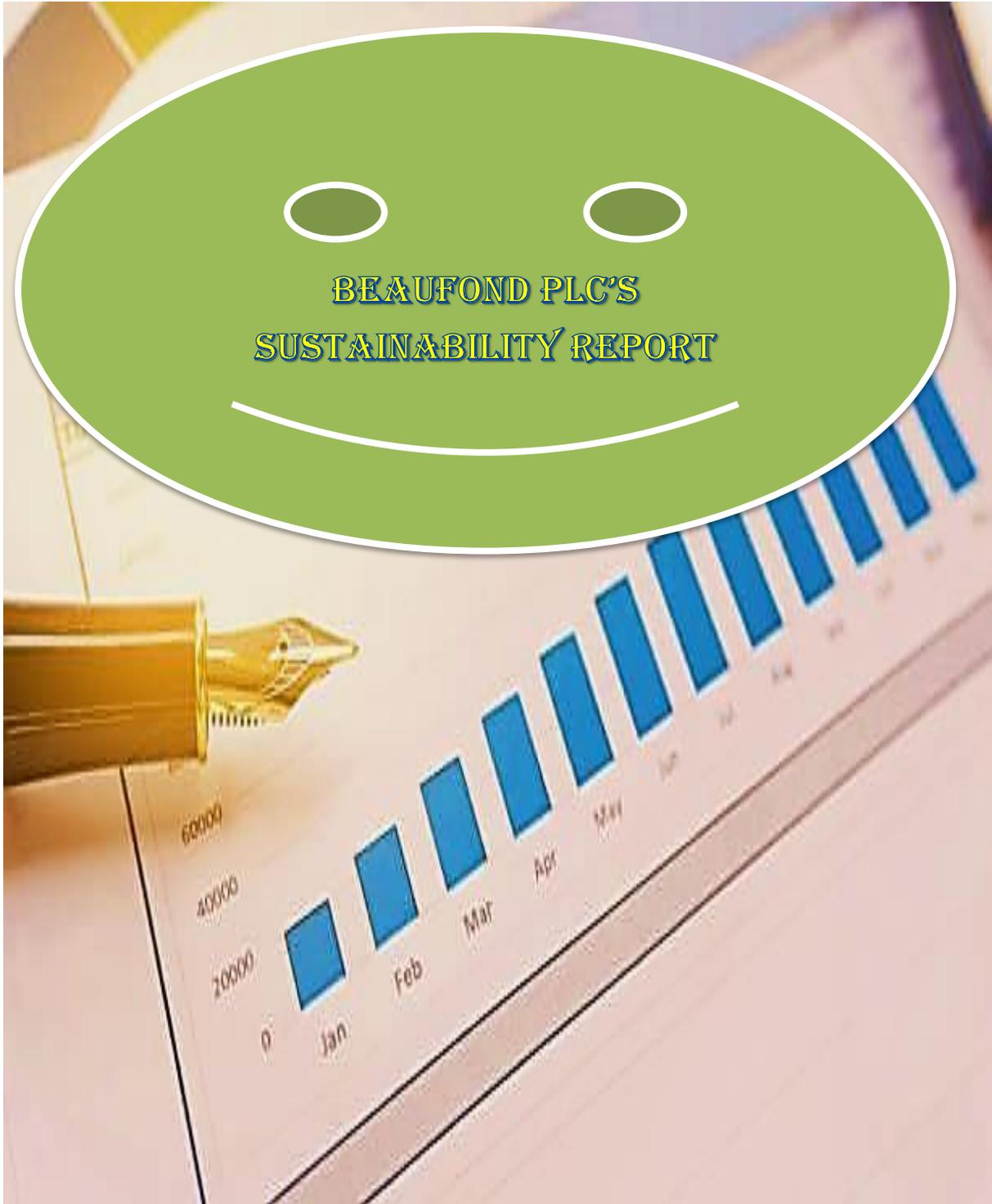




BEAUFOND PLC



BEAUFOND PLC'S
SUSTAINABILITY REPORT



About This Report

Scope of the Report

This Business and Sustainability Report is the Company's first report to combine overall business and sustainability performance, data and context, reflecting our journey towards integrating sustainable business practices across the core business. We also provide financial data and a Global Reporting Initiative Index in our website

Except as otherwise noted, this report covers the performance of the Company and the system, as applicable. Therefore, references to "currently," "to date" or similar expressions reflect information as of the current financial year.

Certain information in this report regarding the company and the system comes from third-party sources and operations outside of our control. We believe such information has been accurately collected and reported, and that the underlying methodology is sound.

Common Stock

Beaufond Plc takes initiative to list its share in leading Stock Exchanges like Luxembourg Stock Exchange.

Dividends

The board of directors increased the annual dividend percent to 10% from 8% equivalent to USD 7.500 Mn. The company has been paying dividends to its shareholders from its first year onwards.

Data Appendix

To respond to stakeholder interest and provide greater disclosure and transparency, we have prepared and published all the data in our website.

The success story of the Company for its sustainable growth, stability and creditability for last one decade in the international business, is the Company's clear vision of Risk mitigation process that put in to the system that is carried by the entire team work with true spirit.

**Mr. Sachin Saini,
Managing Director**



Beaufond Plc's Sustainability Report

Our board's role is overseeing the company's long-term business strategy, which includes providing review of and guidance for our ongoing transformation to a Global Trading and Distributing company. Beaufond Plc pleased with "how this board works with management toward the common goal of long-term value creation for our shareowners and other stakeholders."

Corporate Governance

At the Beaufond Company, we set high standards for our people at all levels and strive to meet these standards consistently. Our sound business principles and practices foster a strong innovative and collaborative culture, which is committed to ethical behavior, accountability and transparency.

Information about the company's Corporate Governance, including the company's Code of Business Ethics / Conduct, Corporate Governance Guidelines, Certificate of Incorporation and Bylaws are on our website. Information about how to report concerns about the company and our public policy engagement and political contributions policy can be accessed our website under Corporate Governance policy.

The company's board of directors has established nearly 12 numbers of committees to assist in discharging its duties. These include an Audit Committee, Risk management Committee, Remuneration and Compensation Committee, Nomination Committee, Finance Management Committee, Business Development Committee, Share Holders' / Investors' Grievance Committee and Health , Safety, Environment & Corporate Social Responsibility Committee (HSE & CSR) etc.,. The charter for each committee can be viewed on our website.

Sustainability Governance

The Health, Safety and Environment & Social Responsibility Committee helps the board to fulfill responsibilities relating to diversity, sustainability, corporate social responsibility and public issues of significance, especially with regard to ways in which these issues may affect the shareowners, the company, communities in which we operate, and the general public. This entails evaluating and reviewing information pertaining to social, political and environmental trends, with oversight the diversity and sustainability goals, as well as human and workplace rights.

The committee reviews, at least annually, all shareowner proposals, public policy advocacy efforts, political contributions and charitable contributions to ensure alignment with company policy and our overall values.

The committee reports regularly regarding actions and recommendations, and annually conducts a self-evaluation, which if need presents to the board.



Sustainability Approach

We aim to achieve our operating and sustainability goals through a concerted effort by the Company in more than 17 countries and territories. We have set ambitious goals to drive system-wide change beyond small operational improvements.

We have robust programs in place to identify issues for our business and stakeholders, and cross-functional teams working across our system to gather data and perspectives to inform our actions. Beyond our internal Enterprise Risk Management team, this also includes the work of our dedicated Stakeholder Engagement function that partners with business units, NGOs, governments, and people in communities all around the world.

Priority Issues Matrix

Focusing on the highest-priority business environmental, social and governance issues for our business and our stakeholders is a foundational step in how we conduct business and develop our corporate strategy. It is also foundational to how we build, evolve and report on our business and our sustainability efforts.

During 2018-19, we were undergoing a thorough review of our priority issues in collaboration with a cross-functional internal team and key external stakeholders. This will ensure that we take into consideration the changing social, environmental and economic context as we evolve our business, along with wider stakeholder expectations.

Priority Issues: Risks & Opportunities

As a company operating with a growth mindset and a presence in almost major countries / territories in the world, we consider our risks and opportunities in a global context.

Many of the issues we face are interconnected and evolving quickly, and we need to understand them to fulfill our long-term vision to grow in a way that creates value for all people— consumers, customers, suppliers and communities—while working toward solutions that benefit us all.

Throughout this report we reference our transformation to a total monopoly trading and distribution company. There are many issues of relevance to our company, both in relation to this transformation, and more broadly as a global growth business, which we explore in more detail in our key sustainability topics and subsequent pages.

The following risk and opportunity areas help provide a snapshot of the global context in which our transformation is taking place.



Product Innovation

Beaufond Plc has the major share nearly 75% in trade of Chemicals mainly Pharma related products. As economies grow, health care provision and insurance mechanisms expand; demand for local and imported pharmaceutical products is on the rise. Not only is demand on the rise, but the diversity of pharmaceutical needs is growing as emerging markets increasingly deal with non-communicable diseases prevalent in wealthier economies, including diabetes and hypertension, while communicable diseases that afflict many emerging markets – such as AIDS, malaria and tuberculosis – persist. This trend presents a growth opportunity for us, and we listen to stake holders, customers and consumers as we evolve our long-term business strategy.

Along with the business opportunity, there are also real risks. For example, there is a growing concern among consumers, public health professionals, and government agencies about the increased prevalence of obesity, which is correlated to several non-communicable diseases. The Pharma companies have responsibility to help adequately address these challenges through innovation and new product offerings. We support the current recommendation by several leading health authorities, including the World Health Organization,

Taking Action and Expanding Choice Putting Consumers First

People's life styles and preferences are changing, so we're changing too. Driven by our passion for our consumers, we have been shifting our mindset and culture, as well as the way we measure our success, resulting in bold action to transform our portfolio.

Around the world, to meet these changing consumer needs, we have updated our approach to more effectively measure using our marketing muscle to promote and accelerate the expansion of our products options across our portfolio.

On the journey to more sustainable

Just as we harness data and analytics to inform and improve our growth efforts at scale, we also track our performance efforts from market to market.

We are making good progress. Since the inception of the company when we set our various goals / objectives, they are being crossed / reached well within the targeted period.

The Path Ahead

Together with our Contract manufacturers, Traders and suppliers, we have made a lot of progress on driving and demonstrating sustainable growth in our trading and distribution supply chain. But we know that we still have a long way to go to achieve our goal of top leading trading and Distribution Company. Over the past five years, we have learned that continuously improve strive hard is become more sustainable.



We will continue to build on what we've learned and develop a variety of ways to achieve sustainable growth, engaging our entire supplier in a regulated supply chain on this journey. This includes sharing knowledge and tools with them and investing in our supply chain to support a diverse and resilient products supply.

We focus where the risks are greatest to help align goals across the globe and support the development of standards where it's lacking.

Caring for People and Communities

Our company employees, the employees at our trading partners and others in our value chain are what make our business a success. As we accelerate our move to a total top class trading and distributing company, we are cultivating a culture that supports this evolution and enables us to grow. This means ensuring all employees, suppliers and other stake holders can build this transformation together.

Our company culture is curious, empowered and inclusive—believing in making progress rather than worrying about perfection. These behaviors are encouraged throughout the organization and in the many ways we engage our employees, from recruitment to ongoing learning and development, encompassing every role.

Striving to have a positive impact on people extends to all the communities connected to our business. Whether through upholding human rights across our operations and supply chain, empowering women, supporting more sustainable trade practices, or giving back to communities we call home directly through our philanthropic initiatives, we are committed to caring for the people who make our success possible.

A Socioeconomic Multiplier

Contributing to the well-being of people beyond our direct employees, the wider system creates socioeconomic opportunities around the world. Our Employees, manufacturing, and distribution partners, play a significant role in generating new jobs. This employment multiplier effect invigorates both local and national economies in every market where we operate.

Empowering Women

Women around the world have long been important contributors to the business system, and they often face significant barriers to realizing their own economic empowerment. Studies show that the economic empowerment of women has positive multiplier effects on the nutrition, health and education of families and that better inclusion of women in the world economy propel growth and prosperity. Across diverse geographies including developed and developing countries, 5 out of 20 has supported the success of individual women and shown how gender-balanced entrepreneurship can increase economic resilience.

In our Board also more than one third is occupied by women directors.



Employee Safety & Health

A safe and healthy workplace is a fundamental right of every person and also a business imperative.

Our Workplace Rights Policy explains that we take responsibility for maintaining a productive workplace by minimizing the risk of accidents, injury and exposure to health hazards for all of our associates and contractors. In addition, we work with our stake holders to help ensure health and safety risks are minimized for their employees and contract workers.

Embedding Health & Safety across Our Operations

We seek to embed and improve health and safety across all aspects of our business. For example, we have made "Health, Safety and environmental & Corporate Social Responsibility Policy and committee (HSE & CSR)" which developed a Behavioral Based Safety program for the system and employees to adopt into their operations. This program incorporates the Human Factor Analysis and Classification System (HFACS) to examine why injuries occur and to analyze the influencers in the management system that may allow at-risk behaviors.

Our HSE & CSR capability team has implemented programs designed to improve operational performance, such as the Professional Excellence Program, an intensive training and development program, and also provides online quality, safety and environmental training for business units of the company globally.

Additionally, our HSE & CSR defines the policies, standards and requirements for managing safety, the environment and quality throughout our operations - goes beyond compliance to require that our distribution facilities implement two internationally recognized frameworks of occupational health and safety management systems and requirements designed to improve employee safety, reduce workplace risks and create better, safer working conditions, all over the world.

To support these programs and ensure continuous improvement, we also regularly conduct unannounced inspections whenever possible in all the years, across the global.

Diversity & Inclusion—Strengthening Our Business and Society

As a global business company, our ability to understand, embrace and operate in a diverse world—both in the marketplace and in the workplace—is critical to our long-term sustainability and to doing business the right way.

By building an inclusive workplace environment, we seek to leverage the talent, insights and ideas of our global employees. Our aspiration is not only to mirror, at every level of leadership, the diversity of the communities we operate, but also to exceed industry norms.



We share diversity and inclusion metrics across our global workforce with our board of directors and senior leaders on a quarterly basis, highlighting progress and driving accountability. Our leadership councils and business resource groups continue to be a driving force in shaping our inclusive culture and serving as a resource to the business to attract, recruit, develop, engage and retain diverse talent.

Gender diversity in the workplace is a priority across all the countries we operate. Our Gender Strategy is based on four key initiatives led by the Global Women's Leadership Council and Diversity & Inclusion function.

We are building a strong and sustainable pipeline of diverse suppliers targeted to the system's largest spending pools. This is a part of our commitment to creating shared opportunity and economic growth for all communities.

Supporting People and Communities

The Company is committed to giving back to communities 2% of its average profits preceding 3 years through company donations. We significantly increased the amount of funding provided for recycling and women's empowerment.

Listen, Learn and Act – Stake holder engagement

Stake Holders are core to our business and enable us to achieve more together. We can progress faster and with more impact by working with stakeholders who can bring their expertise and know-how to help create a better world.

Our approach to stakeholder engagement is focused on transparency, inclusiveness, consistency and accountability. Our engagement involves environmental protection, social and economic improvement, industry initiatives involving some of our biggest competitors, and programs working hand-in-hand with communities where we can make a difference.

Input from a diverse range of stakeholders helps to advance and further evolve our sustainability goals. Consistent and open communication is fundamental.

Beaufond's Sustainable Development Goals (SDG)

We recognize that we cannot achieve any one of the SDGs on our own. Yet, as a global company with a wide trade and supply chain and consumer reach, we have a potentially significant role to play in meeting many of these ambitious aims. We have taken a closer look at where we can make direct contributions to the SDGs, whether through collaboration with our Contract manufactures, customers, suppliers' engagement, or in other places where we have leverage to amplify our positive impacts.