



*Biological E. Limited*  
Celebrating Life Everyday

SUS  AINING  
| THE CHANGE

Sustainability Report 2016-17  
GRI G4 - In Accordance - Core



Ms. Mahima Datla has been chosen as "Champion of Change" by the Government of India

SUS | AINING  
THE CHANGE

# CHAMPIONS OF CHANGE

Transforming India through G2B Partnership

Interaction of Hon'ble Prime Minister of India with Young Entrepreneurs and Start-ups  
16-17 August 2017, New Delhi



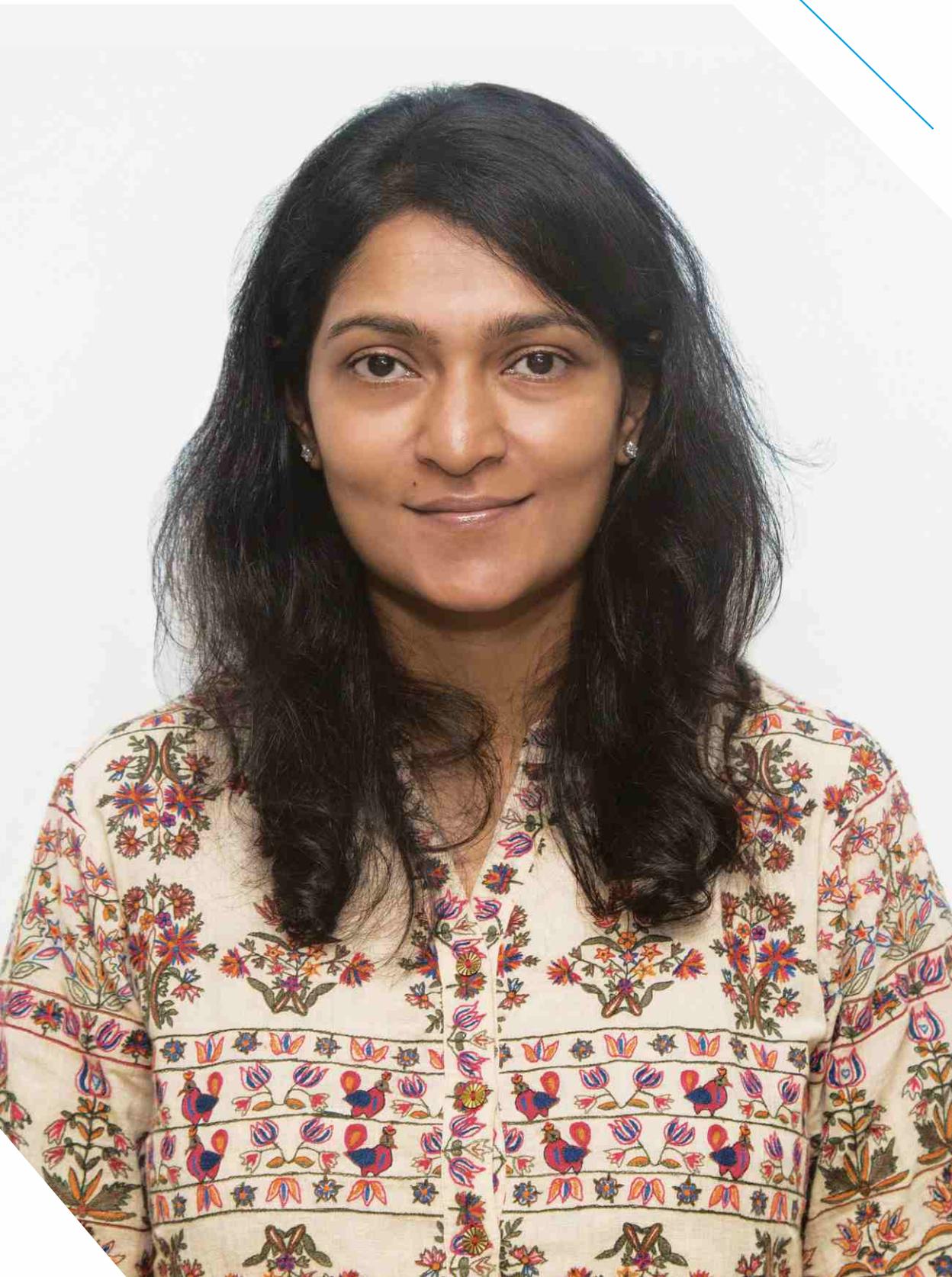
Our Managing Director, Ms Mahima Datla (Second from second row left side) was one of the chosen Champions of Change by the National Institution for Transforming India (NITI Aayog), Govt of India





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## Message from Managing Director (G4-1)

Dear friends and colleagues,

It gives me a great pleasure to connect with you again through our annual sustainability report for the year 2016-17. This report is a transparent disclosure of the sustainability journey that we have undertaken over the years as part of our commitment to the society, environment, our customers and value chain partners. Our values of Integrity, Quality & Safety, Customer Focus, Collaboration, Efficiency and Respect for individual, reflect our commitment to our stakeholders.

For us, sustainability means implementing our strategy and delivering the targets we set for ourselves in a way that promotes the good long-term health of our business, our society and our planet. There is a growing and rightful awareness among government, civil society and corporates that effective measures are needed to protect the environment for future generations and to uplift the underprivileged sections of society for equitable and sustained economic growth. This requires a collaborative approach where all stakeholders come forward and contribute to this common goal.

We work and live in a world facing a growing number of challenges. The key sustainability challenges faced by the industry in general include climate change, resource scarcity, product safety, occupational health and safety, supply chain and workforce management. Our sustainability agenda is driven by a consistent focus on these challenges.

Our environmental strategy focuses on conservation of natural resources, prevention of pollution and reduction of waste. We continue to adhere to internationally



recognized environmental and safety management systems across our manufacturing locations. At the product level, our focus has been on meeting our customer requirements cost effectively. Our people agenda is focused on providing and enabling a safe working environment along with a fulfilling career.

I am confident that our sincere efforts in this direction would go a long way towards environmental and socio-economic sustainability and prosperity for our society. I would like to take this opportunity to thank all our valued stakeholders for their ongoing support.

As always, we welcome your feedback on this report.

Best Regards,



Mahima Datla





# Message from Senior Leadership

(G4-1)

Dear Readers,

I am elated to share with you our sustainability report for 2016-17. We at Biological E Limited strongly believe in the transcendence sustainability holds and with the idea of giving back to the society.

The progress BE has made over the past 60 years could be attributed to the social, responsible and sustainable culture we have ingrained in our company. With sustainability being part of our business strategy, I am proud to see the sustainability spirit in BE accelerating and our teams increasingly working on more complex and impactful sustainability programmes across all our facilities. Our release of the sustainability report at this prime time is in tandem with our timely entry in the regulated markets.

At Biological E Limited, we aim at helping people to lead healthier lives through our various lifesaving vaccines and pharmaceuticals. Our customers, employees, partners and society will uphold us for the highest business standards, continuously enhancing the quality of our products. Operating ethically and sustainably is not just a responsibility; it is a fundamental enabler of the success of business.

As part of our commitment to the global sustainability initiatives, we see UNSDG (United Nations Sustainable Development Goals) as an overarching framework that can help us to improve, communicate and report on our sustainability strategies, goals and initiatives. Our strategic engagement and activation solutions has helped us build unforgettable online and offline experiences that foster behavioural change, inspire action and educate to enhance sustainability performance.

Our sustainability report re-emphasises our commitment to communicate transparently with our stakeholders. We hope to accurately reflect our position and bring our customers, staff, suppliers and many other stakeholders, with us on this journey towards a more sustainable future. We believe that this journey of ours would be augmented to success by having the galvanised collaboration of our stakeholders by our side.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Narender Mantena'.

**Narender Mantena**





# Message from Senior Leadership

(G4-1)

Dear Readers,

I am delighted to share our 2016-17 Sustainability report, which consolidates our sustainability performance, details our plans & progress and demonstrates our commitment towards our stakeholders.

We have come a long way since we rolled out our first batch of vaccines. We followed a collaborative business approach and achieved new benchmarks in quality, productivity, customer satisfaction and people practices. We treated our suppliers and vendors as critical partners, supporting them with technical know-how and initial hand holding. In turn, we were blessed to have them stand by us in the challenging times we faced and grew with us. Our employees have demonstrated exceptional commitment in helping us reach where we are today.

BE has shown remarkable flexibility and adaptability during its journey of over five decades. It has managed to meet changing customer requirements by offering relevant products from time to time and expanded its sales network across the globe. The global Vaccines market is expected to reach USD 40.03 Billion by 2021. Indian Ministry of Health is expected to introduce new vaccines to the EPI Schedule which will significantly increase the opportunity size for vaccine manufacturers in India. In the last couple of years, we have grown close to 34% CAGR by the end of FY 2016 – 17.

We believe that the essence of Corporate Social Responsibility for a business like ours is our business itself, which contributes to patients worldwide through leading innovation in medicine. In addition, we are stepping up our activities, guided by long-term international targets such as the Sustainable Development Goals (SDGs). Improving access to affordable healthcare has emerged as an important theme in this regard, and we are in the process of formulating a new Access to Affordable Medicines strategy as our commitment to the UN Sustainable Development Goal of Good Health and Well-Being (SDG 3). This new strategy will be built on our existing products and the products that are in pipeline focusing on the geographic and therapeutic areas where unmet medical needs are highest.

While we have been working towards being a best-in-class global vaccine manufacturer, we have now started formalizing and documenting the entire strategy and approach, which also brings us closer to developing our Vision 2025 Sustainability strategy. Our endeavor is to make sustainability a way of life where all business decisions are taken in consideration of their impact on the environment and society, in addition to the return on investment. Together with our business partners, we intend to bring more focus on issues impacting the environment and society.

As we advance steadily towards the realization of this vision, we will ensure to simultaneously create and sustain our corporate value through responsible business processes that are grounded in integrity.

This Report is a means of identifying areas of improvement, sharing good practices for mutual learning and moving forward step by-step on the journey towards sustainability. I will be delighted to receive your valuable feedback or suggestions for improvement.

Best wishes,

**Lakshminarayana Neti**

Chief Operating Officer –  
Vaccines Business Unit





## Message from Senior Leadership

(G4-1)

Dear Stakeholders,

I am pleased to share with you the 2016-17 sustainability report. With this report, we have tried to capture and share the sustainability performance with our valued stakeholders. While this report focuses on the performance of the vaccines and Pharma business, we endeavor to present you our sustainability commitments and performance in the coming years ahead.

It has been four decades since Biological E Limited as a company, focused on building its pharmaceutical business in India. Our core competencies include development, manufacturing and marketing of pharmaceuticals. We have dedicated manufacturing facilities for Liquid Orals and Syrups, Parenterals and Active Pharmaceutical Ingredients and continue to invest in world-class facilities that will be in accordance with US FDA and EMEA standards.

Over the last few years, we have embarked on a plan to expand the geographical footprint of our Pharma Division. While the focus of this effort will be on the development and commercialization of Complex Generics, we also plan to develop routine injectable products in parallel to build a portfolio of both complex and routine injectable products.

The company's new API facility and the formulation facility commenced its operation in Q2 2017. The formulation facility is equipped to handle injectable products in vials and pre-filled syringes. The emphasis of this new initiative is primarily on the regulated markets, though the company will explore other markets as well as it continues to evolve.

Our commitment to providing and supporting affordable healthcare solutions goes beyond the products we make. For us, it is all about institutionalizing a belief and a way of doing business, sustainability therefore to us not

just means meeting the needs of today without compromising the needs of future generations but also means focusing on building a business process that is at par, and with a mindset that is long-term, while investing in superior-quality assets and the best people. We have built our business processes on the foundation of operational excellence, with a strong innovative products pipeline and a sustainable business model that is accretive for all our stakeholders.

We look at our stakeholders as our partners in our success especially the end-users of our products are one of our key stakeholders and our business development teams regularly interact with them to seek feedback. Our R&D team incorporate such feedback while developing or modifying our products.

By incorporating sustainable business practices in the DNA of our organization, we aim to succeed with 'best-in-class' performance in all aspects of our business. The future looks bright and we are confident that we will scale greater heights and set new benchmarks as a global leader.

With Warm Regards,

**Madhu B**

Chief Operating Officer –  
Pharmaceuticals Business Unit

# Company Overview

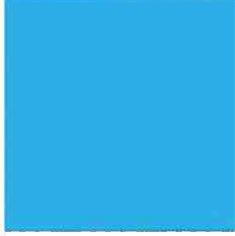
(G4-3, G4-7)



Biological E Limited is a leading, world-class Biologics and Pharmaceutical Company with an impressive range of healthcare products. Being the first private sector biological products company in India and the first pharmaceuticals company in southern India, producing bulk drugs to cutting edge genetic and cell-based technologies, **we supply most of the essential and lifesaving drugs to Central and State Government Hospitals, Public Sector Undertakings, the Indian Armed Forces and the domestic retail market.**

Biological E. Limited is a pioneer in the vaccine industry in India. It has always displayed the vigor, energy to surmount ever higher peaks and the vision to constantly expand its horizons. Our International division provides a global-access to high quality innovative products and caters to the health and well-being of people worldwide. We are also a pioneer in the preventive medicines sector. Biological E Limited is now a serious participant in the exciting new face of medical science - Gene Therapy.

We are a company driven by knowledge – a huge pool of talent that gives us the competitive advantage to make an impact in the global markets. Our unequalled values and a quality customer-centric policy forms the basis of our investments in systems and infrastructure. **We take pride in our historical and on-going partnership with the Government of India in the National Immunization Program of the country.** This enables us to provide access to critical vaccines to millions of children in India.

	<b>2 Billion</b> vaccine doses delivered worldwide		<b>WHO GMP Certified</b> <small>In the process of WHO Pre-qualification and filing with other regulatory agencies such as the USFDA, MHRA and EMA</small>	
			<b>Biologics Pharmaceuticals Active Pharmaceutical Ingredient</b>	
<p>Biological E is committed to the societies we operate in and to the environments we inhabit. We believe in equal employment, transparency and responsible business and community practices that allow us to deliver quality products and services to people across the world.</p>		<p><u>Markets</u> India Asia USA Latin America and the CIS countries</p>		

## Our Mission

Improve health & survival of people by providing equitable access to quality vaccines & pharmaceutical products.

## Our Vision

By 2025, become the largest Indian vaccines company and be among the top few Indian companies in complex generics & specialty pharmaceuticals.





Our milestones through six decades is presented below

Incorporated as Biological Products Private Limited. Pioneers manufacturing Heparin in India

1953

Becomes 1<sup>st</sup> Indian private Company to enter Vaccine field

1962

Becomes one of the 1<sup>st</sup> Indian companies to manufacture anti-TB drugs

1970

Launch of veterinary products in collaboration with Slovac & CIE, Belgium

1988

BE becomes a wholly Indian Company

1995

Launches Natural Products Division with increased focus on APIs

1996

Begins R&D leading to in-house manufacture of HBV & HiB

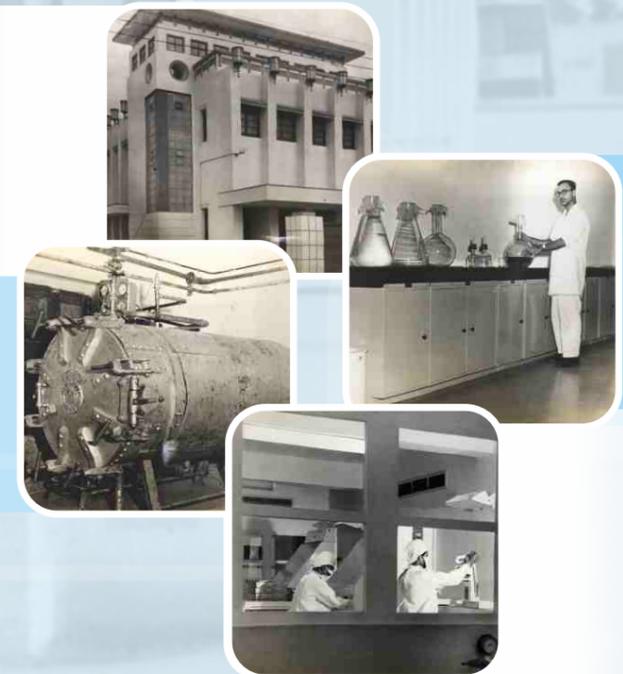
2000

Development of novel vaccines for vector borne and enteric diseases

2004

Acquires license to manufacture Rotavirus (Human Bovine Construct) from NIH

2005





Ms. Mahima Datla, was elected as the President of the Developing Countries Vaccine Manufacturers Network (DCVMN) at its 17th Annual General Meeting in Argentina

Ms. Mahima Datla has been chosen as "Champion of Change" by the Government of India for Transforming India through G2B Partnership

Filed 9 patents in India, US and Europe

TT/Td vaccine export touched an all-time high of 90 million doses (Td –53 mds & TT–37 mds) during the last Financial Year

Received Authorized Economic Operator (AEO) T2 certificate from the Ministry of Finance, GoI

Won EPI (Expanded program on Immunization) Tender, while we expand our reach across the globe, we also endeavor to have strong roots in our home country and the EPI win secures that for us skilling

Released our First Sustainability Report for the year 2015-16

Successfully completed the WHO Audit

Successfully renewed our OSHAS 18001 and ISO 14001 management systems

As a sustainable organization and in order to judiciously use our water resources, our facilities were augmented with ETP and STP which have contributed greatly to water saving

Received Certificate of Appreciation from Indian Red Cross Society for services rendered in blood donation camps organized in BE's facilities

BEEP (BE's Employee Portal) won Association of Business Communicators of India (ABCI) award for the 3<sup>rd</sup> consecutive year

## Our Achievements in 2016-2017

## Our Sustainability Strategic Goals for next Five Years

Goal	Description	Short Term Implementation	Long Term Implementation
Investment	Investment for developing the new facilities and new products to enhance its capacities	To be Invested 300 Cr by end of FY 2018-19 in Vaccines Business	Investment of 1000 Cr in Vaccines Business for developing new facilities by 2022
Operational Excellence	Implementation of Operational Excellence in our manufacturing facilities	To be implemented in all vaccines division by 2020	To be implemented in all Business divisions by 2022
Energy Management	Implementation of ISO 50001	To be implemented in Shameerpet during the financial year 2018-19	To be implemented in all Business divisions by 2022
Water Management	Conduct water audits and water balance assessment	To be implemented in Shameerpet during the financial year 2018-19	To be implemented in all Business divisions by 2022
EHS Management Systems	Implementation of ISO14001 and OHSAS 18001	To be implemented in all Vaccine Manufacturing Plants by 2020	To be implemented in all business units by 2021
Zero Accidents	Continue to focus on Zero Accidents through establishing a comprehensive incident reporting system	To be implemented in all the vaccines manufacturing units	To be implemented in all business units by 2021
Policy Implementation	To roll out policies on biodiversity, human rights, Code of conduct, and non-discrimination	To develop and implement the Code of Conduct for Suppliers and vendors during the FY 2018 - 2019	To develop and implement all the applicable policies by 2021
Employer of Choice	To become the employer of choice in the pharmaceutical sector by connecting with the employees through Inspire, Ignite and Involve as a pillars of employee relations	Implement the BE Connect concept which includes Inspire, Ignite and Involve as a pillars at Shameerpet facility during the FY 2018-19	To be implemented in all business units by 2022  To be among the top 5 in the pharma sector by 2020

## ComBE Five<sup>®</sup> (Liquid)

(DTwP - rHepB - Hib)



## JEEV<sup>®</sup>



## BEVAC<sup>®</sup>

Hepatitis B Vaccine (r-DNA) I.P.



## HiBE<sup>®</sup>

Haemophilus Type b Conjugate Vaccine IP (Lyophilized)



## TRIPVAC<sup>®</sup>

Diphtheria, Tetanus and Pertussis Vaccine (Adsorbed)



## BE Td<sup>®</sup>

Diphtheria and Tetanus Vaccine (Adsorbed) for adults and Adolescents I.P.



## Our Product Portfolio (G4-4)

Our business model has three core dimensions comprising of Biologics, Pharmaceuticals and Bulk Antigens. Through these strategic divisions, the company is able to address the needs of the domestic markets as well as international markets in Asia, the CIS countries, the USA, and Latin America.

### Biologics

From its maiden products in classical biologics such as Heparin, we continue to innovate and develop new age genetically engineered biologics. We produce and market a range of paediatric and adult vaccines and has a significant market share in the Indian vaccine market. In a short span of a decade, we have delivered over 1.5 billion doses of vaccine towards the immunization needs in India. We bring an enormous breadth of biologics ranging from bacterial vaccines – toxoids to polysaccharide conjugates and cell-culture viral vaccines to recombinant proteins. Our current research focus comprises of developing low molecular weight heparins (LMWH), conjugate vaccines and a portfolio of flavivirus vaccines for unmet needs.

The following are the vaccines developed and produced by BE:

#### A WHO Pre-qualified:

DTwP-HepB-Hib(Liquid)  
DTwP-HepB-Hib(Lyophilized)  
TT  
DTwP  
Td  
JE

#### B Others:

DT  
HepB  
Hib  
DTwP-HepB

**DTwP** - Diphtheria, Tetanus, Whole-cell Pertusis

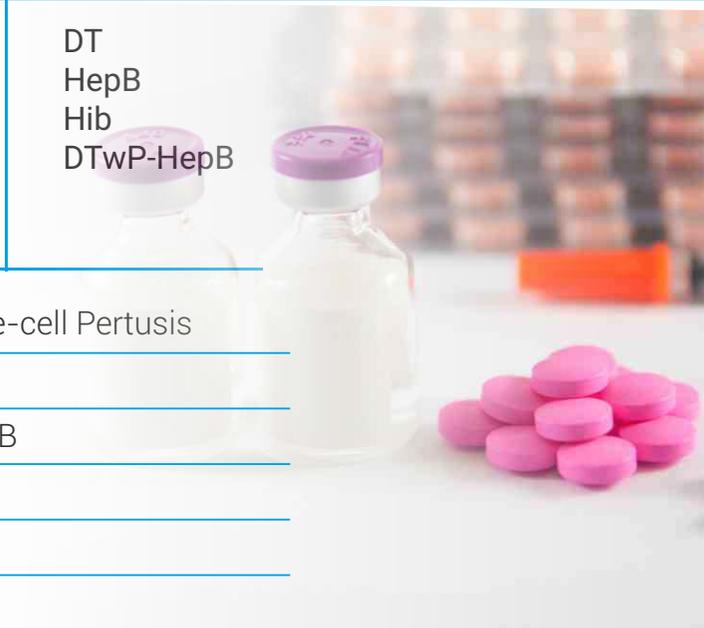
**HepB** - Hepatitis B

**Hib** - Haemophilus influenza type B

**TT** - Tetanus, Typhoid

**Td** - Tetanus and Diphtheria

**JE** - Japanese Encephalitis



### Pharmaceuticals

We have a broad range of pharmaceutical formulations – oral dosages as well as injectables. This range of branded formulations encompass therapeutic segments of Non-Narcotic Cough Preparations, Digestive Enzymes and Vitamins, Anti-coagulants and Liver extracts, Anti-Infectives & Antibiotics and Haematenics.

#### Active Pharmaceutical Ingredient (API)

Strategically, the API division of BE supports the captive consumption needs of the company. Specializing in alkaloids such as Noscapine and its derivatives and biologics such as Heparin, LMWH and PSGAG (Chondroitin Sulphate), BE has committed significant investments to ensure a sustainable quality supply for the global markets.



MALIPORE  
Control system with Tank, 230V  
Control No. - CM06230  
Model No. - BM4HA1691  
Serial No. - 2257  
- 1 -  
Bioprocess Division, Biotech, Westchamber DMET  
Made in India  
Malipore Corporation, Malipore, Andhra Pradesh

RECORDER (XC0A1)      WEIGHT SCALE (WE01 (XC11))      TRANSFER PUMP (PD02 (XC4))      ETHERNET (XC01)

7104BR-03A

## Research and Development

In the year 2006, we commissioned a state-of-the-art cGMP manufacturing facility at SP Biotech Park in Hyderabad to produce vaccines and biologics meeting international standards. This facility enables us to enhance capacities for our existing vaccines, create largescale manufacturing capacities for new vaccines that are in the R&D pipeline and most importantly, create access for our products across the world, especially in regulated markets. We have a dedicated research & development facility, with 112 experienced scientists and research experts committed to the development of various vaccines and recombinant proteins.

Our R&D team is engaged in process development, process improvement, formulation and analytical development. Our R&D facility is recognized by Department of Scientific and Industrial Research, Government of India.

In 2016-17, we launched two products namely Liquid Pentavalent Vaccine in Pre-filled syringes and Japanese Encephalitis Vaccine in Pre-filled syringes (3 mcg & 6 mcg). Our product development pipeline includes various bacterial polysaccharide and conjugate vaccines, viral vaccines and recombinant protein therapeutics.



### Snapshot of our R&D Center

Number of Centers	3
R&D Workforce	112
Area dedicated to R&D (sq. m)	2232.8
Total Investment (INR in millions)	8.98



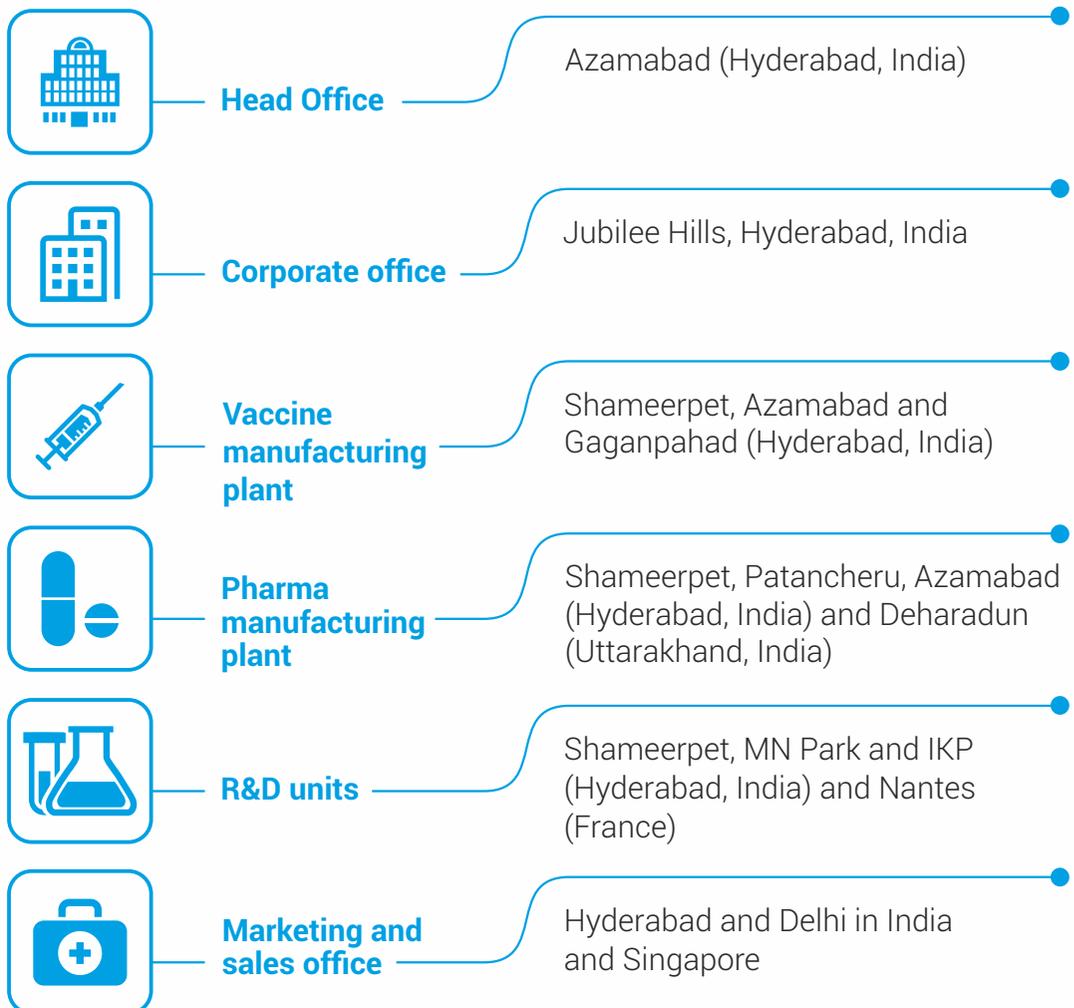
We conduct our own extensive pre-clinical research to support our research & development and regulatory programs. This research focuses on efficacy and toxicity models. Our pre-clinical testing facilities are designed to meet GMP regulations and provide for the containment of individual experiments. Our Clinical and Regulatory Affairs department engages in conducting Phase II to Phase IV clinical research programs for international markets, in compliance with ICH-Good Clinical Practice (GCP) guidelines.

We have a commitment to the philosophy of total quality which has been implemented through a well-defined and evolved quality management system. Quality Operations at BE are controlled by an independent Quality Assurance department. In addition to WHO GMP certifications, we are currently in the process of filing with other regulatory agencies such as the USFDA, MHRA and EMEA.



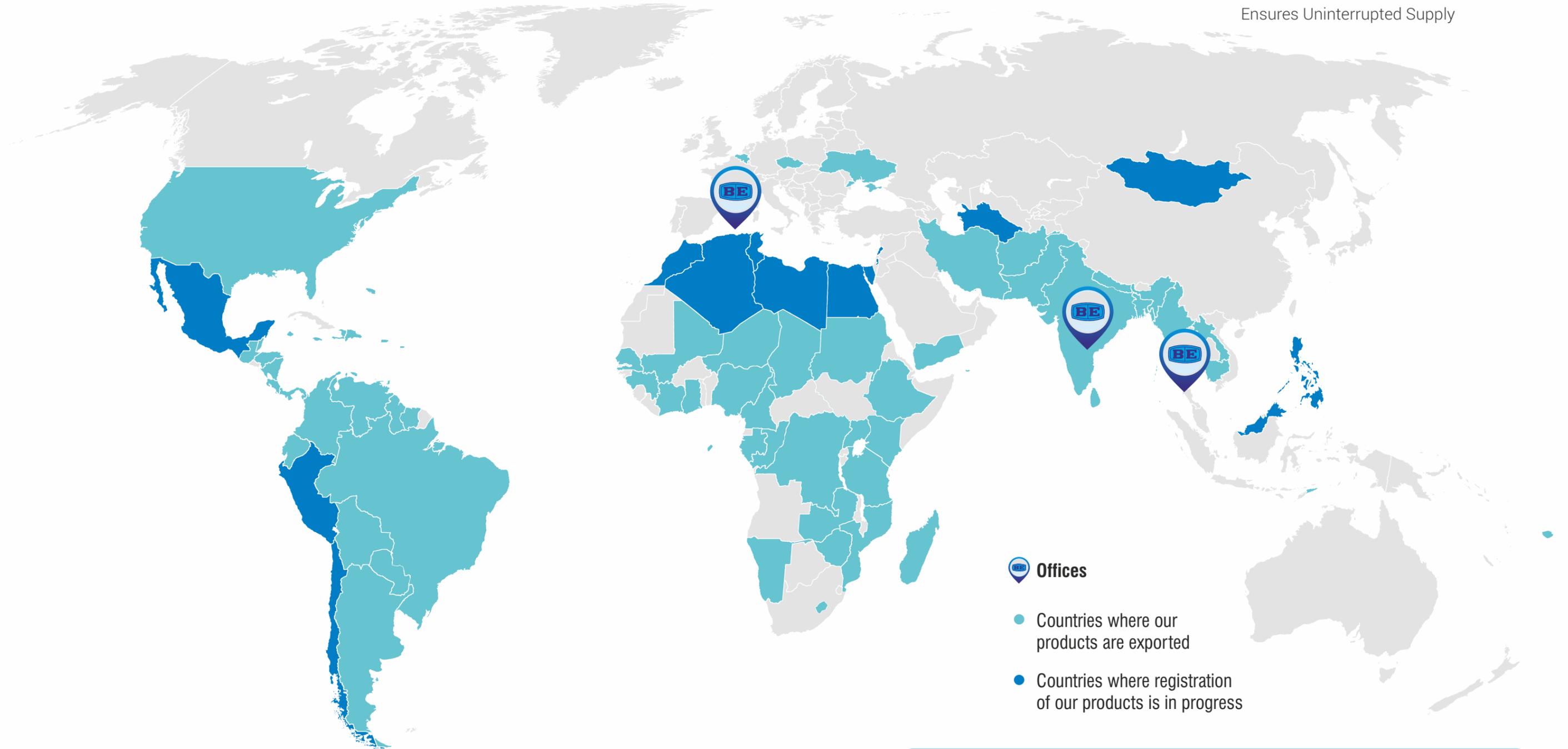


# Our Geographic Presence (G4-5, G4-6)



## GLOBAL PRESENCE IN 100 COUNTRIES

Ensures Uninterrupted Supply



**Offices**

- Countries where our products are exported
- Countries where registration of our products is in progress

In February 2017, we laid foundation of our upcoming SEZ vaccine plant in Shameerpet which is expected to be commissioned in 2018. During the reporting period we expanded our Pertussis block and MMR (Measles, Mumps and Rubella) block at Shameerpet India.



Sales Meet





# Our Market Presence (G4-8, G4-9)

Majority of BE's revenue comes from the sales of vaccines. Our global market reach in terms of vaccine export is to 80 countries. The D.R. Congo, Brazil, Ethiopia, Sudan, Pakistan, Afghanistan, Algeria, Nigeria, Mozambique and Argentina are the major countries of export. During the reporting period, we supplied 396.44 million doses of vaccines.

**Net Sales 2016-17: INR 108.21 Million**

**Equity:** INR 13.656 Billion

**Debt:** INR 3.079 Billion

**Total Production 2016-17:**

Vaccines- 430.09 Million doses

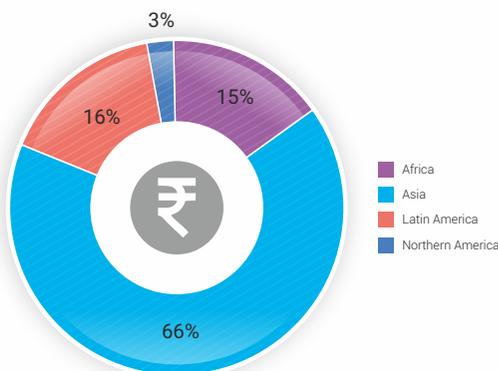
Sera and other biologics- 0.645 Million vials

**Total Quantity of products supplied/sold 2016-17:**

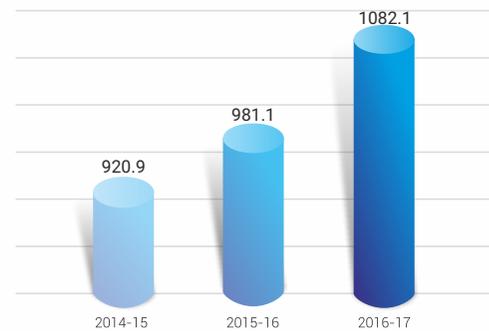
Vaccines- 396.44 Million doses

Sera and other biologics- 0.538 Million vials

2016-17 Sales (%) by Region



Net Sales in Crores



Abbreviations: D.R Congo -Democratic Republic of Congo

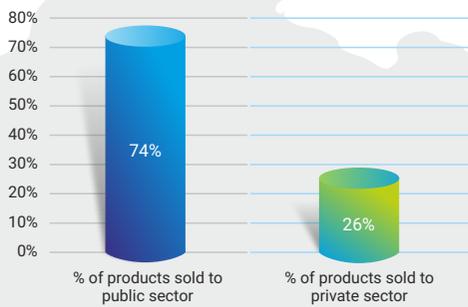
Our valued customers are Government of India, UN organizations like UNICEF, PAN American Health organization etc. Few of our key Government of India customers include:

- Director of Health Services (DHS)
- Government Medical Stores Depots (GMSD)
- Indian Railways
- Employee State Insurance Corporation (ESIC)
- Director General of Armed Forces Medical Stores (D.G.A.F.M.S.)
- Municipal Corporation Hospitals/Dispensaries





### Percentage of Products Sold



Our TT/Td vaccine export touched an all-time high of 90 million doses during the reporting period. We have so far exported 257 million doses of Pentavalent globally after attaining the WHO PQ. Also, we have commenced exports of DTP, HepB and Td in Middle Income Country markets, in addition to Pentavalent & TT which we have been exporting in the past.



Gents  
Change Room  
(Below Executive)

Ladies  
Change Room

Laundry

Men's  
Locker Room

Women's  
Locker Room

Men's  
Entry

Women's  
Entry

Men's  
Locker Room

Men's  
Locker Room

Men's  
Locker Room

Men's  
Locker Room

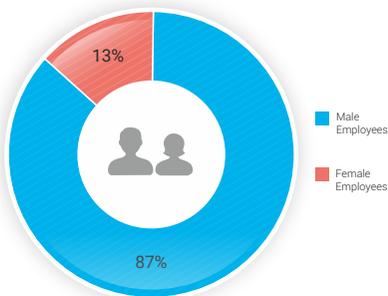


# Our Workforce (G4-9, G4-10, G4-11)

We are a team of 3422 qualified professionals working together in vaccines and pharma units to be the sector leader.



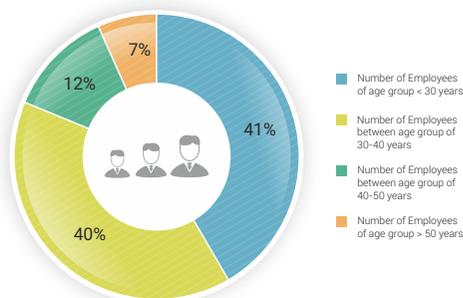
## Gender wise Break up



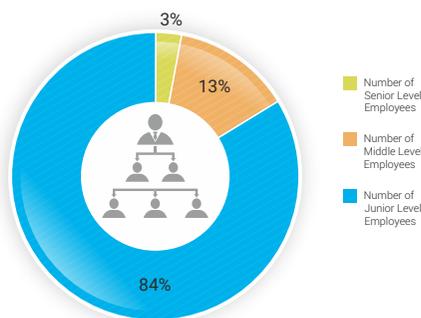
We have only one employee union in our organization. While 44 employees i.e. 3.5% of the total employees from pharma division covering Azamabad, Patancheru and Gaganpahad facilities are part of employee union, there are no employees from vaccine division covered under any collective bargaining terms.

We recruit new graduates through our campus placements programs encouraging new and young talents. We provide benefits and compensation varying with the qualification and level of experience. We provide an equal opportunity and embrace diversity in race, nationality, religion, age, gender and physical ability.

## Age wise Break up



## Position wise Break up



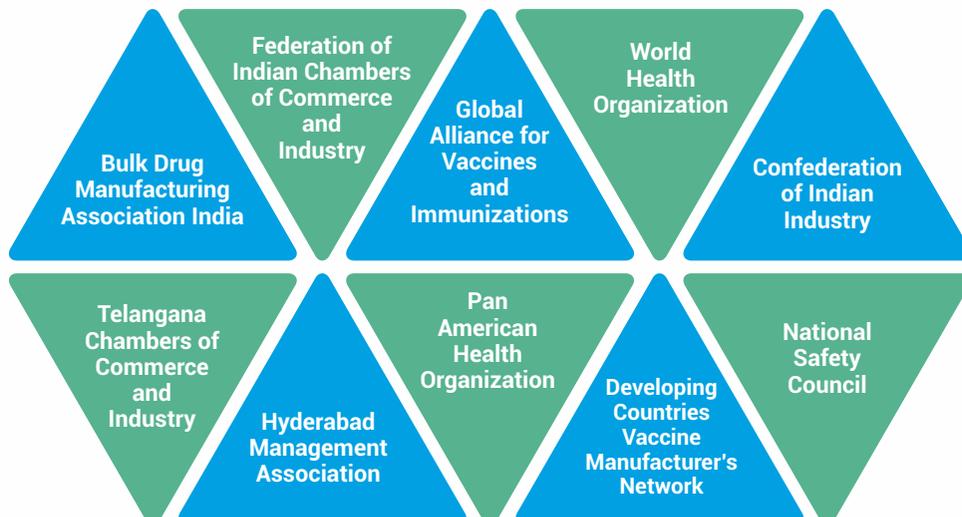


# Membership, Association, Societies and Industry Bodies (G4-15, G4-16)

We actively collaborate with industries and research institutions across the globe.



## Our Memberships and Associations





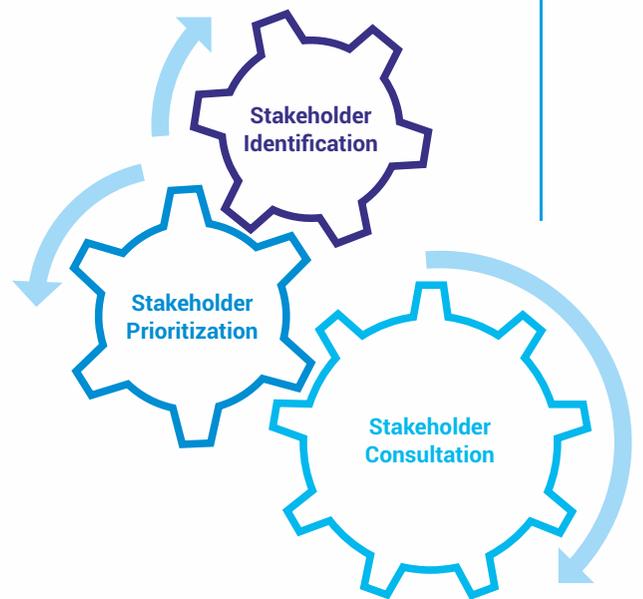
# Stakeholder Engagement & Materiality Analysis

(G4-17 to G4-27)

## Stakeholder Engagement

At Biological E., we believe that stakeholder engagement is the key to sustainable growth that helps in fostering long term relationships. Creating shared value with our stakeholders and society plays an important role in our continued success. We also understand that not all stakeholders have direct business engagement with us but are significant in the broader context of Sustainability. For us, all those individuals and/or groups that impose operational, legal, financial or ethical requirements on BE are our stakeholders. We have applied the GRI's reporting principle on stakeholder inclusiveness for the identification of stakeholders, the extent to which a person or group is affected by our decisions or can, in turn, affect these decisions.

We have defined clear lines of responsibilities and engagement channels for refining our stakeholder interactions. In addition to performing the established conventional interactions like investor relations meetings, employees & business partners surveys, procurement & corporate communications through newsletters and brochures, the Sustainability team coordinates the dialog with the civil society.



Employee



Customers



Business Partners  
(Supplier & Vendors)



Regulatory  
Authority



Employee  
Union



Local  
Community



Media



Academia



Knowledge  
Partners



Industrial  
Associations

We proactively engage with stakeholders formally and informally to share information, discuss company's priorities, programs and performance, and determine opportunities to collaborate to work towards common goals. We are also in the process of developing the Sustainability strategy and we believe that these stakeholder interactions will be elemental in calibrating the strategy and shaping this report.

To identify the topics that are of utmost importance to our stakeholders as well as our business we have initiated the stakeholder interaction in a phased manner. The stakeholders' concerns are also responded during these interactions. In the current reporting year we interacted with our employees, business partners (suppliers and vendors), regulatory authorities and local community. We plan to engage with our other stakeholder groups in the next reporting cycle.



Stakeholder Groups	Mode of Engagement	Frequency of Engagement
Employee	Employee surveys	Half yearly
Employee Union	One to one meetings	Need based
Customers	Customer satisfaction surveys	On-going
Business Partners	Vendor & supplier meets, surveys	On-going
Regulatory Authority	One to one meetings	Need based
Local Community	One to one meetings	Need based
Media	Press releases	On-going

## Materiality Analysis

The insights gained from stakeholder engagement process helped us to identify the sustainability challenges and opportunities which are relevant to our business as well as our stakeholders. We believe that these material issues are the crux of our Sustainability Report as it reflects our vision, action plans and progress towards the different key challenges faced by us across various aspects of sustainability.

During the reporting cycle, we conducted a comprehensive materiality assessment based on the Global Reporting Initiative's (GRI) Reporting Principle and Guidance for Defining Content in the G4 Sustainability Reporting Guidelines.

In determining the content of this report, we engaged external and internal stakeholders at BE through various workshops to identify relevant sustainability topics to our stakeholders and to our business. We also considered the following factors in shaping this report:

- Key risks and opportunities in our sector
- Our commitments
- Factors essential for our success including our values, policies, strategies, goals and targets.

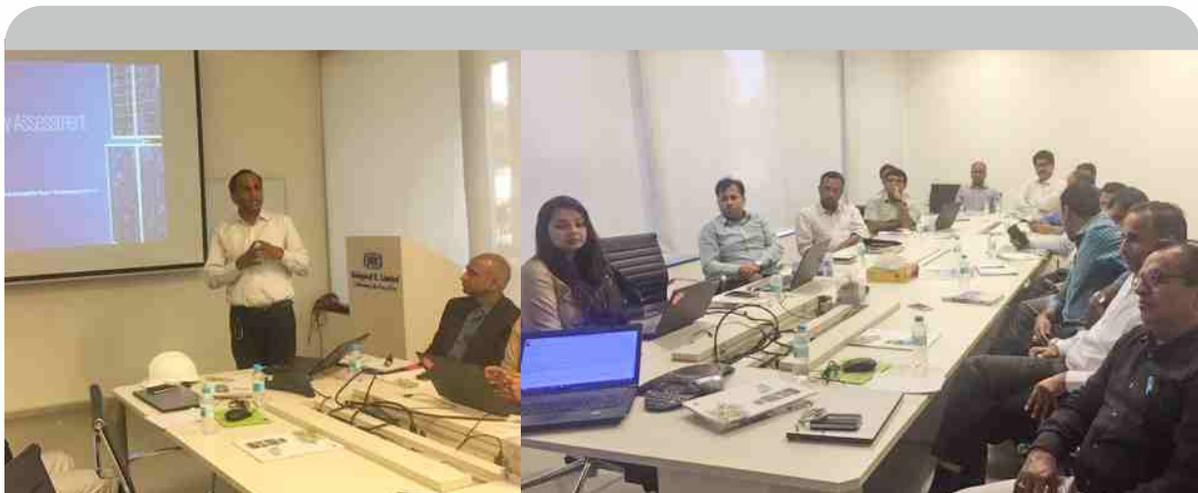
We initially identified over 40 material topics which were finally screened and prioritized to 12 topics that were important to our stakeholders and for our organization's success. This report includes a



Disclosure on Management Approach (DMA) for every material topic identified under very high category.

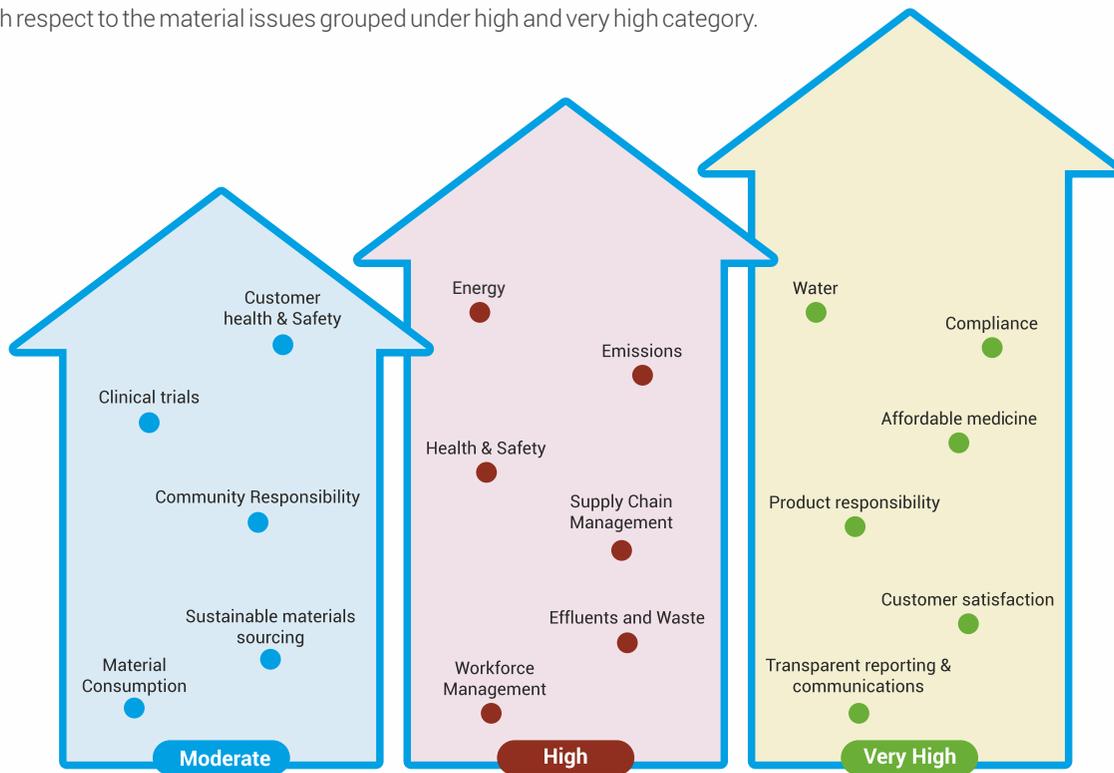
Our process for conducting the materiality assessment is outlined below.

1. Identification and compilation of issues/aspects relevant to BE through an extensive study of the material issues:
  - a. identified by global peers
  - b. identified in the GRI sectoral guideline
  - c. identified through stakeholder interactions
  - d. identified by the core sustainability team of BE
2. Seek inputs from the senior management on the issues/ aspects that are significant to BE.
3. The relevant aspects were then prioritized into moderate, high and very high based on the criticality of the identified issue/aspect.
4. Following the prioritization, the material aspects were reviewed and validated by the senior management of BE.



Sustainability Materiality Analysis Workshop

The matrix below is the presentation of the outcome of our assessment. In the current reporting period we have disclosed our performance and commitments with respect to the material issues grouped under high and very high category.



## Disclosure on Material Aspects

S. No.	Material Aspects	Aspect Boundary	Information Available in Section
1	Water	Within the organization	Environmental sustainability
2	Compliance	Within the organization	Environmental sustainability
3	Affordable medicine	Outside the organization	Economic sustainability
4	Product responsibility	Both within and outside the organization	Product responsibility
5	Customer satisfaction	Outside the organization	Product responsibility
6	Transparent reporting & communications	Outside the organization	Product responsibility
7	Energy	Within the organization	Environmental sustainability
8	Emissions	Within the organization	Environmental sustainability
9	Effluents & waste	Within the organization	Environmental sustainability
10	Supply chain management	Both within and outside the organization	Supply chain sustainability
11	Health & safety	Within the organization	Workplace sustainability
12	Workforce management	Within the organization	Workplace sustainability



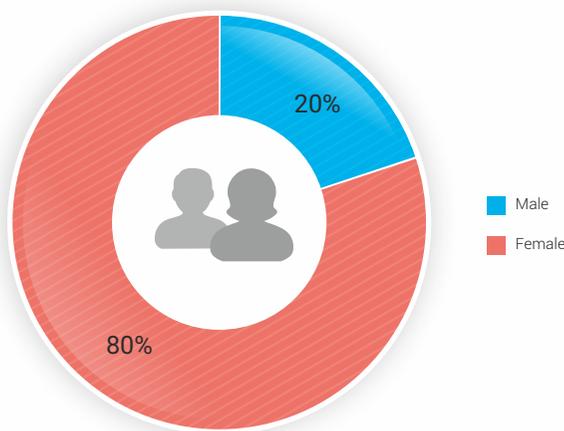
# Corporate Governance

(G4-34)

We adopt sustainability as a pathway to enhance our performance in environment, economic and social sectors. Effective governance structure helps us to evince our environment, economic and social performance to our stakeholders and maintain a good relationship with them. And it also helps us to identify risks and opportunities in each of the environment, economic and social sector. Our governance committee comes up with strategy to meet corporate goals. Based upon the strategic plan, the governance committee forms principles and frameworks to attain those.

Our governance is overseen by our Board of Directors comprising of highly qualified professionals with a wide range of expertise and skills. In the year 2016-17, BE's Board consisted of five members.

## Board Members-gender-wise Breakup



Board exercises authority in designing a basic framework of structure and delegates substantive powers to Managing Director. The entire senior management team directly works with Managing Director. The execution of strategy, allocation of reward and award practices, retention of talent, encouraging innovation, hard work, and developing leadership etc. are all the functions of Senior Management. The senior management is given full functional freedom and autonomy to operate and they will be made accountable for their individual function's operational targets.

The Board meets regularly to discuss achievements, risks and opportunities, environmental, economic and social impacts with all the functional heads accompanied by the finance and market team heads to get an overview of the Company's performance. Our governance process are designed to keep all Board members informed about the significant economic, Environment and social issues which can impact the company.



CFO Message

Dear Stakeholders,

At Biological E. we have been operating to provide the affordable medicines to the needy with sustainable growth, and contribute to our country's economy and global sustainability journey.

Sustainability unlocks opportunities for greater capital productivity through reducing compliance, operating and product development costs; optimizing supply chains; boosting employee productivity; driving business processes improvement; reducing cost of capital; and opening new financing options and overall the corporate functions in a reduced risk environment.

We at Biological E. shape our company's actions in line with current macro-economic developments that the Indian economy may experience from time to time, and manage predictive system which deals with real data. We follow our budget plans meticulously and tap into our investment feasibility efforts diligently, while striving for continuous economic sustainability.

Best regards,  
Chirag Mehta



## Board of Directors

### Scientific Advisory Board



### Scientific Advisory Board (SAB)

Our Scientific Advisory Board consists of distinguished academic and industry researchers who are involved in conducting the scientific and technological review of all the Research and Development activities undertaken by us internally. SAB meetings are organized to discuss the solutions to problematic areas, way forward in R&D and helps to provide an "open market" view of where the organization should focus to be competitive in the market.

### Institutional Bio-Safety Committee



### Institutional Biosafety Committee (IBSC)

This is a Statutory Committee that operates from the premises of the institution. The committee includes the Head of the Institution, Scientists engaged in DNA work, a medical expert and a nominee of the Department of Biotechnology. The occupier or any person including research institutions handling microorganisms/genetically engineered organisms shall prepare, with the assistance of the Institutional Biosafety Committee (IBSC) an up-to-date on site emergency plan according to the manuals/guidelines of the RCGM and make available copies to the District Level Committee/State Biotechnology Co-ordination Committee and the Genetic Engineering Approval Committee.

### Integrated Business Review



### Integrated Business Review (IBR) Committee

The IBR Committee is currently responsible for organizing quarterly performance review of various functions of the management. This review team discusses the quarterly progress of different annual goals set.

### Institutional Animal Ethics Committee



### Institutional Animal Ethics Committee (IAEC)

We are committed to implementing 3R (Replacement, Reduction and Refinement) in animal testing. Experiments on animals in course of medical research and education is covered under the provisions of the Prevention of Cruelty to Animals Act, 1960 and Breeding of and Experiments on Animals (Control & Supervision) Rules of 1998, 2001 and 2006 framed under the Act. These are enforced by the Committee for the Purpose of Control and Supervision of Experiments on Animals (CPCSEA), a statutory body under the Prevention of Cruelty to Animals Act, 1960. The IAEC has been constituted under these provisions. The committee comprises of a group of distinguished persons for the purpose of control and supervision of experiments on animals performed in the organization.

### Audit Committee



### Audit Committee

The Chairman of the Committee is an Independent Director. The Chief Financial Officer, the Head of Internal Audit and the representative of the Statutory Auditors are the invitees to meetings of the Audit Committee. The Head of Internal Audit, who reports to the Audit Committee, is the Coordinator, and the Company Secretary is the Secretary to the Committee. The representatives of the Cost Auditors are invited to meetings of the Audit Committee whenever matters relating to cost audit are considered.

# Our Organizational Hierarchy

Board of Directors

Managing Director

Chief Operating Officer- Vaccines Division

Chief Operating Officer - Pharma Division

Chief Financial Officer

Research and Development

Buisness Development

Internal Audit

Quality & Regulatory Governance

Legal & IR

Corp. Affairs, IT, Communication, Admin & HR



A close-up photograph of two hands shaking in a firm grip, symbolizing a business agreement or partnership. The hands are wearing light-colored, long-sleeved shirts. The background is a blurred office environment with several people in business attire, suggesting a professional setting. The overall color palette is dominated by light blues and greys.

# Business Ethics

(G4-56)

Since our inception, we strongly believed that every employee is a trustee of our stakeholders and must strictly adhere to a Code of Conduct and conduct himself/ herself at all times in a professional and ethical manner. We perform our activities in compliance to the applicable national law and regulations. Our employee code of conduct and ethics standards clearly defines the guidelines for employees on dealing with people within the organization, ensuring a gender friendly workplace, relationships with suppliers and customers, legal compliance, health & safety, avoidance of conflict of interest, transparency in all their actions, protection of confidential information, etc. We regularly conduct awareness sessions for our directors and employees on our ethical standards.

The Code of Conduct and Ethics that the Company has developed is the foundation upon which the company has been built. All the new employees joining the company are given a clear understanding of this aspect as the base upon which all the other work is built on. The Mission, Vision and the Values of the Company are percolated all the way down even in the Goal setting exercise.

During the reporting period, the Vision, Mission and the Values of the Company were explicitly explained Company wide and the goals that are set are built around that. There was an extensive training conducted on the values of the Company, a major indicator that determines the performance grading of an individual.

The various modes adopted to communicate the Code of Conduct and Ethics to our workforce are - employees receive frequent trainings, mailers and other communication from the top management that repeatedly reminds them about the responsible way of working. All the employees on joining the company are inducted with an introduction to the values and the ethics of the company. Only after receiving an authorization from the trainer, the person is permitted to join the team. If a member of the workforce is found to be involved in corrupt practices which when validated with evidences, appropriate remedial measures are taken.

Our visitors, vendors and other dignitaries who visit our facilities are also provided with a Welcome Kit which also elucidates the values of the company.

## Grievance Redressal Mechanism

For a dynamic and challenging work environment it is essential to have an effective process for reporting and addressing employee disputes and complaints. We have developed a systematic procedure to resolve employee grievances with reference to The Industrial Dispute Act, 1947. This procedure is conveyed to all employees during their induction period as well as it is also accessible through employee portal "BEEP" (Biological E. Employee Portal). It is the primary responsibility of HRD function to ensure that the grievance redressal mechanism is effectively implemented. Our grievance mechanism pertains to matters such as discrimination based on gender, race, color, region, age, marital status and disability, unfair treatment, working conditions, leave denial, issues within team and interpretation of policies and rules.

Our grievance mechanism does not handle issues such as employee termination, sexual harassment and compensation related issues. We have a designated grievance redressal committee at an organizational level consisting of 3 members one from HRD and other two at a level of senior manager/ functional head. The committee investigates the matter on the basis of evidences obtained and addresses the issue within 7 days of submission of grievance in written format. Documentation is handled by the HR which consists of preparation of grievance checklist guidance and list of grievance redressal committee members, filling of grievance register and finally preparation of grievance redressed report. The documents for each of the grievances addressed is filed and made available in soft copy and hard copy with HRD. A copy of documents is sent to Industrial and Employee relations team at the head office on a half-yearly basis for their review and recommendations to Head HRD.



# Supply Chain Sustainability

(G4-12, G4-13)

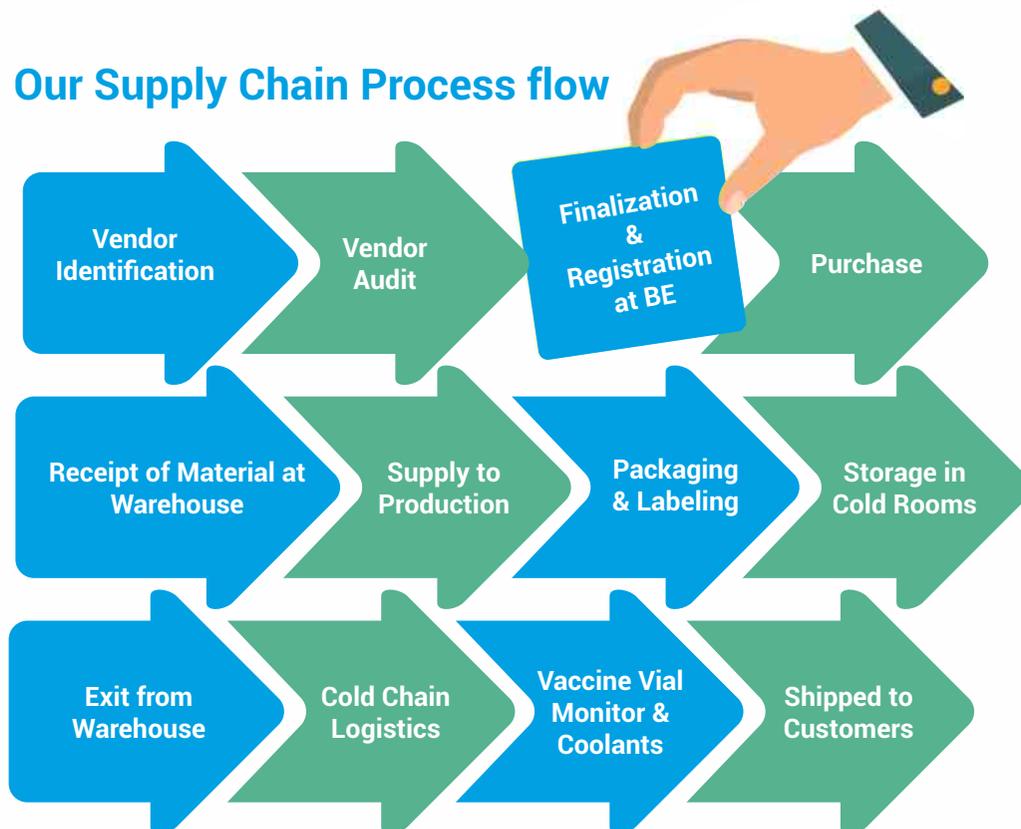
### Our Approach

Our suppliers are critical for our businesses to succeed as they play a crucial role in implementation of business operations and processes. We consider working with our suppliers, involving and empowering them as the key for maintaining long term supplier relationship. We are working towards building a Sustainable Procurement framework in collaboration with our suppliers to ensure the delivery of high-quality essential vaccines to our end customers and work towards achieving our founder’s mission to “Improve health & survival of people by providing equitable access to quality vaccines & pharmaceutical products”.

We maintain high standards for quality, compliance and supply reliability, while delivering value without compromising quality or compliance, our supplier network works towards providing fast, flexible solutions across the manufacturing and supply chain spectrum and deliver safe and effective medicines across the world. We are cognizant of the fact that with an expanding and diverse portfolio of business, the accomplishment of our vision of sustainable development has to take into account the environmental and social impact within our supply chain. This will ensure the competitiveness through a balance between creation of long-term social & environmental value and the economic viability of the businesses. We also concede that initiatives encompassing our suppliers and value chain are crucial for achieving the Sustainable Development Goals (SDGs).

We endeavor to extended support to our suppliers in the areas of safety and environment, quality, productivity and human development. We communicate our corporate values, culture to our suppliers and encourage them to internally set compliance targets to ensure conformance to all applicable laws and regulatory requirements. Regular assessments are planned to ensure all suppliers are in line with our vision and targets. With this in mind, we plan to undertake a wide range of supplier activities and build a robust framework aiming supply chain sustainability.

### Our Supply Chain Process flow



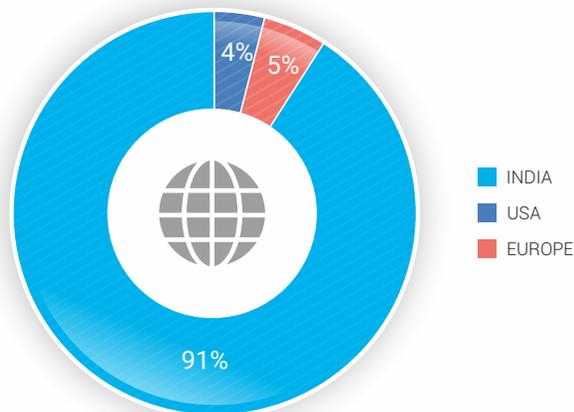
### Our Performance

We adopt responsible supply chain management in-line with our principles. The three principles that we follow for successful supply chain sustainability management are – Governance, Transparency and engagement. to undertake a wide range of supplier activities and build a robust framework aiming supply chain sustainability.



We have a diverse supply chain ranging from local suppliers to large multinational providers of products and services. We majorly procure raw materials that are locally available especially from the locations where we operate in. The materials undergo stringent quality checks performed by our quality control experts. We constantly evaluate our suppliers to verify that they meet high performance standards on environment, safety and labor practices. And also to ensure that they comply with various international standards and local laws and regulations that are applicable to them. The materials which we procure largely includes chemicals, laboratory equipment's, packaging material, consumables and office utilities. Our major suppliers are from USA, Germany, Japan, Switzerland, Denmark, France countries and involves manufacturers and dealers. About 91% of the materials are procured locally (India).

Percentage (%) of Suppliers by Region



In 2016-17, BE had 1134 suppliers located all over the globe with a total service value of INR 35.44 Cr.



### Diversity & Inclusion in Suppliers

We believe in supplier diversity and inclusion, which allows us to invest in the geographies where we operate, work and serve by purchasing goods and services from a diverse range of businesses. Partnering with small or diverse suppliers also contributes to our values, "Collaboration" and "Respect for Individual" and supports our overall commitment to responsibility and sustainability. It also provides overall value within our procurement process by optimizing price, quality and availability of products and services.

As part of this belief, we have built relations with small and minority-owned businesses, and work to promote understanding among other suppliers. We seek to procure and utilize goods and services that address the diverse needs of our customers.



### Managing our Supply Chain

We seek to build strong, collaborative relationships with our suppliers. Our suppliers provide the materials, goods and services required to conduct research and development, manufacture products, service our customers, and supply our offices and other facilities around the world. Standardized contract terms and conditions have been developed, and they guide the foundation of our formal agreements with suppliers. Our expectations regarding human rights, business ethics, labor practices, health and safety, and environmental performance from our suppliers are established in our contract agreements. We maintain processes to assist our suppliers in assessing, and, where necessary, improving their performance.



### Supplier Selection

Our procurement team in coordination with the quality assurance team has developed a standard operating procedure (SOP) on selection, evaluation, approval and qualification of vendors supplying raw materials, packaging materials, critical process consumables, and those that provide technical services like validation, calibration and analytical testing to any our manufacturing locations. This SOP is updated on a need basis to align with our strategic goals towards supply chain. The responsibilities towards identification of requirement, identification of vendor, evaluation and finalization of the vendor has been distributed across various functions. The key functions that play major role in the vendor selection based on the criticality of business function are showcased below along with their roles.

We have grouped our suppliers as Critical vendors, Major vendors and minor vendors depending on the type of materials procured. Every department prepares specification of required raw materials which is then submitted to purchase department who then identifies suitable vendor for the raw material. Once the vendor is ready to supply his services, the purchase department passes vendor details to quality assurance department for initial evaluation. A separate evaluation is done for manufacturer and supplier. In case of manufacturer, the quality assurance department prepares a manufacturer's assessment checklist which is developed according to the guidelines set by us to evaluate compliance to Goods Manufacturing Practices (GMP) and quality systems by manufacturer. The manufacturer and supplier is asked to submit the initial vendor evaluation form, which is then reviewed by quality assurance department.

As a part of quality check, the vendors are requested to provide three pre-shipment samples from three consecutive batches. The samples are then labelled accordingly, and then passed on to quality control department for testing purpose against the requirement specifications. The results are then reviewed by quality assurance and Engineering department. In case, the results does not comply with GMP and BE's quality requirements the vendor shall be rejected and is notified about the same in order for improvement.



#### Quality Control

Identify the requirement with specification for the material/services to be procured and identify the service provider where applicable



#### Packaging

To identify the requirements of packaging materials based on the products to be shipped



#### User-Any other non technical function

To identify the requirements on new material / services to be procured



#### Purchase

To identify suitable vendor meeting the requirements and specifications as identified internally. In case of raw materials, arrange for pre shipment samples



#### Quality Assurance

To prepare, update and control the Approved Vendor List in coordination with the Purchase team and prepare vendor qualification report



### Supplier Performance Review

Managing the supply chain of a Company like ours is a complex undertaking. To facilitate this effort, our Procurement and Quality Assurance functions work together very closely, integrating our processes and approach, and elevating our internal awareness of the importance of managing our supply chain risks. Ongoing assessments of new or existing suppliers are mostly prioritized based on the supplier category. All our vendors are annually reviewed for their performance within a year from the date of inclusion of the vendor in the Approved Vendor List. Our vendor performance review is one of the procedures to track the vendor performance with respect to quality and supply. The vendors providing us raw material and packaging materials are subject to performance review by Quality Assurance function.

An unannounced site audits are conducted for all critical and major vendors. We do not conduct site audits in case of manufacturers/ suppliers and minor vendors. Our site audit is about assessing vendor's environment, safety, human rights and labor practices. We thoroughly check for any unethical or noncompliance behavior. We also particularly review documentation procedure of vendors. The performance of the vendors are against the parameters like, material quality rejections received during the review period, material criticality, vendor complaints, vendor notifications and vendor compliance status. Based on the review conducted we develop a comprehensive review report for each vendor and also assign them with performance rating. All the vendor selection and approval procedures are documented by Quality Assurance function.

We also inspect whether our suppliers have incorporated international certification in their processes and systems. All our major suppliers follow the GMP guidelines, undergo required regulatory certifications, are authorized by specific government bodies and are in line with our internal procedure. During the reporting period, 19 critical and major vendors underwent site audits.

Vendor Type	Number of audits conducted in 2016-17
New critical suppliers	7
New major suppliers	3
Existing critical suppliers	4
Existing major supplier	5
Existing minor suppliers	9

We regularly assess our suppliers on the applicable government regulations on labor practices including child and forced labor, wages and working conditions. During the evaluation none of our major suppliers were found with negative impacts on human rights. Our major suppliers were also assessed on the basis of our internally developed GMP guidelines and it is the responsibility of the supplier to ensure that there is no deviation from the government labor laws.

Environmental aspects being one of our material issues, it is therefore our responsibility to guide our suppliers on the same and to assist them in working towards protection of environment. To ensure commitment of our suppliers towards the environment, we also assess our major suppliers on the basis of environmental criteria such as emissions, water management, waste management and energy utilization. There has been ZERO vendor termination during the current reporting period.



### Vendor Rejection

Upon inclusion of the vendor in the Approved Vendor List, the vendor may be rejected in the situation wherein five consecutive shipment rejections

have been observed in a year; vendor was not found to be suitable during requalification audit and/or a vendor has been rated 'poor' in the annual performance review. A complete investigation is carried out on the material/ service being procured from the rejected vendor. Based on the outcome of investigations, the Quality Assurance function head or his designee is responsible for taking the final decision on the material in stock and products being manufactured by using these materials/ services, by evaluating the risk on product being manufactured and services being obtained through appropriate justification.

We continue to partner with our suppliers, offering technical support to help address the risks and the issues identified by our internal processes. If significant non-conformances are identified that cannot be resolved, the relationship with the supplier may be jeopardized.

**We as a supplier..**



We are a leading supplier of Vaccines for National Immunization Program of India and have supplied more than 514 Million Doses of Vaccines for routine Immunization to the Ministry of Health & Family Welfare. We have been supplying vaccines to a number of Hospitals and Institutions. We supply several essential and lifesaving Vaccines and Pharmaceuticals to UN Agencies viz. UNICEF, Pan American Health Organization, other global markets and within India to Central and State Government Hospitals, Public Sector Undertakings, the Indian Armed Forces and the domestic retail market.



We received the Authorized Economic Operator (AEO) T2 Certificate (Importer & Exporter) in recognition to our world class supply chain operations, which are in compliance with the World Customs Organization's (WCO) Safe Framework of Standards, on February 1st, 2017.

**Our Precautionary Approach (G4-14)**



Evaluation of business risk and opportunities is the key to successful business. Our Board level committees and functional heads periodically assesses business risk and opportunities through specified risk management procedures. We have established international standards such as ISO 14001 and OHSAS 18001 to address our product, environment and safety risks. We have also established an IT security management system to address IT risks. In 2016-17, we have undergone the process of renewal of ISO 14001 (Environmental Management System) and OHSAS 18001 certifications through third party surveillance audits in November 2016. We have also undertaken Environmental Impact Assessment (EIA) to identify impacts during the expansion of existing facility on the environment and implements mitigation plan to ensure ecofriendly operations.



# Economic Sustainability

Driving Value

### Our Approach (G4-DMA)

Driving value across our value chain has been our constant effort since inception. We continuously engage with our stakeholders to understand their perceptions and expectations. This helps us in delivering true value to our customers. It also creates win-win situation for us and our value partners.

We believe in sustained business growth and work towards the well-being of our direct stakeholders. It involves far-reaching investment decisions taking into consideration market growth potential, upcoming regulations and long term sustainability of the Company and our various stakeholders. Investments for business expansion projects are met largely from the Company's internal accruals.

We have a healthy balance sheet and reserves to meet our requirements of funds for future expansion. These investments are also aimed at generating new opportunities for growth in the upstream and downstream value chain. We are gearing up for the next growth phase through new initiatives and partnerships. The thrust will be to achieve a significant share for international and domestic business in the total turnover.

Our economic policies are formulated based on various factors, including geographies where we operate, market conditions, consumer preferences, our past performance, government regulations and our corporate governance ethics, amongst others. Internally, we have established robust business planning and risk management process with stringent controls. These processes help us to maintain operational stability and ensure regulatory compliance.

We have instituted robust internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized and recorded correctly. We ensure reliable and effective financial reporting through integrated financial accounting systems with in-built controls. Our Board of Directors, through a board constituted Audit Committee, regularly reviews the audit mechanism. Our audit function is entrusted with responsibilities for ensuring and periodically reviewing and monitoring risks and regulatory compliance requirements. This makes internal controls and processes stronger and also serves as the basis for our voluntary compliance to Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

We have been consistently maintaining our esteemed position over the last few years and our pipeline products make the future seem brighter. Additionally, India's ministry of health is expected to introduce newer vaccines to the EPI schedule which will significantly increase the opportunity size for vaccine manufacturers like us.

### Major Funding Agencies



### Our Performance (G4-EC1, G4-EC9)

Our business growth enables us to deliver products that enhance people's lives. The impetus for the growth of the vaccine industry in the semi-regulated markets was provided by the establishment of GAVI (Global Alliance for Vaccines and Immunization) in the year 2000. GAVI operates through UNICEF Supply Division to procure vaccines from WHO pre-qualified manufacturers for distribution in low-income and semi-regulated countries. We are a closely linked member of GAVI.

The Indian economy went through challenging times in the year 2016-17, triggered by subdued economic growth, extreme volatility in exchange rates and average inflation rates. Despite such a scenario, our performance remained healthy. In the reporting period, our annual turnover increased by 10% compared to last year. We have commenced exports of our vaccines in Middle income countries. We are also collaborating with various international institutes and government organizations to strengthen our export chain. In 2016-17, our profit increased by 3.9% compared to 2015-16. We also achieved maximum sales in the month of September in 2016.

Particulars	Economic Performance in 2016-17 (in INR Lakhs)
<b>Economic Value Generated</b>	113753.52
<b>Economic Value Distributed</b>	
Operating costs	12237
Community investments	552.5
Payments to Government	11403.4
Employee wage and Benefits	17868
Depreciation, Amortization exceptional items, Finance Cost & Other expenses	39811.41
<b>Economic Value Retained</b>	<b>26232.3</b>

### Employee Remuneration and Benefits

As a policy, we at BE keep wages of our permanent and contract employees above the standard entry level minimum wages fixed by the State Government. There is no gender differentiation in the Company's wages. We also provide medical support to all our employees.



### Procurement Practices

Our growth has enabled us to extend our world class supply chain as well as emerge in new markets providing our customers with high quality products. The Quality of our vaccines are superior and hence the products and services that we receive from our vendors are the best in class. Our Vaccines are mostly administered to children and we want to aid them to grow into healthy individuals. We are committed to producing High Quality Vaccines and to achieve that we have an exclusive procurement program in place.

We engage with local suppliers to support local economy allowing them to increase their capabilities. We proactively help our supply chain partners to raise their sustainability quotient. We strive to optimize our supply chain to streamline costs, helping us deliver affordable healthcare solutions. This enhances their sustainability performance and productivity

About 91% of suppliers are from India out of which 86% suppliers contribute to our manufacturing process from Telangana state where we operate our facilities. In 2016-17, we spent 86% i.e. INR 24.5 Cr of our procurement budget on local suppliers.

### Affordable Medicines

We believe that the access to medicines is the fundamental right of every individual. The modern healthcare is unthinkable without the availability of necessary medicines, thus making it an integral part of the health care. By reducing costs through efficient use of resources and processes we strive to reduce our product price. We have broadened our footprint by introducing new products and entering new markets while retaining the existing ones.

We work towards enhancing the efficiency of medicine by developing differentiated formulations that facilitate easy and calibrated dosages to enhance end consumer's comfort.

With this, we are also working towards meeting the requirement of Sustainable Development Goals that acknowledges the need to improve the availability of affordable medicines for the world's poor in its Goal 3.8 which aims to "Achieve universal health coverage including financial risk protection and access to safe, effective, quality and affordable essential medicines for all." A significant proportion of chronic disease morbidity and mortality can be prevented if medications are made accessible and affordable.





# Environmental Sustainability

Conserving Resources



## Our Approach (G4-DMA)

According to the World Economic Forum (WEF) Report on Global Risks 2016, the evolving risk landscape indicates a wide range of environmental risks such as extreme weather events, natural disasters, man-made environmental disasters, water crises, failure of climate change mitigation and adaptation, etc. The challenges related to environment especially due to climate change are complex, long-term and inter-related, especially in terms of its impact on water and availability of other natural resources. Businesses have become increasingly aware of the critical role they play in enabling effective, timely, and appropriate climate change adaptation. The increasing stress on the natural resources has made businesses more conscious about the impact on environment due to their business activity.

During the reporting period we undertook construction of new manufacturing unit at Shameerpet. This resulted in increased consumption of resources and waste generation. However, we are aware of the environment in and around our manufacturing facilities and we are continuously working towards reducing our environment footprint. We endeavor to be at the forefront of environmental stewardship. We are aware of the negative impacts our operations have on the environment and have identified energy efficiency, GHG emissions, biodiversity, waste management and water management as key environmental aspects to focus on. We believe that effective use of resources, transforming to low carbon energy sources, sound waste and water management techniques are important for long term business sustainability. Therefore, we want to ensure that our operations are energy efficient and have low environmental impact. In order to address these aspects, we are in the process of identifying and implementing environmental best practices in our operations on the basis of which, we can maximize the efficiencies of natural resource usage across our operations.

Environmental protection is a key component of our sustainability journey which is driven by our environmental management system. Our Shameerpet site is certified to the Environmental Management System standard ISO14001. Our company wide EMS standards are designed to ensure that all our manufacturing plants achieve and maintain a consistent and high level of EMS performance. We are currently working to update our environment management system to achieve conformity with the new version of ISO 14001:2015 standard. We are going to implement the Environmental Management system standard for our other facilities in the coming years. We have put in place a dedicated SHE department at each manufacturing location to take care of all environmental issues arising out of operational activities. SHE department is responsible for the Company's overall environmental performance.



We have created green belts to retain the ecological value and biodiversity of the area. The green belt made our plants the ideal nesting spots for some of the rarely seen birds. We strongly believe that our innovations should keep our habitat fit for the future. In the last couple of years we have worked together with our internal and external stakeholders, on raising environmental awareness and promoting conservation of the environment.

In our first sustainability report, we covered environmental performance of our Shameerpet facility only. This year we have reported environmental performance of Shameerpet and Gaganpahad facilities, which would show significant increase in our resource consumption compared to last year.





**Biological E. Limited**

*Celebrating Life Everyday*

# SHE POLICY

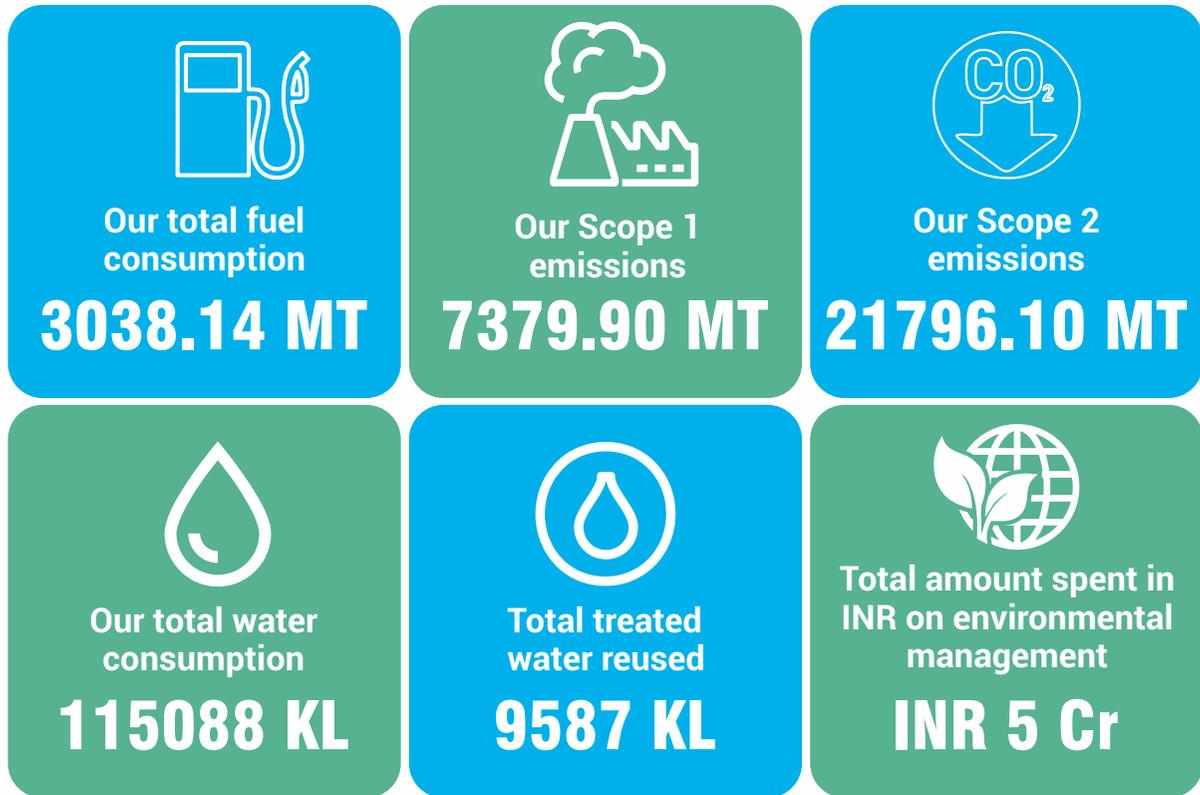
## BE is committed to:

- Prevention of Environmental Impacts, Hazards and Risks while Developing, Manufacturing, Storing, Handling and Distributing products.
- Providing training and dissemination of information to all employees to take individual responsibility for Safety Health & Environment (SHE) and to create a culture of continual improvement.
- Develop and instil the importance of SHE as value addition to all stakeholders.
- Instilling a sense of duty in every employee towards personal safety and safety of others who may be affected due to operations.
- Ensuring safe handling, storage, usage and disposal of substances and materials that are hazardous to health and environment.
- Providing safe working environment for our employees, contractors, visitors and other stakeholders.
- Encourage all employees to report all incidents including near misses and minor cases.
- Making all the stakeholders aware that SHE is a tool for best operational efficiency.
- Make all the stakeholders to endeavour, comply with SHE practices as a strategic imperative to maintain/improve the competitive position of the company.
- Protect the environment which includes sustainable resource use, climate change, mitigation and adoption, protection of biodiversity and ecosystem.
- It is BE's endeavour to institute and implement periodical reviews of SHE objectives and targets to ensure compliance with laid down policies, procedures, applicable legal and other requirements for continual improvement of SHE Management system to enhance SHE performance.

*Mahima Datla*

**Mahima Datla**  
Managing Director

## Our Performance at Glance



### Our Performance

"We aim to achieve excellent performance by introducing innovative initiatives in a sustainable manner across all our manufacturing locations in the country"



## Water Management (EN8, EN10, EN22)

Water is an integral part of our sustainability vision and therefore an important material aspect to focus on. We largely depend on surface water to meet our water requirement. While water demand across various industrial sectors is on the rise, availability of water is becoming a concern for an industry like ours. The global water requirements are projected to exceed available sustainable water supplies by 40% within 2030. The issue of water crisis plagues large parts of the world including Africa, parts of North America and Asia.

According to a 2030 Water Resources Group Report, in India, the aggregate gap between demand and supply of water is expected to be 50% of the demand in 2030. We have taken steps towards recharging the ground water through rainwater harvesting.

### Rainwater Harvesting at Shameerpet

Over the years, water has become one of the major natural resources due to steep depletion in the quantity of fresh water resources. Hence, to gradually overcome this challenge we have adopted rain water harvesting technique. In May 2016, we built rain water storage pits which can store 350 KL of rainwater. The aim to develop these storage pits was to recharge the ground water level, as a result the increase in levels of ground water helped us with uninterrupted supply of water. This contributed to our daily consumption of 81KL of water and total savings of INR. 7290/- per day.



Water Source	Units	Shameerpet	Gaganpahad
Surface Water	KL	107295	5470.0
Ground Water	KL	-	2323.0

Our water consumption in Shameerpet facility has increased by 1.6% due to the construction activities carried out for the expansion of new production blocks. Each of our facilities has a role to play in meeting our water use reduction goals. Tools have been developed to assist our manufacturing operations to identify, assess and prioritize water projects, and to capture water savings, financial savings and water quality improvements. During the reporting period, we have also initiated process improvement activities that can minimize the water usage.

### Condensate Recovery at Shameerpet

We implemented process changes to collect the Condensate water, from the steam traps (around 85 traps) across the plant steam header which was earlier drained underground, back to the condensate header by placing a NRV. As the condensate purge from the steam traps contains pressure, it drives itself to the collection header. This header now collects the condensate from all the steam traps and takes it to the Boiler feed water tank. This has helped us in reducing the water consumption, the quantitative results of which can be seen in the year ahead. This has also led to direct cost saving of over INR 4 Million.



### Process Water Management

All our manufacturing plants try to optimize water consumption and maximize effluent recycle and reuse. In addition to process modification, site management has also put in place best available effluent treatment technologies for its better recycling and reuse. We monitor water discharge in volumes released to the environment, sent for treatment, entering products, evaporated or used for other purposes.

With regards to the quality of water discharged, we analyze the chemical oxygen demand (COD) and total suspended solids (TSS) para-meters as mandated by the law of land. We also closely monitor specific parameters such as the release of drug substances into water, and take the appropriate mitigation and risk minimization measures when necessary.

BE have one effluent treatment plant and one sewage treatment plant at each manufacturing facility to handle industrial and domestic wastewater respectively. The treated wastewater from ETP is reused and recycled in the process of biological treatment, passing through sand filter and activated carbon filter, Feeding to the Ultra, filtration (UF) and finally feeding to Reverse Osmosis (RO) system. The permeate from RO is reused as Cooling Towers Feed and rejects from the RO is sent to the Common effluent treatment plant (CETP) for further treatment and disposal. And the STP treated wastewater is used for domestic purpose and landscaping. The total quantity of wastewater generated in Shameerpet and Gaganpahad facility are 23523.63KL and 7793KL respectively.

Waste water	Units	Shameerpet	Gaganpahad
ETP Capacity	KLD	300	50
STP Capacity	KLD	100	50
Total wastewater generated	KL	23523.63	7793
Total treated wastewater recycled and reused	KL	2080	7507



In our facility at Shameerpet we have started recycling and reusing wastewater for different processes after treatment since January 2017. In the three months period we have recycled and reused 2080 KL which is around 2% of our total water consumption. And at our Gaganpahad facility, we have recycled and reused 7507 KL which is around 96% of our total water consumption.

### Way Forward

While continuing our efforts on identifying water management programmes internally, we also endeavor to collaborate with our external stakeholders and conduct water audits of our facilities.

### Energy & Emissions Management (EN3, En6)

The increasing cost of energy and its linkage with climate change is a major business concern. To optimize our energy consumption and decouple climate change impact from energy usage we have decided to focus on improving process energy efficiency, find alternate sources of uninterrupted low cost energy and invest in the renewable energy.

We continuously strive to identify opportunities for improving energy efficiency and utilization of clean energy. Energy conservation through process and equipment optimization and use of renewable energy sources are the main focus areas for us. We motivate our employees and empower them to continuously identify opportunities for energy conservation across our operations.

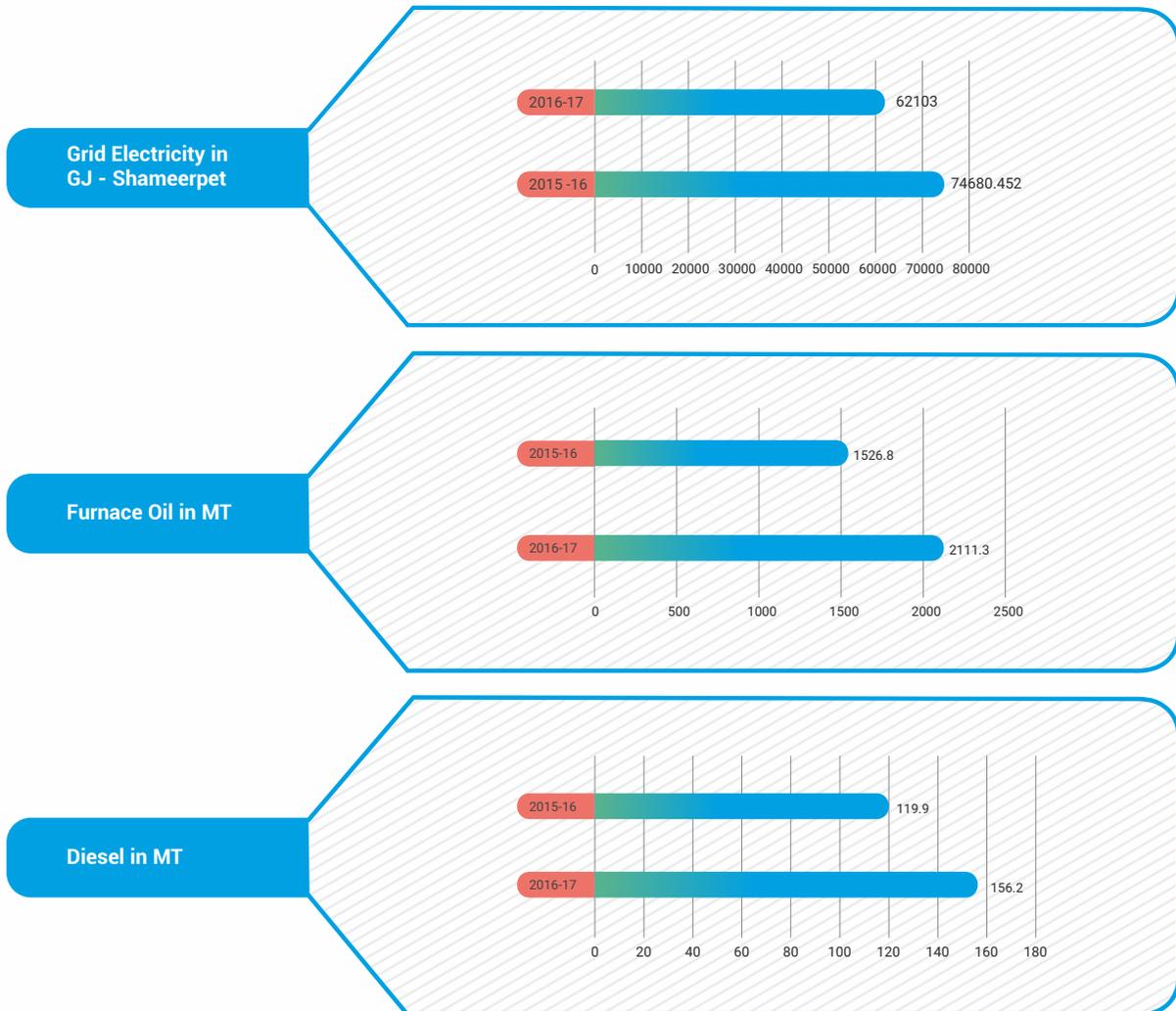
### Energy Consumption

Our primary sources of energy are grid electricity, furnace oil, diesel and coal. The consumption of energy is majorly in manufacturing process, air-conditioning, lighting office buildings and equipment. In the reporting period, our major source of energy was grid electricity contributing to total consumption of 84372.3GJ. Our strategy for the upcoming years involves energy management as a key focus area wherein we are trying to transfer use of non-renewable energy to renewable energy making us energy efficient.



Fuel	Units	Shameerpet	Gaganpahad
Grid Electricity	GJ	74680.5	9691.8
Furnace Oil	GJ	92233.40	1908.30
Diesel	GJ	7565.65	1801.20
Coal	GJ	-	20209.38

With reference to our previous reporting period, there was an exponential increase in fuel consumption in our Shameerpet facility due to increase in market demands.

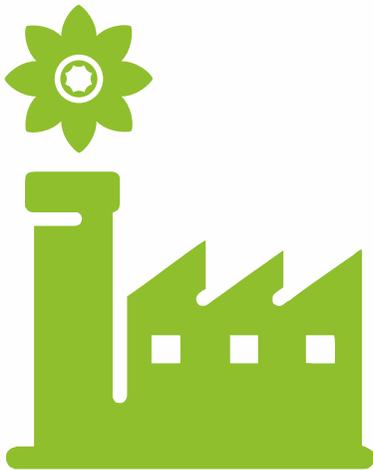


The availability of resources, predominantly energy is becoming more constrained, we are making every effort to limit the intake of natural resources and use them more efficiently. We continuously work towards managing our energy needs sustainably and improve energy efficiency.

Energy saving through Filling Line-3 capacity enhancement at Shameerpet In order to reduce the power consumption and increase the capacity of filling line-3, few variations in mechanical components such as replacement of higher torque capacity gear box for washing machine and conveyor of suitable design for tunnel was done. This change led to increased filling from 1L/day to 3.6L/day and also savings of 70KWh which is equal to 0.25GJ energy per hour



**In an effort to further increase energy efficiency, ultimately reducing GHG emissions, we have undertaken the implementation of Energy Management system standard ISO 50001.**



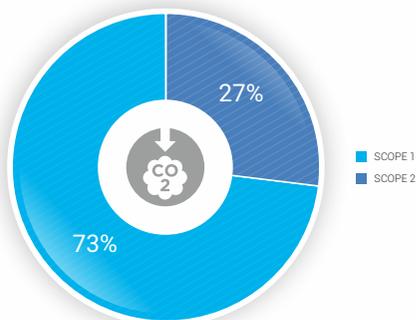
### Emissions (EN15, EN16, EN20, En21)

The adverse impact on the environment due to air emissions is multidimensional. The indication of the impacts due to climate change caused by Greenhouse Gas (GHG) emissions is already being witnessed in the changing rainfall patterns across the globe. We support the adoption of a global framework to address GHG challenges under which all major emitting countries are committed to emission reduction goals.

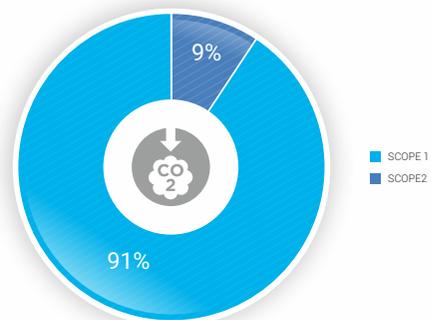
We have quantified our emission according to Green House Gas (GHG) Protocol and ISO 14064. Our emissions primarily results from grid electricity. We recognize that this is an area for improvement and we aim to reduce carbon emissions in the coming years.

	Shameerpet			
	Emissions	Source	Unit	Shameerpet
	Scope I	Furnace oil, Diesel and ODS	MT CO2e	314218.7
Scope II	Grid Electricity	MT Co2e	19292.45	
	Gaganpahad			
	Emissions	Source	Unit	Gaganpahad
	Scope I	Furnace oil, Diesel, Coal and ODS	MT CO2e	14074.0
Scope II	Grid Electricity	MT Co2e	2503.72	

GHG Emissions at Shameerpet



GHG Emissions at Gaganpahad





### Ozone depleting substances

We have used ODS (Ozone depleting substances) as a part of routine maintenance activity of air-conditioning systems.

ODS	Unit	Shameerpet	Gaganpahad
R22	Kgs	60	549
R 404A	Kgs	90	-
R 134A	Kgs	180	-
R 410 A	Kgs	12	-

### Air Emissions

Another aspect linked with rapid industrialization and urbanization is the problem of air pollution in terms of emissions of SO<sub>x</sub>, NO<sub>x</sub> and particulate matter that has become a very serious health issue across almost the entire urban landscape of India. We monitor our stack emissions on monthly basis. We have systems in place to control the air pollutants emitted into the atmosphere. During the reporting period our air emissions were within the prescribed limits.

Emissions	Unit	Shameerpet	Gaganpahad
NO <sub>x</sub>	Kg	282505.21	54299.2
SO <sub>2</sub>	Kg	303197.23	55944.69
SPM	Kg	125992.08	29023.53

### Way Forward

While recognizing the significance of climate change impact on our business and community where we operate, we will continue to work towards reducing our energy consumption to minimize our carbon footprint.

## Waste Management (En23)

We understand that managing wastes from pharmaceutical industry requires intensive use of environmentally sound technology for its handling and disposal. Waste minimization, waste recovery & reuse and scientific disposal of waste are the key approaches adopted by us for all type of wastes, whether hazardous or non-hazardous. We believe that effective waste management is essential for environmental protection and management and we are committed to reducing and effectively managing our waste.

At BE, we use resources in a responsible way to reduce waste. We ensure that all waste are collected, segregated at the source, stored separately and delivered to authorized waste dealers. Waste produced by majorly comprises of hazardous waste, non-hazardous waste and bio-medical waste. The sludge generated from STP is used as fertilizer for plants in the facility. We carry out disposal of hazardous waste and bio-medical waste through government authorized agencies.

Hazardous waste	Unit	Shameerpet	Gaganpahad	Mode of Disposal
Used Oil/ Spent Oil/ Waste Oil	Lts	2200	600	Disposed to the PCB Authorized Recycler
Chemical Sludge/ ETP Sludge	Kgs	2460	1695	Disposed to the PCB Authorized Vendor for Incineration/landfill
Oil Filters/ Oil Sludge	Nos.	24	15	Disposed to the PCB Authorized Vendor for Incineration/landfill
Discarded Container (Empty Chemical Bottles)	Nos.	7132	1000	Disposed to the PCB Authorized Recycler
Used Batteries	Nos.	344	33	Returned to the supplier
E-Waste	Kgs	6040	0	Disposed to the PCB Authorized Recycler

Non-Hazardous waste	Unit	Shameerpet	Gaganpahad	Reused
Packaging waste (Wood)	Kgs	26775	0	Reused
Corrugated Box	Kgs	123470	2855	Disposed to the PCB Authorized Recycler
Cardboards	Nos.	516	78	
Paper & Stationery / Shredding Paper (Craft)	Kgs	2325	0	
Metal Scrap (MS,GI,SS & Aluminum)	Kgs	92821.5	11951	
Plastic Waste	Kgs	16681	311	Reused
HDPE Containers	Nos.	7859	882	

Biomedical Waste	Unit	Shameerpet	Gaganpahad	Mode of Disposal
Animal Bedding waste	Kgs	189080	2802	Disposed to the PCB Authorized Vendor for Incineration/landfill
Other Biomedical waste	Kgs	80373	24580	

## Biodiversity (En11)

We are committed to preservation of the biodiversity of the area we operate in and have integrated conservation of biodiversity to our environmental management systems. Our manufacturing facilities have green areas measuring more than 30% of our site. In all our facilities, we have taken number of steps to preserve the ecological value of the area. In Shameerpet facility, we have developed herbal garden, this functions as ideal nesting spot for a variety of birds and home to butterflies. None of our manufacturing units fall within 10km radius of any biodiversity sensitive areas. We often conduct plantation programmes which increases our green belt eventually sequestering our carbon emissions.



**15 acres** of green belt  
developed at Shameerpet



**2 acres** of green belt  
developed at Gaganpahad

Our Products carry a Forest Stewardship Council seal which deems our Products to be Eco Friendly. We Human beings interact with the Environment on a continuous basis but there is a fine line differentiating the use and the abuse of the environment, we at BE understand that difference and strive to cause the least damage to the Environment through the lifecycle of the Product processes.



## World Environment Week Celebrations...

### At Shameerpet Facility..

A week-long World Environment Week celebrations were held at Shameerpet from May 30th 2016 to June 6th 2016. On this occasion, several competitions were organised not only for the employees of Biological E. Limited (BE) but also for the contract staff. Various competitions such as Environment Word Search, Collage Making, Reuse the used item, Poster making and Eco-friendly Art & Craft were organised. Eminent speakers from British Standard Institution were also invited to share their thoughts on Environment protection.

### At Gaganpahad facility..

World Environment Week was celebrated at Gaganpahad from June, 3rd 2016 to June 9th 2016.

The volunteers organized new competitions like Environment Word Search and Reuse the used item to increase the awareness about saving the environment among the employees. The facility also participated in the planting of Silver Oak and Bottle Brush Saplings.





# Plantation Program

As part of the Government of Telangana's Haritha Haram Programme, we in association with the Department of Factories, Government of Telangana, planted 550 saplings at Shameepet, Gaganpahad and Livestock Division (LSD) Facilities. The Chief Operating Officer, Vaccines Business Unit, inaugurated the programme at Shameerpet along with other leaders and employees on July 21st 2016. The same program was organized at Gaganpahad in collaboration with the Telangana State Police Department on July 11th 2016. Around 200 saplings at Shameerpet and 150 saplings at Gaganpahad, of different varieties like Silver Oak, Bauhinia Blakeana and Millingtonia were planted.



Our online communication campaign on **'Save Our Environment,'** which was organized by Corporate Communications across the organization from the World Earth Day on April 22, 2016 to the World Environment Day on June 5, 2016, won the Association of Business Communicators of India (ABCI) award. ABCI recognises the outstanding corporate communication projects executed by the Indian corporates, including the PSUs, Public and Private Sector Banks and Union Ministries.



### Compliance (EN29, EN31)

Our legal team is aware about the applicable regulations. None of our facilities have been fined or issued notice of violation by any of the environmental regulatory bodies. We ensure 100% compliance by our rigorous internal inspections and audit programs.

Some of the compliances that we adhere to:

1. Consent for Establishment (CFE) for establishing the facility under Air, Water & Hazardous waste Acts
2. Consent for Operation (CFO) for Operating the facility under Air, Water & Hazardous waste Acts
3. Bio Medical Waste Authorization for Generation, collection storage & disposal to Pollution Control Board authorized vendors
4. Water Cess submission and due payment to Pollution Control Board.
5. Environmental Mentoring of Stack Emissions, Ambient Air Quality, Noise Levels & Effluent Parameters with GOI & MoEF authorized vendors.
6. Timely disposal of Hazardous Waste, Bio Medical Waste & other waste.

Submissions Annual Returns of Hazardous Waste disposal in Form - IV, Bio Medical Waste disposal in Form - II and Environmental Statement.



### Raw Material Sourcing

The raw material sourcing is a complex aspect in business like ours. It is intricately linked to biodiversity, water resources, human rights, local community involvement, and the sustainability of our products, to name a few. Majority of what we procure to manufacture our products is manufactured by others. In the current scenario wherein we procure thousands of different materials for our production purpose, we will not be able to provide details on material types and their sources. We will evaluate the feasibility of collecting this data in the future.



Message from  
Legal Head

Dear Colleagues,

In the globalized economy, business enterprise has a predominant role to play. World provides continuous opportunities to innovate and build strategic advantage. Needless to say that the intertwined connection between globalization and innovation lies in sustainability.

I am pleased to go through the Second Sustainability Report for the year 16-17 and noted our continuous focus towards sustainability and its pervasiveness through our operational length and breadth. This momentum will keep us sustain through the challenges the society is facing. While thanking and congratulating each and every employee for maintaining the sustainability momentum, the most powerful sustainability thoughts and pioneering practices shall be ingrained into the DNA of every employee.

Warm regards,  
N. Eswara Reddy

# Workplace Sustainability

Fostering Excellence





## Message from HR Head

Dear Colleagues,

I am delighted to communicate with you through our second Sustainability Report 2016-17! This report is a reflection of our sustainable business practices, which help people live healthier, employees work in a healthier workplace, and our communities lead better lives.

The term "Sustainable Business Practices" generally means considering the environmental, economic and social impact of a company's business practices, both internally and externally when making business decisions.

Sustainability is not just about consuming organic milk, unleaded petrol, energy-saving bulbs and all the other things that have already become an established practice among green consumers; sustainability is more than only the consumption and the environment. It is also about the consistent way in which we organise our everyday lives and conduct our societies such that we do not preclude others from having their needs met both in the immediate and longer term future.

In 2015, the United Nations recognized 17 Sustainable Development Goals (SDGs) aiming at the most important and pressing issues that the global communities face. In 2016, the historic Paris Agreement on long-term and sweeping reductions in greenhouse gas emissions came into force.

At BE, we believe that by combining our generations of experience & expertise in the industry, – with our life saving medicines, vaccines and therapeutics, we can contribute to these global goals by following sustainable practices.

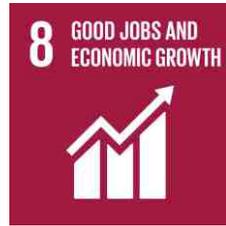
Through our wide range of present operations and future business plans, BE will contribute significantly to resolving social & environmental issues, and help in building healthier families & societies. To achieve this, we will continue to bring out innovative medicines, vaccines and therapeutics while upholding and contributing to the SDGs.

"A healthy workplace provides a competitive advantage" for employee productivity and morale. Even long term employee retention becomes higher. It is about caring for nature, and one another; both for people and the environment, at the local level as well as at the global level. Sustainability in practice now is a competitive advantage for the future, for any business! At BE we believe in it!

Warm wishes,  
Sudhakar Vadapalli

### Our Approach (G4-DMA)

The Indian pharmaceutical industry is relishing a leading position in the global pharmaceutical space. A unique combination of opportunities and challenges characterize the industry. The industry has achieved and sustained the global excellence standards with its continued investments in infrastructure and research and development. The Indian pharmaceutical industry is expected to maintain its leading position and is projected to grow to \$55bn by 2020, which will make it the second largest market globally.



The sector experts believe that talent management and employee excellence will be the critical contributors in achieving this projected growth. Pharmaceutical firms require high-skilled employees especially in Research & Development (R&D), Operations and sales & marketing functions. Our opinion is aligned with the experts' beliefs, our industry continues to face critical challenges with regards to human resource management. We have identified talent development, employee retention and management as some of our material focus areas. We understand that the availability and retention of skilled manpower will be the single most critical factor which will determine our success in the sector in the years to come.

At BE, we firmly believe that our people strengthen us as an organization and make it remarkable, both in driving high level performance and in enhancing our reputation. We have not only survived and grown for over six decades, but have made substantial progress primarily because of our workforce that is highly motivated, determined and ably supported by a culture of excellence founded on values.

We employ diverse people in our operations and a significant part of how we do business relates to how we attract new talent while retaining our existing employees. We have been practicing the principles of good corporate governance over the years and lay strong emphasis on transparency, equal opportunity and non-discrimination while dealing with our workforce. We continuously strive to adopt the best industry practices for employee welfare and safety at work. Human

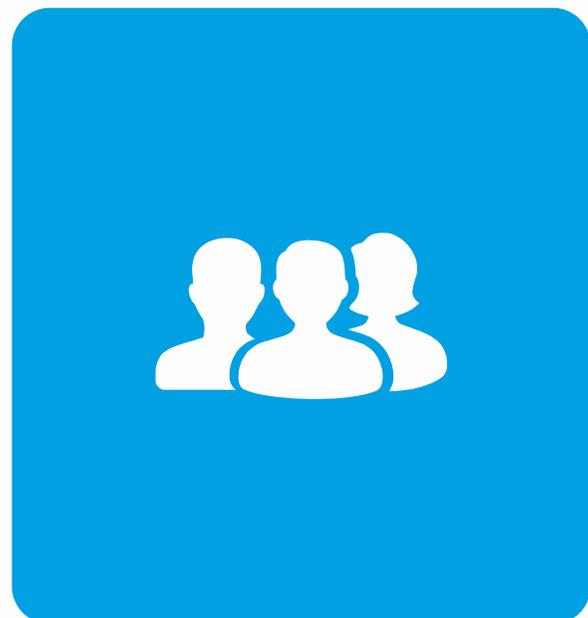


Resource Development (HRD) happens through an overall HR framework developed with key constituents such as resourcing, employee engagement, performance & compensation management, competency based development, career & succession planning and team building. Each of these constituents has its own structured approach and process to deliver consistent results.

Our unique talent management programs like Business Communication skills, High Impact Presentation, Import and Export, Financial Acumen, Assertive Communication, Team Building, Negotiation Skills and IPR Awareness strives to deliver its unique promise of attracting, developing and retaining high-quality talent across functions in BE.

The HR team along with senior members of the Leadership team reviews the employee related policies and employee survey reports for taking necessary corrective actions and developing new plans. All the HR policies are communicated to the employees at the time of induction and are also available on our internal portal. We also ensure regular interaction with our employees' union to understand their aspirations and expectations and address them accordingly, with this we have been able to maintain good employee relations.

We have a strong focus and commitment to ensure healthy and safe workplace for all our employees and visitors. We have established occupational health and safety management systems in line with OHSAS 18001.



## Our Performance Highlights

**2126**

People strengthened  
the vaccines business

**271**

new talents  
on-boarded

**2572**

Manhours of  
Occupational Health  
and Safety training  
conducted

**1318**

Employees trained  
on Occupational  
Health and Safety

**67%**

Women retention  
rate post parental leave

**4**

Years of  
recordable incidents  
free operations  
at Shameerpet



### Our Performance

"Our success is reliant on a passionate and engaged workforce who drive sustainable solutions along with business growth"



## Employment (La1)

An inspirational work environment is where exceptional talent thrives. Our work environment is infused with innovation, learning and achievement. We ensure to maintain a motivating work environment to retain our talented workforce. We endeavor to adopt people oriented policies to meet the changing aspirations and needs of our employees. Employee's expectations are considered in formulation of our various HR policies. All the HR policies are communicated to employees during induction; these are also available on our internal portal. Special sessions are organized whenever there is a major change in policy.

We draw a large workforce with various qualifications, skill sets and capabilities to meet our wide range of workforce requirements. For us, 'local' denotes India operations.

Our workforce as on 31st March	Male		Female	
	Permanent	Contract	Permanent	Contract
Gaganpahad	163	149	5	37
Shameerpet	858	526	74	159
Azamabad	35	Nil	2	Nil
Marketing office across India	86	Nil	Nil	Nil
Corporate Office Jubilee Hills	21	Nil	6	Nil

## Total Employees who have left the organization in 2016-17

Employee category	Units	As on 31.03.2017				
		<30 years	30-50 years	>50 years	Male	Female
Senior Management	Nos	0	3	1	4	0
Middle Management	Nos	4	10	1	11	4
Junior level	Nos	127	40	0	149	18
<b>Total</b>	<b>Nos</b>	<b>131</b>	<b>53</b>	<b>2</b>	<b>164</b>	<b>22</b>

## Total New Joiners who have joined the organization in 2016-17

Employee category	Units	As on 31.03.2017				
		<30 years	30-50 years	>50 years	Male	Female
Senior Management	Nos	0	1	0	1	0
Middle Management	Nos	4	11	0	11	4
Junior level	Nos	178	44	0	232	23
<b>Total</b>	<b>Nos</b>	<b>182</b>	<b>89</b>	<b>0</b>	<b>244</b>	<b>27</b>

### Benefits provided to employees (La2)

We provide several benefits to our regular and contractual employees. We have well-equipped Occupational Health Centre within our premises which cater to all the employees who enter the premises. Regular health checks are carried out for the permanent employees. Employees are provided with required personal protective equipment and transport facilities. Apart from the above, the permanent employees are covered under Medical Insurance for self and family, Group Personal Accident Insurance and ESI.

### Parental Leave (La3)

All regular female employees of the Company are entitled to maternity leave. The Company also provides paternity leave to its male employees. The maternity benefits provided by us are in line with those mandated under the Maternity Benefit Act, 1961. The percentage of return to work after parental leave is a reflection of our provision of an outstanding career opportunity along with healthy work-life balance.

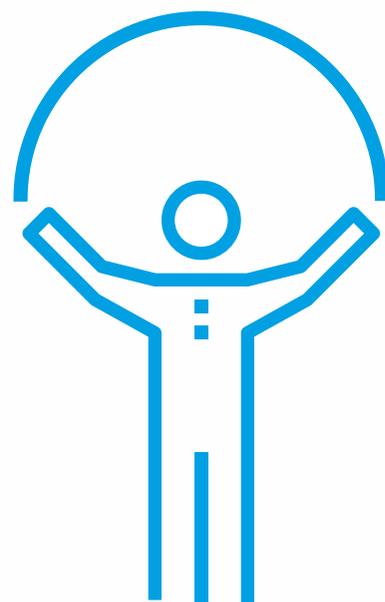
Sr. No.	Detail required	Female employees	Male employees
1	Total Number of employees who availed the parental leave	3	79
2	Total number of persons who returned to work after parental leave in 2016-17	3	79
3	Total number of employees retained 12 months after returning to work following a period of parental leave	2	75

### Occupational Health and Safety (La5)

Safety being one of our core values we are committed to continuous improvement of our health and safety performance. We believe that providing safe workplace is our key responsibility. We make sure that our premises, operations and systems are safe. To address our occupational health and safety risk and adopt to best safety practices we have implemented OHSAS 18001.

In the reporting period we underwent renewal of OHSAS 18001 certificate wherein we engaged external party to conduct an audit. Our occupational health and safety policy clearly communicates on how to mitigate risks and work safely. We communicate our occupational health and safety policy to all employees at the time of induction. Our safety committee oversees the occupational health and safety performance of the organization. Our OH&S policies and practices are strictly reviewed and updated by our Central Safety, Health & Environment (SHE) committee.

Our Occupational Health and Safety committee includes equal representation from senior management and workers to monitor and improve the safety performance operating at organizational/regional level.



### Occupational Health and Safety committee



Our aim is to reach and sustain ZERO injuries. Central SHE committee monitors workplace incidents to identify and eventually eliminate the root cause of the risk or hazard. As part of this commitment, we are working towards raising health and safety awareness among our employees. We started publishing annual SHE newsletter showcasing our senior leader's commitment to safety, glimpses of SHE meetings held throughout the year and several trainings & milestones achieved in the health & safety aspect.



Central Safety Committee Meeting

In the reporting period, there have been no reportable accidents. We also monitor near miss incidents apart from reportable accidents. We have not received any occupational disease complain/cases in the reporting period.

Our Employees and contractors are duly vaccinated as per the vaccine schedule requirements. The OHC (Occupational Health Centre) in our facilities are fully equipped to serve the employees. We also have an in – house Ambulance with the required material to be used in case of any emergency. Annual Medical Check – up is conducted to ensure that our workforce are in the best of health. We also impart ergonomics training to all employees to avoid/minimize occupational Health Hazards.

The details of the annual medical checkup organized for our contractual workforce is provided in the table below.

Sr. No.	Name of the Contracting Agency & Contractor Group	Number of Contract Employees Covered
1	M/s. SUMATHI	411
2	M/s. MSR	66
3	DRIVERS	15
4	SECURITY & OTHERS	38

In order to ensure our workforce is healthy and there are no employees affected with occupational diseases we organize regular health-checkup camps, provide trainings and workshops on the occupational disease related to pharmaceutical sector. The various safety programs that we organize is also the key to conducting an effective employee engagement.



Safety Injury Free Operations Celebrations

### Safety Milestone

On the achievement of Safe working days with Zero recordable incident/accidents, we celebrate 'Safety Milestone'. These Milestones are celebrated to commemorate and encourage the employees for their hard work, dedication, support and commitment towards Zero Incidents.

Our Gaganpahad facility crossed the 'Seven years Recordable Incident Free Operations' milestone on March 14, 2017 by completing 2557 days of safe working and Shameerpet Plant achieved 'Four years recordable incident free operations' on April 14th, 2017.

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### National Safety Week

We organized 46th National Safety Week 2017 with a series of competitions and events held at Shameerpet and Gaganpahad. The theme for NSD 2017 was 'Leadership in Safety' and 'Health Enhances Business Sustainability'. The competitions held were aimed at sensitizing employees and workmen on Safety and thereby encouraging safety practices at Workplace.



National Safety Week Celebrations

In 2016-17, we conducted various training programmes on identification of symptoms, preventive measures and treatment of seven occupational disease namely disease caused physical agents, chemical agents, biological agents, respiratory disease, muscular diseases, skin disease and psychological disorders.

### Immunization Program

We organized TD (Tetanus Diphtheria) and a two-day TT (Tetanus Toxoid) immunization program on 13th September, 2016 at Gaganpahad and on November 28th and 29th 2016 at Shameerpet facilities.

#### At Shameerpet...

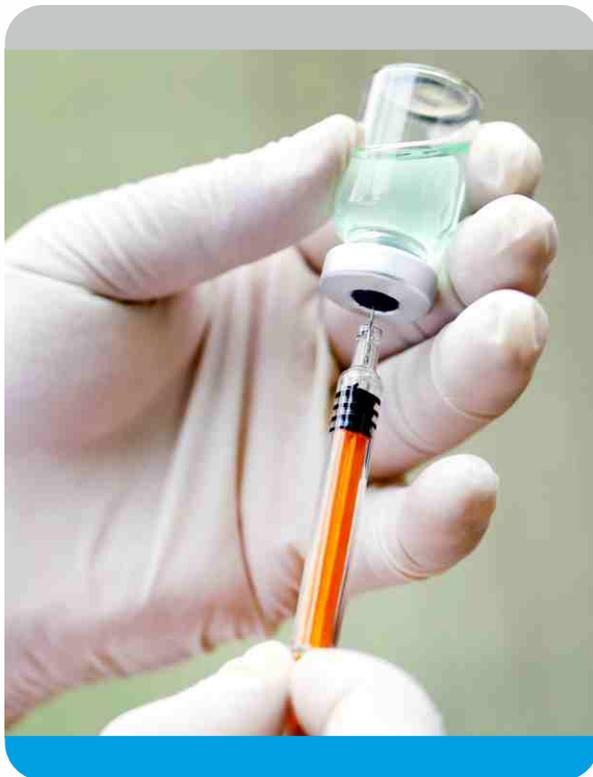
Two-days TT (Tetanus Toxoid) immunization program was organized for Construction workers on 28th and 29th November, 2016.

The objective of this immunization program is to protect our construction workers (who are involved in risky jobs like Reinforcement work, Shuttering Work, Welding etc.) against tetanus (lockjaw).

#### At Gaganpahad...

TD (Tetanus Diphtheria) Immunization program was organized on 13th September, 2016. A total of 305 employees from cross functional departments have been immunized.

Apart from employees, 90 Construction workers have also been immunized during this program.



Details of the immunization program conducted for our contract employees are provide below.

S.No.	Name of the vaccine	Number of contract employees immunized
1	HEPATITIS -B	33
2	MMR	91
3	TD	31
4	TT	119
5	TYPHOID	22



Blood Donation Camp

### Blood Donation Camps...

Our Gaganpahad facility organized a Blood donation Camp for the first time, in association with Red Cross Blood Bank on March 20th 2017. This Social Initiative received an astounding response from all the employees including the senior management.

The main objective of this Blood donation camp was to save the children who are suffering from Thalassemia and Cancer. Senior Management and other employees voluntarily stepped forward and collectively donated total 71 Units of Blood to Red Cross Blood Bank.

### Health Talks...

Biological E Limited in association with Yashoda Hospital has organized a Health Talk on 27th January, 2017 at Shameerpet facility. Considering the current scenario, the topic was "Healthy Diet for a Healthier Lifestyle".

A professional Dietitian from Yashoda hospital was invited to enrich our employee's knowledge on Healthy diet habits, Calories classification and sharing useful tips for diet to lead a Healthier life.

Around 37 employees from cross functional teams participated in this talk. ty practices at Workplace.



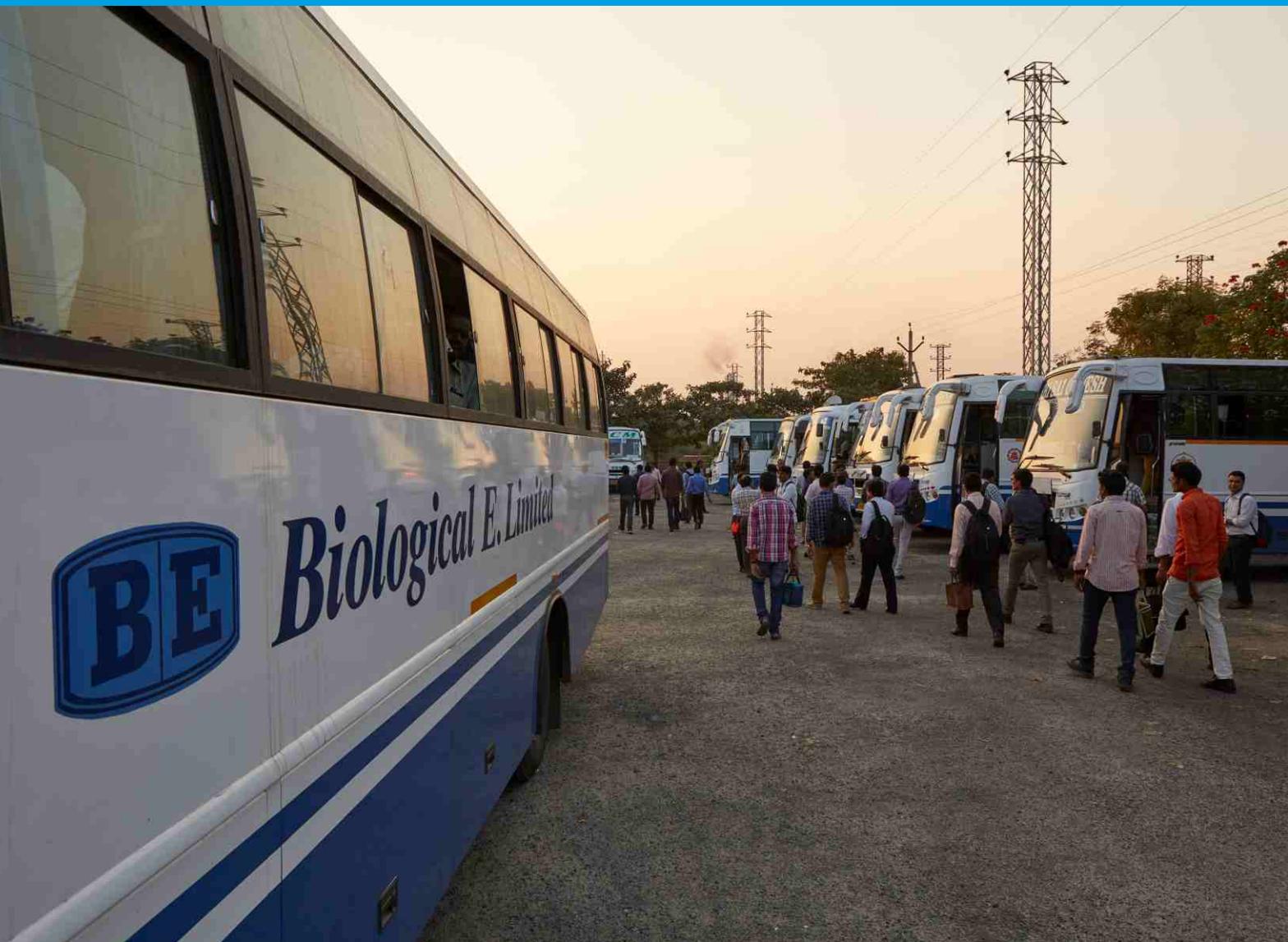
Health Talk with External Expert



### Safety outside our premises...

Biological E. Limited in association with Safe Drive India Private Limited conducted one-day training Programme on 'Defensive Driving' at Shameerpet on August 26th 2016 and at Gaganpahad on November 28th 2016. The objective of the training was to bring in awareness on the road safety amongst all BE drivers. This training session was organized for all the company bus drivers, the company leased car drivers and employees' personal vehicle drivers.

All the participated employees received certificates from the Safe Drive India Private Limited, after qualifying the exam that was conducted soon after the completion of training.





We have introduced SHE Warrior Awards in line with our SHE Rewards and Recognition policy. SHE Warrior Awards consists of two categories INDIVIDUAL and FUNCTIONAL warrior.

These awards are be presented to the best safety practice implementers and the employees who walk an extra mile to contribute towards the betterment of Safety Health and Environment.

### Training and Education (LA9,LA10, LA11)

We understand that employees equipped with up to date knowledge and skills required for their jobs are critical for long term sustenance of the organization. All new recruits undergo extensive induction and orientation training sessions prior to their deployment. We make significant efforts on equipping our employees with the necessary skill upgrades required to facilitate their career progression and development and meet the company's business requirement.



IDEA Campaign Program Launch

September 14, 2016, marked the launch of the 'IDEA' generation campaign at Gaganpahad Facility, an Operational Excellence initiative. As part of this, employees, contractors, workmen were encouraged to review their and their peers' activities and suggest small improvement ideas (KAIZEN) in making work easier and more efficient.

The name 'IDEA' (Identify, Develop, Empower and Achieve) was coined after a competition, which had been conducted two weeks ahead of the final launch for the workforce at Gaganpahad to suggest a probable name for the event. Prior to the launch of the campaign, an intensive training was conducted for the workforce at Gaganpahad by the Operational Excellence Team. The team explicitly trained on how to initiate small changes, which make big a difference.

We encourage our employees to participate in job-specific trainings conducted regularly in our premises. Our learning and development team along with the help of cross-functional heads develops a list of trainings that are required by the employees to be trained on a regular basis. Functional and Behavioral competencies have been developed for various functions and roles in our organization. Our major training areas are occupational health and safety, skill enhancement and CGMP. While we capture the number of trainings conducted in the organization, we are in the process of implementing systems to capture gender wise participation in these trainings.



### Number of Trainings Conducted in 2016-17

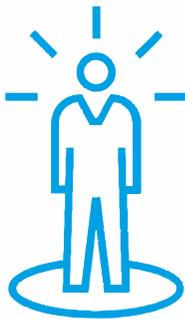
S. No	Training Details	Number of trainings
1	GMP	106
2	Occupational Health and Safety	46
3	Skill Enhancement	10

## Number of Man- Days Trained



S. No	Training Details	Number of trainings
1	GMP initial Trainings	630
2	GMP Refresher Trainings	280
3	Occupational Health and Safety Trainings	322
4	Skill Enhancement Trainings	193

## Skill Enhancement Trainings Break-up:



S. No	Topic	Number of Participants
1	Assertive Communication	42
2	Basic English Language	143
3	Business Communication	226
4	Financial Acumen	30
5	High Impact Presentation	78
6	Import and Export	8
7	IPR Awareness	10
8	MS Excel	132
9	Negotiation Skills	30
10	Team Building	16
	<b>Grand Total</b>	<b>715</b>

## Gradewise Trainings



S. No	Level	Number of Participants
1	Executive to DM	393
2	GM and Above	49.5
3	Manager to DGM	154.5
4	Workmen & Staff	118
	<b>Grand Total</b>	<b>715</b>

Through our continuous and dynamic performance and career development cycle, we encourage our employees to set their annual career oriented goals and the same is reviewed to appreciate the goals achieved and provide guidance on how to improve the performance in areas where the employees lack.

All regular employees, except those on sabbatical, education leave or long leave, undergo a mid-year and annual appraisal. Promotions and revisions in salary and remuneration are based on performance assessment and merit of the individual.

### Leadership Development

Leadership development starts with identification of employees with potential. This is done based on employee performance ratings, achievements in their work domain, etc. Additional input is provided by the learning & development team, where employees receive developmental feedback about their leadership competencies.

### Diversity and Equal opportunity (La12)

All the appointments in our Company across all levels are made on the basis of our need, vacancies and merit of individuals, irrespective of gender, race, caste etc. For hiring workers (skilled, semiskilled, unskilled and apprentice), equal weightage is given to candidates from across the country. We ensure that all employees receive fair remuneration as part of their employment contract although there are differing employee benefits for permanent and temporary employees.

The Company makes all efforts to include employees from different ages, backgrounds and genders in its various committees and governing bodies. No substantiated or unresolved incidence of discrimination was reported in the reporting period.



Ms. Mahima Datla, Managing Director, felicitated employees completing 25 years of service at BE

### Labor Practices Grievance Mechanism (La16)

We have an effective mechanism to resolve any dispute that occurs at the workplace. We have grievance redressal mechanism which explains the procedures on what has to be done to resolve a dispute. Our grievance redressal committee consisting of senior members from various functions and key leaders in resolving and addressing the issues. The recommendations and decisions taken by our grievance redressal committee are righteous. The grievances are recorded and documented with the status of resolution. There were no grievances on labor practices filed through formal grievance mechanisms during the reporting period.

### Human Rights

We believe that a sustainable organization rests on a foundation of ethics and respect for human rights and that all our stakeholders must live with social and economic dignity and freedom, regardless of nationality, gender, race, economic status or religion. We respect the dignity of every individual. We are committed to providing a safe and equal opportunity work place to all our employees and associates. We endeavor that our operations are free from the scourge of discrimination. We have also established screening mechanisms to ensure no employment of child labor or forced labor at our operations. All the contracts have clauses requiring compliance to industrial and labor laws.



We actively engage with our workmen represented by the Workers' Union, and consult them on aspects of employee welfare and major aspects of work conditions. All HR policies, including the aspects related to human rights, are communicated to the employees at the time of induction and are also available on the company intranet. The policies are also communicated to the contractors as part of contract agreements.

### Non-Discrimination (Hr3)

The company is committed to providing a fair and safe work environment to ensure that its employees are not subjected to any form of harassment. All employees are treated with dignity and without any discrimination. Our "Code of business conduct and ethics" requires that the Board and senior management personnel shall not indulge in sexual harassment whether directly or by implication. No incidence of discrimination and sexual harassment was reported in the reporting period at our operations.

### Freedom of Association and Collective Bargaining (Hr4)

We have recognized worker union at our Gaganpahad facility and employees are covered as members of the registered union. The service conditions are determined through collective bargaining and codetermination. We actively engage with our employees, whether permanent or contractual, to ensure their welfare. Regular meetings take place between the management and the workers' representatives to understand the changing aspirations, needs, concerns, and grievances of the workers and to appraise the workers of the business environment and the various challenges the company could be facing. All major policy changes impacting workers are discussed with the employees' union and the changes are implemented as agreed upon after mutual discussions. We respect to the right of all employees to join an association to voice their interests as employees, to organize and to bargain collectively or individually.

We have internal labor union at our plants and all permanent workmen are covered by collective bargaining agreements. The Company has been maintaining a harmonious relationship with the workers without any interruption in work.

### Forced Labor and Child Labor (HR5, HR6)

We have strict checks for aspects of human rights such as forced labor, child labor and work towards ensuring that no child labor is employed at any of our operations. As a system lock, our hiring process is such that only adults above 18 years are employed in any of our operations. Besides, as a routine practice, our security

personnel screen every individual before entering in the premises and strictly allow access only to adults. Engagement of workforce is through a contract of employment, which also contains a clause for separation by giving the notice to the other side.

We follow Government of India legislation with respect to forced and child labor and do not allow or encourage forced/compulsory labor. No incident of engagement of child labor and forced or compulsory labor in our operations was reported in the reporting period.

### Product Responsibility

Our uncompromising commitment in providing world-class vaccines to our customers on a consistent basis is rooted in our values. Given our presence in the vaccines sectors, our products reach out to a large number of consumers. We have a stringent processes and systems to ensure that all our products are in compliance with relevant regulatory requirements. In addition, our products are constantly evaluated against international standards. This is an integral part of our approach and all efforts are made to ensure that there is no deviation on this account.

Our commitment towards ensuring compliance with relevant standards of health and safety commences at the R&D stage. Our R&D efforts are aimed at developing efficient and safer products. Throughout the various stages of process we make every effort to minimize health, safety and environmental impacts of our products.

We have been producing products which are mainly administered to children, hence the Safety of the product is of prime importance to us. We follow rigorous systems to ensure quality, safety and efficiency of our products. We are certified to WHO-Goods Manufacturing Practice (GMP) and integrated management systems. Most of our products are WHO pre-qualified. We are also in the process of obtaining US FDA certification for our vaccines facility.

### Health & Safety Impacts of our Products (Pr2)

We work to ensure the safety of all the products we market and those that are in the development stages. Our product life cycle management intends for a cradle to grave approach, wherein life cycle of products from research and development till end life of the product is incorporated with environmental health and safety protection measures.

In addition to diligent ongoing internal review, we have R&D, Production and QA/QC safety committees that regularly reviews safety and risk-related issues. These committees implement appropriate (safety) risk

management processes for both marketed drugs and those in development. These committees ensure the continuous, systematic, proactive and timely identification of product-related risks. It also drives the development of appropriate risk mitigation measures and monitoring their implementation. The key indicators for our product safety can be determined from pre-marketing clinical trial data and post-marketing pharmacovigilance reports.

The clinical trials that we conduct are well controlled and seek to answer specific questions about how a vaccine will work in a specific patient population. While, these studies provide critical information for our regulatory filings. Post-marketing pharmacovigilance plays an important role in our ability to gain a deeper understanding of risks. With increasing frequency, we conduct specific studies after regulatory approval to address safety questions that could not be concluded in pre-approval trials conducted.

We always comply with local and national regulations defined for pharmaceutical sector. In the reporting year, there were no fines levied on us for any non-compliance issues related to the health & safety impacts of products.

### Product Quality and Integrity

The products we market and sell are manufactured at our own dedicated manufacturing facilities. We ensure that all manufacturing processes comply with current Good Manufacturing Practices (cGMP) and other applicable regulations, as well as with our own high quality standards. Governmental health authorities around the world, including the US Food and Drug Administration (FDA), closely regulate the manufacture of our products, and continue to intensify their scrutiny of manufacturers' compliance with their requirements. In longer term, we intend to implement a comprehensive plan for all of our manufacturing sites worldwide to strengthen our sustainable culture of quality. The plan includes utilization & adoption of upgraded standards, technology and training our people. To meet increasing health authority expectations, we are devoting substantial time and resources to improve quality and assure consistency of product supply at our other manufacturing sites around the world.

The counterfeiting of pharmaceutical products has increased dramatically on a global scale in the last few years and poses serious risks to the health of patients. We as an industry leader, have taken several initiatives towards anti-counterfeiting efforts. Our product integrity program takes into account the differing levels

of complexity and risk associated with individual products and markets. We have conducted a series of risk assessments, examining economic incentives, supply chain and product complexity, and other factors that may contribute to this issue. Based on the analysis, we have prioritized certain product lines and geographies for piloting and implementing various product authentication and security measures.

### Customer Excellence (Pr5)

To satisfy our customer's needs our marketing and sales team take initiatives to frequently interact with customers. We communicate with our customers via various modes such as face-to-face meetings, email, video conference, web chat, social media, and telephone. We regularly update our customers with information about new products, modification/up-gradation in existing products, and achievements.

Customer interviews are regularly conducted on yearly basis to understand product performance, customer needs and current market trends. We seek their input to understand product performance/specifications, packaging, transportation and appropriate communication of product specifications. We invite customer comments on our survey conducted through online/written feedback forms. We plan to initiate a formal Customer Survey in the next financial year.

### Marketing Communication (Pr7)

Transparency and communication are central to building trust and credibility with stakeholders. Ethical business practices, including how we promote our products, inform customers, interact with customer groups are of utmost importance. Poor ethical practices can lead to fines, public scrutiny and distrust, ultimately affecting sales and profits. Overall, ethics and governance is an industry-wide challenge, and a lack of transparency on ethical dilemmas hinders trust and credibility. During the reporting period, no cases of alleged misconduct related to professional practices, including both compliance with our company's own marketing codes and compliance with industry codes and regulations, were reported.

### Transparency and Communication

The business case and motivations for undertaking our various sustainability initiatives, the reasons for selecting and investing in particular initiatives, and the value they deliver, will hereafter be described through this report.



# GRI Content Index

(G4-32)

### About GRI

The Global Reporting Initiative (known as GRI) is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.

The GRI Sustainability Reporting Guidelines (the Guidelines) offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organizations, regardless of their size, sector or location.

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Message from Senior Leadership	G4-1	08
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BE Team at Cphi, world's leading pharmaceutical event organized in Frankfurt, Germany



# About the Report

(G4-28 to G4-31, G4-33)

We are pleased to publish our second Sustainability Report. Through this report we have tried to showcase our sustainability performance, key achievements and strategies to recognize and deal with the positive and negative environmental, social and economic impacts of our business activities.

## Reporting Period

This report covers our sustainability performance for the period April 2016 to March 2017.

## Report Boundary

This report covers our vaccines and pharma business operations in India. The general standard disclosures cover data of our vaccines and pharma divisions. The specific standard disclosures cover the sustainability performance data for the manufacturing units of vaccine division at Shameerpet and Gaganpahad. The data for Azamabad unit will be covered in our next sustainability report.

## Reporting Framework

This report has been prepared "in-accordance with core" criteria of the GRI (Global Reporting Initiative) G4 guidelines. The report is based on the various principles specified by GRI for defining report content and report quality. Please refer to our GRI index for our disclosures against each of the indicators.

## External Assurance

The data and information disclosed in this Sustainability Report and its conformance to the GRI-G4 guidelines has been assured by "British Standard Institution (BSI)", an independent third party assurance provider. BSI has provided the assurance as per AA1000 AccountAbility Assurance Standard (2008), the statement of which forms apart of this Report.

"I envision a world in which everyone can live healthy, productive lives, regardless of who they are or where they live."

— Dr. Tedros,  
Director-General, WHO



## INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: **SRA-IND- 680600-2**

### **Biological E. Limited Sustainability Report 2016 - 17**

The British Standards Institution is independent to Biological E. Limited (hereafter referred to as "BE" in this statement) and has no financial interest in the operation of BE other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for BE only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders & management of BE.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by BE. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to BE only.

#### **Scope**

The scope of engagement agreed upon with BE includes the following:

1. The assurance covers the whole Sustainability Report 2016-17 of BE prepared "In accordance" with GRI G4 Guidelines – Core option, and focuses on systems and activities of BE that comprises of manufacturing of vaccines during the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

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2. The AA1000 Assurance Standard, AA1000AS (2008) Type 1 engagement evaluates the nature and extent of BE's adherence to all three AA1000 AccountAbility Principles: Inclusivity, Materiality and Responsiveness. The specified sustainability performance information/data disclosed in the report has been evaluated.

### **Opinion Statement**

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard, AA1000AS (2008) and GRI G4 Guidelines. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that BE's description of their self-declaration of compliance with the GRI G4 Guidelines were fairly stated.

We conclude that the BE Sustainability Report 2016-17 Review provides a fair view of the BE's CSR programmes and performances during 2016. We believe that the 2016 economic, social and environment performance disclosures are fairly represented. The sustainability performance disclosures disclosed in the report demonstrate BE's efforts recognized by its stakeholders.

### **Methodology**

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to BE's policies to provide a check on the appropriateness of statements made in the report
- Discussion with senior executives on BE's approach to stakeholder engagement. We had no direct contact with external stakeholders
- Interview with staff involved in sustainability management, report preparation and provision of report information were carried out
- Review of key organizational developments
- Review of supporting evidence for claims made in the reports
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard (2008)

### **Conclusions**

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G4 Guidelines is set out below:

#### **Inclusivity**

This report has reflected a fact that BE is seeking the engagement of its stakeholders through various channels. Being the second year of reporting, BE has expanded its stakeholder engagement to include customers, suppliers, vendors and the local community, apart from considering the feedbacks received from its external stakeholders over the last few years. To this extent, BE has come up with a formal process engagement process. This comprehensive survey within the vaccine business included in the report has brought in a wide range of material aspects to be included for reporting.

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Biological E Limited is a private sector biological products company in India that specialises in the area of low-cost vaccine production. BE supplies several essential and lifesaving Vaccines and Pharmaceuticals to UN Agencies viz. UNICEF, Pan American Health Organisations, other global markets and within India to Central and State Government Hospitals, Public Sector Undertakings, the Indian Armed Forces and the domestic retail market.

In this Sustainability Report, material data disclosed is primarily restricted to the operations of the vaccine plant in Shameerpet and Gaganpahad locations. This report covers the fair reporting and disclosures for economic, social and environmental information. In our professional opinion, the report covers the BE inclusivity issues; however, the future report should be further enhanced by detailing more information on the pharma business that are located at Shameerpet, Patancheru, Dehradun and Azamabad locations.

#### **Materiality**

BE publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the BE's material issues by using BE's materiality matrix and boundary mapping, however, the future report should be further enhanced by including the material topics as relevant for its pharma business.

#### **Responsiveness**

BE has implemented the practice to respond to the expectations and perceptions of its stakeholders. It includes client survey and different feedback mechanisms to their stakeholders.

In our professional opinion the report covers BE's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Provide further information regarding responsiveness mechanism to different stakeholders.
- Process could also include a formal mechanism for recording, collating and addressing the feedback received from the stakeholders

#### **GRI-reporting**

BE provided us with their self-declaration of compliance GRI G4 Guidelines and the classification to align with "In accordance" - Core.

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all 3 categories (Environmental, Social and Economic) are reported with reference to "In accordance" with the GRI G4 Guidelines – Core option.

In our professional opinion the self-declaration covers BE's social responsibility and sustainability issues, however, the future report will be improved by the following areas:

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- By detailing material topics as relevant for the pharma business that are located at Shameerpet, Patancheru, Dehradun and Azamabad locations
- Provide further information regarding responsiveness mechanism to different stakeholders. Process could also include a formal mechanism for recording, collating and addressing the feedback received from the stakeholders
- Considering and reporting specific consumption trends
- Integrate data collection and analysis systematically within the business and between the systems established for management systems on quality, environment & safety and GRI.

### **Competency and Independence**

The assurance team was composed of Lead auditors experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including GRI-G4, AA1000, ISO10002, ISO 14001, OHSAS 18001, and ISO 9001, etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

### **Assurance Level**

The limited level of assurance provided is in accordance with AA1000 Assurance standard, AA1000AS (2008) in our review as defined by the scope and methodology described in this statement.

### **Responsibility**

It is the responsibility of BE's senior management to ensure the information presented in the Sustainability Report is accurate. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

For and on behalf of BSI:

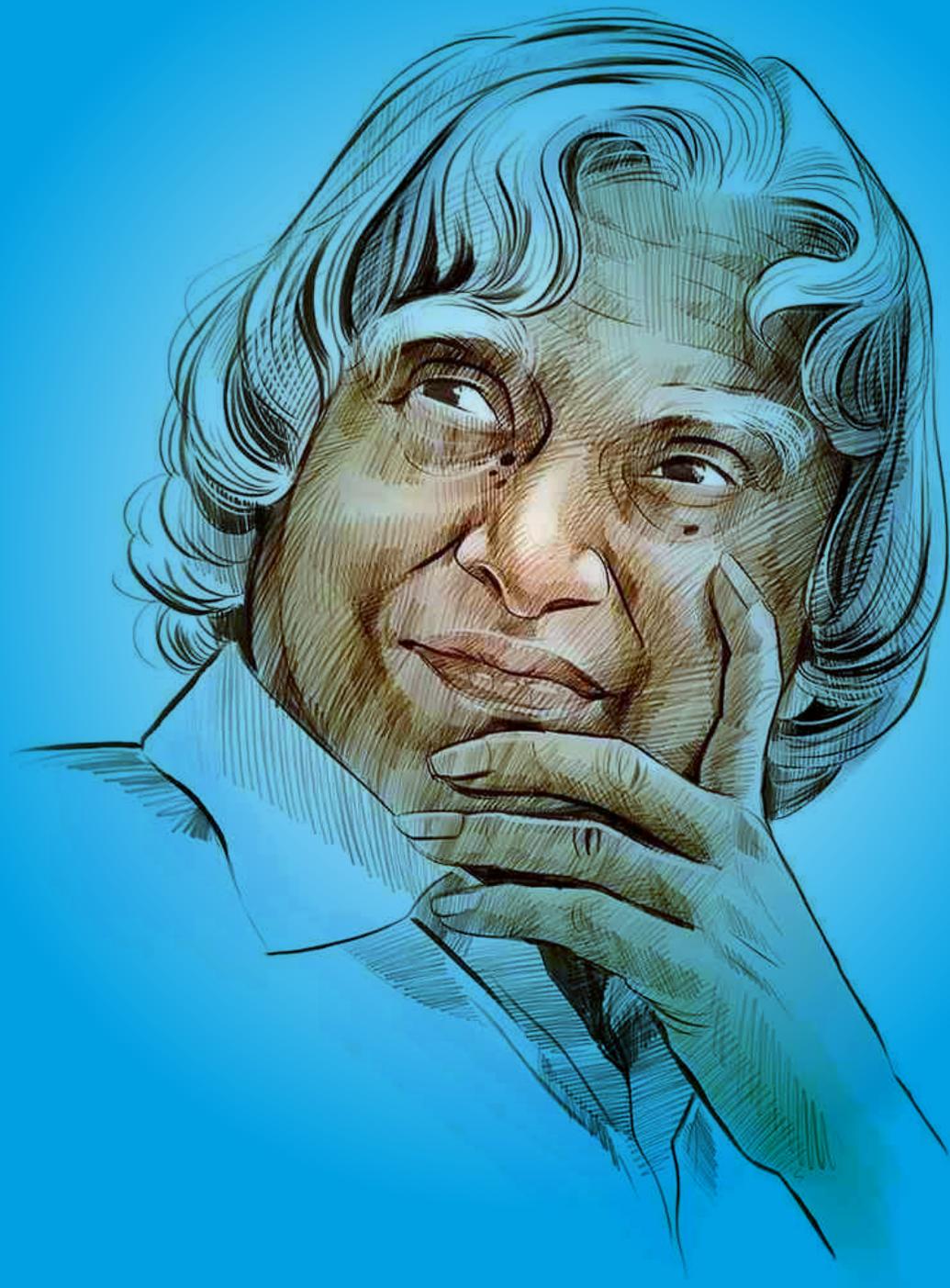
-----  
Kumaraswamy Chandrashekara  
Head - Sustainability, BSI Group India

-----  
Mr Wilfred Chan  
Head of Operations, BSI Asia Pacific  
16 March 2018  
New Delhi, India



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**"Yesterday leaders commanded the control  
(Yesterday they were commanders, the leaders).  
Today, leaders empower and coach,  
that means potential leaders will be empowered to  
the exposure of needs of sustainable development,  
what we need today".**

### Key Contact

For any queries related to this report, please write to:

E-mail Address: [sustainability@biologiale.com](mailto:sustainability@biologiale.com)



## ***Biological E. Limited***

*Celebrating Life Everyday*

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