

# SUSTAINABILITY CHARTER

Effective From:	01.05.2024
To be reviewed:	30.04.2025
Version:	1.0
Reference Document:	1) Safety, Health & Environment Policy 2) Climate & Energy Policy.

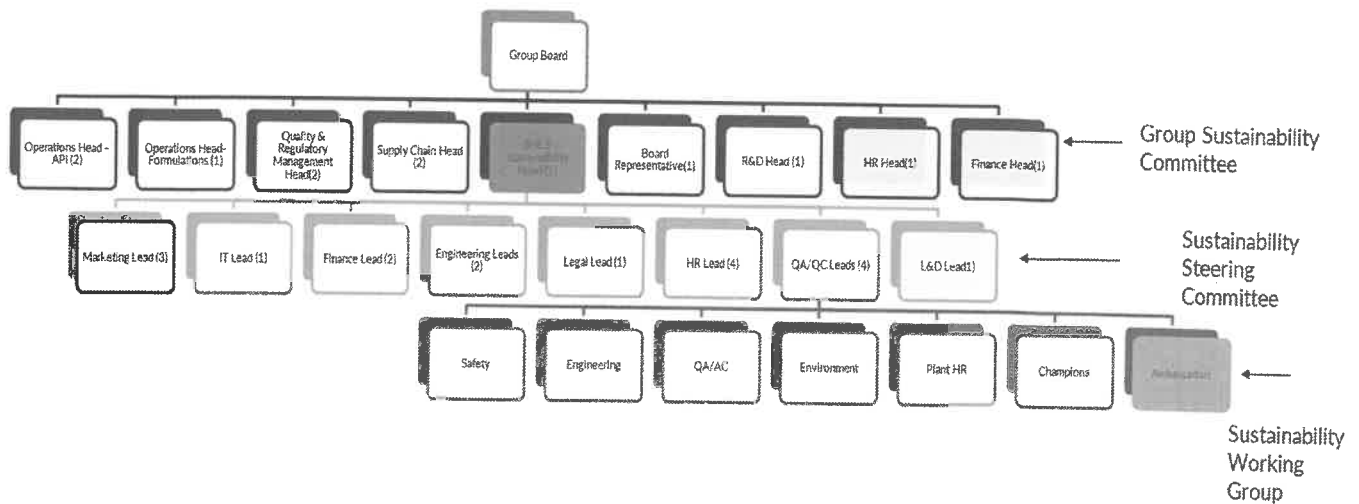
## 1. Vision:

At MSN Laboratories Private Limited (hereby referred to as MSN Group), we envision a future where our operations contribute positively to the planet's well-being, society, and economy. We are committed to embedding sustainability into every aspect of our business to create lasting value for all stakeholders. Under this premise, we adhere to the relevant national laws and regulations, and we are also aligned with the following national and international ESG standards and guidelines, including, but not limited to:

- United Nations Global Compact (UNGC)
- UN Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
  - The GHG Protocol
  - The Science Based Targets Initiatives (SBTi)

## 2. Governance:

The Committee comprises cross-functional members representing various departments and stakeholders within MSN Group. To ensure diverse perspectives and expertise, it includes representatives from different levels of the organization.



**2.1 Committee Members and Tenure:** Committee members will be appointed based on their expertise and commitment to sustainability. Tenure of members will be renewable with no fixed term. Senior management will jointly through a transparent process oversees the nomination and selection of members.

**2.2 Meetings and Reporting:** The Committees will convene regularly, with a meeting frequency determined mentioned in 2.3 or as necessary. Meeting minutes will be recorded and circulated to all members. The Committee will report to and committee members and the Board of Directors as necessary.

**2.3 Frequency of the meeting:**

S. No	Type of Meeting	Frequency
1	Group Sustainability Committee	Once in Six months
2	Sustainability steering committee	Once in Three months
3	Working sustainability group	Once in 15 days

**2.4 Responsibilities and Duties:**

The Committee's responsibilities and duties include but are not limited to:

**2.4.1 Group Sustainability Committee**

- Formulate strategies to integrate sustainability into the company's overall business plan.
- Regularly assess and monitor the organization's sustainability performance against established goals and targets.
- Develop risk mitigation strategies to enhance the company's resilience to environmental, social, and governance (ESG) risks.
- Oversee the preparation of sustainability reports and disclosures, providing accurate and transparent information to stakeholders.
- Promote awareness and understanding of sustainability issues among employees and other stakeholders.

**2.4.2 Sustainability Steering Committee**

- Nominate the members of the working group who would be engaged more closely as the ESG initiative progresses
- Support nominated members of the working group for any data/ information requirement towards the ESG initiative
- Spearhead/ guide/ regularly monitor strategic initiatives and KPIs towards ESG roadmap implementation

- Sustainability lead shall be the rapporteur to ESG Steering committee(s) and shall be the central point of coordination for the Steering committee(s) and Working group(s)
- Communicate goals & targets to the Sustainability Committee

#### **2.4.3 Sustainability Working Group**

- Participate in an ESG sensitization session to gain an understanding of the ESG perspective, materiality assessment, and how the roadmap and the framework shall be developed
- Assist in developing and detailing the ESG framework and roadmap basis the materiality assessment
- Engage in individual and joint sessions during the road map exercise and KPIs finalization
- Share details of any ongoing initiatives related to the identified material topics
- Assist in gathering relevant data from their respective departments and sharing it with the Ambassadors.

### **3. Sustainability Principles:**

#### **3.1 Stakeholder Engagement:**

MSN Group is committed to engaging with its stakeholders across various channels to ensure transparency, collaboration, and accountability in its sustainability efforts. Regular communication with investors and shareholders through Directors Meetings, Annual Review Meetings, and Investor Meetings provides updates on ESG progress and addresses concerns. For suppliers and vendors, MSN conducts Vendor Audits, Online Surveys, Supplier Assessments, and Training to promote sustainable practices throughout the supply chain. Gathering feedback through Feedback Forms and Customer Meets helps MSN understand sustainability and product quality expectations. Internally, MSN fosters an open feedback culture among employees through Feedback Forms, Open Floor Suggestions, Employee Meets, Virtual Platforms, and Annual Performance Meets to discuss sustainability goals and achievements. Additionally, MSN actively engages with society and local communities by organizing In-person Village meetings, collaborating with NGOs, and soliciting feedback to address social and environmental concerns.

#### **3.2 Patient-centricity:**

We prioritize patients' access to affordable, high-quality medicines and commit to conducting equitable and diverse clinical trials to address unmet medical needs, especially in underserved communities.

#### **3.3 Employee well-being:**

We prioritize fostering a fair and inclusive work environment, ensuring employee health and safety, and promoting diversity and equal opportunity across all levels of our organization.

### **3.4 Responsible marketing and advertising:**

We are committed to ethical marketing practices, avoiding misleading claims, and promoting responsible access to medicines in all our marketing and advertising activities.

### **3.5 Supply chain sustainability:**

We actively collaborate with our suppliers to uphold ethical labor practices, environmental standards, and human rights throughout our supply chain, ensuring sustainability and transparency.

### **3.6 Responsible resource management:**

We ensure the ethical sourcing of raw materials, minimize resource depletion, and promote biodiversity conservation in our operations to uphold responsible resource management practices.

### **3.7 Product stewardship:**

We design our products to minimize environmental impact, considering factors such as biodegradability, recyclability, and responsible end-of-life management.

### **3.8 Training and capacity building:**

We organize training and learning opportunities across all our manufacturing and R&D units to build awareness of the ESG framework and ensure our employees understand environmental risks and opportunities.

## **4. ESG Strategy:**

In alignment with our commitment to sustainability, MSN has developed an Environmental, Social, and Governance (ESG) strategy for the FY 2023 - 24. This strategy aims to integrate sustainable practices into our operations, enhance stakeholder engagement, and achieve our sustainability goals outlined in our Sustainability Charter.

We shall continue to align with the global principles through memberships like those of UNGC and rating of our sustainability performance through organizations like ECOVADIS and CDP. We continue to explore and complement our ESG journey with the best global practices aligned to our organization's commitments and rating.

### **4.1 Sustainability Goals & Targets 2030**

- **Goal 1: Embed sustainability into supply chain**
- Target 1: 100% of strategic suppliers acknowledge sustainable supplier COC by 2026
- Target 2: Embed sustainability aspects in all supplier contracts by 2028
- Target 3: Initiate tracking GHG emissions by 2025

- Target 4: Reduce supply chain GHG emissions by 2030
- Target 5: Sustainability procurement certification under ISO 20400
- Target 6: Continue providing certificate training to the supply chain team.
  
- **Goal 2: Improve water management practices in operations**
  - Target 1: Reduce freshwater consumption by 1/3rd 2030
  - Target 2: Water stress and risk assessment for 100% of operations by 2026
  - Target 3: Continuously increase the use of recycled water
  
- **Goal 3: Aim to achieve net zero by 2045<sup>1</sup>**
  - Target 1: Establish Scope 3 GHG emissions inventory by 2024 (to support SBTi commitment)
  - Target 2: 25% of total power consumption through renewable by 2030
  - Target 3: Continuously progress towards higher energy efficiency
  - Target 4: Reduce Scope 1 and 2 emissions 25% by 2030
  - Target 5: Undertake Lifecycle assessment for at least two products by 2025
  
- **Goal 4: Minimize waste generation and maximize waste recycling and reuse**
  - Target 1: Zero Waste Disposal to Landfill by 2026
  - Target 2: Attempt to use recyclable packaging
  - Target 3: Reduce waste generation by 10% by 2028
  
- **Goal 5: Increase Gender Diversity and Equality**
  - Target 1: Attempt to have 25% women employees by 2028
  - Target 2: Increase women's strength in managerial position
  - Target 3: Attempt to provide representation to people with disabilities
  
- **Goal 6: Enhance medicine reach and safety**
  - Target 1: Continuously strengthen the Patient Safety Adverse Reactions Program.
  - Target 2: Increase patient outreach by 2026

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<sup>1</sup> This shall be as per the SBTi guidelines and by committing to SBTi  
 MSN Sustainability Charter

- **Goal 7: Enhance safety training & foster a safe work environment**
- Target 1: 2 Man-day safety training per head per year
- Target 2: Implement targeted strategies to reduce workplace stress, utilizing employee feedback and surveys

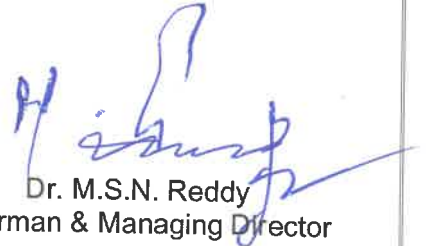
## 5. Review:

The sustainability charter will be regularly reviewed to ensure alignment with MSN's evolving sustainability needs and goals. Any required updates or modifications will be implemented with the approval of the Board. Feedback from stakeholders, benchmarking against peer organizations, and industry trends will inform the review process. Any amendment hereto shall require approval of the Board of Directors (BOD) upon recommendation of the Group Steering Committee.

This Sustainability Charter will be communicated within MSN Group through various modes and made available to the relevant interested parties.



M. Sindhuja Reddy  
Director



Dr. M.S.N. Reddy  
Chairman & Managing Director