

LIVING WAGE POLICY

HIKAL LIMITED

Revision Number:

1.0



Version Control

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Approved by

Ratish Jha
President- Human Resources



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1. Preamble

Hikal Ltd. recognizes that fair and adequate compensation is fundamental to protecting employee well-being, promoting social equity, and supporting sustainable economic development. We are committed to providing remuneration that enables employees and their families to maintain a decent standard of living while complying with applicable legal requirements. Through responsible wage practices, transparent compensation systems, and continuous improvement initiatives, Hikal aims to foster a workplace where employees are treated with dignity, respect, and fairness.

2. Applicability

Living wage policy applies to all employees of the Hikal Limited Group. It is applicable across all manufacturing units, operational facilities, branch offices, registered locations, warehouses, and any other premises owned, leased, or managed by the Hikal Limited Group, as listed below.:

Sr. No.	Name	Function	Address
1	Hikal Limited	Registered Office	717 / 718, Maker Chamber V, Nariman Point, Mumbai - 400021
2		Corporate Office	Great Eastern Chambers, Sector 11, CBD Belapur, Navi Mumbai - 400 614, India.
3		Manufacturing Plant	T-21, MIDC. Industrial Area, Taloja - 410 208, District Raigad, Maharashtra, India.
4			A-18, MIDC Industrial Area, Mahad - 402 309, District Raigad, Maharashtra, India.
5			629 / 630-B, GIDC Estate, Panoli -394 116, District Bharuch, Gujarat, India.
6			JIGANI UNIT I: 82/A, KIADB Industrial Area, Jigani, Anekal Taluk, Bangalore - 560 105, India.
7			JIGANI UNIT II: 28, KIADB Industrial Area, Jigani, Anekal Taluk, Bangalore - 560 105, India.
8		Research and Technology (R&T) Centres	Plot No. 3A & 3B, 2 nd Phase, International Biotech Park, Hinjewadi, Pune - 411 057, India.
9		Marketing office	3rd floor, Grey Rock, No.10, 24th Main, J.P. Nagar, 2 nd Phase, Bangalore - 560 078, India.

10			Kyodo Bldg. 503, 1-18 Kanda Sudacho, Chiyoda-ku, Tokyo 101-0041, Japan.
11		Office	Marketing Office, USA
12			Marketing Office, Europe

3. Focus Areas

- Fair and equitable compensation practices across all operations.
- Compliance with applicable wage-related laws, regulations, and statutory requirements.
- Progressive alignment with recognized living wage principles and benchmarks.
- Equal remuneration for work of equal value without discrimination.
- Timely, transparent, and accurate payment of wages and benefits.
- Continuous assessment and improvement of wage practices in response to economic and social conditions.

4. Living Wage Calculation

Hikal recognizes that living wage assessments should consider both statutory obligations and the actual cost of maintaining a decent standard of living for workers and their families.

While determining and reviewing wage structures, Hikal may consider:

- Applicable minimum wage notifications issued under the Code on Wages, 2019.
- The WageIndicator Foundation database, which is recognized by IDH (the Sustainable Trade Initiative, *Inisiatif Dagang Hijau* in Dutch) as an approved methodology for calculating global living wages.
- Provisions related to fair remuneration under relevant labour legislation and state-specific wage regulations.
- Requirements concerning equal remuneration and non-discrimination under applicable Indian labour laws.
- Cost-of-living factors, including food, housing, healthcare, education, transportation, utilities, and other essential household expenses.
- Inflation indicators such as the Consumer Price Index (CPI) and other recognized economic benchmarks.
- Wage guidance and recommendations issued by recognized national and international organizations, where applicable.

Living Wage Methodology Considerations

Hikal may periodically assess wage adequacy by evaluating:

- Basic needs of employees and their dependents.
- Regional variations in living costs.
- Household expenditure patterns.
- Inflation and economic conditions.
- Industry compensation benchmarks.
- Employee welfare and social protection requirements.

5. Hikal's Approach on Living Wage

- **Wage Assessment and Review:** We will establish a structured wage review process to periodically evaluate employee compensation against applicable statutory wage requirements, cost-of-living indicators, inflation trends, industry benchmarks, and recognized living wage methodologies to identify potential wage gaps and improvement opportunities.
- **Compensation Planning:** We will integrate living wage considerations into annual compensation planning, budgeting, and workforce management processes to support fair and sustainable remuneration practices across all operational locations.
- **Cost of Living Monitoring:** We will monitor relevant economic indicators, including Consumer Price Index (CPI), inflation rates, housing costs, healthcare expenses, transportation costs, and other essential living expenses to assess their potential impact on employee purchasing power and financial well-being.
- **Wage Equity and Fairness:** We will implement periodic compensation reviews and internal assessments to identify, prevent, and address unjustified wage disparities while promoting equal remuneration for work of equal value across the organization.
- **Employee Engagement and Awareness:** We will strengthen employee understanding of compensation structures, wage components, statutory benefits, and available welfare programs through regular communication, awareness sessions, employee handbooks, and HR engagement initiatives.

6. Targets

- We aim to conduct living wage assessments across 100% of operational locations by FY 2027-28 against baseline year FY 2022-23.

- We aim to continue the review process of employees compensation structures annually and implement wage adequacy assessments covering 100% of permanent employees.
- We strive to maintain zero confirmed cases of wage discrimination and unequal remuneration practices annually by FY 2027-28 against baseline year FY 2022-23.
- We aim to conduct periodic pay equity reviews covering 100% of employee categories by FY 2027-28 against baseline year FY 2022-23.
- We aim to provide compensation, benefits, and wage awareness communication to 100% of employees by FY 2027-28 against baseline year FY 2022-23.
- We aim to maintain 100% compliance with applicable wage payment requirements and statutory obligations by FY 2027-28 against baseline year FY 2022-23.
- We strive to maintain zero substantiated cases of retaliation against employees reporting wage-related concerns by FY 2027-28 against baseline year FY 2022-23.
- We aim to progressively reduce identified living wage gaps, where applicable, through periodic compensation reviews and improvement plans by FY 2027-28 from the baseline FY 2022-23.
- We aim to maintain 0% of employees receiving wages below applicable statutory minimum wage requirements and identified living wage thresholds, where established, across all operations by FY 2027-28 against baseline year FY 2022-23.

7. Governance & Responsibility

7.1 Managing Director

- Provide strategic oversight for implementation of the Living Wage Policy.
- Ensure adequate resources are available to support responsible wage practices.

7.2 Human Resources

- Develop and maintain compensation frameworks.
- Conduct wage assessments and compensation reviews.
- Monitor compliance with wage-related legal requirements.
- Address wage-related employee concerns and grievances.
- Review the policy regularly

7.3 Finance Department

- Ensure accurate and timely wage payments.
- Maintain payroll integrity and statutory compliance.

7.4 Procurement Department

- Promote responsible labour practices among contractors and service providers.

7.5 Employees

- Cooperate with wage-related processes and raise concerns through designated channels where necessary.

8. Reporting & Monitoring

Hikal Ltd. will periodically collect, maintain, and review wage-related data to assess compliance and progress against living wage commitments. Key indicators such as wage adequacy, minimum wage compliance, living wage assessment coverage, wage-related grievances, and contractor compliance shall be monitored and reported to management. Findings will be used to support decision-making, corrective actions, and continuous improvement initiatives.

9. Continuous Improvement

Hikal is committed to continuously enhancing its wage management practices, compensation systems, and employee well-being initiatives. Wage-related processes, assessment methodologies, and compensation frameworks will be periodically reviewed considering employee feedback, legal developments, economic conditions, inflation trends, and evolving industry best practices. Lessons learned from assessments, audits, and stakeholder engagement activities will be used to strengthen policy implementation and promote sustainable workforce development.

10. Grievance Mechanism and Contact Information

In case of any grievance, questions or concerns with regards to the Policy, please reach out to us through the following channels:

External Stakeholders	community_grievance@hikal.com or call at 022-62770299
Internal Stakeholders	employee_grievance@hikal.com Alternatively, grievances may be submitted anonymously by depositing them in the designated complaint/grievance boxes available at all sites

All concerns will be handled with appropriate confidentiality and in accordance with the Hikal's grievance redressal procedures.

11. Policy alignments with SDGs



12. Policy Review Mechanism

This policy shall be reviewed annually or earlier if required due to regulatory changes, organizational requirements, stakeholder expectations, or significant business developments by Human Resources Head. The Human Resources Department shall coordinate policy reviews and recommend updates for approval by senior management.

13. Disclaimer

This policy is a proprietary to the Hikal limited. Unauthorised use, replication, or distribution of this document or its contents, in whole or in part, is strictly prohibited without prior written consent. The information contained herein is subject to continuous review and updates, and may be modified to reflect evolving business conditions, regulatory requirements or operational strategies. Hikal limited assumes no responsibility or liability for unauthorised reliance on or misinterpretation of this policy.