Lee Pharma Limited

SUSTAINABILITY REPORT
FY 24-25

Prologue

This is the sustainability report of Lee Pharma Pvt Ltd., covering the period from April 1, 2024, to March 31, 2025. Prepared in reference to the Global Reporting Initiative, this report highlights the key milestones in our environmental, social, and governance performance. Throughout the report, 'Lee Pharma', 'Our Company', and 'We' are used to refer to Lee Pharma Pvt Ltd.

Reporting Scope and Boundary

The report reflects our performance on key material issues that concern our operations and stakeholders. It includes insights and performance related to key stakeholders who play a vital role in our sustainability strategy.

The boundary of the report encompasses the non-financial performance of Lee Pharma's India operation on a standalone basis.

Forward-looking Statement

Some sections of this report offer insights into our future plans regarding business operations and ESG goals. While we believe that the assumptions are sound, we acknowledge that the future result could be influenced by both internal and external factors. Stakeholders are encouraged to view these projections with the appropriate perspective.

As we look to the future, we remain committed to prioritizing sustainability in all our actions. Our future goals are rooted in creating lasting impacts on the planet and the people.

Feedback

Feedback from our stakeholders is key to improving our sustainability practices. For questions, feedback, or further information regarding the content of this report, stakeholders may contact:

Registered & Corporate Office Address

LEE PHARMA LIMITED.
SY. No.: 257 & 258/1, Door No: 11-6/56-C, Opp: IDPL Factory, Moosapet, Balanagar (Post), Hyderabad – 500037, India.

A Legacy of Innovation, Quality, and Global Impact

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Message from the Managing Director

Dear Stakeholders,

At Lee Pharma, our journey began in 1997 with a clear purpose—to enhance health through quality pharmaceutical solutions. Over the years, we have grown into a trusted name in the industry, specializing in the manufacturing of Active Pharmaceutical Ingredients (APIs), pellets, granules, and finished formulations. Today, our products reach customers in over 30 countries, a testament to our commitment to quality, innovation, and care.

As we reflect on our growth, we recognize that true progress must be sustainable. This year marks a significant milestone as we formally begin our sustainability journey. We have developed an ESG strategy that will guide us in integrating environmental, social, and governance principles into our operations. While we are at the early stages, we are committed to taking meaningful steps to achieve our ESG goals and contribute to a healthier planet and society.

" **For us, growth is not just about expanding our product portfolio or entering new markets—it is about doing so responsibly, with a deep respect for the environment and the communities we serve. We are taking active measures to reduce our environmental footprint, improve resource efficiency, and adopt cleaner, more sustainable practices across our manufacturing and research facilities.**

The theme of this year's sustainability report, "Healing Responsibly, Growing Sustainably," captures the essence of our approach. These efforts are complemented by our focus on innovation, which continues to drive our progress. Our teams are dedicated to developing pharmaceutical solutions that are not only effective and affordable but also aligned with our values of sustainability and accessibility. Our people remain at the heart of our success. We are building a workplace that is inclusive, safe, and empowering—where every individual is encouraged to grow and contribute meaningfully. Beyond our operations, we are also working to uplift communities through initiatives in healthcare access, education, and rural development.

As we move forward, we do so with a strong sense of purpose and responsibility. We understand that the trust placed in us by our stakeholders—patients, employees, partners, regulators, and communities—comes with the expectation that we will act with integrity and accountability. We are committed to upholding these values in every aspect of our work. The path ahead is filled with opportunity. With resilience, innovation, and a shared commitment to sustainability, we are confident in our ability to shape a future that is healthier, more equitable, and more sustainable for all.

On behalf of the entire Lee Pharma team, I extend my heartfelt gratitude to everyone who continues to support our journey. Together, let us move forward with purpose and make a lasting impact.

Mr. A. Venkata Reddy
Managing Director
Lee Pharma Limited

Healing People, Sustaining the Planet

At Lee Pharma, we believe that true progress in healthcare cannot come at the cost of the world we live in. For us, sustainability is not just compliance – it is conviction. Every pill we create, every process we refine, and every partnership we build is guided by a single purpose: to improve human health while preserving the planet for future generations.

Highlights from FY 2024-2025

Environmental Performance

- Environmental Policy 14001-2004
- 25051.08 MWh of energy from non-renewable sources was consumed in FY 24-25
- 532.227 MWh of energy from renewable sources was consumed in FY 24-25
- Total GHG emissions for FY 24-25 was 113305 tCO2e including Scope 1, Scope 2, and Scope 3.

Social Performance

- Audit conducted and recommendation letter received for ISO 45001 certification
- The company is ISO 9001 certified
- 11.2 % female representation at employee level in FY 24-25
- 4.83 % female representation at senior management level in FY 24-25
- ₹1.22 million spent on CSR in FY 24-25

Governance Performance

- Governance framework led by Board of Directors and senior management
- The company has all the necessary policies in place like Code of Business conduct & ethics, whistleblower policy, information security policy, grievance policy, environment health safety and wellbeing policy, human rights policy etc. to guide and support its daily operations, employee and business conduct
- Its operations are certified by USFDA, EUGMP, WHO GMP, ISO 9001, ISO 45001 and ISO 14001.

About the Organization

Founded in 1997, the organization has grown from a modest venture into a globally recognized pharmaceutical leader. Its journey began with a commitment to delivering affordable and high-quality healthcare solutions. Through cutting-edge research, advanced manufacturing capabilities, and a strong focus on quality, the company remains dedicated to producing medicines that improve lives.

As a research-driven enterprise, it specializes in the development, synthesis, and commercialization of high-quality Active Pharmaceutical Ingredients (APIs), intermediate chemicals, and finished formulations. Its expertise in innovative and cost-effective processes has enabled success in a competitive pharmaceutical landscape, earning the trust of clients both domestically and internationally.

Guided by a clear and impactful philosophy—to enhance human health by producing safe, effective, and affordable medicines—the organization is committed to:

1. Continuous research in developing new chemical entities.
2. Creating cost-effective processes to ensure that healthcare is accessible to all.
3. Ensuring compliance with stringent regulatory requirements and delivering products that exceed expectations.
4. Investing in the best people, providing them with an enriching work environment, and fostering a culture of continual improvement.

Mission

"To be a caring Pharmaceutical company helping to enhance health through quality products."

Vision

"To be a global generic player with increasing focus on research & development"

Operations

Active Pharmaceutical Ingredients (APIs):
Development and manufacturing of high-quality APIs for

Finished Dosage Forms (FDFs):
Production of tablets, capsules, and modified-release formulations.

Semi-Finished Dosage Forms:
Includes pellets, granules, and direct compression granules used in further

Intermediate Chemicals:
Manufacture of chemical intermediates used in

(R&D):
Focused on new chemical entities (NCEs), formulation

Manufacturing (CDMO):
Offers custom synthesis, process

Under the "Lee Health Domain," the company produces wellness and preventive care

Geographic presence

Lee Pharma has established a strong geographic presence, operating in over 30 countries across multiple continents. With its headquarters and manufacturing facilities based in India, the company serves a wide range of international markets, including Europe, Asia, Africa, Latin America, and the Middle East.

Its global reach is supported by certifications from major regulatory bodies such as USFDA, EUGMP, and WHO GMP, which enable it to supply high-quality pharmaceutical products to both regulated and emerging markets. This international footprint reflects the company's commitment to delivering affordable and effective healthcare solutions worldwide.

DRUG SUBSTANCE & DRUG PRODUCT DEVELOPMENT AND DELIVERY

Heritage
25 years in Pharma Industry with robust quality systems, regulatory and compliance framework
APIs, Intermediates, Pellets, MUPs & DC Granules, Finished Dosage Forms & Custom Manufacturing Services (CMS)

Scale
APIs- 490 KL capacity
Modified Release Dosage Forms
Pellets 70 MT/month & DC Granules 30 MT/month
Finished Dosage Forms
Tablets 35 Million/Month & Capsules 5 Million/month

Capability
Portfolio of 75+ APIs in 25 therapeutic categories
150+ DMF filed
1800 employees including 150 scientists in CRD & 50 Scientists in FRD

Spread
50+ countries of presence
51% of revenues through exports   49% through domestic

Corporate Office
Survey No: 257& 258/1,
Door No: 11-6/56, C-Block,
Opp: IDPL Factory,Moosapet (Village),
Balanagar (Post), Hyderabad – 500037,
Telangana., India

Unit I **APIs**
Gaddapotharam Village,
Jinnaram Mandal,
Sangareddy District - 5023119
Telangana, India
Volumes:190 KL

Unit II **Pellets & Granules**
Prashant Nagar,
Hyderabad- 500037
Telangana, India
Volumes: 20 MT/Month

Unit III **Pellets, Granules & Finished Dosages**
Duvvada
Vishakhapatnam - 530049
Andhra Pradesh, India
Volumes: 50 MT/Month &
35 Million Tablets /
5 Million Capsules

Unit IV **Advanced Intermediates & APIs**
Atchutapuram,
Vishakhapatnam- 531011
Andhra Pradesh, India   **Volumes: 300 KL**

Core business activities and Markets

Lee Pharma's core business activities span across the development, synthesis, and commercialization of a wide range of pharmaceutical products. The company specializes in Active Pharmaceutical Ingredients (APIs), intermediate chemicals, semi-finished dosage forms such as pellets and granules, and finished formulations. With a strong emphasis on innovation and cost-effective processes, it has built a reputation for delivering high-quality products that meet international standards.

In addition to its manufacturing capabilities, the company is actively involved in research and development, focusing on the discovery of new chemical entities (NCEs) and the advancement of modified-release formulations. Its facilities are certified by major global regulatory bodies including USFDA, EUGMP, and WHO GMP, enabling it to serve both domestic and international markets.

Lee Pharma also operates in the natural healthcare segment under the "Lee Health Domain," offering wellness products that have been part of its portfolio for over a decade. Its market presence spans India and over 30 countries worldwide, with key markets in Europe, Asia, Africa, and the Middle East, reflecting its commitment to global healthcare excellence.

Materiality Assessment Framework

Lee Pharma recognizes the importance of identifying and prioritizing the most relevant Environmental, Social, and Governance (ESG) issues to guide its sustainability efforts.

Guided by GRI principles, we regularly review and update our material topics to stay responsive to evolving sustainability trends and stakeholder needs.

A key pillar of Lee Pharma's Sustainability Strategy is its structured approach to materiality. Lee Pharma recognises the importance of identifying and prioritising the most relevant Environmental, Social, and Governance (ESG) issues to guide its sustainability efforts. To this end, the company has developed a comprehensive Materiality Assessment Framework.

During the reporting period, Lee Pharma Conducted its first materiality assessment in FY 2024-25.

The process began with shortlisting relevant topics through peer benchmarking, alignment with SASB (Sustainability Accounting Standards Board) standards, and a thorough review of Lee Pharma's operational footprint. Extensive stakeholder engagement was conducted, including internal surveys and consultations with senior management, to gather insights on the company's impacts across the economy, environment, people, and human rights.

Internal stakeholders played an active role in evaluating each impact area, ensuring that the perspectives from across the organization were well represented. The identified issues were then prioritised based on their materiality to both stakeholders and the company, considering strategic relevance and operational significance.

The outcome of this comprehensive and structured approach is a materiality matrix that enables Lee Pharma to focus its efforts and resources on the most critical sustainability challenges. This ensures that the company's priorities remain aligned with stakeholder expectations, industry benchmarks, and global standards—supporting long-term resilience and sustainable growth

Alignment and benchmarking
Preliminary screening identified material topics through structured analysis using GRI, SASB, MSCI frameworks and peer benchmarking

Identification of Impacts
Identifying the impacts of the shortlisted topics affecting the environment, economy and people including their human rights is prepared.

Stakeholder Engagement
Collecting responses from stakeholders through online mode on the questionnaire developed post identification of impacts

Materiality Matrix and Acceptance
Based on the material topics identified, generating a Materiality Matrix for enhanced visual representation

Lee Pharma conducted materiality assessment in the FY 2024-25 and identified following key material topics:

Material Topic	Relevance	Approach	SDG
Climate Change and GHG Emissions	The nature of the operational activities, which includes the use of diesel from DG sets, coal-fired boilers, refrigerants, and electricity contribute significantly to the company's carbon footprint, making emissions management critical	As part of its climate action strategy, Lee Pharma has installed solar panel 500 KVA in one of the units generating about 532,227 kWh of electricity with further plan of expansion	SDG 7, SDG 13
Waste Management	Pharmaceutical processes generate considerable volumes of hazardous and non-hazardous waste. If not managed properly, this can result in environmental contamination, regulatory violations, and risks to public health.	Lee Pharma manages hazardous waste through government-authorized agencies and sends non-hazardous waste like PPEs and mixed materials to certified recyclers. Food waste from canteen operations is repurposed for cattle feeding, supporting waste reduction and circular practices.	SDG 12
Water and Effluent Discharge	Water and effluent management is material to Lee Pharma due to its high water usage in manufacturing processes and the generation of chemical-laden wastewater. Effective management is essential to prevent environmental pollution, ensure regulatory compliance, and support sustainable operations.	Lee Pharma treats all effluents through a dedicated Effluent Treatment Plant (ETP) before safe discharge or reuse. Water conservation measures are in place across operations, and treated wastewater is monitored regularly to meet environmental standards.	SDG 6 , SDG 12
Human and Labor Rights	Due to workforce-intensive operations and supply chain dependencies. Ensuring fair treatment, safe	Upholds human and labor rights through a formal policy that ensures fair wages, non-discrimination,	SDG 8

	working conditions, and non-discrimination is essential for employee well-being, legal compliance, and ethical business conduct.	and safe working conditions. The company conducts regular internal audits, maintains grievance redressal mechanisms, and promotes inclusive workplace practices.	
Environment, Health and Safety	EHS is considered a material topic due to the inherent risks in pharmaceutical manufacturing, including chemical handling, equipment safety, and environmental exposure. Addressing these risks is essential for protecting worker health, ensuring regulatory compliance, and maintaining operational integrity.	EHS is addressed through structured policies, regular safety audits, and employee training programs. ISO 45001 certification for occupational health and safety and ISO 14001:2004 certification for environmental management, reflects commitment to systematic risk control, pollution prevention, and continuous improvement.	SDG3, SDG12
Product Quality and Safety	It is critical to ensure that pharmaceutical products are safe, effective, and compliant with regulatory standards. Poor quality can lead to health risks, regulatory penalties, and loss of trust.	Product Quality and Safety is ensured by robust quality management systems, adherence to Good Manufacturing Practices (GMP), and stringent testing protocols. The organization complies with international standards such as ICH guidelines and holds ISO 9001 certification. manufacturing facilities are approved by several international regulatory bodies, including USFDA, EU-GMP, and WHO-GMP, underscoring adherence to globally recognized standards for product safety,	SDG 3, SDG 9

		efficacy, and manufacturing excellence.	
Energy Management	Energy use in pharmaceutical manufacturing directly influences operational efficiency, environmental impact, and regulatory compliance. Managing energy consumption helps reduce greenhouse gas emissions, control costs, and support the transition to sustainable production practices.	Energy Management is ensured by implementing energy-efficient technologies, optimizing utility consumption, and monitoring energy performance across operations. The organization promotes the use of renewable energy sources and conducts regular energy audits to identify areas for improvement. These efforts contribute to reducing carbon footprint and enhancing environmental sustainability.	SDG7, SDG13
Community Relations	Strong relationships with local communities' help build trust, ensure social license to operate, and contribute to inclusive development. Engaging with stakeholders and supporting local initiatives enhances reputation, mitigates social risks, and aligns business growth with community well-being.	Community Relations are strengthened through active engagement, inclusive development programs, and strategic social investments. The organization supports local health, education, and livelihood initiatives, fostering long-term community well-being and trust.	SDG 17

Stakeholder Engagement

Lee Pharma recognizes the importance of Integrating stakeholder feedback into decision-making. It helps build trust, align with expectations, and support long-term value creation across the ecosystem.

At Lee Pharma, stakeholder engagement is central to sustainable growth. The organization maintains transparent and continuous communication with key stakeholder groups–including employees, investors, government bodies, communities, customers, and suppliers–through various channels such as meetings, digital platforms, reports, and community interactions.

These engagements help address key areas such as employee wellbeing, regulatory compliance, customer satisfaction, supply chain collaboration, and investor expectations.

By integrating stakeholder feedback into decision-making, the organization builds trust, aligns with stakeholder needs, and supports long-term value creation across its ecosystem.

Engagement Aspect	Channels of Communication	Purpose and Scope of Engagement
Employees	Surveys and Training	Safety and job security, capacity building, career growth opportunities, healthy work environment
Government Authorities	Compliance reports, meetings	Timely regulatory compliance, tax payments, support for government schemes
Communities	Meetings	Local community development, employment generation, business needs, CSR initiatives
Customers	Customer meets, site visits,	Quality assurance, safety and data privacy

Protecting the Environment

Protecting the Environment

Lee Pharma's sustainability journey is rooted in innovation and responsibility. With a focus on green chemistry, zero liquid discharge (ZLD), sustainable packaging, and renewable energy adoption, our initiatives reflects its dedication to environmentally conscious operations and long-term ecological balance.

At Lee Pharma, environmental responsibility is a strategic pillar of our broader sustainability agenda. We are actively strengthening our environmental governance through the development of a robust Environmental Management System (EMS) aligned with the globally recognized ISO 14001:2015 standard.

This framework enables us to systematically identify key environmental aspects, assess their potential impacts, and implement targeted controls to mitigate risks.

Certified under both **ISO 14001:2015** for environmental management and **ISO 45001:2018** for occupational health and safety, Lee Pharma demonstrates its commitment to sustainable operations and safe working environments. Our approach integrates green chemistry, zero liquid discharge (ZLD), renewable energy, and sustainable packaging—ensuring regulatory compliance, stakeholder trust, and long-term value creation.

We are reimagining pharmaceutical manufacturing with sustainability at its core:
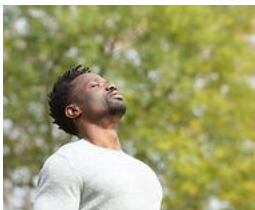
Green Chemistry:

Developing eco-friendly processes to reduce hazardous waste and emissions.

Zero Liquid Discharge:

Ensuring every drop of water is treated, reused, and respected.

Energy Transition:

Expanding solar and renewable energy adoption to cut carbon footprint

Sustainable Packaging:

Reducing plastics, optimizing recyclables, and innovating with eco-design.

Our Strategic environmental framework focuses on:

- Improving energy efficiency and optimization by conducting energy audits and through systematic production planning
- Increasing energy consumption from renewable energy (RE) sources by installing solar panels across all our manufacturing units and increase the RE capacity where it already exists
- Installing water-efficient fixtures and automated controls to reduce water usage that will enhance our efforts towards water conservation
- Improving our waste management and circularity practices by conducting waste audits to identify reduction, recycling, and reuse opportunities
- Developing and implementing plans to fund biodiversity conservation efforts in nearby areas, with employee engagement through eco-events and awareness drives

Key Sustainability Milestones

500 KVA Solar Panel Installation

Successfully installed solar panels at the Visakhapatnam manufacturing unit, contributing to a significant reduction in grid electricity consumption and

Water Recycling through STPs

Commissioned sewage treatment plants to enable water recycling, resulting in measurable improvements in water conservation and reduced freshwater dependency.
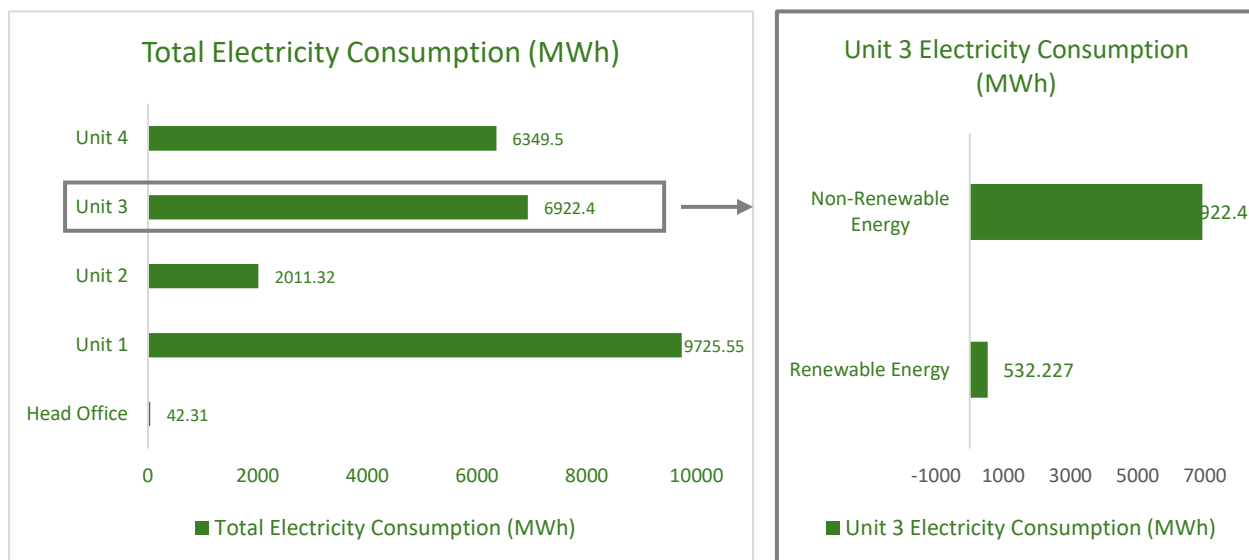
ISO 14001:2015 & ISO 45001:2018

Achieved globally recognized certifications for environmental management and occupational health & safety.

Energy Consumption & Efficiency

At Lee Pharma, we are taking our first steps toward building a more sustainable future. As a growing pharmaceutical company, we recognize the importance of reducing our environmental footprint and aligning our operations with responsible energy practices.

Understanding the link between energy use and greenhouse gas emissions, we have begun implementing measures to improve energy efficiency across our facilities. One of our key milestones has been the integration of renewable energy at one of our manufacturing sites, marking a significant move toward cleaner energy sources. As we continue this journey, we remain committed to learning, evolving, and contributing to a healthier planet—just as we do for our patients.

Total Electricity Consumption (MWh)

Unit	Value
Unit 4	6349.5
Unit 3	6922.4
Unit 2	2011.32
Unit 1	9725.55
Head Office	42.31

■ Total Electricity Consumption (MWh)

Unit 3 Electricity Consumption (MWh)

	Value
Non-Renewable Energy	6922.4
Renewable Energy	532.227

■ Unit 3 Electricity Consumption (MWh)

While one of our four manufacturing units utilizes solar energy, the rest rely on conventional electricity and diesel. We're working to expand renewable energy use and explore low-carbon fuel options. Through initiatives like process upgrades, team engagement and awareness sessions, we've started to improved efficiency and reduce operational costs.
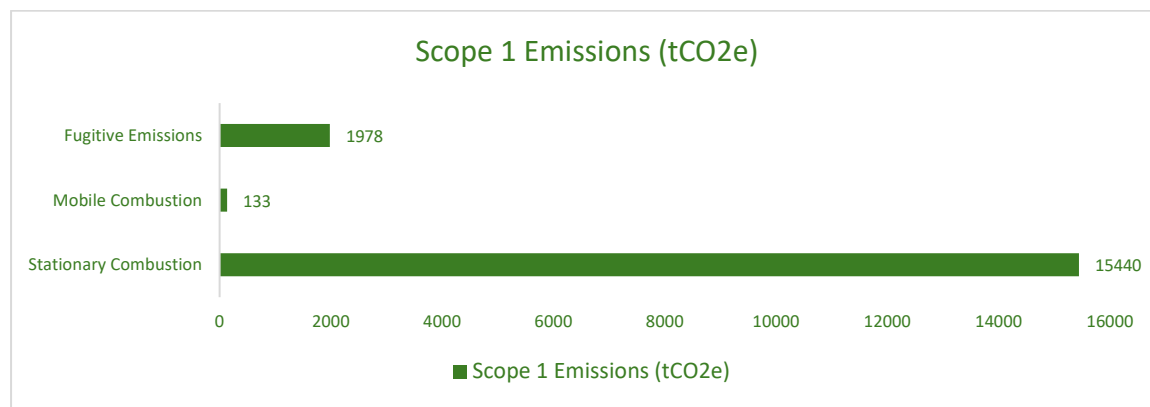
Emission Management

We have taken the first step toward a more sustainable future by actively tracking our emissions.

Scope 1

Scope 1 emissions are a result of fuel combustion and other on-site activities that contribute directly to our carbon footprint. In our operations, Scope 1 emissions primarily stem from the use of diesel—both in stationary equipment such as generators, and in mobile sources like company-owned vehicles. Additionally, we account for emissions from coal-based boilers, which are used in certain manufacturing processes, and LPG, which serves as an energy source in various operational areas. We also include fugitive emissions from refrigerants used in cooling systems and fire extinguishers, which can release potent greenhouse gases during maintenance or discharge.

Through consistent tracking, we are laying a strong foundation for future initiatives focused on enhancing energy efficiency, transitioning to cleaner fuels, and ultimately decarbonizing our operations in a structured and measurable way.
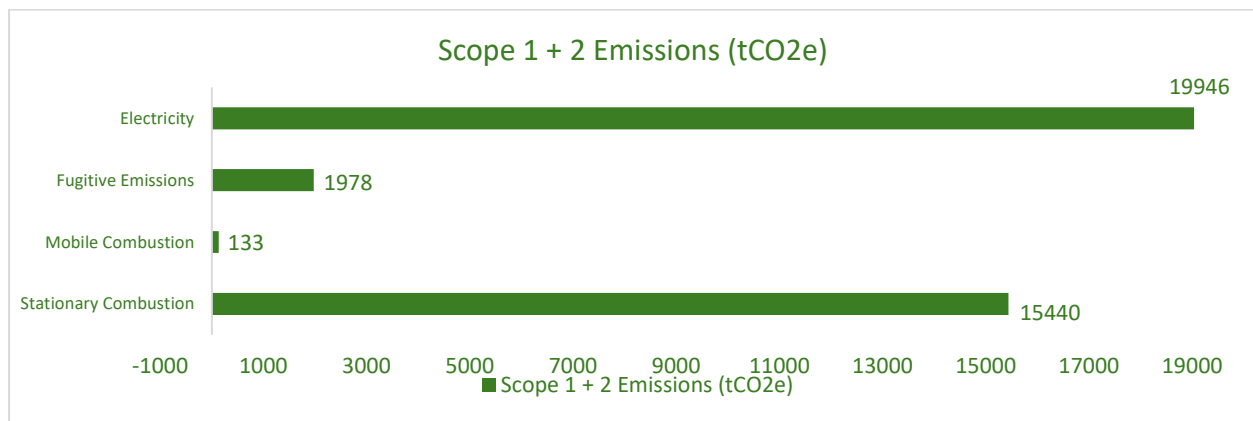
Scope 1 Emissions (tCO2e)

Source	Scope 1 Emissions (tCO2e)
Fugitive Emissions	1978
Mobile Combustion	133
Stationary Combustion	15440

Total Scope 1 Emissions across all Sources

Scope 2

Scope 2 greenhouse gas emissions are result from the purchase of electricity used to power our operations. Although these emissions occur off-site at the point of generation, they are directly linked to our energy consumption. Monitoring Scope 2 emissions allows us to assess our indirect environmental impact and explore opportunities to reduce it—such as through improved energy efficiency and the adoption of renewable energy, which we have already initiated at one of our manufacturing sites.

Scope 1 + 2 Emissions (tCO2e)

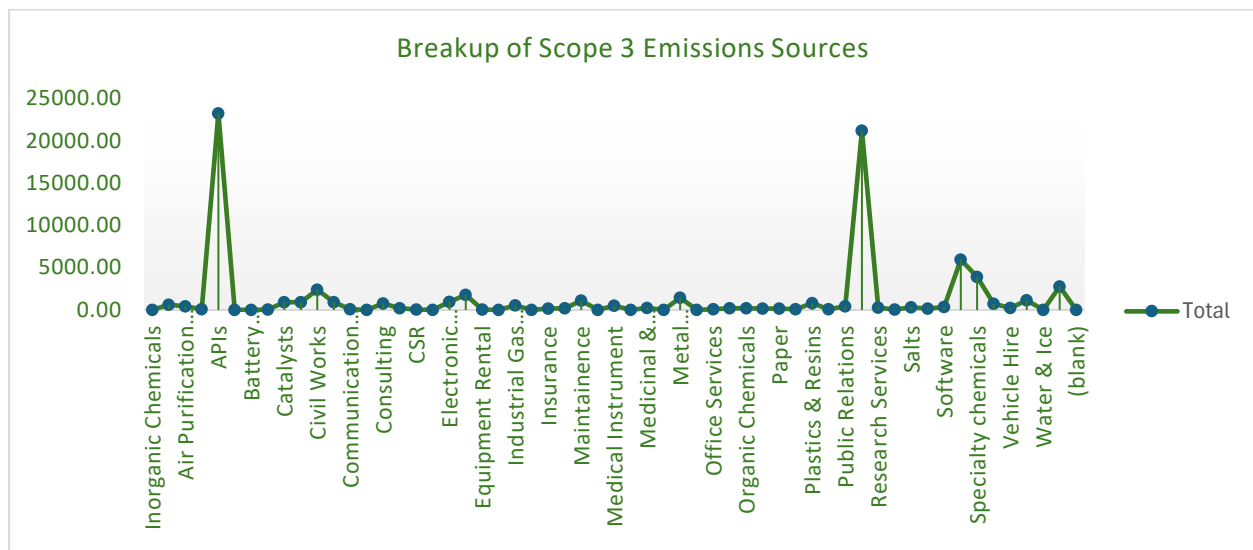| Category	Emissions (tCO2e)
Electricity	19946
Fugitive Emissions	1978
Mobile Combustion	133
Stationary Combustion	15440

■ Scope 1 + 2 Emissions (tCO2e)

Scope 3

Particulars	Emissions details
Category 1: Purchased Goods & Services	All the details of procured goods and services have been included in the emission profile of Purchased goods and services.
Category 2: Capital Goods	No data for the current year hence not calculated.
Category 3: Fuel and Energy related activities	There is no transmission & distribution losses from the purchased electricity and has not been included
Category 4: Upstream Transportation & Distribution	All the details of different modes of transportation (e.g. by Air, Sea and Road) have been incorporated.
Category 7: Employee Commuting	Calculated on the basic of an employee survey.
Category 9: Downstream Transportation & Distribution	All the details of different modes of transportation (e.g. by Air, Sea and Road) have been incorporated.

Scope 3 Emissions in tCO2e

Category	Emissions in tCO2e
Category 9	1496
Category 7	1645
Category 4	149
Category 1	72518

■ Emissions in tCO2e

Breakup of Scope 3 Emissions Sources
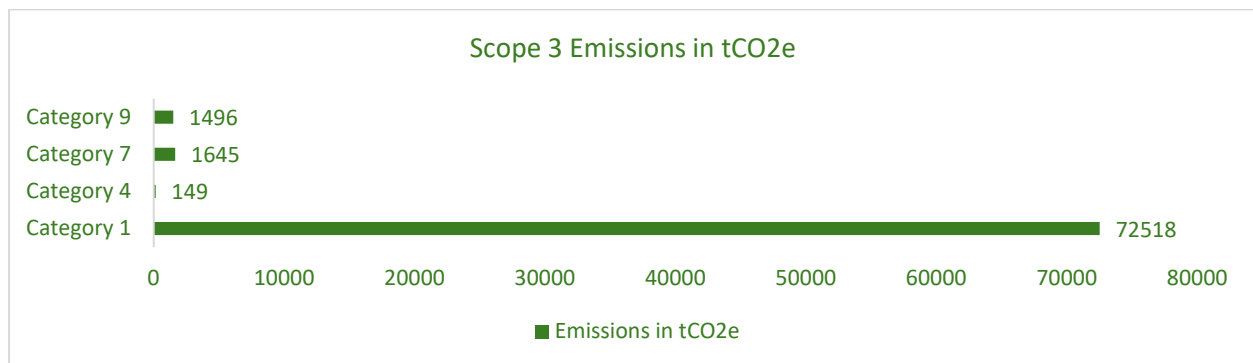
Waste Management and Recycling

Lee Pharma aims to reduce waste generated by its business activities by reusing or recycling materials where possible. During the reporting period, the organization generated waste, stemming directly from its day-to-day operations. This includes hazardous and non-hazardous waste.

As a pharmaceutical manufacturer, we recognize the environmental responsibility that comes with handling chemical substances, solvents, and packaging materials. Our waste management strategy ensures that waste is treated not as a liability but as a resource.

We manage waste across our API, pellet, granule, and formulation units through a structured approach. Hazardous waste is handled in compliance with CPCB and SPCB norms, and non-hazardous waste is diverted from landfills wherever possible.

Waste Category	FY 2024-2025
Total waste generated (MT)	795,258.259
Hazardous waste (MT)	643.259
Non-hazardous waste (MT)	794.617
% of waste reused/recycled	0
% of waste sent to landfill	0.03683%

Water Management

Water is a critical resource in pharmaceutical manufacturing. We aim to reduce water consumption and improve recycling across our facilities. We have ETP and ZLD systems installed across all our manufacturing units. Some quantity of treated wastewater is reused in cooling systems and other utilities, and some quantity of wastewater is treated and sent to centralized state STPs.

Water Indicator	FY 2024-2025
Total water withdrawal	95.3586 ML
Total water discharge	6.966ML
Number of units with ZLD/ETP	5

Biodiversity Impacts

Our manufacturing facilities are not located in or near any officially recognized biodiversity hotspots, protected areas, or ecologically sensitive zones. However, we remain committed to minimizing our ecological footprint and preserving natural habitats through responsible land use and pollution control.

We have a biodiversity policy in place that complies with the Biological Diversity Act, 2002, and relevant EU biodiversity directives. Voluntary standards like ISO 14001 have been adopted to enhance biodiversity performance.

Biodiversity impact assessments are conducted before initiating any new project or expansion. Ecological mapping tools are used to identify sensitive habitats and species near operational sites. Mitigation plans are developed to avoid or minimize harm, and operations in protected or high-conservation-value areas are strictly avoided.

Climate Change Mitigation and Adaptation Measures

Climate change presents both risks and opportunities for the pharmaceutical sector. We are committed to reducing our carbon footprint through energy efficiency, renewable energy adoption, and process optimization.

We are taking initiatives to conserve water and manage and reduce the amount of waste generated from our operations. We have started monitoring our GHG emissions including scope 1, scope 2, and scope 3 emissions, from this year, this will help us set targets and make commitment towards reducing our carbon footprint year on year.

Indicator	FY 2024-2025
Scope 1 (tCO2e)	17551
Scope 2 (tCO2e)	19946
Scope 3 (tCO2e)	75808
% Renewable Energy	2%

Empowering People and Communities

Empowering People and Communities

Our social performance reflects our commitment to building a responsible and inclusive value chain. We recognize the importance of ethical labor practices, employee well-being, community engagement, and stakeholder inclusivity. We have implemented policies and programs that promote workplace safety, diversity, and skill development across our operations. Our focus on human capital includes structured training programs, fair employment practices, and health and safety protocols aligned with industry standards. We also engage with local communities around our manufacturing sites to foster positive social impact through employment generation and capacity building. As we grow, we aim to deepen our social footprint by embedding equity, inclusion, and shared value creation into our business strategy.

Training hours

Indicator	FY 2024-2025
Average Training Hours per Employee	24 hrs per Employee per Year
% Employees Receiving Training	80%
Leadership Development Programs	Yes
Sustainability related Awareness Session	Yes

Our strategic social pillars going forward will include:

- Implementing real-time incident and near-miss tracking systems, supported by digital tools and safety walks, to ensure timely corrective actions and reduce LTIFR
- Aligning its community initiatives with material ESG and CSR goals by identifying local needs in health, education, and environment through development of site-specific plans and KPIs
- Conducting risk assessments, supplier screenings, and using grievance mechanisms to identify and address potential human right violations in the supply chain
- Strengthening workplace culture through career development, recognition, and regular feedback
- Implementing a standardized review and approval process for all marketing and product labeling content, involving legal and compliance teams
- Investing in regional manufacturing hubs and digital sourcing platforms to improve API availability, affordability and reduce lead times
- Implementing updated multi-layered security protocols and end-to-end encryption to protect sensitive data across all systems

We have established foundation for some of our above strategic pillars and are in process to work towards the other strategic pillar. In conclusion, moving ahead by taking these pillars into consideration will support our journey to deepen our social footprint.

Workforce Demographics and Diversity

Our workforce is the foundation of our innovation and operational excellence. As we expand our footprint in pharmaceutical manufacturing, we are committed to building a workplace that reflects diversity, fosters inclusion, and empowers every individual. We aim to create equitable opportunities across gender, ability, and experience, with focus on improving diversity across all levels of our business and operations.

Snapshot of our people

Diversity Category	Sub-Category	Number of Employees	Percentage (out of total employee number)
Gender	Male	1299	88.8%
	Female	164	11.2%
	Other	0	0
Age	Under 30 Years	647	44
	30-50 years	771	52.6
	Over 50 years	45	3.0

Snapshot of Diversity across levels

Employee Level	Diversity Category	Sub-Category	Number of Employees	Percentage (out of total employee number)
Senior Management	Gender	Male	59	95.16
		Female	3	4.83
		Other	0	0
	Age	Under 30 Years	1	1.6
		30-50 years	50	80.64
		Over 50 years	11	17.74
Middle Management	Gender	Male	117	87.96
		Female	16	12.03
		Other	0	0
	Age	Under 30 Years	3	22.55
		30-50 years	122	91.72
		Over 50 years	8	6.01
	Gender	Male	1123	88.56

		Female	145	11.44
		Other	0	0
Junior Management		Under 30 Years	643	50.7
	Age	30-50 years	599	47.23
		Over 50 years	26	2.0

Board Diversity data

Indicators	FY 24-25
Total Boards members	8
Number of women in board of directors	1

In terms of pay equity, the basic salary and overall renumeration ratio of females to males stood in FY24-25 is presented the table below

Employee Category	Basic Salary Ratio (F:M)	Remuneration Ratio (F:M)
Senior Management	~0.97: 1	~0.97: 1
Middle Management	~0.97: 1	~0.97: 1
Junior Management	~0.82: 1	~0.82: 1

Employee Health and Safety

Lee Pharma maintains a strong commitment to the highest standards of health, safety, and environmental (HSE) performance across all operations. Protecting the well-being of employees, contractors, and surrounding communities remains a core business priority.

Health and safety are integral to the company's operational framework. All manufacturing sites follow stringent EHS protocols, including hazard identification, risk assessments, and emergency response planning. Occupational health services are available at all four sites, and employees undergo regular health screenings.

Safety performance metrics

Category	FY 2024-2025
Total Recordable Injury Rate	0
Lost Time Injury Frequency Rate	0
Fatalities	0

The company has a Environment, Health, Safety and Wellbeing policy in place that establishes measurable objectives and monitors progress to ensure compliance with all applicable laws and international standards, including ISO 45001. All employees are covered under this policy and the management team plays a central role in driving a culture of continuous improvement in workplace safety and environmental responsibility.

Employee Benefits

Employees are entitled to take parental leaves and number of leaves allowed per employee is included in the policy on leaves.

Parental leaves in FY 2024-2025

Employees	Gender	Number of employees
Number of employees entitled to parental leave	Male	16
	Female	02
Number of employees who took parental leave	Male	16
	Female	01
Total number of employees who returned to work in the reporting period after parental leave ended	Male	14
	Female	01
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	14
	Female	01
Return to work rate	Male	87.5
	Female	100
Retention Rate	Male	1.14
	Female	0

Labor Practices and Human Rights

The company adheres to national labor laws and international human rights standards. All employees are covered under POSH policy, human rights policy, working hours and working conditions policies which are following legal norms. The company prohibits child labor, forced labor, and discrimination in any form. Grievance mechanisms are in place and accessible to all employees, with confidentiality and non-retaliation assured.

Category	FY 2024-2025
Number of Grievances Filed	Nil
Number of Grievances Resolved	Nil
Incidents of Discrimination	Nil
Child Labor Cases Identified	Nil
Forced Labor Cases Identified	Nil

Community Engagement and Impact

We believe in growing with the communities around us. Our CSR programs are designed to address local needs in healthcare, education, sanitation, and livelihoods. Through partnerships with community stakeholders and local bodies, we ensure that our interventions are impactful, inclusive, and sustainable. We measure success not just in numbers, but in lives transformed.

Employee Engagement, Training, and Development

Lee Pharma prioritizes creating an environment where employees feel valued, skilled, and engaged. During FY 2024–25, our approach to employee development was centered on structured learning interventions and inclusive workplace engagement. The company invests in continuous learning and development for employees at all levels and in FY 2024-25 we conducted training sessions across safety, quality, technical skills, leadership development, compliance, and sustainability awareness. These programs reflect our commitment to operational excellence, compliance with international standards, and the overall professional growth of our workforce.

Training hours

Indicator	FY 2024-2025
Average Training Hours per Employee	24 hrs per Employee per Year
% Employees Receiving Training	80%
Leadership Development Programs	Yes
Sustainability related Awareness Session	Yes

Key training program included modules on training on occupational health and safety system, mock drills on fire safety and emergency preparedness, equipment and material handling SOPs, awareness sessions on energy and water conservation, awareness around GHG emissions, and trainings on roles and responsibilities of the employees.

Customer Health and Safety

Ensuring the health and safety of our customers is not just a regulatory obligation, it is the essence of our purpose as a pharmaceutical company. From raw material sourcing to final product delivery, every step of our manufacturing and quality assurance process is designed to uphold the highest standards of safety, efficacy, and transparency.

Our operations span the production of Active Pharmaceutical Ingredients (APIs), pellets and granules, and finished formulations. Each product is developed with a deep understanding of therapeutic impact, patient safety, and global pharmacovigilance norms.

Product Quality, Safety, Labelling and Responsible Marketing

Our commitment to product quality and safety is foundational to our operations. We ensure that all products APIs, pellets, granules, and finished formulations meet stringent global standards. Our quality assurance systems are aligned with International and national regulatory frameworks.

We ensure that safety data sheets are attached with all our products. Additionally, we make sure that user manuals and proper guidelines are attached or included with the product which we send to our customers for safe handling and usage of the product.

Affordability and Accessibility

As a key supplier to finished dosage manufacturers, we play a pivotal role in enabling access to affordable and high-quality medicines across global markets. Our responsibility extends beyond manufacturing APIs, pellets, and granules, it includes supporting our customers in delivering safe, effective, and economically viable therapies to patients.

We contribute to healthcare accessibility by ensuring a reliable, scalable, and cost-efficient supply of pharmaceutical ingredients. Our manufacturing processes are optimized for consistency, quality, and cost-effectiveness, helping our customers maintain competitive pricing in their respective markets. By offering a broad portfolio of essential and high-burden therapeutic category ingredients, we enable the production of affordable medicines for chronic and acute conditions.

Data Privacy

Data privacy is a foundational element of our governance and risk management framework. As a B2B pharmaceutical manufacturer supplying APIs, pellets, and granules to finished formulation companies, we handle sensitive business information, proprietary technical documentation, regulatory data, and employee records. Protecting this data is essential to maintaining trust, ensuring compliance, and enabling secure collaboration with our customers and stakeholders.

We have adopted a formal Data Privacy Policy that outlines our commitment to safeguarding personal and business-critical information. This policy is aligned with applicable data protection national and international regulations. It governs how data is collected, stored, processed, shared, and disposed of across our operations.

Upholding Ethical and Responsible Practices

Upholding Ethical and Responsible Practices

Corporate Governance Structure

Lee Pharma operates under a robust governance framework led by its Board of Directors and senior management.
The company ensures strategic oversight, ethical decision-making, and regulatory compliance across all functions. Governance roles are clearly defined, with accountability embedded in operational and ESG performance. Policies such as the Business Code of Ethics and Whistleblower Policy reinforce transparency and integrity. The company maintains ISO and GMP certifications, reflecting its commitment to global standards. Internal audits and structured reporting mechanisms support continuous improvement. Supplier governance is strengthened through a Supplier Code of Conduct and ESG-based selection criteria. Diversity and inclusion are promoted through Equal Opportunity and DEI policies. Grievance redressal and social dialogue mechanisms ensure stakeholder engagement. Governance is aligned with sustainability goals and integrated into long-term strategy.

ESG Oversight and Accountability

Lee Pharma has formalized ESG oversight through documented policies and internal accountability systems. Environmental, social, and governance priorities are embedded in operational planning and decision-making.
The Environment, Health, Safety & Wellbeing Policy guides site-level sustainability practices. Biodiversity and climate considerations are integrated into environmental assessments and planning. Human Rights and Working Conditions policies apply to both internal and external stakeholders. Supplier ESG performance is monitored through selection criteria and compliance audits. ESG metrics are tracked and reviewed periodically by leadership teams. Employee engagement is fostered through awareness campaigns and training programs. Sustainability disclosures are aligned with global frameworks and stakeholder expectations. ESG is treated as a strategic enabler for long-term business resilience and impact.

Business Ethics and Anti-Corruption

Lee Pharma enforces a zero-tolerance approach to unethical conduct and corruption.
Its Business Code of Ethics outlines expected behavior across all levels of the organization.
The Anti-Bribery and Anti-Corruption (ABAC) Policy ensures compliance with global standards. A Whistleblower Policy enables confidential reporting and protects against retaliation. Ethics training is provided to employees and extended to suppliers and partners. The Supplier Code of Conduct includes clauses on ethical sourcing and fair labor practices. Information Security and Data Privacy policies safeguard stakeholder data and digital assets. POSH and Equal Opportunity policies promote a respectful and inclusive workplace. Ethical governance is supported by internal audits and compliance reviews.
All policies are integrated into onboarding and vendor contracts.

Risk Management

Lee Pharma adopts a proactive risk management approach across environmental, operational, and compliance domains. Risks are identified through audits, assessments, and stakeholder feedback mechanisms. Environmental risks are addressed via pollution control,

resource efficiency, and emissions monitoring through third-party. Occupational health risks are managed through regular check-ups and EHS protocols. Supply chain risks are mitigated through ESG-based supplier selection and monitoring. Information security risks are managed through dedicated policies and digital safeguards. Legal and regulatory risks are tracked through compliance reviews and external certifications. Incident tracking systems and root cause analysis help prevent recurrence. Risk registers are maintained and reviewed periodically by leadership. Risk management is integrated into strategic planning and ESG performance tracking.

Compliance with Laws and Regulations

Lee Pharma ensures full compliance with national and international laws governing pharmaceuticals and ESG.
Its operations are certified by USFDA, EUGMP, WHO GMP, ISO 9001, ISO 45001 and ISO 14001.
Policies such as Working Hours, Human Rights, and Supplier Diversity ensure labor law compliance. Environmental compliance is guided by the EHS Policy and monitored through internal audits. Customer Health and Safety Policy ensures product safety and regulatory adherence. POSH and Equal Opportunity policies align with Indian labor and workplace laws. Supplier contracts include clauses on legal and ethical compliance. Grievance and Social Dialogue policies support fair resolution and stakeholder engagement. Compliance is tracked manually and reported to senior management. The company maintains a culture of integrity, transparency, and legal accountability.

GRI Index

We have developed and plan on tracking ESG metrics and KPIs that will help us understand our performance and implement necessary measure to improve our numbers and efficiency across all areas of sustainability. These KPIs are aligned with GRI disclosure.

Material Topics	GRI disclosure	KPIs Monitored (to start from this FY)
Environment		
Energy Management	302-1 Energy consumption within the organization	Total energy consumption
		Energy consumption from renewable source
	302-3 Energy intensity	Energy Intensity (Production-Based)
	302-4 Reduction of energy consumption	Number of energy efficiency projects implemented
GHG Emissions	305-1 Direct (Scope 1) GHG emissions	Total Scope 1 emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Total Scope 2 emissions
	305-3 Other indirect (Scope 3) GHG emissions	Total Scope 3 emissions
	305-4 GHG emissions intensity	GHG emissions intensity (Revenue-based)
	305-5 Reduction of GHG emissions	GHG emissions reduction projects implemented
Water Management	303-4 Water discharge	Water intensity (production-based)
	303-5 Water consumption	Total water consumed
		Percentage of wastewater recycled and reused
Waste Management	306-2 Management of significant waste-related impacts	Waste minimization initiatives undertaken
	306-3 Waste generated	Total waste generated
	306-4 Waste diverted from disposal	Percentage of total waste recycled and/or reused and/or composted
	306-5 Waste directed to disposal	Total hazardous waste disposed
		Total non-hazardous waste disposed

Biodiversity	101-2 Management of biodiversity impacts	Investment in biodiversity projects
		Awareness/plantation drives conducted
	101-4 Identification of biodiversity impacts	Biodiversity impact assessments conducted
	304-3 Habitats protected or restored	Green cover area on operational sites

Social

EHS	403-2 Hazard identification, risk assessment, and incident investigation	Number of near-miss incidents reported
		Number of Health & Safety emergency drills conducted
	403-5 Worker training on occupational health and safety	Percentage of employees/workers/contractors trained in EHS measures annually
	403-6 Promotion of worker health	Percentage of employees covered by occupational health check-ups
	403-9 Work-related injuries	Total Recordable Incident Rate (TRIR)
		Lost Time Injury Frequency Rate (LTIFR)
		Number of fatal or serious workplace injuries
Community Relations	413-1 Operations with local community engagement, impact assessments, and development programs	Percentage of sites with community engagement plans
		Number of complaints of negative impacts of site operations on community received
		Percentage of community complaints resolved
Customer Welfare & Safety	416-1 Assessment of the health and safety impacts of product and service categories	Percentage of products (APIs, Pellets and Granules, Finished Formulations) with updated and complete Technical Data Sheet (TDS) & Safety Data Sheet (SDS) shared with customers
		Percentage of products (APIs, Pellets and Granules, Finished Formulations) compliant with

		applicable pharma related quality and safety standards
	405-1 Diversity of governance bodies and employees	Percentage of female representation in workforce (full-time employees)
Diversity, Equity & Inclusion (DEI)		Percentage of female representation in senior management
		Percentage of female representation at the board level
		Percentage of total workforce trained on DEI aspects
	406-1 Incidents of discrimination and corrective actions taken	Number of discrimination, harassment, and POSH-related complaints reported
Human Rights	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Percentage of sites with human rights risk assessments/audits conducted
		Percentage of employees trained on human rights related issues
		Number of human rights incidents reported
		Number of human rights incidents resolved
		Percentage of suppliers screened for human rights risks
	408-1 Operations and suppliers at significant risk for incidents of child labour	Percentage of sites with human rights risk assessments/audits conducted
		Percentage of employees trained on human rights related issues
		Number of human rights incidents reported
		Number of human rights incidents resolved
		Percentage of suppliers screened for human rights risks
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Percentage of sites with human rights risk assessments/audits conducted

		Percentage of employees trained on human rights related issues
		Number of human rights incidents reported
		Number of human rights incidents resolved
		Percentage of suppliers screened for human rights risks
Human Capital, Attraction, Retention, Development	404-1 Average hours of training per year per employee	Average training hours per employee
	404-3 Percentage of employees receiving regular performance and career development reviews	Percentage of employees receiving regular performance and career development reviews
Responsible Marketing & Product Labelling	417-1 Requirements for product and service information and labelling	Number of initiatives implemented to improve accessibility and availability of essential APIs (per WHO/NLEM/local lists)
	417-2 Incidents of non-compliance concerning product and service information and labelling	Number of incidents of non-compliance concerning product and service information and labelling
	417-3 Incidents of non-compliance concerning marketing communications	Percentage of marketing materials reviewed for compliance
Data Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Percentage of employees trained on Data Privacy aspects
		Number of data breaches reported
		Percentage of sensitive data encrypted
Governance		
Business Ethics & Conduct	2-23 Policy commitments	Percentage of operational sites audited for business ethics risks
	2-24 Embedding policy commitments	Percentage of total workforce trained on business ethics and code of conduct
	2-25 Processes to remediate negative impacts	Percentage of reported ethics violation incidents resolved
	2-26 Mechanisms for seeking advice and raising concerns	Number of incidents of ethics violations reported

	2-27 Compliance with laws and regulations	Percentage of operational sites with ISMS certification (e.g., ISO 27001)
	205-2 Communication and training about anti-corruption policies and procedures	Percentage of workforce trained on anti-bribery and anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Percentage of confirmed corruption incidents reported
	308-1 New suppliers that were screened using environmental criteria	Percentage of suppliers screened for ESG criteria
	308-2 Negative environmental impacts in the supply chain and actions taken	Number of suppliers ESG audits conducted
Supply chain management	414-1 New suppliers that were screened using social criteria	Percentage of suppliers with signed Code of Conduct
		Percentage of suppliers screened for ESG criteria
	414-2 Negative social impacts in the supply chain and actions taken	Number of suppliers ESG audits conducted

Glossary of Terms

Terms	Full Form
ESG	Environmental, Social, and Governance
GRI	Global Reporting Initiative
APIs	Active Pharmaceutical Ingredients
FDFs	Finished Dosage Forms
R&D	Research & Development
NCEs	New Chemical Entities
CDMO	Contract Development and Manufacturing
USFDA	United States Food and Drug Administration
EUGMP	European Union Good Manufacturing Practice
WHO	World Health Organization
GMP	Good Manufacturing Practice
FY	Financial Year
EMS	Environmental Management System
ISO	International Organization for Standardization
RE	Renewable Energy
CPCB	Central Pollution Control Board
SPCB	State Pollution Control Board
MWh	Megawatt-Hour
GHG	Greenhouse Gas
LPG	Liquefied Petroleum Gas
tCO2e	Tonnes of Carbon Dioxide Equivalent
EF	Emission Factor
kgCO2e	Kilograms of Carbon Dioxide Equivalent
USD	United States Dollar
MT	Metric Ton
ETP	Effluent Treatment Plant
ZLD	Zero Liquid Discharge
STP	Sewage Treatment Plant
EU	European Union
LTI	Lost Time Injury
FR	Frequency Rate
CSR	Corporate Social Responsibility
KPIs	Key Performance Indicators
HO	Head Office
HSE	Health, Safety and Environment
EHS	Environment, Health and Safety
POSH	Prevention of Sexual Harassment
SOPs	Standard Operating Procedures
B2B	Business to Business
DEI	Diversity, Equity, and Inclusion
ABAC	Anti-Bribery and Anti-Corruption

Disclaimer

This report contains forward-looking information about Lee Pharma. It includes statements regarding future plans, goals, and initiatives—particularly related to sustainability performance, energy efficiency, carbon footprint reduction, waste management, and environmental governance. Forward-looking statements are typically identified by terms such as "aim", "anticipate", "believe", "commit", "estimate", "expect", "intend", "may", "plan", "potential", "target", "will", and similar expressions. These are not historical facts but reflect current expectations and assumptions about future performance. While Lee Pharma believes these expectations are reasonable at the time of publication, they are subject to risks, uncertainties, and external factors—many beyond our control—that may cause actual outcomes to differ materially. These factors include changes in regulations, market conditions, technological developments, stakeholder expectations, and environmental or economic shifts.
As this is our first Sustainability Report, only indicators for which reliable data was available have been mapped and presented. We aim to expand the scope and improve data coverage in future reporting cycles.
Lee Pharma undertakes no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise.