

Annexure - 2

Business Responsibility and Sustainability Reporting

CONTENTS

SECTION A:	GENERAL DISCLOSURES
SECTION B:	MANAGEMENT AND PROCESS DISCLOSURES
SECTION C:	PRINCIPLE-WISE PERFORMANCE DISCLOSURE
PRINCIPLE 1:	BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE
PRINCIPLE 2:	BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE
PRINCIPLE 3:	BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS
PRINCIPLE 4:	BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS
PRINCIPLE 5:	BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS
PRINCIPLE 6:	BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT
PRINCIPLE 7:	BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT
PRINCIPLE 8:	BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT
PRINCIPLE 9:	BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

SECTION A: GENERAL DISCLOSURES

1. Details of the Entity

1.	Corporate Identity Number (CIN) of the Company	L85195TG1984PLC004393
2.	Name of the Company	Neuland Laboratories Limited
3.	Year of Incorporation	01-07-1984
4.	Registered office address	11th Floor (5th Level), Phoenix IVY Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad, 500033, Telangana
5.	Corporate office address	11th Floor (5th Level), Phoenix IVY Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad, 500033, Telangana
6.	E-mail id	ir@neulandlabs.com
7.	Telephone	+91 40 6761 1600 / 700
8.	Website	www.neulandlabs.com
9.	Financial year for which reporting is being done	April 1, 2022, to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up capital	INR 12,82,98,890/-
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Sarada Bhamidipati Company Secretary & Compliance Officer Tel: +91 40-6761 1600 Email: saradab@neulandlabs.com
13.	Reporting boundary	Standalone basis

2. Products/services

14. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover of the Company
1	Manufacturing of Active Pharmaceutical Ingredients	Manufacturing of Active Pharmaceutical Ingredients	100

15. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of Total turnover contributed
1	Development, manufacturing & sale of Active Pharmaceutical Ingredients & Custom Manufacturing Solutions	21001	100.00

3. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number of plants	Number of offices	Total
National	4	1	5
International	0	2	2

*The R&D unit of the Company is considered under Number of plants.

17. Markets served by the entity

- a. Number of locations – This refers to locations where goods were transported to during the financial year, however the consumption of final product & even customer footprint is larger.

Locations	Number
National (No. of states)	12
International (No. of countries)	66

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

Out of the total turnover of ₹1,191.20 crores, the Company has a significant global presence and earns around ₹870.57 crores, 73% of revenues through exports and around ₹320.63 crores, 27% sold in India.

- c. A brief on types of customers

GDS Customers – The Generic Drug Substances (GDS) business has customers across geographies who are Big Multi-national generics, Generic arms of Big Pharma, Regional & National level players, Dossier Developers, R&D Companies with Niche focus and Distributors.

CMS Customers – The core customers of the Customs Manufacturing Solutions (CMS) business are innovators who are looking for an API partner to develop & manufacture APIs across the clinical lifecycle, regulatory filing and commercial supply. These are small biotech, medium sized innovators as well as Big Pharma.

4. Employees

18. Details as of March 31, 2023

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1448	1299	89.7	149	10.3
2.	Other than permanent (E)	120	120	100	0	0
3.	Total employees (D + E)	1568	1419	90.5	149	9.5
WORKERS						
1.	Permanent (F)	106	106	100	0	0
2.	Other than permanent (G)	1182	1117	94.5	65	5.5
3.	Total workers (F + G)	1288	1223	95.0	65	5.0

b. Differently abled employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	1	1	100	0	0
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)	0	0	0	0	0
2.	Other than permanent (G)	0	0	0	0	0
3.	Total differently abled workers (F + G)	0	0	0	0	0

19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	2	20
Key Management Personnel (other than BoD)	2	1	50

*KMP change during the year

20. Turnover rate for permanent employees

	FY 2023 (%)			FY 2022 (%)			FY 2021 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.6	27.8	24	24.5	25	24.5	32.2	29.2	32
Permanent Workers	0	0	0	0	0	0	0	0	0

5. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No	Name of the holding/subsidiary/ associate companies/ joint ventures(A)	Indicate whether holding/ Subsidiary/Associate/ JointVenture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Subsidiary	Neuland Laboratories Inc., USA	100	Yes
2	Subsidiary	Neuland Laboratories K.K., Japan	100	Yes

6. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover: ₹11,91,19,80,000/-

Net worth: ₹9,87,49,25,535/-

Total amount spent on CSR for FY 2023: ₹1,76,15,784/-

7. Transparency and Disclosures Compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

The Company's stakeholders include investors, clients, employees, vendors / partners, governments, and the community. A strong whistleblower policy and non-retaliation clause is available to all our stakeholders. Our Whistleblower Policy is available at <https://www.neulandlabs.com/wp-content/uploads/2017/09/Whistle-Blower-Policy.pdf>

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023			FY 2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes We participate in the periodic meetings with the villagers and local communities in the presence of Village Sarpanch and other Government agencies to address community related grievances of all locations	0	0	0	0	0	0
Investors (other than shareholders)	Yes https://www.neulandlabs.com/investors/investor-contacts/	0	0	0	0	0	0
Shareholders	Yes https://www.neulandlabs.com/investors/investor-contacts/	1	0	0	4	0	0
Employees and workers	Yes. Grievance Redressal policy is available for both employees and workers in our intranet portal. Notice board displays are available for workers	102	5	0	108	3	0
Customers	Yes, the customers raise their grievances through various channels of communication such as e-mail, phone calls, in-person meetings, periodic customer surveys etc	4	0	0	16	0	0
Value Chain Partners	Yes, the grievance redressal mechanism for value chain partners is through Whistleblower mechanism and email ID available at https://www.neulandlabs.com/about/code-of-conduct/supplier-code-of-conduct/	0	0	0	0	0	0
Others	Not applicable						

24. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

Material topic identification was conducted through a survey with key stakeholders identified. Board members, Investors/Analysts, Employees, Customers, Bankers and Suppliers have participated in the survey and provided their feedback. The material topics would be suitably incorporated in the ESG Strategy of the Company.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
High					
1	Innovation and R&D	Opportunity	Innovation is key to synthesize novel products and helping our customers innovate. Our R&D activities are aligned so as to ensure our customers are able to fasten innovation while ensuring access while ensuring that impact on the environment is minimized.	NA	Positive
2	Climate change	Risk	Climate change actions may not be adequate, and ESG priorities may not be collectively met, thereby, leading to unforeseen risk events. Rise in sea levels in the medium term (5-7 years) may increase the severity of extreme weather events such as cyclones and floods in our logistics and supply chains. In the next 3-5 years, our ESG priorities may require planned investments.	The Company implements global reporting standards to baseline and capture relevant data to evaluate its impact on climate change. Company is also participating in ESG Rating to benchmark the relevance and gaps in the programs. The Company is also identifying sub-risks under the category so to be able to mitigate.	Negative
3	Emissions	Risk	Minimizing negative environmental impacts and ensuring the highest standards of Environmental Management Systems.	Incremental GHG reduction goals through tactical strategies are currently focused on.	Negative
4	Effluent and waste	Risk	The Company has a commitment to ensure there is no negative impact to environment. Minimizing negative environmental impacts and ensuring the highest standards of EMS	Neuland has been successfully running a Zero effluent discharge system for over 3 years now. Disposal of waste is reduced by implementing recycling and safe disposal of waste.	Negative
Moderate					
5	Supplier environment performance	Risk	Supplier performance in the environmental dimension is very important as this can impact our reputation, quality of production and compliance	Vendor evaluation assessment and ESG scorecard measures the supplier’s environmental performance. Mitigation steps are taken to overcome the lack in environmental performance	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Human capital development	Opportunity	Skill upgradation of the employees has a direct positive impact on the growth of the business.	NA	Positive
7	Training and Education	Risk	The company is into a high-skill business with a need for constant updating of knowledge and skills of employees to the changing customer requirements. Therefore, significant investments continue to be made in training our cross-functional teams and strengthening our processes.	Training interventions at all levels are in place.	Negative
8	Water	Risk	Water, particularly high-quality water, is critical to our operations; hence, we recognized the need to comprehend the predicted changes in water stress and water-related risks.	The Company created a water management strategy that focuses on lowering water intensity and increasing the percentage of recycled water in our operations.	Negative
9	Occupational Health and Safety	Risk	Risk: Occupational health and safety is core to the Company's commitment towards employee and workforce safety and wellbeing.	<ol style="list-style-type: none"> 1. Adherence to ISO45001 standards 2. Goal setting is done to achieve Zero injury 3. Increase training in health and safety measures 	Negative
10	Human Capital Management	Risk	As innovation is key to our business, employees engaged in the respective activities are valuable and the group that manages it helps in delivering the best out of the capacity. It is very useful and critical for our business.	Well-designed HR policies Open door policy, healthy work environment, job rotation and other initiatives for retaining talent.	Negative
11	Digitalization	Opportunity	Digitalization increases communication efficiency while also increasing openness.	NA	Positive
12	Procurement practices	Risk	Procurement risks occur when the process of purchasing or sourcing products, services or resources becomes unreliable.	Our procurement policy has several levels of checks which assure the quality of the product, vendor and the risks associated. We constantly strive to procure sustainably.	Negative
13	Business Continuity	Risk	Our environment—both geopolitically and in terms of regulations—is complicated. Unwanted events like natural disasters, workplace accidents, wars, sanctions, continuous cyberattacks, and other similar events can have a substantial negative impact on our operations and commitment to meet patient demands in the absence of strong business continuity plans and safeguards.	The Company has a robust Risk management strategy which helps in addressing, de-risking and troubleshooting the emerging risks during the business operations. Strategies are thought through and solutions were built to keep the business continuous	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and management process:

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
c. Web Link of the Policies, if available.	<ul style="list-style-type: none"> • CSR policy: https://www.neulandlabs.com/wp-content/uploads/2021/11/Corporate-Social-Responsibility-CSR-Policy.pdf • Code of conduct Board of Directors: https://www.neulandlabs.com/wp-content/uploads/2020/05/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf • Neuland code for fair disclosures: https://www.neulandlabs.com/wp-content/uploads/2019/03/Neuland-Code-of-Fair-Disclosures.pdf • NRC policy: https://www.neulandlabs.com/wp-content/uploads/2022/02/Nomination-and-Remuneration-Policy.pdf • Whistleblower Policy: https://www.neulandlabs.com/wp-content/uploads/2017/09/Whistle-Blower-Policy.pdf • Code of ethical conduct: https://www.neulandlabs.com/about/code-of-conduct/ • EHS and Sustainability Policy: https://www.neulandlabs.com/about/sustainability-report/environment-health-and-safety/ • Human rights policy: https://www.neulandlabs.com/about/values/human-rights-commitment/ • Supplier code of conduct: https://www.neulandlabs.com/about/code-of-conduct/supplier-code-of-conduct/ • Cyber Security Policy: https://www.neulandlabs.com/information/privacy-policy/ 								
2. Whether the entity has translated the policy into procedures? (Yes / No)	Each function has their own set of procedures. E.g. EHS & S, Supplier management and Cyber Security. Board policies, CSR, Whistleblower and Human Rights are directly monitored via the policy and separate procedures are not considered necessary.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Company has a supplier code of conduct which covers Business principles and ethics, guidance for employment practices and human rights, Environment Health and Safety practices and other business and legal compliances								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	ISO45001 ISO14001	-	-	ISO14001 ISO45001	-	As per the CSR rules under the Companies Act, 2013	ISO27001
5. Specific commitments, goals targets and performance by the entity with defined timelines, if any.	<p>Neuland recognises Environmental stewardship, Employee nurturing, Upholding human rights and ethics, Economic value creation, Sustainable value chain and Customer centricity as key themes of sustainable practices in its business.</p> <ol style="list-style-type: none"> 1) Environmental Stewardship: Our goals are to have zero waste disposal to landfill and reduction of carbon emissions by 10% by 2030 (Scope 1 and 2). 2) Employee nurturing: Training hours to be increased to 25 hours per person per annum and zero injuries to employees. 3) Upholding human rights and ethics: Conduct SA 8000 audits in continuation of the SA 8000 gap assessment conducted during FY 2022-23. 4) Economic value creation: 6 DMFs to be filed every year, encouraging a performance culture, robust corporate governance, risk management and compliance. High-skilled & Knowledge based employment generation in line with the business growth, performance and continued focus on sustainability along with business objectives. 5) Sustainable value chain: Coverage of 100% of critical suppliers through sustainable supplier assessment by 2025. 6) Customer Centricity: Aligning our project and client management skills, ESG requirements of customers are also continuously understood and included in our business goals. 								

6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.
- Around 20 TJ reduction in energy consumption
 - 23% reduction in Energy intensity
 - 6.6% reduction in Water intensity
 - 9% reduction in Scope 1 and 2 emissions
 - Replacement of R-22 with R404A has contributed to a significant reduction in the emissions

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

We are glad to present Business Responsibility and Sustainable Report in compliance with SEBI guidelines, and in adherence to the core elements of NGRBC principles. At Neuland, we consider sustainable development as not only a responsibility but also as an opportunity to contribute to the society at large. The Risk and Sustainability Committee, a board level committee, oversees the sustainability and ESG roadmap and implementation.

During the year we have received a Silver rating from EcoVadis, in their assessment covering a broad range of non-financial management systems, including Environmental, Labour & Human Rights, Ethics and Sustainable Procurement practices. In our first endeavor to evaluate our ESG efforts, our company was awarded a score of 48 out of 100 by S&P Global ESG Score in DRG Pharmaceuticals category placing us at the 92nd percentile.

We have organized Environment, Social and Governance awareness sessions within our organization, including the board members and leadership team, with an intent to integrate ESG into our organizational culture. Our endeavor is to leverage on continuous process innovation, resource optimization and include our value chain partners in the journey towards a sustainable future. During the year, we could achieve zero waste to landfill, Energy consumption has reduced by 20 TJ resulting in a reduction in energy intensity by 23%, 6.6% reduction in water intensity, and 9.1% reduction in Scope 1 and 2 greenhouse gas emissions. As part of the commitment to the environment, our employees have taken part in an afforestation drive and planted around 3,000 saplings. We have also conducted a social audit gap assessment for all our sites during the current year with an intent of strengthening social practices.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Mr. Davuluri Sucheth Rao (DIN: 00108880), Vice Chairman and CEO, under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility policies

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. Yes

At the highest level, the Risk and Sustainability Committee, a sub-committee of the Board, is responsible to act as a nodal committee for guidance on sustainability and overall ESG goals and to review and monitor progress and all other matters incidental thereto. The Committee reviews amongst other things, your Company's sustainability agenda including the measures which ensure the Company's sustainability commitment and how its long-term strategy relates to its ability to create shared value.

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee & Frequency								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / director / board committees / board members, wherever applicable								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The policies of the Company are assessed by the internal auditors of the Company, subject to the scope of audit. The working of the policy is also ensured by the various department heads / director / board committees / board members, wherever applicable.									

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)						Not Applicable			
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE – 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators:

- Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	1	The Company conducts familiarisation programmes for its Board of Directors and Key Managerial Personnel at regular intervals which covers topics such as ESG parameters and targets, corporate governance practices, Risk Management	90
Key Managerial Personnel	6	employee well-being, innovation and R&D and various other regulatory updates.	100
Employees other than BOD and KMPs	82	The employees / workers undergo various trainings / awareness sessions such as induction training at the time of joining and leadership, policy, safety, environment, social, governance, occupational health, mental health, soft skills, risk management, prevention of sexual harassment, function specific technical and compliance training during the course of employment.	85.7
Workers	176		100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL	
Punishment				

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.
Not Applicable
4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
Yes, Neuland's anti-corruption and bribery policy is covered as a part of its code of conduct. The policy reiterates that Neuland Labs does not tolerate bribery and corrupt practices.
5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2023	FY 2022
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0		0	
Number of complaints received in relation to issues of conflict of interest of KMPs	0		0	

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

No fines or penalties reported

Leadership Indicators:

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	ESG Awareness conference	60%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes, the Company has in place a 'Code of Conduct for Board Members and Senior Management' and a 'Related Party Transaction Policy', which are applicable to our board members. Transactions with the board members or any entity in which such board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain themselves from the discussions at the meeting. The weblink of the abovementioned policies are mentioned below:

Further, the Board of Directors sign-off on the Code of Business Conduct on an annual basis.

Code of Conduct for Board Members and Senior Management: <https://www.neulandlabs.com/wp-content/uploads/2020/05/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf>

Related Party Transaction Policy: <https://www.neulandlabs.com/wp-content/uploads/2022/03/Related-Party-Transaction-Policy.pdf>

PRINCIPLE – 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	1	7	Improvement of waste management practices, scrubbers for controlling air pollution and expansion of Zero liquid discharge at the Units
Capex	33	17	Sewage Treatment Plant and hazardous lab facility for R&D

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) – Yes
b. If yes, what percentage of inputs were sourced sustainably?

Inputs being sourced from 82% of the suppliers are sustainable. 82% suppliers signed off on the Supplier code of conduct as on March 31, 2023.

We consider supplier commitment to our supplier code of conduct as the first step to sustainability. Being in the regulated market, our code of conduct emphasizes the supplier maintaining compliance with all applicable regulations. No child labour, upholding of basic human rights, ethical business practices like respecting data privacy, intellectual property rights, fair competition and safe operating conditions for all its workers are the expectations laid out in our code of conduct. We target to have all our suppliers commit to the supplier code of conduct.

As a step in this direction, we now undertake supplier sustainability assessment as a part of the new supplier due diligence process for critical suppliers (30 suppliers approximately) to evaluate supplier performance on ESG parameters and risks. We target to cover 100% of our critical suppliers to complete the assessment by 2025.

Any grievances can be reported on the email address provided in the supplier code of conduct.

Weblink: <https://www.neulandlabs.com/about/code-of-conduct/supplier-code-of-conduct/>

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As on the date of report EPR was not applicable for the Company. The Company shall register under EPR upon applicability of the same.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

As on the date of report EPR was not applicable for the Company. The Company shall register under EPR upon applicability of the same.

Leadership Indicators:

- Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

We have not initiated life cycle perspective assessments for any of our products.

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the LCA or through any other means, briefly describe the same along with action taken to mitigate the same

Not applicable

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023	FY 2022
Solvents	41%	39%

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

As on the date of report EPR was not applicable for the Company. The Company shall register under EPR upon applicability of the same.

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

As on the date of report EPR was not applicable for the Company. The Company shall register under EPR upon applicability of the same.

PRINCIPLE – 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators:

1. A. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	1,299	1,299	100	1,299	100	0	0.0	1,299	100	0	0
Female	149	149	100	149	100	149	100.0	0	0	0	0
Total	1,448	1,448	100	1,448	100	149	10.3	1,299	89.7	0	0
OTHER THAN PERMANENT EMPLOYEES											
Male	120	120	100	120	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	120	120	100	120	100	0	0	0	0	0	0

B. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	106	106	100.0	106	100.0	0	0	106	100.0	0	0.0
Female	0	0	0.0	0	0.0	0	0	0	0.0	0	0.0
Total	106	106	100.0	106	100.0	0	0	106	100.0	0	0.0
OTHER THAN PERMANENT EMPLOYEES											
Male	1,117	1,117	100	1,117	100	0	0.0	0	0.0	0	0.0
Female	65	65	100	65	100	0	0.0	0	0.0	0	0.0
Total	1,182	1,182	100	1,182	100	0	0.0	0	0.0	0	0.0

2. Details of retirement benefits for the current and previous financial year

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)*	No. of employees covered as a % of total employees	No. of workers covered as a % of total employee	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	96.44	100	Y
Gratuity	100	100	Y	100	100	Y
Employee State Insurance (ESI)	5.86	0	Y	9.98	0	Y
Others	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

For differently abled employees, the infrastructure facilities across the offices and manufacturing and R&D facilities, adhere to accessibility standards. The Equal Opportunity Policy safeguards the rights of the differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the policy is available on the Company's intranet.

The Company also has in place the code of ethical conduct which strives to hire and promote people on the basis of their qualifications, performance, and abilities, without regard to race, color, sex, age, veteran status, marital status, religion, sex change status, sexual orientation, caste, national origin, or medical condition and/or disability unrelated to the ability to perform a job, or on account of membership or non-membership in any protected category under federal, state, or local laws.

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees	
	Return to work rate (%)	Retention rate (%)
Male	100	72
Female	83	60
Total	99	72

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Employees	Yes
Other than Permanent Employees	Yes
Permanent Workers	Yes
Other than Permanent Workers	Yes

Grievance redressal procedure in brief:

The Company has grievance redressal procedures in place for all its employees and workers. Any complaint received through email, letter, oral, drop box, etc., will be addressed as per the grievance redressal policy available on the intranet of the Company. The Company is committed to a strong compliance culture. It is ensured that the grievances are addressed in line with principles, policies adopted and through internal reporting.

The Company's whistle blower policy/vigil mechanism covers all employees, permanent as well as other stakeholders. It covers the suppliers, vendors and other external stakeholders. Concerns raised to the Company and their resolutions are reported through the Compliance Officer to the Audit Committee and wherever applicable, to the Board. Issues can also be brought to HR/reporting manager and are taken up accordingly. Any complaint regarding sexual harassment is covered under the PoSH Act 2013 and the internal policy in adherence to that.

7. Membership of employees in association(s) or unions

Category	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	106	106	100	115	115	100
Male	106	106	100	115	115	100
Female	0	0	0	0	0	0

8. Details of training given to employees

Category	FY 2023					FY 2022				
	Total (A)	On health and safety/wellness measures		On skill upgradation		Total (A)	On health and safety measures/wellness		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES										
Male	1,299	1,299	100	692	53	1,276	1,276	100	864	68
Female	149	149	100	85	57	127	127	100	55	43
Total	1,448	1,448	100	777	54	1,403	1,403	100	919	66
WORKERS										
Male	106	106	100	0	0	115	115	100	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	106	106	100	0	0	115	115	100	0	0

9. Details of performance and career development reviews of employees

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	1,299	1,176	91	1,276	1,216	95
Female	149	123	83	127	102	80
Total	1,448	1,299	90	1,403	1,318	94
WORKERS						
Male	106	0	NA	115	0	NA
Female	0	0	NA	0	0	NA
Total	106	0	0	115	0	0

Performance Goals are set for all employees at the beginning of the Financial Year. Our employees engage in mid-year and annual performance reviews as a part of our performance management process. Our performance management process aims at enabling a high-performance culture by nurturing talent to perform to their full potential. We encourage our managers to provide continuous performance feedback to their reportees to ensure timely course corrections towards achievement of planned goals.

Note: Performance appraisal is conducted for permanent employees who have joined on or before 31st December, 2022 and who are on the payroll of the organization in the said appraisal cycle. Our permanent workmen are governed by wage agreements and performance appraisals are not applicable for workers.

10. Health and safety management system

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the Company is certified for ISO 45001:2018 Occupational Health and Safety Management System for all manufacturing sites and R&D.

The Company integrates Safety and Health in the management of the business in a manner that all activities are considered with a perspective of prevention of all types of accidents and protection of the people at work.

- b. What are the processes used to identify work -related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, the Company has process in place including workplace risk assessment, HAZOP, Hazard Identification & Risk Assessment (HIRA), permit to work system, safety inspection and Safety Audit Management system.

Safety audits are undertaken at stipulated intervals at the facilities. To resolve compliance concerns as soon as possible, a rigorous internal audit and reporting system is in place. Inter-facility safety audits are performed every six months, while external audits are performed once a year. Our goal is to make processes safer in order to decrease health and safety problems.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, Incident Management system in place

- d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we have an Occupational Health center at all our locations. First aid facility is available at corporate office. All the employees undergo pre-employment and periodic health assessments to ensure good health.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per onemillion-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health(excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is committed to enhancing the safety, health and well-being of employees. Health risks of the Company's employees are assessed in order to build strategic, targeted and evidence-based interventions. We have multiple activities like HIRA/HAZOP/Workplace Safety Risk assessment etc. that emphasize strongly on the health, safety, and well-being of our people.

13. Number of complaints on the following made by employees

	FY 2023			FY 2022		
	Filed during the year	Pending resolutionat the endof year	Remarks	Filed during the year	Pending resolutionat the endof year	Remarks
Working conditions	0	0		0	0	
Health and safety	0	0		0	0	

We have safety committee meetings once in quarter as per the EHS Standard Operating Process.

14. Assessments for the year

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

No major issues were identified during the audit. Hence, action plans were not necessitated.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of a. Employees (Y/N) and b. Workers (Y/N)
 - a. Employees – Yes
 - b. Workers - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions of the Company with its value chain partners, are deducted and deposited in accordance applicable regulations and reviewed as per regular audit processes. The Company also collects necessary certificates and proofs from its contractors with respect to payment of statutory dues like PF, ESIC, etc. relating to contractual employees and workers.

The Company expects its value chain partners to behave ethically and with integrity in all its business transactions and uphold standards of fair business practices.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/Workers		No. of employees that are rehabilitated and placed insuitable employment or whose family members havebeen placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes

5. Details on assessment of value chain partners

% of value chain partners (by value of business donewith such partners)that were assessed	
Health and safety practices	35%
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No Major issue identified during the audit. Hence, action plans were not necessitated.

PRINCIPLE – 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders are people, groups or organizations interested in the company either directly or indirectly and can influence or get impacted by its operations, goals, and policies. The primary stakeholders in NLL include investors, board members, workers, clients, suppliers, the community, and regulators. We believe businesses that spend time cultivating relationships of trust and a cooperative working environment with stakeholders succeed more. Effective stakeholder communication is, therefore, a key component of our approach. On the foundation of trust and respect, we have developed solid relationships with our stakeholders throughout the years. We communicate with them frequently through a variety of channels to learn about their needs and goals so that we can concentrate on meeting them.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and workers	No	<ul style="list-style-type: none"> Multi-level and multi-topic engagement based on the employee group Performance feedback Surveys Training sessions Several informal modes like toolbox talk specifically used for workers Email and website Digital and physical notice board. Executive Management site visits and walk throughs 	Daily	<p>Our people, their ideas and their passion are the key forces that drive our company's trajectory forward.</p> <p>We aim to provide our employees a safe, inclusive and empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate offices, R&D labs, manufacturing locations and in the field. Our engagement ranges from providing the latest and updated information on Company and industry developments, avenues for employee voice to capability building, recognition and celebrations.</p>
Suppliers	No	<ul style="list-style-type: none"> Supplier audits Supplier meets Topic-based select supplier engagement Grievance redressal 	Frequent and need based	<ul style="list-style-type: none"> - To ensure business continuity and opportunities without any quality related challenges - To identify and close gaps at supplier facilities related to cGMP practices - To seek their confirmation on compliance with our Suppliers Code of Conduct - Create awareness on ESG parameters - To address any feedback/ queries related to the product
Customers	No	<ul style="list-style-type: none"> Customer meets and visit by the customer to Neuland Customer audits Customer surveys Structured engagement with select customers 	Frequent	<ul style="list-style-type: none"> - To achieve higher market share through better coverage and penetration into new markets and maximize the outreach of our products - To create awareness about new portfolio and initiatives - Credit worthiness and fair business practices - To address any query/feedback by customer

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulators	No	<ul style="list-style-type: none"> • Fillings and submissions • Engagement during visits to our facilities • Structured meetings on defined topics, as needed • Email and website 	Need-based	Our engagement with official authorities is multi-fold. With regulatory authorities, our engagement is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance
Community	Yes	Our engagement with the community includes physical visits as well as digital channels.	Frequent and need based	<p>We engage with the community to understand areas for sustainable development; to develop a sustainable ecosystem for our communities and to understand the social / development challenges / need of the local communities.</p> <p>Our corporate social responsibilities are centered around health and wellbeing, education, women empowerment, gender equality, afforestation and clean water and sanitation, infrastructure development in the villages around our manufacturing plants.</p>
Investors/ Financial Partners	No	<p>Investor meetings/ calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports.</p> <p>Various updates on the website and other places of engagement.</p>	Frequent and need based	We engage with them so that they can take an informed decision to invest in our Company. The key areas of engagement includes an update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks, our sustainability goals/ actions, and material events which may have a positive or negative impact on the performance of the Company.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board of Directors, through the Risk and Sustainability Committee, reviews, monitors and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

The Company also employs the services of consultants with significant experience in the space of ESG, Sustainability and Risk Management to work with key leaders in the Company on these matters.

Stakeholder consultation with the respective stakeholder groups is done by the relevant business and functional heads. Relevant information from such consultations is shared with the Board during the Board and respective Committee meetings.
- Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Effective engagement helps us connect stakeholder needs with organizational goals, creates the basis of an effective strategy development, and unlocks greater shared value for all stakeholders. We conducted a materiality assessment that involved an intensive stakeholder engagement round. Our internal and external stakeholders identified key material topics across ESG that are likely to impact the Company's business and our ESG strategy will be formulated based on the inputs received from key stakeholders on material topics. Key topics are also listed in listed in Section A- Question 24 of this report.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company focuses on serving disadvantaged, vulnerable and marginalized stakeholders in core areas near to its manufacturing facilities through various CSR initiatives. We implement several CSR programs in the areas of education, women empowerment, clean water and sanitation, skilling and livelihood, health and well-being, environmental sustainability and sustainable communities directly and through partners for marginalized sections of communities.

PRINCIPLE – 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**Essential Indicators**

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2023			FY 2022		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	0	0		0	0	
Other than permanent	0	0		0	0	
Total Employees	0	0		0	0	
WORKERS						
Permanent	0	0		0	0	
Other than permanent	0	0		0	0	
Total Workers	0	0		0	0	

2. Details of minimum wages paid to employees

Category	FY 2023					FY 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	1448	0	0	1448	100	1403	0	0	1403	100
Male	1299	0	0	1299	100	1276	0	0	1276	100
Female	149	0	0	149	100	127	0	0	127	100
Other than Permanent	120	0	0	120	100	120	0	0	120	100
Male	120	0	0	120	100	120	0	0	120	100
Female	0	0	0	0	0	0	0	0	0	0
WORKERS										
Permanent	106	0	0	106	100	115	0	0	115	100
Male	106	0	0	106	100	115	0	0	115	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	1182	1182	100	0	0	1087	1087	100	0	0
Male	1117	1117	100	0	0	1034	1034	100	0	0
Female	65	65	100	0	0	53	53	100	0	0

3. Details of remuneration/salary/Wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (Whole-time directors)	8	20.55	2	21.6
Key Managerial Personnel (other than BoD)	2*	136.39	1	35.24
Employees other than BoD and KMP*	1297**	5,25,072	148**	4,65,000
Workers	106	7,81,066	-	-

*Person change in KMPs

**Employee count here is excluding 3 member who are WTD's.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Any grievance arising out of violation of human rights shall be dealt with as per process defined under Grievance Redressal policy

6. Number of complaints on the following made by employees and workers

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Our 'Prevention of Workplace Discrimination, Protection of Human Rights & Equal Employment Opportunities' policy specifies actions taken to remedy the situation should not have any negative effect on the person having lodged complaint. The said policies are available on the intranet of the Company.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, the Company has initiated human rights related requirements as part of the business agreements and contracts.

9. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify (Health & Safety)	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks / concerns arising from the social assessment conducted for all the units (Unit-1, Unit-2, Unit-3 & R&D) and Corporate office.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

Not applicable. There are no changes to processes as there were no human rights grievances/complaints recorded.

2. Details of the scope and coverage of any human rights due diligence conducted.

We have conducted a social audit gap analysis in Feb 2023 as per the requirements of SA 8000 : 2014 Standard.

The scope covered all locations of the organizations and covered the following areas:

Child Labor, Forced Labor, Health & Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration, Management system. Action plans as may be required to address the gaps identified are being put in place.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

For the differently abled visitors, the infrastructure facilities across the offices and manufacturing and R&D facilities, adhere to accessibility standards.

4. Details on assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual Harassment	35%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No major issue identified during the audit. Hence, action plans were not necessitated.

PRINCIPLE – 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter*	FY 2023	FY 2022
Total electricity consumption (A) GJ	130,245	134,543
Total fuel consumption (B) GJ	414,764	430,778
Energy consumption through other sources (C) GJ	0	0
Total energy consumption (A+B+C) GJ	545,010	565,321
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) GJ/₹	0.000046	0.000059
Energy intensity (optional) – the relevant metric may be selected by the entity GJ/INR Million	45.75	59.44

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water.

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kiloliters)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	113,130	96,670
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)		
Total volume of water consumption (in kiloliters)	113,130	96,670
Water intensity per rupee of turnover (Water consumed / turnover) KL/₹.	0.0000095	0.0000102
Water intensity (optional) – the relevant metric may be selected by the entity KL/INR Million	9.5	10.16

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company treats the effluent produced by our operations in a state-of-the-art zero liquid discharge wastewater treatment facility. No effluent is discharged out of the three facilities (Unit 1, Unit 2 and Unit 3). Wastewater from R&D facility is processed in a pre-treatment unit before being sent to the common effluent treatment facility (CETP). The concept of "Zero Wastewater Discharge" has been adopted by each of our sites. Surface water runoff is gathered and transported to the CETP during the rainy season in compliance with the pollution control board's legal requirements. The quality of the effluent is assessed every day, and monthly independent monitoring is done.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	FY 2023	FY 2022
NOx	tons	21.89	22.25
Sox	tons	64.46	59.21
Particulate matter (PM)	tons	27.87	27.31
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

6. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	29,988.96	34,928.54
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	28,581.61	29,524.66
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.0000049	0.0000068
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent per Million Rupees	4.92	6.78

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes

8. Provide details related to waste management by the entity, in the following format:

Parameter (in metric tonnes)	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	17.920	7
E-waste recycled (B)	3.095	8.687
Bio-medical waste (C)	3.952	2.87
Construction and demolition waste (D)	1,613.02	224.6
Battery waste (E)	0.285	0.27
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	5,651.448	4,097.7
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	61.415	23.36
Total (A+B + C + D + E + F + G + H)	7,351.135	4,364.487

Parameter (in metric tonnes)	FY 2023	FY 2022
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,634.035	240.55
(ii) Re-used	5,716.816	4,123.93
(iii) Other recovery operations		
Total	7,350.851	4,364.48
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

*Plastic Waste, E-waste, Battery waste and Construction & demolition waste are considered under Recycled waste.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All waste management practices are in place. Our waste management strategy is based on "wealth from waste" principle, which aims to achieve zero waste in landfills and achieve maximum reuse and recycling of waste. All co-processing waste is sent to the cement industry for use as fuel in the kiln. Evaporation Salt, Process Salt, Spent Carbon, ETP Sludge, Insulation Waste, Spent Mixed Solvents, Used Oil, and PPE is the most common hazardous waste generated in our process. Plastic, paper, glass, and empty drums are some of the non-hazardous waste generated. Non-hazardous waste is either recycled or co-processed. We have approved recyclers to dispose off plastic, paper, glass, waste oil, and E-waste. Biomedical waste is sent for incineration.

- (a) Plastics : Polythene liners are being disposed to authorized recyclers after detoxification.
- (b) E Waste : E waste are being disposed to authorized e waste recyclers.
- (c) Hazardous waste : Hazardous waste are being disposed to Cement Units for co-processing / AFRF facilities for pre-processing (o) M/s. TSDF for pre-processing.
- (d) Other waste : are being disposed to AFRF facilities for pre-processing to incinerations.

ES002R03 : Standard operating procedure for method of collection, Transfer, Storage, Transportation, Treatment and disposal of Hazardous and Solid waste Management.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

None of our sites are located in ecologically sensitive sites.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

No

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes. The Company is compliant with all the applicable environmental laws / regulations / guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed from renewable and non-renewable sources

Parameter	FY 2023	FY 2022
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D), GJ	130,245	134,542
Total fuel consumption (E), GJ	414,764	430,779
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F), GJ	545,010	565,321

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

All the energy is consumed through non-renewable sources.

2. Provide the following details related to water discharged:

Entire waste water is being reused after ZLD plants treatment in harvesting.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area : Bonthapally, Pashamylaram, Gaddapotharam and Jubilee Hills
- (ii) Nature of operations : Manufacturing, R&D and Administration

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kiloliters)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	113,130	96,670
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kiloliters)		
Total volume of water consumption (in kiloliters)	113,130	96,670
Water intensity per rupee of turnover (Water consumed / turnover) KL/₹	0.0000095	0.0000102
Water intensity (optional) – the relevant metric may be selected by the entity KL/INR Million	9.50	10.16
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kiloliters)	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,406	5,325
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per rupee of turnover	0.00000045	0.0000006
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent per INR million	0.45	0.56

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party conducts an annual assurance on sustainability parameters reported in the sustainability report of the Company. The assurance is performed for 2021-2022 and is due for 2022-2023.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Currently the Company has a Disaster Management plan from an IT perspective. Also, a plan exists for Supply Chain Management & Manufacturing/Operations setup which has enabled the Company to quickly respond to the pandemic situation and other emergencies. In terms of continuity from a manufacturing perspective, Neuland has qualified key products from multiple lines and have lines that are qualified for multiple products which is a key risk mitigation step. The Company is working towards a comprehensive BCP covering a range of scenarios.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Increase in emissions were identified as one of the key impacts observed in the procurement activities. The organization has undertaken supply chain de-risking plan with an emphasis on decreasing geographical dependencies and shortening the supply chain before the pandemic and other global concerns appeared. The organization developed an alternate Indian supplier for a key starting material for one of our beta-blocker drugs in addition to the original Chinese vendor. As a result of our effort, we were able to bring down the cost of the material by 40-45% due to the price reduction and process improvement efforts by the Indian supplier, also a huge cut down on the carbon emissions.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

35%

PRINCIPLE – 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Neuland is a member of 6 trade and industry chambers/associations

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
2.	Bulk Drug Manufacturers Association (India) (BDMA)	National
3.	Pharmaexcil	State
4.	Confederation of Indian Industry (CII)	State
5.	Society for Cyberabad Security Council (SCSC)	State
6.	Society for Sangareddy Security Council (SSSC)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

NIL

Leadership Indicators

1. Details of public policy positions advocated by the entity

Yes. The Company has participated in advocating matters relating to advancement of the industry and public good in the areas of sustainable product development, environmental impact management, women safety, security and CSR, through industry associations and initiatives with local government authorities.

PRINCIPLE – 8: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

We actively engage with the villagers and local communities in the presence of Village Sarpanch and other Government agencies to address community related issues of all locations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers (%)	31.04	30.89
Sourced directly from within the district and neighboring districts (%)	24.8	19.3

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact

Assessments (Reference: Question 1 of Essential Indicators above)

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Neuland has not taken up any CSR activities in the aspirational districts as listed by the government.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

Not Applicable

We are developing a diversified vendor base to de-risk the challenges of working with a single vendor. It also provides us with the opportunity to engage with small and medium enterprises, assisting in the growth of the local economy and supply chain. Our procurement spending is on diversified vendors and we have also shifted to an e-procurement portal providing every vendor with an equal opportunity to access the opportunity of associating with NLL in a transparent manner. However, we have not considered any marginalized groups under our supplier selection.

- (b) From which marginalized /vulnerable groups do you procure?

What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Health & Well being (SDG – 3) - Health Camps - Nutritional support to Tuberculosis Patients - Providing Ambulance	- Approximately. 1600 villagers - 100 Tuberculosis (TB) patients - Approximately. 2000 families	The main objective of CSR activities of the company is to focus on serving disadvantaged, vulnerable and marginalized stakeholders from weak socio-economic background in core areas near to its manufacturing facilities through various CSR initiatives.
2.	Education (SDG – 4) - Donation of uniforms to students - Sensitizing villagers and local communities on road safety	- 298 students - Approximately. 3,000 villagers per day	
3.	Gender Equality (SDG – 5) - SHE-Shuttle bus services - Sports infra development in girls' high school - Training and Education Support for Rescued Survivors of Trafficking	- Approximately. 9,600 women avail the bus services on a monthly basis - Community development at large - Approximately. 25 rescued girls	
4.	Clean water and sanitation (SDG – 6) - Watertank construction - Underground Drainage facility	- Approximately. 600 Families - Approximately. 300 Families	
5.	Reduced inequalities (SDG – 10) - Training, Rehabilitation, nutrition and training equipments for International events	3	
6.	Sustainable communities (SDG – 11) - Laying of Cement concrete (CC) roads	- Approximately. 4,000 Families	
7	Afforestation (SDG – 15) - Tree Plantation Drive	3,000 saplings planted for promoting environment conservation by increasing the green cover	

PRINCIPLE – 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The consumer complaints are being handled timely as per internal SOP.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

The Company provides safety data sheets that are shared with the customers for all its products. Our product is not sold to retail customers as it is and therefore product information is not provided.

- Number of consumer complaints in respect of the following:

	FY 2023		Remarks	FY 2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Others	0	0		0	0	

- Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. Yes

The Company has a data privacy policy and the web-link is as below

<https://www.neulandlabs.com/information/privacy-policy/>

Cyber security framework related policies are available on the Company's intranet.

- Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No incidents reported hence no corrective actions

Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.neulandlabs.com/>

<https://www.neulandlabs.com/wp-content/uploads/2023/01/API-Product-List-January-2023.pdf>

<https://www.neulandlabs.com/cms/cms-overview/>

<https://www.linkedin.com/company/neuland-laboratories-limited/>

<https://twitter.com/NeulandLabs>

<https://www.youtube.com/@neulandlaboratories537>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide a safety data sheet together with the product in accordance with the worldwide standardized system, even though the consumer has access to the product's general information (GHS). To guarantee safety at every stage of the product lifecycle, we also offer handling and storage guidelines. The safety data sheet gives the consumer a thorough overview of the product, as well as dos and don'ts, and guidelines for material handling. The product safety is assessed during the entire product research and development stage as well. Mechanisms are in place to inform consumers of any risk of disruption/discontinuation of essential services.

3. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, all the relevant product information such as name and grade of the product, batch number, manufacturing date, re-test date, quantity, manufacturer's details, storage and handling instructions, precautionary/hazard statements, disposal procedures etc., are provided on the labels

Yes, customer feedback is taken and evaluated periodically. In the current year the Company conducted a survey for GDS customers and a series of surveys for CMS Customers.

4. Provide the following information relating to data breaches

- a. Number of instances of data breaches along with impact – NIL
- b. Percentage of data breaches involving personally identifiable formation of customer: NIL

Annexure - 3

FORM - A

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

A. Conservation of energy

i. the steps taken or impact on conservation of energy:

During the course of the year, the Company has invested in infrastructure to improve energy efficiency and conserve energy. Some of the steps are listed below:

- Boiler automation to improve the boiler efficiency by controlling the ID, FD fan operations, automatic blowdown and maintaining the Oxygen percentage
- Condensate recovery management system implemented, and improved boiler efficiency resulted in reduction of energy consumption
- Effective product mix-up i.e., change in production plans and process requirements resulting in reduction of steam consumption
- LED Street lights installed across the plants which resulted in reduction of energy
- Under performing brine chillers replaced with new chillers
- Replacement of old less energy efficient motors with energy efficient IE3 motors
- Automatic tube cleaning systems installed in refrigeration plants which resulted in reduction of energy consumption

ii. **the steps taken by the Company for utilising alternate sources of energy:** The Company is evaluating options, but so far none of the options have met our criteria.

iii. **the capital investment on energy conservation equipment's:** The Company has invested around ₹119.90 lakhs on equipment for energy conservation.

iv. Power & Fuel Consumption:

		2022-23	2021-22
1.	Electricity		
	a. Purchased		
	Unit in lakhs (kWh)	363	416
	Total Amount (₹ in lakhs)	3,102	2,847
	Rate/Unit (₹ /kWh)	8.55	6.84
	b. Own generation (Unit in lakhs) kWh	7.8	7.9
	(Through Diesel Generator)		
	Units per litre of Diesel Oil	2.8	3.0
	Cost/Unit (₹/kWh)	33.2	31.5
2.	Coal		
	Quality "C" Grade used in Steam Boiler		
	Quantity (Tonnes)	10,914	14,432
	Total cost (₹ in lakhs)	1,107	984
	Average rate (₹ /Tonne)	10,146	6,815

FORM - B

B. Technology Absorption

i. Efforts made towards technology absorption:

The Company has a full-fledged R&D division continuously engaged in research on new products and process improvement on existing products as part of continuous improvement. As a part of technology absorption and adoption, once technology is developed for a product, it is tested in a pilot plant and thereafter commercial production is performed. Innovation is embarked by an incremental approach towards cost, time, quality and complex product development by adopting cutting edge technology and our philosophy is to continuously upgrade the technology.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

• **CMS division project details for the financial year 2022-2023**

Particulars	No. of projects*
Total projects completed by CMS	75
Under progress CMS projects	44

*Projects do not refer to individual products but components of a bigger program.

• **Neuland filed DMF's details for the financial year 2022-2023**

USDMFs

Sl. No.	DMF No.	Product
1.	038241	Voxelotor
2.	038048	Voxelotor Adipic Acid Co-Crystal
3.	038240	Tafamidis (Form-4)

Europe – 0 Filings

ANVISA, Brazil – 4 Filings As per CADIFA

ROW – 14 Filings for 7 products across geographies

• **Neuland GDS ongoing project details for the financial year 2022-23:** 13 Projects ongoing

• **Life cycle management of the existing manufacturing processes for APIs resulted in lower production costs, reduced cycle times, and customer retention:** 5 Projects completed during this financial year and 7 projects are on going

• Neuland has filed 11 patent applications in which 9 were in India, 1 in USA and 1 in Europe for financial year 2022-2023. 3 patents were granted in India

• Neuland has received "Best Patent Portfolio Award for FY 2021-22" from ASSOCHAM.

iii. Expenditure on R&D:

	(₹ in lakhs)	
	2022-23	2021-22
Capital	238.11	863.00
Recurring	2,775.76	2,772.30
Total	3,013.87	3,635.30

C. Foreign Exchange Earnings and Outgo

Foreign exchange earned in terms of actual inflows and foreign exchange outgo in terms of actual outflows during the year ended March 31, 2023:

- Foreign exchange earned in terms of actual Inflows ₹87,499.63 lakhs.
- Foreign exchange outgo in terms of actual Outflows ₹18,040.98 lakhs.

Annexure - 4

Particulars of Remuneration

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 ('the Act') read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company, is follows:

- i. the ratio of the remuneration of each director to the median remuneration of the employees of the company and percentage increase in remuneration of for the financial year

Sl. No.	Name of the Directors & Key Managerial Personnel	Ratio of remuneration to median remuneration of employees	% increase/decrease ¹ in remuneration over previous year
1.	Dr. D. R. Rao ² (Executive Chairman)	47.61	25.00%
2.	Mr. D. Sucheth Rao ² (Vice-Chairman & CEO)	42.85	28.57%
3.	Mr. D. Saharsh Rao ² (Vice Chairman & MD)	42.85	28.57%
4.	Mr. Humayun Dhanrajgir (Non-Executive Director)	3.12	50.46%
5.	Mr. P. V. Maiya (Non-Executive Director)	3.66	134.15%
6.	Dr. Christopher M. Cimarusti (Non-Executive Director)	3.33	133.33%
7.	Mrs. Bharati Rao (Non-Executive Director)	4.23	107.48%
8.	Dr. Nirmala Murthy (Non-Executive Director)	4.02	104.85%
9.	Mr. Homi Rustam Khusrokhani (Non-Executive Director)	4.17	112.62%
10.	Mr. Prasad Raghava Menon ³ (Non-Executive Director)	3.31	NA
11.	Mr. Deepak Gupta ⁴ (Chief Financial Officer)	NA	NA
12.	Mr. Abhijit Majumdar ⁵ (Chief Financial Officer)	NA	NA
13.	Ms. Sarada Bhamidipati ⁶ (Company Secretary & Compliance Officer)	NA	(0.23%)

¹ Changes in the remuneration paid to non-executive directors, reflect increase / decrease in the sitting fees paid based on the number of meetings compared to previous year and also increase in provision for commission.

² The provision for commission (profit-based) for the financial year 2022-23 has not been considered to make it comparable.

³ Appointed as an Independent Director with effect from October 31, 2022, hence not comparable.

⁴ Resigned as Chief Financial Officer (CFO) with effect from October 13, 2022. Remuneration in FY 2022-23 was paid for part of the year, hence not comparable.

⁵ Appointed as Chief Financial Officer (CFO) with effect from November 23, 2022. Remuneration in FY 2022-23 was paid for part of the year, hence not comparable.

⁶ Previous year's remuneration included one-time bonus payment.

- ii. the median remuneration of the employees has increased by 6.17%
- iii. the number permanent employees on the rolls of company as on March 31, 2023 was 1,554.
- iv. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Increase in remuneration is based on remuneration policy of the Company.

- v. The Company affirms that the remuneration paid is as per the remuneration policy of the Company for Directors, Key Managerial Personnel and Employees.
- vi. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on working days of the Company up to the date of the forthcoming Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company Secretary.

Annexure - 5

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 ('the Act') and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Act, including certain arms' length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2023, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

Name of the Related party & nature of relationship	Duration of contract	Salient terms	Date of approval by Board, if any	Amount paid (₹ in lakhs)	Amount paid as advances, if any
Dr. Christopher M Cimarusti Non-Executive Non-Independent Director	5 years from May 20, 2021- Ongoing	Refer Note 1	May 11, 2021	14.03	-
Mrs. Vijaya Rao Relative of Key Managerial Personnel	5 years from July 1, 2019–Ongoing	Refer Note 2	16 May 2019	83.16	-
Mr. Davuluri Sucheth Rao, Vice Chairman & Chief Executive Officer	5 years Refer Note 3	Refer Note 3	11 Feb 2020	131.61	-
Mr. Davuluri Saharsh Rao Vice Chairman & Managing Director	5 years Refer Note 3	Refer Note 3	11 Feb 2020	131.61	-

Note 1: The members had, at the Annual General Meeting held on July 7, 2021, approved a consultancy fee of USD 2,500 per day (net of taxes) for each day spent at the Company's facilities to Dr. Christopher M Cimarusti.

Note 2: The Company had renewed the three separate Lease agreements with Mrs. Vijaya Rao effective July 1, 2019 and the terms and conditions of the Lease Agreements dated July 1, 2014 remained unchanged. Under each agreement, the Company is required to pay lease rentals of ₹1.50 lakhs per month and ₹10,000/- towards amenities and maintenance charges from the original date of the agreements, i.e., July 1, 2014, subject to an annual increase by 5%.

Note 3: The Company had entered into a Lease Deed with Mr. Davuluri Sucheth Rao and Mr. Davuluri Saharsh Rao ("Lessors"), for office space to be used by the Company, for a period of 5 years w.e.f. August 7, 2020. As per the terms of the Lease Deed, the Company is required to pay lease rentals of ₹79/- per sft. per month for area admeasuring 2561 1.05 sqft amounting to ₹20.23 lakhs per month equally to Mr. D. Sucheth Rao and Mr. D Saharsh Rao, subject to an annual increase by 5%

All the above transactions were entered by the Company with Related Parties in the ordinary course of business at prevailing market rates.

For and on behalf of the Board

Dr. Davuluri Rama Mohan Rao
Executive Chairman
(DIN: 00107737)