



SUSTAINABILITY REPORT

FY 22-23

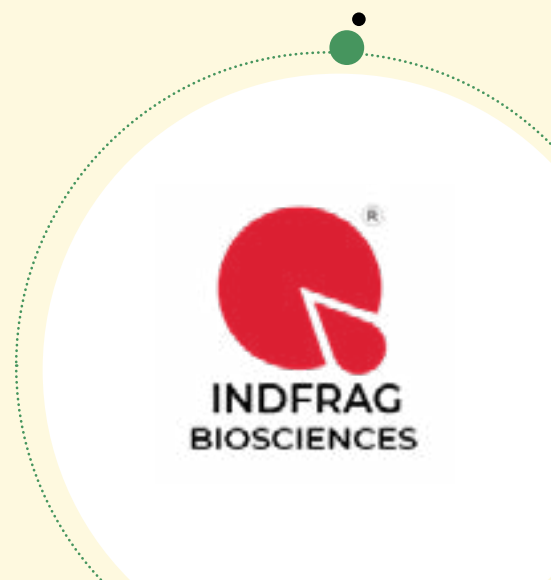


Table of Contents



01	Leadership Message.....	03
02	About the Report.....	05
03	Key Highlights of Sustainability Progress.....	07
04	About IndBio.....	09
05	Sustainability at IndBio.....	11
06	Product Stewardship.....	15
07	Regenerating Environment.....	19
08	Flourishing Communities.....	25
09	Enhancing Growth.....	35
10	Appendix.....	37



Leadership Message

IndBio began its journey towards sustainability in 2014. Since then, the company has consistently strengthened its commitment to contributing to the resilience of the natural and social environment, as well as the sustainable growth of IndBio.

We believe that economic growth and sustainability are two sides of the same coin. By investing in both, we can create sustained value for all our stakeholders, including the natural ecosystems and communities that surround our operations.

In FY 2022, IndBio expanded its manufacturing unit in India. This expansion has helped us deliver economic growth also propelled us forward in meeting our sustainability goals. As part of our carbon management plan, major part of the energy consumption in the manufacturing plant is supported by solar energy and we have also implemented energy initiatives which has resulted in improved energy efficiency and better water management.

We also plan to increase our involvement in afforestation projects. This is because afforestation can help to increase environmental resilience and reduce emissions from our manufacturing processes and business activities.

At IndBio, we believe that people and their well-being are a key area of consideration. We are committed to improving the quality of life for our workforce by providing remuneration that exceeds prescribed wage levels and enabling access to school education to discourage child labor. In December 2022, we were awarded

with the Living Wage Accreditation certification. The global climate crisis has made it essential for us to continually strengthen the resilience and offset of our supply chain. We are actively involved in building capacity and embedding sustainable practices in the procurement process. IndBio's growth trajectory has always been supported by high standards of governance and oversight.

An important step we had taken in FY 2022 was to establish a manufacturing innovation research team, comprising fresh graduates. The novel ideas generated by energetic young minds combined with the expertise of the experienced members has resulted in several measures that contribute to IndBio's sustainability trajectory. We have already seen a significant decrease in energy consumption, reduced use of solvents and lower extraction time, all of which have led to reduction in costs as well.

As the global and national economies are recovering from the pandemic, we are excited to share more value with our stakeholders and progress towards achieving our sustainability goals. We are grateful to our customers, employees, suppliers, supply partners, industry associates, and community members for their support. Their goodwill and efforts have helped us overcome challenges and reach where we are today. We look forward to your continued support and to building strong and enduring relationships with you.

Best wishes,
Philip Samuel



About the Report

As an established producer of ingredients for the cosmetics industry, Indfrag Biosciences' (IndBio) business is inextricably linked with natural resources and communities from whom we source raw materials. Sustainability is thus inherent in our organization's ethos and second nature to us, underpinning our business strategy and driving our continued growth.

As global economies and corporates act in response to climate change and its impacts, numerous stakeholder groups are increasingly interested in information about their sustainability practices, plans, and progress. Acknowledging our responsibility to our diverse stakeholders, we have been sharing our sustainability progress publicly over the last few years.

This is IndBio's third successive sustainability report. Spanning the period from 1st April 2022 to 31st March 2023, its narrative foregrounds the sustainability performance of our cosmetics division in the areas of environmental preservation, social impact, and effective governance. It also highlights our contribution to the United Nations Sustainable Development Goals (SDGs). The SDGs we address through our sustainability initiatives are summarized in section 5.

While developing this report, we have taken the guidance of non-financial indicators from globally

established frameworks such as the Global Reporting Initiative (GRI) Standards. For more information about GRI, please see [GRI - Home \(globalreporting.org\)](https://www.globalreporting.org/). Refer to the appendix for the GRI content index.

Reporting boundary

The scope of the report includes our botanical extracts manufacturing facility in Tamil Nadu and its respective value chain.

Data Management

We have employed various internal control mechanisms to guarantee the accuracy and validity of the information presented in this report, which has been sourced from multiple sources. These mechanisms include regular reviews, audit trails, and other measures. By following this data management process, we ensure the reliability of the information and its comprehensiveness.

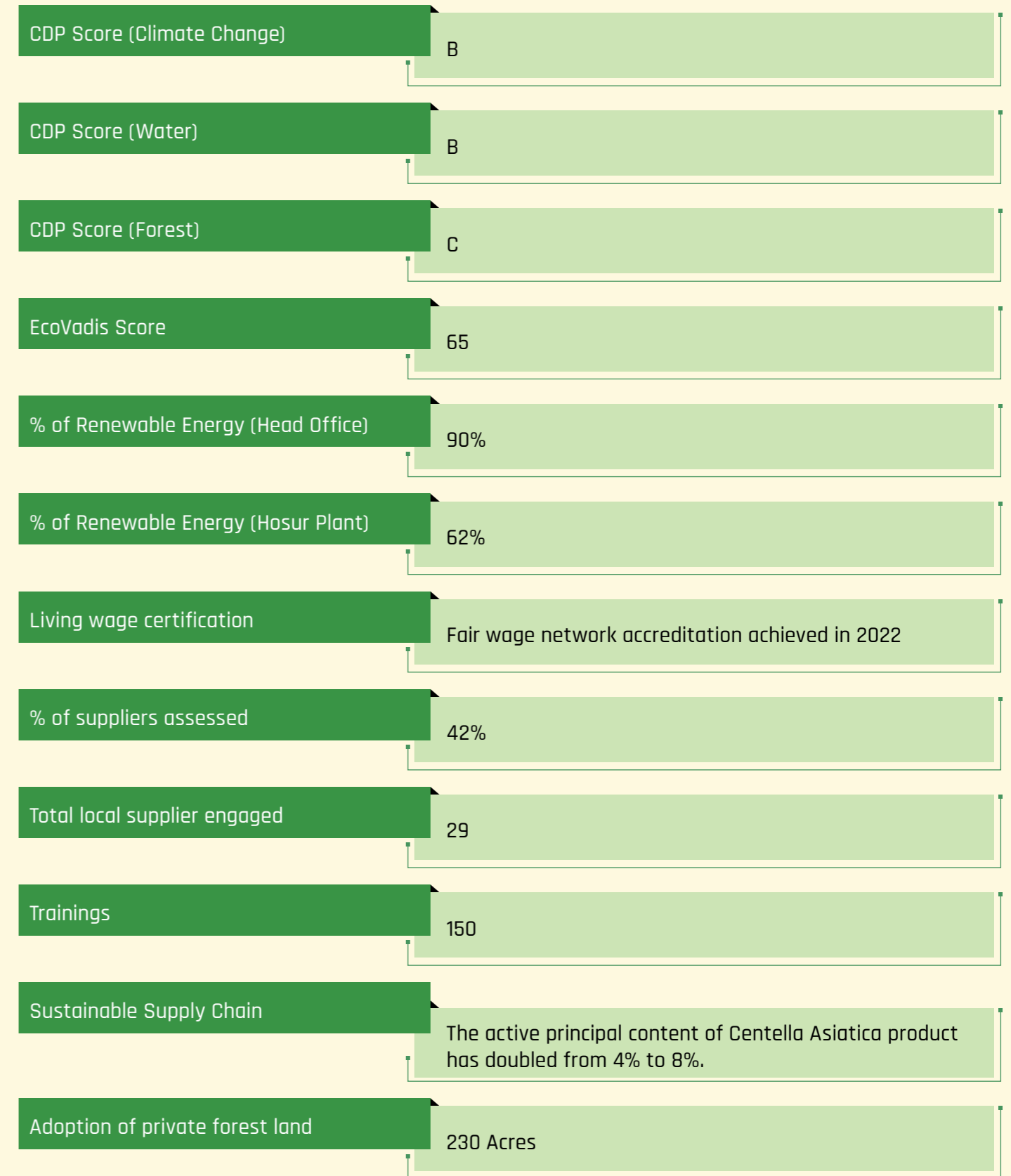


Approach to Materiality

The topics reported on include those that are most significant to IndBio as well as our stakeholders. These were identified through a Materiality Assessment conducted in FY 2020-21 and are depicted in the Materiality Matrix below. A detailed description of the assessment process is covered in the section on Embracing Growth



Key Highlights of Sustainability Progress



Feedback and contact details

We appreciate your interest in IndBio's sustainability performance for FY 2022 - 23. We welcome feedback and queries which can be sent to:

Contact information for queries:
sustainability@indfragbiosciences.com

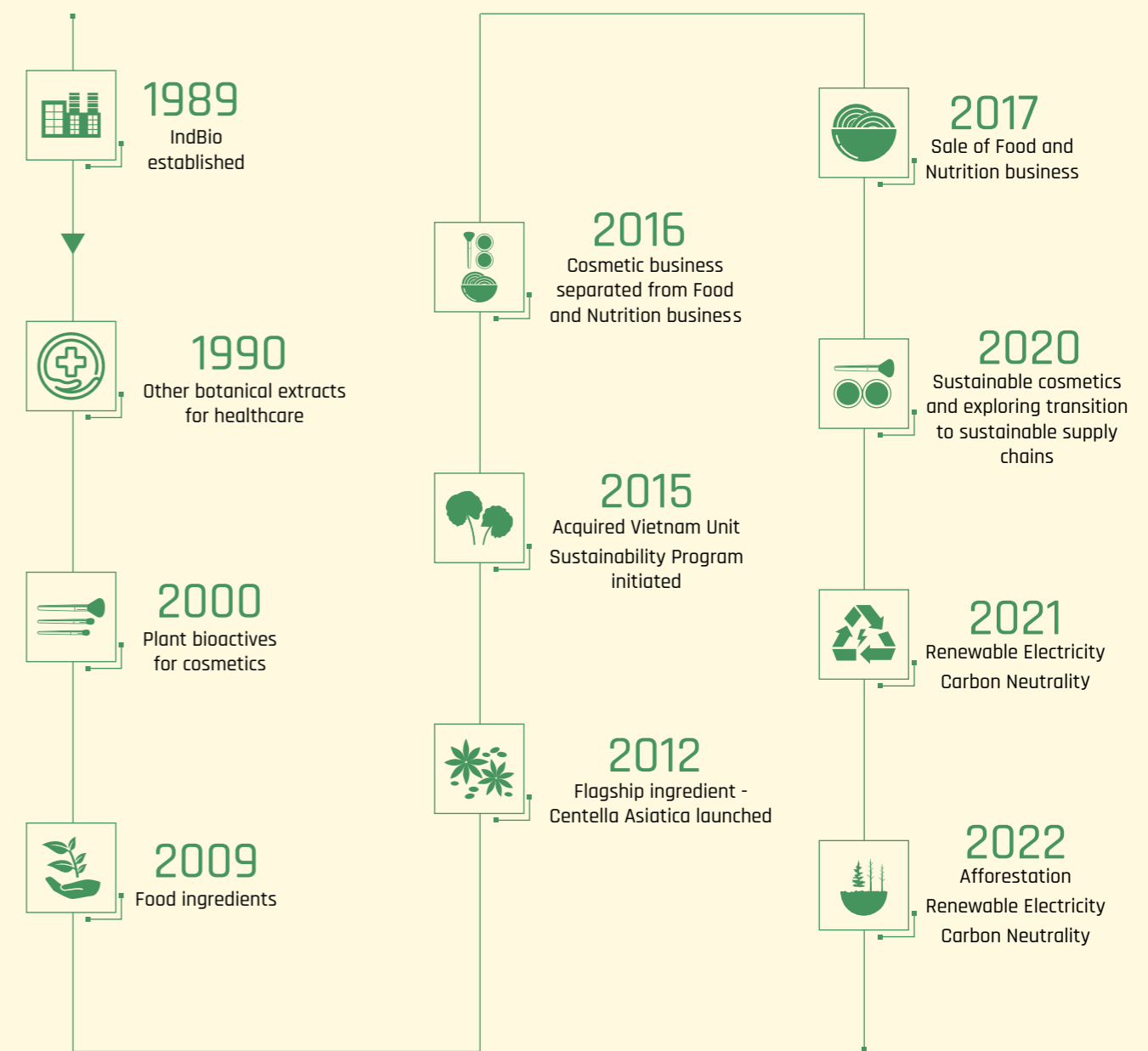


About IndBio

Since inception in 1989, Indfrag Biosciences Private Limited (IndBio) has evolved from providing flower essence extracts for perfumes to manufacturing multiple botanical extracts and oils for renowned global cosmetics brands. We also contract manufacture specific flavourings for the food industry.

Our journey over the last three and a half decades is marked by several key milestones. Among others, these include the launch of our premier ingredient Centella Asiatica in 2012, the commencement of our Sustainability Program in 2015, and achieving carbon neutrality in 2021.

2023
 Installation of energy efficient equipment
 Carbon Neutrality



Our Presence and Processes

IndBio is headquartered in Bengaluru, India, and operates internationally with an office in Singapore and warehousing facilities in both India and France.

Along with the capacity to process 800 MT of raw material annually, we offer a comprehensive range of downstream processes including drying, powder processing, and sterilization. As a prominent industry player committed to upholding the highest standards of safety, quality, and sustainability, we have ensured that all our processes adhere to the relevant ISO requirements.

Raw Materials and Product Portfolio

We procure raw materials from an extensive network of suppliers from different parts of the world. Key among these is Centella Asiatica which is sourced from the forests of Madagascar, and Boswellia Serrata which is collected from the forest in Madhya Pradesh, India.

These natural ingredients go into producing our diverse portfolio of botanical extracts and oils. The extracts of Centella Asiatica and Boswellia Serrata are key to cosmetics and are the largest revenue generators for IndBio.

Long-term Focus on Sustainability

As climate change impacts our operations, especially in terms of the consistent of an uninterrupted supply of raw materials, we are increasingly conscious of the need to fortify our operations, underpinned by sustainable business practices. We have been working to systematically integrate our Sustainability Program into our functioning and value chain, with a view to build a sustainable future for ourselves and our stakeholders.

For more details about our history, operations, and products, please visit our corporate website, <https://www.indfragbiosciences.com>

Member of association

As a key producer of natural ingredients for cosmetics, we have a responsibility to promote sustainability in the sector and to continuously raise the bar for excellence. This requires us to work with respected global organizations that influence and guide sustainable practices in the beauty industry. Our collaborations encompass the following international non-profit organizations:



4.2 Certification

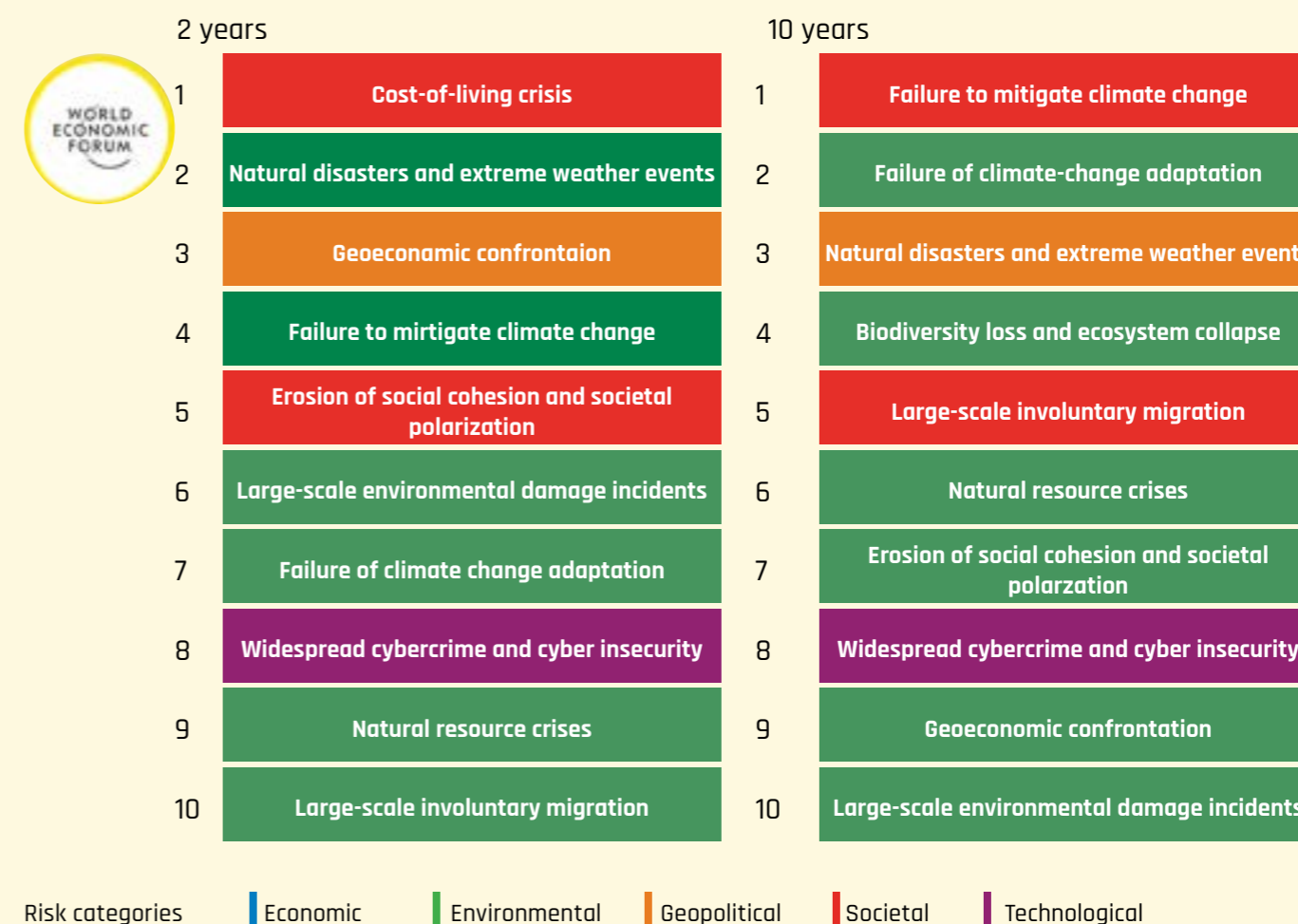
We strongly emphasize compliance with quality standards and ensure that all our products meet quality requirements. Accordingly, all our employees are trained in production practices aligned with KOSHER, HALAL, ISO 9001, and HACCP standards.

Sustainability at IndBio

According to the Global Risks Report for 2022-23, published by the World Economic Forum, 80% of the top 10 most severe risks we face are environment and people related. This finding has major implications for marginalized communities, many of whom we engage with closely to source our raw materials. It also foregrounds the urgency to enhance the resilience of the beauty industry, and particularly our own business.

Global risk ranked by severity over the short and long term

*Please estimate the likely impact (severity of the following risks over a 2-year and 10-year period

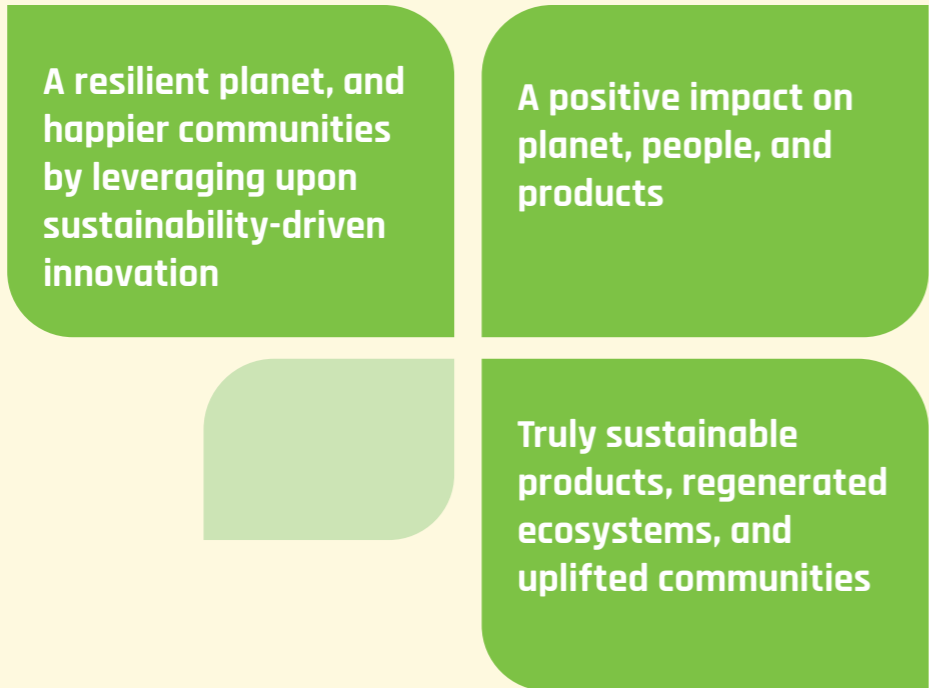


Source: World Economic Forum Global Risks Perception Survey 2022-2023

At IndBio, we are committed to improving the resilience of our business and stakeholders and to create value for all in our value chain. Our efforts address the key areas of environmental preservation, upliftment of communities, manufacturing sustainable products, and ethical governance. These areas comprise the pillars of our sustainability framework which was foundational in formulating our sustainability strategy and continues to guide our sustainability efforts in all aspects of our operations.

IndBio's Sustainability Framework

Each area of the sustainability framework encompasses goals that we strive to achieve to advance our sustainability journey. These areas and objectives are consistent with the concerns that are most significant for our stakeholders and our business. By fulfilling the various goals, we endeavour to create



Sustainability Pillar	Goals	IndBio's Actions
Product Stewardship	Sustainable Supply Chain	<p>We foster environmental responsibility through our value chain and products by:</p> <ul style="list-style-type: none"> • Sourcing raw materials in adherence with our customers' sustainability criteria • Promoting the significance of sustainability among our employees and supply partners
	Product Innovation	<p>We minimize our environmental footprint through:</p> <ul style="list-style-type: none"> • Innovative processes such as the reduced waste in the production process
Regenerating Environment	Water neutral	<p>Through various initiatives, we aim to:</p> <ul style="list-style-type: none"> • Achieve water neutrality • Minimise contamination of water sources • Enable communities to access to clean and safe water
	Carbon neutral	<p>We are working to:</p> <ul style="list-style-type: none"> • Maintaining our Carbon Neutrality status (FY 2022-23 was the third consecutive year in which we achieved carbon neutrality) • Lower carbon emissions in our Centella Asiatica and Boswellia Serrata Supply Chain Programs • Maintain 230 acres of forest land in a private sanctuary in India
Flourishing Communities	Zero waste to landfill	<p>We minimise waste and promote circularity by:</p> <ul style="list-style-type: none"> • Using pest wood as fuel in our operations • Repurposing the resultant organic waste for use as manure and briquettes
	Biodiversity	<p>We promote biodiversity through:</p> <ul style="list-style-type: none"> • Environment-friendly procurement processes in India and Madagascar
	Human Rights	<p>We create positive outcomes for those whom our business impacts by:</p> <ul style="list-style-type: none"> • Aligning with global best practices in the beauty industry • Upholding the rights of our employees and partners
	Safe and Decent Workplace	<ul style="list-style-type: none"> • Ensuring fair remuneration for all
	Creating Shared Value	

Sustainability Pillar	Goals	IndBio's Actions
Embracing Growth	People development	<p>We promote people development by implementing policies and practices that:</p> <ul style="list-style-type: none"> • Enable equitable work opportunities for our employees • Foster a culture of safety and health at the workplace • Offer avenues for continuous professional and personal growth
	Strategic partnerships	<p>We collaborate with international organizations such as Fairtrade and the Union for Ethical BioTrade (UEBT) to encourage sustainability and high standards of excellence in the beauty industry</p>

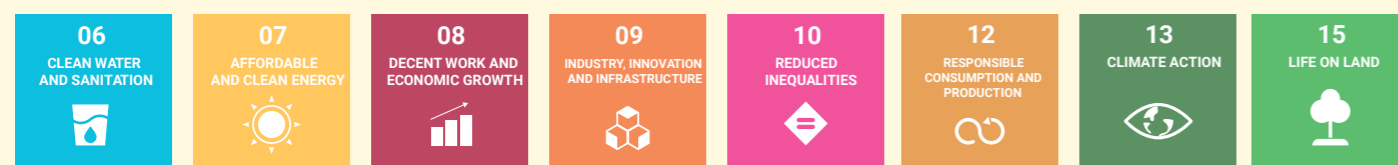
Sustainability Goals for 2025

As we progress on our sustainability journey, we are guided by our sustainability framework to achieve the following goals by 2025.

Sustainability Goals for 2025

<p>People Development Employee Wellbeing</p>	<p>Water Neutral</p>	<p>Good Governance Integrity, fairness, ethical standards</p>	<p>Supply Chain Suppliers in line with Indfrag's supply-chain policies</p>
<p>Sustainability Oriented</p>	<p>Health & Safety Zero loss time injury and fatality</p>	<p>Biodiversity Strive towards conservation of natural ecosystems</p>	<p>Strategic Partnerships</p>
<p>Human Rights Zero non-compliance</p>	<p>Waste Zero Waste to Landfill</p>	<p>Carbon Neutral by 2025</p>	<p>Creating Shared Value Integrate goals with regenerating the environment</p>

These goals further align with United Nations Sustainable Development Goals (SDGs) which act as a call to nations and organizations to collaborate to further peace, prosperity, and justice for all. For more information on the SDGs please visit [Home | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/). The following SDGs are supported by our work to accomplish our sustainability objectives.



A detailed narrative of our sustainability efforts follows in the subsequent chapters.

Product Stewardship

Management Approach

At IndBio, we accord high importance to product stewardship as a means of effectively minimizing our environmental impact throughout our value chain. Our approach is comprehensive, encompassing the management of our manufacturing operations, being accountable for our impacts beyond our boundaries, meeting the requirements of our customers, and promoting the significance of sustainability among our employees and procurement partners. By emphasizing these aspects, we strive to build a culture of sustainability that drives positive change within our organization and beyond.

Indfrag Bioscience has a dedicated Sustainability team who are instrumental in guiding the organization in an environmentally responsible, socially conscious, and economically viable manner. The team collaboratively works on driving innovation in the best possible way shaping a greener and more responsible future. Their multifaceted approach to strategy development, policy implementation & stakeholder engagement fosters a culture benefiting both the organization and their communities.

Responsible operations

In order to prevent adverse environmental impacts of our manufacturing processes, we implement initiatives to decrease greenhouse gas emissions, reduce waste generation, conserve resources, and prevent pollution. By leveraging the power of innovation, we have incorporated the Green Chemistry Principle in our manufacturing processes and achieved reductions in effluents that potentially contaminate water sources and pollute the natural environment. By addressing these key aspects, we ensure that responsible operations are conducted with a focus on environmental responsibility.

Value chain considerations

The focus on product stewardship extends beyond our own operations. We recognize that the environmental impact of our products is not limited to our manufacturing processes alone. Therefore, we take full responsibility for considering and managing the environmental implications throughout our value chain. This includes evaluating and addressing the environmental impacts associated with raw material sourcing, manufacturing processes, and distribution.

Addressing customers' sustainability standards

At IndBio, we place strong emphasis on aligning our procurement and production methods to meet or exceed our customers' sustainability criteria. By doing so, we support our customers to meet their sustainability objectives, strengthen a mutually beneficial relationship, and demonstrate our shared commitment to sustainability.

Promoting sustainability among people

IndBio aims to foster a culture of sustainability not only among its employees but also among its procurement partners. This involves creating awareness, providing training, and promoting sustainable practices throughout the organization and its supply chain. By instilling a sense of sustainability, the company seeks to integrate responsible and environmentally friendly practices into all aspects of its operations.

Long-term value created

Our focus on enhancing the resilience of our supply chain with sustainable raw material practices has enabled us to positively impact the lives of **4000 supply partners with secured livelihoods and 67% increase in household incomes.**

Our endeavours in product stewardship align with the following SDGs:

- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation, and Infrastructure
- SDG 12: Responsible Consumption and Production

6.1 Sustainable Supply Chain

While the impacts of climate change become increasingly apparent, we remain highly conscious of the importance of improving supply chain resilience and ensuring raw material security, especially for Centella Asiatica and Boswellia Serrata which are the most used ingredients in our cosmetics division. To this end, we have continued to build capacity among our supply partners and contribute to improving the quality of their lives through our Sustainable Supply Chain Programs

- Running since 2016 in collaboration with UEFT, the **Centella Asiatica Sustainable Supply Chain Program** is designed to support procurement partners in Madagascar in significant ways to improve procurement practices, better their lives, and thereby secure supplies of the raw materials. As a result of training local suppliers in improved harvesting techniques, we have achieved higher and better-quality yields, less waste, and longer plant lives over several procurement cycles. Further, owing to improved quality, the quantity of raw materials required has reduced and, in turn, lowered GHG emissions from procurement, transportation, and extraction. The program outcomes include employment and empowerment of women as well as access to schools and nutrition for children.

- The **Boswellia Serrata Sustainable Supply Chain Program** was developed in 2018 and implemented in partnership with Fairtrade NAPP. The primary objective of this programme is to mitigate adverse impacts on tribal communities who procure the raw material and to help them secure their livelihoods. Through this program, several hundred producers have been trained in sustainable procurement methods and biodiversity preservation. Among the outcomes of the program's initiatives, the raw material needed per kilogramme of output has decreased, resulting in lowered transportation related GHG emissions. The community of producers has also been helped to establish a recognised producer firm and receive fair pricing for Boswellia Serrata.

Additionally, in collaboration with our program partners in Madagascar, we have set up a traceability system, that enables 100% traceability of raw materials in the supply chain. Together with a local monitoring system and training sessions, producers are enabled to comply with traceability requirements such as good collection practices.

In FY 2022-23, we engaged with 15 suppliers spanning in 2 countries, from where the raw material is sourced.

Total Number of Suppliers and Local Suppliers, FY 2022 - 23

Parameter	FY2021-22	FY2022-23
Total number of suppliers	36	36
Number of local suppliers	29	29

As part of building a sustainable supply chain, we are guided by our Ethical Sourcing and Biodiversity policy to engage with procurement partners who uphold local and national regulatory standards and are conscious of the effects of their operations on the environment and social ecosystems. We also implement a Supplier Code of Conduct that requires all suppliers to align their business practices with our sustainability values and requirements. This is supplemented by a Signed Letter of Commitment, stating that their business conduct will adhere with our requirements of Prohibition of Child Labour and Forced Labour, Environment and Health (EHS), and Freedom of Association and Right to Collective Bargaining

Supplier Assessment FY 22-23	Yes	No Response
Suppliers with formalized human rights policies	100%	
Suppliers adhering to required safety standards	100%	
Producers/pickers that are quality certified	91%	9%
Suppliers with WASH facilities in line with local regulations	91%	9%

To ascertain that our supply chain partners align with our sustainability commitments, we carry out supplier assessments. In FY 2022-23, 42% of our suppliers were screened using environmental criteria. Among them, none were found to have made any significant actual or potential adverse environmental impacts.

Total Number of Suppliers Assessed for Environmental Impacts, FY 2022 - 23

Parameter	FY 2021-22	FY 2022-23
Number of suppliers assessed for environmental impacts.	15	15
Number of suppliers identified as having significant actual and potential negative environmental impacts.	2	4

6.2 Product Innovation

Innovation plays an important role in product stewardship as it propels us to improve the ways in which we manufacture products while lowering our environmental footprint. In the previous year, we set up a manufacturing innovation research team comprising fresh graduates. Their novel ideas combined with the expertise of our professionals generated several measures that have enhanced the sustainability of our manufacturing processes and products. These include methods of lowering energy consumption, and lower use of solvents among others.

We have also incorporated Green Chemistry Principles in our production processes. These generate fewer effluents, thereby reducing waste and mitigating adverse environmental impacts.

Regenerating Environment

Management Approach

The impacts of climate change spare no aspect of natural ecosystems and have grave implications for the growth of economies, businesses, and communities worldwide. Rising temperatures continue to impact forests and biodiversity as well as water systems worldwide, jeopardizing secure access to these natural resources.

Our business relies heavily on natural raw materials and water that nurtures their healthy growth and availability. Therefore, we believe we have a major responsibility towards preserving the natural environment and supporting its continuous regeneration. Our approach spans effective management of our water use, initiatives to lower our carbon footprint, steps to manage waste, and promoting biodiversity.

We have aligned our efforts in environmental regeneration with the following SDGs:

- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 13: Climate Action
- SDG 15: Life on Land

7.1 Water Management

In its report titled Composite Water Management Index (CWMI) published in June 2018, the NITI Aayog has called out that “treating wastewater is important as water contamination is a significant challenge for India and is estimated to affect three-fourth of the Indian population...”. Given that India is among the world’s most water- stressed countries, these and other research-based findings are a clarion call for action to preserve and regenerate our water sources.

Hosur, where our factory is situated is at extremely high risk of water stress¹. As a responsible corporate, we have taken a long-term view that encompasses the need for water in the natural environment and communities surrounding us, as well as our own need for it for uninterrupted operations. Therefore, we have taken measures to ensure that we use this valuable resource judiciously while preventing environmental contamination.

We have already implemented a rainwater harvesting system with a capacity of 2000 KLD capacity of rainwater harvesting, and we are expecting to increase this capacity by the next financial year. In addition, we have implemented measures to achieve zero discharge of wastewater at our factory, wherein 95% wastewater generated in our operations is treated and reused. This prevents water pollution and helps maintain the quality of local water sources, enabling communities around us to access clean and safe water.

Water Neutrality

We have set ourselves the goal to achieve water neutrality in the near future. Apart from recycling and reusing water within our operations, working towards this goal involves implementing water-saving technologies, and potentially engaging in water restoration projects. By fulfilling this goal, we intend to ensure that our overall water usage has no net negative impact on water resources.

¹Determined by World Resources Institute's (WRI) Aqueduct Water Risk Atlas tool

Water Consumption by Source and Quantity, FY 2022-23

Water consumption by source	Quantity consumed in megalitres	
	FY 2021-22	FY 2022-23
Third-party tankers	23.93	29.70
Rainwater	1.24	1.82

Water Recycled, FY 2022-23

Water consumption by source	FY 2021-22	FY 2022-23
Total volume of water recycled (in ML)	23.91	29.68
Total volume of water recycled and reused as a percentage of total water withdrawal	95%	95%

7.2 Energy and Emissions

Acknowledging that lowering GHG emissions is crucial to meeting the Paris Agreement goal of limiting temperature rise to 1.5 degrees Celsius (above pre-industrial levels), we emphasize lowering carbon emissions in our own operations and supply chain.

At IndBio, we have been working to reduce our carbon footprint for almost a decade. Throughout this time, we have taken several steps to achieve our objective. We conducted a lifecycle analysis for Centella Asiatica 5 years ago which revealed opportunities to decarbonize by using less grid electricity in our production process. Having already transitioned to renewable energy at our Head Office,

we built on this achievement and extended the initiative to our manufacturing facility where we installed 120 kW rooftop solar panels to increase the share of renewable energy in the overall mix. This year we aim to adapt to a group captive mode for electricity. This type of open access arrangement would be cost-effective as it avoids paying transmission and distribution charges as well as helping us achieve our renewable electricity needs. This will enable us to reduce our carbon footprint further.

Reflecting our commitment to enhancing our adoption of clean energy technologies, by 2025 we aim to completely transition to zero-emission sources of energy for our manufacturing facility.

7.2.1 Energy

During FY 2022-23, solar energy provided 90% of the electricity used at the Head Office with the remaining 10% comprising grid electricity. At our manufacturing site, renewable energy presently supplies 62% of the facility's electricity needs.

DIRECT ENERGY (in GJ) FY 2022-23	
Stationary diesel consumption	3738
Mobile diesel consumption	538
Firewood	115733

INDIRECT ENERGY (in GJ) FY 2022-23	
Total electricity consumption at head office	148
Total electricity consumption at factory	6295

RENEWABLE ENERGY (in GJ) FY 2022-23	
Solar energy consumption at head office	135
Solar energy consumption at factory	3895

We have been using air pre-heaters at our manufacturing facility in order to reduce our consumption of energy. These have not only helped to lower emissions but have also delivered savings in the purchase of electricity and firewood which is used as fuel in the production process

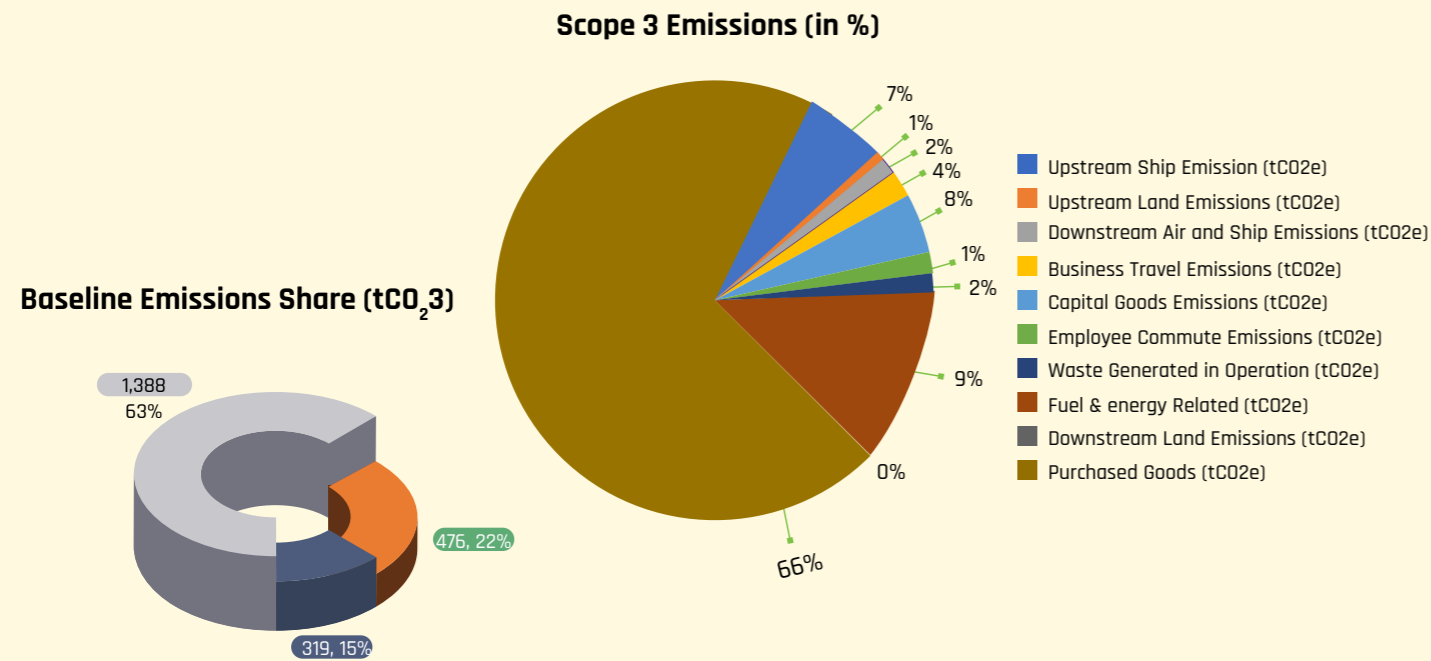
ENERGY INTENSITY (in GJ)	
FY 21-22	FY 22-23
0.056	0.055

7.2.2 Emissions

In evaluating emissions within our operations, we employ internationally recognized methodologies, specifically referring to the IPCC Guidelines for National Greenhouse Gas Inventories (2006) and The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Our carbon accounting process encompasses the comprehensive assessment of Scope 1, 2, and 3 emissions. For an understanding of Scope 1, 2, and 3 emissions, please refer to [What are Scope 3 emissions and how it differs from Scope 1 and 2 | World Economic Forum \(weforum.org\)](https://www.weforum.org).

Furthermore, our commitment to biodiversity preservation has yielded positive results in mitigating environmental impact. Through our efforts, we have successfully prevented the release of 1,369 tCO2e (metric tons of carbon dioxide equivalent) into the atmosphere. These conservation endeavours are accounted for in our emissions assessment process, highlighting their significance in our overall commitment to preserving and regenerating the environment.

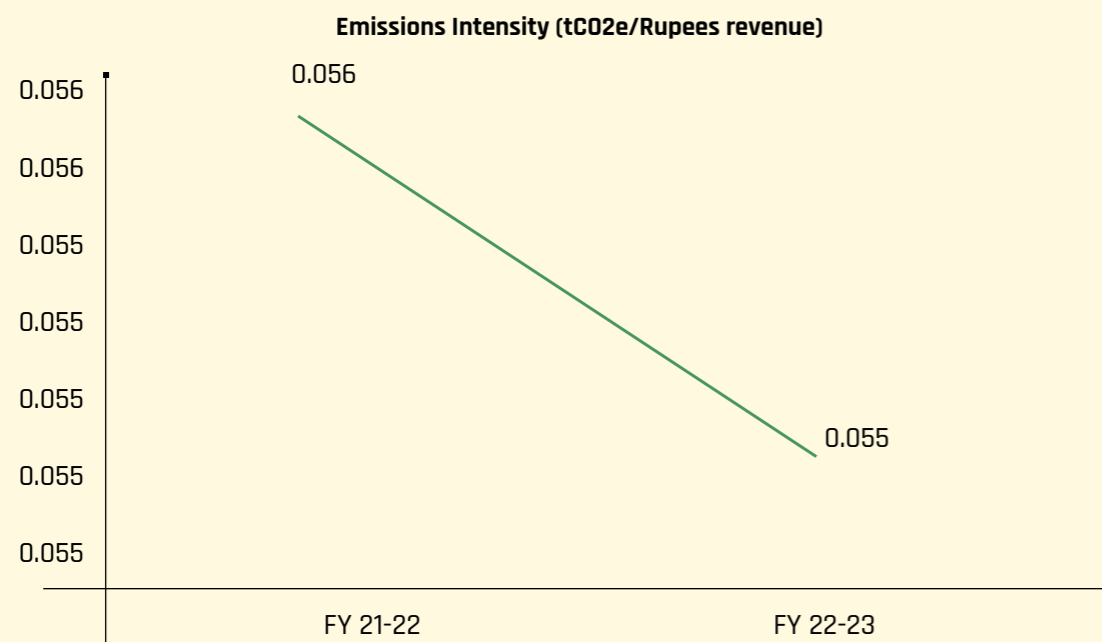




Emissions FY 2022-23

Parameter	FY 2021-22	FY 2022-23
Scope 1 (tCO2e)	114.82	319
Scope 2 (tCO2e)	350.60	476
Scope 3 (tCO2e)	1,149.05	1,388
Total emissions by IndBio (tCO2 e)	1,615	2,182
Neutralized by biodiversity initiative projects (tCO2 e)	3,551	3,551
Remaining tCO2 e from biodiversity initiatives not utilized by IndBio	1,936	1,369

Emissions Intensity, FY 2022-23



7.3 Waste Management

At IndBio, we believe in the inherent value of waste as a resource that can be repurposed or recycled, aligning with our commitment reducing our environmental footprint. Our approach encompasses various applications that allow us to maximize the potential of waste materials.

In our efforts to promote a circular system, we have established processes to transform organic waste from pest wood, which is used as fuel in our boilers, into valuable resources such as fertilizer and briquettes. The total organic waste generated is 65,317 kg out of the total waste generated of 2,72,393.15 kg. 100% of the organic waste is used by farmers as fertilizers hence this waste fraction is diverted from landfill. This not only puts waste to practical use but also ensures that we follow sustainable disposal practices.

Our waste management efforts extend beyond solid waste to encompass liquid waste as well. To mitigate the risk of environmental contamination arising from our manufacturing processes, we employ technologies that enable 95% of the liquid waste to circulate within our facility, with only 5% being released as vapor. Through this approach, we effectively manage our liquid waste while minimizing its impact on the surrounding environment.

Furthermore, we have successfully applied the principles of Green Chemistry to enhance waste management methods. By reusing solvents and repurposing boiler ash and solid waste as fertilizers, we have reduced usage of fresh material while disposing waste sustainably.

Our approach to waste management supports us in promoting circularity and minimizing our environmental impact. It is also a reflection of our commitment to converting waste into resources.

7.4 Biodiversity

To strengthen the planet’s resilience and reduce our carbon footprint, we have taken the initiative to adopt 230 acres of forest land within a private sanctuary in India. This adoption entails safeguarding and preserving the forest ecosystem, serving as a means to sequester carbon dioxide and promote the conservation of biodiversity. We believe this endeavor furthers our commitment to environmental regeneration and to reducing our carbon footprint.



Flourishing Communities

Management Approach

At IndBio, we place a strong emphasis on creating positive impacts for all individuals we engage with, whether they are part of our organization or external stakeholders. To achieve this, we align our initiatives with the most effective approaches and best practices in our industry.

One of our top priorities is upholding the rights of our employees and partners. We strive to provide them with secure and satisfactory working conditions, ensuring their safety, well-being, and overall job satisfaction. This includes implementing measures to maintain a healthy and supportive work environment.

We also believe in fair compensation that enables an improved quality of life for our employees and partners. We ensure that the remuneration we offer is in line with industry standards and recognises their contributions and expertise. By doing this, we aim to support their personal and financial well-being.

Furthermore, we are committed to providing continuous opportunities for growth and learning to our employees and partners. Through ongoing programs for learning and development, we enable our workforce to stay abreast of industry trends, acquire new skills, and work to the best of their potential.

We have aligned our social performance with the following SDGs:

- SDG 1: No Poverty
- SDG 3: Good Health and Wellbeing
- SDG 8: Decent Work and Economic Growth
- SDG 17: Partnerships for the Goals

8.1 People Practices

We firmly believe that meeting the needs of our employees and supply associates is crucial to ensuring continued commitment and motivation toward achieving IndBio's sustainability and business objectives. For us, this means addressing the well-being of our colleagues, within and outside the organization through fair employment practices, competitive remuneration, and employment benefits, among others.

Aligning with our efforts to embed sustainable practices in all aspects of our functioning, our employees are also incentivized for their performance with respect to sustainability and climate action. They are assessed on criteria such as emissions reductions, incorporating sustainability criteria in procurement decisions, IndBio's performance in climate-related assessments, etc.

In FY 2022-23, our workforce totalled 105 personnel. The tables below depict the number of personnel by age and function, number of new hires, and those who left the organisation in the reporting year.

Total Number of Employees by Age, Gender, and Function, FY 2022-23

Function	Number of Employees							
	Age Group							
	< 30 years		30-40 years		40-50 years		50 + years	
	Male	Female	Male	Female	Male	Female	Male	Female
Human Resources	-	-	1	2				
Sustainability	-	2	-	1	-	-	-	-
Marketing	1		1	-	-	-	-	-
Purchase	-	-	-	2	-	-	-	-
Accounts	-	-	2	1	5	-	-	-
Manufacturing	21	6	42	-	11	-	6	-
Total (Nos)	22	8	46	6	16	-	6	-
Percentage	22 %	8%	45%	4%	16%	-	7%	-

Number of New Hires, by Age, FY 2022-23

Age Group	Number of New Employee Hires
< 30 years	119
30-40 years	4
40-50 years	-
50 + years	-
Total	123

Number of New Hires, by Gender, FY 2022-23

Gender	Number of New Employee Hires
Male	115
Female	8
Total	123

Employee Attrition by Gender, FY 2022-23

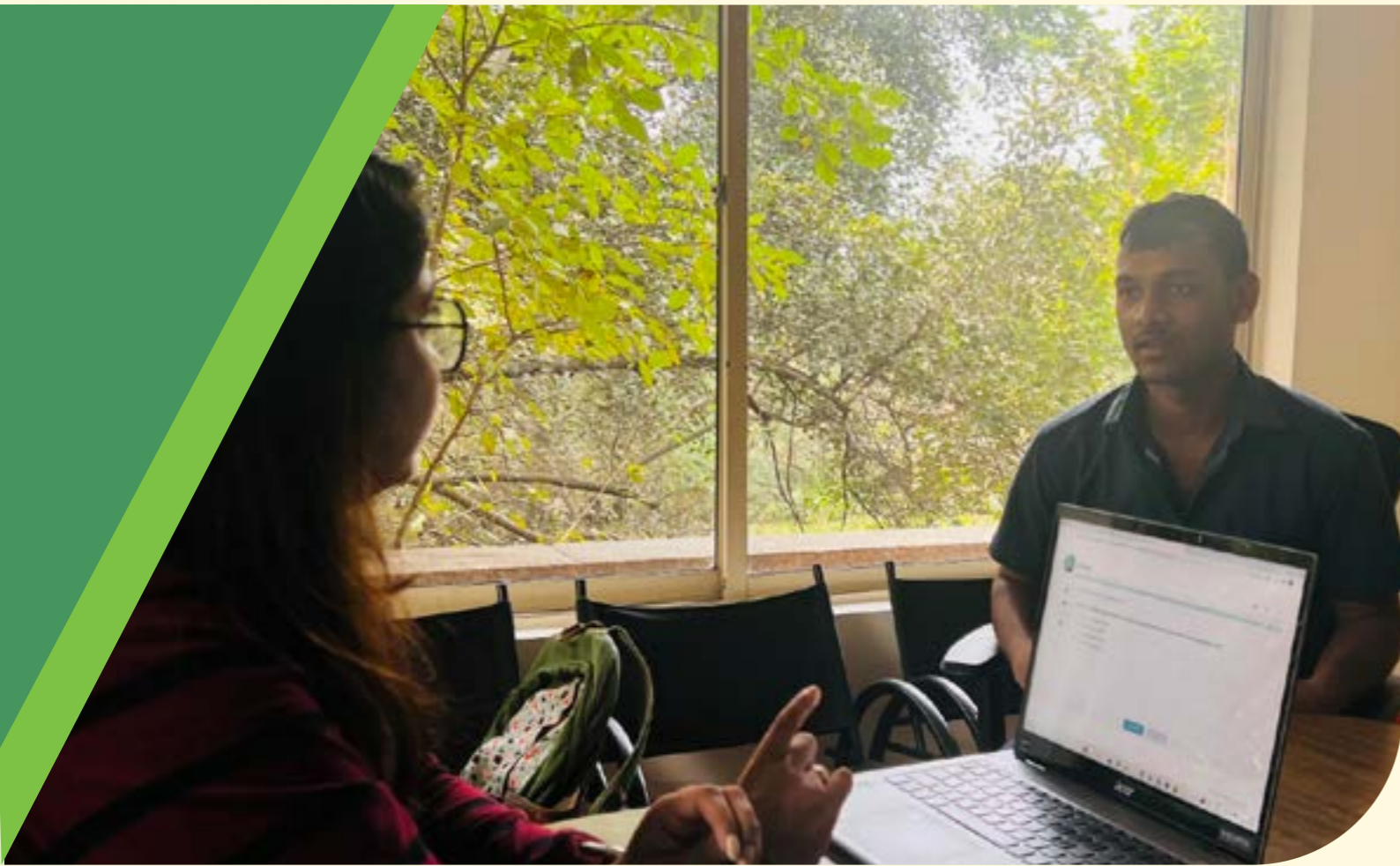
Gender	Number of New Employee Hires
Male	33
Female	5
Total	38

The total compensation that we offer our people includes benefits that address life requirements such as access to healthcare, leave for major occasions, retirement provisions etc. The following table highlights the benefits that our employees are entitled to.

Employee Benefits, FY 2022-23

	Permanent Employees	Temporary/Part-time Employees
Life insurance	No	No
Health care	Yes	Yes
Disability	Yes	Yes
Parental leave (maternity leave or paternity leave)	No	No
Marriage leave (additional to normal leaves allotted)	Yes	Yes
Bereavement leave (additional to normal leaves allotted)	No	No
Retirement provision	Yes	Yes
Stock ownership	No	No
Transportation	Yes	Yes
Housing	No	No
Food allowance	Yes	Yes
Extra paid holidays	Yes	Yes





Case study- employee welfare, living wage certification

The step-by-step journey towards living wage certification started a decade back. In 2017, we at Indfrag followed the minimum wage standards set by the local government. We implemented an internal living wage policy with a consultant in 2019 followed by a consultancy in 2020 to ensure that our employees' wages met their basic needs. In 2022, we were invited by one of our customer to join Living Wage Project in partnership with the Fair Wage network. In December 2022, we passed the audit and were awarded Living Wage Accreditation certification by Fair Wage Network

We faced challenges in formalizing our living wage program, including data collection and coordination between departments. However, we were able to overcome these challenges and achieve their goal. We also recommend that other companies adopt a similar initiative, as it can enhance productivity, lower labour turnover, and ultimately lead to a decrease in the net cost of production



8.2 Learning and Development

At IndBio, we place significant importance on skill development and have established a comprehensive and robust training framework for all individuals affiliated with our organization. Our training initiatives are carefully tailored to meet the specific needs of different groups, considering their skill levels. This includes specialized training for managers, as well as support teams like housekeeping and maintenance staff. Irrespective of the audience's expertise, each individual receives training comprising three distinct modules.

- Orientation training: This program is designed to acquaint new employees with IndBio's business, systems, processes, and more.
- On-the-job training: These long-term programs are created by department heads, providing practical training within each respective area.
- Classroom training: This program aims to familiarize employees with technical concepts through structured classroom sessions.

By seeking feedback and maintaining comprehensive training records, department heads are able to assess the effectiveness of the training and make well-informed decisions when designing future programs.

The table below depicts the average hours of training employees at different levels have undertaken in the reporting year.





Number of Participants and Average Hours of Training Per Year, FY 2022-23

Organizational Level		Hours of Training by Organizational Level	
		FY 2021-22	FY 2022-23
Senior Management (General Manager & Above)	No. of participants	1	1
	Hours	0.5	4
Middle Management (Senior Manager to Deputy General Manager)	No. of participants	8	2
	Hours	1	4
Junior Management (Assistant Manager, Deputy Manager & Manager)	No. of participants	5	4
	Hours	7	27
Staff (All Executives, Assistants & Trainees)	No. of participants	179	138
	Hours	9	39

Gender		Hours of Training by Gender	
		FY 2021-22	FY 2022-23
Male	No. of participants	159	115
	Hours	9	39
Female	No. of participants	20	23
	Hours	6	32

Furthermore, we go beyond internal training opportunities by offering external training options to further enhance skill development. Additionally, we organize awareness sessions on labour laws to ensure that our employees are well-informed about the legal requirements that relate to their roles and responsibilities. By providing these additional training initiatives and awareness sessions, our goal is to foster a culture of continuous learning and ensure that our employees possess the knowledge and information necessary for their success.

Number of Hours of Skill Upgradation Courses and Number of Participants, FY 2022-23

Description of the Course	Total nos. of Hours Offered	No. of person attended	
		FY 2021-22	FY 2022-23
Internal Courses for Skill Upgradation	NA	NA	NA
External Courses for Skill Upgradation	6	12	14

While offering opportunities for skill development and professional growth are essential components of employee well-being, the importance of performance reviews cannot be underestimated in supporting employees' career growth. At IndBio, our employees receive regular performance reviews which enables us to mutually agree on the areas for further development and identify goals to achieve their career aspirations.

Employees who Received a Regular Performance and Career Development Review, FY 2022-23

Organizational Level	Number of Employees			
	FY 2021-22		FY 2022-23	
	Male	Female	Male	Female
Senior Management (General Manager & Above)	2	2	2	2
Middle Management (Senior Manager to Deputy General Manager)	4	2	4	2
Junior Management (Assistant Manager, Deputy Manager & Manager)	2	-	2	-
Staff (All Executives, Assistants & Trainees)	63	10	114	15

8.3 Occupational Health and Safety

At IndBio, the safety of our employees, visitors, and the local community surrounding our facility is of utmost importance. We have established comprehensive measures for Occupational Health and Safety, along with a robust Environment, Health, and Safety (EHS) policy that reflects our commitment to workplace safety.

The Health and Safety Committee at IndBio, comprising the plant manager, department heads, and the sustainability manager, is accountable for Health and Safety. This committee actively engages in discussions and resolves any issues related to occupational health and safety, in collaboration with both management and non-management personnel.

The systems we have put in place to prevent workplace injuries and illnesses are guided by our EHS policy. The policy's guidelines are seamlessly integrated into our daily operations and cover various aspects, such as providing Centella Asiatica program workers in Madagascar with first aid.

Further, we monitor workplace activities and conduct regular audits to ensure compliance with these guidelines and address any identified areas for improvement promptly.

Our production team at IndBio participates in weekly training sessions that focus on health and safety practices. These training are pivotal in ensuring total adherence to safety protocols concerning hazardous waste management, proper utilization of protective equipment, and other essential safety procedures. Furthermore, our internal crisis management team conducts mock drills and delivers training in firefighting techniques and first aid response to strengthen emergency preparedness.

As part of our sustainability strategy, we have plans to reinforce our EHS policy to strengthen the overall safety of our work environment. Our objective is to prevent work-related accidents, injuries, and illnesses, and promote a safe and secure workplace for everyone associated with IndBio.

It is noteworthy that in FY 2022-23 and the preceding three years, we have maintained a positive record with no accidents or reports of work-related illnesses at our manufacturing facility.

8.4 Upholding Human Rights

As we continue to prioritise the sustainability of the planet, we also accord high importance to the rights of our stakeholders, both within and outside

our premises. Our Human Rights policy requires that every business interaction be conducted with respect for individuals and their rights while preserving the dignity of those we engage with. Thus, it is a priority for us to create awareness of human rights among our employees and service providers such as security personnel, through appropriate training.

Security personnel Trained in Human Rights Policies or Procedures, FY 2022-23

Aspect	Unit	Response (FY 2021-22)	Response (FY 2022-23)
Number of Security Personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Manufacturing Unit, Hosur, Tamil Nadu & Head Office, Bengaluru	Manufacturing Unit, Hosur, Tamil Nadu & Head Office, Bengaluru	Manufacturing Unit, Hosur, Tamil Nadu & Head Office, Bengaluru
Total number of security personnel	8	8	11
Percentage of Security Personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	100	100	100

8.5 Child and Forced Labour

We have a strong stance against employing child or forced labour in any aspect of our value chain. As part of our commitment to sustainability, we require our supply chain partners to adhere to our business practices and undergo regular evaluations to ensure compliance with our social standards, particularly regarding the prohibition of child or forced labour. A supplier assessment conducted in FY 2022-23 revealed that none of our supply partners use child or forced labour in their operations.





Enhancing Growth

Management Approach

At IndBio, we accord the highest importance to ethical governance in order to effectively address customer needs and to foster sustainable growth of our organization. Our governance structure comprises the Board of Directors, made up of three full-time Directors. The ultimate responsibility for guiding our strategic development and operations rests with the Managing Director.

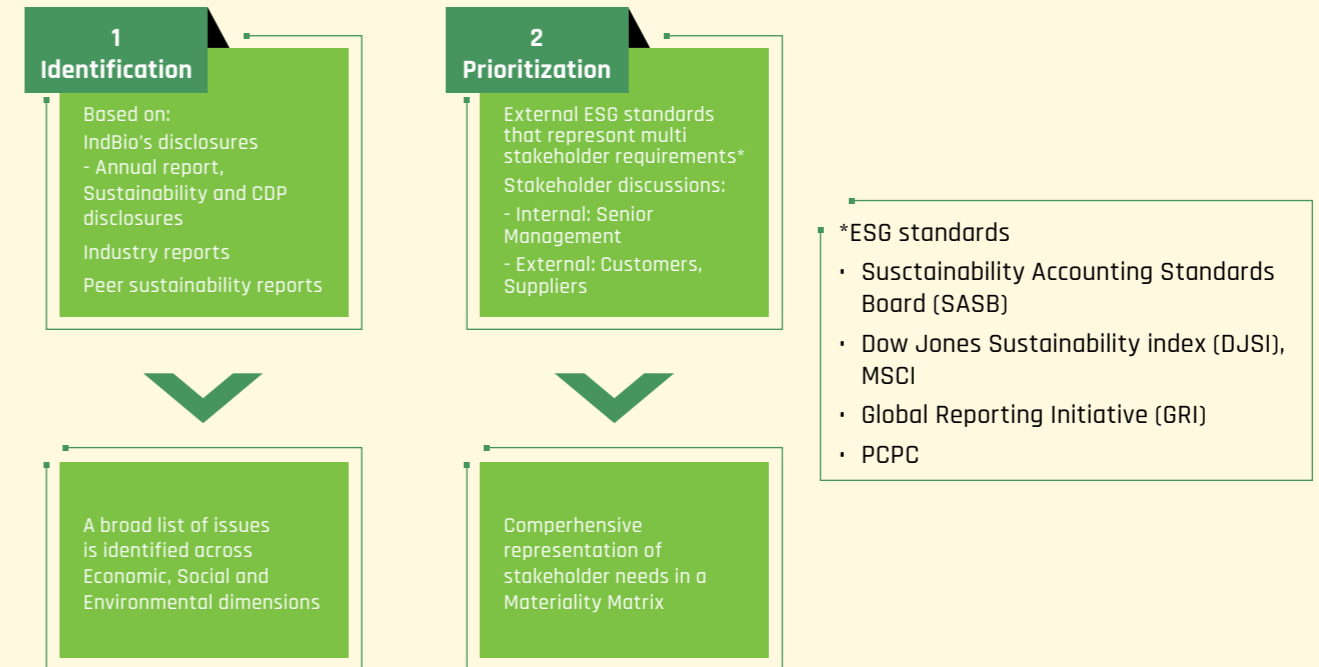
Policy Framework

At IndBio, governance is reinforced by a comprehensive set of policies that have been approved by the Board of Directors. These policies serve as a framework to ensure that all our business interactions are conducted ethically and in compliance with the law. They play a crucial role in upholding the integrity of our organization and guiding our employees in making responsible and principled decisions. To know more about our

policies, please refer to Page 20 and 21 of FY 2021-22 Sustainability report which is available on our website <https://www.indfragbiosciences.com/pdfdownloads/Indfrag-Biosciences-Sustainability-Report-2022.pdf>

Materiality Assessment

Governance at IndBio encompasses oversight of the implementation of our sustainability initiatives, especially those related to material issues. These issues are defined as those that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental, and social value for itself, its stakeholders, and society at large. They were identified through a comprehensive Materiality Assessment conducted using a robust methodology. This assessment is summarised below.



The issues thus identified were mapped on a Materiality Matrix along 2 axes: Impact on IndBio and Stakeholder Influence. The material issues identified through this process are shown below.

Key material issue	Rationale for high materiality	
	Risk	Opportunity
 Climate change - carbon & energy	<ul style="list-style-type: none"> Increased cost of energy sources. Dynamic regulatory landscape. 	<ul style="list-style-type: none"> Increase the use of renewable energy in overall energy share; thereby reducing dependency on fossil fuels. Strategic plan to become carbon neutral/ positive
 Water and waste water	<ul style="list-style-type: none"> Ground water depletion. Dynamic regulatory landscape. Operations in water stressed areas. 	<ul style="list-style-type: none"> Increased rainwater harvesting potential; thereby reducing dependency on fresh water. Strategic plan to become water neutral/ positive
 Product stewardship	<ul style="list-style-type: none"> Increased consumer awareness on the product environmental impact. Reputational risk. 	<ul style="list-style-type: none"> Strategic plan on reducing the product's environmental and social impact. Brand enhancement & market expansion
 Biodiversity	<ul style="list-style-type: none"> Unavailability of raw materials. Regulation and reputational risk. 	<ul style="list-style-type: none"> Uninterrupted supply of raw materials Minimizing the impact on the ecosystem
 Human rights	<ul style="list-style-type: none"> Social un-rest in operations. Operational and reputational risk 	<ul style="list-style-type: none"> Adherence to applicable human rights regulations. Increased productivity and loyalty. Talent retention.
 Customer safety	<ul style="list-style-type: none"> Market and reputation risk. Regulatory risk. Loss of customer base. 	<ul style="list-style-type: none"> Increased communication with the customers through product labels. Increased customer base.
 Governance	<ul style="list-style-type: none"> Susceptible to emerging risks and volatile market. Regulatory, operational, and reputational risk. 	<ul style="list-style-type: none"> Increased accountability and resilience to changing market environment. Seamless operations and continued efforts on sustainability.
 Product innovation	<ul style="list-style-type: none"> Falling behind global peers. Increased cost of manufacturing. 	<ul style="list-style-type: none"> Development of new products in various geographies. Brand image. Increased efficiency and cost savings.
 Risk management	<ul style="list-style-type: none"> Dynamic regulatory landscape. Evolving market scenario. 	<ul style="list-style-type: none"> Adherence to all the relevant laws. Increased resilience to changing market environment.

For details of the Materiality Assessment, please refer to Pages 8-11 of the FY 2021-22 Sustainability report by visiting our website <https://www.indfragbiosciences.com/pdfdownloads/Indfrag-Biosciences-Sustainability-Report-2022.pdf>

Stakeholder Engagement

In addition to engaging with stakeholders during the Materiality Assessment, we engage with them periodically to share updates about IndBio and to understand emerging topics and trends that are of mutual significance.

Appendix

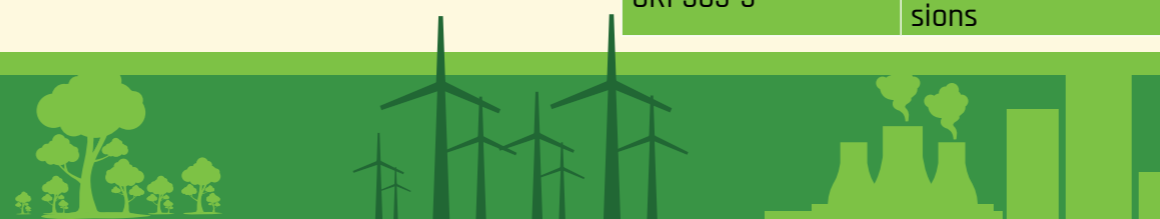
MT	Metric Ton
ISO	International Organization for Standardization
HACCP	Hazard Analysis Critical Control Point
ESG	Environment, Social and Governance
SASB	Sustainability Accounting Standards Board
MSCI	Morgan Stanley Capital International
DJSI	Dow Jones Sustainability Indices
PCPC	Personal Care Product Council
GRI	Global Reporting Initiative
IPCC	Intergovernmental Panel on Climate Change
UEBT	The Union for Ethical Bio Trade
SDG	Sustainable Development Goals
EHS	Environment, Health, and Safety
GHG	Greenhouse Gas Emissions
kg	kilogram
CO ₂ e	Carbon dioxide Equivalent
NAPP	Network of Asia & Pacific Producers
CSR	Corporate Social Responsibility
UNSDG	United Nations Sustainable Development Goals
kW	Kilowatt
GJ	Gigajoule
tCO ₂ e	Tonnes of Carbon dioxide Equivalent
ML	Megalitres
KLD	Kilo Litre per Day

GRI Index

General Disclosure	Description	Reported	Cross Reference/ Direct Answer	Page number
Organization Profile				
GRI 102-1	Name of the organization	Reported	Cover Page	
GRI 102-2	Activities, brands, products, and services	Reported	Organizational profile	9
GRI 102- 3	Location of head quarters	Reported	Our Presence and process	10
GRI 102- 4	Location of operations	Reported	Our Presence and process	10
GRI 102 - 7	Scale of the organization	Reported	Organizational profile, social performance	26, 27
GRI 102 - 8	Information on employees and other workers	Reported	Social performance	26, 27
GRI 102 - 9	Supply Chain	Reported	Sustainable supply chain	17
GRI 102 - 10	Significant changes to the organization and its supply chain	Reported	Organizational profile	9
GRI 102 - 12	External Initiatives	Reported	Sustainability at IndBio-Embracing growth	13, 14
Strategy				
GRI 102 - 14	Statement of senior decision-maker		Managing Director's Message	3
Ethics and Integrity				
GRI 102 - 17	Mechanism for advice and concerns about ethics	Reported	Effective Governance	
Governance				
GRI 102 - 18	Governance structure	Reported	Enhancing Growth	35
Stakeholder engagement				
GRI 102 - 40	List of stakeholder groups	Reported	About the report- Stakeholder analysis	35
GRI 102- 43	Approach to stakeholder engagement	Reported	About the report-Stakeholder engagement and materiality assessment, Sustainable Supply Chain- Supplier assessment FY 23	6, 17

GRI Index

General Disclosure	Description	Reported	Cross Reference/ Direct Answer	Page number
Reporting practice				
GRI 102 - 46	Defining report content and topic Boundaries	Reported	About the report	5
GRI 102 - 50	Reporting period	Reported	About the report	5
GRI 102 - 55	GRI Content Index	Reported	GRI Index	38, 39, 40
Management Approach				
GRI 103-1	Explanation of material topic and its Boundary	Reported	About the report- External requirements	35
GRI 103-2	The management approach and its components	Reported	Sustainability at IndBio, Effective governance, Environmental performance	11, 19, 35
Environment				
GRI 302-1	Energy consumption within the organization	Reported	Environmental performance	20, 21
GRI 302-3	Energy intensity	Reported	Environmental performance	21, 22
GRI 302-4	Reduction of energy consumption	Reported	Environmental performance	21
GRI 302-5	Reductions in energy requirements of products and services	Reported	Environmental performance	21
Water				
GRI 303-1	Water withdrawal by source	Reported	Environmental performance- Water withdrawal	19, 20
GRI 303-3	Water recycled and reused	Reported	Environmental performance- Water withdrawal	19, 20
Biodiversity				
GRI 304-3	Habitats protected and restored	Reported	Biodiversity	23
Emissions				
GRI 305-1	Direct (Scope 1) GHG emissions	Reported	Environmental performance- Emissions	22
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Reported	Environmental performance- Emissions	22
GRI 305-3	Other indirect (Scope 3) GHG emissions	Reported	Environmental performance- Emissions	22
GRI 305-4	GHG emissions intensity	Reported	Environmental performance- Emissions	22
GRI 305-5	Reduction of GHG emissions	Reported	Environmental performance- Emissions	22



GRI Index

General Disclosure	Description	Reported	Cross Reference/ Direct Answer	Page number
Waste				
GRI 306-1	Waste generation and significant waste related impacts	Reported	Environmental performance- Waste	23
GRI 306-3	Waste generated	Reported	Environmental performance- Waste	23
GRI 306-4	Waste diverted from disposal	Reported	Environmental performance- Waste	23
Social				
GRI 403-5	Worker training on occupational health and safety	Reported	Social performance- Occupational Health and Safety	32

