



# Healthy Planet, Healthier People

2023-24 Sustainability Report

# INDEX

<b>1. About the report</b> .....	<b>5</b>
Highlights .....	6
Message from MD .....	7
Ipca at a glance .....	9
Operational excellence .....	10
Our values .....	11
<b>2. Approach to sustainability</b> .....	<b>12</b>
ESG goals .....	13
Approach to stakeholder engagement .....	14
Materiality assessment .....	15
Focus areas and initiatives .....	16
Risk and opportunity analysis .....	17
<b>3. Economic performance</b> .....	<b>19</b>
Financial performance .....	20
Indirect economic value creation .....	21
Approach to tax .....	23
<b>4. Environment</b> .....	<b>24</b>
Energy and emissions management .....	26
Water management .....	31
Waste management .....	33

# INDEX

<b>5. Social</b> .....	<b>35</b>
Social responsibility and workforce overview .....	36
Our people workforce .....	38
Learning and development .....	42
Safety .....	44
Supply chain management .....	48
Customer management .....	50
Community engagement .....	51
<b>6. Governance</b> .....	<b>52</b>
Board structure .....	53
Sustainability governance .....	54
Performance evaluation .....	55
Industry associations .....	56
Policy commitments at Ipca .....	57
<b>7. Policies and Procedures</b> .....	<b>61</b>
GRI index .....	62

# 1. About the report

- Highlights
- Message from MD
- Ipca at a glance
- Operational excellence
- Our values

# About the report

As Ipca embarks on the journey of presenting its inaugural sustainability report, we are not merely fulfilling a corporate obligation but sharing our vision for a sustainable future. This report details our achievements, challenges, and ongoing efforts to integrate sustainability into every facet of our operations.

More importantly, it will serve as a testament to Ipca's enduring commitment to balancing business success with environmental stewardship and social responsibility.

This sustainability report has been developed in alignment with the Global Reporting Initiative (GRI) 2023 guidelines. This report covers the Company's performance from April 1<sup>st</sup>, 2023, to March 31<sup>st</sup>, 2024, unless otherwise specified and serves as a means to communicate its unwavering commitment to sustainability. We also map our initiatives to the UN Sustainable Development Goals (SDGs). Throughout the reporting period, Ipca has diligently collected data monthly and compiled it annually to provide a comprehensive and accurate overview of its sustainability efforts.

The data in this report covers our product manufacturing operations in the 17 sites in India, along with R&D facilities, global marketing operations, all ingredient sourcing, product packaging, and warehousing facilities.

The report is guided by priority sustainability topics identified through our comprehensive stakeholder engagement and materiality assessment. It is intended to provide transparent and effective communications to investors, relevant stakeholders and other audiences interested in our ESG outlook, impact, and performance. We welcome your feedback on this report.

Send in your comments or questions to:

**Ankit Gupta**

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Email: [ankit.gupta@ipca.com](mailto:ankit.gupta@ipca.com)



# Highlights

**152%**

Increase in renewable electricity, compared to FY 2022-23 numbers.

**31%**

Decrease in NOx emissions across operations compared to FY 2022-23.

**21%**

Decrease in SOx emissions across operations compared to FY 2022-23.

**9.5%**

Decrease in water intensity from 19.9 KL/Million INR in FY 2021-22 to 18 KL/Million INR in FY 2023-24.

**88%**

Of our sites have implemented zero liquid discharge.

# Message from Our Managing Director

With great pride, I present our first sustainability report, a significant milestone for our company as we take a deliberate and transparent step toward a sustainable future. This report is more than a collection of metrics and achievements; it embodies our commitment to responsible growth, dedication to our people and communities, and unwavering drive to reduce our environmental impact. As a pharmaceutical company, our mission has always centred on improving lives through healthcare, and this commitment extends naturally to the health of our planet and the societies we serve.

In recent years, we have seen an increasing responsibility for companies to address the immediate needs of patients in ways that respect and sustain our shared environment. Our industry has a profound duty to minimise ecological impact, and we are committed to making meaningful contributions. This year, I am pleased to report substantial progress in our sustainability journey, with key highlights that reflect our commitment to creating a positive environmental and social impact.

In FY 2023-24, we achieved a remarkable 152.5% increase in renewable electricity compared to FY 2022-23, a significant step towards reducing our carbon footprint and mitigating climate change. Moreover, we reduced our NOx and SOx emissions across operations by 31% and 21%, respectively. Water conservation remains a core focus, and we have reduced our water intensity by 9.5% a vital step in addressing global water scarcity.



Our sustainability strategy is also deeply aligned with the United Nations Sustainable Development Goals (SDGs), particularly SDGs 12 (responsible consumption and production), 13 (climate action), 5 (gender equality), and 10 (reduced inequalities). These global goals guide our actions, reminding us of our role not only as a pharmaceutical company but as a corporate citizen committed to advancing inclusive and sustainable development. For example, we have made significant strides in waste management, with most of our non-hazardous waste now being recycled, thus reducing our environmental impact and contributing to a circular economy.

As we look forward, we recognise that our sustainability journey is ongoing. There is much more work to be done, and we are committed to continuous improvement. We will focus on further reducing our environmental footprint, enhancing social responsibility, and strengthening governance practices.

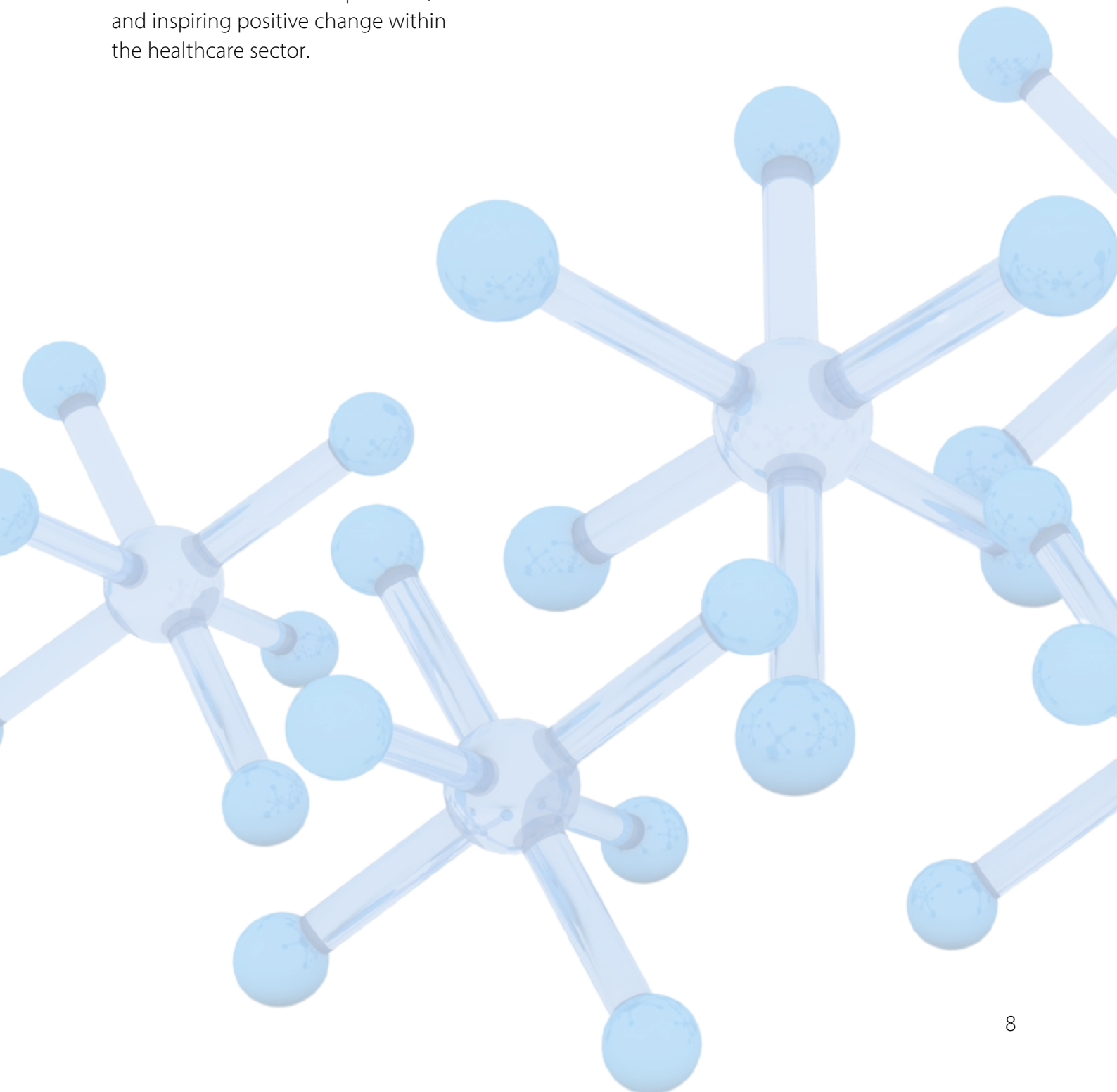
This commitment extends to our supply chain, where we aim to promote sustainable practices, and to our workplaces, where we strive to foster diversity, equity, and inclusion, ensuring a respectful and empowering environment for all employees.

Our inaugural sustainability report reflects where we are today and promises to show where we aim to be in the future. We are committed to leading by example, setting standards for sustainable practices, and inspiring positive change within the healthcare sector.

As we move forward, we will continue to push the boundaries of what is possible, leveraging innovation and collaboration to create a healthier, more sustainable world for future generations.

**Mr. Ajit Kumar Jain**

Managing Director

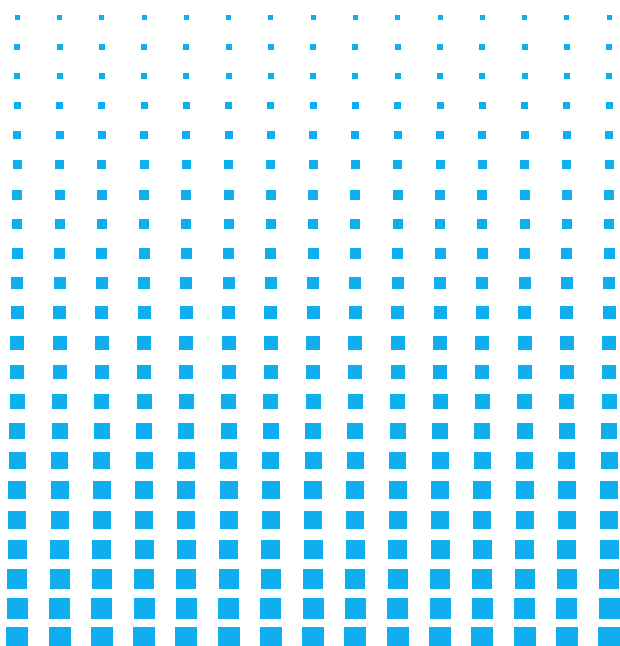




# Ipca at a glance

As one of the largest suppliers of Active Pharmaceutical Ingredients (APIs) and Formulations worldwide, Ipca holds manufacturing leadership in over 12 APIs globally, underscoring our extensive expertise and influence in the field. With 18 APIs and 17 formulations manufacturing sites spread across the globe, Ipca is well-positioned to meet the needs of patients and healthcare providers internationally.

Headquartered in Mumbai, India, Ipca has established itself as a leading player in the global pharmaceutical industry with leading brands in key therapeutic areas such as Pain Management, Rheumatology, Antimalarials, Dermatology, CNS and Cardiology. With a strong focus on research, innovation, and quality, Ipca is committed to providing affordable and high-quality medications to patients worldwide.



**80+**

APIs

**350+**

Formulations

**16<sup>th</sup>**

Ranked in the  
Indian pharma market

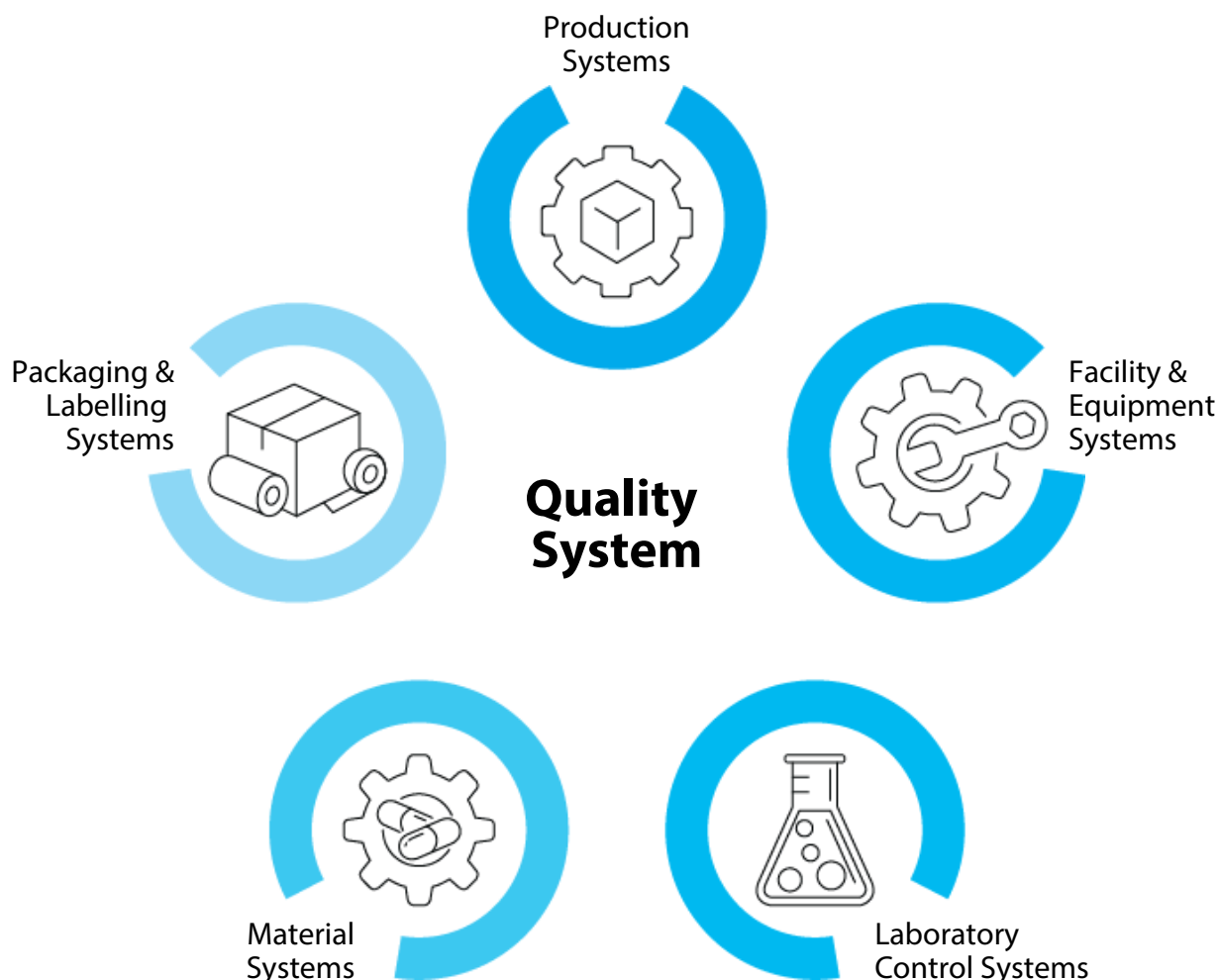
**120+**

Countries

# Operational excellence: Good manufacturing practices

Good Manufacturing Practices (GMPs) ensure that pharmaceutical products are consistently produced and controlled according to quality standards. At Ipca, we adhere rigorously to current Good Manufacturing Practices (cGMP) As these not only safeguard product quality

but also strengthen our reputation for reliability in the global market. While meeting stringent regulatory requirements and passing frequent regulatory audits present particular challenges, they reinforce our commitment to quality and compliance.



# Our values



## **Adhere to standards**

At Ipca, product quality is a commitment we uphold with the utmost rigour. It's not just about meeting global standards it's about exceeding them to ensure that every product we create can be recommended with complete trust. Each step of our manufacturing process is designed to adhere to the highest industry standards, reflecting our dedication to delivering only the best to our customers and partners.



## **Value people**

At Ipca, the culture of mutual respect is upheld regardless of an individual's position in the organisation. Every employee is treated as part of a family, with a strong emphasis on building trust and professionalism. The company also enforces a strict policy to prevent any form of mental or physical harassment in the workplace.



## **Ensure safety comes first**

Employee safety and well-being are more than just a hygiene factor for Ipca - they're integral to our culture. Ipca expects the best from its employees, and duly tested and approved measures are in place at every stage of operations to ensure that high safety standards are met.



## **Facilitate good business practices**

Ipca ensures that the individual efforts of its employees are regularly recognised and celebrated within the organisation. Employee appreciation events are frequently held across offices to acknowledge those who go above and beyond their call of duty. This fosters a sense of personal responsibility among employees, motivating them to improve and excel every day.

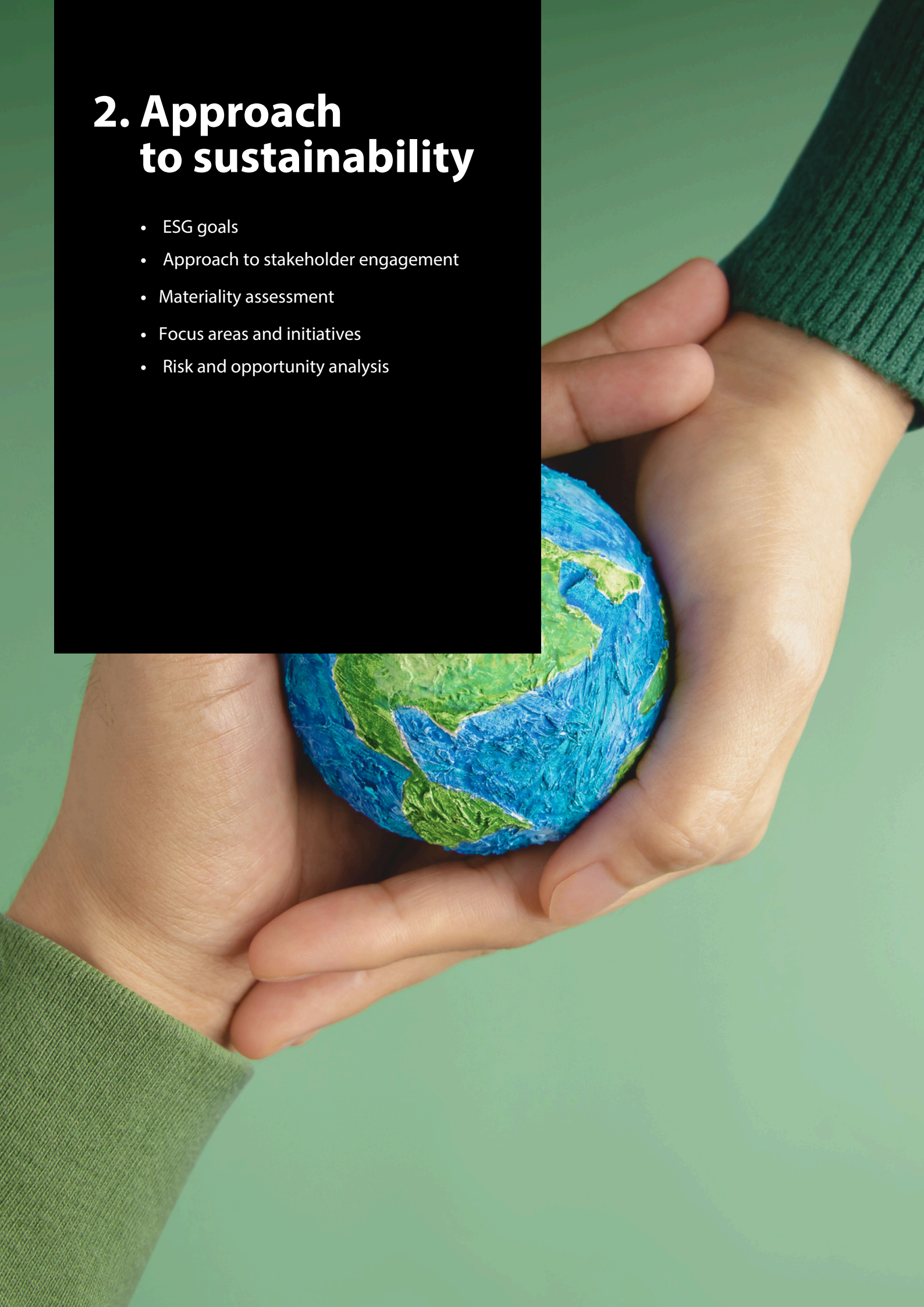


## **Comply with ethics & standards**

Integrity is the cornerstone of everything we do at Ipca. We believe that transparent business practices and a strong work ethic are not just policies. They are a part of our identity. We are committed to fostering an environment where honesty, accountability, and ethical conduct are non-negotiable. This integrity commitment, reinforces our stakeholders' trust and drives us to uphold the highest standards in all our operations.

## 2. Approach to sustainability

- ESG goals
- Approach to stakeholder engagement
- Materiality assessment
- Focus areas and initiatives
- Risk and opportunity analysis



# ESG goals

## Environmental goals

### Carbon emissions

- **Goal:** Achieve a 20% reduction in carbon emissions (Scope 1 & Scope 2) by 2030, using FY 2022-23 as the base year.
- **Progress:** A 3.16% reduction in Scope 1 and Scope 2 emissions intensity per rupee of turnover has been achieved in FY 2023-24 compared to FY 2022-23.



### Waste management

- **Goal:** Ensure that 35% of hazardous waste is disposed of through co-processing by 2030.
- **Progress:** In FY 2023-24, 10.62% of hazardous waste was disposed of through co-processing.



## Social goals

### Sustainable procurement

- **Goal:** Achieve 100% compliance of critical suppliers with the Sustainable Procurement Policy by 2030.
- **Progress:** The Self-Assessment Questionnaire (SAQ) has been distributed to critical suppliers to evaluate their compliance, and signed acknowledgement copies of the Supplier Code of Conduct (SCOC) are being collected.



### Diversity and inclusion

- **Goal:** Achieve 20% representation of women employees in offices by 2030.
- **Progress:** Women employees currently make up 18.95% of the office workforce.



# Approach to stakeholder engagement

## Stakeholder engagement and materiality assessment

During the initial phase of the materiality assessment, Ipca identified key material topics relevant to the organisation. The list of topics related to sustainability materiality was developed through a comprehensive analysis of Ipca's business priorities and external sources. Additionally, the company conducted an in-depth analysis of industry megatrends to assess potential risks and opportunities in the short, medium, and long term, thereby identifying relevant issues.

Insights from various Ipca affiliates worldwide, ESG investor priorities, and requirements from international sustainability disclosure frameworks, such as the Sustainability Accounting Standards Board (SASB) and the Morgan Stanley Capital International (MSCI) Index, were considered in this process. We then engaged various stakeholder groups to evaluate the importance of these material topics from their perspective.

## Approach to stakeholder engagement

During the reporting year, Ipca engaged in a comprehensive and inclusive stakeholder engagement process to assess the materiality of sustainability issues. Through personal interactions and surveys with internal stakeholders, such as employees and management, as well as external groups, including customers, communities, suppliers, and investors, Ipca ensured

that its sustainability efforts aligned with the concerns and priorities of all relevant parties.

## Consulting stakeholders on economic, environmental, and social topics

To identify its material topics, Ipca consulted with key internal and external stakeholders, including customers, investors, suppliers, employees, and company management. The insights gathered through this process are comprehensively documented in Ipca's materiality assessment.

## Identifying and selecting stakeholders

Stakeholders were carefully identified, based on their significance to Ipca's operations. This diverse group includes both internal and external stakeholders, including customers, communities, investors, suppliers, employees, and Ipca's management. By recognising the importance of these stakeholders, Ipca gained valuable insights into potential risks and opportunities for the organisation.

# Materiality assessment

## Materiality map

The outcome of this diligent assessment enabled Ipca to identify 15 material issues that significantly impact our people, the planet, and our business. Among these, the following issues emerged as the most critical and integral to Ipca's sustainability strategy:



# Focus areas and initiatives

Aligned with its commitment to making a difference, Ipca has already implemented the following measures to address the most critical material issues identified.

- **Energy and emissions:**

Ipca is committed to reducing its carbon footprint by minimising power consumption and increasing the use of renewable energy. The company successfully reduced its total emissions from 326,556 metric tons of CO<sub>2</sub> equivalent in FY 2021-22 to 311,883 metric tons in FY 2023-24.

- **Water stress:**

The company aims to use water more efficiently, with a slight reduction in water intensity from 19.9 kilolitres per INR million in FY 2021-22 to 19.6 kilolitres per INR million in FY 2022-23. Despite an increase in total water consumption, this metric reflects progress in water management efficiency.

- **Sustainable supply chain:**

Ipca prioritises sustainability across its supply chain by promoting ethical sourcing, reducing resource consumption, and ensuring transparency. This approach strengthens partnerships and improves overall supply chain resilience.

- **Human resource development:**

Recognising employees as its most valuable asset, Ipca focuses on continuous learning and professional development through training programs and leadership opportunities, fostering skill enhancement and employee engagement.

- **Research and development:**

R&D is crucial for Ipca's innovation and competitiveness. The company invests in developing new medicines and therapies to expand its product portfolio and maintain its leadership in the global pharmaceutical market.



# Risk and opportunity analysis

Furthermore, a risk and opportunity analysis was conducted of material topics that could potentially impact Ipca's operations.

Sr. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/ negative financial implications)
1.	Energy and emissions	Risk       Opportunity	Increasing demand for products will lead to the need for increased manufacturing capacity and a subsequent increase in emissions.   Procurement of renewable energy and implementation of energy efficiency initiatives can help in cost savings in operations and offsetting emissions.	1. Procurement of power through renewable energy sources such as solar, wind.  2. Shifting to piped natural gas in place of furnace oil.  3. Shifting to biomass or briquette fuel in place of coal.  4. Implementation of energy efficiency initiatives in all our operations in India.	Negative- Increase in operating costs by investments in more environmentally friendly technology and techniques for reducing emissions.   Positive - Investing in renewable energy and energy efficiency initiatives has the potential to yield favourable results and lower operating costs in the long run.
2.	Water management	Risk	Water being a scarce resource on the planet and essential component of all processes, poses a risk to the future operations.	1. Implemented Zero Liquid Discharge (ZLD) mechanism at our manufacturing sites in India.  2. Installation of water recycling sites and using recycled water for utilities and gardening purposes.  3. Water efficiency mechanisms, rain water harvesting and reutilisation of water recovered from condensate recovery.  4. Raising awareness among our stakeholders about the importance of water conservation.	Neutral - No immediate financial impact is anticipated, and we are taking steps to ensure efficient water management in order to keep this issue from becoming unmanageable.

3.	Waste management	Risk	The waste generated from our facilities has to be disposed in the most appropriate manner.	The waste generated from our facilities is segregated and disposed through pollution control board approved suppliers and in compliance with regulations.	Negative - Non-compliance with the regulations could result in adverse financial consequences such as fines and penalties as well as reputation damage.
4.	Sustainable supply chain	Opportunity	Sustainable supply chain management help us not only in reducing our total carbon footprint, but also helps in optimising our end to-end operations.		Positive - A sustainable supply chain enhances our commitment to the environment and optimization in end-to-end operations can give significant savings in the long run.

# 3. Economic performance

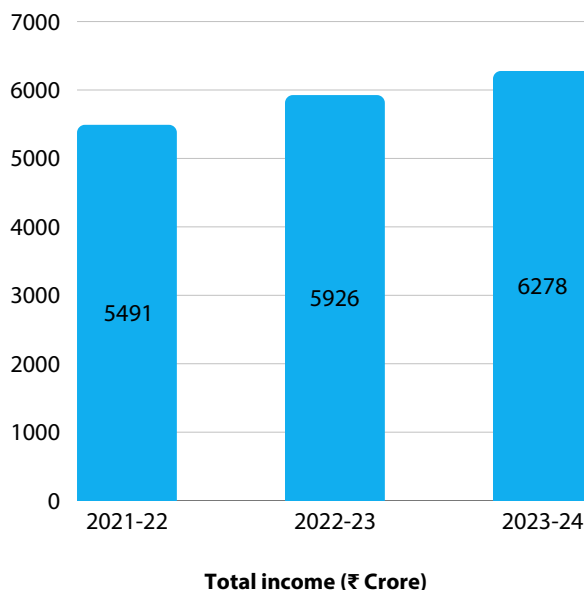
- Financial performance
- Indirect economic value creation
- Approach to tax



# Financial performance

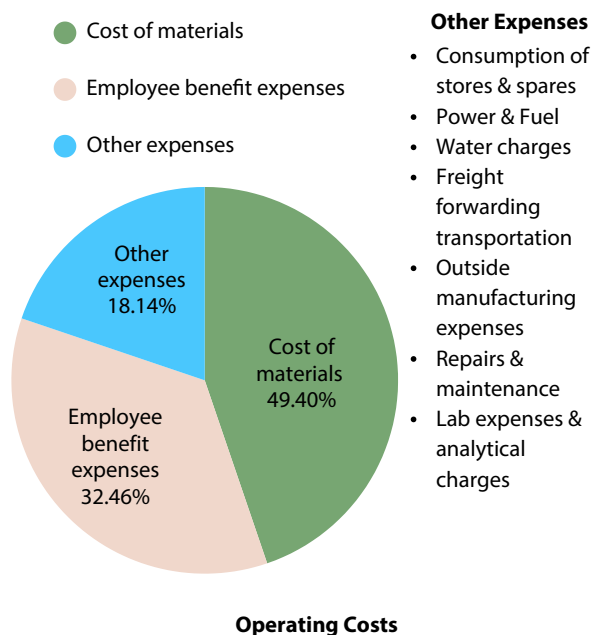
Ipca has demonstrated consistent financial growth over the past three years, with total income increasing by **7.91% from ₹5,491.22 crores in FY 2021-22 to ₹5,925.81 crores in FY 2022-23**, followed by a **5.94% rise to ₹6,277.75 crores in FY 2023-24**.

This sustained upward trajectory reflects the company's strong market presence, operational efficiency, and ability to adapt to evolving industry dynamics. The steady growth underscores Ipca's commitment to innovation, supply chain optimisation, and strategic investments, positioning the company for continued expansion in the global pharmaceutical sector.



The company's operating costs (**₹4,116.74 crores**) reflect a strategic balance between sustaining production capabilities, enhancing workforce well-being, and ensuring supply chain efficiency. Investments in key areas such as raw materials, employee benefits, and infrastructure reinforce Ipca's commitment to long-term operational resilience and business growth.

Beyond core business expenses, Ipca continues to uphold its Corporate Social Responsibility (CSR), with **₹21.36 crores** allocated to community-focused initiatives, reinforcing our commitment to social progress alongside financial sustainability.



**CSR**  
**₹21.36 crores**

# Indirect economic value creation

## Community involvement

The company's investment of **₹ 21.36 crore** reflects its commitment to community development. Through various rural development projects, IpcA supports the economic stability of local communities across the country, contributing to job creation and regional prosperity.

These investments enhance the company's reputation as a socially responsible enterprise and strengthens trust among stakeholders and customers. Additionally, they ensure compliance with India's legal CSR mandates while aligning with long-term sustainability goals.

### Our areas of focus include:

- Poverty eradication
- Healthcare
- Education
- Sanitation
- Skill enhancement
- Environmental sustainability
- Gender equality
- Clean drinking water

Name of the project	Implementing agency	CSR contribution (Rs. crores)
Amrit sarovar, Madhya Pradesh	MGNREGA	1.10
Kauvery calling- Tree plantation	Isha outreach	2.10
Community park, Dewas	Government sponsored project	2.75
Medical college and research center, Solapur	M.M Patel public charitable project	3.50
Distribution of Improved cookstoves	SEWA, Assam	6.13
Skill development - job placement for needy youth from slums in Mumbai	Bharat vikas parishad	0.29
Promotion of education, vocational training and skill enhancement projects via digital education	Mission gyan	1.12

## Economic value for suppliers and supply chain partners

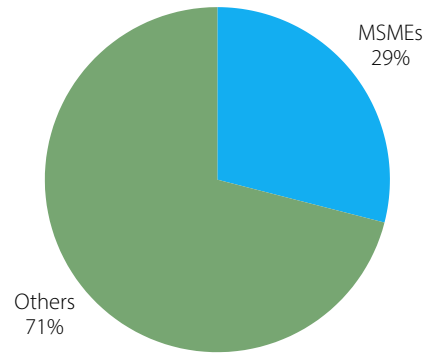
At Ipca, our commitment to building a sustainable and inclusive supply chain lies at the core of our economic value creation.

### Job creation and economic impact:

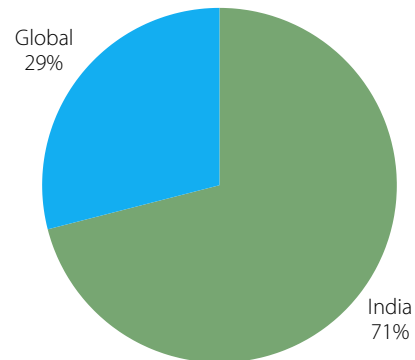
Through our extensive supply chain network, Ipca creates significant employment opportunities and supports local economies across India. We collaborate with a diverse range of suppliers, logistics providers, and service partners, many of whom operate in rural and semi-urban areas. These partnerships not only ensure a reliable supply of essential materials and services but also contributes to the livelihood of thousands of individuals working within our supply chain. By generating jobs directly and indirectly, we help uplift communities and drive the overall economic development in the regions where we operate.

### Incentivising local entrepreneurship:

Ipca is committed to empowering local entrepreneurs through sustainable procurement practices, particularly in rural areas. By prioritising sourcing from small and medium-sized enterprises (MSMEs), we actively contribute to rural economic growth, reduce income inequality, and promote local innovation.



Directly sourced from MSMEs/small producers



Directly from within India

### Supporting MSMEs and sourcing locally:

At Ipca, we believe in supporting MSMEs, recognising their crucial role in driving local economic growth. In FY 2023-24, 29% of our products were sourced directly from MSMEs.

Additionally, we take pride in procuring a significant portion of our products locally, with 70% sourced from suppliers within India. This not only strengthens the domestic economy but also reduces the environmental impact of long-distance transportation, further contributing to our sustainability goals.

# Approach to tax

At Ipca, our approach to taxation reflects our commitment to fiscal responsibility and our broader role in contributing to national development. As a major player in India's pharmaceutical industry, we recognize that tax payments support public infrastructure, healthcare, education, and other social services that drive economic growth and societal well-being.

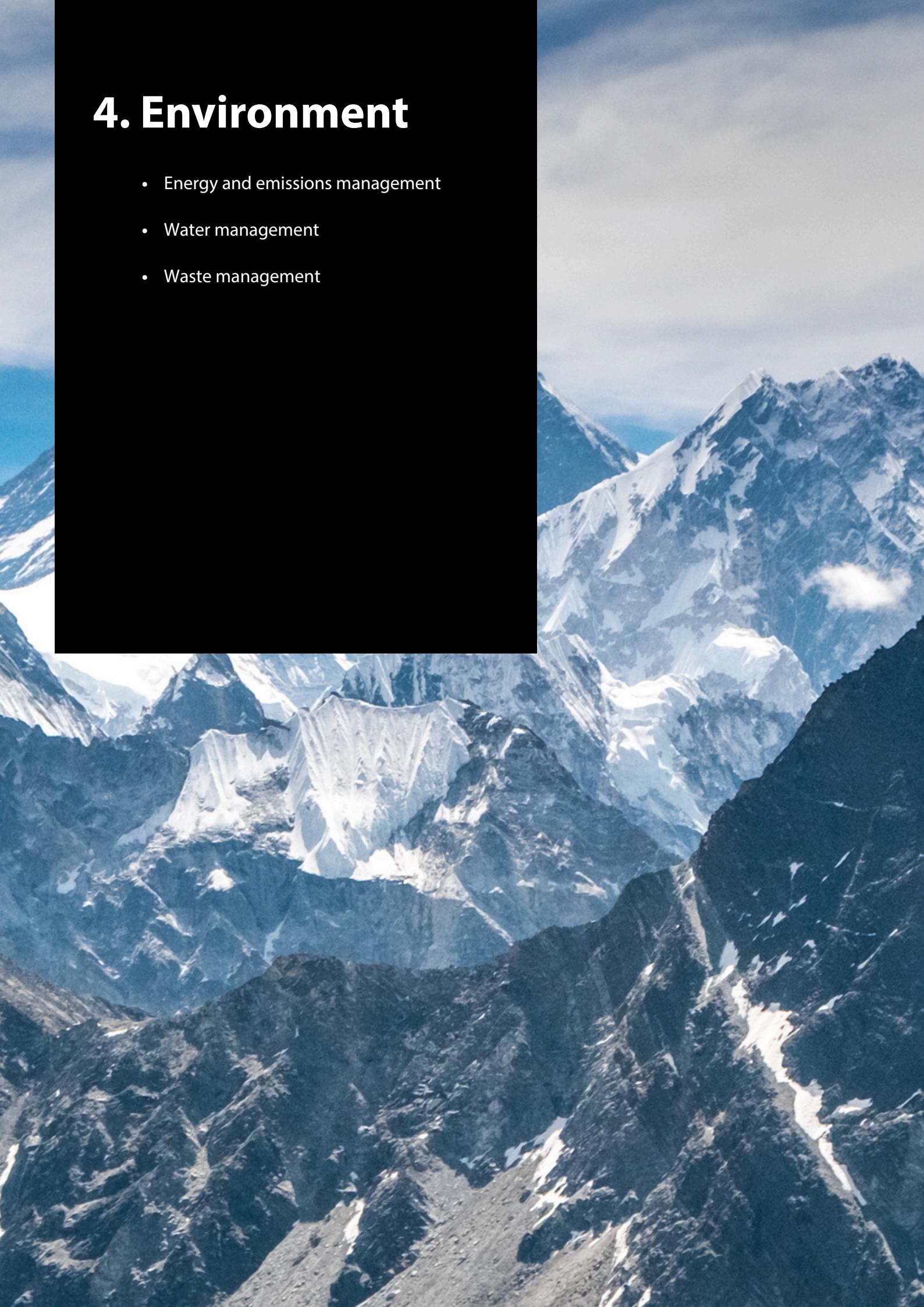
## Key principles

- **Transparency:**  
We maintain clear and open communication about our tax practices, ensuring stakeholders understand our contributions and their impact on society.
- **Compliance:**  
Ipca adheres to all applicable tax laws and regulations, ensuring full compliance across our operations.
- **Responsible tax optimization:**  
While we optimise our tax practices within legal frameworks, we do so responsibly, balancing fiscal efficiency with ethical considerations.
- **Stakeholder engagement:**  
We actively engage with stakeholders, including government bodies, to support fair tax policies that benefit businesses and society.

In FY 2023-24, Ipca contributed **₹ 291.75 crores** in direct taxes, demonstrating our commitment to fair and transparent tax practices. This, alongside a profit of **₹ 530.41 crores**, reflects our dedication to creating value while ensuring that we support national economic development.

# 4. Environment

- Energy and emissions management
- Water management
- Waste management





# Environment

At Ipca, our commitment to environmental stewardship is at the core of our environmental policy, aimed at minimising environmental impact while promoting social well-being. This policy integrates sustainable practices into every facet of our operations, ensuring strict adherence to environmental responsibility.

Our environmental policy highlights **key areas of focus:**

- **Carbon emission management:**  
We are committed to reducing our carbon footprint through comprehensive emission management strategies.
- **Responsible water use:**  
Our practices are designed to ensure efficient and sustainable water usage.
- **Promotion of renewable energy:**  
We prioritise the adoption of renewable energy sources across our facilities.
- **Waste management and recycling:**  
We implement effective waste disposal and recycling measures to minimise environmental impact.
- **Pollution prevention:**  
We adopt strategies to prevent and mitigate pollution.
- **Environmental impact evaluation:**  
We continually evaluate the ecological impact of our products and processes.
- **Sustainable sourcing:**  
We ensure that raw materials are sourced responsibly and ethically.
- **Air pollution control:**  
We implement measures to minimise the air pollutants our operations generate.
- **Biodiversity conservation:**  
Our activities include efforts to preserve and enhance local biodiversity.



# Energy and emissions management

## Environment-focused goals

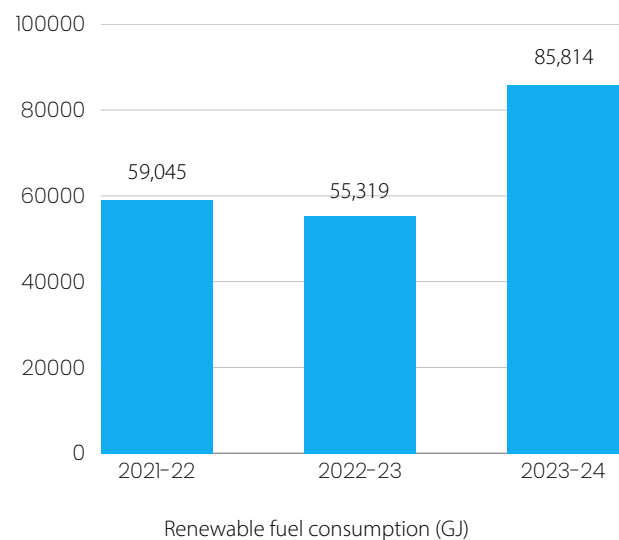
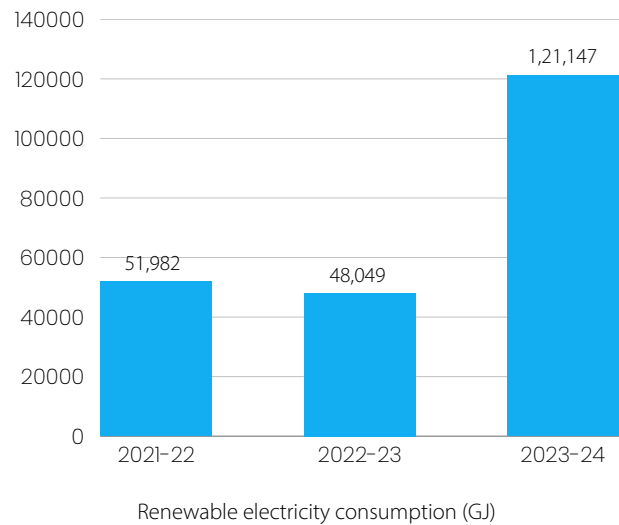
- We aim to reduce our Scope 1 and Scope 2 emissions by 20% by 2030.
- We aim to dispose of 35% of our hazardous waste through co-processing by 2030.

## Energy consumption:

- **Total energy consumption:**  
In FY 2023-24, Ipca consumed 25,71,091 GJ of total energy, an increase from 21,46,611 GJ in FY 2022-23.
- **Renewable energy:**  
In FY 2023-24, 2,06,960 GJ of energy consumption came from renewable sources, including 1,21,147 GJ from renewable electricity and 85,814 GJ from renewable fuel, up from 1,03,368 GJ in FY 2022-23.
- **Non-renewable energy:**  
In FY 2023-24, 2,364,130 GJ of energy consumption came from non-renewable sources, including 6,90,560 GJ of electricity and 16,73,571 GJ of fuel, up from 2,043,243 GJ in FY 2022-23.

## Energy conservation:

At Ipca, energy conservation is a core component of our sustainability strategy. We consistently invest in technological and operational improvements to enhance energy efficiency across our facilities.



Energy consumption	FY 2022-23	FY 2023-24
Total energy consumption	21,46,611 GJ	25,71,091 GJ
Renewable energy	1,03,368 GJ	2,06,960 GJ
Non-renewable energy	2,043,243 GJ	2,364,130 GJ

Some of the key energy conservation initiatives implemented in the past year include:

- **Chiller and brine plant efficiency:**  
Optimised performance to reduce energy use in cooling processes.
- **Reduction in cable losses:**  
Revamped capacitor systems to improve electricity distribution and minimise wastage.
- **VFD on higher HP pumps:**  
Installed VFDs with pressure transmitters for better pump control and reduced power consumption.
- **Energy-efficient motors:**  
Replaced old motors with energy-efficient models, saving significant power.
- **Upgraded air compressors:**  
Replaced reciprocating compressors with energy-efficient alternatives for lower electricity usage.
- **Fuel-switching project:**  
Switched to efficient petcock-fired boilers, cutting fuel consumption and improving reliability.
- **Compressed air network improvements:**  
Conducted a leakage survey to identify and plug inefficiencies, reducing energy loss.
- **Plate heat exchangers:**  
Installed for efficient hot water generation and better thermal management.
- **Thermo-conductive liquid for chillers:**  
Used to enhance chiller efficiency and reduce energy use.
- **Screw chillers:**  
Replaced WHAP systems with screw chillers, improving cooling efficiency and cutting power consumption.

## Energy intensity

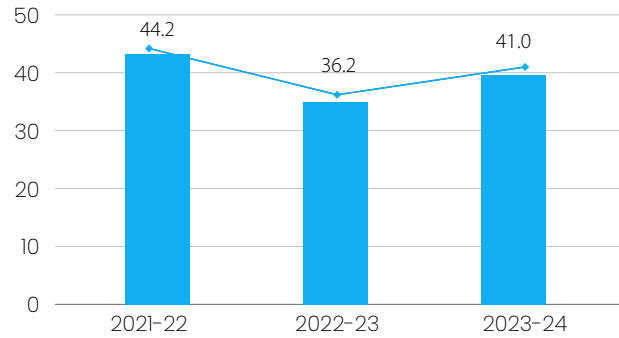
In FY 2023-24, our energy intensity stood at 41 GJ per INR million of revenue, up from 36 GJ in FY 2022-23, on a PPP-adjusted basis, it has increased from 829 GJ to 937 GJ. This rise is attributed to increased energy demand resulting from expanded operations. We are implementing energy-efficient measures to reverse this trend and support sustainable growth.

## Emissions

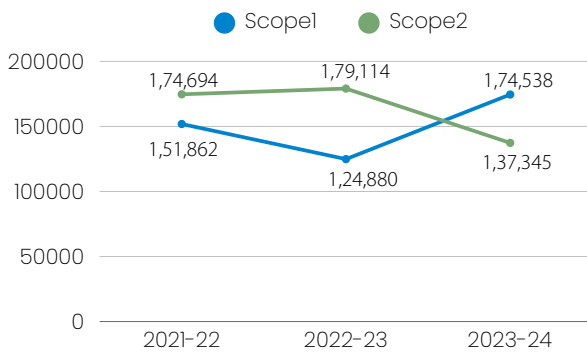
In terms of emissions, Scope 1 emissions (direct emissions from owned or controlled sources) rose to 174,538 metric tons of CO<sub>2</sub> equivalent in FY 2023-24, compared to 124,880 metric tons in FY 2022-23.

On the other hand, Scope 2 emissions (indirect emissions from the generation of purchased electricity) decreased to 137,345 metric tons from 179,114 metric tons, reflecting our ongoing initiatives to increase energy efficiency and embrace cleaner power sources.

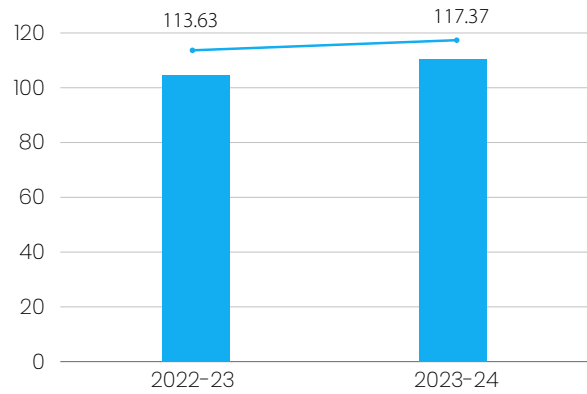
The reduction in Scope 2 emissions is attributed to the company's substantial investment in solar and wind technologies in the financial year, which resulted in 17.54% of total electricity consumption coming from renewable sources.



**Energy intensity GJ/Million INR**



**GHG emissions**

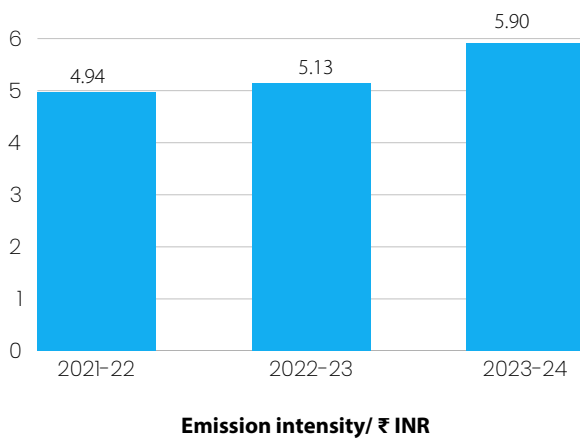


**Emission intensity/INR (adjusted to Purchasing Power Parity)**

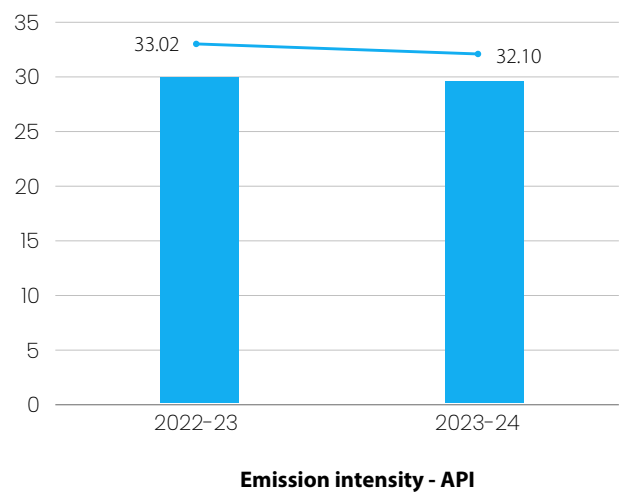
## Emission intensity

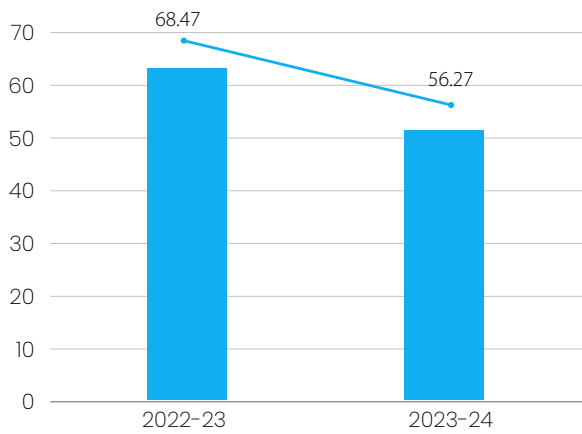
We have also improved emission intensity despite an overall increase in emissions. The total Scope 1 and Scope 2 emissions per ₹ of turnover decreased slightly from 5.13 metric tons of CO<sub>2</sub> equivalent per INR million in FY 2022-23 to 4.97 in FY 2023-24, indicating enhanced operational efficiency and better emission control.

Adjusting for Purchasing Power Parity (PPP), the emission intensity dropped from 117.37 metric tons per INR million to 113.67 metric tons in FY 23-24, showcasing our ongoing efforts to integrate sustainability into both our financial and environmental performance.



Regarding physical output, Scope 1 and Scope 2 emission intensity for API sites improved slightly, decreasing from 33.02 metric tons of CO<sub>2</sub> equivalent per metric ton of production to 32.10 in FY 2023-24. This reflects our continued optimisation of production processes. However, the emission intensity for pharma sites saw a more significant improvement, dropping from 68.47 metric tons per million units in FY 22-23 to 56.27 in the current fiscal year, marking progress towards lower emissions despite scaling up operations.

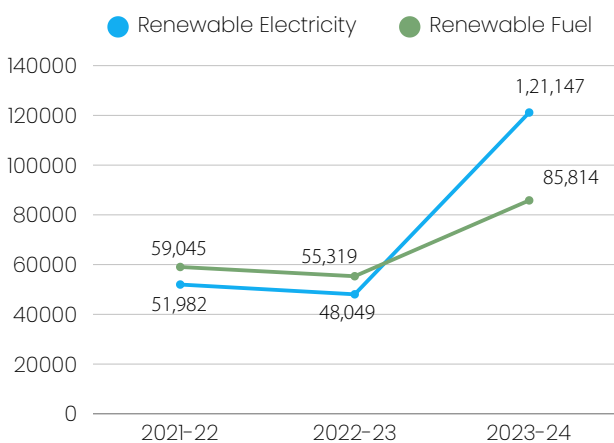




Emission intensity - Pharma sites

### Progress and outlook.

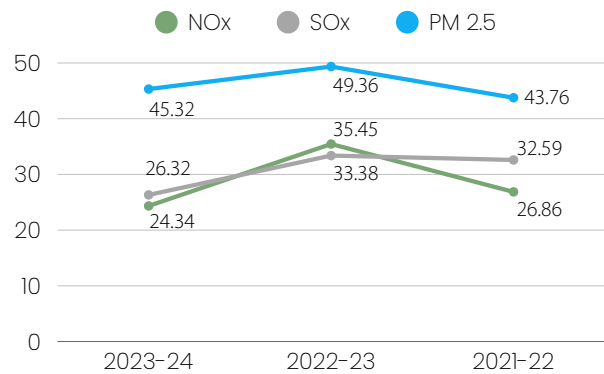
- Renewable energy:**  
 As shown in the figure, renewable energy consumption has more than doubled, with a 152% increase in renewable electricity, compared to FY 2022-23.
- New initiatives:**  
 Establishing a briquette/pellet fuel manufacturing plant and evaluating the conversion of coal-fired boilers to pellet-fired ones.



Increase in renewable power

### Other emissions (Non-GHG emissions)

- NOx emissions: Reduced by 31% from 35.45 mg/Nm<sup>3</sup> in FY 2022-23 to 24.34 mg/Nm<sup>3</sup> in FY 2023-24
- SOx emissions: Decreased by 21% to 26.32 mg/Nm<sup>3</sup> in FY 2023-24 from 33.38 mg/Nm<sup>3</sup> in FY 2022-23.
- Particulate matter (PM 2.5): Reduced to 45.32 mg/Nm<sup>3</sup> in FY 2023-24 from 49.36 mg/Nm<sup>3</sup> in FY 2021-22.



Non-GHG emissions

# Water management

At Ipca, we have reduced water withdrawal by 4.5% and water consumption by 4.55% through advanced water treatment and recycling processes.

We have implemented Zero Liquid Discharge (ZLD) at 15 of our 17 manufacturing sites in India.

Our water treatment processes across the 17 manufacturing sites in India are structured as follows:

## A10 Manufacturing sites:

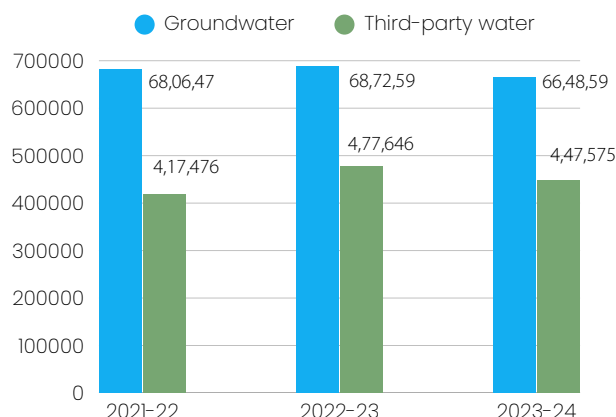
Primary, secondary, and tertiary treatment is carried out in Effluent Treatment sites (ETPs). Contaminants are reduced to solids through ZLD processes, and the treated water is recycled for utility use. Additionally, water treated by Sewage Treatment sites (STPs) is reused for gardening within the facility.

## 5 Manufacturing sites:

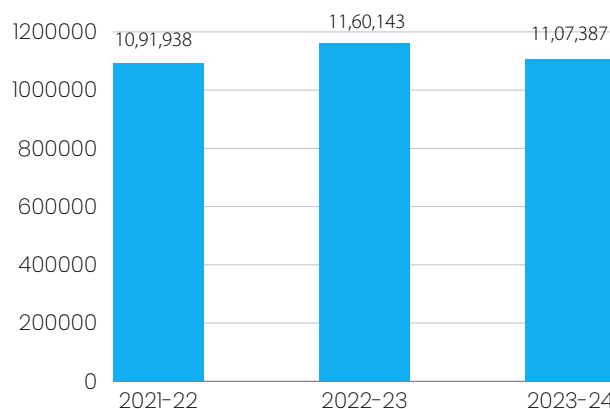
These sites follow primary, secondary, and tertiary treatment in ETPs, in compliance with Pollution Control Board (PCB) regulations. The treated water from ETPs and STPs is used for gardening purposes within the sites.

## 2 Manufacturing sites:

Similarly, primary, secondary, and tertiary treatment is performed, ensuring the highest standards of water management and adherence to environmental regulations.



**Water withdrawal by source**



**Water consumption**

## Zero Liquid Discharge (ZLD)

ZLD ensures that no liquid waste is discharged into the environment as all wastewater is treated, recycled, and reused within our facilities. To achieve ZLD, we have installed state-of-the-art technologies, including Reverse Osmosis (RO), Multiple Effect Evaporator (MEE), Agitated Thin Film Dryer (ATFD), Diffused Air Flotation System (DAF), and Mechanical Vapor Recompression Evaporation (MVRE).

## Details of the following disclosures related to water

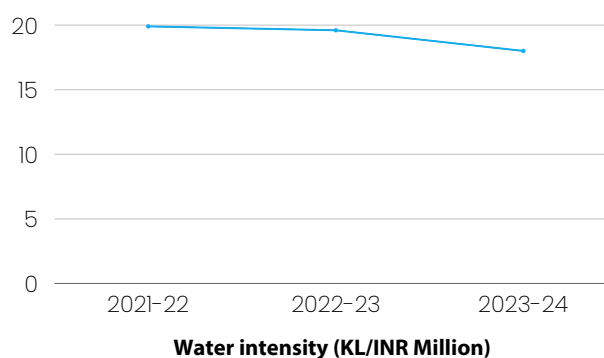
Parameter	FY 2022-23	FY 2023-24
<b>Water withdrawal by source (in kilolitres)</b>		
Groundwater	687,259	664,859
Third party water (Municipal water suppliers, etc.)	477,646	447,575
Total volume of water withdrawal (in kilolitres)	1,164,906	1,112,434
Total volume of water consumption (in kilolitres)	1,160,143	1,107,387
<b>Sent to third-parties after treatment (in kilolitres)</b>		
Sent to common effluent treatment plant post primary, secondary and tertiary treatment	4,763	5,047
<b>Water discharged (in kilolitres)</b>		
Total water discharged	4,763	5,047

## Water intensity

The graph highlights the company's water intensity metrics over the past three years, measured in kiloliters (KL) per INR million for overall operations and KL per metric ton for API and Pharma divisions.

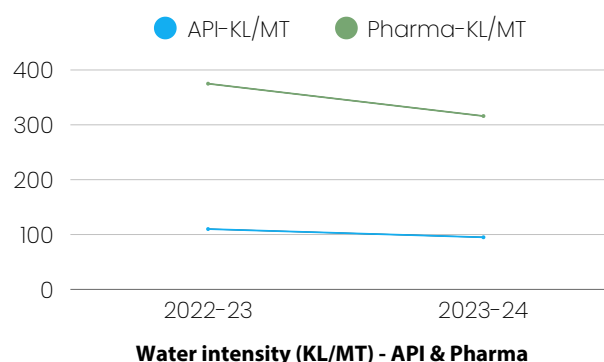
### Water intensity (KL/INR Million):

We observed a steady decline in water intensity, from 19.9 KL/INR million in FY 2021-22, 19.6 KL/INR million in FY 2022-23, to 18.0 KL/INR million in FY 2023-24.



### Water Intensity (KL/MT) in API & Pharma:

A similar trend was observed in the API & Pharma divisions. For the API division, water intensity decreased from 110 KL/MT in FY 2022-23 to 95 KL/MT in FY 2023-24, while in the Pharma division, it dropped from 375 KL/MT in FY 2022-23 to 316 KL/MT in FY 2023-24.





# Waste management

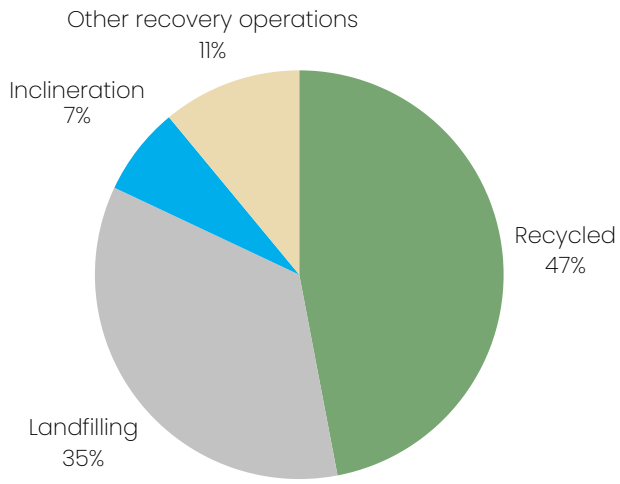
At Ipca, effective waste management is integral to our commitment to environmental stewardship and sustainability. Our approach focuses on reducing waste generation, maximising recycling and reuse, and ensuring responsible disposal methods. In FY 2023-24, we generated 42,888 metric tons of waste, a significant increase from the previous year's total of 30,311 metric tons.

We prioritise effective waste management across all our manufacturing sites. Plastic waste is sold to recyclers, and e-waste is handled exclusively by authorised vendors. A significant portion of hazardous waste is sent to cement sites for co-processing, while the remainder is safely disposed of in landfills. Brick manufacturers recycle or repurpose non-hazardous waste, including wooden waste, metal scrap, glass waste, and boiler ash. We have implemented initiatives such as process optimisation, solvent recovery improvement, and procuring less toxic materials to further reduce hazardous chemicals in our products and processes.

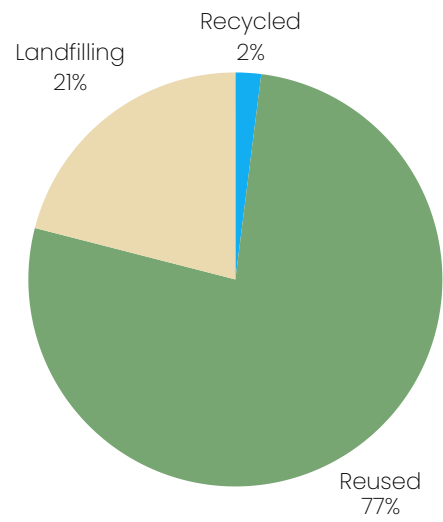
## Disposal methods

At Ipca, we are committed to responsible waste management through safe and compliant disposal practices. Our waste disposal methods ensure that all waste generated across our operations are handled with minimal environmental impact.

- **Bio-medical waste:**  
In line with our established practices, we incinerated 8 metric tons of bio-medical waste this year, which is consistent to the previous years.
- **Hazardous waste:**  
We managed the disposal of 1,870 metric tons of hazardous waste through incineration, while 12,141 metric tons were sent to landfills. This represents a notable shift towards landfill disposal compared to the previous year.
- **Non-hazardous waste:**  
A total of 351 metric tons of non-hazardous waste was sent to landfills, with no incineration or alternative disposal methods employed.

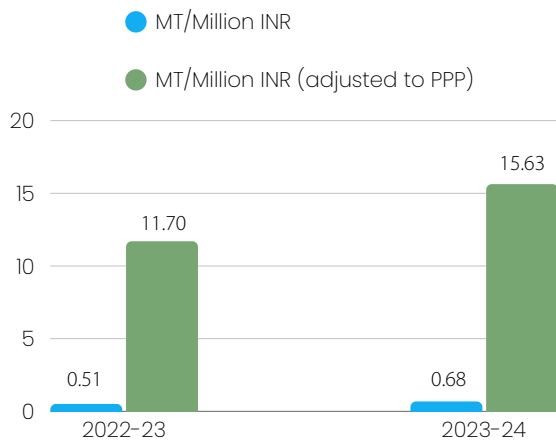


**Other hazardous waste**



**Other non-hazardous waste**

### Waste intensity



**Waste intensity per INR Million & waste intensity per INR Million adjusted to Purchasing Power Parity (PPP)**

# 5. Social

- Social responsibility and workforce overview
- Our People Workforce
- Learning and development
- Safety
- Supply chain management
- Customer management
- Community engagement



# Social responsibility and workforce overview

At Ipca, our commitment to social responsibility is not merely a facet of our operations but a foundational element embedded in our strategic approach to manage our impact on society. Our suite of social policies plays a pivotal role in ensuring ethical practices, fostering an inclusive workplace, and making meaningful contributions to the communities we serve.

## Human rights

Our human rights policy ensures that we operate with dignity, free from discrimination and exploitation, reinforcing our commitment to respecting and promoting fundamental human rights.

## Grievance redressal policies

At Ipca, our grievance redressal policies are essential for maintaining transparency and accountability in our operations for internal and external stakeholders.

- **External grievance redressal policy:**  
This policy provides external stakeholders, including customers and the community members, with an accessible mechanism to address concerns and complaints.
- **Internal grievance redressal:**  
Designed to support employees and workers, this policy offers a confidential and a structured process for raising concerns, which is crucial for maintaining a positive and a supportive work environment.

The mechanisms guide complaints through the entire process, including the escalation procedure if necessary.

## Remuneration and sexual harassment policies

- **Remuneration policy:**

Our remuneration policy ensures fair and equitable compensation practices that align with our commitment to rewarding performance and fostering employee satisfaction.

The policy establishes transparent and competitive remuneration practices to attract and retaining top talent while promoting a culture of fairness and meritocracy.

- **Sexual harassment policy:**

Our sexual harassment policy is a crucial component of our commitment to creating a safe and respectful work environment free from harassment and discrimination. This policy reinforces our zero-tolerance stance on harassment and provides clear procedures for reporting and addressing incidents, ensuring a positive organisational culture.

## Sustainable procurement and Corporate Social Responsibility (CSR)

- **Sustainable procurement policy:**

Our sustainable procurement policy guides our sourcing of materials and services while promoting environmental sustainability and ethical practices.

It ensures that our procurement activities align with our broader sustainability goals, including minimizing environmental impact and supporting fair labour practices in our supply chain.

- **CSR policy:**

The CSR policy reflects our commitment to creating a positive impact beyond our operations. It guides our efforts to address social issues, foster community development, and enhance overall societal well-being.

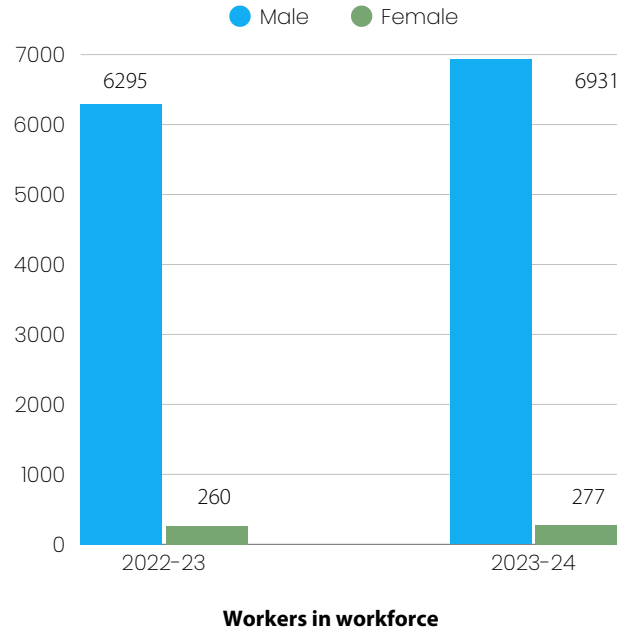
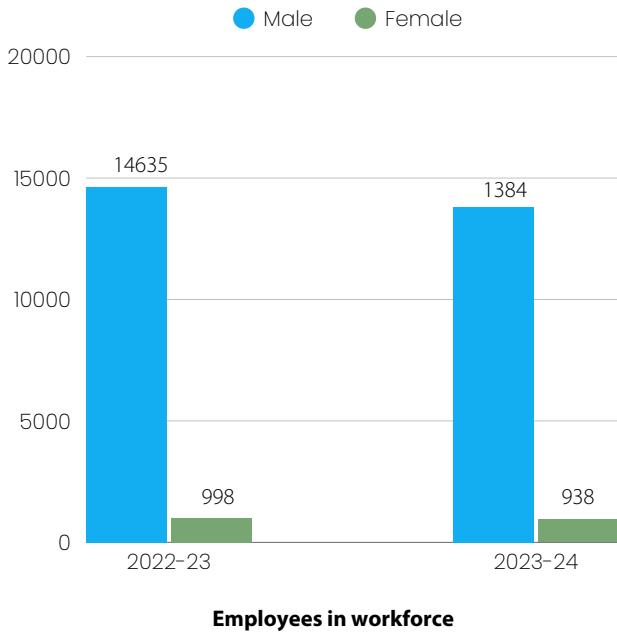
# Our people workforce

At Ipca, our workforce is the heart of our operations, and we take great pride in fostering a diverse, inclusive, and supportive environment for all. We have made significant strides in empowering women across our operations, achieving a 6.40% increase in the number of female employees (rising from 938 in FY 2022-23 to 998 in FY 2023-24).

Female workers also saw a notable 6.54% rise, increasing from 260 in FY 2022-23 to 277 in FY 2023-24. This steady upward trend in women's inclusion highlights our ongoing efforts to create a balanced and equitable workforce that thrives on diversity.

Furthermore, the board is making significant progress in ensuring female representation at the highest levels, with women constituting 22.22% of the Board of Directors.





### Employee benefits:

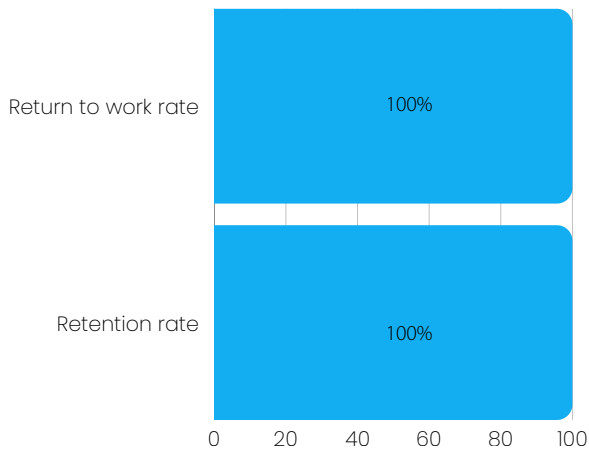
We go beyond just numbers, ensuring that the well-being of every employee and worker is safeguarded. The following highlights demonstrate our commitment,

- 100% of our workforce is covered under health and accident insurance, Provident Fund (PF), and gratuity benefits.
- 28% of employees and 62% of workers are covered by the Employees' State Insurance (ESI) scheme.
- 100% of female employees have access to maternity leave.
- Our efforts have resulted in a 100% return-to-work and retention rate.

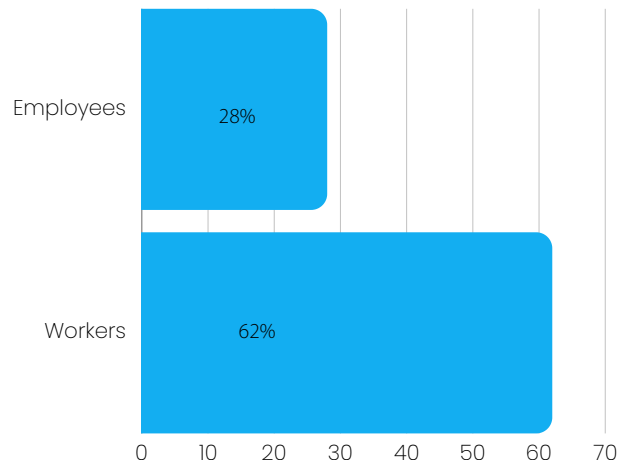
### Fair compensation:

We support our workers' right to be a part of a union and participate in collective bargaining practices in compliance with regulations such as the Trade Unions Act of 1926. The following highlights demonstrate our commitment,

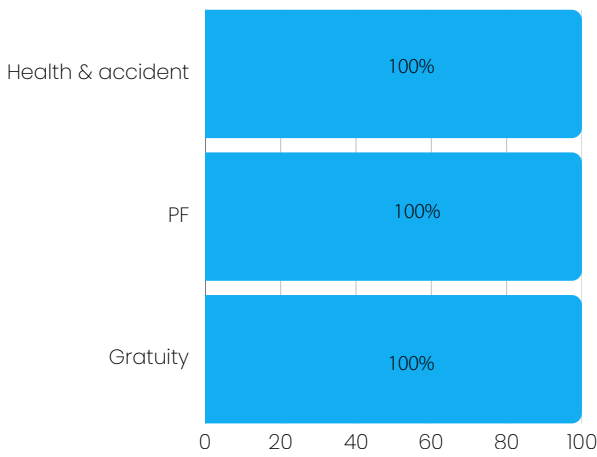
- 100% of our permanent workers are paid above the minimum wage.
- 100% of our non-permanent workers receive at least the minimum wage.
- Aligned with our diversity initiatives, female employees' gross wages accounted for 6.32% of total wages in FY 2023-24, a slight decrease from 6.78% in FY 2022-23.



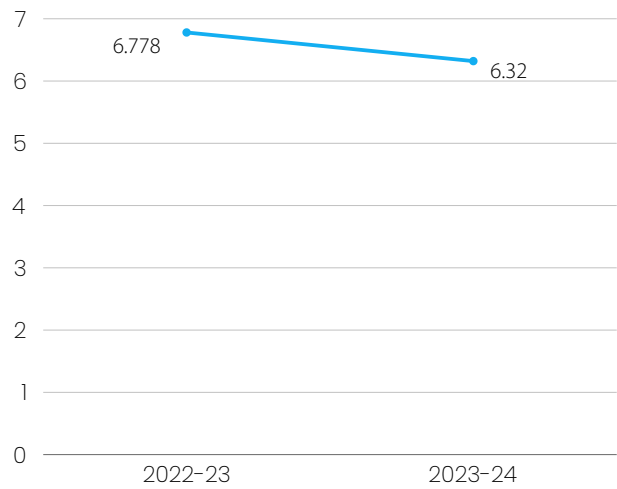
**Return to work and retention rate FY 2023-24**



**ESI coverage**



**Employee benefits**



**Percentage of female wages to total wages**

## Human rights

At Ipca, protecting human rights is integral to our commitment to ethical and sustainable business practices. Our dedication to human rights is reflected in our training initiatives, policy integration, and assessments at our facilities, all of which aim at fostering a workplace that upholds fairness, safety, and equality.

## Initiatives

Human rights training is crucial to our strategy to increase awareness and ensure compliance with human rights standards and our core values. In FY 2023-24, 75% of our permanent employees (11,342) received formal training on human rights issues and policies, reflecting a slight decrease from the previous year, when 80% (11,315) of permanent employees underwent similar training.

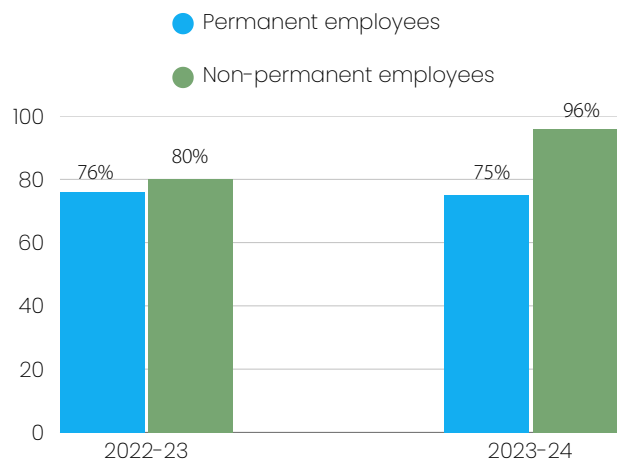


Additionally, 96% (520) of non-permanent employees received training in FY 2023-24, an increase from 81% (534) in FY 2022-23. Furthermore, 36% of permanent workers and 26% of non-permanent workers received human rights training in FY 2023-24.

We have also incorporated human rights requirements into our business agreements and contracts, ensuring these standards are upheld internally and enforced across our supply chain and external engagements.

## Handling complaints:

One of our key focus areas has been addressing complaints filed under the sexual harassment of women at the workplace (Prevention, Prohibition, and Redressal) Act, 2013 (POSH). In FY 2023-24, a total of five complaints were reported, representing **0.39%** of our female workforce, all of whom were upheld. This marked a slight increase from FY 2022-23, when three complaints were reported, accounting for **0.54%** of the female workforce, all of which were upheld.



Percentage of workforce trained on human rights

# Learning & development

At the heart of our commitment to fostering continuous learning and development lies a strategic focus on empowering employees and workers through robust training programs. In FY 2023-24, our learning initiatives spanned various critical domains, encompassing not only code of conduct and skill enhancement but also vital aspects of health, safety, and human rights, ensuring that employees and workers are empowered with the skills and knowledge necessary to excel in their roles while aligning with our core values of sustainability, ethical governance, and social responsibility.

## Training overview

- **Board and Key Managerial Personnel (KMP) training:** In FY 2023-24, 100% of our Board of Directors and KMPs received training on the various aspects covered under the principles of Business Responsibility and Sustainability Reporting (BRSR) and core elements of the National Guidelines on Responsible Business Conduct. (NGRBC). This initiative underscores our leadership's alignment with the company's sustainability and governance objectives, ensuring top-level commitment to these principles.
- **Human rights training:** We emphasised human rights education significantly, with 75% of permanent employees and 96% of non-permanent employees receiving training on human rights issues and policies. Among workers, 36% of permanent and 26% of non-permanent workers participated in similar programs, demonstrating our commitment to awareness and compliance across all levels.
- **Health, safety, and skill upgradation:** Our learning strategy places a strong emphasis on health and safety training, as well as skill enhancement programs to excel in their roles within the organisation.  
  
In FY 2023-24, we trained 75.16% of employees, and 35.92% of workers received training on both safety and skill degradation, promoting continuous professional development while fostering a safe and secure working environment.



## Turnover rate

At Ipca, we prioritize retaining a skilled and engaged workforce by fostering an inclusive environment that promotes personal growth and professional development. Over the past three fiscal years, the turnover rate among permanent employees and workers reflects our ongoing efforts to keep talent motivated and committed.

The turnover rate for permanent employees has shown some fluctuations across genders and years:

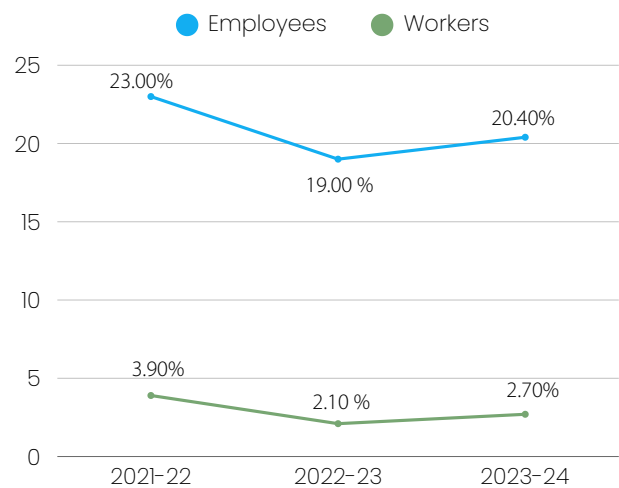
- In FY 2023-24, the overall turnover rate rose to 23.0%, with male employees at 23.3% and female employees at 18.8%.
- In FY 2022-23, the overall turnover rate was lower than both FY 2023-24 and FY 2021-22 at 19.0%, with male employees at 18.8% and female employees at 21.0%.
- In FY 2021-22, the total turnover rate stood at 20.4%, with turnover rates being nearly equal between male and female employees.

These trends indicate a slight increase in overall turnover over the past year, with male turnover rising while female turnover decreased. This highlights areas for further engagement, particularly among male employees, to sustain a stable and motivated workforce.

For permanent workers, retention rates have remained notably higher, reflecting a strong emphasis on stability in this segment:

- In FY 2023-24, the turnover rate for permanent workers was 3.9%, showing a slight increase from 2.1% in FY 2022-23 and 2.7% in FY 2021-22.

The consistently low turnover rates among permanent workers underscore our commitment to retaining talent across all levels of operations, with a particular focus on minimising attrition in critical roles.



**Turnover rate of employees and workers**

# Safety

At Ipca, safety is a cornerstone of our operational strategy. Our commitment to maintaining a safe and healthy work environment is reflected in our comprehensive health and safety management system, which adheres to international standards and is supported by rigorous safety protocols and training programs.

- **Health and safety management system:**

Our health and safety management system is governed by a comprehensive health and safety policy and incorporates ISO 45001 and OHSAS 18001 standards across all manufacturing facilities.

This system is meticulously designed to safeguard the well-being of employees, workers, and contractors, ensuring a secure and compliant working environment.

- **Safety committees:**

Each manufacturing facility has dedicated safety committees organised by specific operations. These committees report directly to the plant safety committee, which conducts monthly reviews of safety performance and key parameters at the corporate level.

## **Hazard Identification and Risk Assessment (HIRA)**

We proactively address potential hazards through a structured process of hazard identification and risk assessment:

- **Processes and analyses:**

Our corporate safety guidelines and Standard Operating Procedures (SOPs) include critical analyses such as Process Hazard Analysis (PHA), Hazard and Operability Study (HAZOP), Job Safety Analysis (JSA), and Hazard Identification and Risk Assessment (HIRA).

These assessments play a crucial role in safeguarding individuals from chemical, biological, and physically demanding work-related risks.

- **Regular audits:**

We conduct regular surveillance audits, and recertifications are conducted by third-party auditors for all certified sites, including four API sites and two formulation sites.

## Reporting and Incident Management

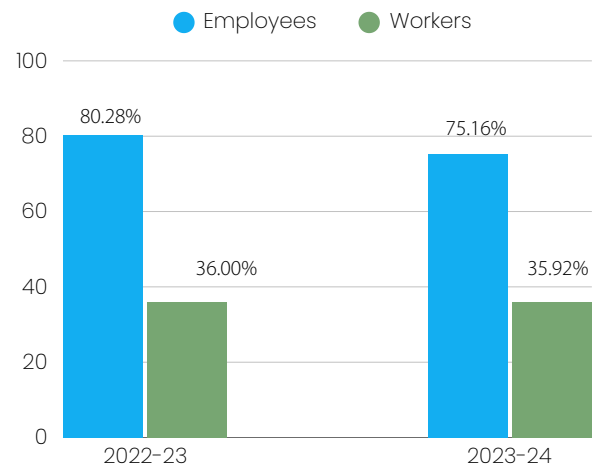
We have implemented a comprehensive incident management system that enables workers to report any work-related hazards or near-miss incidents.

- Incident reporting: Workers are encouraged to report work-related hazards and near-miss incidents, enabling timely investigations and corrective actions to prevent future occurrences.
- Safety talks: Daily "5-minute safety talk" sessions are conducted, where department heads discuss work-related risks and safety measures with their teams, fostering a culture of continuous safety awareness.

## Access to medical and healthcare services

In addition to occupational safety, we recognize the importance of providing accessible medical and healthcare services to our workforce.

## Safety training and awareness



**Percentage of workforce received training on safety**

- Insurance coverage: Our workforce is provided health insurance and accidental insurance, and is partly covered under the Employees' State Insurance Scheme (ESIC) as per eligibility, offering both occupational and non-occupational healthcare services to employees and workers.
- Health check-ups: Regular health check-ups and occupational health programs are conducted to monitor and promote the physical well-being of our workforce.

## Health and safety training

Training on safety measures and standards is essential to the safety of our workforce at all our facilities. In FY 2023-24, we trained 75.16% of our employees (11,342) and 35.92% of our workers (459) through health & safety programs, equipping them with the necessary knowledge and practices to maintain a safe workplace.

## Safety performance metrics

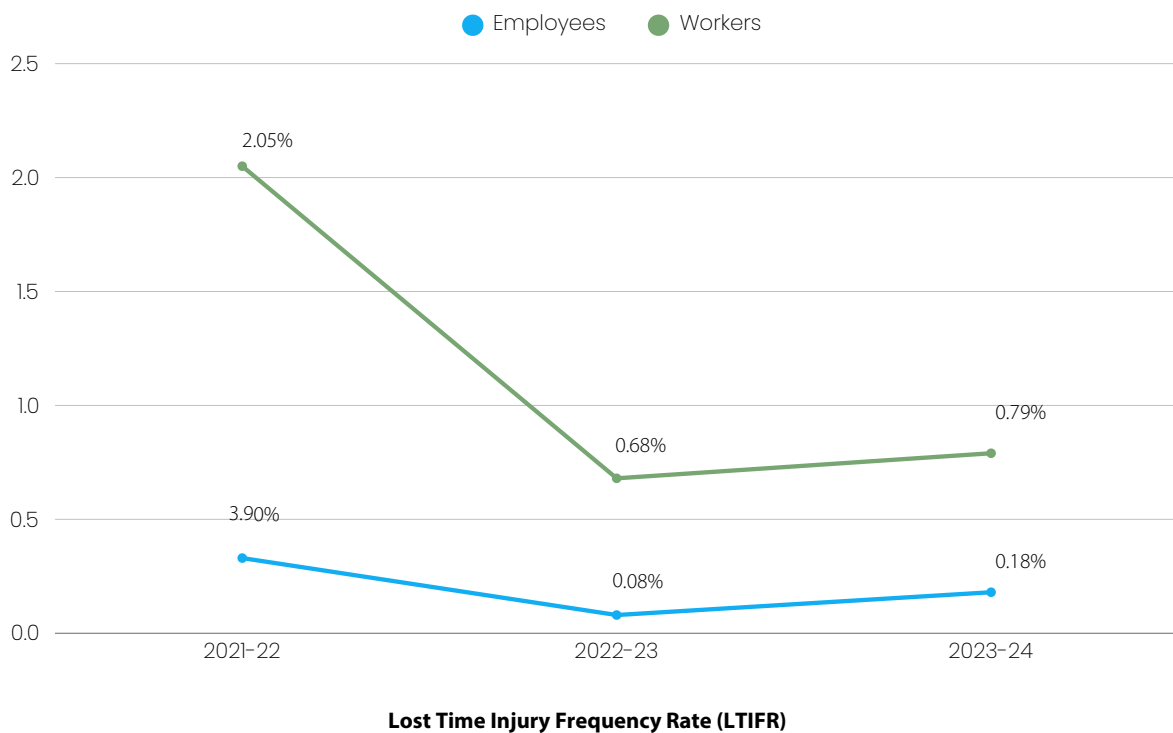
We continuously monitor and evaluate our safety performance using key indicators, including:

- **Lost Time Injury Frequency Rate (LTIFR):**

In FY 2023-24, the LTIFR for employees was 0.18, an increase from 0.08 in FY 2022-23.

The LTIFR for workers increased to 0.79 from 0.68 in the previous year.

Work-related injuries: While there were no fatalities or high-consequence injuries in FY 2023-24, there were 2 work-related injuries reported for employees, reflecting a decrease from 3 injuries in FY 2022-23. However, there were 14 injuries for workers, indicating a rise from 11 injuries in FY 2022-23.



## Safety initiatives and measures

We implement a comprehensive range of safety protocols and measures:

- **Protocols:**  
Regular mock drills, periodic safety committee meetings, incident investigations, near-miss reporting systems, safety behaviour observations, and contractor safety management are integral to our safety initiatives.
- **Inspections and audits:**  
Comprehensive safety inspections, audits, and risk assessments are conducted, focusing on hazardous substance control and emergency preparedness. Our sites are equipped with Personal Protective Equipment (PPE) and advanced firefighting tools, with continuous training provided on their usage.

- **Facility assessments:**  
During FY 2023-24, all sites and offices were assessed for compliance with health and safety practices and working conditions.

Our commitment to health and safety ensures a safe working environment for our employees and workers.

We are proud to report that no complaints were filed regarding working conditions or health and safety in FY 2023-24 or FY 2022-23. Through our ongoing efforts, we strive to maintain and enhance our safety standards continuously.



# Supply chain management

At Ipca, our commitment to ethical and sustainable practices is at the core of our supply chain management approach through robust policies, procedures and supplier assessments, we ensure that every aspect of our supply chain aligns with our core values of integrity, fairness, and comprehensive Environmental, Social, and Governance (ESG) responsibility.

## Sustainable procurement policy

### Objective:

The sustainable procurement policy sets the standards and expectations for our suppliers. It focuses on:

- **Environmental compliance:**  
Suppliers are expected to comply with all applicable environmental regulations and actively work towards reducing their environmental footprint.
- **Labour standards:**  
Our policy mandates that suppliers uphold fair labour practices, provide safe working conditions and ensure equitable wages in compliance with the local regulations.
- **Ethical business practices:**  
Suppliers are required to conduct business with integrity, avoiding any actions that could compromise the ethical standards of our supply chain.

### Impact:

By enforcing this policy, we drive sustainability throughout our supply chain, promoting environmental responsibility and fair labour practices. This not only aligns with our corporate values but also helps mitigate environmental impacts and foster a more ethical supply chain.

## Suppliers' Code of Conduct (SCOC)

**Objective:** We are committed to conducting business with integrity, responsibility and sustainability. This code outlines our principles and expectations from our suppliers:

- **Commitment to sustainability:**  
Suppliers are expected to integrate sustainable business practices into their operations, emphasising environmental conservation, social well-being and ethical business conduct.
- **Ethical business practices:**  
Suppliers are expected to conduct business ethically, free from corruption and bribery, safeguard confidential information, and comply with government regulations.



- **Human rights and labour:**

Suppliers are expected to fully comply with all applicable laws and regulations, upholding best practices in human rights. This includes strict adherence to standards on child labour, non-discrimination, prevention of forced labour, minimum wage requirements, regulated working hours, and freedom of association.

- **Health and safety:**

Our code mandates ensuring a secure and healthy working environment, ensuring compliance with all relevant regulations and industry best practices. This includes maintaining safe working conditions and providing employee training. Implement hazard management protocols and ensure emergency preparedness.

- **Impact:**

SCOC ensures that all suppliers operate with integrity and transparency, minimising conflicts of interest and fostering stakeholders' trust. By adhering to this SCOC, our suppliers play a vital role in creating a sustainable, ethical, and responsible supply chain. We appreciate their commitment to these principles and look forward to a beneficial partnership.

## **Supplier screening and ESG criteria**

In FY 2023-24, we enhanced our supplier screening processes to better align with our ESG values. This involved comprehensive assessments evaluating suppliers based on various criteria, including:

- **Labour rights:**

Ensuring fair and humane treatment of workers.

- **Anti-discrimination:**

Verifying that suppliers have policies in place to prevent discrimination.

- **Environmental responsibility:**

Assessing how suppliers manage their environmental impact.

- **Governance:**

Reviewing overall governance practices to ensure ethical behaviour.

These assessments provided valuable insights into the critical aspects of our supply chain, helping us identify areas for improvement and reinforcing our commitment to responsible business practices.

By implementing stringent policies and conducting thorough assessments, IpcA ensures our supply chain operates in a manner that upholds environmental, social, and ethical standards. This approach not only aligns with our commitment to sustainability but also enhances the overall integrity and resilience of our supply chain.

# Customer Management

## Customer management

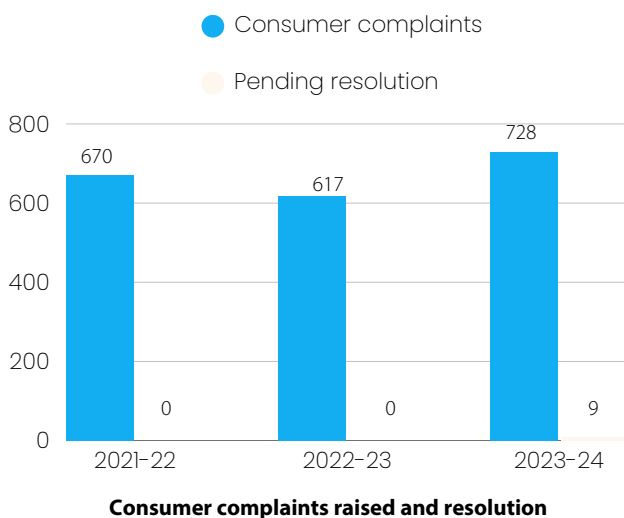
At Ipca, customer management is deeply rooted in our ethics and core values. We prioritise serving our customers efficiently and responsibly, guided by the principles of trust, transparency, and responsiveness. Key policies such as the grievance redressal (external) and data privacy policies ensure that customer interactions are handled with care and integrity.

- **Grievance redressal policy (external):**  
This policy ensures all customer complaints are addressed fairly and promptly. Issues such as product defects or service concerns are treated as opportunities to enhance our service and strengthen customer relationships.
- **Data privacy policy:**  
We are committed to protecting sensitive customer information, ensuring strict confidentiality, and handling data responsibly.

## Complaint handling and resolution

We are committed to resolving complaints efficiently and regularly track all complaints to maintain high levels of customer satisfaction.

- **Product complaints:**  
In FY 2023-24, we recorded 728 complaints related to packaging and transportation, including issues such as missing components and damaged labels, with 9 complaints remaining unresolved at the end of the year. This marks an increase from 617 complaints in FY 2022-23, where the resolution rate was 100%, prompting us to continuously refine our processes to minimise such occurrences.
- **Ethical and security complaints:**  
In FY 2023-24, we did not receive any complaints regarding data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices, or unfair trade practices, underscoring our commitment to ethical practices and data security.



Ipca remains dedicated to improving customer management practices by leveraging feedback and ongoing reviews. Each customer interaction helps us refine our processes, ensuring future issues are minimised and customer trust is strengthened.

# Community Engagement

Ipca's commitment to CSR is reflected in various initiatives that focus on healthcare, education, environmental sustainability, rural development, gender equality, and sports. Our projects aim to create a lasting impact on marginalised communities and contribute to overall societal well-being.

- **Healthcare:**

Our investments in healthcare, including the construction of a medical college and research center in Solapur, have significantly improved access to medical services.

- **Education and vocational training:**

Millions have benefited from our education and skill enhancement programs, promoting long-term personal and professional development.

- **Environmental sustainability:**

Initiatives such as the Amrit Sarovar water conservation project and the cauvery calling tree plantation effort underscore our commitment to environmental stewardship.

- **Rural development:**

Our efforts in improving infrastructure, access to clean water, and healthcare services have positively impacted hundreds of thousands in rural areas.

- **Gender equality and social causes:**

We focus on women's empowerment, the preservation of national heritage, and support for veterans, reflecting a holistic approach to community engagement.

## **CSR contributions and impact assessments**

In FY 2023-24, Ipca made substantial financial contributions to CSR, with detailed impact assessments confirming meaningful progress across various projects.

These assessments verify that our efforts in environmental restoration, healthcare improvement, and community infrastructure deliver positive outcomes.

- **Sustainable community building:**

Our CSR philosophy focuses on fostering self-reliant communities through partnerships with local governments, NGOs, and other stakeholders. We align our initiatives with the environmental sustainability goals, ensuring that our community projects benefit both to society and the planet.

# 6. Governance

- Board structure
- Sustainability governance
- Performance evaluation
- Industry associations
- Policy commitments at Ipca



# Board structure

## Leadership and oversight:

Ipca's governance framework ensures robust oversight, strategic direction, and a steadfast commitment to sustainability. The Board of Directors is led by our Executive Chairman, Mr. Premchand Godha, who also serves as the Chair of the Board. This structure promotes effective governance and enhances operational efficiency.



**Premchand Godha**  
Executive Chairman



**Ajit Kumar Jain**  
Managing Director & CFO



**Pranay Godha**  
Managing Director & CEO



**Prashant Godha**  
Executive Director



**Kamal Kishore Seth**  
Director



**Narendra Mairpady**  
Director



**Swati Patankar**  
Director



**Vivek Shiralkar**  
Director

# Sustainability governance

## Committees

Several key committees support the board's governance functions, each focusing on different aspects of the company's operations.

- **ESG steering committee:**  
Chaired by the MD, this committee meets quarterly to oversee sustainability-related issues and review progress on ESG (Environmental, Social, and Governance) initiatives.
- **Audit committee:**  
Ensures accurate financial reporting and compliance with regulatory requirements.
- **Nomination and Remuneration Committee (NRC):**  
Directors' selection, appointment, and remuneration.
- **Risk Management Committee:**  
Identifies and mitigates risks affecting the company.

## Focus on sustainability

Sustainability is integral to Ipca's governance practices. The ESG steering committee is crucial in decision-making and tracking progress on environmental and social goals.

- **Climate change:**  
The Board oversees climate change strategies, focusing on reducing environmental impact and promoting energy conservation.

Regular reviews ensure adherence to sustainability frameworks and progress toward ecological targets.

- **Management's role:**  
Senior management, including Key Managerial Personnel (KMPs), actively drives sustainability initiatives under the Board's guidance, ensuring effective implementation of strategies related to climate change, resource management, and stakeholder engagement.

## Directors' nomination and remuneration

The Nomination and Remuneration Committee (NRC) follows a rigorous selection process that emphasises merit, transparency, and inclusiveness. This ensures a diverse and skilled Board that focuses on the key aspects.

- **Induction and familiarisation:**  
Newly appointed directors undergo a structured induction to familiarise themselves with the company's operations, culture, and governance practices.
- **Compensation structure:**  
Remuneration packages include a mix of fixed and variable pay, reflecting both individual and company performance. This structure is aligned with industry best practices and statutory regulations.
- **Advancement in ESG:**  
The Board and Key Managerial Personnel (KMPs) are encouraged to enhance their expertise in ESG matters through continuous learning, workshops, and training programs.

# Performance evaluation

## Independent directors

Independent directors undergo a comprehensive performance evaluation that assesses their contribution to board discussions, independent judgement, and overall governance. This evaluation, conducted by the Chair of the Board, ensures that independent directors uphold the highest standards of accountability and transparency, aligning with the company's strategic objectives.

## Board performance evaluation

An annual evaluation assesses the board's effectiveness, its committees, and individual directors. The process is led by the Board Chair, ensuring an objective assessment based on performance benchmarks, contribution to strategic initiatives, and adherence to governance standards.

## Sustainability reporting

The board reviews and approves the company's sustainability report, ensuring accuracy and transparency. Each department submits relevant information on material topics, which is rigorously assessed by the highest governance body.

## Conflicts of interest

Ipca maintains a strict policy to prevent conflicts of interest in the highest governance body, ensuring compliance with ethical standards and governmental regulations. Whenever concerns arise, thorough investigations are conducted.

## Continuous improvement

Ipca is committed to continuously improving its governance processes. This includes keeping the Board and KMPs informed about global trends in governance and sustainability to uphold strong ethical leadership and responsible corporate practices.

# Industry associations

Ipca is an active member of several prestigious trade and industry associations, reinforcing its commitment to industry best practices, regulatory compliance, and sustainable growth.

Partnerships with organisations such as the Indian Drugs Manufacturing Association (IDMA), the Indian Pharmaceutical Alliance (IPA), and the Pharmaceuticals Export Promotion Council of India (PHARMEXCIL), provides access to collaborative platforms that advocate for policy reform, innovation, and global standards in the pharmaceutical sector.

Additionally, our involvement with bodies such as the IMC Chamber of Commerce and Industry, the Federation of Indian Export Organisations (FIEO), and the National Safety Council (NSC) strengthens our commitment to ethical trade, export growth, and safety practices.

By joining these organisations, we not only stay abreast of industry trends and regulatory updates but also actively contribute to shaping the industry's sustainable and resilient future.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (state/national)
1	Indian Drugs Manufacturing Association (IDMA)	National
2	Indian Pharmaceutical Alliance (IPA)	National
3	Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)	National
4	IMC Chamber of Commerce and Industry	National
5	Federation of Indian Export organisations ( FIEO )	National
6	National Safety Council ( NSC )	National
7	Silvassa Industries and Manufacturers Association	State
8	Federation of Gujarat Industries (FGI)	State
9	Association of Industries Madhya Pradesh	State
10	Chamber of Marathwada Industries and Agriculture	State



# Policy Commitments at Ipca

The ESG steering committee, chaired by the MD, is responsible for integrating policy commitments across Ipca's operations.

This committee comprises representatives from various key departments, including Finance, Sustainability, Human Resources, and Legal, ensuring that each aspect of the company's governance aligns with its values and policies. Regular monitoring is conducted to identify any deviations, and when necessary, issues are escalated for resolution at a higher level.

## Stakeholder groups coverage

Our policy commitments primarily involve the following **stakeholders, Directors and independent directors**:

- Must act in the company's best interest and avoid conflicts of interest.
- Independent Directors should maintain objective judgment and promote good governance.

## Senior management and employees:

- Expected to adhere to ethical standards, comply with legal requirements, and conduct business transparently.
- Employees are encouraged to report violations with protection against retaliation.

## External stakeholders

(Customers, Suppliers, Regulatory Bodies):

- Engagement based on honesty, integrity, and ethical business practices.

## Board committee

ESG Steering Committee:

- **Chair:** Managing Director
- **Members:** Representatives from Finance, Sustainability, HR, and Legal
- **Responsibilities:** Monitor and align operations with ethical and sustainability standards.

Operational policies:

- Dividend distribution policy
- Environment policy
- Quality policy
- Health and safety policy

Human resources and social policies:

- Human rights policy
- Sexual harassment policy
- Grievance redressal policies (internal and external)

Financial and risk policies:

- Risk management policy
- Tax strategy policy
- Related party transactions policy

Sustainability and procurement policies:

- Sustainable procurement policy
- Supplier code of conduct policy.

## **Grievance mechanism (Grievance Redressal Policies)**

- **Purpose:**  
Ipca has implemented a Grievance Redressal Mechanism to ensure swift and equitable resolution of customer and stakeholder issues.
- **Process:**  
The mechanism includes a comprehensive system for acknowledging and tracking complaints, allowing stakeholders to monitor the progress of their submissions. A Grievance Committee, comprising competent members and equal gender representation, oversees the entire process, ensuring that all complaints are handled fairly and with integrity. Additionally, time frames are established for resolving different categories of grievances, and a defined escalation channel is available if the resolution provided is deemed unsatisfactory by the complainant.
- **Grievances Received:**  
In FY 2023-24, we received a total of 17 complaints from shareholders, all of which were successfully resolved. We also received 728 complaints related to packaging defects and transportation issues, of which only 9 were pending resolution at the end of the year. These complaints included concerns such as missing components, damaged labels, and damaged outer packaging.

## **Whistleblower policy**

We have implemented a robust Whistleblower Policy to ensure transparency and uphold ethical conduct across all operations.

- **Purpose:**  
This policy provides a secure and confidential platform for employees and stakeholders to report any misconduct or unethical activities within the organisation. It guarantees unrestricted access to the chairman of the audit committee, ensuring that all concerns are addressed at the highest level of governance.
- **Implementation:**  
The policy includes adequate safeguards to protect whistle blowers from victimisation or retaliation, fostering a culture where individuals feel safe and empowered to voice their concerns.  
  
Reports made through this mechanism are treated with strict confidentiality, and investigations are carried out impartially and promptly.

## Anti-corruption & bribery

- **Policy:**

Ipca Limited is deeply committed to fostering a culture of integrity and ethical behaviour through its robust anti-corruption and anti-bribery policies. This policy applies to all members of the Board of Directors, full-time and part-time employees, as well as the company's subsidiaries and affiliates. It also extends to all business partners, who are expected to uphold the same ethical standards when engaging in business activities with or on behalf of Ipca. Some other components to ensure Zero corruption and anti-bribery at Ipca has a Zero-tolerance stance on corruption and bribery. It includes comprehensive training for employees and business partners.

- **Outcomes:**

No cases of corruption or bribery were reported in FY 2023-24.

## Risk management

Per Section 134 of the Companies Act, 2013, Ipca has established a Risk Management Committee (RMC) to oversee and evaluate the effectiveness of its risk management strategies. This committee is dedicated to continuously monitoring and assessing the risk management plan to ensure that it remains robust and aligned with the company's strategic objectives.

### **Committee:**

**Mr. Kamal Kishore Seth**

Non-Executive Independent Director and Chairman of the Risk.

### **Management Committee:**

The other members of the Committee include,

- **Mr. A. K. Jain**

Managing Director/CFO

- **Mr. Pranay Godha**

Managing Director/CEO

- **Mr. Prashant Godha**

Executive Director

- **Mr. Manish Jain**

Sr. Vice President - Business Development

The committee is responsible for monitoring and reviewing all aspects of the risk management plan as detailed in Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) regulations. This committee regularly includes reports of its findings to the board and addresses any additional matters as referred by the board from time to time.

## Cybersecurity & data privacy

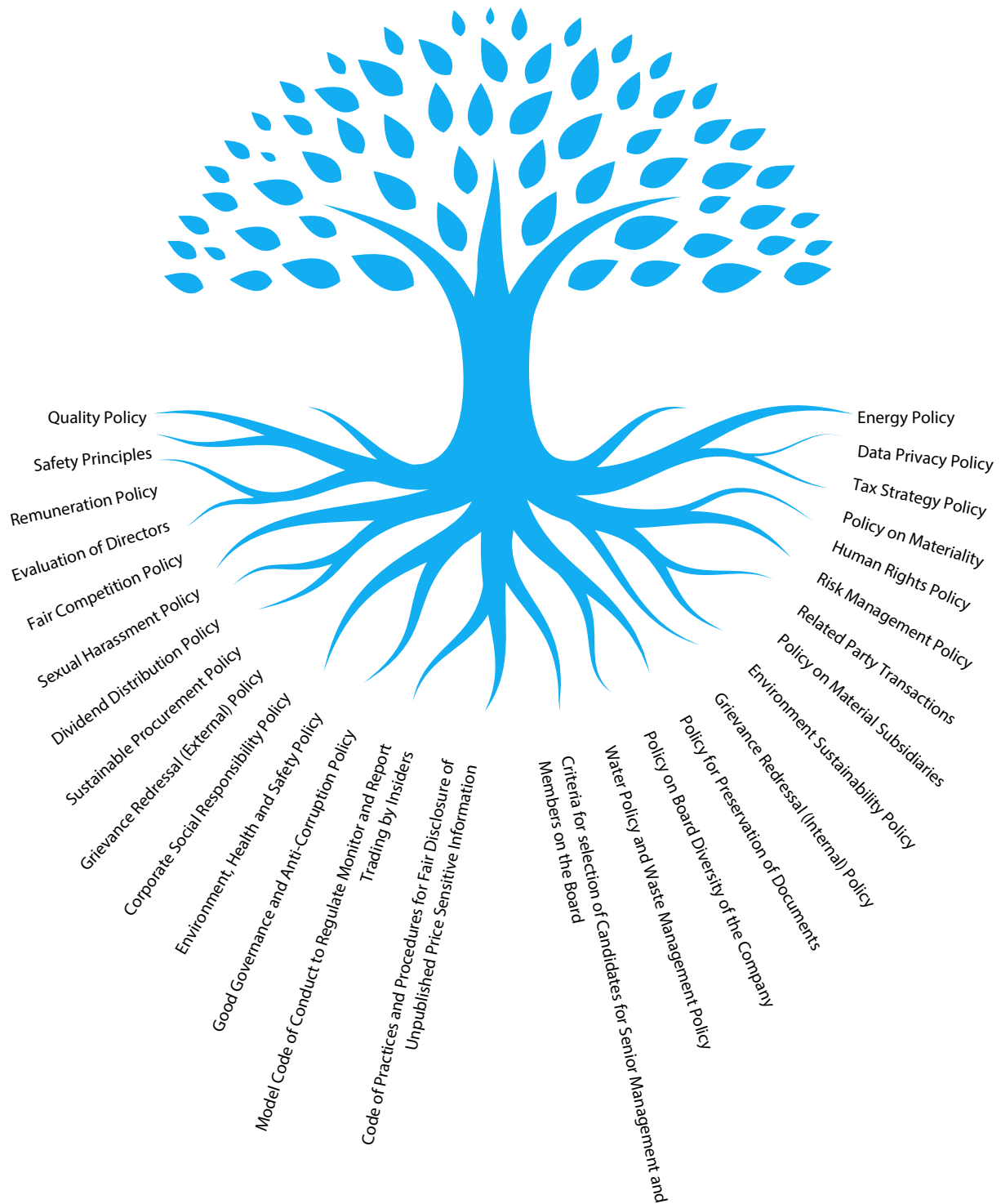
Ipca has established a comprehensive framework and policy to address cyber security and data privacy risks. This policy is designed to safeguard sensitive information and ensure robust protection against potential cyber threats.

- **Policy:**  
A structured framework to safeguard sensitive data and protect against cyber threats. No penalties or actions related to cyber security or data privacy were reported in FY 23-24
- **Commitment:**  
Continuous review and enhancement of practices to align with regulatory and industry standards. This structured overview summarises Ipca's commitments, policies, and mechanisms related to stakeholder engagement, grievance handling, whistle blowing, anti-corruption, risk management, and data privacy.



# Policies and procedures

Ipca maintains an extensive stock of policies to optimise its business operations. A comprehensive list of these policies is provided below:



# GRI Index

Statement of use	Ipca has reported the information cited in this GRI content index for the period 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Section	Page Number
GRI 2: General disclosures 2021	2-1 Organisational details	Organisation profile	9
	2-2 Entities included in the organisation's sustainability reporting	Organisational profile	9
	2-3 Reporting period, frequency and contact point	About the report	5
	2-4 Restatements of information	Not available	-
	2-5 External assurance	Not available	-
	2-6 Activities, value chain and other business relationships	Industry associations organisational profile	56
	2-7 Employees	Social responsibility and workforce overview	38 - 41
	2-8 Workers who are not employees	Social responsibility and workforce overview	38
	2-9 Governance structure and composition	Board structure	53 - 59
	2-10 Nomination and selection of the highest governance body	Directors' selection, appointment, and remuneration	54
	2-11 Chair of the highest governance body	Board structure	53
	2-12 Role of the highest governance body in overseeing the management of impacts	Board structure	53
	2-13 Delegation of responsibility for managing impacts	Board structure	53
	2-14 Role of the highest governance body in sustainability reporting	Board structure	53
	2-15 Conflicts of interest	Performance evaluation	55
	2-16 Communication of critical concerns	Performance evaluation	55

	2-17 Collective knowledge of the highest governance body	Directors' nomination and remuneration	54
	2-18 Evaluation of the performance of the highest governance body	Performance evaluation	55
	2-19 Remuneration policies	Directors' nomination and remuneration	54
	2-20 Process to determine remuneration	Directors' nomination and remuneration	54
	2-21 Annual total compensation ratio	-	-
	2-22 Statement on sustainable development strategy	Message from the MD	7
	2-23 Policy commitments	Policy commitments at Ipca limited	57-60
	2-24 Embedding policy commitments	Policy Commitments at Ipca Limited	57-60
	2-25 Processes to remediate negative impacts	Not available	
	2-26 Mechanisms for seeking advice and raising concerns	Grievance mechanism	58
	2-27 Compliance with laws and regulations	Policy components and business impact organisational profile	57-60
	2-28 Membership associations	Industry associations	56
	2-29 Approach to stakeholder engagement	Approach to stakeholder engagement	14
	2-30 Collective bargaining agreements	Fair compensation	39
<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics	Approach to sustainability	54
	3-2 List of material topics	List of material topics	15
	3-3 Management of material topics	Focus areas and initiatives:	16
<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed	Financial performance	20
	201-2 Financial implications and other risks and opportunities due to climate change	Risk and opportunity analysis	17-18
	201-3 Defined benefit plan obligations and other retirement plans	Our workforce	38

	201-4 Financial assistance received from government	Not available	-
<b>GRI 202: Market presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our workforce	38
	202-2 Proportion of senior management hired from the local community	Not available	-
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Infrastructure investments and services supported	Indirect economic value creation	21-22
	203-2 Significant indirect economic impacts	Indirect economic value creation	21-22
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on local suppliers	Supporting MSMEs and sourcing locally	25
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Supplier screening and ESG criteria	49
	205-2 Communication and training about anti-corruption policies and procedures	Policy commitments at Ipca limited	57-60
	205-3 Confirmed incidents of corruption and actions taken	Policy commitments at Ipca limited	57-60
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not available	-
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Approach to tax	23
	207-2 Tax governance, control, and risk management	Approach to tax	23
	207-3 Stakeholder engagement and management of concerns related to tax	Approach to tax	23
	207-4 Country-by-country reporting	Not relevant	-
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Not available	-
	301-2 Recycled input materials used	Not available	-
	301-3 Reclaimed products and their packaging materials	Not available	-



<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Energy consumption	26
	302-2 Energy consumption outside of the organisation	Not available	-
	302-3 Energy intensity	Energy consumption	26-30
	302-4 Reduction of energy consumption	Energy consumption	26-30
	302-5 Reductions in energy requirements of products and services	Not available	-
<b>GRI 303: Water and effluents 2018</b>	303-1 Interactions with water as a shared resource	Water management	31-32
	303-2 Management of water discharge-related impacts	Water management	31-32
	303-3 Water withdrawal	Water management	31-32
	303-4 Water discharge	Water management	31-32
	303-5 Water consumption	Water management	31-32
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not relevant	-
	304-2 Significant impacts of activities, products and services on biodiversity	Not relevant	-
	304-3 Habitats protected or restored	Not relevant	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not relevant	-
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Emissions	28-30
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions	28-30
	305-3 Other indirect (Scope 3) GHG emissions	Not available	-
	305-4 GHG emissions intensity	Emissions	28-30
	305-5 Reduction of GHG emissions	Emissions	28-30
	305-6 Emissions of ozone-depleting substances (ODS)	Not available	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Other emissions	30

<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Waste management	33-34
	306-2 Management of significant waste-related impacts	Waste management	33-34
	306-3 Waste generated	Waste management	33-34
	306-4 Waste diverted from disposal	Waste management	33-34
	306-5 Waste directed to disposal	Waste management	33-34
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Supplier screening and ESG criteria	49
	308-2 Negative environmental impacts in the supply chain and actions taken	Not available	-
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Our workforce	38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our workforce	38
	401-3 Parental leave	Our workforce	38
	402-1 Minimum notice periods regarding operational changes	Not available	-
	403-1 Occupational health and safety management system	Safety	44-47
	403-2 Hazard identification, risk assessment, and incident investigation	Safety	44-47
	403-3 Occupational health services	Safety	44-47
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety	44-47
	403-5 Worker training on occupational health and safety	Safety	44-47
	403-6 Promotion of worker health	Safety	44-47
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not available	-

	403-8 Workers covered by an occupational health and safety management system	Safety	44-47
	403-9 Work-related injuries	Safety	44-47
	403-10 Work-related ill health	Safety	44-47
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	Not available	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning & development	42-43
	404-3 Percentage of employees receiving regular performance and career development reviews	Learning & development	42-43
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Board diversity our workforce	38
	405-2 Ratio of basic salary and remuneration of women to men	Our workforce	38
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Not available	-
<b>GRI 407: Freedom of association and collective bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not available	-
<b>GRI 408: Child labour 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Not available	-
<b>GRI 409: Forced or compulsory labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not available	-
<b>GRI 410: Security practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Not available	-
<b>GRI 411: Rights of indigenous peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	Not available	-

<b>GRI 413: Local communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Community engagement	51
	413-2 Operations with significant actual and potential negative impacts on local communities	Community engagement	51
<b>GRI 414: Supplier social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Not available	-
	414-2 Negative social impacts in the supply chain and actions taken	Not available	-
<b>GRI 415: Public policy 2016</b>	415-1 Political contributions	Not available	-
<b>GRI 416: Customer health and safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Not available	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not available	-
<b>GRI 417: Marketing and labelling 2016</b>	417-1 Requirements for product and service information and labelling	Not available	-
	417-2 Incidents of non-compliance concerning product and service information and labelling	Not available	-
	417-3 Incidents of non-compliance concerning marketing communications	Not available	-
<b>GRI 418: Customer privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity & data privacy	60

**Ipca Laboratories Ltd.**

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