

**INNOVA CAPTAB LIMITED**  
**ENVIRONMENTAL, SOCIAL AND GOVERNANCE**  
**POLICY**

Approving Authority	Board of Directors of the Company
Initial Version & Date	(Version 1.0) & 29 <sup>th</sup> March 2024

## **1. INTRODUCTION**

Innova Captab Limited (“Company”) is an integrated pharmaceutical company in India with a presence across the pharmaceuticals value chain including research and development, manufacturing, drug distribution and marketing and exports.

As a responsible corporate entity, we are continuously endeavouring to comply with Environmental, Social & Governance (“ESG”) compliance requirements covering the aspects of legal compliance, ethics & business conduct, quality & patient safety, human rights, labour and employment, health safety and well-being of employees, sustainability & environmental responsibility, quality management system.

We believe in doing well by doing good and are driven by our purpose i.e. to make sustainable living commonplace. ESG is increasingly becoming an integral part of our functioning, going beyond the realms of reporting to becoming part of the Company’s culture.

## **2. ESG FRAMEWORK**

Our ESG Policy is driven by our vision to be a leader in sustainable business. We envision integration of ESG aspects into our business operations which will help in generating superior long-term value and reducing risks faced by the business.

## **3. REGULATORY FRAMEWORK ON ESG REPORTING**

The Ministry of Corporate Affairs (MCA), released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs) in order to provide guidance to businesses on what constitutes responsible business conduct. In March 2019, the NVGs were revised and released as the National Guidelines on Responsible Business Conduct (“NGRBCs”).

The Companies Act, 2013 (the Act) read with the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), are the two important legislations that have covered the various aspects of ESG reporting in a fragmented manner.

## **4. DISCLOSURE FRAMEWORK UNDER THE CA 2013:**

- The Director’s Report shall include information related to steps taken by the Company towards conservation of energy, technology absorption, etc.
- The Director’s Report of all companies that are required to constitute a Corporate Social Responsibility (“CSR”) Committee is required to include Corporate Social Responsibility (CSR) initiatives in the Annual Report.

## **5. DISCLOSURE FRAMEWORK UNDER THE LISTING REGULATIONS:**

- Filing of Business Responsibility and Sustainability Report (“BRSR”) shall be mandatory for the top 1000 listed companies (by market capitalization) w.e.f. financial year 2022-23. The BRSR seeks disclosures from listed entities on their performance against the nine principles of the NGRBCs.

## **6. KEY PRINCIPLES**

The BRSR/ESG is based on the 9 principles in line with the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ (“NVG”) issued by MCA. The guidelines

state that the companies should not be just responsible but also socially, economically and environmentally responsible. Through such reporting, the guidelines expect that businesses will also develop a better understanding of the process of transformation that makes their operations more responsible. The NVG were further revised and the Ministry of Corporate Affairs (“MCA”) formulated the ‘National Guidelines on Responsible Business Conduct’ (NGRBC). The said guidelines stipulated that the businesses should: –

**Principle 1: conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable**

- i. The Company shall develop necessary governance structures, procedures and practices to ensure ethical conduct at all levels and promote the adoption of this principle across its value chain.
- ii. The Company shall communicate transparently and ensure access to information about its decisions to relevant stakeholders.
- iii. The Company shall not engage in practices that are abusive, corrupt or anti-competitive.
- iv. The Company shall truthfully discharge its responsibility on financial and other mandatory disclosures.
- v. The Company shall ensure that genuine concerns of misconduct/unlawful conduct is reported in a responsible and confidential manner through its Vigil Mechanism.

**Principle 2: Provide goods and services in a manner that is sustainable and safe**

- i. The Company shall ensure that its products and services are delivered through optimal use of resources and shall comply with all applicable laws.
- ii. The Company shall work towards safe and optimal utilization of resources over the life cycle of its products and services – from design to disposal – and ensure that everyone connected with it -designers, producers, customers and recyclers are aware of their responsibilities.
- iii. In designing the product, the Company shall ensure that the technologies required to produce it are resource efficient and sustainable.
- iv. The Company shall regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- v. The Company shall recognize and respect the rights of people who may be owners of traditional knowledge and other forms of intellectual property.
- vi. The Company shall recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.
- vii. The Company shall strive to upgrade the work culture and take such initiatives that work towards the conservation of the surrounding environment.

**Principle 3: respect and promote the well-being of all employees, including those in their value chains.**

- i. The Company shall ensure an environment which generates sense of belongingness, loyalty and commitment amongst the employees. The Company shall ensure that there is a systematic chain or hierarchy which allows better flow of information, ideas, suggestions and understanding

amongst the employees and the senior management and there is in place a proper channel through which the grievances of the employees are taken up and addressed by the senior management.

- ii. The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- iii. The Company shall not employ child labour, adolescent labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices and units. The Company shall promote work-life balance among all its employees specially its women employees. The Company has a Policy on Prevention of Sexual Harassment, which deals extensively on providing a safe working environment and protection from sexual harassment.
- iv. The Company shall take cognizance of the work-life balance of its employees. The Company shall provide facilities for the wellbeing of its employees including those with special needs.
- v. The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- vi. The Company shall provide a workplace environment that is safe, hygienic, human and which upholds the dignity of the employees. The Company shall comply with the statutory provisions with regard to health, safety and well-being of its employees.
- vii. The Company strives to regularly communicate to its employees all the policies related to them so as to keep them aware of the same and allow them to take optimum advantage of the same.
- viii. The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- ix. The Company ensures continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They will promote employee morale and career development through enlightened human resource interventions.
- x. The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

**Principle 4: Respect the interests of and be responsive to all their stakeholders**

- i. The Company shall systematically identify their stakeholders, understand their concerns, define its purpose and scope of engagement, and commit to engaging with them.
- ii. The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- iii. The Company values the support of its stakeholders and endeavours to maintain a cordial relationship and safeguard the interests of all the stakeholders. The Company shall regularly and systematically identify its internal stakeholders like employees and workers and external stakeholders like shareholders, suppliers, customers, government bodies including regulators, banks and financial institutions. The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly. The Company shall endeavour to maintain healthy stakeholder's engagement, allow stakeholders participation and shall promote collective decision-making process as far as practically possible.

- iv. The Company shall give special attention to stakeholders in areas that are underdeveloped. The Company's CSR policy drives initiatives towards promoting education, community healthcare and livelihood support program. The website of the Company shall display all such policies and other relevant information from time to time to keep the stakeholders aware about position of the Company.
- v. The Company shall resolve differences with stakeholders in a just, fair and equitable manner. The grievance redressal and the feedback mechanism available for shareholders and customers to assess the products and services levels and other complaints shall follow the spirit laid down herein.

**Principle 5: Respect and promote human rights**

- i. The Company shall understand the human rights content of the Constitution of India, national laws and policies. It shall appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
- ii. The Company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business, have access to grievance mechanisms.
- iii. The Company shall recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, customer's shareholders, investors and public at large. The Company shall strive to abide with the aforesaid principle and discourage violating practices by any third party to the extent possible.
- iv. The Company shall, within their sphere of influence, promote the awareness and realization of human rights across their value chain.

**Principle 6: respect and make efforts to protect and restore the environment**

- i. The Company shall continuously aim to reduce even the limited impact on the environment by identifying ways to optimise resource consumption in its operations.
- ii. The Company shall also seek to improve its environmental performance by adopting energy efficient and environmental friendly technologies. Suitable processes and systems may be developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations. Wherever possible, the Company shall be involved in proactive persuasion and support to the value chain extended for adoption of this principle.
- iii. The Company shall facilitate and adhere to the principle of respecting, protecting and restoring the environment. The Company shall promote ecological sustainability and green initiatives by adopting energy saving mechanisms, sensitizing employees to reduce the carbon footprint of the Company.
- iv. The Company shall comply with environmental legislations, regulations and other requirements.

**Principle 7: Be responsible and transparent when engaging in influencing public and regulatory policy**

- i. The Company shall strive to operate within the specified legislative and policy frameworks prescribed by the Government, which guide its growth and also provide for certain desirable restrictions and boundaries.

- ii. The Company, while pursuing policy advocacy, shall preserve and expand public good and shall not advocate any policy changes to benefit the Company or select few alone.
- iii. The Company shall strive to perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and shall take into account the Company's as well as the larger national interest.

**Principle 8: Promote inclusive growth and equitable development**

- i. The Company shall understand their impact on social and economic development and respond through appropriate action to minimise the negative impacts.
- ii. The Company shall innovate and invest in products, technologies and processes that promote the wellbeing of society.
- iii. The Company shall make efforts to complement and support the development priorities at local and national levels and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
- iv. The Company shall be sensitive to the local concerns while operating in regions that are underdeveloped.
- v. The Company shall be guided by its Corporate Social Responsibility Policy for inclusive growth and equitable development.

**Principle 9: Engage with and provide value to their consumers in a responsible manner**

- i. The Company shall take into account the overall well-being of the customers and that of society.
- ii. The Company shall promote products / services in ways that do not mislead or confuse the customers.
- iii. The Company shall provide adequate grievance handling mechanisms to address customer concerns and feedback.
- iv. The Company shall also educate their customers on the safe and responsible usage of their products and services.
- v. The Company shall obtain feedback from the customers for further improvement.

**7. ADMINISTRATION OF THE POLICY**

The above policies shall be subject to review/changes by the Stakeholder Relationship Committee and Board as may be deemed necessary and in accordance with regulatory amendments, from time to time.

**8. DATE OF APPROVAL & AMENDMENT, IF ANY;**

The policy is recommended by Risk Management Committee and approved by the Board of Directors of the Company on 27<sup>th</sup> March 2024, and 29<sup>th</sup> March 2024 respectively and is effective 29<sup>th</sup> March 2024. The Risk Management Committee shall amend this policy as and when required.