LIVING WAGE POLICY

Revision Number : 02

Effective Date : 29/05/2023

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1. Introduction

At Alchem International Pvt. Ltd., we believe that fair compensation is fundamental to employee wellbeing, dignity, productivity, and long-term organizational success. We recognize that employees should receive compensation that enables them and their families to maintain a decent standard of living and meet their basic needs, including food, housing, healthcare, education, transportation, and other essential living expenses.

Alchem is committed to providing fair, equitable, and competitive compensation practices that comply with applicable legal requirements and support the financial wellbeing of employees. We strive to ensure that wage practices are transparent, responsible, and aligned with internationally recognized labor standards and human rights principles.

Through this Living Wage, Fair Compensation & Employee Wellbeing Policy, Alchem establishes its commitment to fair remuneration, responsible wage management, equal pay, employee benefits, and continuous improvement of compensation practices.

2. Scope

This policy applies to:

- All employees, workers, contractors, subcontractors, suppliers, consultants, and business partners operating at or for **BALLABGARH SITE**
- All activities including manufacturing, warehousing, logistics, administration, product design, research & development, and procurement.
- The surrounding communities and ecosystems that may be affected by our operations.

Location:

Site	Address
BALLABGARH SITE	25/2, Main Mathura Road, Village Kaili, Ballabhgarh, Faridabad, Haryana 121004

Baseline Year: FY 2023-24
Target Year: FY 2030-31

3. Core Principles

Alchem's approach to labour and human rights management is guided by the following principles:

1. **Fair Compensation**

   Employees shall receive compensation that is fair, transparent, and aligned with their roles, responsibilities, skills, and performance.

2. **Living Wage Commitment**

   Alchem is committed to progressing toward compensation practices that support a decent standard of living for employees and their families.

3. **Equal Pay for Equal Work**

   Employees performing comparable work shall receive equitable compensation without discrimination.

4. **Compliance with Labor Laws**

   All wage and benefit practices shall comply with applicable labor laws and regulations.

5. **Transparency & Accountability**

   Compensation processes shall be administered fairly and transparently.

6. **Employee Wellbeing**

   Compensation and benefits programs shall contribute positively to employee financial security and wellbeing.

7. **Continuous Improvement**

   Alchem shall periodically review compensation practices and seek opportunities to strengthen employee financial wellbeing.

4. Living Wage & Fair Compensation Commitments

For each Social aspect, we set both **qualitative objectives** (strategic direction) and **quantitative targets** (measurable outcomes).

4.1 Living Wage Commitment

Qualitative Objectives

1. Promote compensation practices that support employees' basic living needs and wellbeing.
2. Periodically evaluate wage levels against relevant living wage benchmarks and economic conditions.
3. Support financial stability and economic security for employees.
4. Consider cost-of-living factors when reviewing compensation programs.
5. Continuously strengthen wage practices to support workforce wellbeing.

Quantitative Targets

- Conduct living wage assessments covering 100% of operational locations by FY 2030-31.
- Review wage structures annually against applicable living wage benchmarks.
- Ensure 100% compliance with statutory minimum wage requirements.
- Maintain wage payment accuracy of 100%.
- Review cost-of-living impacts annually.

4.2 Fair Compensation & Benefits

Qualitative Objectives

1. Provide fair and competitive compensation packages.
2. Maintain transparent compensation structures.
3. Offer employee benefits that support wellbeing and financial security.
4. Recognize employee performance and contribution appropriately.
5. Promote consistency and fairness in compensation decisions.

Quantitative Targets

- Conduct annual compensation benchmarking exercises.
- Review employee benefit programs annually.
- Maintain 100% compliance with legally mandated employee benefits.
- Achieve 100% on-time wage and salary payments.
- Review compensation structures annually.

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4.3 Equal Pay & Non-Discrimination

Qualitative Objectives

1. Ensure equal pay for equal work and equivalent responsibilities.
2. Prevent wage discrimination based on gender, age, religion, ethnicity, disability, or other protected characteristics.
3. Promote fairness and consistency in compensation decisions.
4. Monitor compensation equity across the workforce.
5. Address identified pay disparities appropriately.

Quantitative Targets

- Conduct annual pay equity reviews.
- Review compensation practices across 100% of employee categories annually.
- Investigate 100% of compensation-related grievances.
- Implement corrective actions for substantiated compensation inequities.
- Monitor workforce compensation equity indicators annually.

4.4 Employee Financial Wellbeing

Qualitative Objectives

1. Support employee financial literacy and awareness.
2. Promote long-term financial wellbeing.
3. Encourage responsible financial planning.
4. Provide access to information regarding compensation and benefits.
5. Support employees through financial wellbeing initiatives.

Quantitative Targets

- Conduct at least one financial wellbeing awareness program annually.
- Provide compensation and benefits communication to 100% of employees.
- Review employee wellbeing feedback annually.
- Monitor participation in financial wellbeing initiatives.
- Assess employee satisfaction with compensation and benefits annually.

4.5 Responsible Wage Management

Qualitative Objectives

1. Maintain accurate and transparent wage administration processes.
2. Ensure timely payment of wages and benefits.
3. Maintain clear payroll records and documentation.
4. Protect employees from unauthorized deductions.

5. Promote compliance and accountability in compensation management.

Quantitative Targets

- Achieve 100% on-time wage payments annually.
- Maintain payroll accuracy above 99%.
- Resolve payroll-related grievances within established timelines.
- Conduct periodic payroll compliance reviews.
- Maintain complete payroll documentation for 100% of employees.

4.6 Living Wage Expectations within the Supply Chain

Qualitative Objectives

1. Encourage suppliers and contractors to provide fair compensation to workers.
2. Promote responsible labor practices throughout the supply chain.
3. Integrate wage-related considerations into supplier assessments.
4. Support supplier awareness regarding living wage principles.
5. Encourage continuous improvement of labor standards among suppliers.

Quantitative Targets

- Communicate labor and wage expectations to 100% of strategic suppliers.
- Assess high-risk suppliers for labor and wage-related risks.
- Include labor and wage compliance requirements in supplier agreements.
- Review supplier labor performance annually.
- Track supplier corrective actions relating to labor practices.

5. Action Framework

To effectively implement this Living Wage Policy, Alchem shall establish processes that promote fair compensation, employee wellbeing, responsible wage management, and compliance with applicable labor requirements.

Topic	Key Actions
Living Wage Commitment	Conduct living wage assessments; review compensation levels; evaluate cost-of-living impacts; benchmark wages against recognized standards.
Fair Compensation & Benefits	Annual compensation reviews; market benchmarking; employee benefits assessments; salary structure reviews.
Equal Pay & Non-Discrimination	Pay equity analysis; compensation audits; monitoring of compensation-related complaints; corrective action implementation.

Employee Financial Wellbeing	Financial literacy awareness programs; employee communication initiatives; wellbeing assessments; benefits awareness sessions.
Responsible Wage Management	Payroll reviews; wage accuracy verification; compliance monitoring; payroll audits; wage documentation management.
Supply Chain Wage Practices	Supplier labor assessments; supplier engagement programs; responsible sourcing reviews; corrective action monitoring.

6. Roles and Responsibilities

Board of Directors / Executive Management

Responsibilities:

- Approve and periodically review this policy.
- Ensure fair compensation principles are integrated into workforce management practices.
- Allocate resources to support implementation of compensation and wellbeing initiatives.
- Monitor workforce wellbeing and compensation performance.

Human Resources Department

Responsibilities:

- Administer compensation and benefits programs.
- Conduct wage benchmarking and compensation reviews.
- Monitor compliance with labor laws and wage requirements.
- Manage employee compensation-related grievances.
- Maintain compensation records and performance metrics.

Finance Department

Responsibilities:

- Ensure accurate and timely payroll administration.
- Maintain payroll controls and recordkeeping systems.
- Support compensation analysis and budgeting activities.
- Monitor payroll compliance and reporting.

Managers & Supervisors

Responsibilities:

- Support fair compensation practices.
- Communicate compensation and benefits information to employees.
- Address employee concerns related to compensation and wellbeing.
- Support employee development and performance management processes.

Employees

Responsibilities:

- Review compensation information provided by the Company.
- Raise concerns regarding compensation, benefits, or payroll issues through appropriate channels.
- Participate in wellbeing and financial awareness programs where applicable.

7. Alignment with Sustainable Development Goals (SDGs)

This policy directly contributes to the following UN SDGs:

8. Policy Review

This Living Wage Policy shall be reviewed annually to ensure its continued effectiveness, relevance, and alignment with applicable legal requirements, labor market conditions, stakeholder expectations, and organizational objectives.

The review process shall evaluate:

- Progress against living wage and compensation targets.
- Results of wage benchmarking and living wage assessments.
- Employee compensation and wellbeing performance indicators.
- Compensation-related grievances and corrective actions.
- Changes in labor legislation, regulatory requirements, and industry practices.
- Cost-of-living trends and economic conditions.
- Employee feedback and stakeholder expectations.
- Opportunities for improving compensation, benefits, and employee wellbeing programs.

Last Review Date: 06-04-2026

Next Review Date: 06-04-2027

Approved By: Sunil Malik

Designation: Senior Vice President

Signature:

Alchem International Pvt. Ltd. * Auth. Signatory *

Date: 06-04-2026

9.Employee Acknowledgement

I acknowledge that I have received, read, and understood the Alchem International Pvt. Ltd. Living Wage Policy.

I understand the Company's commitment to fair compensation, living wage principles, equal pay, employee wellbeing, responsible wage management, and compliance with applicable labor laws and regulations.

I agree to comply with the requirements and responsibilities outlined in this policy and support Alchem's efforts to maintain fair, transparent, and responsible compensation practices that contribute to employee wellbeing and organizational success.

I further acknowledge my responsibility to report concerns relating to compensation, payroll administration, equal pay, benefits, or other wage-related matters through the appropriate channels provided by the Company.

I understand that violations of this policy may result in corrective actions, disciplinary measures, or other actions in accordance with applicable Company procedures.

Employee Name: Yuvraj Chettri

Employee Signature:

Yuvraj

Date: 07-04-2026