



The **Integration** Effect

BUILDING MOMENTUM

Environment, Social & Governance



ESG Governance

Biocon Biologics has a vision “to strive towards developing and sustaining healthy and empowered communities by promoting social & economic inclusion, environment sustainability and improving overall quality of life.”

As communicated in our previous year’s Integrated Annual Report, we have created a strong ESG strategy that is based on enabling long-term growth and value creation, while having a positive influence on the environment and the communities in which we operate across the globe.

While we continue to embed ESG into our business model, we are delighted to inform our stakeholders that we were

honored with the ‘Best Sustainability Linked Loan’ award in the pharmaceuticals category at ‘The Asset Triple A’ Sustainable Finance Awards 2024. We stand committed to the best practices adopted across all our business operations and have achieved beyond the targets set for the current financial year. We have operated our Bengaluru facilities with 85% renewable energy and have successfully commissioned rooftop solar panels at our Malaysia site.

Through continuous efforts to reduce carbon emissions, optimize freshwater consumption in our operations, and minimize waste generation, Biocon Biologics actively works to mitigate the negative impact of its business on the

environment and society. Our dedicated ESG and CSR board committee closely monitors the progress of various initiatives and provides guidance to the ESG steering committee.

The core agenda of our business is to provide access to lifesaving medicines for patients, and we remain steadfast in our commitment to increase product approvals and launches in LIC/LMIC countries. This year, we also made significant strides in our human capital by enhancing employee engagement, improving diversity, and establishing a dedicated Culture and Values Department.

Materiality

Biocon and Biocon Biologics had performed a detailed materiality assessment in FY22. The assessment considered views of multiple stakeholder groups such as Board Members, Executive Leadership, employees, suppliers and vendors, investors, analysts, business partners, media, journalists, bankers, and healthcare experts.

In this assessment, a total of 50+ sustainability topics were evaluated for consideration at a strategic level, which were then filtered down to 30 topics and organized into 11 broad themes. Based on a survey that included the above-mentioned stakeholders, the relative importance of the 11 broad themes was arrived at: Product Quality, Research and Development were listed as Top Priorities;

while Safe and Empowering Workspace, Environmental Performance, Ethical Governance, Digitization, Supply Chain Sustainability, and Diversity & Inclusion came under Key Issues; and Community Engagement, and Ethical Sales and Marketing were categorized as Monitoring Issues.

The Review Process Undertaken in FY24

In FY24, we took a conscious call to review the 30 topics which we considered to drive the materiality exercise. This was a necessity given the changes in the global business environment, emerging trends in sustainability and even the regulatory landscape. Biocon Biologics' expanded global footprint, on account of the acquisition of Viatrix' Biosimilars business, is also a contributing factor here.

As preparatory steps, we did a thorough review of topics identified by our peers and recommended by standards such as GRI, MSCI and SASB. This helped us consider 14 topics over and above the 30 topics that were already selected under the FY22 assessment. These 14 topics were:

1. Integrated Risk Management & Business Continuity
2. Environmental Impact of Products
3. STEM Talent Pipeline
4. Climate Risks (Physical and Transition)
5. Health Systems Strengthening
6. Biodiversity and Nature Risks
7. Patient Experience, Health Awareness / Prevention
8. Digital Ethics / Responsible AI
9. Green Chemistry
10. Responsible Public Advocacy
11. Ethical Clinical Trials and Animal Testing
12. Circular Economy
13. Pharmaceuticals in the Environment
14. Antimicrobial Resistance

We invited our key stakeholders to rank these topics from an outside – in (Financial Materiality) and inside – out (Impact

Materiality) perspective. Following this, as part of the analysis process, we considered the mean ranking of both the perspectives for each of the topics to arrive at a relative score. This was done separately for the

Board members, ELTs and the rest of the stakeholders to align the assessment method and output, with the one used in FY22. The resulting top 5 for both set of stakeholders are as follows:

Top 5 Materiality Topics

1. Board and ELT	2. Other Stakeholders
Integrated Risk Management & Business Continuity	Integrated Risk Management & Business Continuity
STEM Talent Pipeline	Environmental Impact of Products
Health Systems Strengthening	STEM Talent Pipeline
Climate Risks (Physical and Transition)	Climate Risks (Physical and Transition)
Circular Economy	Health Systems Strengthening

The concluding step for the assessment was to categorize these newly rated topics into the 11 broad themes used in the FY22 assessment. In order to do this, we renamed some of the themes to ensure better coverage of the underlying topics. We also added "Climate Risk" as an additional theme, bringing the count to 12 in FY24. The re-named themes are mentioned below along with the rationale.

- Ethical Governance is now being identified as 'Governance' as the theme now includes Integrated Risk Management & Business Continuity.

- Safe & Empowering Workplace is now being identified as 'Future Ready Workforce' as the theme now includes STEM Talent Pipeline.
- Access and Affordability includes a new topic - Patient Experience, Health Awareness / Prevention.
- Environmental Performance now includes Circular Economy.

The final relative importance of the themes, based on inputs of our CSR and ESG Board Committee members and Executive team leads, is presented below.

Relative Importance / Criticality	Topics
Top Priorities	<ol style="list-style-type: none"> 1. Product Quality 2. Access and Affordability 3. Research and Development 4. Environmental Performance
Key Issues	<ol style="list-style-type: none"> 5. Future Ready Workforce (renamed theme) 6. Governance (Renamed Theme) 7. Climate risk (New Theme) 8. Digitization 9. Supply Chain Sustainability 10. Diversity & Inclusion
Monitoring Issues	<ol style="list-style-type: none"> 11. Ethical Sales and Marketing 12. Community Engagement

Materiality Matrix

We devised a Materiality Matrix based on the weighted averages and scores for each topic.

Relative Importance / Criticality	Environment	Social	Governance
Top Priorities	<ul style="list-style-type: none">Environmental Performance	<ul style="list-style-type: none">Access and Affordability	<ul style="list-style-type: none">Product QualityResearch & Development
Key Issues	<ul style="list-style-type: none">Climate Risk	<ul style="list-style-type: none">Future Ready WorkforceDiversity & Inclusion	<ul style="list-style-type: none">GovernanceDigitizationSupply Chain Sustainability*
Monitoring Issues	<ul style="list-style-type: none">NA	<ul style="list-style-type: none">Community Engagement	<ul style="list-style-type: none">Ethical Sales and Marketing

*Cross-cutting topic across E, S and G



Governance, Ethics and Compliance

Strengthening our Governance

We have built a strong, global and diverse leadership team to keep pace with the rapid and significant expansion in the scale of our business worldwide. Additionally, we have adapted key leadership roles and governance structures to ensure agility and expedite decision-making, while maintaining necessary process controls.

We have set up the Biocon Biologics Executive Committee (EC) as the apex executive leadership committee and decision-making body of the Company with the mandate to set the organization's vision, corporate strategy and governance structure in consultation with the

Executive Chairperson and the Board. It provides leadership oversight to the Executive Leadership Team (ELT) for the execution of all strategic initiatives and delivery of the plan to achieve business and organizational goals.

The EC makes decisions on long-term investments, organization policies, collaborations, and the strategic direction of the Company. The EC comprises the CEO & Managing Director, Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Development Officer (CDO) and Chief Commercial Officers (CCOs). The Global Head of HR is a Permanent Invitee to the EC meetings.

The COO leads the Operations functions - Manufacturing, MSAT, Supply Chain Management (SCM), Projects and Quality. The Chief Quality Officer has dual reporting to the CEO & Managing Director and COO. The CDO leads the Development functions - Research & Development-CMC, Clinical Development & Medical Affairs (CDMA) and Regulatory Affairs. The Chief Commercial Officers (CCOs) continue to be focused by geography and separately lead Advanced Markets and Emerging Markets. In keeping with the broader mandate and organizational responsibility, the CFO, COO, CDO and CCO roles have been elevated to Executive Vice President (EVP).

Ethics and Compliance

At Biocon Biologics, fostering a culture where ethics and compliance are prioritized at all times is a constant endeavor. Our Code of Conduct serves as the foundation of this vision and also sets the tone for our compliance program. The Code of Conduct further shapes ancillary policies that add to ethical practices, for example, supplier code of conduct, human rights, etc. We ensure that these ancillary policies are updated to account for the changing dynamics of both the Company and the social structure it operates in.

The Company provides regular training to all employees on the Code of Conduct, including new hires who must complete mandatory programs as part of their onboarding process. We also have a mandatory Anti-Bribery and Anti-Corruption training program for employees.

Biocon Biologics has Compliance Management Systems for tracking, managing and reporting adherence to compliance requirements. This system is regularly monitored to ensure compliance with national and regional regulations. Updates on compliance are reported to



the Risk Management Committee (RMC) and/or Audit Committee (AC) every quarter.

In FY24, Biocon Biologics unveiled a comprehensive global Anti-Bribery & Anti-Corruption (ABAC) Policy. This policy is designed to reinforce the Company's Zero Tolerance approach towards bribery and corruption and provide guidance on how to identify and deal with any potential

bribery and corruption concerns that one may encounter during normal course of business. The ABAC Policy is applicable to all employees of Biocon Biologics and its subsidiaries.

Biocon Biologics also rolled out a Conflict of Interest (COI) Policy to provide further guidance on identifying, disclosing, and managing potential conflicts of interest situation that may arise in our day-to-day

operations, as well as to ensure that our decisions and actions are always in the best interest of the Company and are free from any undue influence or perceived impropriety. Recently, Biocon Biologics launched a Conflict-of-Interest Disclosure online tool globally. This tool provides employees with a user-friendly platform to disclose any circumstances that may lead to a conflict-of-interest situation.

To ensure preparedness and compliance during unexpected regulatory inspections or a sudden / unannounced raid, we implemented a Dawn Raid Policy.

We launched a Speak-Up Hotline, accessible by all Biocon Biologics employees across the globe. This Hotline allows our people to raise concerns about any kind of business or employee misconduct and seek clarification while remaining anonymous, if they so choose.

We also launched a policy for Global as well as Country-Specific Interaction with HCPs and Healthcare Organizations (HCOs)*. The policy is formulated to align us with the highest ethical standards relating to the marketing, promotion, and sales of our products and to maintain the highest ethical standards in the wide range of activities and interactions we carry out.



The Company encourages an environment that promotes compliance with all applicable laws and regulations and gives employees the guidance they need to uphold the Company's commitment to transparency and integrity in all business dealings. Our Ethics and Compliance department contributes to creating an environment, which is based on the principles of prevent, detect and respond.

The Company has a Zero Tolerance approach to violations, and this is consistent with our commitment towards the principles of integrity, transparency, accountability, and business ethics that are embedded in our DNA.

Human Rights

Biocon Biologics is committed to respecting and promoting human rights in all its operations. Our Human Rights Policy ensures our employees are treated fairly and with dignity, and that we do not engage in any practices that violate internationally recognized human rights standards. We have a Zero Tolerance policy towards discrimination and harassment on the basis of race, ethnicity, gender, sexual orientation, age, religion, disability, etc. You can find more details on our Human Rights Policy in the Human Capital chapter.

Establishment of Vigil Mechanism

The Vigil Mechanism, as envisaged in the Companies Act, 2013, and the rules prescribed therein are implemented through the Whistleblower Policy. This enables the Directors, employees and all the stakeholders of the Company to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct[#], to provide for adequate safeguards against victimization of persons who use the mechanism and make provisions for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Company adheres to uncompromising integrity and strictly abides by well-accepted norms of ethical,

lawful and moral conduct. It has Zero Tolerance for any form of unethical conduct or behavior. During the year, the Company received 17 complaints, which are neither material individually nor in aggregate. The Biocon Group Integrity Policy is applicable to the Company. The Vigil Mechanism is established under this policy, which can be accessed at: BBL-Whistleblower-and-Integrity-Policy.pdf (bioconbiologics.com)

Grievance

The Directors, employees and all the stakeholders of Biocon Biologics can take their complaints to the Company's Integrity Committee (IC), which is responsible for investigating claims of unethical behavior. Our Integrity and Whistleblower Policy encourages

everybody to disclose such claims without fear of retaliation. The IC's job is to evaluate the whistleblower's report and take necessary corrective action. The IC receives quarterly updates on the status of the most important investigations. Concerns of any nature can be raised at integritybiologics@biocon.com.

Reporting of Breaches

Corruption, bribery, harassment, confidentiality, conflicts of interest, money laundering and insider trading are just a few of the areas where we actively report on the overall number of breaches or incidences.

Aspects related to ethics and compliance are detailed out in the Corporate Governance Report.

*<https://www.bioconbiologics.com/docs/Global-Policy-on-Interaction-with-HCP-and-HCO.pdf>

[#]<https://www.bioconbiologics.com/docs/BBL-Business-Partner-Code-of-Conduct.pdf>