

## Creating a Sustainable Future

As Biocon partners India in achieving the country's ambitious target of becoming a USD 100 billion bioeconomy by 2025, the company is equally committed to enable the nation achieve its sustainable development goals. Sustainability continues to remain at the centre of our integrated outreach strategy designed to make a meaningful impact on the environment, people and society. From preserving the environment to reducing our carbon footprint and promoting the well-being of the communities, employees and other stakeholders, our business practices go beyond compliance, thus contributing to the larger goal of sustainable development.





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## Environment



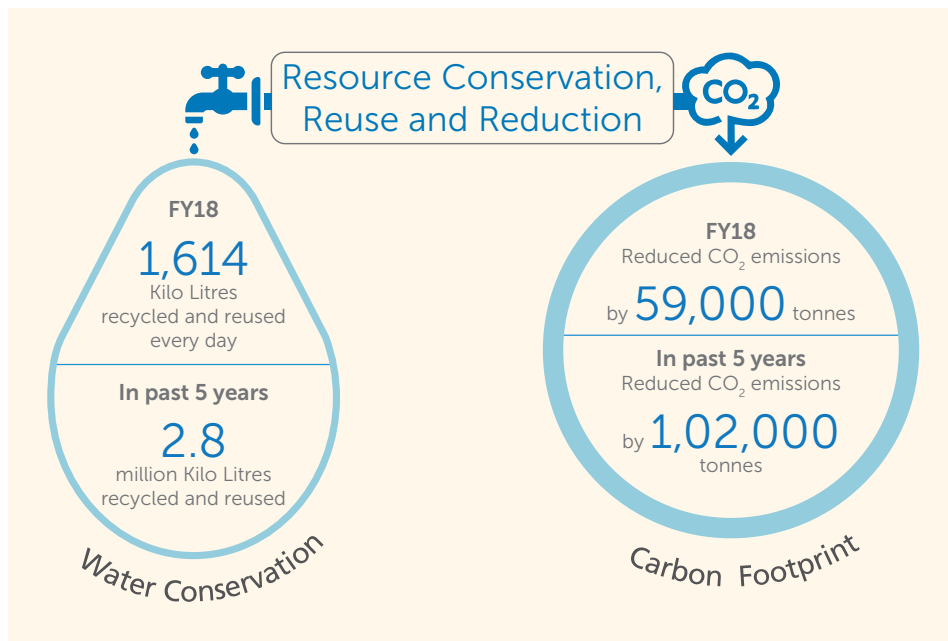
Our environmental sustainability strategy is built around the philosophy of doing more with less. Our holistic approach encompasses conservation of natural resources, reduction of our carbon footprint, switching to renewable energy, improving energy efficiency, minimizing waste generation, sustainable sourcing and contributing to biodiversity.

Constantly striving to implement global best practices in environment management, we have designed robust Environmental, Health & Safety (EHS) policies and procedures. The focus is on ensuring that environmentally sustainable practices are incorporated across businesses to create a safe atmosphere for all our employees as well as the community at large. The ISO 14001:2015 and OHSAS 18001:2007 certifications,

a dedicated environment management cell comprising highly qualified and experienced professionals and an online legal compliance tracking system together create an ecosystem for effective compliance management at Biocon.

### Energy Conservation

Our energy conservation efforts are centered around optimizing energy consumption, reducing waste and utilizing clean energy in our business operations. Adoption of innovative measures such as energy efficient centrifugal air compressors, water chillers and motors have enabled us to achieve this objective. Variable Refrigerant Volume systems, LED lighting and condensate recovery measures have significantly enhanced energy savings at Biocon.

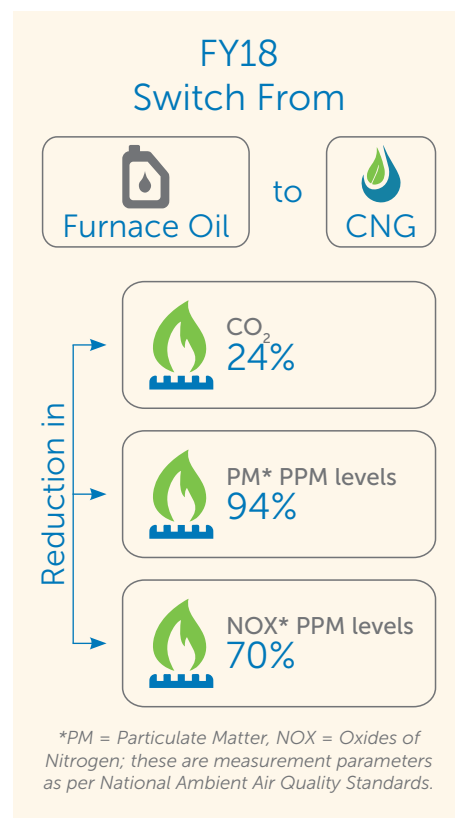


With procurement of 66 million units of wind power, from a wind farm in Mangoli, Bijapur district of Karnataka, we successfully reduced our carbon footprint in FY18 by about 59,000 tons. The continuous adoption of renewable energy as a preferred source has enabled us to increase its share in our total power consumption to 39%.

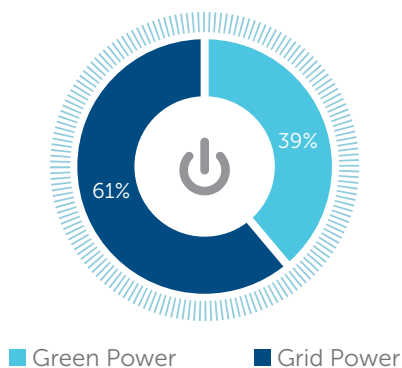
To further reduce our carbon footprint we have switched from furnace oil to natural gas for steam generation. Using natural gas instead of oil/coal produces less chemicals that contribute to greenhouse gases, acid rain, smog and other harmful forms of pollution.

### EHS Management System

As a highly responsible corporate organization, we have in place the best-in-class EHS management system conforming to internationally recognized standards of environmental and occupational safety. Our comprehensive compliance culture is aligned with applicable local, national and international laws and regulations.



### Focus on Green Power



It covers all our internal and external stakeholders and extends to the group, joint ventures, suppliers, contractors and other stakeholders.

### Environment Management

We have, since long, been making concerted efforts at reducing our environmental footprint. Our comprehensive approach focused on resource optimization, recycling, recovery and reuse has brought significant results.

Given that India is fast moving towards becoming a water stressed country, reducing water consumption remains an important part of our agenda. As a resource respecting organization, we have focused our efforts at making our processes more water efficient. Substantial investments in zero-liquid discharge systems across our manufacturing units have resulted in 100% wastewater being recycled and reused in the processes or utilities. Effective water treatment technologies and rainwater harvesting have meant significant reduction in per capita water consumption across our campuses.

The benefits from our environment management initiatives have been

driven by training and communication programs aimed at waste segregation and waste minimization across our operations. Our food waste, is also treated onsite through composting which is used in the greenbelt area.

### EHS Risk Assessment & Process Safety Management

With safety at workplace being paramount, we continuously assess, identify and manage occupational health and safety risks. Fitted with manufacturing equipment designed to conform to highest safety standards, we ensure conformance using world class monitoring equipment and regular internal and external audits.

Our integrated process safety management systems ensure all existing processes and new developments are assessed for risk. Process safety studies such as Process Hazard Analysis, Equipment Safety Study through techniques including HAZOP, What-if and Risk Matrix are conducted by cross functional teams. These rigorous processes ensured that Biocon's units in Bengaluru, Hyderabad and Vishakapatnam experienced zero reportable incidents in FY18.

Biocon's commitment to safety was endorsed through the "Unnatha Suraksha Puraskara", an award for excellence in safety management across operations given by the State National Safety Council.

### EHS Training

All our employees, both full-time and contract staff, undergo EHS training to make them well aware of workplace hazards and equip them with skills to effectively deal with a situation when it arises. During FY18, 17,000 man hours of classroom and e-learning training were conducted. First aid training, specialized training and workshops by experts and external trainers were also organized.



Before rejuvenation



After rejuvenation

## Industrial Hygiene Management

Our product-wise industrial hygiene studies and exposure reduction drives have proven to be very effective. Based on the detailed industrial hygiene risk assessments of manufacturing processes at the pilot stage, risk mitigation measures are incorporated before commencement of commercial production. Regular qualitative and quantitative assessments also help identify possible hazards.

## Saving the Lakes

As a part of our efforts to ensure environmental sustainability, Biocon has launched an ambitious initiative to contribute to Bengaluru's lake revival mission. With our Detailed Project Report for revival of the 35-acre Hebbagodi Lake having been approved by the Karnataka Lake Conservation and Development Authority, we began a comprehensive lake revival drive. While the thick sludge and accumulated garbage was removed from the lakebed, weeds were cleared from the surface and composted for use in green belt. A new embankment with a fence was built to prevent further encroachments. An eco-friendly bioremediation process including use of microorganisms and enzymes to clean up the polluted water, energy efficient cascading aerators and submersible mixer, to enhance the level of dissolved

oxygen in the water and floating wetlands with species like vettiver and canna were used to clean the water body. A bioreactor has been set up inside the Biocon campus to produce 3,000 litres of bio-enzyme every day for dosing the lake. Our bio-remediation processes to treat the polluted lake water have resulted in significant improvement in the water quality of the lake.

Streetlights have been installed on the lake periphery making it safe for the community.

The proof of concept established at Hebbagodi Lake has opened the path for Biocon Foundation to initiate other lake rejuvenation projects. Based on our learning and experience of Hebbagodi Lake we have developed a Detailed Project Report for the revival of Yarandahalli Lake and initiated bund strengthening, bridge construction and cleaning of inlets.

Constant stakeholder engagement including communities, government bodies, residents, monitoring of the lake and awareness creation are some prime enablers of long-term sustainability.

Under the Namma BioCommunity initiative, Biocon employees have exhibited high levels of commitment in the community development activities around the facility, by contributing their personal time and effort. On Rajyotsava Day, November 1, 2017, all the employee



volunteers cleaned the trash around Yarandahalli Lake, leveled the road and painted the walls of the lake boundary and the nearby government school.

As a part of the of World Environment Day celebrations, over 1,000 saplings were planted by employees along with nearby school children to create awareness about the importance of environmental conservation.

### Ensuring Sustainability in the Supply Chain

With a view to ensure our supply chain practices support our sustainability goals, we encourage our suppliers to fulfill their commitments to the society and environment. As a policy,

preference for long term commitments is given to suppliers who meet these criteria. Initiatives are taken to improve awareness about legal compliances to enhance eco-friendly efficiencies and packaging/logistics improvements at the suppliers end.

The Company engages with suppliers and transporters at regular meets to encourage them to undertake sustainable practices across the supply chain. Local sourcing options that would reduce the logistics involved and thus our carbon footprint are explored wherever possible. While reducing our own carbon emissions, we also encourage our suppliers and consumers to reduce these during sourcing and consumption.



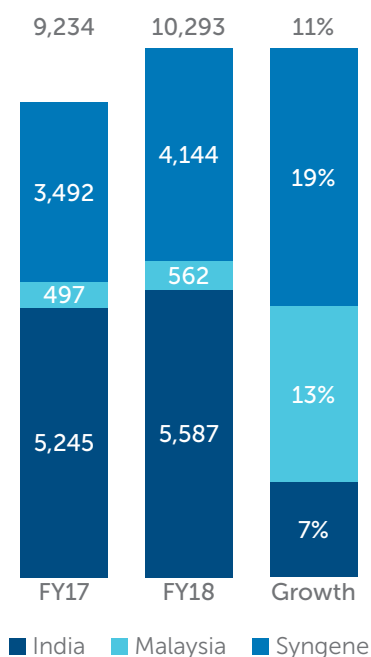
## People



We are committed to promoting, supporting and ensuring a gender diverse and inclusive work environment, where each individual is treated fairly and with respect. Our people-centric work culture encourages innovative thinking, focuses on excellence, instills a sense of ownership and builds confidence in our employees to make a difference. Building a people friendly culture based on these values has placed us amongst the most preferred biotech & pharma employers across the world.

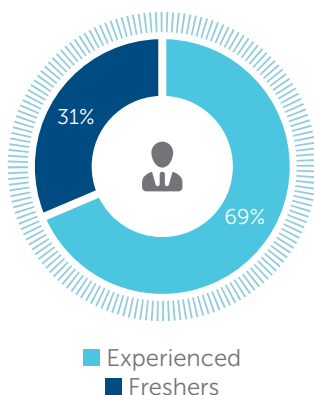
The Science Careers Top 20 Employers Survey 2017 rankings placed us at No.9. We have held on to our position amongst the Top 20 Best Employers since 2012, the only company from Asia to feature in this prestigious list, consistently.

### Global Employee Base

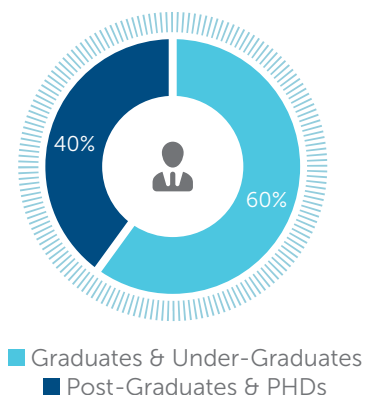




Employer of Choice



Talent Profile of Employees



### Learning & Organizational Development

As a performance-driven company, we believe in creating a culture of meritocracy that provides all our employees with equal opportunities to excel, learn and progress.

#### Learning & Development

We strongly believe that continuous learning builds an empowered team, creating the foundations of a world-class organization. We have put together a series of programs to bridge the skill gap where necessary, to help build new skills across levels.

Our MPower program, designed to build strong technical capabilities in high performing junior employees, saw 90 participants in FY18. It was a proud moment when 30 of them completed

the course with distinction. i-LEAP, our holistic leadership development platform for mid-level managers, saw close to 100 employees participate in the first batch this year. Knowing that SOPs enhance an organization's efficiency, we have partnered with Information Mapping, a world leader in solving critical documentation issues. With a view to building strong capabilities in SOP design, we have trained a team with Information Mapping.

Biocon also rolled out a series of world class e-learning technical courses for employees based in India as well as Malaysia. In addition to these programs, over 4,400 employees attended various training programs, clocking over 45,000 learning people hours, during the year.

#### Performance Management

At Biocon, meritocracy is a key organizational value. We sharpened our performance management processes further this year, by introducing a mandatory mid-year review to identify training needs based on skill gaps and give employees an opportunity to course correct well in time. Goal Setting Workshops, Feedback Sessions and Certification of Assessors involved in the promotion process were some of the other measures that brought robustness to the performance management systems.



## Employee Engagement

At Biocon, we make every effort to make the workplace engaging for our staff as well as ensuring their well-being. With a strong belief that healthy employees are happy and involved employees, we continued to conduct annual health checks for all employees. Customized programs on diabetes, healthy eating, heart health and smoking cessation were conducted under our wellness initiative, BioPulse. Preventive health awareness sessions on cancer, kidney disease and stress management were also part of our wellness initiatives this year.

The Biocon Adventure and Sports Club (BASC), a platform for our employees to pursue their interests beyond work, organized several sports and adventure activities during the year.

In pursuit of building a gender inclusive workplace, we provide a forum for women employees to freely share workplace problems and suggest possible solutions. Over 180 women employees participated in a brainstorming session organized under the BioWin initiative. Some of the interesting suggestions made in this forum were implemented this year. A well-equipped crèche provides a safe, affordable and high quality place for children while parents are at work at Biocon.

We believe that transitioning from 'Good to GREAT', will enable us to collectively embark on our next phase of growth, with a steady stream of positive milestones leading to robust revenues and profits. The 'Good to GREAT' (g2G)

initiative was thus unveiled during FY18, to reinforce Biocon's core values aimed at achieving excellence in every field.

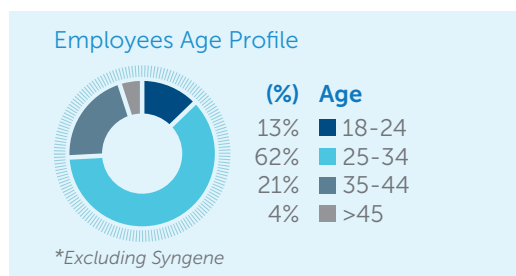
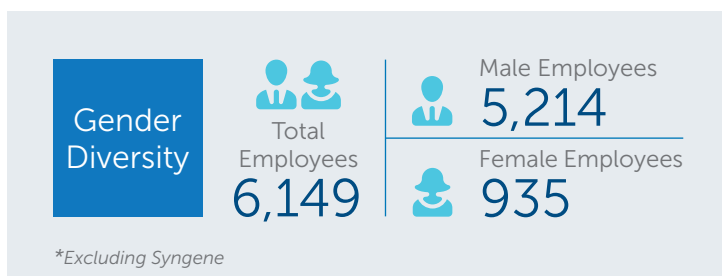
## Talent Acquisition

With a firm commitment to recruit high caliber employees through a fair and transparent process, we improved our talent acquisition practices in FY18. To achieve this objective we are developing a stronger sourcing engine that will help us select the right talent best suited to various roles.

More than half of Biocon's human capital is under 30 years of age, a demographic that is very active on social media. Our extensive use of social media channels to attract talent, converted into almost 54,000 job applications with an apply rate of 22%, which is significantly better than our peers. Our participation in a Global Virtual Career Fair, organized by Science Careers (Science International Inc., Cambridge, UK), attracted 550 registered users from U.S., India, Spain, UK and Switzerland.

## Internship Programs

In keeping with the leadership position in the Indian biotech industry, Biocon offers internship opportunities to students from India and abroad. This year the internship program covered over 500 students, including those from international institutes such as Illinois Institute of Technology, Chicago and the Universities of Washington, Maryland, Minnesota and Santa Clara from the U.S.; Kings College London, UK; and the University of Hong Kong.



## Social



At Biocon, Corporate Social Responsibility (CSR) is not about philanthropy, but about creating an ecosystem to empower the stakeholders. We believe that access to good education, healthcare services and civic infrastructure form the three pillars of an empowering ecosystem. Driven by the principle of making an enduring impact, Biocon Foundation partners the society to promote social and economic inclusion. Over the last decade, Biocon has thus made significant investments in enhancing access to quality healthcare, educational and improved civic infrastructure. Combined with field initiatives, these programs create a momentum to lift up the marginalized sections of the society.

In pursuit of our philosophy of empowerment, we are striving to

create a globally competitive biotech ecosystem in India. The Biocon Academy, an advanced centre of biosciences learning, was set up to address the current skill deficit, critical for India's youth to become employable. Given that over 48% of India's population is female (census 2011), we are making efforts to address the gender disparity gap in education, healthcare and employment. On a completely different note, we have also launched several initiatives to preserve India's rich heritage in art & culture.

Our comprehensive CSR policy guides the CSR Committee in overseeing and monitoring the CSR initiatives at Biocon. This Board level Committee ensures that these initiatives follow the course of the larger social vision of the company.





## BIOCON FOUNDATION

Over the years, Biocon Foundation has built a strong reputation for the quality of its programs and their impact in addressing social, humanitarian and environmental challenges facing India. Based on our strong belief that our programs would make a more meaningful impact if delivered in partnership with the government and like-minded organizations, we have partnered with government agencies for all our programs.

### Healthcare Programs

Based on the conviction that access to good healthcare is a basic human right, our public healthcare initiatives are intended to provide sustainable

solutions. Our adoption of digitization and information technology is changing healthcare delivery in rural India and making a more meaningful impact. Biocon constantly addresses the burden of chronic diseases such as cancer, diabetes and hypertension amongst the marginalized communities of the country.

#### eLAJ Clinics

ICT enabled processes have the potential to build sustainable healthcare delivery systems. The Foundation thus invested in developing eLAJ Smart Clinics, a platform to deliver evidence-based primary healthcare based on Electronic Medical Records (EMRs) of patients who visit eLAJ clinics. The model has been well received by healthcare providers at all levels, especially those who work

with communities having poor access to quality healthcare. These Smart Clinics have enabled the Foundation to establish a link between innovation and scale. Over 2.3 lakh patient visits were recorded at the eLAJ clinics during FY18.

In Rajasthan, Biocon Foundation adopted five PHCs and 32 associated sub-centers in 2015. Healthcare services delivery was improved in several of these centers in Jaipur, Sawai Madhopur and Jhalawar districts. Within two years (by August 2017) the improvement in services was such that the Government of Rajasthan declared the upgraded PHCs at Jhalawar as Adarsh PHCs (Model PHCs) with ownership getting transferred to the Government. Under a new Memorandum of Understanding (MoU), signed in March 2018, the Foundation is providing services such as electronic capturing of patient records and diagnostic services at the remaining three PHCs.

Under a MoU signed with the Government of Karnataka in December 2016, the Foundation has integrated the eLAJ module into operations of 15 Government-run PHCs. Additionally, at the Government's behest, laboratory devices have been provided at the Central Prison, Parappana Agrahara, Bengaluru.

#### Non-Communicable Diseases

At Biocon, we believe that an integrated community based risk factor management program is a cost-effective and efficient approach to address non-communicable diseases (NCDs) such as cancer. To date, the Foundation has screened over 53,000 men and women for oral, cervical and breast cancers and supported patients with potential risks, to undergo further evaluation.

At our monthly NCD clinics focused on diabetes mellitus and hypertension, we not only conduct screenings but also draw up management plans for diet related NCDs. Continuum of care is ensured through regular follow up by Community Health Workers (CHWs).

In FY18, 10 new eLAJ Smart Clinics were added, taking the total number to 21.

#### eLAJ Smart Clinic Footprint

	Number
Govt of Karnataka	15
Govt of Rajasthan	3
Biocon Foundation	3
<b>Total</b>	<b>21</b>

#### Capacity Building of Medical Practitioners

In rural areas, primary care physicians are the first, and often the only point of contact to manage health related issues. It therefore becomes imperative for physicians to have a comprehensive understanding of the disease for effective disease management with limited resources available. Given their importance for managing the health challenges of the rural population, the Foundation conducts workshops and conferences to improve the knowledge and skills of front-line health workers. In FY18, workshops on family planning, mental health and HIV in children, facilitated improved effectiveness of these workers.

#### WASH Initiatives

Open defecation, unsafe drinking water and poor hygiene have been the bane of the rural population with far reaching impact on public health, education, environment and gender equality. The Foundation's concerted and coordinated strategy to ensure access to Water, Sanitation & Hygiene (WASH) is helping reduce the negative impact of these ills. In FY18, reverse osmosis (RO) water plants of 1 kilolitre capacity, installed in Kyalasanahalli, Marutinagar and Sriramapura villages of Bengaluru, enabled access to safe drinking water for over 6,000 residents. Toilet blocks were constructed in the Government Primary School, Mayasandra and Government School & Junior College, Bagalur, under the Biocon sanitation program. Apart from improving good hygiene practices,



it is hoped that it would improve the enrollment of girls in these educational institutions.

#### Child Malnutrition

Child malnutrition is one of the biggest social challenges facing India, with half of all childhood deaths being attributed to malnutrition. It is also a major chronic health challenge for the underprivileged communities. First 5 years after birth are crucial for a child's growth and development, with potential to make long term impact on their cognitive ability and health. The steep rise in malnutrition in children during the first two years of life is indicative of poor infant feeding practices. As per the Global Nutrition Report, 155 million children are stunted and 52 million children are wasted. NFHS-4 (National Family Health Survey, India) reports that 35.7% of Under 5 children in India are

underweight, 21% wasted, 38.4% stunted and only 62% have full immunization coverage.

The Biocon Foundation has launched several programs to help India fight malnutrition. The Foundation has been working in partnership with the Government authorities in Bagalkot district of Karnataka, since 2012 to combat malnutrition. A robust scalable model to address child malnutrition was rolled out in four Taluks of Bagalkot district. In FY18 health check-ups for severely malnourished children were coordinated at the PHCs in collaboration with the Bagalkot district authorities, benefiting over 460 severely malnourished children.

#### Education Programs

Biocon's education initiatives are targeted at underprivileged children in



line with the company's commitment to ensuring inclusive and equitable quality education. As a first step, it is important to build a strong foundation of basic concepts in children. To achieve this objective, Biocon Foundation has, in partnership with Macmillan Publishers, developed Chinnara Ganitha to help children develop basic concepts in mathematics. Having touched the lives of over half a million students, since 2006, these workbooks reached over 1,00,000 students in about 1,000 government schools in the current year. The Bangalore Political Action Committee (BPAC), as our distribution partner ensured that these workbooks reached all the students of classes I to VII at these schools.

The Biocon CSR Wing encourages employees for community service. During the year several members volunteered to teach and assess fundamental mathematics skills of the students using Chinnara Ganitha workbooks at 10 government schools in Karnataka. The sessions proved to be a fulfilling experience for both the volunteer, teachers and the students.

## Awards

During FY18, Biocon Foundation received recognition from Government and non-government organizations as well as the corporate sector. Some of our initiatives were recognized as the most innovative, sustainable and impactful CSR programs of the year.

### Biocon Foundation Awards

Indian Drug Manufacturers' Association (IDMA)  
Corporate Citizen Award  
2017

The Social Change Award  
2017 for eLAJ Smart Clinics

CSR Health Impact Award-  
India Health and Wellness  
Summit 2017

CSR Excellence Award 2017-  
CSR Health Project of the  
Year- IICSR Conclave 2017

1st Runner-up, CSR Journal  
Excellence Awards 2017

Award & Certificate  
of Appreciation from  
Government of Rajasthan to  
Soorwal PHC for exemplary  
services in Pradhan Mantri  
Surakshit Matritva Abhiyan

## Skill Development



Biocon Academy is committed to create a globally competitive Biotech ecosystem in India through skill development programs at its Center of Excellence for Advanced Learning in Applied Biosciences.



### BIOCON ACADEMY

An evolving biotech sector has led to a peaking of demand for highly-skilled people in India. However, the quality of the available talent pool does not match the industry requirements.

Biocon Academy leverages rich industry experience of Biocon and subject matter expertise of its education partners to deliver industry-oriented training programs to biotech students.

The programs offered by the Academy aim to empower the Biotechnology and engineering graduates with advanced

learning and industrial proficiency through job-skills development essential to build a promising career in the Biotech industry.

Under a strategic collaboration with the Keck Graduate Institute (KGI), California we launched the unique **Biocon KGI Certificate Program in Biosciences** in 2014. It is the first-of-its-kind international program that imparts specialized training through a rigorous, multidisciplinary, project-oriented approach, combining classroom sessions with practical training in actual industrial settings. In 2016, we continued our

collaboration approach by partnering with BITS, Pilani, India, to introduce the **BITS Biocon Certificate Program in Applied Industrial Microbiology**. To ensure our students get practical training, this year the Academy collaborated with the global life sciences company, Thermo Fisher Scientific, India.

Building on the success of these programs in imparting rigorous academic and industrial training, the Academy introduced two new programs this year: the **Faculty Development Program (FDP)** and the **Clinical Development Program (CDP)**. The FDP for biotechnology faculty is designed to give deeper insights into industry requirements and help them equip their students with focused and practical training. This program has already benefited 23 Biotechnology faculty members from 18 colleges across the country. The **Biocon KGI Certificate Program in Clinical Development**, is aimed at enhancing the quality of clinical research professionals in India. Students from the CDP program underwent practical training at Narayana Health, one of the best hospitals in India and in state-of-the-art facilities of Syngene International to get hands-on training on various operational aspects of Clinical Research. The first batch of this exclusive program, designed to accelerate learning in the fast growing field of clinical development, graduated this year.

In FY18, nearly 145 students and faculty members have benefited from the various courses being delivered by the Academy. Cumulatively, over

400 students have benefited since the Academy was launched. We are proud to be able to help life sciences graduates in India build promising careers in the biotech industry. The Academy continued to maintain its record of 100% placements this year too. More than 55% of the students have been recruited by some of India's leading life sciences companies, apart from Biocon.

Given that the international programs are very expensive, we subsidize the cost for all students by offering scholarships of up to 75% of the program fee. Several hundred students who have graduated from the Academy over the last four years are contributing immensely to the Indian life sciences industry through their knowledge, talent and technological orientation.

Apart from developing a talent pool for the industry, we are also lending our expertise to other academic institutions to expand India's ecosystem for biotechnology sector. In FY18, we facilitated the development of new courses by the Delhi Institute of Pharmaceutical Sciences and Research.

Biocon Academy is continuously looking at ways to align with the growing needs of the global biotech industry and developing new programs to address such requirements. To strengthen this industry, we are designing an MBA Program in Biosciences Management and a PG Certificate Program in Quality Control Analytical Techniques.

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When we look back on our sustainability journey, it gives us a sense of satisfaction. We have driven our CSR initiatives with a holistic perspective since inception to make a difference to the lives of marginalized communities. As a socially responsible organization, we have invested significantly in our sustainability programs. Every initiative has been rooted in the philosophy of making a sustainable impact on the lives of the communities that we work with.