stakeholder value. We have laid down a Business Code for Contractors (BCC) covering vendors and sub-vendors whom we engage with.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

PEL upholds high standards of integrity and ethical practices and acknowledges that accountability and transparency are essential for creating value for all stakeholders. Various Committees have been constituted and are in operation to address the needs/grievances/complaints of our various stakeholders. For instance, the Audit & Risk Management Committee of PEL is responsible for addressing complaints from whistle blowers, an Internal Committee has been constituted to address complaints of sexual harassment and the Stakeholder's Relationship Committee reviews grievances of shareholders and debenture holders on a quarterly basis. Complaints received are thoroughly investigated and systematically resolved. For details of complaints relating to sexual harassment which have been received and addressed, please refer to Principle 3 of this report and for details of complaints received from investors and addressed, please refer to the 'Stakeholders Grievance Redressal' section in the Corporate Governance Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We at PEL, care about Planet & People and always make an effort to incorporate concerns related to them whilst developing our products. We rigorously work on innovating our products to make them best for our customers and the environment. Our products that have incorporated environmental or social concerns, risks and opportunities in design stage have been listed below:

- Trazadone
- Verapamil
- Mebeverine Hydrogen Chloride
- Vitamins

- For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We at PEL are focused on optimising resource utilisation in the manufacturing of our products thereby resulting in developing a strategy for consumption of resources in a sustainable manner.

• Trazadone:

About: It is a phenylpiperazine compound of the serotonin antagonist and reuptake inhibitor (SARI) class. This antidepressant medication is used to treat major depressive disorders, anxiety disorders and alcohol dependence.

Technical Improvements: Increase in the production capacity of Trazadone from 8MT per month to 10MT per month was accomplished by improvement in the method of analysing the Loss on Drying (LOD) test.

Outcome: This has reduced the batch cycle time and consumption of electricity in the process. The overall product yield increased to 345 kg against budgeted yield of 331 kg

• Verapamil Abbott:

About: Verapamil is a calcium channel blocker. It is used to treat high blood pressure and hypertension.

Technical improvement: The process capacity for Verapamil Abbott increased from 4.5 MT to 7.5 MT with improvement in the method of analysis of the LOD test.

Outcome: Reduced solvent consumption and higher cost savings were achieved due to the single purification method. The procedure has led to an increase in total Verapamil crude yield from 420 kg to 440 kg.

• Mebeverine Hydrogen Chloride:

About: It is an anti-spasmodic drug used to treat Irritable Bowel Syndrome (IBS), relapsing disorder characterised by abdominal pain/discomfort and altered bowel habits. Intestinal motility impairment and visceral hypersensitivity are the key factors among its multifactorial pathogenesis, both of which require effective treatment.

Technical Improvement: Decrease in crystallisation time from 12 hours to 3 hours due to change in the in-process method of analyzing of product quality.

Outcome: Significant capacity enhancement was achieved from the existing 13.5 MT to 15.5 MT per month along with reduced energy requirements for the process.

• Vitamins:

About: Vitamins are one of the essential nutrients that an organism requires in limited amounts. Vitamins have been produced as commodity chemicals and made widely available as inexpensive semisynthetic and synthetic source multivitamins, dietary and food supplements and additives.

Technical Improvements: Reduction in testing time of intermediate product.

Outcome: A 30% increase in the production capacity of Vitamin A palmitate (Tocopherol) from 10 MT per month to 13 MT per month was achieved. There have been savings in energy and time associated with the first stage of production.

- Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

Yes, PEL has procedures in place for sustainable sourcing throughout its supply chain. In our mission to reduce our environmental impact, the involvement of our supply chain partners is vital. We encourage our partners to adopt sustainable practices in their operations for improvement in their environmental performance. Management of the supply chain is guided by our Sustainable Procurement Policy as well as the Standard Operating Process (SOP) which evaluates suppliers and vendors on material risk assessment, compliance to environmental regulations and labour laws, carbon footprint and health and safety parameters for procurement process. CORE showcases the importance of a safe and healthy work environment for all members of our supply chain. Our EHS Policy, Sustainability Policy and Safety management principles set out guidance to our vendors for sustainable procurement practices. PEL places special importance to consequences of design, materials, manufacture, production, logistics, service delivery, operations, maintenance, recycling, and disposal that is fundamental to its supplier selection process. By means of the above systems we were able to procure around 60% of our goods and services sustainably.

Some of the initiatives that we have undertaken during the reporting year to reduce our CO2 footprint with respect to supply chain management are described below:

- Electricity Consumption** – Earlier, electricity was purchased from Electricity Board Grid. We have integrated with Group Captive Generators and are now purchasing 85% of our power requirement from the Group Captive Grid. Due to this shift, the consumption of coal was optimised thereby doing away with creation of individual co-generation system.

Outcome: 319 MT of CO2 was saved by the effective use of the captive power plant.

- IT** – The consumption of power by 15 conventional servers is estimated to be more than that of 1 VX Rail Storage. We replaced conventional servers with Power and Cooling “Dell Power Edge” (VX Rail Storage servers).

Outcome: 45.27 MT of CO2 was saved (energy savings) by substituting the conventional rack servers with VX Rail storage servers.

- Logistics** – In an import clearance, the container is usually taken from Port Terminal to Container Freight Station (CFS) first and only then is the shipment cleared to be sent to the factory. We have implemented the Direct Port Delivery (DPD) model during the reporting period, due to which we were able to source the shipment directly from the Port to our site thereby phasing out additional transit by which we have achieved reduction in fuel consumption by saving of 18,102 km/year of transport.

Outcome: 5.6 MT of CO2 was saved due to optimisation of the logistics system.

- Reducing Waste** – With a view to minimising the waste generated, we have partially replaced coffee paper cups with re-usable mugs and disposable paper tissues with dryers. As a result of these replacements, a reduction in usage of 230 paper cups and 12 paper rolls per day was achieved.

Outcome: 7.9 MT of CO2 was saved on account of these replacements

- Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, PEL sources goods from local and small producers. With the purpose of achieving sustainable procurement, local sourcing is an essential aspect in developing the supply chain. Sourcing of packing materials, commodity items, raw materials and other goods and services from small producers in the vicinity of our operations is mutually beneficial as it decreases the transportation costs associated with logistics. In order to enable our suppliers to meet quality norms and standards, they are subjected to regular audits. Our officials consult with them on various topics like facility up-gradations, process operations, Effluent Treatment Plant (ETP) and waste disposal requirements. Post the audit, the suppliers are also provided with recommendations and guidance on norms that they must adhere to. Under the ‘CORE’ programme, PEL raises awareness about environmental and social sustainability among its vendors. We also conduct supplier meets where we discuss methods of improving existing procedures with our supply chain partners.

- Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste.

Yes, PEL understands the role of recycling in protecting the environment and has mechanisms in place to recycle the waste generated. As our core business is pharmaceutical, the products cannot be recycled. However effluent water generated is 100% recycled at our Digwal, Ennore and Pithampur sites. These are also certified as Zero Liquid Discharge facilities where the treated water is used for daily plant needs. In cases where there is a lack of alternatives for waste disposal, we make efforts to use the most environmentally friendly procedures. Some of the

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systems set up for recycling and disposal of wastes at our sites are stated below:

- The residue generated from effluent treatment is sent to cement industries where they are used as alternate fuel.
- Solid waste generated from the Effluent Treatment Plant is sent to a Total Solid Disposal Facility controlled by the CPCB for land filling.
- Used solvents are treated, reused or sent to authorised solvent recyclers.
- Fly ash is sent to brick manufacturers as raw material.
- Metal catalysts are recovered & reused in production.
- Metal scrap and paper waste is sold to authorised vendors, for recycling.
- At the Digwal Site, 100% of the generated effluent water is recycled.
- At the Ahmedabad site, 80% of waste is recycled through external approved agencies.
- At the Ennore (Chennai) site, 25% of waste generated is recycled.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees

PEL had a total of 4,017 employees as on March 31, 2019.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis

PEL hired 1,744 employees on temporary/contractual/casual basis as on March 31, 2019.
3. Please indicate the number of permanent women employees

PEL had 388 permanent women employees as on March 31, 2019.
4. Please indicate the number of permanent employees with disabilities

PEL had 1 permanent employee with disability as on March 31, 2019.
5. Do you have an employee association that is recognised by management

Yes, we have recognised trade unions at Pithampur, Digwal & Mahad sites that represent the interests of the workmen and staff.
6. What percentage of your permanent employees are members of this recognised employee association?

At PEL, 13.9% of permanent employees are members of recognized employee associations.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The details of cases received under different sections is presented below:

Category	No. of complaints received during the financial year	No. of complaints pending at the end of the financial year
Child Labour/Forced Labour/ Involuntary Labour	0	0
Sexual Harassment	1	0
Discriminatory employment	0	0

As a responsible corporate citizen, PEL does not have nor encourages any form of child labour, forced labour or bonded labour. Through our 'Zero tolerance policy' we ensure that sexual harassment is not tolerated throughout the organisation and the Company has a robust grievance handling mechanism to deal with the same. During the year, 32 awareness programmes against sexual harassment were conducted.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

PEL understands that employees are the cornerstone to its business and is wholly committed to their wellbeing and development. We lay high importance on being well informed and we incorporate the best employment practices in the industry.

During the reporting year, all permanent and contractual employees posted at our plant sites and corporate offices were given safety training. We at PEL, emphasise on staying well-informed and encourage capability and knowledge building at work. A plethora of learning programmes are conducted to enhance various skill sets amongst our employees. Piramal Learning University (PLU) is the central learning and development platform for the entire group providing behavioral and functional skill building programmes as needed.

Employee category	% of Employees that were given safety training	% of Employees that were given skill up-gradation training
Permanent employees	100	95
Number of Temporary/contractual/ casual Employees	100	70
Number of permanent women employees	100	100
Number of employees with disabilities	100	100

Leadership Development for High Performers: In 2017, PLU's Leadership Academy was institutionalised to augment behavioral and leadership excellence. The flagship Piramal Leadership Series (PLS) programmes were created with the goal of equipping a targeted profile of leaders at every critical career stage with essential leadership skills in line with defined 'Piramal Success Factors'. In year 2 (i.e. during the reporting period), based on feedback from the pilot programmes, changes have been made to the blended journey including a shift to higher learner accountability.

Building Functional Expertise: PLU's functional/business academies focus on structured upskilling of employees on technical skills that are core to their current role. In 2017, this concept was piloted with the launch of HR Academy. Based on key learnings, the framework

is now a lot sharper and more focused, to maximise impact. The journey is also a lot more objective and personalised with the introduction of 'Skill Cards' that report a learner's skill proficiency pre and post the learning journey. The other academies that are currently operational at Piramal include the IT Academy and the Pharma Solutions Business Academies.

At PEL, we are committed to creating a robust succession pipeline through impactful development programmes. PEL Talent function was constituted with an objective "to grow our own leaders" and ensure "every critical role has a ready successor identified and groomed". To support this vision, the SUMMIT, ASCEND and IGNITE programmes were launched to identify and develop high potential talent across senior, mid and junior levels by PEL. We aspire to have 60% of our open positions at senior and mid management staffed by internal promotions of high potentials in a 3 year time frame.

At entry level, we aim to augment the talent pipeline with fresh, high quality external talent and groom them to take on larger leadership roles. At junior, middle and senior management levels, we aim to strengthen our focus on systematically identifying our high potential employees, offering focused development opportunities for them and facilitating internal talent movements across PEL.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, PEL has mapped its internal and external stakeholders. We value our stakeholders and the Company's CSR initiatives are aimed at building trust and mutually rewarding partnerships with internal and external stakeholders. We use formal and informal means as engagement channels to reach out to stakeholders on matters that are of concern. Our stakeholders also exhibit some of our core values in implementing processes and form an important part of our journey in becoming a sustainable organisation.

The stakeholders of PEL are listed below:

Internal

- Employees

External

- Customers
- Shareholders
- Investors
- Regulatory bodies
- Suppliers
- Vendors
- Distributors
- CSR beneficiaries
- Governments
- Knowledge and academic partners
- Government officials, Policy makers
- Headmasters and teachers
- Research organizations
- National/International organisations

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders

Yes, PEL has identified disadvantaged, vulnerable & marginalised stakeholders as listed below:

- Young mothers
- Adolescent girls
- Infants, neonates and children under 5 years
- Pregnant women in tribal setups
- Beneficiaries of age group 30-60 years who are already suffering from diabetes and/or hypertension or are at a risk of such diseases
- Students studying in government primary schools
- Rural community women, parents and youth

PEL cares for the community and has developed a framework for contributing to their overall development. Our CSR Policy defines our purpose of serving the disadvantaged, marginalised, vulnerable groups and weaker sections of the society.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

PEL's CSR initiatives are largely conducted through Piramal Foundation for Education Leadership (PFEL) and Piramal Swasthya Management Research Institute (Piramal Swasthya). PFEL and Piramal Swasthya have undertaken special initiatives to engage with identified disadvantaged, vulnerable & marginalised stakeholders. The major interventions undertaken are mentioned below:

1. Healthcare initiatives

- a) For Young Mothers, Adolescent girls, Infants, Neonates, Children under 5 years and pregnant women in tribal setups and beneficiaries of age-group 30-60 years who are already suffering from diabetes and hypertension or have a risk of having such diseases:
 - Use of technologies that are cost effective in order to provide healthcare services that reach out to vulnerable and remotely located populations.
 - Support to Government Healthcare Systems by remote health advisory and intervention services and community outreach models. Our engagement with various stakeholders enables larger coverage and deepens the traction with the communities.
 - Door to door interaction, ASHAs (Accredited Social Health Activities)/ANMs (Auxiliary Nurse Midwifery) and other community volunteers spread awareness on healthy practices for patients and encourage them to pass on this knowledge to their friends and family members.
 - Information on healthy practices, immunisation, nutrition and cooking nutritive meals with locally available resources and nearest medical centres is communicated to pregnant women and family members.

- b) Community and influential leaders are made aware about healthy practices to be followed and various services provided by Piramal Swasthya. They are also encouraged to spread awareness throughout the community (including mothers, young children, etc.) to avail the services.

2. Education initiatives

- a) Students of government primary schools:
The major concern for these students is their reduced chances of development of life skills due to an underprivileged economic and social background. In order to address the concerns of the stakeholders, PFEL has developed the following programmes – The School Leadership Development Program, District Transformation Programme and State Transformation Programme which ultimately aim at upliftment of the marginalised sections of society through empowering and training education administrators.
- b) Education officials, headmasters and teachers:
With the aim to support government school teachers, headmasters, students and parents, 'Virtual Field Support' was started in the reporting year that will provide assistance through outbound and inbound calls.
- c) Rural community parents and youth:
The primary concern of these groups is social and economic development. The Virtual Field Support Programme focuses on empowering rural women while all the aforementioned programmes aim to improve the life chances of these stakeholders.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The PEL Code of Conduct includes clauses on human rights applicable to all group Companies/suppliers/vendors/NGOs associated with PEL. We recognize that human rights denotes respect for individuals and communities and are committed to safeguarding these rights. PEL respects the dignity of labour and takes efforts in ensuring freedom of association. PEL is an equal opportunity employer and is committed to supporting gender diversity across all levels. All contracts of PEL with suppliers and vendors ensure legal viability and set out the minimum requirements of compliance with clauses on human rights failing which PEL reserves the right to terminate any purchase or other agreement with the contractor. Besides this, we also sensitize our stakeholders on the importance of Human Rights.

2. How many stakeholder complaints have been received in the past financial year on breach of human rights and what percent was satisfactorily resolved by the management?

There have been no complaints against breach of human rights aspects in the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others.

The policy related to Principle 6 extends to all permanent and contractual employees, suppliers and vendors. PEL accords highest priority to employee health, safety and protection of environment and has the below policies in place:

- Environment, Health & Safety Policy
- Sustainable Development Policy

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, PEL has recognised potential for harm caused by climate change, including rising sea levels, fresh water scarcity, severe weather events, and adverse public health impact. We understand the implications of climate change and aspire to minimise its impact on the environment and maximise the effective use of resources. We have developed the CORE programme that is a cornerstone for all sustainability practices at PEL. A robust governance framework comprising a Governance Committee, Global Sustainability Coordinator, Site Sustainability Sponsor, Site Sustainability Lead and Site Sustainability Champions ensure effective implementation of various initiatives. Details on CORE can be found on our website: <http://piramalpharmasolutions.com/environment-health-safety>

Few initiatives that have been undertaken at PEL are mentioned below:

- a) With the aim to make our supply chain more sustainable, key suppliers were identified and were guided towards incorporation of sustainability initiatives into their operations. A number of programmes aimed at sensitising suppliers and creating awareness has been implemented. Sustainability performance scorecards have also been prepared to measure the performance of key suppliers.
- b) PEL monitors its direct energy consumption and indirect energy consumption GHG Emissions periodically through internal systems. We calculate these emissions based on the internationally adopted accounting framework set by the GHG Protocol. We aim to identify, quantify and disclose our GHG emissions with these systems.
- c) PEL continues to capture data on tree species and tree numbers under the tree census programme.
- d) PEL is committed to procuring and using energy in an efficient, cost effective and environmentally responsible manner. Conservation of energy through energy efficient equipment forms the basis of our energy efficiency policy for which PEL has installed the latest energy efficient

technologies for its operations. For instance, at our Digwal plant providing auto On/Off interlock to cooling tower fans with supply water temperature helped to reduce evaporation loss. This has resulted in reduced power consumption, evaporation loss and operating costs.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, PEL identifies climate change, scarcity of water and other environmental risks that can impede business operations and impact the future growth of the Company. Energy cost and availability is also a concern for the Company. The changing weather patterns, extreme events like floods and droughts can cause disruption in logistics, material sourcing and affect our entire supply chain. We have been recording our energy consumption over the last few years in order to help achieve our year 2030 public goal of a 5% reduction in energy consumption from a year 2015 baseline. Assessment of viable energy efficient projects like renewables for our existing plants and processes is a key focus area for PEL.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, PEL does not have any projects registered with the United Nations Framework Convention on Climate Change (UNFCCC) as a Clean Development Mechanism (CDM) project in the reporting year. However, we are committed to continual improvement of environmental performance of our activities, products and services and prevention of pollution. PEL has set targets for itself for reducing GHG Emissions, waste disposal, energy usage and water withdrawal in addition to using alternate sources of energy and risk review for sustainable design which is outlined in our Sustainable Development Policy.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page, etc.

Yes, PEL has established Energy Efficiency Guidelines, an objective of which is to reduce energy consumption through vigilant energy management and for the adoption of emerging efficient renewable technologies. We also understand the responsibility of a business to conserve energy and take into consideration various aspects such as environment, manufacturing and costs while exploring new possibilities in energy conservation. PEL has undertaken various initiatives on clean technology, energy efficiency and renewable energy at various locations of its operations.

The measures introduced by PEL for conservation of energy at its plant locations is contained in the Report on Conservation of Energy and Technology Absorption which forms part of the Board's Report. The weblink to the same is:

<http://www.piramal.com/investor/overview>.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

PEL is mindful of its responsibilities towards the environment in which it operates and endeavours to protect and conserve the same to the best of its ability and continued to do so during the reporting period.

7. Number of show cause or legal notices received from CPCB or SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

PEL has no pending show cause or legal notices from CPCB/SPCB as on March 31, 2019.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, PEL is a member of the following Trade and Chamber associations in India:

- Confederation of Indian Industry – (CII)
- Associated Chamber of Commerce and Industry – (ASSOCHAM)
- World Economic Forum
- Bulk Drug Manufacturers Association India
- National Safety Council
- Federation of Indian Chambers of Commerce & Industry – (FICCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, PEL through its association with industrial chambers advocates issues related to societal causes. We work towards the advancement/improvement of public good through our CSR activities. The Senior Management represents PEL in various industry forums and is cognisant of the responsibility they shoulder as they engage in constructive dialogues and discussions. They ensure that they refrain from influencing public policy with vested interests.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has specified initiatives in pursuit of the policy related to Principle 8.

BUSINESS RESPONSIBILITY REPORT

PEL is committed to contributing towards the development of the community and society at large. Corporate Social Responsibility at PEL is steered by our CSR policy which profiles the vision of the Company in playing a meaningful role in public welfare. We have developed programmes and initiatives for the communities associated with us. The major focus areas of our CSR initiatives include:

- Healthcare
- Education
- Gender equality
- Rural development
- Women empowerment

PEL has an ongoing Employee Social Impact (ESI) programme coordinated by Piramal Foundation (a company registered under Section 8 of the Companies Act, 2013) which provides volunteering opportunities to its employees. ESI is an attempt that envisages to foster a sense of responsibility and provide opportunity to the employees of the Piramal Group towards being socially responsible at an individual level for strategic volunteering. In FY 2018-19 a total of 60,569 employee volunteering hours were recorded under the ESI programme.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

PEL's CSR initiatives during the reporting year were undertaken through its CSR partners, PFEL and Piramal Swasthya.

The entities that we are associated with for carrying out particular initiatives have been listed below:

- Remote Health Advisory & Intervention Services – Government bodies
- Community Outreach Programme (Mobile Medical Vans) – Government bodies, External NGOs
- Telemedicine – Piramal Swasthya, Government bodies, External NGOs
- ASARA Tribal Health Programme – Piramal Swasthya
- DESH (Cancer Screening Program) – Piramal Swasthya
- AMRIT – Piramal Swasthya
- District Transformation Programme – PFEL
- State Transformation Programme – PFEL
- School Leadership Development Programme – PFEL
- Virtual Field Support – PFEL

3. Have you done any impact assessment of your initiative?

Yes, impact assessments of key CSR initiatives is undertaken by PEL. These initiatives are intended to have large beneficiaries and are aimed at serving the interests of community welfare. The projects associated with healthcare are assessed for their outcomes based on beneficiary registrations, number of consultations provided and individual patient disease management provided by customised patient treatment. Progress made in health education and the condition of the beneficiaries is gauged through healthy practices, increase in number of institutional deliveries, visits made to health facility centres which ultimately leads to decline in the Maternal Mortality and Infant Mortality Rates (MMR and IMR) in the

targeted areas. Third-Party Assessments are conducted that provide feedback relating to scope for improvement of the programme. This forms the basis of constituting and framing future initiatives.

The School Leadership Development Programme conducts its impact assessment on the improvement in the learning levels of students through third party assessment. The impact assessment of the rest of the stakeholders is done in consultation with experts of impact assessment.

4. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken

For the year ended March 31, 2019, PEL's contribution to community development projects through its CSR partners, PFEL and Piramal Swasthya ₹ 31.20 Crores.

A] Healthcare: Piramal Swasthya delivers primary healthcare service by means of its creative services. It is one of the foremost entities to effect Public Private Partnerships (PPP) in India with a presence across 14 states comprising of a formidable workforce of over 3,700 which includes over 450 doctors and medical professionals. The present partnerships with various corporate & government bodies and public sector organisations provides aids in enhancing the outreach and deepening the penetration of our programmes within communities, thus increasing the scope of beneficiaries served.

a) Remote Health Advisory & Intervention Services

This service aims at providing validated health and medical advice especially to vulnerable sections of society through toll free health helpline numbers and Mother and Child Tracking System (MCTS) across 7 states. Further, patients receive counselling services, request directory information like list of hospitals and services offered and can lodge a complaint against any public health system facility.

Health Information Helpline is a health contact centre that provides 24X7 basic medical advice and counseling services alongside our front-line programmes like MCTS and HIV/AIDs counseling. Piramal Swasthya handles over 30,000 calls daily through its helplines. Piramal Swasthya tele-medicine services through its 30 centres, virtually connects doctors to patients and reduces the need for highly-skilled health workers where they are scarce. The entity will also be launching 50 additional Telemedicine centers with Government of Himachal Pradesh on World Health Day 2019.

b) Community Outreach Programme (Mobile Health Services)

This service aims at tackling barriers faced by rural people in accessing primary healthcare. Mobile medical vans equipped with medical devices, medicines, Doctors, paramedics and health workers are frequently deployed to remote rural and tribal villages that have no access to public healthcare. Resources are used to screen, make referrals, mobilise and follow up treatment of patients with risk of chronic diseases, maternal or child health

care services and minor ailments. Diagnostic and lab tests are conducted and test reports are uploaded to the Electronic Health Record in real time that is very useful for the clinical management of diseases and conditions. This programme currently operates over 417 mobile medical units across 14 states. These mobile health services are also employed as CSR facilitation for some public and private sector organisations such as Shriram Transport Finance Company Limited (STFCL), Ujjivan Financial Bank Ltd., etc. The delivery of services ensure the availability of quality healthcare services for employees and their families who are in the vicinity of our major manufacturing sites. This programme also reaches out to the remotely located and isolated habitations in need of primary healthcare.

c) ASARA Tribal Health Programme

Started in 2011, Piramal Swasthya as part of its Mother and Child initiative, launched the ASARA Tribal Health Programme which focuses on the 45,000+ tribal population in 181 remote habitations of Araku valley in Andhra Pradesh. This initiative aims to combat tribal healthcare challenges and deliver primary healthcare to inaccessible tribal belts. Mobile health workers travel to remote habitations while specialist doctor consultations are facilitated through telemedicine centres. The programme now aims to cover more than 2.5 lakh people in 1,179 habitations across 11 mandals of the entire tribal belt starting with Paderu and Chintapalle.

The Programme's Gosthani Nutrition intervention brings awareness of the importance and benefits of healthy and nutritious diet. Dedicated community nutrition hubs have been set up to help prepare and preserve nutritional, traditional, and local food items for families. The programme is also actively working with the Integrated Tribal Development Agency and Integrated Child Development Services teams locally to address the challenges of the tribal location including initiatives such as trainings and capacity building, community based interventions for better engagement, awareness and education of local population.

d) DESH (Cancer Screening Programme)

D.E.S.H. Cancer Screening Programme creates awareness and screens the community in Kamrup, Assam for oral, breast and cervical cancer. The programme is implemented through mobile screening units, which are provided with the best equipment, including a mammography unit and are staffed by doctors, nurses and radiographers. Patients are screened and those who test 'positive' are treated. Tracking and follow-up of the treatment plan is also undertaken. Patients identified with cancer are referred to Cancer Institute for treatment.

Piramal Swasthya's D.E.S.H. programme covers a population of 15 lakh people in the rural remote villages of Kamrup. Community outreach, education & mobilisation, screening for cancer, referral and mobility for treatment at cancer hospital, continuous tracking and follow-up are the key

components of the program. The programme has screened around 6,000 beneficiaries in Kamrup, of which 203 people have been diagnosed as 'positive'. The D.E.S.H. programme team at Dr. B. Borooah Cancer Institute (BBCI) follows up with the identified patients through a dedicated helpline, and ensures support during cancer diagnosis and treatment procedures. This also ensures a closure of the referral loop, and end-to-end cancer care to communities.

e) Prerona – Integrated Healthcare Delivery Model

This initiative screens and offers validated healthcare services and specialist consultation through Mobile Telemedicine in the Majuli (Jorhat) region of Assam where the maternal and infant mortality rates are higher than the rest of Assam. The programme seeks to provide remote specialist consultation services for Antenatal Care (ANC), Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCH+A), Diabetes and Hypertension and Non Communicable Diseases (NCDs) through Mobile telemedicine connecting to a Specialist Doctor based Guwahati. Beneficiaries are provided a state-of-the-art innovative communication unit. The Mobile Telemedicine Service (MTMS) unit enables a connection to the specialist remotely through video calling facility. The programme has a potential to be expanded to other districts apart from Majuli in the near future.

f) Accessible Medical Record via Integrated Technologies (AMRIT)

AMRIT is a technology platform developed by Piramal Swasthya to create and store electronic medical records of beneficiaries for providing primary healthcare. Beneficiaries are given unique IDs that facilitate referral mechanism in the public health system and enable them to receive healthcare services in a way that is available, accessible and affordable. By creating unified health records, beneficiaries from any location can avail services at a variety of platforms and healthcare facilities such as 104 Health Information Helpline, Mother & Child Tracking Services, 1,097 HIV/AIDS Helpline, Community Outreach Programs through Mobile Medical Units among others.

By seamlessly integrating with public health programmes, AMRIT can facilitate data sharing among various healthcare service providers and Government schemes like Ayushman Bharat, thereby enabling better and faster interventions and continuation of life-saving services. The quality of data obtained helps in better tracking, analysis, projection and designing interventions. Moreover, it can be integrated with mobile platforms and scaled up to serve secondary and tertiary health facilities. AMRIT paves the way for a cost effective technology platform to manage complex health data while providing available, accessible and affordable healthcare to the masses.

B] Education: PFEL has formed programmes that are intended to meet the educational requirements of different sections of the community:

a) District Transformation

By building the capacity of the coaches and facilitators, the District Transformation Programme aspires to improve student learning outcomes by strengthening teachers' capabilities. PFEL partnered with NITI Aayog and the State Government of Rajasthan, Maharashtra and Gujarat to enable more than 15,000 middle managers of the government primary education system. These interventions are impacting more than 54,744 schools and 64,75,900 students.

b) State Transformation Program

State Transformation Programme (STP) aims to enhance the institutional capacities of State level Educational Institutions to sustainably build a skilled and engaged teacher workforce. The programme collaborated with the state government of 10 states to strengthen the capabilities of state level education institutions. This programme refines organisational structures, capabilities, people policies and processes to build the leadership capabilities of more than 2000 education officials across all the states.

c) School Leadership Program

By developing leadership skills of school heads, the School Transformation Programme aims to improve student learning outcome by developing leadership skills of school heads, teaching skills of teachers and by engaging with the community in the school development process. PFEL has partnered with many governments, corporates and educational institutions to impact more than 1,400 schools and over 4,50,000 students under School Leadership Development Program. This has been implemented in the States of Rajasthan, Gujarat, Maharashtra, Haryana and Uttarakhand. There has been an improvement in the learning levels in Math and Language subjects. Simultaneously, the programme has established two innovation hubs in the district of Churu, Rajasthan for researching and developing Social Emotional Learning and its integration within current education system.

d) Virtual Field Support Program

Virtual Field Support Programme aims improve the lives of women and children by handholding last mile workers to provide quality services in education, health, livelihood and social protection. The programme has established 8 empathetic call centers by developing more than 210 community women to provide support to more than 50,000 government education officials and parents of the students across 4 states of Jharkhand, Madhya Pradesh, Rajasthan and Gujarat. More than 35,600 calls were completed to provide support to teachers, Head Masters and middle managers of government education system.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, PEL through its CSR partners, has undertaken steps to ensure that the community development initiatives are adopted successfully by the community. The details are as follows:

a) Healthcare programmes:

Communities are informed about the services through door to door interactions and education by our field staff. Pregnant women and their family members are also educated on healthy practices to be followed and importance of nutrition during and post pregnancy. Interaction is kept culture sensitive to build strong rapport with the communities. Consistent engagement is ensured and fixed day visits are made to each village and habitation. The programme also aims at expanding Information Education Communication (IEC) services by conducting awareness campaigns, street plays for target beneficiaries with a focus on behaviour change and demand generation. PEL's CSR partners build capacities of health system for quality service delivery in turn increasing access to comprehensive care, support and treatment and strengthen health management information systems. Through our community outreach program, awareness on telemedicine and specialists services is provided to the communities.

b) Education:

The School Leadership Development Programme strives to ensure that the community participates in the governance of the school processes. In addition to this, the programme also aims to strengthen the school management committees and the school alumnus to act as resource people for school while actively participating in its governance processes.

The Virtual Field Support Centers ensure community ownership of initiatives by onboarding women from the community itself and then enhancing their capacity of communication, education and technology learning.

PEL monitors CSR projects on regular intervals from the project inception stage till completion. Post project closure, PEL keeps track on impact of its CSR projects on the beneficiaries. Through our impact assessment we try to understand the gaps in the project and address them in future initiatives.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as at the end of financial year?

There are no consumer complaints pending as at the end of the financial year under review.

PEL strives to provide world class and cost effective products to all its customers. We understand that customers are central to our business and endeavour to provide them with best

services. Customer grievances are given paramount importance at PEL. The consumer products division is a front runner in the pharmaceutical industry that possesses a 24x7 customer care center that is facilitated in full effect with an automated routing and recording system. This has a robust mechanism to handle queries and complaints of the stakeholder. For the purpose of delivering resolution within a defined Turn Around Time ('TAT'), an escalation matrix has been designed. The Customer Relationship Model that we have developed is fundamentally based on 2 approaches:

In-case of query: The Customer Care Associate ('CCA') is equipped with a robust and effective FAQ arrangement in order to address the query raised by the stakeholder. In the event that the query is not a component of the FAQs, a validating response is provided within 24 hours as per the escalation matrix.

In-case of complaints: The CCA complaints are recorded and gathers the necessary data that is required for taking remedial measures. In case the response from CCA is not satisfactory, we have developed a three level escalation matrix to enable speedy and satisfactory response to the stakeholder.

We also obtain a Customer Satisfaction ('C-Sat') score from the stakeholder to rate the experience level and for closure of the complaint in case of query or a complaint.

- Does the company display product information on the product label, over and above what is mandated as per local laws?
Yes/No/N.A./Remarks(additional information)

Yes. The PEL consumer products division follows all applicable mandatory laws & regulations related to product information and labelling. The toll free consumer care number is displayed on the packaging of the product and the company routinely checks it for any query or grievance. As a means to improve product labelling, we display information with respect to product properties, usage instructions and precautions to be followed. This forms a part of the product packaging or is separately provided as a patient information leaflet.

- Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases pending against PEL by any stakeholder regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior as on March 31, 2019.

- Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes, PEL recognises that customer satisfaction is centric to its operations and carries out consumer survey/consumer satisfaction trends.

Pharmaceutical Division

PEL has shifted its attention from being "Product focused" to "Customer focused". This enables us to be customer centric and meet all expectations by exploring new possibilities for

advancing our processing, communication and reporting. This puts us in a position where we can interpret and predict customer needs and implement leveraging solutions that incorporate automated and prompt insights about the whole customer division. Our belief is that the success of the business depends on the need of our product by the customer or for the end consumers.

Using NPS (Net Promoter Score) metrics, PEL has introduced a robust feedback mechanism which assists it in calculating customer loyalty. It is distinctive and is one of the first in its segment in CRAMS business.

The CES (Customer Effort Score) is recorded which acts as an indicator of the effort taken by the customer in order to push the matter through for resolution. A high CES score signifies that we have simplified the process for our customers to employ the services.

Using the AQSCI (Assurance, Quality, Service, Value, Innovation and People) model for all businesses on Qualtrics platform we have implemented a system to generate Customer Experience (CX) Insights via voice of customer (VOC) which was designed & rolled out as a centralised automated customer satisfaction survey in accordance to the needs of the customer. A Platform to improve CSI (such as Customer Satisfaction Index Score & reporting gaps, area ownership, action planning, etc.) was configured and put into practice. We involve the customer in every phase of the customer satisfaction process including corroborating the survey responses, developing a roadmap strategy and in completing the feedback loop.

PEL has made considerable advancements in its endeavour to build a customer centric philosophy particularly focusing on accomplishment and scientific excellence while establishing an organization with a wide ranging portfolio of services that is demanded by our global customers. Our customers have started considering PEL as the 'Partner-of-Choice' for their external needs, from Discovery through Commercialisation.

We also conduct partner satisfaction surveys that are utilised for internal purposes.

With the purpose of resolving customer grievances on call, technical issues such as understanding of the customer grievance, usage of correct language, listening to the grievance attentively as well as joining calls on time are assessed to enhance the quality of the interaction with our customers. Workshops on customer centricity are organized for customer facing teams to embellish their capabilities in managing an efficient grievance cell.

Consumer Products Division (CPD)

To gauge our performance as a consumer centric company, the CPD consumer feedback and satisfaction act as important indicators. The satisfaction levels from the C-Sat metrics are obtained from feedback evaluation of customer surveys in regard to our services. This division emphasises on timely resolution to all customers and stakeholders within the TAT.