
































## Materiality Assessment

Bal Pharma conducted its first materiality assessment in FY 2024–25 as part of its ongoing ESG integration efforts, guided by the GRI Standards 2021. The objective was to identify sustainability topics most relevant to the company’s operations and stakeholders. Through internal consultations and preliminary stakeholder engagement, key environmental, social, and governance issues were evaluated based on their impact on business performance and stakeholder expectations.

The process began with benchmarking against industry peers, reviewing global sustainability trends, and referencing established ESG frameworks including SASB. Preliminary stakeholder engagement was conducted through internal discussions to gather insights on emerging priorities. Identified topics were then grouped under ESG pillars and evaluated for their relevance to stakeholders and potential impact on the business. These priorities were reviewed by senior management to ensure strategic alignment. Based on these inputs, Bal Pharma developed a materiality matrix to guide future ESG disclosures, planning, and performance monitoring.

| Material Topics                | Alignment with UN SDGs  | Alignment with GRI and Associated KPIs  |
|--------------------------------|---|---|
| <b>Environment</b>             |   |   |
| Energy Management              |       | GRI 302: Energy<br><u>KPIs</u> <ul style="list-style-type: none"> <li>• Energy consumption (from renewable vs non-renewable sources) within and outside the organization</li> <li>• Energy intensity</li> </ul>   |
| GHG Emissions & Climate Change |   | GRI 305: Emissions<br><u>KPIs</u> <ul style="list-style-type: none"> <li>• GHG emissions (Scope 1, Scope 2 and Scope 3)</li> <li>• Reduction of energy consumption</li> <li>• GHG emissions intensity</li> </ul>  |
| Water Management               |   | GRI 303: Water and Effluents<br><u>KPIs</u> <ul style="list-style-type: none"> <li>• Water withdrawal</li> <li>• Water withdrawal intensity</li> <li>• Water discharge</li> <li>• Water consumption</li> </ul>  |
| Waste Management               |   | GRI 306: Waste<br><u>KPIs</u> <ul style="list-style-type: none"> <li>• Total waste generated</li> <li>• Waste diverted from disposal</li> <li>• Waste diverted to disposal</li> </ul>   |
| Biodiversity                   |   | GRI 304: Biodiversity<br><u>KPIs</u> <ul style="list-style-type: none"> <li>• Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</li> <li>• Significant impacts on biodiversity from business activities, products and services</li> <li>• IUCN Red List species and national conservation list species with habitats in areas affected by operations</li> <li>• Habitats protected or restored</li> </ul> |
| <b>Social</b>                  |   |   |

| Material Topics                     | Alignment with UN SDGs  | Alignment with GRI and Associated KPIs   |
|-------------------------------------|---|--|
| Occupational Health & Safety        |       | <p>GRI 403: Occupational Health &amp; Safety</p> <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Workplace fatalities for employees and contract workers</li> <li>• Lost-Time Injury Frequency Rate (LTIFR) for employees and contract workers</li> <li>• Work-related ill-health for employees and contract workers</li> <li>• Safety Training hours</li> </ul>                         |
| Community Engagement                |       | <p>Bal Pharma promotes sustainable local development and supports underprivileged communities through CSR initiatives in healthcare, education, and social welfare.</p>  |
| Customer Welfare                    |       | <p>GRI 416: Customer Health and Safety</p> <p>GRI 418: Customer Privacy</p> <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Customer Satisfaction Scores</li> <li>• % of customers satisfied with Bal Pharma products</li> <li>• Total number of product recalls</li> <li>• Total number of incidents of non-compliance with health and safety regulations or voluntary codes</li> </ul> |
| Patient Well Being                  |     | <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Percentage of significant product/service categories assessed for health and safety impacts</li> <li>• Total individuals/patients reached with the company's products/services</li> </ul>  |
| Diversity, Equity & Inclusion (DEI) |    | <p>GRI 405: Diversity and Equal Opportunity</p> <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Women representation at all levels and functions within the workforce</li> <li>• Number of hires across diverse demographics</li> <li>• Regional diversity of workforce</li> </ul>   |
| Human Rights                        |    | <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Number of Employees and Workers trained on Human Rights</li> <li>• % of workers covered by collective bargaining agreements</li> <li>• Minimum notice periods regarding operational changes</li> </ul>   |
| Human Capital Development           |   | <p>GRI 404: Training &amp; Education</p> <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Average hours of training per year per employee by gender and employee category</li> <li>• Programs for skill upgrading and transition assistance</li> <li>• Percentage of employees receiving regular performance and career development reviews</li> </ul>                                    |
| Product Packaging & Labelling       |   | <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• % of product labels including safe use instructions</li> <li>• Number of regulatory non-compliance incidents related to product labelling</li> <li>• Percentage of significant product and service categories for which health and safety information is required by procedures</li> </ul>   |
| Accessibility & Affordability       |   | <p><u>KPIs</u></p> <ul style="list-style-type: none"> <li>• Number of initiatives implemented to increase affordability of APIs, pellets and granules, and finished formulations</li> <li>• Percentage of APIs supplied to local/regional generic manufacturers</li> </ul>   |

| Material Topics                | Alignment with UN SDGs  | Alignment with GRI and Associated KPIs  |
|--------------------------------|---|---|
| <b>Governance</b>              |   |   |
| Business Ethics & Conduct      |    | <u>KPIs</u> <ul style="list-style-type: none"> <li>• Percentage of governance body members trained on anti-corruption policies</li> <li>• Total number of confirmed incidents of corruption</li> <li>• Total number of reports related to whistleblower procedure</li> </ul>          |
| Corporate Governance           |    | <u>KPIs</u> <ul style="list-style-type: none"> <li>• Board Directors - Male: Female ratio</li> <li>• Ratio of highest-paid individual's compensation to median employee compensation</li> </ul>   |
| Innovation & Investment in R&D |    | <u>KPIs</u> <ul style="list-style-type: none"> <li>• R&amp;D Expenditure as a % of Total Revenue</li> <li>• % of R&amp;D Projects Focused on Green Chemistry / Eco-friendly APIs</li> </ul>   |
| Supply Chain Management        |     | <u>KPIs</u> <ul style="list-style-type: none"> <li>• Percentage of procurement budget spent on local suppliers</li> <li>• Percentage of new suppliers screened using social criteria</li> <li>• % of procurement spend on businesses owned by minorities/vulnerable groups</li> </ul> |