



Driving Business Transformation To Accelerate Sustainability

SUSTAINABILITY REPORT 2022-23

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About This Report

Neuland Laboratories Limited (Neuland) takes pride in presenting its Sustainability Report for the financial year 2022-23, marking the fourth consecutive year of transparently charting our progress and actions towards sustainability. Our journey began with the publication of our inaugural sustainability report in FY19-20, and since then, we have consistently released comprehensive sustainability reports annually.

Neuland had published its first sustainability report for FY 2020 on 12th June 2021 while that for FY 2021 was published on 30th July 2021, our third sustainability report for FY 2022 was published on 28th July 2022 and our current report is our fourth sustainability report published on

At Neuland, we remain steadfast in our commitment to enhancing performance across economic, social, governance, and environmental aspects. This report, covering the period from April 1, 2022, to March 31, 2023, reflects our dedication to sustainability and follows our reporting cycle, aligned with each fiscal year from April 1 to March 31.

For key material topics, we ensure the disclosure of at least three years of data, demonstrating our adherence to transparency and accountability. As part of our ongoing commitment, Neuland will continue to report on our sustainability progress annually through these sustainability reports, showcasing our unwavering dedication to sustainable practices and responsible corporate citizenship.

Reporting Framework and Guidelines

We have been diligently reporting on our sustainability initiatives, with our initial focus on community engagement and environmental stewardship. To maintain transparency and credibility, we adhere to external standards, including the Global Reporting initiative (GRI) and Greenhouse Gas Protocol (GHGP). This

report is also aligned Neuland's UNGC commitment. Our approach to reporting follows the GRI principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. These frameworks ensure that our reporting accurately reflects our commitment to sustainability and enables stakeholders to gain valuable insights into our sustainable practices and progress.

Boundary and Scope

The sustainability performance disclosures in this report cover Neuland three manufacturing facilities in India, R&D Facility and the Corporate office in Hyderabad, India. This report has the information regarding the evolution of our manufacturing, R&D units, economic performance and management processes which are responsible for the progress of the company. The scope of this report is defined by the material topics identified through stakeholder engagement. The materiality assessment presents the priority topics for Neuland. This has helped Neuland to acknowledge the challenges faced, sustainability expectations and take an appropriate and systematic approach to mitigate them.

Corrections and Re-statements

The boundary of the report has not changed between last year and this year. Data corrections have been made for the previous years in the Environmental Stewardship section. However, due to the materiality assessment, we have added some new material topics and disclosures in this year's report.

Assurance

We have established processes and procedures to capture data on sustainability. The data has undergone rigorous internal reviews before being presented in the report and to the verifiers. The report has been externally verified by TUV India Private Limited who does not have any financial interest in the operations of the company other than the assurance of this report. The assurance statement issued has been included in the report. Any financial information presented in this report is externally audited by TUV India Private Limited, the financial auditors of the company.

Your Feedback

We value suggestions and feedback from our stakeholders. Request you to share it by writing to us at: sustainability@neulandlabs.com

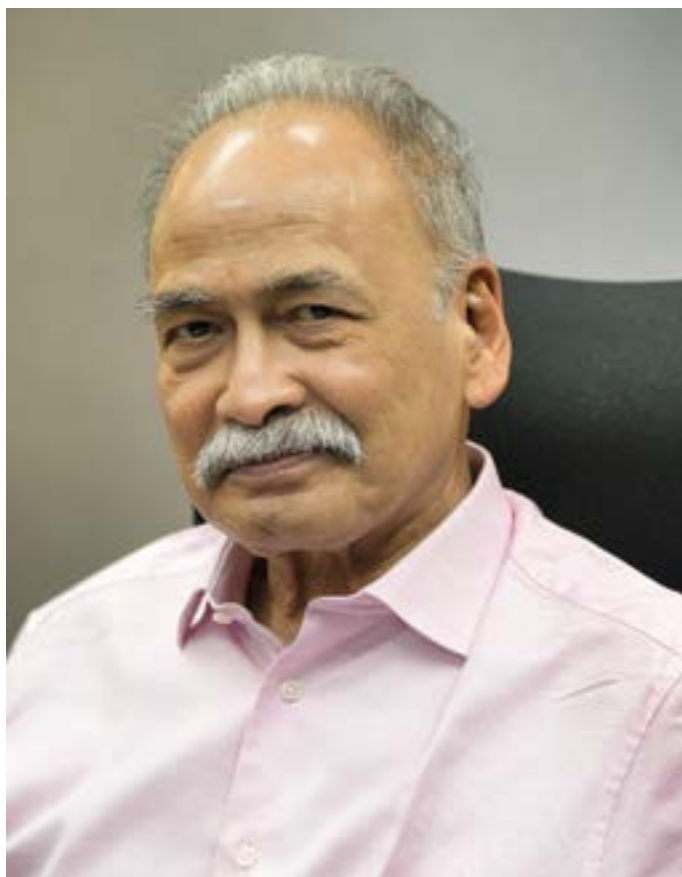
Forward-looking Statements

Certain statements in the Report are forward-looking. These include statements other than historical facts, including those on financial position, business strategy, management plans and objectives for future operations. Such statements include words such as 'believes', 'expects', 'may', 'will', 'plans', 'outlook' etc. regarding future operational/ financial performance. These are based on reasonable assumptions/ data/ that may be incorrect/imprecise and, not intended to be a guarantee of future. Actual results could differ materially due to various factors.

We neither assume any obligation nor intend to update/revise any forward-looking statements, as a result of new information/ future events or otherwise.

Executive Chairman's Message

The past year has been a significant year for Neuland as we saw some tangible results of the team's efforts over a period of time. This was not just reflected in the financials but also the recognition by key stakeholders of the quality-focussed sustainable organization which has been built.



Dr. Davuluri Rama Mohan Rao
Executive Chairman

Even as the genesis of Neuland was based on the vision of a quality-focussed ethical pharmaceutical organization, I can say with confidence that we are continuing to develop from strength to strength in building a sustainable API company.

During the last year, we devoted significant time to sustainability, both furthering past initiatives as well embarking on new ones. Our efforts have meant that there was a positive impact for stakeholders across the value chain. Starting from a comprehensive development of a long-term people strategy, to increased engagement with our suppliers and continuous improvements to our ability to supply reliably to our customers. The approach to stakeholders is becoming more comprehensive, as we actively solicit their views through structured survey like the Materiality survey where we had over 100 respondents from different stakeholders including investors, employees, suppliers, customers, bankers, and board members. Apart from the materiality survey, we have organized processes for collecting customer, employee, and supplier feedback. The inputs are valuable in shaping the various steps we take during this journey.

A key step during the last year has been the restructuring of the Risk Management Committee of the Board to Risk & Sustainability Committee, which is

reviewing the progress of our programs, providing critical inputs as well ensuring quality of disclosures & reporting. This Committee has been important in strengthening our governance as risk management is being regularly monitored at a board level. Along with the key risks which are being monitored, Climate change has been recognized as an emerging risk and necessary mitigation strategies are being evaluated.

A series of ESG awareness programs were conducted for our Board and our teams across units along with communication campaigns highlighting various elements of our sustainability journey. Even as we see involvement of a few key employees, we are working toward creating a momentum at an individual level along with the organization's program. We also conducted our first supplier meet focussed on ESG awareness with our key suppliers participating in the event.

An important element of the impact that our team has is on customers., which is vital for our long- term sustainability. Based on our experiences as well as feedback from customers, we are investing in our people's functional and leadership capabilities. As part of our comprehensive people strategy, we have developed competency frameworks covering Strategic, Operational and People leadership capabilities. As has been the effort over the last two years,

we continue to improve our project management capabilities to become more agile and responsive to customer needs. Even as we work with our people on these key elements, our basic focus on Safety first is unwavering and all our employees are regularly trained. Our deepening conviction that the quality of our people will be key to sustainability has meant that we are spending significant time and will continue to invest on this front.

Going forward, Neuland is focused to fortify a stronger future through six strategic priorities of adding scientific and technical capabilities in alignment with customer needs, building agile manufacturing capabilities, building client-facing project management capabilities, modernizing our technology architecture, focusing on talent and succession planning, and building a differentiated GDS portfolio.

As a signatory to the UNGC compact, we will develop a ESG strategy which will support the various frameworks from different organization and set long-term goals in alignment, ensuring our approach is comprehensive. Sustainability is embedded into our DNA and integral to our business strategy. We continue to progressively take steps to keep our sustainability journey going in the right direction.

“

We devoted significant time to sustainability, both furthering past initiatives as well embarking on new ones.

Vice Chairman & CEO's Message

This financial year, we've continued investing in developing a deeper understanding of what it takes to be truly sustainable with respect to the various aspects of economic, environmental and social dynamics.



Davuluri Sucheth Rao
Vice-Chairman & CEO

Our efforts, accompanied by a strong financial performance, point towards sustainable growth for the company. Our leadership team has taken on board a concerted ESG program, that is built on the foundations of our operational excellence, integrating sustainability into our strategic management and combining Board-level oversight through our Risk and Sustainability Committee. By participating in various ESG evaluations, we strive to benchmark and strengthen our policies and systems, evaluation mechanisms, ESG goal setting and continuous improvement programs.

Sustainability is not just a goal; it's the way we conduct our business

Neuland fosters an inclusive employee culture, promoting accountability, problem-solving, and diversity. Risk Management is part of the way we function and culturally our teams are encouraged to ask questions. We are evaluating our risks and opportunities around climate change through the implementation of the Task Force for Climate Related Financial Disclosures (TCFD) framework. Our effort is to iteratively prepare ourselves for climate change through considering relevant scenarios unfolding vis-à-vis global and domestic outlook including policy changes around climate change.

We prepared and published our first Business Responsibility and Sustainability Report as mandated by SEBI during the year. Our materiality survey indicated the need for continued focus on key areas such as Compliance, Waste, R&D and Innovation, Occupational Health and Safety, Water, Emissions, Business Continuity and Disaster Recovery, Human Capital Development, Climate Change

and Digitization. This will provide inputs for our ESG strategy.

Our strategic priorities drive our economic performance. We are actively reviewing our ESG framework and ESG strategy with emerging standards and the industry. This would provide a strong foundation of sustainability for our own operations and our supply chain. Our supply chain strategy has several key pillars, strategies and metrics in place that takes into account a sustainable supply chain. This has been evident through the progress we have made on ECOVADIS ratings.

To continue our efforts around environmental stewardship measures for energy conservation, water and wastewater management, waste reduction and recycling, material use optimization through the application of green chemistry principles helped us achieve a 20 TJ reduction in energy consumption, 23% reduction in energy intensity, water intensity reduction by 6.6%, significant milestones such as zero waste to landfill. The energy efficiencies, reduction along with change in calorific value of coal used, and refrigerant changes have led to a reduction in 9.1% in Scope 1 and 2 greenhouse gas emissions.

Neuland's commitment to employee well-being extends beyond safety, encompassing health initiatives, engagement mechanisms, and a positive safety culture. During the past year, we have engaged YourDost to ensure all employees have access to counsellors and coaches enabling mental wellness. As part of our Occupational Health and Safety framework, we have developed five



Our employees enthusiastically participated in our ongoing efforts towards afforestation successfully planting approximately 3,000 saplings.

pillars to achieve our goal of zero harm: Training, Contractor Safety Management, LIFE - Learning from Experience, Behaviour-Based Safety, and Safety Counselling Center. Through systematic implementation of the OHS framework, adherence to ISO standards, initial client molecule screening and employee health initiatives, we achieved a zero recordable employee injury year.

We have initiated a gap assessment vis-à-vis Social Accountability-Certification (SA-8000-2014) in order to evaluate and continuously strengthen decent work practices at our sites. Our commitment to upholding human rights within our own operations and our suppliers is reiterated through ensuring necessary clauses are in place for human rights in our contractual agreements with suppliers, vendors and consultants.

Neuland is committed to making a positive impact on the communities around our manufacturing sites at Bonthapally, Pashamylarum and Gaddapotharam. The Company focuses on education, good health, women empowerment, clean water and sanitation, village infrastructure development, and afforestation.

Our employees enthusiastically participated in our ongoing efforts towards afforestation successfully planting approximately 3,000 saplings.

In conclusion, would like to state that Neuland is committed to the United Nations Global Compact (UNGC). Over the years, we have sought to integrate all the aspects that make Neuland a leading company in ESG initiatives which has helped us achieve a Silver rating from EcoVadis, following their comprehensive evaluation spanning a diverse spectrum of non-financial management domains. This assessment encompassed Environmental, Labour & Human Rights, Ethics, and Sustainable Procurement practices. In our pursuit to assess our ESG endeavours, our Company merited a score of 48 out of 100, according to the S&P Global ESG Score within the DRG Pharmaceuticals Category, positioning us at the 92nd percentile, among 343 companies, considered as industry peers during 2021 and 2022, just about 8% of companies scored equal to or higher than Neuland) among 343 companies.

We would continue to act responsibly and develop on our ESG strategy during FY 2024.

Our Business

Neuland Laboratories Limited, with almost forty years of experience in the pharmaceutical industry, has established itself as a prominent market player with its customers spread across 80+ countries and exports spanning 67 countries.



The company has garnered a reputation as a leader in manufacturing Active Pharmaceutical Ingredients (APIs), complex intermediates, and custom manufacturing solutions. Neuland is widely recognized as a one-stop solution for all the chemistry requirements of the pharmaceutical sector. The primary business verticals of the

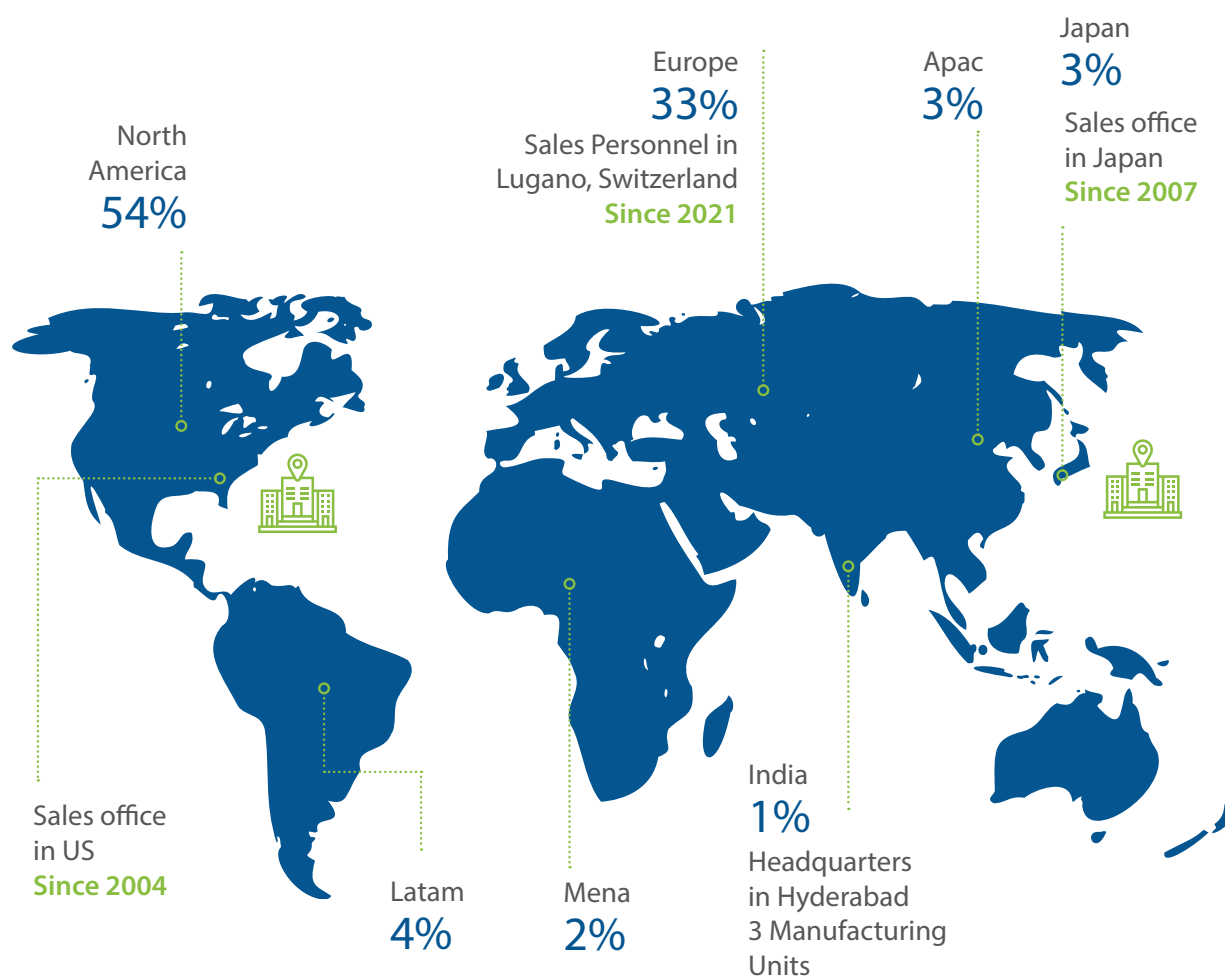
Company are Generic Drug Substances (GDS) and Custom Manufacturing Solutions (CMS). For a more comprehensive understanding of our business operations, please refer to our annual report available on Neuland Annual Report_FY 2023.

Generic Drug Substances (GDS) and Custom Manufacturing Solutions (CMS) are the two main business verticals. Our core competency lies in the application of strong process chemistry for manufacturing in a regulatory compliant environment, which is supported by a strong, well-qualified team of more than 1500 employees.

Highlights of FY23

39+	₹1200.9	₹281.1	₹163.1
Years of experience	Crores Revenue	Crores EBITDA	Crores Profit after Tax
100+	80+	907 KL	950+
APIs across therapeutic categories	Countries where products are sold	API manufacturing capacity	Drug Master Files (DMFs) worldwide
65+	>75%	1500+	
Active US DMFs	Revenue from exports	Employees	

Our Presence



Following entities are included in preparation of the consolidated financial statements of the Company:

Subsidiaries

Neuland Laboratories Inc.
Neuland Laboratories K.K.

Location

USA
Japan

Regulatory Filings Across Geographies



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	State
2. Bulk Drug Manufacturers Association (India) (BDMA) National	National
3. Pharmaexcil State	State
4. Confederation of Indian Industry (CII) State	State
5. Society for Cyberabad Security Council (SCSC) State	State
6. Society for Sangareddy Security Council (SSSC) State	State

Inspection History

**USFDA
(USA)**

Unit-1 Inspection

March 1997, May 2004, March 2008 (PAI for NDA), November 2010, April 2014, April 2017, June 2019

Unit-2 Inspection

June 1999, February 2002, November 2005, September 2012, August 2015, November 2018, February 2020

Unit-3 Inspection

May 2023

R&D Inspection

February 2016

**EDQM
(Europe)**

Unit-1 Inspection

December 2005
June 2023

Unit-2 Inspection

June 2017

**PMDA
(Japan)**

Unit-1 Inspection

October 2008

Unit-2 Inspection

October 2008

**ANVISA
(Brazil)**

Unit-1 Inspection

March '12, May '14

Unit-2 Inspection

April '11, May '13, May '16

Unit-3 Inspection

February 2022

**WHO
GMP**

Unit-1 Inspection

February 2018

Unit-2 Inspection

—

**EMA
(Europe)**

Unit-1 Inspection

January 2013

Unit-2 Inspection

—

**KFDA /
MFDS
(South
Korea)**

Unit-1 Inspection

Feb. 2010, July 2014

Unit-2 Inspection

February 2012

**COFEPRIS
(Mexico)**

Unit-1 Inspection

February 2014

Unit-2 Inspection

February 2014

**FSI "SID&GP"
(Russia)**

Unit-1 Inspection

—

Unit-2 Inspection

February 2019

**BfArM
(Germany)**

Unit-1 Inspection

—

Unit-2 Inspection

February 2007

**SFDA/
CFDA
(China)**

Unit-1 Inspection

December 2017

Unit-2 Inspection

—

**ISO
14001: 2004**

Unit-1 Inspection

July 2010, 2013

Unit-2 Inspection

May 2010, 2013

**AFSSAPS /
ANSM
(France)**

Unit-1 Inspection

—

Unit-2 Inspection

February 2012

**TGA
(Australia)**

Unit-1 Inspection

—

Unit-2 Inspection

April 2011

**ISO
45001:2018**

Unit-1 Inspection

August 2019

Unit-2 Inspection

August 2019

*Unit 3 and R&D are ISO 45001: 2018
Certified in August 2019



Our Infrastructure - Manufacturing Locations

UNIT 1: Bonthapally, Hyderabad	Block: 1,2,3,4, H, KL & S		
	Year of Establishment 1986	API manufacturing capacity 233 KL	Hydrogenation Reaction Volume 7.4 KL
	Solvent Recovery System 100 KL/D	Cryogenic Reaction Volume 25 KL	Regulatory approvals US FDA, EDQM, CFDA, PMDA, et al

UNIT 2: Pashamylaram, Hyderabad	Block: 34 Block-1, 2, 3, FC, NMSM, Mini plant 6		
	Year of Establishment 1994	API manufacturing capacity 363 KL	Hydrogenation Reaction Volume 6 KL
	Solvent Recovery System 20 KL/D	Cryogenic Reaction Volume 15 KL	Regulatory approvals US FDA, EDQM, PMDA, ANVISA, et al.

UNIT 3: Gaddapotharam, Hyderabad	Block: 1, 2, 4		
	Year of Establishment 2017	API manufacturing capacity 305 KL	Hydrogenation Reaction Volume Facility Creation Under Process
	Solvent Recovery System 50 KL/D	Cryogenic Reaction Volume 15 KL	Regulatory approvals US FDA, EDQM, PMDA, ANVISA, et al.

Research & Development Centre					
	Development Labs 15	Fume hoods 60	Analytical Labs —	Dedicated kilo Lab for Scaleup	R&D team of 311 People
	Dedicated labs for Peptides	Separate facility for D2 analogues	Approvals Department of Scientific and Industrial Research (DSIR), Government of India and US FDA		

Significant R&D Achievements

Several NCE APIs added in NDA or commercial stage drugs

Support for multiple APIs each year in Phase 2 and Phase 3 clinical candidates

900+ DMFs filed
300+ API processes developed

204+ patents filed
3 new DMFs filed

The Business Direction

Robust manufacturing base placed on the foundation of quality and pureplay API commitment



Generic Drug Substance (GDS)

We started as a prime API manufacturer...



Capability

- 3 US FDA and EU GMP compliant manufacturing facilities
- Collective capacity: ~907 KL



Business Approach

- Work on molecules either with a business leadership approach or partnership with client
- Ensure uninterrupted supply with quality commitment
- Early identification for primary sourcing opportunities



Strategy Forward

- Maintain leadership position in key molecules
- Work on process optimization to improve yields, productivity and thus margins

Added Speciality molecules for complex products...



Capability

- High end complex chemistry capabilities
- Backend support by R&D department
- Experience of hurdle free scale up



Business Approach

- Work with leading companies help them to meet their technical requirements while being competitive
- Exploring the additional opportunities from Line extension in terms of new dosage forms and indications
- Focus on regulated markets/quality conscious customers



Strategy Forward

- Focus on niche APIs with complex chemistry
- File IP for non-infringing processes
- Filing DMFs for peptides
- Commercialization of pipeline molecules through New leads identification and conversion

Create a sustainable CMS business that is driven by technology and strong customer relationships



Custom Manufacturing Solutions (CMS)

On path to being a preferred partner in CMS.



Services

- Manufacturing API to customer specifications
- Designing and developing manufacturing processes
- Process optimization for competitiveness
- Complete CMC partner for the API
- Patent protection for processes



Business Approach

- Local presence in US, Europe, and Japan with technical as well as commercial employees
- Diversify geographic focus
- Consultative approach on customer relationships
- Business targeted on Neuland's technology capabilities and perceived customer needs leading to increased traction
- Continue business development focus on biotech companies



Strategy Forward

- Add depth in technical capabilities
- Investment in QBD labs, process engineering and foray into new areas of customer solutions
- Work effectively on customer relationships and leverage on portfolio expansion
- Targeting molecules in the later stages of the clinical cycle
- Lifecycle Management of commercial products



Governance, Risk Management and Compliance

The pharmaceutical industry operates in a dynamic environment with various risk factors that can significantly impact business operations. In response to this challenge, Neuland Labs had undertaken an Enterprise Risk Management (ERM) enhancement program to effectively identify and monitor risks.

This report presents Neuland's proactive approach to risk management, focusing on key risk areas such as supply chain, intellectual capital, regulatory compliance, product scaling, geopolitical uncertainties, competition, and emergency events. Neuland's ERM process rates identified risks based on severity, likelihood, and velocity of impact, leading to the development of targeted mitigation strategies.

Monitoring enterprise risks is part of the risk culture at Neuland. This is done through various mechanisms, review of risks, strategies for effective risk management and setting metrics to monitor and measure performance vis-a-vis agreed upon strategies. Effective

risk management is included as part of leadership Key performance indicators during FY 2023.

Proactive Risk Management Approach

Neuland Labs adopts a forward-looking perspective on risk management. The Company actively monitors emerging risks from external sources such as the World Economic Forum, aligning macro risks with its risk register. This approach enables Neuland to estimate potential impacts and plan appropriate interventions. The ERM process is digitized, facilitating its implementation across all units, including R&D, Manufacturing, and Sales Offices.



Each identified risk is assigned a score, and specific action plans are developed to address and mitigate them. Mitigation strategies are prioritised for high rated risks.

Key Risks Addressed and Mitigation Strategies

Neuland's ERM program comprehensively addresses seven key risk areas.

Supply chain risk is managed by diversifying and reducing global dependence on raw materials.

Intellectual capital risk is mitigated through HR policies and talent development programs.

Regulatory risk is minimized through a strong focus on health & safety and compliance.

Neuland ensures seamless product scalability through meticulous processes to address **product scaling risk**.

Geopolitical risk is managed by maintaining a wide geographical footprint.

Intense competition is countered through dynamic life-cycle management and strategic partnerships.

Emergency events, exemplified by the COVID-19 pandemic, are addressed through agile response practices.

Climate change actions may not be adequate and ESG priorities may not be collectively met, leading to unforeseen risk events. This is being mitigated through proactive ESG programmes. Climate change related risks are recognised as an emerging risk.

Each identified risk is assigned a score, and specific action plans are developed to address and mitigate them. Mitigation strategies are prioritised for high rated risks.

ERM Process Implementation

Neuland's ERM process has a structured framework with dedicated risk owners. These risk owners, in collaboration with the Risk team, report to the Risk and Sustainability Committee, operating under the Board's oversight. The risks are regularly monitored at multiple levels, ensuring proactive risk management throughout the organization. Neuland Labs' proactive approach to Enterprise Risk Management reflects the Company's commitment to mitigating risks and maximizing opportunities in the pharmaceutical industry. By closely monitoring emerging risks and aligning with reputable sources, Neuland accurately estimates potential impacts and implements focused action plans to reduce overall risk. The Company's emphasis on a robust risk management process strengthens its position as a resilient and reliable business partner in an uncertain environment.

Digitization of ERM

Neuland Laboratories Limited has embraced digitization as a strategic imperative to enhance operational efficiency and gain a competitive edge in the dynamic business landscape. The implementation of Enterprise Risk Management (ERM) software in April 2022. The ERM software empowers teams to identify, assess, and prioritize risks effectively. By facilitating risk mapping and analysis in line with the organization's risk policy, the software enables deeper insights into risk trends and correlations, empowering the formulation of targeted mitigation strategies. The software's real-time risk monitoring capabilities allow Neuland to promptly respond to emerging risks, preventing potential challenges

from escalating. Additionally, the availability of valuable data insights empowers Neuland's management to make well-informed and data-driven decisions, aligning risk management with business objectives.

Risk and Sustainability Governance

Neuland's Risk and Sustainability Committee of Board of Directors plays a vital role in guiding and overseeing sustainability and risk management initiatives. Internally, the ESG organisation structure has a ESG Steering Committee and a Core Committee. The Vice-Chairman and CEO of the Company chairs our Sustainability Steering Committee. The Steering Committee comprises of leaders from different functions and is responsible for setting sustainability goals, identifying and assessing sustainability-related risks, and developing policies and strategies to integrate sustainable practices into the organization's operations. The Sustainability Core Committee collaborates with site teams to implement sustainability initiatives across departments and operations. Its responsibilities also include identifying opportunities for sustainability improvements, monitoring performance, and creating sustainability communications. The Core Committee executes and reports on sustainability initiatives to the ESG Steering Committee.

Risk and Sustainability Governance

Our risk and sustainability governance is as follows



ESG Organisation Structure



Compliance

At Neuland, we uphold a culture of compliance led by a deep understanding of regulatory requirements and a strong focus on international quality standards. As we operate in highly regulated markets, we always have our eyes set on new laws and regulatory changes that may be on the anvil. A comprehensive quality management framework and practices ensure strict compliance with all pharmacopeia and customer-specific requirements. The Company seeks continuous performance improvement to follow the best practices in the global pharma industry.

To stay ahead of upcoming regulatory changes, we continuously track the expectations of various regulatory bodies worldwide through different channels, like digital tools. We have institutionalized the regulatory

compliance process by placing adequate systems of checking the documentation at all levels to ensure no slips. During the year, we have initiated updation and upgradation of our digital compliance tracking software by comprehensively reviewing all applicable compliances. The responsibility of ensuring zero non-compliance is with each function. Our internal auditors also conduct regulatory and legal compliance audits as per the mandate provided and any matters arising therefrom are reported to the Audit Committee and the Audit Committee and the Board review compliance certificates by various functional heads on a quarterly basis.

A Secretarial Audit by an independent Secretarial Auditor is conducted to review compliances of certain applicable statutory provisions and adherence to good corporate governance practices for the financial year 2022-23. The

Secretarial Audit Report provides details of other Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company in Page numbers 121 and 122 of our annual report for the financial year 2022-23.

List of laws covered and coverage is mentioned in said report.

There were zero breaches reported on code of conduct, corruption or bribery, conflicts of interest, discrimination or harassment and insider trading. There are no legal actions regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation. We do not make any contributions to and spending for political campaigns, political organizations.



Cyber Security

In today's digital business world when cyberattacks are relentless and the barrier to entry for attackers is low, no longer can organizations simply set up a firewall or install an antivirus and consider it "done."

Neuland Cyber security strategy follows a multi-layer approach with a plan of action designed to maximize the security and resiliency of the organization and safeguard the interests of our customers, employees, investors, and employees at large.

Neuland security strategy is aligned with strategic business goals making sure that everything works together holistically to make company operations more efficient. Neuland follows a strong governance framework based upon NIST and ISMS 27001 to assess and monitor cyber

security risks and controls.

The Vice Chairman and Managing Director, who is an Executive Director on the Board has direct oversight over Cyber Security. The Chief Information Officer reports to the Vice Chairman and Managing Director. Neuland Organization Structure consists of a dedicated team of Cyber Security and SOC analysts under the supervision of an Info Sec Lead ably guided by the Chief Information Officer and regular review of controls and measures by Management and the Board.

User awareness remains the fulcrum of Neuland Cyber Security strategy and the company regularly carries out Infosec training, e-mail campaigns, and phishing simulation exercises to inculcate a culture of security among employees. Awareness sessions are part of the onboarding process and also part of annual training. An acceptable usage

policy with established standards for the NLL is in place.

Incident management policy is a Security Incident Management process that outlines the steps to be taken for incident management, reporting security incidents, and disciplinary processes to be adopted at NLL. The policy is internally accessible to all employees, If any suspicious incidents are found a ticket can be raised to the IT help desk, The ticket will be reviewed and closed after the user is convinced of the resolution.

To safeguard internal IPR and customer data and to take care of insider threats we have implemented a Data leakage policy (DLP). The DLP works as per the classification of data and quarantines any suspicious mail which can only be released on the basis of Subject Matter experts related to data ownership.

Sustainability Framework

Enabling a low carbon economy



Climate Change

Reducing greenhouse gases (GHG) emissions intensity and moving towards a balanced portfolio of low-carbon energy management



Resource Management

Growing and innovating business solutions through R&D and minimize the use of resources



Local Environmental Protection

Minimizing negative environmental impacts and ensuring the highest standards of EMS



Embedding responsible business practices



Corporate Governance

Maintain and effective governance and decision-making structure



Ethical Business and Compliance

Fostering an ethical culture and conducting business with integrity and ensure all legal and regulatory compliance



Risk Management

Ensure effective identification of material risks, adequate & effective risk management and internal control



Empowering our people and communities



Health & Safety

Making health & safety an integral part of everyday business and culture



People

Creating value and performance culture. Providing work life balance and engaging employment experience where they can grow and excel



Community

Contributing to the sustainable development of communities through engagement & partnerships and investing in initiatives that make a lasting positive impact



Policies supporting the framework

- Supplier code of conduct
- Prohibition of Child Labour
- Policy on Grievance Redressal
- Policy on Sexual Harassment
- Diversity and Inclusion
- Learning and Development Policy
- Data Leakage Prevention Policy
- Information Security Management Systems
- Environment Health and Safety Policy and Biodiversity statement
- Code of Ethical Conduct
- Prevention of Workplace Discrimination, Protection of Human Rights and Equal Employment Opportunities
- Skill Upgradation Sponsorship Policy
- Referral Reward Policy
- Change Management Policy
- Patch Management Policy
- Social Media Usage Policy
- Wireless Security Policy

The United Nations Global Compact is a voluntary initiative based on CEO's commitment to align our plans and operations with 10 universal principles pertaining to human rights, labor, the environment, and anti-corruption, and to take steps to advance social goals and the execution of the Sustainable Development Goals.

We are one of the members of United Nations Global Compact since 2022 and continue our effort to integrate sustainability and align our sustainability goals to the SDGs. Commitment to United Nations Global Compact renewed in 2023.



Climate Change and Task Force for Climate related financial disclosures

We have initiated the implementation of the Task Force for Climate Related financial disclosures (TCFD) in order to ascertain resilience of our business strategy to climate related risks.

Climate Change risk is on our watchlist as part of emerging risks for the organization.

We are in the process of implementing the TCFD framework both within our own operations and supply chain

in order to ascertain any significant risks. We have also conducted an ESG awareness program for identified value chain partners during 2023. Based on the findings of the study, we evaluate changes to our supply chain strategy and financial planning.

TCFD related progress in our 2023 report

Governance	<ul style="list-style-type: none"> Risk and Sustainability Committee is a committee of the Board that meets Quarterly. Climate Change risks are presented to the Risk and Sustainability Committee for review and oversight over understanding Climate risks better in order to develop our Climate Strategy. Sustainability parameters are included as KPIs in the performance evaluations of leadership. Absolute Carbon reduction vis-à-vis baseline year of 2021-2022 is a KPI to measure the emissions generated and reduction.
Risk Management	<p>We have chosen to evaluate the following scenarios for our climate risks:</p> <ul style="list-style-type: none"> We chose two scenarios to cover 2 degrees or below 2 degrees increase in temperatures by 2100 i.e. RCP 2.6 and Delayed Transition Scenario from the Network for Greening the Financial System (NGFS). We chose two scenarios to cover greater than 2 degrees increase in temperatures by 2100 i.e. RCP 8.5 and the STEPS scenario of the International Energy Agency. The scenarios were considered to evaluate both physical and transition risks. RCP 2.6 and RCP 8.5 were considered to evaluate Physical risks. RCP 2.6 and RCP 8.5 are chosen scenarios to cover the range of emissions at the lowest and highest ends respectively. STEPS scenario was considered to evaluate Transition risks. Out of 3 transitions scenarios by IEA (International Energy Agency), STEPS scenario has been chosen. STEPS scenario reflects current policies that are in place and those that have been announced by governments around the world. Therefore, we believe that it best aligns with current Indian government commitment to Nationally Determined Contributions (NDCs) for Green House Gas emissions reduction. Our progress in carbon reduction would align to Indian government commitments to GHG emission reduction.

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Neuland has identified the emission reduction target and SBTi will augment the process as it will help to achieve target in scientific way.



	<ul style="list-style-type: none"> Out of the 6 transition scenarios by Network for Greening the Financial System scenarios, Delayed Transition scenario, is chosen as the second transition risk scenario to evaluate our strategy against. Following risks are currently identified as relevant from a physical risk and transition risk perspective. We are also evaluating the climate perils most relevant to us by conducting a supplier survey. The time horizons being considered are short term (2024), medium term (2025) and long term (up to 2030). By studying the climate perils, water stress and biodiversity impact in our supplier operations, assessing goal setting and sustainable practices in our supply chain, we would continue to incorporate sustainability across our operations.
Strategy	<ul style="list-style-type: none"> Neuland considers conducting its business and operations in a sustainable and responsible manner. We have stated year-on-year carbon reduction goals for our own operations. We would continuously monitor performance vis-à-vis the carbon goals, government policy on carbon reduction and make necessary investments. Based on the supplier evaluation on climate change, we would develop an appropriate mitigation response.
Metrics	<p>Our current goal is to reduce carbon emissions as below:</p> <ul style="list-style-type: none"> Against a short-term target of 1% reduction in Scope 1 and 2 emissions (i.e., 34579 and 29229 metric tonnes of CO2 equivalent respectively were targeted), we achieved a 9% reduction in Scope 1 and 2 emissions. The goal setting process is being strengthened, therefore baseline year for GHG emission for 2023 is considered as 2022 and the goal setting for all parameters will be further improved during FY 2024. Neuland laboratories is committed to environmental sustainability and responsible business practices. Neuland has signed Science Based Target initiatives (SBTi) to achieve its short and long-term goal related to reducing greenhouse gas emissions to tackle climate change. The company aims to minimize its environmental impact through various initiatives such as green chemistry practices, energy efficiency, waste management, water conservation, emission reduction, supply chain sustainability, continuous improvement, and regulatory compliance. Neuland has identified the emission reduction target and SBTi will augment the process as it will help to achieve target in scientific way. It will increase stakeholder confidence that we are moving in the correct direction for achieving our target related to greenhouse gas emission reduction. Low Carbon Emission- Short Term (Scope 1&2) FY 2023 by 1% and FY2024 by 1%.



Climate change risks

Four climate change risks are expected, but their probability and impact on our operations are currently being determined through studies.

Riverine Flood Risks (Physical Risks)

Neuland's sites in Hyderabad are exposed to high riverine flood risks due to the city's susceptibility to heavy rainfall and flooding. These physical risks pose significant threats to the company's operations and business continuity. The heavy rainfall and flooding have an impact on ease and ability of employees and workers to commute to workplace during such events. Flood risk additionally may result in risk of loss of life and damage to infrastructure.

Mitigation Actions: The local municipal corporation actively addresses flood risks through various measures, such as improving the drainage system, controlling encroachments in catchment areas, and conserving and protecting areas requiring groundwater recharge.

Neuland incorporates flood risk considerations into its business continuity plan to enhance resilience against potential flood events. (Acute risk)

Also, climate change is one of the material topics identified. 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. (Sea level rise is a chronic climate risk globally that we acknowledge and have on our radar).

Supply Chain Impact from Extreme Weather Events (Physical Risks)

Extreme weather events can disrupt Neuland's supply chain, resulting in delays in material dispatch and receipt.

Mitigation Actions: Neuland is currently evaluating critical supplier sites for eco-system integrity on parameters such as climate events, water stress, and biodiversity impact, to ensure supply chain resilience.

Policy or regulatory pressure requiring transition from coal-fired boiler (Transition Risks)

Transitioning from a coal-fired boiler to a gas-based boiler presents transition risks, such as a 50% reduction in capacity and potential gas unavailability.

Mitigation Actions: Neuland aims to assess the impact on capacity and gas availability. The company is also keen on understanding if this transition effectively reduces greenhouse gas (GHG) emissions.

The Company implements global reporting standards to baseline and capture relevant data to evaluate its impact on climate change. The 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 to be able to mitigate them accordingly.

Employee training for Operational Changes (Transition Risks)

Transitioning to new technologies may require educating employees to adapt to operational changes effectively.

Mitigation Actions: Neuland plans to initiate necessary training for employees to familiarize them with new technologies once the transition strategy is finalized.

Neuland recognizes the need for identifying and addressing climate change risks. By proactively considering mitigation actions, such as flood risk incorporation in business continuity planning, evaluating supply chain resilience, and employee training for operational changes, Neuland endeavors to enhance its climate resilience and transition towards a more sustainable future.

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement: In the context of Neuland Laboratories Limited, key stakeholders encompass investors, board members, employees, clients, suppliers, and regulatory bodies.

Considering this perspective, the significance of effective stakeholder communication becomes pronounced within our approach. We have diligently nurtured strong relationships with stakeholders over time, underpinned by the core values of trust and respect. Through a multitude of communication

channels, we consistently engage with our stakeholders, gaining invaluable insights into their needs and aspirations. This inclusive approach empowers us to align our efforts effectively and steer our actions toward fulfilling these aspirations. A notable milestone in this journey was our inaugural multi-stakeholder engagement initiative this year, which systematically captured the perspectives, relevance, and expectations of external stakeholders regarding Neuland's sustainability performance.



Stakeholders	Engagement	Frequency of engagement	Topics of relevance and Engagement
Employees and workers	<ul style="list-style-type: none"> Multi-level and multi-topic engagement based on the employee group Performance feedback Employee 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	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.
Board and Committees of the Board	<ul style="list-style-type: none"> Presentations, reports, awareness sessions and surveys 	At least once a quarter	Overall operations, business performance, strategy, assessment reports, industry updates, compliance certificates, audit reports, ESG awareness programs and material topics survey.
Suppliers	<ul style="list-style-type: none"> Supplier audits Supplier meets Topic-based select supplier engagement Grievance redressal 	Frequent and need based	<p>To ensure business continuity and opportunities without any quality related challenges</p> <ul style="list-style-type: none"> 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	<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
Government and Regulators	<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.
Local Communities	<ul style="list-style-type: none"> Neuland Foundation Communications through digital channels Visits selected locations by the Neuland team 	Frequent and need based	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.
Investors/ Financial Partners	<ul style="list-style-type: none"> Investor relations team regularly engages with them Quarterly Investor communications Investor meets and presentations Annual report and sustainability Report 	Quarterly and need based	We engage with them so that they can take an informed decision to invest in our Company. The key area 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.

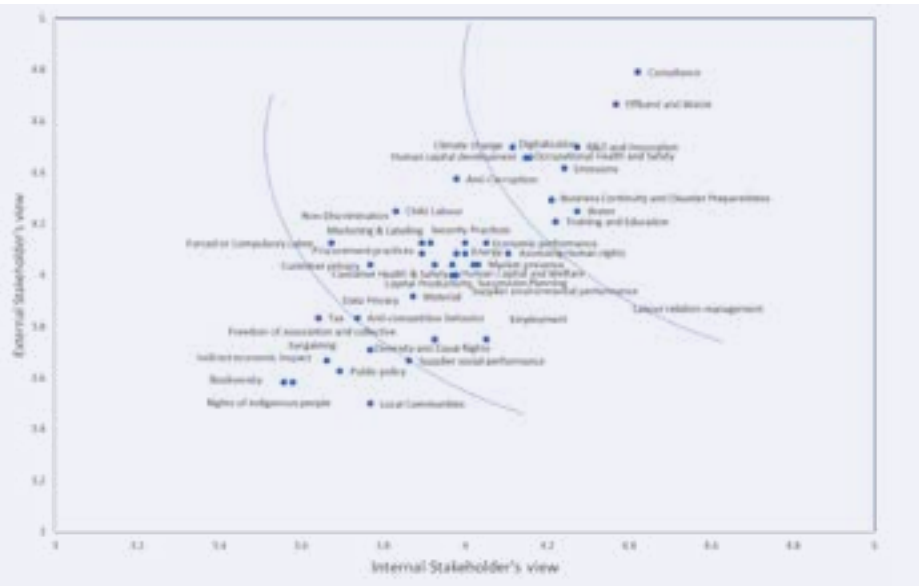
Materiality Assessment

We collaborated with internal stakeholders to establish material topics for Neuland at the outset of our sustainability journey with the FY22-23 report.

We thoroughly and methodically created a questionnaire to get input from stakeholders. We received responses from more than 100 stakeholders. To determine the importance of the topics for internal and external stakeholders, the stakeholder responses on each topic were gathered on three dimensions: relevance, impact, and performance. Critical topics to be surveyed were identified, spanning the domains of environmental, social, and governance (ESG) factors. These topics hold the potential to significantly impact on our

company's operations. Both internal and external stakeholders participated in the survey. Based on the examination of stakeholder answers, 12 topics each were recognised as being of high and very high importance. Compliance, Effluent and Waste, R&D and Innovation, Occupational Health and Safety, Water, Emissions, Business Continuity and Disaster Recovery, Human Capital Development, Climate Change and Digitalization emerged as top 12 topics that will be relevant for Neuland in developing our ESG strategy.

Internal and External stakeholder's view











Influence of material topic on stakeholder decisions versus Neuland performance



Material Topics Summary

Materiality was assessed by duly evaluating both positive and negative implications while prioritizing an area of importance in line with the principle of double materiality.

Material topics emerging as per the 2023 Material topics assessment:

Material Topics	Relevant United Nations Sustainable Development Goals (SDGs)	Description	Relevant GRI References
Compliance		Upholding legal and ethical standards is central to our operations. We prioritize transparency and ethical conduct, both within our organization and in our interactions with external stakeholders.	GRI 205: Anti-corruption, GRI 206: Anti-competitive Behavior
Effluent and Waste	 	Our commitment to responsible production extends to waste management. We adopt strategies to minimize waste generation and optimize resource usage.	GRI 306: Effluents and Waste, GRI 303: Water and Effluents
R&D and Innovation		Research and development (R&D) and innovation is core to our progress. By investing in innovation, we enhance our products, processes, and industry standards to make them more sustainable.	GRI 202: Market Presence
		Research and development (R&D) and innovation is core to our progress. By investing in innovation, we enhance our products, processes, and industry standards and thereby fuels economic growth.	
		Innovation is integral to our industry growth. Our R&D efforts not only enhance our products but contribute to technological progress.	
Occupational Health and Safety		Our workforce's well-being is paramount. Occupational health and safety practices ensure a safe work environment, reducing accidents and promoting employee health and well-being.	GRI 403: Occupational Health and Safety
Water		Efficient water management safeguards this vital resource. By minimizing water usage and adopting responsible practices, we contribute to clean water preservation and access.	GRI 303: Water and Effluents

Material Topics	Relevant United Nations Sustainable Development Goals (SDGs)	Description	Relevant GRI References
Emissions		Managing emissions is central to our environmental responsibility. We prioritize reducing our carbon footprint and greenhouse gas emissions.	GRI 305: Emissions
		We are exploring feasibility of implementing clean energy sources.	
Business Continuity and Disaster Recovery		Ensuring business continuity is vital for sustained progress. We focus on disaster recovery planning and resilient infrastructure.	GRI 103: Management Approach Disclosures
Human Capital Development		Investing in employee development fosters a skilled workforce. We provide training and growth opportunities. Our commitment to employee well-being and providing decent work.	GRI 404: Training and Education
		We are focussed on fostering diversity and equal opportunities.	
Climate Change		We prioritize emission reduction and support clean energy transition.	GRI 305: Emissions
		We are exploring feasibility of implementing clean energy sources.	
Digitalization		Embracing digitalization optimizes efficiency and innovation. We leverage technology to enhance our operations.	GRI 102: General Disclosures

These themes will be focal points for driving improvements over the next three years, underlining our commitment to proactive sustainability efforts.

The alignment between internal and external stakeholders on these material topics underscores a shared recognition of the significance of sustainability and responsible business conduct. These topics mirror the diverse concerns of our stakeholders, including investors,

customers, employees, suppliers, and the broader community.

In essence, the convergence of stakeholder perspectives around these material topics signifies a collective understanding of the importance of sustainable practices. Addressing these topics not only advances our sustainability performance but also enhances stakeholder trust and our corporate reputation.



Upholding Human Rights & Ethics

Every member of Neuland imbibes a strong set of ethical values called “The Neuland Way”. As a member of United Nations Global Compact (UNGC) we are committed to Human Rights Principles and respect all internationally recognized human rights standards.

We believe in conducting our business with responsibility, transparency, empowerment, honesty, and environmental consciousness. Our endeavour is to prevent human right violation and continuing our effort to promote awareness and implementation of new policies among employees and the entire supply chain.

We have identified freedom of association, expression and collective bargaining, right to equality, right to privacy, right to just and fair conditions at work, right to safe and healthy working environment, water and sanitation, rights of women and prohibition of child labour which are important for the smooth working of our organization. We have conducted SA 8000:2014 gap assessment in all our manufacturing facilities and R&D facilities of the organization with an

aim to assess the potential human rights risks and ascertain that Neuland doesn't have any potential high risk.

We have policies and a code of conduct to ensure that all employees throughout operations have a clear and consistent understanding of the norms of ethical conduct and responsible business practise that are expected of them during interactions with stakeholders. These policies are reviewed and strengthened from time to time. We recognize the importance of all employees being familiar with and understanding the policies. We have an online Learning Management System (LMS) to provide employees with self-paced training on various policies including on ethics, along with an online assessment on the policies with a minimum cut-off pass percentage. We update the learning system with

relevant policies annually. 100% of the employees have signed off on various policies including Code of Ethical Conduct, Whistle Blower, Prevention of Sexual Harassment at Workplace, Grievance Redressal, Employee Confidentiality, Leave policy, Payroll Process guidelines and ISMS policy using our ERP System –LMS Module. Further, all new employees are mandatorily assigned the above-mentioned policies as part of their induction programme along with an online assessment.

Social Accountability Certification (SA-8000:2014) Gap Assessment

Gap assessment audit vis-à-vis Social Accountability Certification 8000:2014 (SA8000) was conducted in all three units, and R&D Centre and Corporate Office of Neuland. All the employees of Neuland (1500) have taken part in SA 8000 assessment. The standard provides a framework for decent work across industries and countries. SA 8000 measures social performance by reflecting labour provisions contained within Universal Declaration of Human Rights and International Labour (ILO) conventions.

Our Corporate Office, R&D Centre and all our manufacturing sites are in India. Therefore, the gap assessment covers 100% of our operations in India. Our subsidiaries are located in USA and Japan, policy coverage is reviewed for all locations.

A preliminary SA8000: 2014 gap assessment audit was conducted by a Third party and their conclusion was that the organization understands the SA 8000: 2014 standards and audit criteria identified within the audit report and that there were no significant risks in our operations. However, a few observations were made which can be categorized as low to moderate risks and these observations were pertaining to our certain practices e.g., while there is no violation to the 'No child and forced labor', the review mechanism can be strengthened further. Most of their observations have been addressed and the rollout plans are readily available and

for the remaining observations, plans will be developed shortly. All the agreed plans will be implemented by the end of FY24.

The objective of the assessment is to determine the organisation's readiness for stage 2 audit and ensure effective planning.

Code of Conduct and Whistleblower Mechanism

The Company is aligning with various codes and policies to run the business smoothly and to ensure integrity, transparency, independence, and accountability in dealing with all stakeholders. All the members of Neuland are bound to uphold the core of our HR Philosophy – respect for people, mutual trust, teamwork, collaboration, meritocracy, objectivity, and human dignity in all people processes including recruitment, performance management processes, career development, remuneration and rewards. All the employees (100%) have acknowledged code of conduct policy during the year.

Our company has a Vigil Mechanism Whistle Blower Policy which serves as a mechanism for its directors, employees, and other stakeholders to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. Audit Committee of the Company oversees implementation of the Whistle Blower Policy. During this financial year, the company has not received any protected disclosure.

The company have put several policies in place including Policy on prohibition of Child Labour, Policy on Human Rights, Policy on Grievance Redressal, Policy on Workplace Discrimination & Equal Employment Opportunities. All these are made available to all employees through the company's intranet portal.

We have initiated review of agreements to include human rights clauses in contracts with vendors, suppliers, customers, service provider and consultants.

Familiarizing Security Staff with 'The Neuland Way'

For maintaining and implementing Neuland's values at all our manufacturing units & offices, we have hired physical security staff from an external security agency. Regular informal training sessions were conducted on par with the expectation.

We are always committed to bring changes in people's life through our strong, ethical, quality conscious and value-based approaches. Every financial year we implement new policies in Neuland to strengthen the values of Neuland: Customer Centricity, Reliability, Accountability, Ownership and Openness & Transparency.



Employee Support Programs

Maternity Benefits

Maternity Leave can be availed by any woman employee as per the provision of Maternity Benefit Amendment Act 2017. A total of 26 weeks of fully paid leaves is available to women employee, out of which not more than 8 weeks shall precede the expected date of delivery. The woman employee may avail work from home for a maximum period of 1 month from the conclusion of maternity leave, subject to the nature of the role, i.e., the work can be done from home, and have the approval from her manager. If the nature of work does not permit Work from Home, for the first 2 months post joining from maternity leave, the woman employee will have the flexibility to work for only 6 hours a day at the respective work location.

Paternity benefits

The company also provide 7 days of paternity leave, and this has been availed by 99 employees during this year.

Flexi working hours for Corporate Office Employees

Employees can avail an option of coming to office anytime between 8:00 am and 9:30 am and can leave office between 5:30 pm and 7:00 pm.

Your DOST

It is an online emotional health and wellness initiative that brings the employees, and their family members, guidance from 1000+ Experts, with complete privacy, confidentiality, on a range of subjects including Stress, Career, Relationships, Confidence, and much more.

Work from Home for Corporate Office Employees

Work from Home is available for 2 days in a calendar month. The approval for work from home must be applied 2 working days prior to availing the same.

Freedom of Association

All the employees in Neuland are free to join/ form or refrain from joining/ forming employee collectives without fear of retaliation or harassment. All the permanent workmen of Neuland are affiliated to the National Trade Union.

Sustainable Supply Chain

Our global operations have encountered challenges in recent years, but our commitment to ESG (Environmental, Social, and Governance) principles and sustainable growth drives our proactive approach to supply chain management. Robust planning, effective communication, and risk management by our dedicated Supply Chain Management (SCM) team have ensured consistent and secure product supply.

- 1 We collaborate early in the development process with raw material suppliers to ensure timely, conforming, and uninterrupted supplies.
- 2 We maintain a qualified pool of vendors chosen based on their compliance with Neuland Supplier Code of Conduct, ISO 9001/14001/45001 standards, adherence to labor laws such as prohibition of child labor, minimum wages act, anti-sexual harassment, and statutory compliances.
- 3 All of Tier 1 (including critical suppliers) are 100% evaluated on vendor evaluation parameters. We consider all our Tier 1 suppliers as significant to our business.
- 4 We utilize authentic sourcing databases, industry references, and conduct a due diligence check to identify the right sources which in turn feeds into and enhances the Supplier Management process.
- 5 Our strategic inventory management approach based on lean management foundations helps us to right-size raw material inventory and this helps us to cater to complex demand patterns.

On the logistics front, we prefer and nurture Good Distribution Practices-certified logistics partners. This helps in securing product integrity during transit, improves overall efficiencies, and reduces wastage. Our efforts prioritize reliability, traceability, and cost-effectiveness, making us a preferred choice for customers, aligning with our pursuit of all-inclusive sustainable growth in the pharmaceutical industry.



Supplier Sustainability Assessment Matrix

Ensuring a sustainable supply chain remains a paramount priority in our de-risking strategies, aligning with our commitment to ESG principles. We have fortified our supplier assessment matrix to encompass critical aspects that mitigate supply chain risk comprehensively.

Presently, this matrix covers 50% of procurement operations, while our ambitious target aims to encompass 100% of Raw Material and Packing Material suppliers under the sustainable supplier assessment plan by 2025. We are also actively engaging Capital Equipment suppliers to align with our ESG requirements, and we expect to make this a part of our Metrics by 2025.

The Supplier Sustainability Assessment Matrix for the Supply Chain Management process entails

rigorous evaluations of Environment, Social, and Governance considerations that Neuland values, such as Resilience, Reliability, Inclusivity, and Environment and Social considerations, encompassing qualified and certified vendors adhering to ISO 9001/14001/45001 standards. Our dedication to sustainability has garnered prestigious recognition, receiving the Silver Sustainability Rating from Eco Vadis.

As part of the sustainability supplier assessment matrix, we assess key social parameters, we evaluate whether suppliers are compliant with ensuring minimum wages for employees and workers, child labor prohibition and regulation and prevention of sexual harassment of women at workplace. This process is through supplier self-assessment, and we initiated coverage of our suppliers and expect to cover all suppliers by 2025.

Pillar		Metric	Target for FY24	FY21	FY22	FY23
Resilience	De-risked Business	% Business De-risked with 2 or more sources	> 60%	35%	61.40%	63.61%
Reliability	Quality of performance	% Rejections	< 1 %	0.54%	0.96%	0.89%
	Delivery of performance	Raw Material OTIF	> 99%	99.10%	99.20%	99.30%
Inclusivity	Supplier diversification	% Spend on MSME	> 25%	36.70%	33.70%	31.04%
	Digitization (Equal opportunity mechanism)	% e-Procurement / Total Procurement	> 85%	-	62%	86%
Environmental and Social Considerations	Shortening supply chain	% of Spend with in India	> 70%	73.70%	73.80%	70.68%
		% of Spend - Regional (<800 Km) (Maharashtra, Telangana, Andhra, Karnataka, Tamil Nadu)	> 50%	63.10%	63.70%	59.14%
	Certified vendors	ISO 9001/14001/45001 certified vendors out of critical vendors selected for the assessment	> 30%	72%	80%	75.22%*
	ESG training	ESG Training hours to SCM team	4hrs	-	-	16hrs
		ESG Training hours to Vendors	2hrs	-	-	8hrs

*Total number of vendors increased in comparison to FY22.

Supplier Code of Conduct

We have significantly improved our supplier code of conduct to reflect the evolving global ESG metrics. Our focus markets being the regulated markets, our code of conduct emphasizes suppliers maintaining compliance with all applicable regulations. Our suppliers are required to adhere to a four-part code of conduct that straddles human rights, ethical business practices, regulatory compliance, and safe operating conditions. We aim to have all our suppliers (Raw Material & Packing Material) commit to the supplier code of conduct. Currently, 100% of these suppliers have accepted our code of conduct.

Self-Preparation for Effective Engagement with Suppliers on Sustainability

Supply chain team members are trained in Sustainable Procurement Practices (ISO 20400:2017) and are certified in Supply chain risk management by BSI (PAS 7000:2014). Supply chain management team conducted ESG awareness training programs for top tier vendors. This training covered sustainability-related

topics so that our vendors also have awareness of our ESG requirements & goals. In this program, more than 133 vendors (60% by total procurement value) participated & shared their thoughts. Topics covered & discussed during this conference include Planet-People-Profit, Growing Sustainably together, Opportunity Landscape in ESG in Supply Chain, followed by a Q&A session on ESG understanding. We are embarking on an active Supplier Engagement exercise which will be formally launched in FY24 through our online portal.

Geographical Dependency De-Risking and Shortening Supply Chain

We have significantly reduced our reliance on import materials by qualifying and engaging with indigenous suppliers for key molecules. This way we can shorten our supply chain and reduce perceived geopolitical supply risks. Additionally, we have identified competitive Indian sources with strong chemistry capabilities for other materials and ensured a stable supply. Our efforts have led to a notable decrease in China-dependent procurement, going down from the current 31% to 25% in FY24.

241

Domestic Suppliers Count

76

International Suppliers Count

₹294.6

Domestic Suppliers Spent in Crore

₹122.2

International Suppliers Spent in Crore

309

Tier-1 Suppliers (All Tier-1 suppliers are significant)

Moreover, by fully integrating our Procure-to-Pay (P2P) cloud platform, we have achieved a seamless digital procurement process which serves as an equal opportunity platform for discerning large and small suppliers in the industry. This integration has enabled us to engage with a higher number of suppliers and increase diversity



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We aim to maintain product quality and create positive social and environmental impacts.

in the supply network. Predictably, this Digitalization has also resulted in competitive market pricing by suppliers and aided us to establish collaborations with a broader range of suppliers. The digital platform has also brought about ease of transactions, transparency, and traceability, leading to quicker and well-informed decision-making.

Diverse and Inclusive Supply Chain

As a part of our ESG initiative, we started the selection of indigenous vendors, and 25% of our current vendor base is from neighbouring districts of the manufacturing facility. With this, we were able to reduce carbon emissions by 108MT in comparison to FY22.

Scope 3 emission category	2022-23	2021-22
Raw material transport in metric tons of CO ₂ equivalents	4252	4360

Responsible Sourcing: Upholding Ethical and Sustainable Practices

Neuland's commitment to responsible sourcing is evident through their comprehensive approach to evaluating environmental impact, labor conditions, and regulatory compliance. By implementing a robust responsible sourcing strategy, we aim to maintain product quality and create positive social and environmental impacts. Thorough supplier assessments and audits ensure high ethical and quality standards throughout the supply chain. Neuland's focus on establishing a transparent supply chain, promoting sustainable practices, and ensuring ethical labor practices strengthens our dedication to responsible sourcing. The company also demonstrates a commitment to risk assessment and mitigation, stakeholder collaboration, and continuous improvement. Neuland's unwavering dedication to responsible sourcing enhances their reputation as a responsible leader in the pharmaceutical industry, contributing to a more sustainable and ethical pharmaceutical ecosystem.



Economic Value Creation

We have documented our tax strategy to guarantee a uniform approach when conducting business affairs and dealing with tax risks in all Group entities. The tax strategy is duly approved by the Executive Management. The primary values that our tax policy encapsulates is honesty & integrity, fairness, legality, tone at the top and transparency and have a transparent and constructive dialogue with tax authorities. We ensure appropriate International Taxation, avoid aggressive tax planning and effective tax risk management through our tax strategy.

The year saw significant jump in revenues from commercial products over the past fiscal, thereby, driving the margins for the Company. GDS revenues generated revenues from prime APIs contributed to 32% of revenues and 27% from specialty APIs. This was on account of Continuous focus on high-margin specialty and niche products enabled margin improvement, Growth of the specialty business during the fiscal was driven by Apixaban, Ezetimibe, Paliperidone, and Donepezil and the prime segment revenues were driven by Mirtazapine, Ciprofloxacin, and Labetalol.

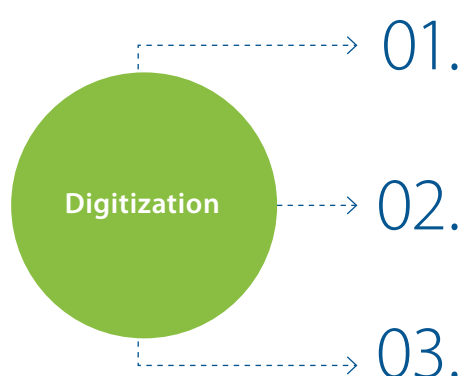
The Company is emerging as an important player in the small molecule CDMO industry on the back of its reliable solutions for drug substance

development and manufacturing. The CMS business contributes to 37% of revenues.

Building a strategic portfolio with differentiated products continues to drive our growth in GDS. Building new capabilities and strategic partnerships contributes to our performance in CMS.

We are listed on the Indian Stock Exchanges, and we adhere to its rules and regulations on financial reporting and corporate governance set out by these exchanges and other regulatory bodies of the country. The company is committed to following the best accounting practices and presenting the true and fair value of its assets to stakeholders.

We are listed on the Indian Stock Exchanges, and we adhere to its rules and regulations on financial reporting as per Schedule III of the Companies Act, 2013 and corporate governance set out by these exchanges and other regulatory bodies of the country.



We have implemented a tool for Goods, and Services Tax (GST) reconciliation and have completed the integration of the host-to-host payment cycle. This is helping us to reduce significant effort by removing manual processes towards GST credit reconciliation and support timely follow-up, payment instructions, and eliminate all the manual process approval and payment instructions.

We have started the process of implementing a supply chain / inventory management tool starting with demand forecasting, Production Planning, Material Resource planning across the company. We expect to go live by the end of March 2024.

We have rolled out the credit management policy to manage credit risk and receivables. The controls are being put in place through SAP by end of September 2024.

Particulars	2020-21 (INR Million)	2021-22 (INR Million)	2022-23 (INR Million)
Gross Sale/Revenue	9369.1	9510.77	11911.98
Revenue from financial investments and other sources	160.95	20.76	97.48
Direct Economic Value Generated (A)	7666	9531.53	12009.46
Operating Costs	5983.77	6025.39	6665.6
Employee wages and benefits	1440.22	1757.58	1948.3
Payment to providers of fund	178.98	134.95	130.67
Other Expenses	652.07	796.22	1112.66
Payment to Government	463.3	182.06	520.9
CSR spend	8.8	11.68	17.61
Direct Economic Value Distributed (B)	8727.14	8907.88	10395.74
Economic Value Retained (A-B)	802.94	802.94	1613.72

Contribution to Defined Benefit Schemes	2020-21	2021-22	2022-23
Contribution to Provident Fund	53.76	69.00	76.67
Contribution to Gratuity Fund	18.87	17.05	17.73
Medical Insurance	16.73	21.21	26.33
Vehicle, Canteen, etc	57.03	64.24	61.54
Total	146.39	171.5	182.27

For more details you may please refer to Neulands annual report for the year FY23 on the following link: <https://annualreport.neulandlabs.com/>. We have documented our tax strategy to guarantee a uniform approach when conducting business affairs and dealing with tax risks in all Group entities. The tax strategy is duly approved by the Executive Management. The primary values that our tax policy encapsulates is honesty & integrity, fairness, legality, tone at the top and transparency and have a transparent and constructive dialogue with tax authorities. We ensure appropriate International Taxation, avoid aggressive tax planning and effective tax risk management through our tax strategy.

Customer Centricity

Our customer journey has been characterised by constant evolution, with an unwavering focus on placing the customer at the centre of all our endeavours.

We have also pursued a clear strategic direction to expand our focus on complex molecules, leveraging our expertise in synthetic chemistry and process development. This strategic approach has driven our entry into the realm of specialty APIs, New Chemical Entities (NCEs) and peptides, while simultaneously catering to the API needs of generic pharmaceutical companies. Over the past decade, we have transitioned into a much larger pipeline of Custom Manufacturing Services (CMS) molecules for innovator companies as well as expanded our specialty offerings.

From the very beginning, Neuland has embraced a culture of non-negotiable commitment to quality. We have implemented robust systems and processes to ensure compliance with the most stringent regulatory standards. Our proven track record in quality and compliance has built strong customer relationships and solidified our core. As

we move forward, we remain dedicated to enhancing our quality focus and optimising our processes for greater efficiency. Embracing technology and digitisation plays a crucial role in our continuous improvement efforts.

Attracting and retaining talented individuals who share our values and aspirations is of paramount importance. We value our people and continue to invest in developing our people through training, leadership programs and performance focus.

We continue to work to specifically strengthen project management capability. Neuland fosters a culture of strong cross-functional teams empowered to make customer-focused decisions in line with regulatory requirements.

Companies that manufacture generic medications are our clients. We

don't provide the product for sale to consumers in a retail store. Customers use our products as raw materials for their manufacturing. We are a full-service provider of solutions for the development and production of NCEs, and we offer high-quality products with complicated technological requirements. We conduct innovation and research, which generates confidential information. We respect our, customers' and partners' Intellectual Property Rights (IPR). Therefore, due to the nature of our business, we place a high priority on the privacy of client data as well as the health and safety of our customers. Our focus on safeguarding consumer safety also extends to and includes marketing and labelling procedures. Our overall data privacy and security practices help us achieve client data privacy objectives as well.

Building Competency

Our strategic pursuit involves building



deep competency in bio-catalysis, flow chemistry, and physical properties, which are valued by our target customers and differentiated from competitors.

Noteworthy advancements underscore our progress, encompassing the expansion of our Process Engineering Lab, the integration of Single Fluid Heat & Cool systems across both R&D and Plant domains, and the deployment of advanced equipment like High Shear Homogenizers and Electronic Microscopes. This momentum extends to product design, with a meticulous emphasis on distinct crystal morphologies such as Co-Crystals and non-hygroscopic polymorphs. A testament to our strides, two US Drug Master Files (USDMFs) have been successfully filed for products conceived through these distinctive technologies, showcasing our commitment to innovation and excellence.

We continue to execute on our strategic priorities with the support of our leadership team, who is responsible for specific strategic priorities.

Quality Assurance and Control

Operating in a highly regulated sector, Neuland has implemented a comprehensive quality management framework to comply with international norms and regulations. They focus on constant product and process improvement and strive to remain ahead of regulators, ensuring prompt policy implementation. The company's commitment to quality assurance and control is evident in its success in clearing numerous regulatory authority inspections and customer audits.

Labelling of Products

Labelling of our products is carried out in compliance with ICH guidelines and any country-specific guidelines that might be applicable in Europe or USA. This ensures that the customers receive the right and adequate information about the product. Product handling instructions are also provided in the label and supporting instructions sheets as applicable to ensure safe handling of the product by various industrial users. Our internal



SOP's on the topic supports employees from these departments to adhere to the labelling expectations.

Data Privacy and Security

We are on a digital transformation journey, whereby we will be digitizing processes across the organisation and build company-wide dashboards providing shared, real-time, granular data and analytics across functions. With increasing digitalisation of business and work processes the need to enhance the robustness and make our data privacy and security systems agile has increased. We also bear responsibility under business contracts and agreements to protect customer data, and information with intellectual property rights.

There were zero complaints received concerning breaches of customer privacy during the reporting period. There were also no incidents of identified leaks, thefts or losses of customer data, nor any security breaches.

We have a well-established Cybersecurity and Data Privacy Framework and Policy aligned with the most relevant and best standards.

Quality Priorities

Neuland's priorities in quality assurance and control include staying inspection-ready 24x7, verifying current GMP trends and industrial regulatory audit findings, and implementing corrective and preventive actions (CAPA) where applicable. Training and awareness sessions on current regulatory guidelines

are imparted across the organization. The company continues to focus on precision and accuracy during all stages of laboratory analysis, ensuring the delivery of superior quality products and services.

Customer Health and Safety

We provide a safety data sheet together with the product in accordance with the worldwide standardised 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. In the backdrop, during the entire product research and development stage as well, product safety is assessed. Through the customer feedback and grievance method, we track the customers' safety issues (if any). Regarding the effects of our products on our customers' health and safety, we have not received from any complaints from consumers.

Continuous Improvement and Customer Surveys

Customer - centricity is a core value and a top strategic priority at Neuland. From understanding the customer needs thoroughly to going beyond stated requirement, we strive to ensure that our customers are delighted with our products and services. We are glad that 82% of our customers have a positive experience and the overall Net Promoter Score (NPS) is 37.

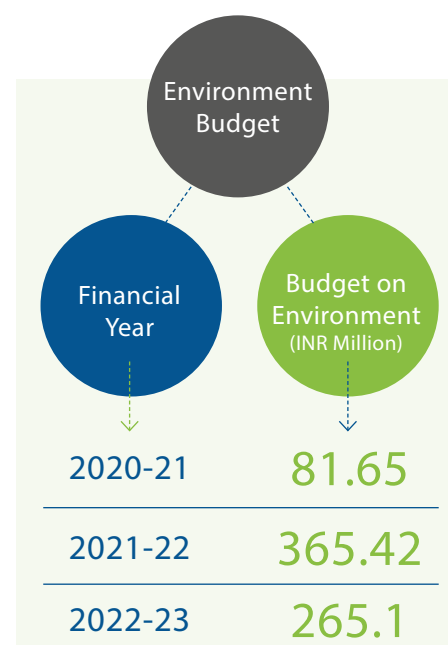
Environmental Stewardship

At Neuland, compliance with all Environment Health and Safety (EHS) laws is a business imperative.

The Company seeks continuous improvement in performance to follow the best practices in global pharma industry. The Company aims to contribute to the common effort to protect workplace environment and integrate EHS into business planning and decision making. The guidelines on Occupational Health & Safety have been upgraded to ISO 45001 standards from OHSAS 18001, in addition to ISO 14001 (Environment Management Systems). We also continuously ensure energy reduction, water conservation through various initiatives, which in turn has helped us reduce our Greenhouse gas emissions.

We will continue to improve and strengthen our goal setting process.

We were recognized for our good performance on environmental initiatives. Our Unit 2 has received "Best Management Award for CSR and Environment Sustainability Activities FY23" on the occasion of "Telangana Rashtra Avatarna Dashabhi Utsvalu (Telangana Formation Day Celebrations - 2023)" and Mr. Ravi Ch, General Manager - HR & Admin received Best Employee Award in Individual Category. Neuland Management and its employees have been appreciated for their contribution towards Corporate Social Responsibility (CSR) & Environment Sustainability initiatives during the awards ceremony.



Our ESG Goals during the year and achievement

Our ESG goals are based on continuous improvement from the previous year.

ESG Target Goals	Achievements of FY2022-23
Zero Waste Disposal to Landfill	Achieved the goal
20 training hours per employee	We achieved training hours of 38 hours per employee
Biodiversity Afforestation Target set for 500 saplings	We have planted 3000 saplings
Reduce freshwater consumption by 5% (water intensity per rupee of turnover)	Water intensity has reduced by 6.6% due to initiatives taken to reuse wastewater in boiler and cooling tower
Energy reduction target of 3%	We achieved an energy reduction of 3.6%
GHG reduction goal was 1% from the previous year	We achieved 9% reduction in Scope 1 and 2 emissions and a 27% reduction in overall GHG emission per rupee of revenue

Operational Eco-efficiency



Efficiency in Material use

Neuland Laboratories Limited focuses on continuous improvement in usage of solvents in its operations for optimal material usage. The company has made significant progress in solvent recovery, which aligns with the company's commitment to sustainability and resource efficiency. By increasing solvent recovery rates, Neuland demonstrates responsible resource management and environmental stewardship, contributing to a greener and more sustainable future while promoting efficient operational practices. The company's focus on solvent recovery showcases its dedication to sustainable practices and responsible resource management, positioning it as an environmentally conscious organization within the API manufacturing industry. Neuland's continued investment in solvent recovery infrastructure and sustainable practices is leading to improvements in operational efficiency and environmental performance, further reducing its ecological footprint. The company has successfully implemented solvent recovery practices, resulting in reduction of fresh solvent usage by over 80%.

Leak Detection and Repair (LDAR) program is implemented across all production units. The LDAR program enables the company to identify and

rectify any VOC (Volatile Organic Compounds) leakages, leading to minimized solvent wastage and a significant reduction in VOC emissions. These efforts underscore the company's commitment to mitigating environmental impacts and fostering sustainable practices throughout its operations.

The LDAR study quantified the total VOC loss at 79.91 kg/year, which was significantly mitigated to 16.04 kg/year after the successful repairs. The company also witnessed similar reductions in VOC emissions in other areas, indicating a noteworthy improvement in its environmental performance. The VOC emission summary for Unit-I demonstrated a substantial reduction in yearly VOC emissions after the repair, decreasing from 103.19 kg/year to 20.51 kg/year. Furthermore, the LDAR study confirmed Neuland Laboratories Limited's compliance with the Central Pollution Control Board (CPCB) guidelines, as no components were detected with concentrations exceeding the standard values of 3000 ppm and 5000 ppm. The LDAR study's outcomes emphasize the importance of regular leak detection and repair programs to minimize VOC emissions and promote environmental sustainability in industrial processes.

Neuland's sustainability efforts exemplify

its dedication to environmental responsibility and align with its commitment to being a responsible and environmentally conscious organization. As Neuland continues its journey towards a more sustainable future, it remains steadfast in its pursuit of greener solutions and aims to set an example for the industry.

Energy

During FY23, Neuland Laboratories has undertaken significant energy conservation measures in alignment with our commitment to sustainable practices to reduce Energy consumption and improve Energy Efficiency.

To reduce energy consumption and enhance operational efficiency, we have implemented several initiatives. These include the installation of Automatic Power Factor Correction Systems, KVAR EC Units, Pressure Transmitters, and Variable Frequency Drives (VFDs) in different equipment. These measures optimize power usage and contribute to improved energy efficiency across our operations.

Moreover, we have adopted advanced technologies such as Condensate Recovery Systems, an Automatic Tube Cleaning system, and a Temperature Closed Loop Operation System. These innovations further minimize energy wastage and ensure responsible resource utilization, contributing to reduced Energy Intensity.

Recognizing the impact of cooling systems on energy consumption, we have proactively replaced old Air Conditioners with more energy-efficient 5 Star rated inverter type systems, demonstrating our commitment to reducing our carbon footprint. Additionally, we have addressed leakages in various systems, such as Air, Steam, HVAC, and Refrigeration, to avoid unnecessary energy losses and promote resource conservation.

Activity	2020-21	2021-22	2022-23
Power consumption (TJ)	113.74	133.486*	130.2*
Fuel consumption			
Diesel (TJ)	6.3	11.01	10.59
Coal (TJ)	270.58	419.87	403.93
LPG(TJ)		0.25ζ	0.24ζ
Total energy consumption (TJ)	390.62	564.37	545.01
Energy intensity (TJ/Revenue in INR Million)	0.042	0.059	0.046

ζ LPG is included in the fuel consumption since FY22

* Power consumption includes the electricity consumption at Units, R&D center and Corporate office.

To optimize boiler operations, we have adopted the Effimax system, which enhances efficiency by controlling fan operations, automatic blowdown, and maintaining Oxygen percentage.

While we explore alternative sources of energy for a balanced energy mix, we are also dedicated to selecting options that meet our stringent criteria for sustainability and reliability. Our ongoing efforts in this regard emphasize our commitment to a greener and more sustainable future. The total capital investment in energy conservation equipment during this reporting period amounts to approximately ₹88 lakhs (1.33% of Total Capex), reflecting our

long-term commitment to responsible resource management and energy efficiency. These initiatives contribute significantly to our overall sustainability performance and underscore our dedication to advancing eco-friendly practices in the pharmaceutical industry.

Moreover, the company has made significant strides in reducing its carbon footprint by transitioning from a two-wash product washing process to a more efficient single-wash approach. This successful transition led to a substantial 15% reduction in carbon usage, showcasing our commitment to minimizing its environmental impact while maintaining high-quality production standards.

Activity	2020-21	2021-22	2022-23
Scope 1 GHG emission (tCO2)	36580	34928.54°	29988.96°
Scope 2 GHG emission (tCO2)	24959	29524	28582
Scope 3 GHG emission (tCO2)	5881	5325*	5405*
Total GHG emission (tCO2)	67420	69778	63976
GHG emission intensity (tCO2/Revenue in INR Million)	7.42	7.34	5.37

°Refrigerant consumption is also included in Scope 1 emissions since FY22

*Capital goods transportation is included in the Scope 3 emissions since FY22

Reduction in the emissions is due to:

1. Scope 1 emissions reduction: Reduced coal consumption
2. Scope 1 emissions reduction: Replacement of R-22 with R-404a and less consumption
3. Scope 2 emissions reduction: Reduced consumption of purchased electricity



Water and Wastewater management

In line with our commitment to Environmental, Social, and Governance (ESG) principles in pharmaceutical manufacturing, Neuland Laboratories Limited has implemented innovative solutions to counter antibiotic pollution and enhance wastewater management.

To reduce losses to wastewater, we have adopted various effective measures. We have invested in dedicated collection and storage tanks with suitable materials of construction (MOC) for wastewater collection and treatment. A closed wastewater transfer system is implemented through pumping for treatment. Good management practices have been implemented to eliminate direct sewer discharges of rejected or spilled materials, while dry cleaning methods are used when feasible, and wet cleaning practices are minimized.

Our focus on effluent treatment plant infrastructure upgrades includes the incorporation of innovative devices to continually improve efforts in reducing Active Pharmaceutical Ingredient (API) losses to wastewater.

To effectively control runoff, we have implemented several innovative measures. These include the construction of Reinforced Concrete Cement (RCC)

storage tanks to collect first-runoff rainwater and the provision of secondary containment for the safe storage of hazardous chemicals. We have also introduced checklists to ensure proper containment during API storage and loading/unloading activities. Minimizing outdoor process activities and maintaining registers for tank overflow/spillages/leakages are part of our continual improvement efforts. Furthermore, all stormwater undergoes thorough analysis before release, ensuring compliance with environmental standards.

Notably, in FY22, we achieved a significant milestone by adopting a Zero Liquid Discharge (ZLD) system to reuse the entire treated wastewater, exemplifying our commitment to water conservation and circular economy principles.

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We achieved a significant milestone by adopting a Zero Liquid Discharge (ZLD) system to reuse the entire treated wastewater.

Activity	2020-21	2021-22	2022-23
Water Consumption (KL)	107392	96670	113130
Recycled (KL)	45021	47636	74885
Total Effluent (KL)	45246	51252	81383
Stormwater (KL)	52700	35460	30340
% of wastewater recycled/reused	99.5%	92.9%	92.0%
Water intensity KL/INR Million	11.46	10.16	9.5



Water intensity has reduced by 6.6% due to initiatives taken to reuse wastewater in boiler and cooling tower.

Wastewater is segregated at the source based on their Total Dissolved Solids (TDS) and Chemical Oxygen Demand (COD) values. Dedicated collection tanks are strategically installed at manufacturing blocks, and an above-ground effluent transferring system is in place from production blocks to the effluent treatment facility.

To ensure quality and compliance, we have established a dedicated environment lab facility at all units for daily, weekly, and monthly effluent sample analysis.

In treating high TDS effluents, we adopted a comprehensive approach. These effluents are collected in dedicated tanks, pre-treated, and then subjected to organic recovery through a stripper column. The separated organics are disposed to cement plants for co-processing. Subsequently, stripped effluents undergo treatment in a Multiple Effect Evaporator (MEE) followed by an Agitated Thin Film Dryer (ATFD), with ATFD salts being disposed of in a Treatment, Storage, and Disposal Facility (TSDF) or pre-processing. For low TDS effluents, we have implemented a sequential treatment process that includes primary treatment (clarification),

secondary treatment (biologically activated sludge treatment), and tertiary treatment (activated sludge and pressurized sand filtration system followed by Ultrafiltration (UF) and Reverse Osmosis (RO) Membrane System). The RO permeate is reused for cooling tower makeup, while the RO reject is treated in the MEE system.

By implementing these solutions, Neuland Laboratories Limited is effectively preventing antibiotic microbial residues (AMR). Qualitative and quantitative risk assessment is in place to control AMR.

Improving the Efficiency of Effluent and Water Reuse/Recycle

To enhance our water conservation efforts, we conduct routine internal audits, which help identify specific areas for conserving fresh water and optimizing effluent utilization.

In FY22, a state-of-the-art two-stage high-pressure Reverse Osmosis (RO) system was successfully deployed in Unit-1, resulting in an impressive reclamation and recycling rate of 92% to 94% of our treated wastewater. Building on this success, in FY23, we extended the implementation of the same system to Unit-2. This has led to recycling rate of overall 92%.

Capital expenditures (Capex) at Neuland Laboratories Limited is allocated/ within the annual Environmental, Health, and Safety (EHS) budgets to support the sustainability initiatives on Water and Effluents.

To enhance water recycling capabilities, we have installed high-pressure pumps to facilitate steam condensate recirculation. The reclaimed water from our RO system is efficiently utilized in our cooling towers and boilers. This approach contributes to a significant reduction in our freshwater consumption, minimizing our environmental impact and conserving valuable resources.

Biodiversity

Neuland does not have its manufacturing sites near any named biodiversity sites. Accordingly, we do not foresee any immediate impact to biodiversity. We would continue to monitor biodiversity sites (if any, listed in future) from time to time. Habitat protection is recognized as a prerequisite for species survival and thus there is a need to protect their habitat and ensure the survival of species in the ecosystem. Business and societal activities can adversely affect habitats and endanger biodiversity. We recognize the need to protect and conserve the natural resources. Neuland is committed to limit its environmental impacts and would conduct relevant biodiversity studies if applicable. However, all the manufacturing sites of Neuland's are located in the notified industrial development estates.

Neuland is committed to afforestation through tree plantation annually.

As per our compliance requirement, to conservation of natural resources and to protect the surrounding environment we have adapted ZLD strategy for our wastewater management. We are successful in its implementation and protecting the surrounding water bodies from any negative impact.

Waste Management

Neuland Laboratories Limited operates a waste management system guided by the principle of 'wealth from waste,' with a focus on achieving zero waste in landfills and maximizing waste reuse and recycling. Notably, the company successfully reached the milestone of completely eliminating waste reaching landfills in FY23, redirecting 100% of waste towards co-processing and recycling initiatives. The co-processing waste is efficiently utilized as fuel in the cement industry's kilns.

Hazardous waste generated in the company's processes includes Evaporation Salt, Process Salt, Spent Carbon, ETP Sludge, Insulation Waste, Spent Mixed Solvents, Used Oil, and PPE. On the other hand, non-hazardous waste consists of Plastic, Paper, Glass, and Empty Drums, all responsibly managed through recycling or co-processing arrangements with approved recyclers. The management of hazardous waste strictly adheres to the Hazardous Waste

Management Rules of 2016. Collection and containment of hazardous waste are ensured through the use of MS drums or double-layer polythene bags, properly labelled for identification. Handling of hazardous waste is restricted to trained personnel, to maintain safety and control. Co-processing in Cement kiln is considered as environmentally sustainable option of different kind if wastes including hazardous and other wastes.

In Co-processing, these wastes are not only destroyed at a higher temperature of up to 1450°C and long resistance time during which its inorganic content gets fixed with the clinker and becomes a part of cement apart from using the energy content of the wastes, thus no residues are left. While in case of incineration, the residual ash requires to be land filled as hazardous waste. Further the acidic gases, if any generated during Co-processing gets neutralized in the large alkaline environment available within the Kiln system. This phenomenon also reduces the non-renewal resources

requirement such as coal and limestone etc. Thus, the utilization of wastes in cement kilns through Co-processing provides a win-win option of waste disposal.

Co-processing is the use of waste material (as raw materials, as a source of energy, or both) to replace natural mineral resources (material recycling) and fossil fuels such as coal, petroleum and gas (energy recovery). Due to the high temperature in cement kiln, different types of wastes can be effectively disposed without harmful emissions.

Due to the heterogeneity of wastes, Pre-processing is necessary in producing a relatively uniform waste stream for Co-processing in cement kilns. This wastes stream should comply with the technical and administrative requirements of cement manufacture and guarantee that emission standards and product quality are met. Waste mix having uniform characteristics needs to be prepared from different wastes streams for trouble free Co-processing in cement kiln.

The waste to wealth is looking at deployments related to cleaning and restoring water bodies. The below table provides the details of hazardous waste management at Neuland

Total Hazardous Waste - Disposal Wise	Unit	2019-20	2020-21	2021-22	2022-23
TSDF / Landfill	MT	471.2	662.9	340.6	0
Co-Processing	MT	1727.9	1037.8	3757.1	5651.47
Recycling	MT	280.1	519.5	17.48	25.17
i)Plastic waste	MT			7	17.92
ii)E-waste	MT			8.68	3.095
iii)Used oil	MT			1.52	1.66
iv)Battery waste	MT			0.28	2.5
Incineration	MT	0	0	0	0
Total Hazardous Waste Quantity	MT	2479.2	2220.2	4115.18	5676.64
Waste Disposal Method -Percentage					
TSDF /Landfill-II	%	19.01	29.86	8.27	0
Co-Processing	%	69.7	46.74	91.29	99.55
Recycling	%	11.3	23.4	0.42	0.44
Incineration	%	0	0	0	0
HAZ.WASTE	MT	2479.2	2220.2	4115.18	5676.64
Biomedical WASTE	MT	1.63	2.57	2.9	3.95
TOTAL WASTE (HW, BMW)	MT	4107.1	2222.75	4118.08	5680.59
Total Non-Hazardous Waste	MT	67.52	50.68	281.3	1674.44
Total Non-Hazardous Waste-Disposal Wise					
Co-Processing	MT	67.52	50.68	56.7	61.42
Recycling – Construction & demolition waste	MT	NA	NA	224.6	1613.02
Incineration	MT	0	0	0	0

For safe storage, the hazardous waste is securely kept under a roofed area with a concrete floor and a leachate collection pit to prevent environmental contamination. Disposal of hazardous waste is carried out through authorized vendors approved by the Pollution Control Board (PCB) for co-processing or at Alternative Fuel and Raw Materials (AFR) facilities for pre-processing. Neuland Laboratories Limited ensures regulatory compliance by submitting annual returns on hazardous waste to the Telangana State Pollution Control Board (TSPCB) in Form-4.

The disposal of bio-medical waste is facilitated through a TSPCB authorized Common Bio-medical Waste Treatment Facility (CBWTF), adhering to all necessary protocols and guidelines. These measures ensure the responsible handling, storage, and disposal of hazardous and bio-medical waste, aligning with the company's commitment to environmental protection and regulatory compliance.

Our continuous waste management efforts involve by-product recovery plan from the products effluents for the fiscal year FY 24.

Presently, the effluent from this product in stages 1 and stage 2 undergoes a well-defined treatment process, involving a Stripper, Multiple Effect Evaporator (MEE), and an Agitated Thin Film Dryer (ATFD). In a concerted effort to optimize waste management, we have planned to recover valuable by-products from these effluents.

Specifically, we intend to capitalize on the potential of the Stage 1 High Total Dissolved Solids (HTDS) effluent by selling it to an authorized vendor. Through this process, valuable compounds such as sodium iodide and lithium bromide will be recovered, contributing to resource efficiency and waste reduction. Likewise, for the Stage 2 HTDS effluent, we have devised a plan to sell it to an authorized vendor, with a focus on recovering sodium iodide. By adopting such measures, we not only minimize waste generation but also contribute to the sustainable use of resources and promote responsible business practices.



Reducing the environmental impact of materials

In our pursuit of sustainable practices, Neuland Laboratories Limited acknowledges the challenge of reducing raw material use while ensuring responsible environmental stewardship. However, we recognize the significance of adopting measures that can effectively minimize the environmental impact associated with raw material utilization. To achieve this objective, we have embraced the principles of Green Chemistry, aligning our operations with ten out of the twelve principles.

Implementation of Green Chemistry Principles

Neuland Laboratories Limited upholds a strong dedication to sustainable practices and responsible environmental stewardship. In recognition of the challenge of reducing raw material use while ensuring environmental responsibility, the company has proactively adopted measures to minimize the environmental impact associated with raw material utilization.

As part of its commitment to sustainability, Neuland Laboratories has embraced ten out of the twelve principles of Green Chemistry, which serve as a guiding framework to mitigate the environmental footprint of its processes and products. A pivotal aspect of the

company's sustainability efforts is the Process Improvement and Development (PID) program, where a specialized team diligently reviews existing processes, raw materials, and chemical products. The primary goal of this program is to identify opportunities for enhancing sustainability and safety across all operations.

The PID program has set forth several objectives, including enhancing sustainability through the exploration of innovative approaches and technologies, ensuring operational safety through rigorous evaluations, and fostering green chemistry principles to implement eco-friendly processes. To achieve these objectives, the PID team follows a systematic and data-driven approach, including in-depth process analysis, evaluation of raw materials for eco-preferable alternatives, sustainable product development, and cross-functional collaboration to drive continuous improvement.

Neuland Laboratories' dedication to sustainable practices and green chemistry principles reflects its commitment to being a responsible and environmentally conscious organization within the pharmaceutical industry. As the company continues its journey towards a more sustainable future, it remains steadfast in its commitment to implementing greener solutions and contributing positively to environmental preservation.

Emissions

Our dedication lies in protecting the planet for a better future, achieved through emission reduction, adopting efficient energy practices, and minimizing dependence on fossil fuels.



Categories of emissions covered at Neuland over the years

Year	Scope 1	Scope 2	Scope 3
2018-19	Coal, Diesel, and LPG	Purchased electricity	Employee Commute, Raw materials, finished goods, Waste transportation
2019-20			
2020-21			
2021-22	+Refrigerants		+Capital Goods
2022-23			

Methodology for emission calculations

GHG accounting is an integral part of an organization's environmental impact and sustainability efforts assessment. By measuring and calculating greenhouse gas (GHG) emissions, an organization can assess its carbon footprint, identify areas of high emissions, and set targets for reduction. This process involves categorizing emissions into three scopes, which include direct and indirect emissions. Neuland has aligned its greenhouse gas (GHG) emissions calculation methodology with the India GHG Protocol and IPCC guidelines. The

methodology categorizes emissions into three scopes: Scope 1 comprises direct emissions from sources under our control, such as coal, diesel, LPG, and refrigerants. Scope 2 includes indirect emissions from purchased electricity. Scope 3 covers other indirect emissions beyond our direct control, including employee commute, raw materials, finished goods, waste transportation, and capital goods. Data on energy consumption, fuel usage, and relevant factors are collected for each category, with the baseline year set at 2018-19 for comparison. Emission factors selected from the IPCC guidelines and Indian context are applied in the calculations. Emissions are determined

using specific formulas for each scope. Any changes in categories over the years are accounted for in the calculations. Rigorous monitoring and documentation of emissions data are conducted annually to produce GHG emissions inventory reports, ensuring transparency and consistency in reporting. Reduction targets are established for each scope, and emission reduction strategies include adopting energy-efficient technologies, promoting renewable energy sources, optimizing transportation and waste management practices, and encouraging sustainable commuting options. Regular review of the methodology and calculations ensure accuracy and

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We have 40 certified internal auditors across our manufacturing locations who conduct internal audits to improve and mature organizations business practices.

compliance with evolving guidelines, supporting continuous improvement of emission measurement.

Internal audit

In Neuland, an internal audit is conducted objectively and designed to improve and mature an organization's business practices. The purpose of auditing internally is to provide insight into an organization's culture, policies, procedures, and aids board and management oversight by verifying internal controls such as operating effectiveness, risk mitigation controls, and compliance with any relevant laws or regulations. Neuland conducts an internal audit every six months for all their sites. Once audit is completed, Management review meeting is done to highlights the findings and good practices related to the site so that good practices we can sustain and if there is any deviation we can improve. All internal audits done by Neuland employees who received internal auditor training from reputed training agency. Internal audit plays a crucial role to check the effectiveness of our internal system and complying the ISO requirements.

Compliance

Neuland is compliant with all necessary environmental regulations. Key compliances monitored are as below

- Environment Protection Act
- Environment (Protection) Rules, 1986
- Factories Act, 1948
- Telangana Factories Rules, 1950
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Rules, 1975
- Bio-Medical Waste Management Rules, 2016
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- Solid Waste Management Rules, 2016
- Battery Waste Management Rules, 2022
- E-Waste (Management) Rules, 2022
- Plastic Waste Management Rules, 2016
- Andhra Pradesh Fire Service Act, 1999 (Telangana Adaptation Order) 2015
- Noise Pollution (Regulation and Control) Rules, 2000
- Construction and Demolition Waste Management Rules, 2016
- Electricity Act, 2003
- Explosives Act, 1884
- Gas Cylinders Rules, 2016
- Static and Mobile Pressure Vessels (Unfired) Rules, 2016
- Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010
- Indian Wireless Telegraphy Act, 1933
- Selection, Installation and Maintenance of First-Aid Fire Extinguishers - Code of Practice (Fourth Revision)
- Andhra Pradesh Fire Service Act, 1999 (Telangana Adaptation Order) 2015
- Guidelines for Fire Drill and Evacuation Procedures for High Rise Buildings (Above 15m in Height)
- Electricity Act, 2003
- Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010
- Petroleum Act, 1934
- Petroleum Rules, 2002



Employee Nurturing

We believe that empowering and transforming is a better way to change one’s life. In Neuland, every employee is treated with respect and is considered as an asset to the organization.



We have a clear, open, and transparent culture that guarantees all colleagues communicate and work as effectively as possible to get the best results. We believe in offering equitable opportunities and ensuring inclusive growth to our employees and delivering safe and conducive workplaces to nurture their talent.

Employment

The overall number of permanent employees and permanent workers is 1559, which includes subsidiaries, 120 contract employees and 1182 contract workers. Contract employees work in non-core activities such as material handling, housekeeping, maintenance,

security, and administrative support. According to our most recent human rights evaluation, contract employees were paid more than the legal minimum wage. Neuland employees can also organize unions/associations and engage in dialogue with management, if necessary.

1448 Permanent employees

120 Other than permanent employees

1568 Total Employees

106 Permanent workers

1182 Other than permanent workers

1288 Total workers

1544* Total permanent employees & workers

*Excluding subsidiaries



Geographical Distribution of Neuland Employee

Year-2022-23	Total Full-time employee			Age group (<30 Years)		Age group (30 to 50 Years)		Age group (> 50 Years)	
	Total	Male	Female	Male	Female	Male	Female	Male	Female
India	1554	1405	149	428	78	836	66	141	5
North America	3	2	1	0	0	1	1	1	0
Japan	2	2	0	0	0	0	0	2	0
Total*	1559	1409	150	428	78	837	67	144	5

*Total includes permanent workmen

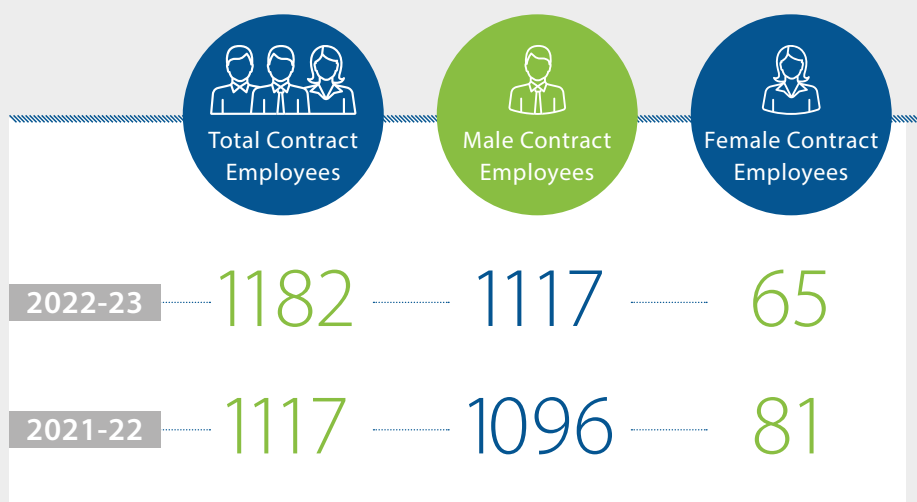
Age and Gender-wise Distribution Across Levels

Employee Category	Total Full-time employee		% Share		Age group (<30 Years)		Age group (30 to 50 Years)		Age group (> 50 Years)	
	Male	Female	% Male	% Female	Male	Female	Male	Female	Male	Female
Whole time Director	3	0	100	0	0	0	2	0	1	0
Senior Management	19	0	100	0	0	0	5	0	14	0
General Management	67	5	93	7	0	0	50	3	17	2
Middle Management	193	16	92	8	3	0	165	13	25	3
Junior Management	1001	125	89	11	418	74	557	51	26	0
Trainee	7	4	64	36	7	4	0	0	0	0
Staff Support	13	0	100	0	0	0	10	0	3	0
Workmen	106	0	100	0	0	0	48	0	58	0
Total*	1409	150			428	78	837	67	144	5
STEM (R&D+IT+ PlantEng+Projects)	401	50			87	25	271	25	43	0
% of STEM within our workforce	28.45	33.33			20.33	32.05	32.37	37.31	29.86	0

*Total includes STEM

	Male	Female	Total	% Male	% Female
All management levels	1280	146	1426	90	10
Junior management positions	1001	125	1126	89	11
Top management positions two levels below CEO (General Management+Middle Management)	260	21	281	93	7

Neuland Board of directors is duly evaluated for appropriate mix of skills, experience, expertise, and diversity relevant to the Company's business and the Board's responsibilities and woman representation in the board of directors as on March 31, 2023 was 20%



Talent Management

All Neuland employees are made aware of the importance of instilling the organization's core values of Customer Centricity, Reliability, Accountability, Ownership, Openness, and Transparency. The first step at Neuland is to learn about the five behavioural components that make up Neuland's culture. Being responsible for one's goals and actions is a critical component of this. The next step is performance management and evaluation. All Neuland employees are subject to the performance management system.

Performance Goals are set for all employees at the beginning of the Financial Year. Our performance appraisal process includes mid-year and annual performance reviews where managers are expected to conduct a formal meeting with their direct reports and provide feedback on their performance. Our performance management process aims at enabling a high-performance culture by nurturing talent to perform to their full potential. Apart from the two-formal feedback sessions, we also encourage our managers to provide continuous performance feedback either periodically or otherwise, to their reportees to ensure timely course corrections towards achievement of planned goals.



Note: For FY23, Performance appraisal was conducted for permanent employees who have joined on or before 31st December 2022 and who are on the payroll of the organisation, as on 31st March 2023. Our permanent workmen are governed by wage agreements.

We have a well-established systems in place to assist employees for performance management. SMART is a goal-setting framework based on the idea of generating specified, measurable, attainable, relevant, and time-bound objectives. The individual employee

goals are aligned to their functional goals which in turn are linked to the organizational goals.

This year, Balanced Score Card system has been introduced for the individual functional Heads.

Most of our senior management hires belong to the states in India where we operate

Performance Management Framework



Smart Goal Planning



Matrix Manager Feedback



Calibration Review & Normalized Ratings



Balance Score Cards for Senior Management



Continuous Feedback (CPM) - Self & Manager



Annual Performance Assessment - Self & Manager



Performance Improvement Plans

Our employee retention strategy and goal setting are based on both long and short-term perspectives. To attain the objectives, we believe our policies must be aligned with a performance-based framework and a talent-based framework. At Neuland, attrition reduction is seen as one of the indicators of the effectiveness of our people engagement approach.

Gender Diversity

We value and respect individuals' differences, diverse backgrounds, different perspectives, experiences and realize that these are fundamental to an inclusive business. Our efforts to support and implement gender equality through policies, and implementation of practices to support an inclusive culture have helped us to improve the gender ratio and maintain it at around 10% among our employees. Our end goal has always been to increase women's integration both horizontally and vertically. We have made substantial progress in the vertical integration of women by increasing the number of women employees at the general and middle management levels. Around 24% women employee contributes to Company's revenue generation.

Turnover rate including subsidiaries (%)

Employee turnover	Number	Rate
Total	514	33.5%
Voluntary	340	22.2%
Involuntary	174	11.3%
Male	465	33.2%
Female	49	36.6%
Age Group <30	289	52.9%
Age Group 30-50	211	24.9%
Age Group >50	14	10.0%
Senior Management	6	34.1%
General Management	15	21.4%
Middle Management	45	21.3%
Junior Management	437	40.2%
Trainees	2	8.4%
Workmen	9	8.1%

15% of all new hires were women employees moving the overall women employee ratio of the Company to about 10%

Total new hires	473
Male	407
Female	66
Age Group <30	276
Age Group 30-50	193
Age Group >50	4
Senior Management	5
General Management	13
Middle Management	43
Junior Management	398
Trainees	10
Support Staff	4



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The company has a structured framework in place to identify and nurture significant talent to consistently strengthen succession pipeline across various levels of the organization.

Equal pay for equal work is the philosophy of the organization and we make every effort to maintain pay parity between different genders within the organization. This commitment and adherence are extremely critical to our Diversity and Inclusion strategy. As per our most recent analysis, in most grades, on an average the women employees are paid 1-5% more than the average of their male counterparts. In other grades, the pay differential is within the range of 5%. We will continue to monitor pay data and take measured actions, as needed, which includes continuously making our leaders aware of our equitable and unbiased pay decisions.

Based on our band-wise salary (Mean gender pay gap) analysis, we have concluded that the average salary of our women employees against their male counterparts is higher by 1-5%.

Furthermore, the company has come up with initiatives for development of leadership, behavioural and functional competencies across all levels in the organisation. Also, we introduced a talent review process using the ‘9

Box’ and ‘Risk Heat’ matrix and have identified 50+ critical positions for which succession pipelining is being drawn up. The company has coupled this with the cross-functional trainings, consequently strengthening its internal team. This results in greater internal hiring for top roles from the internal talent pool. The company has a structured framework in place to identify and nurture significant talent to consistently strengthen succession pipeline across various levels of the organization. In the year, 7.3% of open position is filled by internal candidates. The average hiring cost per employee for the year is around Rs. 32,000.

Open positions filled by internal candidates (Internal Hires)	37
Male	29
Female	8
Age Group <30	9
Age Group 30-50	27
Age Group >50	1
General Management	3
Middle Management	12
Junior Management	22

Employee Support Programs

Company has made several changes in HR policies to make it more employee-friendly like introduction of flexible working hours, work from home and compassionate leaves, among others. Such measures not only improved talent retention but also help attract better talent towards the organisation.

The Company understands the importance of learning and development measures to ensure the Company is ahead of the curve. In achieving so, Neuland has been undertaking several measures to improve the skills of its employees and enhance their functional and leadership capabilities. Such measures comprise project management training, lean six sigma, scientific report writing and reviewing, experiential learning for cross-functional team members, project managers and leaders, competencies of managers in VUCA (Volatile, Uncertain, Complex and Ambitious) world, external technical and behavioural summits, and SCM certification, among others.

To assist the new recruits, the Company also has buddy orientation program in place, under the purview of which, Neuland has identified 78 buddies across the organization. To empower its employees, the Company embarked on a skill upgradation policy, wherein Neuland would provide financial assistance to recommended employees to upgrade and acquire new skillsets. Throughout the fiscal year, Neuland conducted training workshops that benefitted more than 1554 employees. These initiatives covered approximately 85% of the on-roll employees and garnered favourable feedback, with an average rating of 8.6 out of 10 in 2022-23.

Provisions provided to permanent employees	
Particulars	Number
Life insurance	1448
Health care	1448
Disability and invalidity coverage	0
Parental leave	1448
Retirement provision	1448
Stock ownership	0

We recognise that motherhood is a momentous occasion in a woman's life. We continue our efforts providing every viable support throughout this time. Maternity Leave can be availed by any woman employee as per the provision of Maternity Benefit Amendment Act 2017. A total of 26 weeks of fully paid leaves is available to women employee, out of which not more than 8 weeks shall precede the expected date of delivery. The woman employee may avail work from home for a maximum period of 1 month from the conclusion of maternity leave, subject to the nature of the role, i.e., the work can be done from home, and approval of her manager. If the nature of work does not permit

Work from Home, for the first 2 months post joining from maternity leave. The woman employee will have the flexibility to work for only 6 hours a day at the respective work location. Additionally, we organise 'baby showers and gifts' for women during maternity leave. Also, we arrange a welcome event once they return to work to put them at ease, to produce a sense of inclusiveness, and to encourage work culture. This year, 6 women employees took maternity leave. We also provide 7 days of paternity leave, and this has been availed by 99 employees during this year. Also, the Company has launched period leaves for its women employees once every month.



	Total no of Employee availed leaves	Total no of Employee Return to Work	Return to Work Rate	Total no of Employees availed leave	Total no of Employees completed 12 months	Retention Rate
Male	99	99	100%	65	47	72%
Female	6	5	83%	5	3	60%

The number of employees taking Paternity leave



The number of employees taking Maternity leave



Further, to continually keep the team engaged various celebrations and engagement initiatives are organised with various cohorts. During the fiscal, the Company also embarked on recognising top performers by enhancing the rewards program to further motivate the workforce. The Company has also partnered with an external agency to conduct exit interviews and analyse the primary causes of exits, enabling the Company to improve the overall employee experience.

At Neuland we have an annual sports event called 'Khel Utsav' designed to promote team unity, employee wellness and a sense of camaraderie within the organization. This event serves a break from the routine allowing employees to come together, compete and have fun in a friendly and supportive environment. The event encompasses both indoor and outdoor sports covering Chess, Carroms, Badminton, Tug of war, Cricket, Volleyball, Running – 100 meters and 200 meters, etc. The employees look forward to a day of sportsmanship and fun during the Khel Utsav creating lasting positive impact.

Additionally, the Company also conducts employee engagement surveys, the outcome of which helps in drawing up action plans to address the concerns raised by the employees. Employee Engagement Survey's objective was to measure and assess how motivated and engaged our employees were, to

perform their best at the workplace. The survey is conducted with an intention to understand the company's strengths and areas of improvement in its various people practices. The survey is conducted once in a financial year by a third-party. The questions in the survey cover topics that assess various aspects of employee satisfaction. The scoring methodology is based on a 5-point rating scale. For FY23, 90% of the employees had participated in the survey. The results obtained are as follows:

Employee satisfaction	Score
Overall satisfaction Score	67%
Employee net promoter score (research indicates that a good net promoter score is between 25-30)	28
Age Group <25	68%
Age Group 25-35	65%
Age Group 36-45	67%
Age Group >45	72%
Male	67%
Female	59%
Senior Management	68%
General Management	69%
Middle Management	64%
Junior Management	67%

We always try 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. All the employees in Neuland can join/ are free to join/ form or refrain from joining/ forming employee collectives without fear of retaliation or harassment.

All the permanent workmen of Neuland are affiliated to the National Trade Union.

We respect diversity and believe in creating an inclusive work environment. We abide by a zero-tolerance approach towards discrimination. Any violations in this regard are handled with strict, appropriate, and timely action in consonance with applicable laws. Grievance Redressal policy is available for both employees and workers in our intranet portal. Any complaints received through email, letter, oral, drop box etc will be addressed as per this policy. No complaints related to discrimination is reported from the employees and workers, in the year.



Policies

01. Employee code of conduct
02. Human Rights
03. Workplace Discrimination and Equal Employment Opportunity
04. Whistle Blower policy/Vigil Mechanism
05. Working days & Holiday
06. Policy for Prevention of Work Place Harassment (POSH)
08. Leave Policy
09. Payroll process Guidelines
Maternity Benefits Policy



Training & Education

Neuland recognizes the demands of API sector which requires highly skilled and well-trained employees for its operations exploring the depths of critical and complex chemistry. Training ensures compliance with regulations and protocols, enhances product quality and safety, reduces risks, improves operational efficiency, fosters innovation and adaptability, and boosts employee engagement and retention. A well-trained workforce provides a competitive advantage and contributes to the overall success and sustainability of pharmaceutical manufacturing companies.

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The company has a structured framework in place to identify and nurture significant talent to consistently strengthen succession pipeline across various levels of the organization.

At Neuland, our employees are trained in Technical aspects, as well as Behavioural aspects and Environmental, Health and Safety. To support new recruits, Neuland has implemented a buddy orientation program, assigning 78 designated buddies across the organization. This initiative ensures seamless onboarding and integration, promoting a positive work environment.

Trainings are offered in person and on our digital platform, Learning Management Systems (LMS). Self-paced trainings are offered on LMS for trainings on policies and code of conduct.

Skill upgradation program

At Neuland, we prioritize constant knowledge and skill upgrading to meet new molecules development and changing customer needs. To achieve this, we make significant investments in training our cross-functional teams and strengthening processes. In FY23, specific focus has been on enhancing the skills and expertise of our project managers through targeted training programs. Our commitment to continuous learning ensures our competitive edge and sustains our position amongst industry leaders.

These measures encompass a diverse range of training programs, including project management, lean six sigma, scientific report writing and reviewing, experiential learning for cross-functional team members, project managers, and leaders. Additionally, Neuland emphasizes the development of competencies for managers to navigate

the challenges of the VUCA (Volatile, Uncertain, Complex, and Ambiguous) world. To augment employees' knowledge and expertise, the company encourages participation in external technical and behavioural summits and offers opportunities for SCM (Supply Chain Management) certification, among others.

Leadership Competency Framework at Neuland

The Leadership Competency Framework at Neuland aims to enhance leadership capabilities and align them with the organization's strategic vision and business goals. The Leadership Competency development process commenced with a one-day workshop involving senior leadership, where competency clusters and individual competencies were identified, forming the foundation for the framework. Input from employees was also sought through group discussions, ensuring inclusivity and diverse perspectives.

Each competency is defined with concise descriptions, avoiding ambiguity during assessments and development activities. Four proficiency levels are established for each competency, enabling a comprehensive evaluation of leadership skills.

The next steps involve implementing the framework throughout Neuland, benefiting all employees, and assessing critical talent for future leadership roles. Individual Development Plans (IDPs) will be designed based on the framework to tailor growth initiatives for each employee.

The Leadership Competency Framework is divided into three distinct categories

Strategic Leadership

includes competencies such as Future Focus, Implementation Focus, Responsiveness, Stakeholder Value, Entrepreneurial Drive, and Risk Taking. These qualities enable leaders to envision the organization's long-term future, translate strategic plans into actionable steps, address stakeholders' needs, create stakeholder value, embrace calculated risks, and learn from experiences.

People Leadership

encompasses competencies like Effective Articulation, Active Listening, Customized Approach and Delivery, Self and Employee Development, Continuous Learning, and Collaboration. These attributes empower leaders to express ideas persuasively, listen empathetically, adapt communication for different audiences, commit to self-improvement, support employee growth, embrace continuous learning, and foster a collaborative work environment.

Operational Leadership

covers competencies such as Result Orientation, Ownership and Accountability, Problem Solving, Critical Thinking, and Flexibility. These competencies equip leaders to focus on achieving tangible outcomes, take ownership of responsibilities, devise effective solutions, analyze complex problems, and make well-informed decisions in dynamic situations.

By adopting this framework, Neuland expects to strengthen its leadership capabilities, promote a culture of continuous improvement, and achieve organizational goals effectively. The collaborative and inclusive approach taken in its development ensures its relevance and applicability to the diverse workforce at Neuland.

Empowering its workforce, Neuland has introduced a skill upgradation policy, providing financial assistance to selected employees for acquiring new skillsets and advancing their professional capabilities.

Throughout the fiscal year, Neuland conducted training workshops that benefitted more than 1554 employees. These initiatives covered approximately 85% of the on-roll employees and garnered favourable feedback, with an average rating of 8.6 out of 10 in 2022-23.

	2020-21	2021-22	2022-23
Total no. of employees	1427	1516	1554
Total training hours	6769	24439	55450
Training hours per employee	4.74	16.1	35
Total no. of workers	1040	1177	1182
Total training hours	34756	27874	50477
Training hours per worker	33.41	23.7	43

*Employee and contract worker data in this table is based on headcount as of the end of the year, 31st March

Training spend during 2022-2023	Rs.
HR - Learning and development	65,00,000
Safety training spend	8,23,640
	73,23,640

Training per employee during 2022-2023	
Number of employees trained during the year	1754
Number of contractors trained during the year	1013
Total number of employees and contractors trained during the year*	2767
Total number of employees training hours during the year	55050
Total number of contract employees training during the year	50477
Total number of training hours during the year	105527
Training hours per person (employees + contract workers)	38
Training hours per employee	31
Training hours per contract employee	50
Training spends per employee (employee+contract worker) across Neuland in Rs.	2,647
Training spends per hour across Neuland in Rs.	69

*Employees and contractors in this table is employees and contractors working throughout the year at Neuland, therefore the number is different from previous table.

Occupational Health and Employee Well-being

At Neuland Laboratories Limited (Neuland), we make health safety an integral part of everyday business and culture. An occupational health and safety system is implemented. The Occupational Health and Safety guideline is part of the EHS Policy and is approved by the Executive Management. The EHS Policy is also available on our website. The Policy covers all of our employees, contract associates and service providers at all our Units (Unit 1, 3 and 3), R&D Centre and Corporate office.

The Company has implemented ISO 45001 during the year. All Our production units hold certification for ISO 45001, ensuring compliance with the latest Occupational Health & Safety requirements. Moreover, the production units are also certified under ISO 14001 for Environment Management Systems, reflecting our commitment to environmental responsibility.

In our pursuit of a stronger OH&S system, we prioritize initial screening of client molecules for EHS aspects before proceeding with manufacturing. This approach ensures that only molecules meeting our stringent evaluation criteria are selected for production, contributing to a record of zero fatalities in FY-23. Additionally, we actively embrace the principles of green chemistry to foster safer and more environmentally friendly processes.

Environment Health and Safety impact assessment for new molecules covers environment, safety and statutory requirements.

Once the molecule receives approval, a Hazard and Operability (HAZOP) or Hazard Identification and Risk Assessment (HIRA) study will be conducted to address relevant Environmental, Health, and Safety (EHS) aspects. This comprehensive analysis will involve a cross-functional team to capture all critical EHS-related elements.

During the HAZOP/HIRA discussions, potential hazards and aspects will be thoroughly examined, and appropriate recommendations will be formulated to

mitigate risks.

To ensure effective implementation of the HAZOP/HIRA recommendations, comprehensive training will be provided to employees. The Safety team will verify the execution of all recommendations before commencing operations.

Furthermore, for ongoing safety measures, the Safety team will conduct continuous round-the-clock monitoring to ensure a safe operational environment.

By integrating these practices and adhering to GRI 403-1: Occupational Health and Safety Management Systems, the company demonstrates its commitment to maintaining a safe working environment and managing EHS

risks responsibly.

As part of our OHS framework, we have developed five pillars to achieve our goal of zero harm: 1) Training, 2) Contractor Safety Management, 3) LIFE - Learning from Experience, 4) Behaviour-Based Safety, and 5) Safety Counselling Center.

Our commitment to adhering to international standards and best practices is evident in our implementation of workplace risk assessment, hazard identification, safety audits, and incident management. This report also outlines our efforts to promote a positive safety culture and improve overall health and working conditions at the organization.



Occupational Health and Safety Processes

Workplace Risk Assessment

We employ a comprehensive workplace risk assessment process to identify potential hazards and risks within our operations. This assessment is carried out regularly to ensure ongoing safety improvements.

HAZOP (Hazard and Operability Study)

We conduct HAZOP studies to thoroughly analyse the potential hazards and operability issues associated with our processes, ensuring a proactive approach to risk mitigation.

Hazard Identification & Risk Assessment (HIRA)

Our HIRA process involves the systematic identification of hazards and their associated risks to implement suitable control measures.

Permit-to-Work System

A stringent permit-to-work system is implemented to control potentially hazardous work activities and ensure proper authorization and risk assessment before commencing any critical task.

EHS Management System

We have established a stringent assessment plan and methodology to monitor & evaluate the established environment, health & safety management system in all our facilities align with ISO standards ISO 45001:2018 & ISO 14001:2015. The EHS assessments are comprising of internal audits, inter-facility audits and external third-party audits; planned to be carried out at specific intervals over a year. The objective of the assessment approach is to verify the compliance and to identify the continual improvement of the established EHS management system. As a result of our assessment endeavours, there have been no significant workplace incidents or accidents during the reporting period.

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We encourage employee participation and feedback through various platforms such as Safety Committee Meetings, safety awareness sessions, and grievance reporting.

Incident Management

As it is mentioned in SOP-ES035R02 that once any incident occurs, it will be reported to relevant statutory authorities and internal teams following which incident investigation will be done by cross functional teams. Once the root cause will be identified, corrective action and preventive action (CAPA) will be recommended. Same will be tracked in monthly review meeting for implementation as well as root cause will be checked to other sites. If the same issue is faced by other sites, then global CAPA will be generated, and all sites need to implement the same.



Health and Well-being

At Neuland, we prioritize the health and well-being of our employees through the following initiatives:

Maintenance and Promotion of Workers' Health:

We strive to maintain and improve the health and working capacity of our workforce through regular health check-ups and wellness programs.

Improvement of Working Environment:

Our commitment to enhancing the working environment includes measures to create a safe and healthy workplace for all employees.

Development of Work Organizations and Culture:

We continuously work towards developing a positive safety culture that supports health and safety at work, fostering a conducive and harmonious work environment that ultimately enhances productivity.

We encourage employee participation and feedback through various platforms such as Safety Committee Meetings, safety awareness sessions, and grievance reporting. Employees can easily reach out to the Safety team through speed dial connections, personal meetings, plant rounds and audits, and during training sessions.

Neuland is dedicated in maintaining the highest standards of occupational health, safety, and environmental practices. Our proactive approach to risk assessment,

safety audits, and incident management ensures the continuous improvement of our processes and the well-being of our employees. We remain committed to fostering a culture of safety and prioritizing the health and safety of all stakeholders.

At Neuland, occupational health is a top priority, and we strive to ensure the physical and mental well-being of every employee. Our comprehensive healthcare system comprises five key segments to promote employee health and safety:

Pre-Employment and Periodic Medical Checkups:

We conduct pre-employment medical checkups to assess the health status of new hires. Additionally, annual and half-yearly medical checkups are carried out to monitor and address any health concerns proactively.

Health Awareness and Vaccination Drives:

To enhance the quality of the workplace, we organize health awareness sessions and diverse medical camps. These initiatives cover various aspects, including ergonomics, personal hygiene during seasonal outbreaks, and the importance of balanced nutrition. Vaccination camps for diseases like Hepatitis B and Typhoid are organized to safeguard our employees' health, particularly for those involved in food handling.

Personalized Employee Care: For employees at high risk of adverse medical situations, we maintain individual "My

health records" to closely monitor their well-being. Regular follow-ups and appropriate counselling are provided to ensure their health remains a priority.

Quality Assurance for Food and Water:

We place importance on nutrition and food safety by periodically checking the quality of food and water served in our canteens through authorized agencies. Diet and food charts are displayed in our Occupational Health Centers (OHC) and canteens, educating our employees on the significance of a balanced nutritious diet.

Continuous Improvement through

Audits: To continually assess and improve our Occupational Health and Safety (OH&S) system, we have implemented a robust audit mechanism. This includes customer audits, external audits, internal audits, and gap assessment audits, enabling us to identify areas of improvement and effectively implement corrective and preventive actions (CAPA).

Our motto, "Good health for all," drives our commitment to occupational health and safety. Through various initiatives, awareness sessions, vaccination drives, and continuous improvement efforts, we ensure the well-being of our employees and create a safe and healthy work environment.

Neuland continuously strives to enhance workplace safety by emphasizing the implementation of engineering controls. Notable safety improvements include the installation of multistage PRV stations for hydrogen manifolds, the provision of customized hoppers with nitrogen, nitrogen blanketing systems for centrifuges, and the incorporation of emergency relief devices for all reactors. Additionally, oxygen sensors are strategically placed to cover critical areas, reflecting our unwavering commitment to safety enhancements.

During the year, we have initiated process for certification of our units through British Safety Council.

Safety Initiatives at Unit 1



52nd National Safety Week Celebration



First Aid Training Conducted

Safety Initiatives in Unit 2

- | | |
|--|--|
| <p>01 Nitrogen blanketing is provided for all solvent storage tanks (Under Ground Tanks) with inline PRV installed. PESO Under Ground Tanks with Breather Valve cum flame arrestor.</p> | <p>07 Emergency Evacuation routing is provided for the all the blocks/area w.r.t floor wise.</p> |
| <p>02 Nitrogen blanketing system provided for 12. Nos of centrifuges</p> | <p>08 Emergency relief devices - SRV & RD provided for all Reactors.</p> |
| <p>03 Early warning system is provided in Warehouse, Drum storage area, Spent drum storage area, mixed solvent storage area and PESO Cylinder shed storage area.</p> | <p>09 Powder safety data is generated for 26 Nos of products.</p> |
| <p>04 Emergency Relief system (Rupture disk, Explosion flaps) are provided for all the Dryers.</p> | <p>10 Thermal stability data (Rce1, and TSU) is generated for old molecules</p> |
| <p>05 Multistage PRV station installed for hydrogen manifold at hydrogenation block</p> | <p>11 32 Nos. Oxygen Detectors provided in pharma closed rooms, Solid and liquid dispensing area</p> |
| <p>06 Occupational exposure banding (OEB) Category done for all 30 Nos. of products and ensured required controls in all operations.</p> | <p>12 Hazard Identification & Risk assessment is conducted for 223 Nos. Products w.r.t stage wise</p> |
| | <p>13 Anti-Static Wheels provided for the equipment like Shifter, Millers etc.</p> |
| | <p>14 Customized hopper with Nitrogen provision are provided for the solid charging into reactor</p> |
| | <p>15 Behavioral Based Safety (BBS) Program implemented in Unit 2</p> |



Safety Initiatives in Unit 3

- 01** Automatic fire suppression system provided at IT server room
- 02** Spill containment trolley is provided at warehouse-II for handling the drum leak
- 03** CEMS system is provided at Block-1
- 04** SRV and Rupture discs provided to all reactors
- 05** Pathway markings are provided in the internal roads
- 06** New safety signages are provided at pipeline bridges

Our management is fully dedicated to ensuring the safety of all employees within our facility. We provide necessary resources, support, and training to foster a safe work environment, enabling employees to confidently carry out their responsibilities without compromising on safety.

Training plays a pivotal role in keeping employees safe. Proper health and safety training extend far beyond introducing a new employee to the jobsite; it encompasses every situation where the job or working conditions can change. Without a basic understanding of proper safety and health practices, employees will be at a greater risk for workplace injuries, illness, or even death. Training is significant for changing the EHS culture too. In safety philosophy Engineering control is quite predominant but for that also training

is essential criteria to understand all controls. We provide training to our employees for understanding the task associated risk as well as we make sure that to check training effectiveness by doing evaluation and taking continuous feedback with employees. Moreover, to improve skills of employee we provide external training so that they can upgrade their skills for this we have provided training related to ISO 45001 and ISO 14001 lead auditor course to our employees. For improving the unsafe behaviour of employee, we have implemented Behaviour Based Safety (BBS) program at all sites. It will help us to transform our safety culture. We believe that employees health is critical aspect as most of the employee spend their good amount of time in company. We regularly conduct health related training such as First aid, Ergonomics, Heat stress, Impact of

elevated cholesterol level on heart and adaptation to eating healthy habits. We continuously engage our employees by providing internal and external training which ultimately benefited the organization. We have seen drastic reduction in incidents as well as more awareness came in our employee related to health aspect. Training helped us to improve employee morale and ultimately resulted in improved productivity.

Through our comprehensive approach to OH&S, Neuland Laboratories Limited continues to lead by example, striving to safeguard the well-being of our workforce and contribute to a safer and accident-free workplace. Our unwavering commitment to OH&S principles and continuous improvements aligns with our vision for a sustainable and responsible future.

Year	No.of hrs worked (company & Contract)	No.of fatalities	Rate of fatalities	No.of high consequence work related injuries (excluding fatalities)	Rate of high consequence work related injuries (excluding fatalities)	No.of recordable work related injuries	Rate of recordable work-related injuries (LTIR)	Lost-Time Injury Frequency Rate
FY-22-23	6978976	0	0	0	0	0	0	0
FY-21-22	6884902	0	0	0	0	0	0	0
FY-20-21	5615554	0	0	0	0	0	0	0
FY-19-20	5914486	1	0.033815	0	0	1	0.034	0.169
FY-18-19	5074925	0	0	0	0	0	0	0
FY-17-18	4683101	0	0	0	0	0	0	0

Occupational Health

Our comprehensive Occupational Health program encompasses nine key blocks, including preventive medical check-ups, medical monitoring programs, wellness initiatives, awareness and screening programs, vaccination drives, on-site clinics, health surveillance, and product safety considerations throughout the development and use phase. At Neuland, we prioritize the well-being of our employees, and our commitment to Occupational Health is evident through various measures. We provide Annual complete health check-ups and conduct six-monthly medical check-ups for our workforce. Through regular observations, we identify specific occupational health risks based on the area of work and maintain proper health records, referred to as My Health Records (MHR).

The building blocks of our occupational health and safety system are given below:



Recognizing the importance of managing health risks effectively, we proactively identify high-risk profile employees and ensure they are assigned to appropriate work areas to prevent any adverse situations. Moreover, we extend our commitment to employee health by providing support for medical treatment at subsidized rates at partner hospitals, fostering a culture of care and support for our workforce.

The two main causes of health issues at Neuland are respiration of fumes and exposure to noise. Accordingly, we take

necessary precautions and implement control measures to minimize the impact of these factors on the health and well-being of our employees. Our comprehensive Occupational Health program reflects our dedication to promoting a safe and healthy work environment for our employees while ensuring compliance with applicable ISO standards and industry best practices. We strive to maintain the highest standards of employee well-being, fostering a culture of health, safety, and well-being at Neuland Laboratories Limited.

Training summary on OHS

Department / Training Hours	Unit 1	Unit 2	Unit 3	R&D	Corporate Office	Grand Total
HR	26614	2084	1850	2510	8538	35152
QA	5273					11717
Safety	25805	13344	15055	2597		56801
OHC	293	337	441	184		1255
Environment	176	278	150	0		603
Total	58161	16043	17495	5291	8538	105527

No. of Employees

No. of Employees	Unit 1	Unit 2	Unit 3	R&D	Corporate Office	Grand Total	Remark
Employees and workers	447	520	332	320	135	1754	
Contractor	325	330	300	58		1013	
Total	772	850	632	378	135	2767	

Training Hours per person

Training Hours	Unit 1	Unit 2	Unit 3	R&D	Corporate Office	Grand Total
Per Person	75	19	28	14	63	38



Discussion & Explain about Usage of Fire Hydrant System and Handling Techniques

We have a well-defined training need identification (TNI) mechanism where training will be identified for all departments. Once the TNI is done, we prepare a yearly training calendar for providing training to employees. We also take feedback after the completion of training for improving our training process.

Apart from internal training, we also

offer various external training programs such as Behaviour Based Safety, fire safety, and Ergonomics. Any employee joining Neuland is required to undergo a mandatory safety induction. Additionally, we conduct various training topics internally, including Hazard identification and risk assessment, Emergency preparedness, Fire prevention, and Fire drill, among others.

Community Engagement

Neuland helps communities as part of its social commitments to its people. We have a strong commitment to creating a positive impact in the communities where we operate.



The main aim of our CSR activities is to focus on serving disadvantaged, vulnerable and marginalized stakeholders from weak socio-economic background. We have prioritised women empowerment, health & wellbeing, clean water and sanitation, village infrastructure development and environmental conservation in the year gone by. Wherever possible, we use technologies to help our activities.

25,000+ Lives touched through our CSR projects in FY 2023

Our approach to community development has been to give consistent support in the areas of concentration year after year. We also align our goals with the SDGs and think that developing underprivileged communities and rural sectors would result in a more inclusive and developed nation. As a result, our community development projects remain heavily concentrated in the rural districts of Bonthapally, Pashamylaram, and Gaddapotharam.

Our Systems to Support Continuous and Systematic CSR Implementation

01

CSR policy is the guiding document for the execution, implementation and monitoring of community activities.

02

The **CSR Committee** consists of six directors including three independent directors.

03

Committee reports to the board serves as a link between the board and executing team

04

Review of Community work by CSR Committee

05

Implementation channels Direct and indirect

06

Financial support
Total amount spent:
Rs. 176.15 lakhs

Education

(Quality Education, Reduced Equality)



We continue our efforts on supporting education. We have donated uniforms for 298 students. We sensitized villagers and local communities on road safety. We also provided training, rehabilitation, nutrition, and training equipment for international events.

Health & Well-being

(Good health and well-being)



Our healthcare interventions included free health camps in the villages where our manufacturing facilities are located, offering health check-ups, eye check-ups and distributing medical kits. Over 1,500 persons from the communities received free medical services, including consultations with doctors in various specialties, and those in need received free medicines and spectacles.

To address medical emergencies, we have donated an ambulance to Gaddapotharam Gram Panchayat, Sangareddy district, Telangana, to support medical emergency transportation services for patients covering six villages. We have also donated funds for nutritional support to Tuberculosis (TB) patients under Ni-Kshay Mitra program of the Central Government.

Women Empowerment

(Gender Equality)



As part of the women empowerment initiative, we have sponsored She Shuttle bus, connected with GPRS and a woman guard to ensure safety of women workforce ferrying to the factories in Bonthapally village. Approximately, 9,600 women avail the bus services monthly. We provide training and education support to 25 rescued survivors of trafficking. Also, the Company has supported for the sports infrastructure development in a girls' high school.

Rural Development

(Clean water and sanitation, Sustainable Cities and Communities)



We have supported creation of sustainable communities around our manufacturing facilities by taking a 3-pronged approach during the year. Firstly, we have constructed a 100KL water tank which benefitted around 600 families. Another element has been the creation of underground drainage system for sanitation which has positively impacted close to 300 households in the area. Thirdly, we funded construction of roads in the villages where close to 4,000 families reside.

Biodiversity and Environment

(Life on Land)



We participated in the Green India Challenge Initiative, planting over 3,000 saplings at Medipally village in Telangana in partnership with police department and Rotary Club. Our employees and their families actively joined this plantation drive, contributing to a greener future. Moreover, in partnership with the Pollution Control Board, we organised an awareness session on individual lifestyle changes for reducing environmental degradation and mitigating climate change.



IMPACT CREATED IN FY22-23

3301
people

Education

1700
people

Good Health

9600
women

25 rescued survivors
of trafficking

Women Empowerment

600
families

Water Support

4000
families

Infrastructure

3000
saplings
planted

Afforestation





Independent Assurance Statement

Introduction and Engagement

Neuland Laboratories Limited (hereafter 'Neuland') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information and key performance indicators (KPI) disclosed in Neuland's Sustainability Report (hereinafter 'the Report') for the period April 01, 2022 to March 31, 2023. The Report is based on the Global Reporting Initiative (GRI) Standards. This assurance engagement was conducted in accordance with ISAE 3000 (Revised) - "Limited Level".

Management's Responsibility

Neuland developed the Report's content by monitoring the performance data. Neuland management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the GRI Standards, such that it's free of intended or unintended material misstatements. Neuland will be responsible for archiving and reproducing the disclosed data for the stakeholders upon request.

Scope and Boundary

In particular, the assurance engagement included the following:

- Verification of the application of the principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the ESG data over the reporting period;
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards;
- Verification of the reliability of the GRI Standards Disclosure on environmental and social topics by verifying sample data;
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users.

TUVI has verified the below-mentioned disclosures given in the Report as per GRI Standard 2021:

GRI 201: Economic Performance	GRI 402: Labour/Management Relations
GRI 202: Market Presence	GRI 403: Occupational Health and Safety
GRI 203: Indirect Economic Impact	GRI 404: Training & Education 2016
GRI 204: Procurement Practices 2016	GRI 405: Diversity and Equal Opportunity
GRI 205: Anti-corruption 2016	GRI 406: Non-Discrimination
GRI 206: Anti-competitive behaviour	GRI 407: Freedom of Association and collective Bargaining
GRI 301: Materials	GRI 408: Child Labor
GRI 302: Energy 2016	GRI 409: Forced or Compulsory Labour
GRI 303: Water and Effluents 2018	GRI 410: Security Practices
GRI 304: Biodiversity	GRI 412: Human Rights Assessment
GRI 305: GHG Emissions 2016	GRI 413: Local community
GRI 306: Waste Management Approach	GRI 414: Supplier Social Assessment
GRI 307: Environmental Compliance	GRI 416: Customer Health and Safety
GRI 308: Supplier Environmental Assessment	GRI 417: Marketing and Labelling
GRI 401: Employment	GRI 418: Customer Privacy

The reporting boundaries for the above topics includes,

- Global Headquarters, 11th Floor, Phoenix IVY, Road No 1, Jubilee Hills, Hyderabad - 500 033, Telangana.
- Manufacturing Unit 1, Bonthapally, Hyderabad, Telangana.
- Manufacturing Unit 2, Pashamylaram, Hyderabad, Telangana.
- Manufacturing Unit 3, Gaddapotharam, Hyderabad, Telangana.
- Research & Development Centre, Bonthapally, Hyderabad, Telangana.

The onsite verification was conducted in August 2023 at Manufacturing Unit-1, Bonthapally, Hyderabad along with the interviews with Neuland Corporate team (Hyderabad). Desk review was carried out for all other sites as reported under the sustainability report.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion from the prospective information. During the assurance process, TUVI did not come across any limitations to the agreed scope of the assurance engagement. TUVI is contracted by the Neuland and answerable to the Neuland's management only. TUVI verified the data on a sample basis; the responsibility for the authenticity of the data entirely lies with Neuland. TUVI expressly disclaims any liability or co-responsibility in the case of erroneous data reported or for any decision a person or entity would make based on this assurance statement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform agreed level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of Neuland's strategy, management of sustainability-related issues or the sufficiency of the Report against the GRI Standards and ISAE 3000 (Revised) other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by Neuland. This assurance engagement assumes that the data and information provided to us by Neuland are complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- i. *TUVI examined and reviewed the documents, data, and other information made available by Neuland for non-financial KPI's (non-financial disclosures);*
- ii. *TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Neuland;*
- iii. *TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative);*
- iv. *TUVI reviewed the level of adherence to the GRI Standards.*

Opportunities for Improvement

The following are the opportunities for improvement reported to Neuland. However, they are generally consistent with Neuland management's objectives and programs.

1. Neuland may develop a comprehensive internal online application to monitor the ESG KPI's across all the units.
2. Neuland can conduct Internal audit for all the Environmental KPIs to identify the gaps and improve the data management.
3. Neuland can benchmark the Waste Management procedures with the help of third-party waste management certifications.
4. Neuland can opt for dedicated GHG verification as per ISO 14064-1 standard.
5. Neuland may verify water positive index
6. Neuland needs to periodically test the ground water quality within all 4 campuses to know the pollutant level

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. Neuland refers to general disclosure to report contextual information about Neuland, while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: Neuland followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organization. General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices and reporting process and GRI 3:

Material Topics 2021: Disclosures and guidance about the organization's material topics. GRI 3 was selected for Management's Approach on reporting information about how an organization manages a material topic.

TUVI is of the opinion that this report has been prepared in reference with the GRI Standards.

Topic Specific Standard: 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that Neuland used to prepare its Report are appropriately identified and addressed.

Assurance Conclusion: Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards.

Independence: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The assessment team was safeguarded from any type of intimidation.

Quality control: The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In the context of Assurance, the following contemporary principles have been observed:

Evaluation of the adherence to other contemporary Principles

Inclusivity: Stakeholder identification and engagement is carried out by Neuland on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the Neuland range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of Neuland. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the Report, i.e., disclosures on Neuland policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: Neuland communicates its ESG performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Governance and other policies.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting years i.e., FY 2022-2023, TUVI did not work with Neuland on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited



Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service



Date: 29-08-2023
Place: Mumbai, India
Project Reference No: 8121806348
www.tuv-nord.com/in

GRI Index

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
GRI 101: Foundation (Reporting Principles)	101-1.1	Stakeholder Inclusiveness	About this report:5, Chairman message:6, CEO message:8, Governance, Risk Management and Compliance:16, Materiality Assessment :24, Upholding Human Rights and Ethics:29, Sustainable Supply Chain:32, Economic Value Creation:35, Customer Centricity:37, Environmental Stewardship:39, Employee Nurturing:48, Community Engagement:64	Yes	
	101-1.2	Sustainability Context	About this report: 5, Chairman message: 6, CEO message: 8	Yes	
	101-1.3	Materiality	Materiality Assessment :24	Yes	
	101-1.4	Completeness	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-1.5	Accuracy	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-1.6	Balance	Materiality Assessment :24	Yes	
	101-1.7	Clarity	About this report: 5, Chairman message: 6, CEO message: 8, Our Business: 10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-1.8	Comparability	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
	101-1.9	Reliability	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-1.10	Timeliness	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
GRI 101: Foundation (Using the GRI Standards for sustainability reporting)	101-2.1	Applying the Reporting Principles	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-2.2	Reporting general disclosures	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-2.3, 2.4	Identifying material topics and their Boundaries	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	
	101-2.5	Reporting on material topics	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Upholding Human Rights and Ethics: 29, Sustainable Supply Chain: 32, Economic Value Creation: 35, Customer Centricity: 37, Environmental Stewardship: 39, Employee Nurturing: 48, Community Engagement:64	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
	101-2.6	Presenting information	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance:16, Materiality Assessment:24, Upholding Human Rights and Ethics:29, Sustainable Supply Chain:32, Economic Value Creation:35, Customer Centricity:37, Environmental Stewardship:39, Employee Nurturing:48, Community Engagement:64	Yes	
	101-2.7	Compiling and presenting information in the report	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance:16, Materiality Assessment:24, Upholding Human Rights and Ethics:29, Sustainable Supply Chain:32, Economic Value Creation:35, Customer Centricity:37, Environmental Stewardship:39, Employee Nurturing:48, Community Engagement:64	Yes	
GRI 101: Foundation (Making claims related to the use of the GRI Standards)	101-3.1	Claims that a report has been prepared in accordance with the GRI Standards	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance:16, Materiality Assessment:24, Upholding Human Rights and Ethics:29, Sustainable Supply Chain:32, Economic Value Creation:35, Customer Centricity:37, Environmental Stewardship:39, Employee Nurturing:48, Community Engagement:64	Yes	
	101-3.2	Reasons for omission	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance:16, Materiality Assessment:24, Upholding Human Rights and Ethics:29, Sustainable Supply Chain:32, Economic Value Creation:35, Customer Centricity:37, Environmental Stewardship:39, Employee Nurturing:48, Community Engagement:64	Yes	There are no material omissions in line with the Core approach that Neuland has taken for preparing the Sustainability Report.
	101-3.3	Using selected Standards with a GRI-referenced claim	About this report:5, Chairman message:6, CEO message:8, Our Business:10, Governance, Risk Management and Compliance:16, Materiality Assessment:24, Upholding Human Rights and Ethics:29, Sustainable Supply Chain:32, Economic Value Creation:35, Customer Centricity:37, Environmental Stewardship:39, Employee Nurturing:48, Community Engagement:64	Yes	
	101-3.4	Notifying GRI of the use of the Standards	About this report:5	Yes	
GRI 102: General Disclosure (Organizational Profile)	102-1	Name of the organization	About this Report: 5		

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
	102-2	Activities, brands, products, and services	Our Business: 10	Yes	
	102-3	Location of Headquarters	About this Report: 5	Yes	
	102-4	Location of operations	Our Business: 10	Yes	
	102-5	Ownership and Legal Forms	Our Business: 10, Economic Value Creation: 35	Yes	
	102-6	Market Served	Our Business: 10	Yes	
	102-7	Scale of the organization	Our Business: 10, Economic Value Creation: 35	Yes	
	102-8	Information on employees and other workers	Employee Nurturing:48	Yes	
	102-9	Supply chain	Sustainable Supply Chain: 32	Yes	
	102-10	Significant changes to the organization and its supply chain	Our Business: 13	Yes	
	102-11	Precautionary Principle or approach	Governance, Risk Management and Compliance: 16, Customer Centricity: 37, Environmental Stewardship: 39	Yes	
	102-12	External initiatives	Our Business	Yes	
	102-13	Membership of associations	Our Business:13	Yes	
GRI 102: General Disclosure (Strategy)	102-14	Statement from senior decision - maker	Chairman Message: 6, CEO Message:8, Governance, risk management and Compliance: 16, Sustainable Supply Chain: 32	Yes	
	102-15	Key impacts, risks, and opportunities	Governance, risk management and Compliance: 16, Environmental Stewardship: 39	Yes	
GRI 102: General Disclosure (Ethics & integrity)	102-16	Values, principles, standards, and norms of behaviour	Governance, risk management and Compliance: 16, Upholding Human Rights and Ethics:29, Customer Centricity: 37	Yes	
	102-17	Mechanisms for advice and concerns about ethics	Governance, risk management and Compliance: 16	Yes	
GRI 102: General Disclosure (Governance)	102-18	Governance structure	Governance, Risk Management and Compliance:16, Employee Nurturing -48	Yes	
	102-19	Delegating authority	Employee Nurturing: 48	Yes	
	102-20	Executive -level responsibility for economic, environmental, and social topics	Governance, Risk Management and Compliance: 16	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
	102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Assessment:24	Yes	
	102-22	Composition of the highest governance body and its committees	Governance, Risk Management and Compliance: 16	Yes	
GRI 102: General Disclosure (Stakeholder Engagement)	102-40	List of stakeholder groups	Materiality Assessment:24	Yes	
	102-41	Collective bargaining agreements	Employee Nurturing: 48	Yes	
	102-42	Identifying and selecting stakeholders	Materiality Assessment:24	Yes	
	102-43	Approach to stakeholder engagement	Materiality Assessment:24	Yes	
	102-44	Key topics and concerns raised	Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Customer Centricity: 37	Yes	
GRI 102: General Disclosure (Reporting practice)	102-45	Entities included in the consolidated financial statements	Our Business: 10	Yes	
	102-46	Defining report content and topic Boundaries	About this Report:5	Yes	
	102-47	List of material topics	Materiality Assessment:24	Yes	
	102-48	Restatements of information	About this Report:5	Yes	
	102-49	Changes in reporting	About this Report:5	Yes	
	102-50	Reporting period	About this Report:5	Yes	
	102-51	Date of most recent report	About this Report:5	Yes	
	102-52	Reporting cycle	About this Report:5	Yes	
	102-53	Contact point for questions regarding the report	About this Report:5	Yes	
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report	Yes	
	102-55	GRI content index	GRI Index	Yes	
	102-56	External assurance	GRI Index	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
GRI 103: Management Approach	103-1	Explanation of the material topic, Training and Education	Governance, risk management and Compliance: 16, Materiality Assessment: 24, Environmental Stewardship: 39, Employee Nurturing: 48	Yes	
	103-2	The management approach and its components	Sustainable Supply Chain: 32, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Environmental Stewardship: 39	Yes	
	103-3	Evaluation of the management approach	Sustainable Supply Chain: 32, Governance, Risk Management and Compliance: 16, Materiality Assessment: 24, Environmental Stewardship: 39	Yes	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Economic Value Creation: 35	Yes	
	201-2	Financial implications and other risks and opportunities due to climate change	Governance, Risk Management and Compliance :16	Yes	
	201-3	Defined benefit plan obligations and other retirement plans	Economic Value Creation: 35	Yes	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Nurturing: 48	Yes	
	202-2	Proportion of senior management hired from the local community	Employee Nurturing: 48	Yes	
GRI 203: Indirect Economic Impact	203-1	Infrastructure investments and services supported	Our Business: 10	Yes	
	203-2	Significant indirect economic impacts	Sustainable Supply Chain:32	Yes	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Supply Chain:32	Yes	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Governance, risk management and Compliance: 16	Yes	
	205-2	Communication and training about anti-corruption policies and procedures	Sustainable Supply Chain: 32, Governance, Risk Management and Compliance:16, Upholding Human Rights and Ethic: 29s, Employee Nurturing:48	Yes	

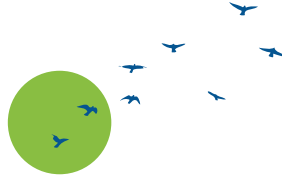
GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
	205-3	Confirmed incidents of corruption and actions taken	Governance, risk management and Compliance: 16	Yes	
GRI 206: Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	Governance, risk management and Compliance: 16	Yes	
GRI 301: Materials	301-2	Recycled input materials used	Environmental Stewardship:39	Yes	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainable Supply Chain:32, Environmental Stewardship:39	Yes	
	302-2	Energy consumption outside of the organization	Governance, risk management and Compliance: 16, Environmental Stewardship: 39	Yes	
	302-3	Energy intensity	Governance, risk management and Compliance: 16, Environmental Stewardship: 39	Yes	
	302-4	Reduction of energy consumption	Environmental Stewardship: 39	Yes	
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	Sustainable Supply Chain: 32, Environmental Stewardship: 39	Yes	
	303-2	Management of water discharge -related impacts	Environmental Stewardship: 39	Yes	
GRI 303: Water and Effluents 2018 Topic-Specific Approach	303-3	Water withdrawal	Environmental Stewardship: 39	Yes	
	303-4	Water discharge	Environmental Stewardship: 39	Yes	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Stewardship: 39	Yes	
	304-2	Significant impacts of activities, products, and services on biodiversity	Environmental Stewardship: 39	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
GRI 305: GHG Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Governance, Risk management and Compliance:16, Sustainable Supply Chain:32, Environmental Stewardship: 39	Yes	
	305-2	Energy indirect (Scope 2) GHG emissions	Governance, Risk management and Compliance: 16, Environmental Stewardship:39	Yes	
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Stewardship:39	Yes	
	305-4	GHG emissions intensity	Environmental Stewardship:39	Yes	
	305-5	Reduction of GHG emissions	Environmental Stewardship:39	Yes	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Environmental Stewardship:39	Yes	
GRI 306: Waste Management Approach	306-1	Water discharge by quality and destination	Environmental Stewardship:39	Yes	
	306-2	Waste by type and disposal method	Environmental Stewardship:39	Yes	
	306-3	Significant spills	Environmental Stewardship:39	Yes	
	306-5	Water bodies affected by water discharges and / or run off	Environmental Stewardship:39	Yes	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Governance, risk management and Compliance: 16, Environmental Stewardship: 39	Yes	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain: 32	Yes	
GRI 401: Employment	401-1	New employee hires and employee turnover	Employee Nurturing: 48	Yes	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Nurturing: 48	Yes	
	401-3	Parental leave	Employee Nurturing: 48, Governance, risk management and Compliance: 16, Upholding Human Rights and Ethics: 29	Yes	
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	Depending upon the regarding operational kind of activity minimum changes notice period is provided	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
GRI 403: Occupational Health and Safety Management Approach	403-1	Occupational health and safety management system	Employee Nurturing: 48	Yes	
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Nurturing: 48	Yes	
	403-3	Occupational health services	Employee Nurturing: 48	Yes	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Nurturing: 48	Yes	
	403-5	Worker training on occupational health and safety	Employee Nurturing: 48	Yes	
	403-6	Promotion of worker health	Employee Nurturing: 48	Yes	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Nurturing: 48	Yes	
GRI 403: Occupational Health and Safety Topic-Wise Approach	403-8	Workers covered by an occupational health and safety management system	Employee Nurturing: 48	Yes	
	403-9	Work-related injuries	Employee Nurturing: 48	Yes	
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	Employee Nurturing:48, Governance, Risk Management and Compliance:16	Yes	
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Nurturing:48	Yes	
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Nurturing:48	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Employee Nurturing:48	Yes	
	405-2	Ratio of basic salary and remuneration of women to men	Employee Nurturing:48	Yes	
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	Employee Nurturing:48	Yes	
GRI 407: Freedom of Association and collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Nurturing: 48, Sustainable Supply Chain:32, Upholding Human Rights and Ethics: 29	Yes	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Upholding Human rights and Ethics: 29, Sustainable Supply Chain: 32	Yes	
GRI 409: Forced or Compulsory Labour	409-1	Forced or compulsory labour	Upholding Human rights and Ethics: 29, Sustainable Supply Chain: 32	Yes	
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	Upholding Human Rights and Ethics: 29	Yes	
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainable Supply Chain: 32, Upholding Human Rights and Ethics:29	Yes	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Upholding Human Rights and Ethics:29	Yes	
GRI 413: Local community	413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement:64	Yes	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain: 32, Governance, Risk Management and Compliance: 16	Yes	

GRI Standard	Disclosure Number	Disclosure	Page No (s).	External Assurance Yes/No	Comment
	414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain: 32, Governance, Risk Management and Compliance: 16	Yes	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Employee Nurturing:48	Yes	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Employee Nurturing:48	Yes	
GRI 417: Marketing and Labelling	417-1	Requirements for product and service information and labelling	Customer Centricity: 37	Yes	
	417-2	Incidents of non-compliance concerning product and service information and labelling	Customer Centricity: 37	Yes	
	417-3	Incidents of non-compliance concerning marketing communications	Customer Centricity: 37	Yes	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Centricity: 37	Yes	



Sustainability Report

2022-23



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