



# Where Science Meets Sustainability



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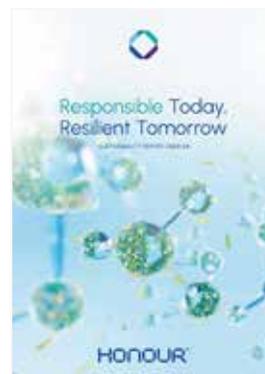
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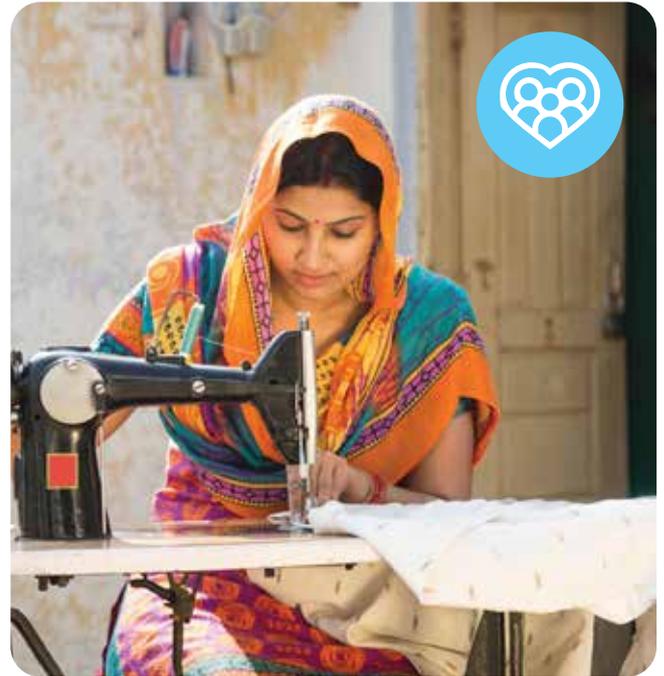


Read our last year's sustainability report here.



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Discover more online at  
[www.honourlab.com](http://www.honourlab.com)

# About the Report

We are proud to present Honour Lab's third Sustainability Report for the financial year 2024-25, reaffirming our deep-rooted belief that sustainability is not just a responsibility, it is a core value that drives our purpose and progress.

At Honour Lab, sustainability is not just a value, it's a strategic foundation for enduring success. It influences every aspect of our journey, from the way we innovate and run our operations to how we connect with the world. Our commitment to sustainable practices drives thoughtful progress, responsible action, and meaningful engagement with our communities and environment. This report signifies a continued evolution in our commitment to embed sustainability, equity, and governance into the core of our business.

We hope this report offers valuable insight into our evolving approach and the positive change that we are committed to delivering within the pharmaceutical industry and beyond.

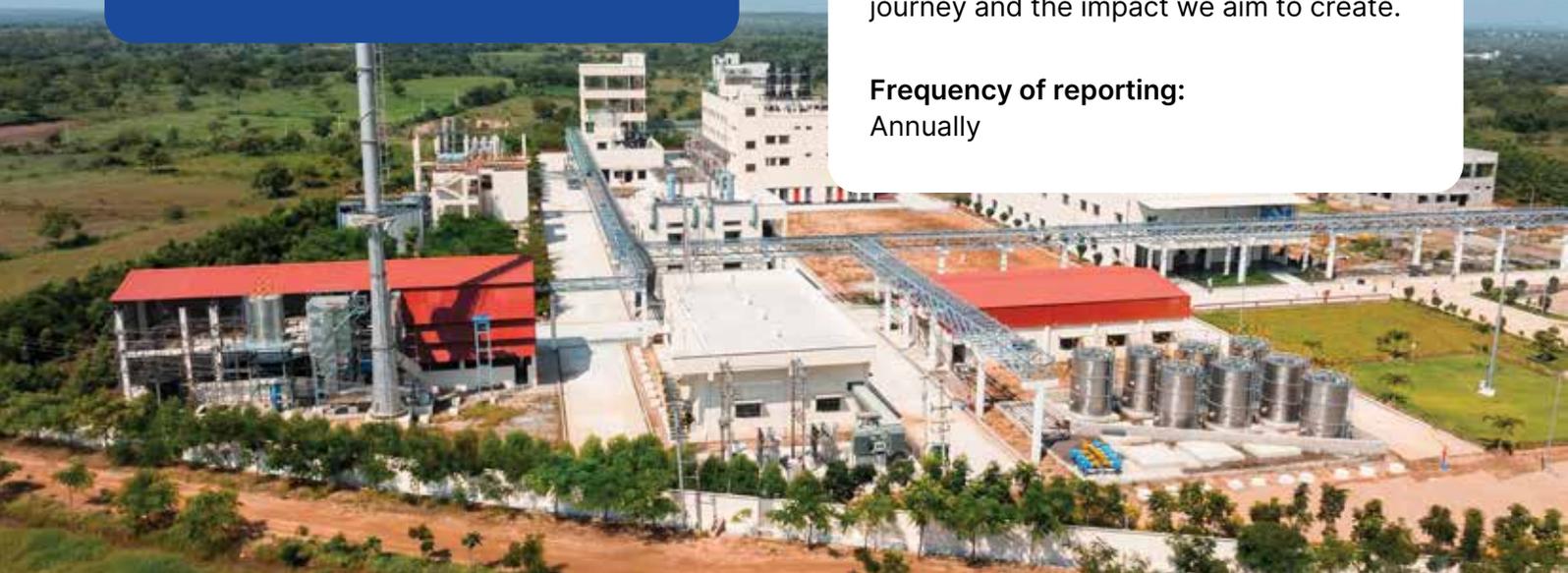
The framework of this report is shaped by the ESG issues most relevant to our business and stakeholders, ensuring that the information we share is both purposeful and precise. The report is in full alignment with the GRI Universal Standards 2021.

## Reporting Boundary and Frequency

This year's Sustainability Report offers a clearer, more strategic lens into how Honour Lab shares its progress and priorities. It strengthens our commitment to transparency and deepens the conversation around the values driving our actions.

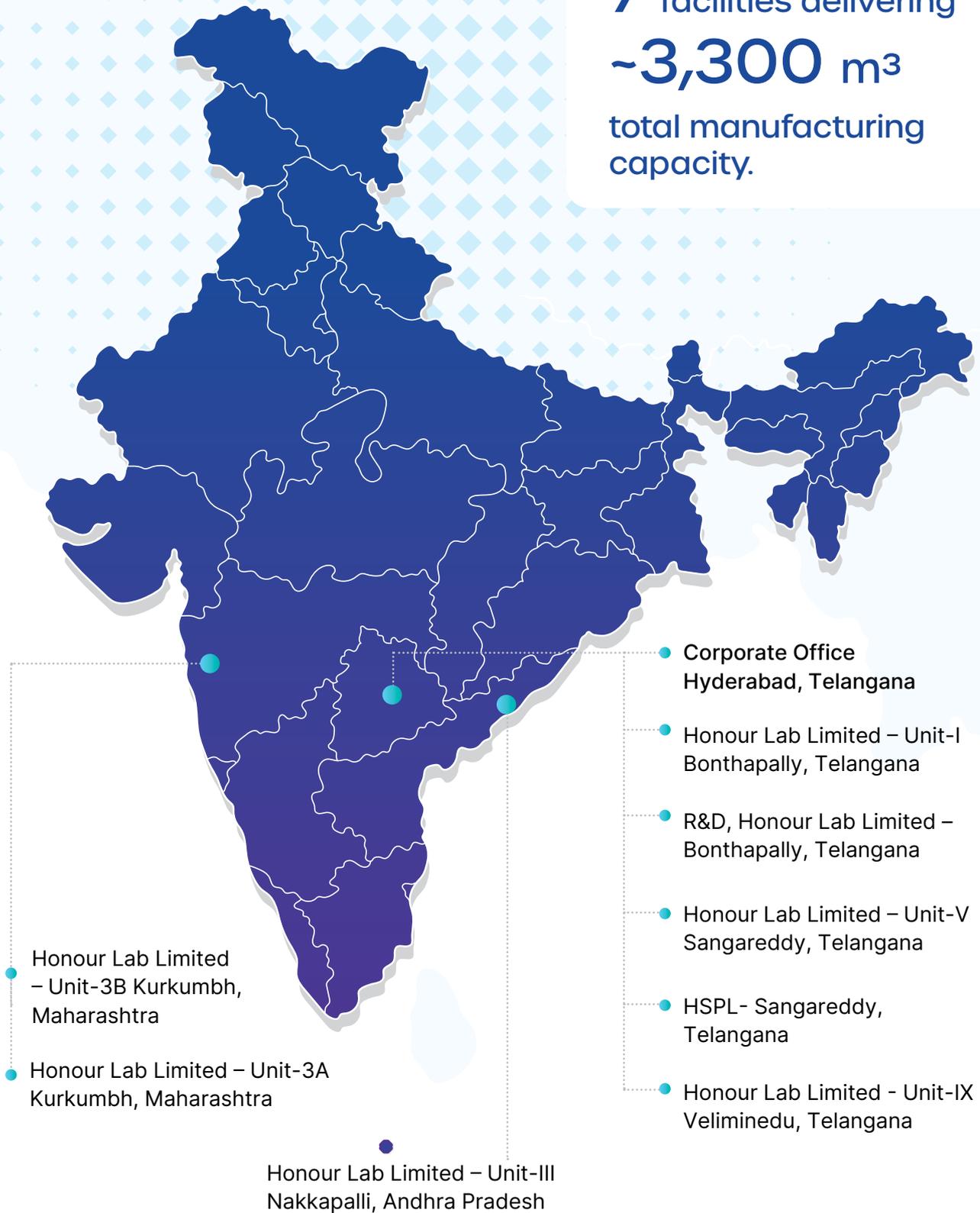
While our primary focus remains on our core operations, including one corporate office, seven manufacturing units (Unit-I, Unit-III, Unit-3A, Unit-3B, Unit-V and Unit-IX), CDMO, Honour Synthesis Private Limited (HSPL) and one R&D unit located across India, we have made a conscious effort to expand the scope of our reporting. The framework of this report is shaped by the ESG issues most relevant to our business and stakeholders, ensuring that the information we share is both purposeful and precise. Developed in full alignment with the GRI Universal Standards 2021, we have worked diligently to uphold the principles of transparency, consistency, and credibility. As we move forward, we remain committed to publishing annual updates that offer a clear view of our sustainability journey and the impact we aim to create.

**Frequency of reporting:**  
Annually





7 facilities delivering  
 ~3,300 m<sup>3</sup>  
 total manufacturing  
 capacity.



Note: Map not to scale; locations are approximate.

## Assurance

We are glad to share that this Sustainability Report has been independently assured by TUV India Private Limited, reinforcing the integrity and trustworthiness of the information we have presented. Developed in alignment with the GRI Universal Standards 2021, the report reflects our commitment to transparency and accountable reporting. For full details, the assurance statement is included at the end of this report.

## Corrections and Re-statements

As part of our ongoing commitment to transparency and data integrity, we have ensured that the information presented in this Sustainability Report is both accurate and dependable. After a thorough review, we confirm that no revisions or restatements of previously published data were required. We remain focused on maintaining the highest standards in our reporting and welcome feedback from stakeholders to help us strengthen our approach.

## Share your thoughts

As we continue to strengthen our sustainability efforts and encourage open and constructive dialogue, we actively invite feedback from all our stakeholders, within the organization and beyond. Your perspectives are instrumental in refining our approach and driving meaningful progress. We encourage you to share your insights with us at:

[sustainability@honourlab.com](mailto:sustainability@honourlab.com)



Our report has been independently assured by TUV India Private Limited, reinforcing the integrity and trustworthiness of the information we have presented.



# Message from the Managing Director

At Honour Lab, sustainability is not a checkbox, it's our compass. I'm proud to present our third Sustainability Report, a reflection of our relentless pursuit of progress that respects people, protects the planet, and powers possibilities.



This past year has been a defining chapter where resilience met innovation, and responsibility became action.

We have reimagined what sustainable pharmaceutical manufacturing can look like. Across our sites, advanced Zero Liquid Discharge systems now reclaim every drop of water. Our shift to renewable energy and biomass fuels isn't just reducing emissions, it's rewriting the energy narrative of our industry. And through circular economy principles, we are turning waste into value, and operations into ecosystems of efficiency.

With a workforce that's growing in strength and diversity, we have built a culture where every individual is seen, heard, and empowered. From onboarding to leadership development, from safety training to wellness programs, we have invested in our people not just as employees, but as changemakers. Their voices shape our safety culture, their ideas drive our innovation, and their well-being defines our success.

Beyond our gates, our commitment to community runs deep. Whether it's enhancing healthcare access, enabling digital education, or preserving cultural heritage, our initiatives are designed to uplift, empower, and endure. We don't just serve markets, we serve humanity.

Looking ahead, our vision is bold. We will scale impact, deepen partnerships, and continue to challenge the status quo. Climate change, public health, and resource scarcity demand more than innovation, they demand integrity, empathy, and shared purpose.

Governance remains our backbone. With a dedicated Sustainability Committee, site-level EHSS leadership, and a zero-tolerance stance on corruption, we have built a framework that ensures transparency, accountability, and resilience in everything we do.

Looking ahead, our vision is bold. We will scale impact, deepen partnerships, and continue to challenge the status quo. Climate change, public health, and resource scarcity demand more than innovation, they demand integrity, empathy, and shared purpose.

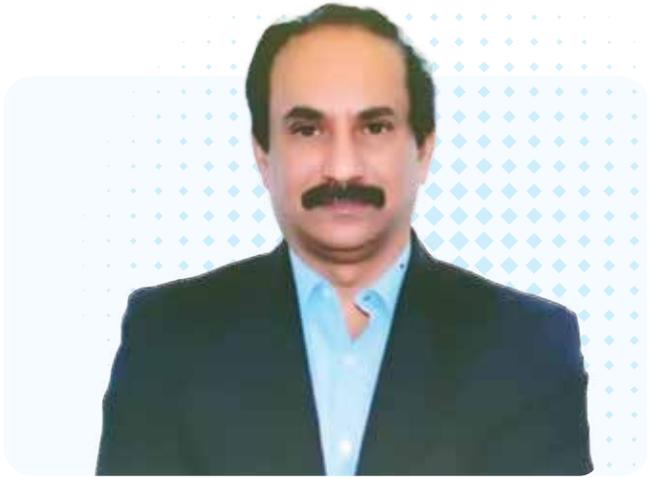
To our employees, partners, and stakeholders: thank you. Your trust fuels our ambition. Your collaboration shapes our journey. Together, we are not just building a company, we are building a legacy of sustainable excellence.

**Dr. Rathnakar Reddy Kura**

Managing Director

# Message from the Whole-Time Director

At Honour Lab, sustainability shapes the way we operate, innovate, and grow. It is not an afterthought but an essential part of how we build resilience, contribute to society, and safeguard the environment. Over the past year, our work has been centred on environmental stewardship, inclusive development, and governance standards that inspire trust among our stakeholders.



Governance continues to provide the foundation for this journey. The Double Materiality assessment is now completed, giving us sharper insights into the issues most significant for both Honour Lab and its stakeholders, enabling us to refine priorities and remain aligned with global expectations. At the same time, we are strengthening internal systems to deepen accountability, transparency, and ethical conduct across the organisation.

Our people remain at the heart of progress. During the year, we hired 1,223 new employees across management and worker levels, enriching our talent base with fresh skills and perspectives. Diversity has continued to be a focus, with women comprising around 9.66% of our permanent workforce. Ensuring career progression and development, 100% of employees received performance reviews, ensuring opportunities for growth and learning. Just as importantly, we have maintained a strong safety record with no cases of work-related ill health, fatalities, or major injuries, reflecting our commitment to employee wellbeing.

On the environmental front, we advanced several initiatives to improve efficiency and reduce our footprint. The percentage of total energy consumption from renewable sources increased to 26.67% in FY 2024-25, up from 26.51% in the previous year, marking steady progress in diversifying our energy mix. In water management, Zero Liquid Discharge (ZLD) systems are now in place across operational sites,



ensuring complete reclamation and reuse. We are also progressing long-term projects that will shape our climate strategy. The ongoing GHG Inventorisation is building a robust emissions baseline, which will guide a credible decarbonisation roadmap. In parallel, we are aligning with the Science Based Targets initiative (SBTi) to keep our goals consistent with international climate commitments. Life Cycle Assessment (LCA) studies are also underway, providing valuable insights into product-level impacts and helping us identify sustainable design opportunities. Together with our water and waste programmes, these measures are reinforcing our commitment to circularity and climate resilience.

On the social front, we are transitioning to ISO 20400, which is embedding sustainability into supplier engagement and procurement practices, ensuring that labour rights, workplace safety, and ethical conduct remain central across our value chain. Beyond our operations, we continue to invest in healthcare, education, and livelihood programmes that open doors to inclusion and opportunity.

In FY 2024–25, we contributed ₹52.25 Mn towards community development, driving meaningful impact in the regions where we operate. Each of these steps is part of a larger effort

**On the social front, we are transitioning to ISO 20400, which is embedding sustainability into supplier engagement and procurement practices, ensuring that labour rights, workplace safety, and ethical conduct remain central across our value chain.**

to place ESG considerations at the core of our business. The journey is ongoing, but the direction is clear: to build a company that is resilient, responsible, and trusted. Our purpose remains unchanged, to create sustainable value for patients, partners, employees, and communities while protecting the environment for generations to come.

**Mr. N. Muralidhar Reddy**

Whole-Time Director



# Company Overview

Honour Lab, based in Hyderabad, India, is dedicated to advancing global health and progress through high-quality pharmaceutical solutions.

Specializing in Active Pharmaceutical Ingredients (APIs), Intermediates, and Contract Development and Manufacturing (CDMO) services, we partner with companies worldwide to deliver reliable, cost-effective support across the entire product lifecycle, from early discovery to commercial manufacturing and supply chain management.

With years of focused innovation, our seven state-of-the-art manufacturing facilities across India, offering a combined capacity of approximately 3,300m<sup>3</sup>, reflect our ability to scale with precision and speed. Our research and develop-

ment team drives continuous scientific breakthroughs, developing smarter, more efficient solutions that make a real difference in people's lives.

At the heart of Honour Lab is a talented and passionate workforce of over 3,670 professionals, whose expertise fuels our mission every day. Through our flagship platforms: Honour Synthesis, Honour Specialty and Honour R&D, we are shaping the future of pharmaceuticals and specialty chemicals, creating ingredients and materials that support better health and technological advancement across industries.



At the heart of Honour Lab is a talented and passionate workforce of **over 3,795** professionals, whose expertise fuels our mission every day.



### Honour Synthesis

Honour Synthesis is committed to driving innovation through versatile chemical solutions that extend beyond conventional pharmaceutical applications. Our expertise spans a wide range of industries, including electronic materials and performance chemicals, allowing us to address diverse and evolving technical requirements. We support partners throughout the entire product development cycle, from initial process design and analytical method development to scale-up and full-scale manufacturing. What sets us apart is our capability to manage intricate and highly specialized chemical processes, enabling us to deliver tailored solutions that meet complex industrial needs with precision and reliability.

### Honour Specialty

Honour Specialty is our dedicated division focused on delivering a wide spectrum of high-performance chemicals and ingredients tailored to meet the evolving needs of our partners across industries. We develop and manufacture essential components that support innovation and functionality, from advanced materials used in electronics and communication technologies to pharmaceutical-grade excipients that contribute to the safety and efficacy of healthcare products. Our portfolio also includes versatile monomers and polymers with applications spanning sectors such as aerospace, automotive, and energy. With a strong emphasis on precision, quality, and adaptability, Honour Specialty plays a key role in enabling progress across diverse industrial landscapes.



### Honour R&D

Honour R&D is at the heart of our innovation efforts, where scientific expertise meets advanced technology to deliver impactful solutions. Our research division plays a pivotal role in shaping new possibilities across the industries we serve, combining deep chemical knowledge with a forward-thinking approach. Housed in a state-of-the-art facility and supported by a team of highly skilled scientists, we are equipped to tackle complex challenges and drive continuous progress. From process development to scalable manufacturing strategies, our R&D capabilities enable us to respond to evolving market needs with precision, agility, and creativity.

## Our Economic Performance

Our growth strategy is built on purpose-driven profitability, where financial strength goes hand in hand with social impact. From investing in community development programs to strengthening local supplier networks, we aim to build inclusive, resilient ecosystems. Every step we take is guided by a strong commitment to legal integrity and financial accountability, ensuring that our progress is both responsible and enduring.



**Revenue growth of over ₹1,480 million in FY25 highlights continued business expansion and resilience.**

**Employee wages and benefits increased by nearly 29% in FY25, underscoring our commitment to workforce welfare.**

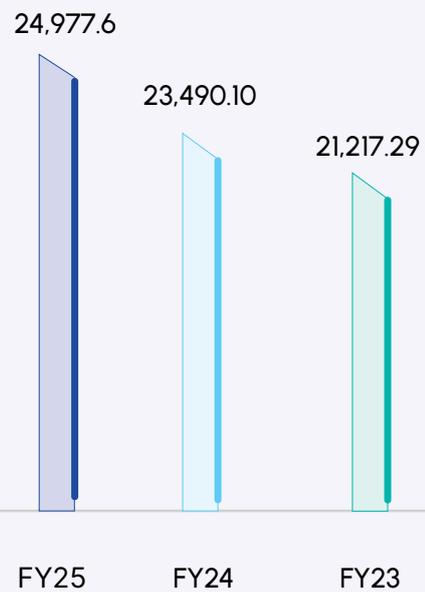
**Payments to the government more than double in FY25, strengthening our contribution to public finance.**

**Sustained economic value remained at ₹3,266 million in FY25 reflecting robust financial health.**

**Increased capital payments of ₹560 million signaling strong value creation.**



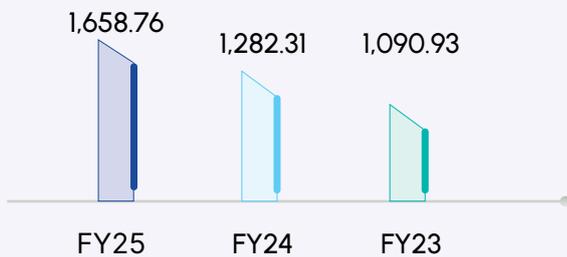
Revenue Generated | Amount (Million ₹)



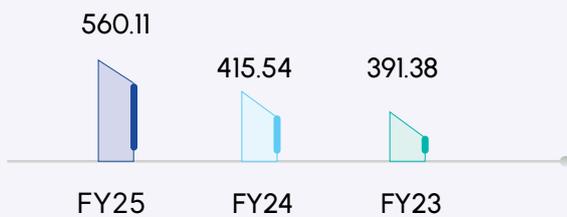
Operating costs | Amount (Million ₹)



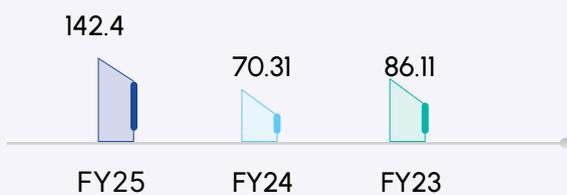
Employee wages and benefits | Amount (Million ₹)



Payments to providers of capital | Amount (Million ₹)



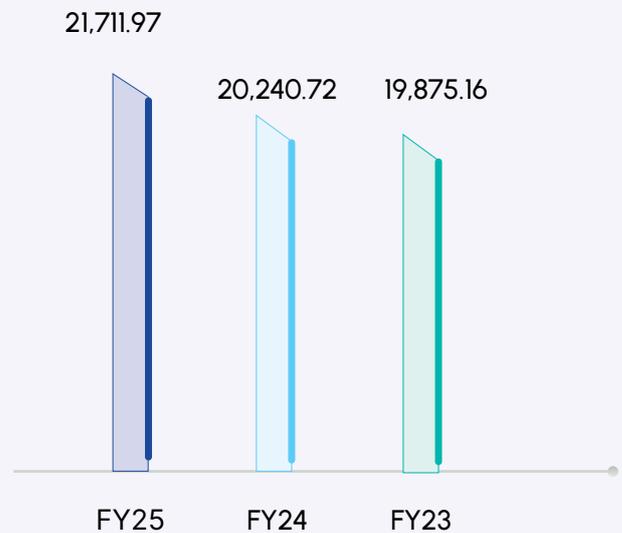
Payments to the government by company | Amount (Million ₹)



Community investments | Amount (Million ₹)



Economic value distributed | Amount (Million ₹)



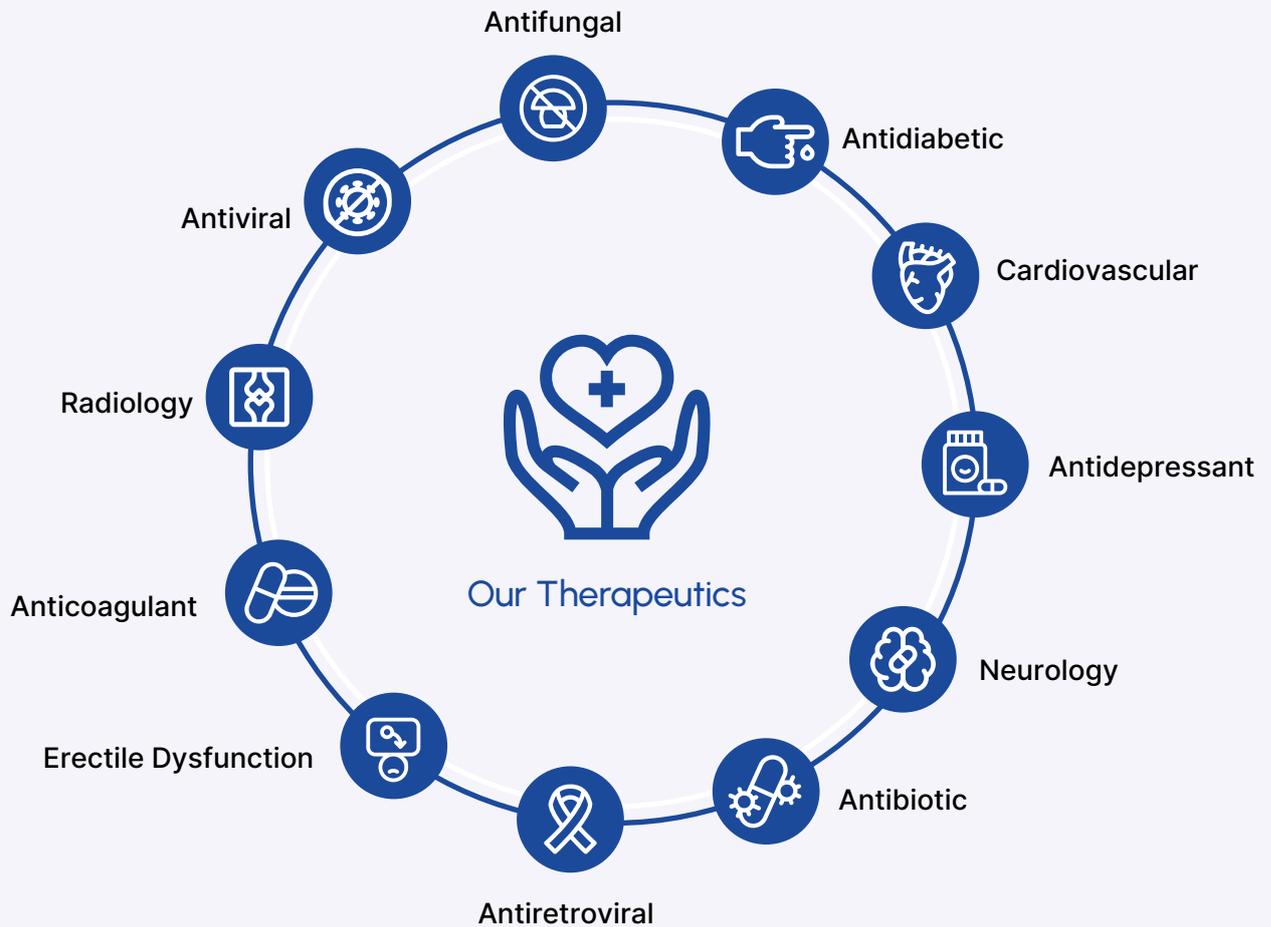
Economic value retained (Generated-Distributed) | Amount (Million ₹)



Building on our belief that economic success must reflect lasting value for communities, we have embedded these principles into the structure of our operations. Our goal is to create a resilient business model, one that delivers returns to shareholders while reinforcing the social and economic foundations of the regions we serve. Through continuous exploration of new opportunities for innovation, efficiency, and impact, we ensure that our growth remains not only sustainable and inclusive, but also responsive to the changing expectations of a global landscape.

## Honour Lab's Therapeutic Portfolio

We are committed to meeting these evolving health needs through a diverse range of high-quality therapeutics. Our portfolio includes:



Each product is developed with a focus on scientific excellence, patient safety, and manufacturing integrity.

### Our Commitment to Public Health

Through continuous investment in research, infrastructure, and responsible manufacturing practices, Honour Lab is helping build a more resilient, robust and inclusive healthcare ecosystem. Our therapeutic offerings reflect not only our dedication to improving health outcomes but also our broader commitment to sustainability and global well-being.

### Living Our Values

Our four core values are not abstract ideals; they are the operational backbone of our business. They influence every strategic choice, shape our workplace culture, and ensure that our growth is aligned with our responsibility to people, communities, and the planet. By incorporating Innovation, Agility, Trust, and Integrity into daily decision-making, we have built a business model that is resilient, ethical, and impactful.

## Innovation That Advances Science and Sustainability

We channel our commitment to innovation into continuous research and development, creating advanced therapeutics that address pressing global health needs. This spirit of innovation extends beyond product development to include sustainable manufacturing methods, energy-efficient operations, and waste reduction measures. By merging scientific excellence with environmental responsibility, we deliver solutions that improve patient health while minimizing our ecological footprint.

## Agility in Responding to Change with Speed and Precision

Our agility enables us to adapt quickly to shifting healthcare demands, regulatory updates, and market conditions. Whether scaling production during public health emergencies, adopting new technologies to enhance efficiency, or reconfiguring supply chains to maintain uninterrupted delivery, agility ensures we remain competitive, relevant, and ready to meet urgent needs.

At Honour Lab, these values are embedded in our operations, shaping how we innovate, adapt, collaborate, and govern. They are the reason our success not only advances healthcare but also strengthens communities and safeguards the planet for future generations.

## Building Trust Through Strong and Lasting Partnerships

Trust underpins our relationships with employees, customers, suppliers, and the communities we serve. We operate with transparency, open communication, and respect for all stakeholders. This commitment is reflected in our support for local suppliers, investment in employee growth, and active participation in community health initiatives, strengthening the social fabric wherever we operate.

## Integrity in Upholding the Highest Standards

Integrity guides every decision we make, ensuring our operations are ethical, compliant, and aligned with our sustainability objectives. We maintain rigorous governance standards, transparent reporting, and a zero-tolerance approach to unethical practices. This protects our reputation, reinforces stakeholder confidence, and ensures our growth is both responsible and sustainable.



# ESG Highlights of the Year

The percentage of total energy consumption from renewable sources increased to **26.67%** in FY 2024–25, up from **26.51%** in the previous year

Installed Variable Frequency Drives (VFDs) on Boiler ID & FD Fans, saving **58,320 kWh**

Achieved **zero** untreated wastewater discharge, protecting local ecosystems and biodiversity

Employed **9.66%** of women permanent employees in the organisation in FY25

**100%** of employees received performance and career development reviews

Recorded **zero** incidents of non-compliance related to product quality, labelling, or marketing

Promoted local procurement within India to strengthen regional economies with total spend of **₹18,380 million**

Integrated VFDs on Effluent Treatment Plant (ETP) blowers, saving **5,100 kWh**

Transitioned to paddy husk as boiler fuel, replacing coal and saving **3058.26 MT** of fuel

Embedded **circular economy** principles across all units, including material recovery and co-processing.

Promoted gender diversity by ensuring women represented **23.98%** of our workers

Recorded **zero** cases of work-related ill health, work-related fatalities or major injuries

Recorded **no confirmed incidents** or legal actions related to corruption

Deployed dry run protection relays on process pumps, saving **17,640 kWh**

Implemented advanced **Zero Liquid Discharge (ZLD)** systems across operational sites for complete water reclamation

Diverted waste to co-processing units at all units to support **resource recovery**

Hired **1223** new employees across management and worker levels

Delivered targeted training on **CGMP, Process Safety, HAZOP, HIRA, MSDS, and ZLD** operations

CSR embedded in core values of compassion, inclusion, and service with total spend of **₹52.25 million**



Environment



Social



Governance

# Membership of Associations

We at Honour Lab engage with key associations to share best practices and contribute to the advancement of industry standards.

We are confident that by working together, we can make a significant impact on patient lives and shape a healthier future for all.

## Associations



FTCCI - Federation of  
Telangana Chambers of  
Commerce and Industry



BDMAI - Bulk Drug  
Manufacturers Association of  
India



British Safety Council  
Member

## Key Partners



Ramky Enviro Engineers  
Private Limited



Envirotech Systems  
Limited



Jeedimeta Effluent  
Treatment Plant

## Our Certifiers and Trainers in Sustainability



Lawn Enviro  
Associates



TUV India Pvt Ltd



British Standards  
Institution



St. John Ambulance

# Awards and Accolades

Our continued pursuit of excellence across environmental, social and governance dimensions has earned us appreciation from respected industry bodies and global platforms. Each honour serves as a testament to our collective effort to set higher standards in safety, environmental performance and ethical business conduct.

## Green Manufacturing Leadership Award, 2025

Recognising our commitment to eco-efficient operations, Honour Lab Limited was honoured with the Green Manufacturing Leadership Award by the World Manufacturing Congress and Awards.



## British Safety Council EHS Recognition

Our strong commitment to advancing Environment, Health, and Safety was acknowledged by the British Safety Council, with Unit-I, Unit-III, Unit-3B, Unit-V, and Unit-IX receiving merit grades, and Unit-3A earning a pass grade for their excellent performance.



## EcoVadis Sustainability Rating

We achieved a score of 54 in the EcoVadis sustainability rating, a strong recognition of our commitment to responsible business practices. The rating highlights our progress in aligning with global standards while also providing us with a benchmark to identify further opportunities for improvement.

### HONOUR LAB LTD (GROUP)

India | Manufacture of basic pharmaceutical p...

Company size: L | Assessment scope: Entity

Overall score

54/100

Percentile  
52nd



## Recognition for Excellence in Safety Management



We have been honored with a certificate from the National Safety Council, Telangana Chapter, recognizing our achievement as a "Merit Winner" in the International Safety Awards 2025, underscoring our commitment to maintaining the highest standards of safety and workplace excellence. This

award, presented by the British Safety Council, Telangana Chapter acknowledges our dedication to fostering a safe and healthy work environment through rigorous safety practices and continuous improvement.

## National Safety Council Recognition



Our efforts towards maintaining safety were recognized by the National Safety Council on the occasion of "World Day for Safety and Health at Work".

# Stakeholder Engagement and Double Materiality

Our organization adopts a comprehensive and proactive approach to sustainability, prioritizing the integration of diverse stakeholder insights into our Environmental, Social, and Governance (ESG) framework. Recognizing the critical value of stakeholder input, we continuously seek to understand their concerns and perspectives, ensuring that our sustainability initiatives are responsive, relevant, and aligned with their expectations.

Our stakeholder engagement strategy encompasses the following elements:

## Stakeholder Identification and Engagement

We systematically identify key stakeholders across all operational locations to ensure inclusive dialogue. Engagement methods are varied and adaptive, including one-on-one consultations, stakeholder facility audits, informal conversations, and digital platforms, fostering open and transparent communication.

## Incorporation of Feedback

Stakeholder feedback is actively reviewed and incorporated on an ongoing basis, enabling continuous improvement in our operational practices. Sustainability-related issues that arise from this feedback are promptly escalated to the Sustainability Committee, the highest governing body in the company for sustainability issues and the for focused attention and action.

## Continuous Dialogue

We maintain ongoing, transparent communication channels with stakeholders, which helps us understand evolving priorities and proactively address concerns before they escalate. This ensures sustained trust and collaborative progress on sustainability goals.



## Connecting with Stakeholders:

Stakeholders	Key Priorities & Concerns	Engagement Process
Government Bodies & Regulatory Authorities (State Pollution Control Boards, Ministry of Corporate Affairs)	Enhancing environmental responsibility through stringent compliance, Corporate Social Responsibility (CSR), and effective waste and effluent management.	<ul style="list-style-type: none"> <li>Annual site visits,</li> <li>Participation in policy discussions and</li> <li>Feedback on sustainability initiatives</li> </ul>
Customers (B2B Clients, Health Professionals, Medical Practitioners)	Building trust via rigorous health, safety, quality standards, and regulatory compliance.	<ul style="list-style-type: none"> <li>Annual customer meetings,</li> <li>Structured feedback mechanisms,</li> <li>Medical practitioner interactions</li> <li>Customer audits</li> </ul>
Employees	Fostering workplace excellence by focusing on health and safety, career development, diversity, and inclusion.	<ul style="list-style-type: none"> <li>Regular employee surveys, feedback sessions,</li> <li>Training programs, skill development workshops,</li> <li>Open-floor discussions and</li> <li>Annual performance reviews</li> </ul>
Local Communities & Society	Promoting community well-being via education, health improvements, and environmental sustainability initiatives.	<ul style="list-style-type: none"> <li>Annual community meetings,</li> <li>Surveys, and need based interactions,</li> <li>CSR initiatives, and</li> <li>Participatory local activities</li> </ul>
Suppliers & Contractors (Material Suppliers, Service Providers)	Committing to ethical and sustainable sourcing practices with emphasis on safety, compliance, and responsible procurement.	<ul style="list-style-type: none"> <li>Annual vendor audits, facility visits,</li> <li>Supplier assessments, digital surveys,</li> <li>Contract agreements, and</li> <li>Training programs</li> </ul>
Financial Stakeholders (Board of Directors, Bankers)	Sustainable Growth & Transparency: Governance, Risk Management, and Economic Performance	<ul style="list-style-type: none"> <li>Board meetings,</li> <li>Annual financial and sustainability reports</li> </ul>

## Commitment to Continuous Improvement

Our stakeholder engagement is not a one-time exercise but a continuous journey that evolves with changing expectations and emerging sustainability challenges. We are committed to fostering a culture of collaboration, openness, and mutual respect that drives shared value creation for both the organization and its stakeholders.

# Double Materiality Matrix

As the result of the assessment, we have developed the following materiality matrix



- Energy
- Counterfeiting of Drugs
- Cybersecurity & Data Privacy
- GHG Emissions
- Product Quality
- Ethics
- Waste
- Human Rights
- Governance
- Innovation & R&D
- Occupational Health & Safety
- Risk Management
- Water
- Workforce & Human Capital
- Supply Chain & Procurement

● Environment
● Social
● Governance

# Key Material Topics

Material Topics	Associated Impacts	Risk and/or Opportunity	Adaptation / Mitigation action plan	Financial Implications
<b>Environment</b>				
<p><b>Energy</b></p> <p>GRI Mapping GRI 302</p>	<p>Stricter energy regulations, rising demand during heat waves, and continued dependence on non-renewable sources can increase operational costs, elevate compliance risks, disrupt energy supply, and lead to higher carbon footprint.</p> <p>Shift to Renewable energy adoption aligns with regulatory shifts and stakeholder expectations.</p>	<p>Risk and Opportunity</p>	<ul style="list-style-type: none"> <li>• Improve energy efficiency across manufacturing operations.</li> <li>• Increase renewable energy procurement and on-site solar generation.</li> <li>• Monitor cooling systems and adopt heat-resilient infrastructure.</li> <li>• Maintain business continuity plans for supply disruptions</li> </ul>	<ul style="list-style-type: none"> <li>• Initial investment may be high;</li> <li>• long-term cost savings through reduced energy bills and potential incentives/subsidies.</li> </ul>
<p><b>Waste</b></p> <p>GRI Mapping GRI 306</p>	<p>Improper disposal of solvent and API residues, lack of solvent recovery or waste valorization, and inadequate management of single-use plastics in products, packaging, and manufacturing can contaminate soil and water, contribute to antimicrobial resistance (AMR) risks, increase environmental load, and result in regulatory fines or operational shutdowns; waste reduction minimizes costs and enhances corporate image.</p>	<p>Risk and Opportunity</p>	<ul style="list-style-type: none"> <li>• Implement waste segregation, reduction, and recycling programs.</li> <li>• Ensure safe disposal of hazardous and bio-medical waste.</li> <li>• Enhance monitoring to prevent AMR-related concerns.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of compliant waste management systems.</li> <li>• Potential penalties for improper handling.</li> </ul>

Material Topics	Associated Impacts	Risk and/or Opportunity	Adaptation / Mitigation action plan	Financial Implications
<b>GHG Emissions</b>  <b>GRI Mapping</b> GRI 305	High greenhouse gas (GHG) emissions, climate-related risks such as extreme weather events, heat stress, changing regulations, and dependence on fossil fuels can disrupt operations, damage infrastructure, affect employee health and productivity, and increase operational and compliance costs.	Risk and Opportunity	<ul style="list-style-type: none"> <li>• Measure and reduce Scope 1, 2, and relevant Scope 3 emissions.</li> <li>• Set emission reduction targets</li> <li>• Optimize fuel efficiency and switch to cleaner technologies.</li> <li>• Implement climate-risks assessments and adaptation strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• Costs associated with emissions reduction projects.</li> <li>• Potential carbon pricing and regulatory costs.</li> <li>• Potential costs for technology upgrades and offsets</li> </ul>
<b>Water</b>  <b>GRI Mapping</b> GRI 303	High water consumption, inefficient use, and improper effluent discharge can deplete local water resources, harm surrounding ecosystems and communities, increase regulatory scrutiny, and pose operational and reputational risks; efficient water use reduces costs and supports community relations	Risk and Opportunity	<ul style="list-style-type: none"> <li>• Implement water recycling and reuse systems.</li> <li>• Monitor water withdrawals and improve process efficiency.</li> <li>• Strengthen wastewater treatment infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in water-efficient and treatment technologies.</li> <li>• Fines or shut-down risks if regulatory standards are not met.</li> </ul>

Material Topics	Associated Impacts	Risk and/or Opportunity	Adaptation / Mitigation action plan	Financial Implications
<b>Social</b>				
<b>Human Rights</b>  <b>GRI Mapping</b> GRI 406, 408, 409	Discrimination, modern slavery, child labor, failure to uphold freedom of association, lack of fair wages, restrictions on the right to leave employment, and violations of civil and political rights can damage stakeholder trust, attract regulatory scrutiny, and harm the company's reputation, potentially leading to operational, legal, and market risks.	Risk	<ul style="list-style-type: none"> <li>Implement human-rights due-diligence across operations and suppliers.</li> <li>Enforce policies against discrimination, child labour and forced labour and other significant human rights related issues.</li> <li>Conduct periodic audits and awareness programs.</li> </ul>	<ul style="list-style-type: none"> <li>Costs for audits and training.</li> <li>Avoidance of fines, litigation, and damage to brand reputation.</li> </ul>
<b>Occupational Health and Safety</b>  <b>GRI Mapping</b> GRI 403	Exposure to hazardous chemicals, mechanical and ergonomic risks, and inadequate emergency preparedness can increase the likelihood of workplace accidents, injuries, and health issues, potentially leading to regulatory penalties, operational disruptions, and reputational damage; Strong safety programs enhance employee morale and reduce absenteeism.	Risk and opportunity	<ul style="list-style-type: none"> <li>Strengthen chemical-handling protocols.</li> <li>Conduct regular safety training and emergency drills.</li> <li>Maintain incident reporting and corrective actions.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in protective equipment and engineering controls.</li> <li>Potential cost savings from reduced injury-related downtime.</li> </ul>

Material Topics	Associated Impacts	Risk and/or Opportunity	Adaptation / Mitigation action plan	Financial Implications
<b>Workforce &amp; Human Capital</b>  <b>GRI Mapping</b> GRI 401, 402, 404, 405	Attracting and retaining skilled workforce drives innovation and competitiveness; diversity and inclusion improve organizational culture.	Opportunity	<ul style="list-style-type: none"> <li>Strengthen training, skill building, and retention programs.</li> <li>Offer competitive benefits, and provide continuous learning opportunities.</li> <li>Improve employee engagement and grievance mechanisms</li> <li>Enhance DEI initiatives across the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Training and HR system investments.</li> <li>Reduced recruitment costs, and enhanced innovation capacity.</li> </ul>
<b>Governance</b>				
<b>Cybersecurity and Data Privacy</b>  <b>GRI Mapping</b> GRI 418-1	Data breaches, cyber-attacks, or weak privacy protections can lead to financial loss or penalties, patient harm, operational disruptions, and erosion of public trust. Effective cybersecurity builds customer trust and protects Intellectual Property.	Risk and opportunity	<ul style="list-style-type: none"> <li>Strengthen IT security infrastructure and encryption.</li> <li>Conduct periodic security audits, and employee training.</li> <li>Implement strict data-privacy frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>Technology and security investment costs.</li> <li>High financial exposure in case of data breach incidents.</li> <li>Enhanced customer confidence.</li> </ul>
<b>Governance</b>  <b>GRI Mapping</b> GRI 2: General Disclosures	Weak governance structures can result in inadequate oversight, leading to regulatory fines, litigation, and reputational damage, ultimately impacting investor relations.	Risk	<ul style="list-style-type: none"> <li>Strengthen board oversight and compliance monitoring.</li> <li>Implement robust internal controls and audits.</li> <li>Improve transparency and reporting mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>Costs for governance systems and audits.</li> <li>Avoided fines, litigation, and reputational harm.</li> <li>Improved investor confidence.</li> </ul>

Material Topics	Associated Impacts	Risk and/or Opportunity	Adaptation / Mitigation action plan	Financial Implications
<b>Ethics</b>  <b>GRI Mapping</b> GRI 2: General Disclosures	Unethical practices, lack of integrity, use of animal-derived materials or animal testing in products, and non-compliance with ethical standards can result in reputational damage, damage of stakeholder trust, increased legal and compliance issues, and a weakened market position.	Risk	<ul style="list-style-type: none"> <li>Enforce codes of conduct and anti-bribery policies.</li> <li>Conduct ethics training across operations.</li> <li>Maintain whistleblower protection systems.</li> </ul>	<ul style="list-style-type: none"> <li>Costs for compliance training and systems.</li> <li>Avoided regulatory penalties and ethical breaches</li> </ul>
<b>Innovation &amp; R&amp;D</b>  <b>GRI Mapping</b> Non GRI Indicator	Innovation is critical to pharmaceutical competitiveness; R&D failures represent financial risk, while successful innovation can create significant market advantages.	Risk and Opportunity	<ul style="list-style-type: none"> <li>Invest in R&amp;D for new technologies.</li> <li>Strengthen partnerships with research institutions.</li> <li>Align innovation with market and sustainability trends.</li> </ul>	<ul style="list-style-type: none"> <li>High R&amp;D spending and capital investments.</li> <li>Potential revenue growth from successful innovations.</li> </ul>
<b>Risk Management</b>  <b>GRI Mapping</b> Non GRI Indicator	Poor risk identification and mitigation practices can lead to supply chain failures, operational disruptions, financial losses, and long-term sustainability challenges.	Risk and Opportunity	<ul style="list-style-type: none"> <li>Implement enterprise risk management (ERM).</li> <li>Conduct frequent risk assessments of operations and supply chains.</li> <li>Integrate climate, risks along with the financial risks in decision-making</li> </ul>	<ul style="list-style-type: none"> <li>Investment in risk systems reduces potential costly incidents and insurance premiums, improving financial stability.</li> </ul>

Material Topics	Associated Impacts	Risk and/or Opportunity	Adaptation / Mitigation action plan	Financial Implications
<b>Supply Chain and Responsible Production</b>  <b>GRI Mapping</b> GRI 308-1, 308-2, 414-1, 414-2	Overproduction, poor supplier oversight, and inadequate monitoring can lead to waste, liabilities, unsafe labor practices, and operational disruptions.	Risk and Opportunity	<ul style="list-style-type: none"> <li>Conduct supplier audits and due diligence.</li> <li>Enforce environmental and labour standards.</li> <li>Diversify sourcing, and implement traceability solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Spending on supply chain monitoring.</li> <li>Avoided costs from disruptions and non-compliance.</li> </ul>
<b>Product Quality</b>  <b>GRI Mapping</b> GRI – 416, 417	Poor product quality, contamination, or non-compliance with global standards can result in recalls, adverse events, liability claims, import alerts, or shutdowns, leading to increased costs, reputational damage, and loss of trust among patients and stakeholders.	Risk and Opportunity	<ul style="list-style-type: none"> <li>Strengthen quality control at every production stage.</li> <li>Maintain robust documentation and traceability systems.</li> <li>Conduct pharmacovigilance and recall management.</li> </ul>	<ul style="list-style-type: none"> <li>Costs for quality- testing infrastructure.</li> <li>Potential losses from recalls or liability claims</li> </ul>
<b>Counterfeiting of Drugs</b>  <b>GRI Mapping</b> Non GRI	Use of counterfeit APIs containing harmful substances can endanger patient safety, damage the company's credibility, and result in loss of market share, regulatory penalties, and reputational harm	Risk	<ul style="list-style-type: none"> <li>Strengthen anti-counterfeiting packaging.</li> <li>Collaborate with regulators and distributors for authentication.</li> </ul>	<ul style="list-style-type: none"> <li>Costs for secure packaging technology.</li> <li>Avoided reputational loss and market share erosion.</li> </ul>

# Fostering Meaningful Stakeholder Relationships

At Honour Lab, we believe that strong and enduring relationships with stakeholders are essential to driving inclusive, responsible, and sustainable growth. Our commitment to stakeholder engagement stems from a deep understanding that the success of our business is intrinsically linked to the trust, collaboration, and shared values we build with those who influence and are impacted by our operations.

We actively engage with a diverse spectrum of stakeholders, including employees, customers, suppliers, investors, regulators, and local communities, to understand their expectations, concerns, and aspirations. These interactions help us shape strategies that are not only commercially sound but also socially and environmentally responsible. Through open dialogue and transparent communication, we foster mutual respect and create opportunities for innovation, resilience, and long-term value creation.

Stakeholders are identified based on their relevance, influence, and proximity to our operations. We recognize their critical role in advancing our ESG agenda. Our employees embed sustainability and compliance into everyday practices, while customers and partners challenge us to deliver ethical, high-quality products. Investors and regulators drive us toward greater transparency and accountability, and local communities help ensure our social initiatives are meaningful and impactful.

Together, these voices guide our efforts to strengthen environmental stewardship, promote social equity, and uphold robust governance standards. By aligning our business practices with global sustainability frameworks and local priorities, Honour Lab continues to contribute to a healthier, more equitable future, for our stakeholders and for society at large.

**Our employees embed sustainability and compliance into everyday practices, while customers and partners challenge us to deliver ethical, high-quality products.**



## Stakeholder Insights and Engagement Approach

Stakeholder Group	Key Expectations	Engagement Channels	Core Engagement Elements
<b>Investors</b> 	Sustainable financial returns, ethical governance, long-term strategic growth	Annual General Meetings	Transparent disclosures beyond regulatory requirements; proactive dialogue on long-term value creation; inclusion in sustainability strategy formulation.
<b>Employees</b> 	Safe working conditions, career advancement, fair compensation, ethical workplace culture	Toolbox talks, town halls, recognition programs, surveys, workshops, internal communication platforms	Promotion of inclusivity and belonging; mental health and well-being support; open-door leadership culture; employee voice in decision-making; transparent grievance mechanisms; continuous feedback for improvement.
<b>Suppliers</b> 	Fair pricing, long-term partnerships, sustainability alignment	Direct communication via Procurement team (emails, meetings, collaborative sessions)	Capacity building on sustainability practices; co-innovation in product development; long-term collaboration beyond transactions; joint audits and improvement programs; knowledge-sharing platforms.
<b>Local Communities</b> 	Environmental stewardship, economic improvement, access to essential services	CSR-led social engagement programs	Participatory planning of CSR initiatives; community listening forums; grievance redressal mechanisms; promotion of local hiring and entrepreneurship; co-creation of impactful programs in health, education, and environment.
<b>Customers</b> 	Ethical conduct, product innovation, responsive service, sustainability transparency	Direct engagement via Business Development team (emails, meetings, feedback sessions)	Responsible marketing and transparent product information; co-creation of solutions; regular customer satisfaction assessments; responsiveness to evolving expectations around ethics and sustainability.



Stakeholders are identified based on their relevance, influence, and proximity to our operations. We recognize their critical role in advancing our ESG agenda. Our employees embed sustainability and compliance into everyday practices, while customers and partners challenge us to deliver ethical, high-quality products.



# Responsible Corporate Governance

## Accountability that Builds Confidence.

Anchored in transparency, ethical conduct, and robust governance systems, we ensure that risks are effectively managed, and opportunities are responsibly seized. From strengthening oversight structures and embedding sustainability into decision-making to advancing ESG goals and reinforcing compliance, our governance framework creates a foundation of trust for employees, partners, regulators, and shareholders. By aligning policies, systems, and practices with the highest standards of integrity, we transform governance into a driver of resilience, growth, and long-term value.

### Mapped SDGs



Responsible business practices



Ethical systems and governance



Integration of climate and ESG into governance



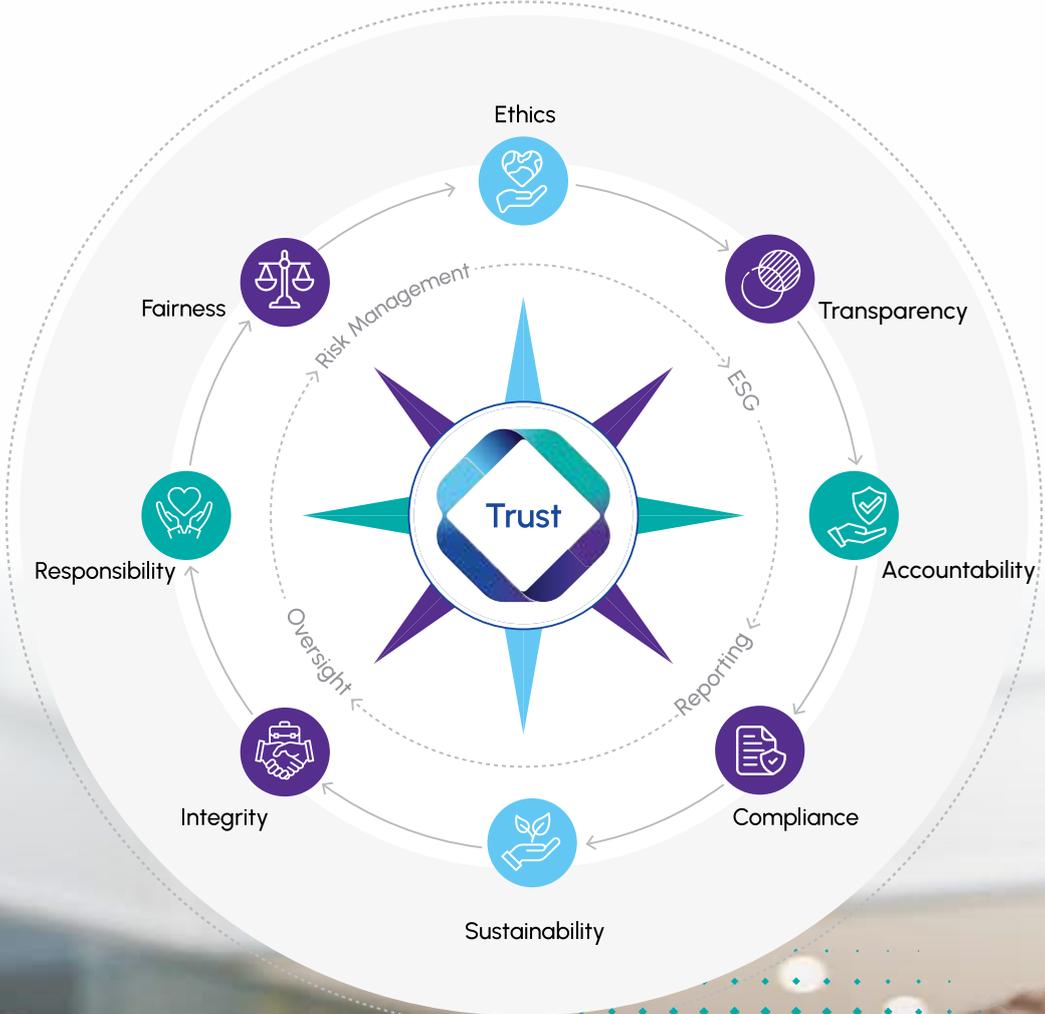
Transparency, compliance, and ethics



Collaboration and accountability across stakeholders

### In this Section

- 34** Reporting and Transparency Practices
- 35** Governance Structure
- 38** Integrating Sustainability into Governance and Operations
- 40** Strengthening Responsible Business Practices Through Policy and Systems
- 43** Commitment to Compliance and Ethical Conduct



# Responsible Corporate Governance

Strong corporate governance is the backbone of ethical, resilient, and forward-looking organizations. At Honour Lab, it serves as the foundation for transparent decision-making, responsible leadership, and effective oversight.

By embedding governance into the core of our operations, we ensure accountability to our stakeholders and alignment with our long-term vision for sustainable growth and societal impact.

Our governance philosophy is built on two interdependent pillars: a deeply rooted culture of integrity and a steadfast commitment to external standards, regulatory frameworks, and global best practices. We do not treat governance as a tick-in-the-box exercise, it is a strategic enabler that integrates seamlessly with our sustainability agenda, shaping how we operate, innovate, and engage with the world around us.



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## Reporting and Transparency Practices

We place a strong emphasis on transparency as a cornerstone of responsible business conduct.



By consistently publishing annual updates on both financial performance and ESG metrics, we ensure that stakeholders have clear visibility into our progress and priorities. Openly sharing internal policies, codes of conduct, and governance frameworks fosters a culture of accountability throughout the organization.

This commitment to transparency not only reinforces investor confidence and strengthens our corporate reputation but also cultivates enduring trust among stakeholders.

These elements are essential for driving long-term, sustainable growth and positioning Honour Lab as a reliable and ethical partner in the global pharmaceutical landscape.



### Reporting and Transparency Practices

Honour Lab prioritizes transparency in all aspects of its operations and performance. We provide annual updates on our financial and ESG performance, ensuring stakeholders are well informed.



### Product Quality and Safety

Honour Lab is a leading API, Intermediate and Contract Development & Manufacturing Organization (CDMO). We implement a robust quality management system adhering to the highest international standards.

## Governance Structure

At Honour Lab, the Board of Directors serves as the apex governing body, entrusted with guiding the company's strategic direction and ensuring long-term value creation.

Comprising seasoned professionals, including the Managing Director, Whole-Time Directors, and Independent Directors, the Board brings together deep expertise across key operational domains such as manufacturing, Environment, Health and Safety (EHS), supply chain, and quality management. This collective leadership ensures informed decision-making and reinforces a governance culture rooted in accountability, transparency, and sustainable growth.

Board composition is governed by a rigorous selection process led by the Nomination and Remuneration Committee. This committee evaluates potential candidates against a robust set of criteria, including ethical conduct, leadership acumen, domain expertise, and compliance with statutory requirements under the Companies Act, 2013. The objective is to ensure that the Board members not only meet regulatory standards but also embody the values and strategic vision of Honour Lab.

In alignment with global best practices, the Board, guided by the Nomination and Remuner-

ation Committee, has adopted a comprehensive Remuneration Policy applicable to Directors, Key Managerial Personnel (KMPs), and employees across the organization. This policy is structured to reflect both the Global Reporting Initiative (GRI) guidelines, and the mandates of the Companies Act, 2013. It is designed to transparently link compensation with individual performance, company objectives, and market competitiveness, while upholding fairness and equity.

The Nomination and Remuneration Committee conducts regular reviews of this policy to ensure its continued relevance and alignment with evolving business priorities and market dynamics. This proactive approach enables Honour Lab to remain agile, attract top talent, and maintain a high standard of ethical governance.

Through this well-defined governance framework, we demonstrate our unwavering commitment to responsible leadership, regulatory compliance, and ethical business conduct, principles that are essential to building stakeholder trust and driving sustainable success.

## Board Members



**Dr. K. Rathnakar Reddy**

Managing Director

Comprising seasoned professionals, including the Managing Director, Whole-Time Directors, and Independent Directors, the Board brings together deep expertise across key operational domains such as manufacturing, Environment, Health and Safety (EHS), supply chain, and quality management.



**Dr. K. Subhas Chander Reddy**

Whole-Time Director



**Mr. N. Muralidhar Reddy**

Whole-Time Director

Dr. K. Rathnakar Reddy	Managing Director	● ● ● ●
Mrs. K. Krishnaveni	Women Director	
Justice Gopal Reddy Annareddy (Retd.)	Independent Director	● ● ●
Dr. Adi Sesa Giri Jagarapu	Independent Director	● ● ●
Dr. K. Subhas Chander Reddy	Whole-Time Director	● ●
Mr. N. Muralidhar Reddy	Whole-Time Director	● ●
Mr. A. Sudhakar Reddy	Director	

# Board committees

At Honour Lab, the Board of Directors is supported by a structured network of specialized committees. Each committee operates under a defined charter, ensuring focused oversight, informed decision making, and alignment with our strategic, ethical, and sustainability objectives.

## 01 Audit Committee



The Audit Committee oversees the integrity of our financial reporting, internal controls, and risk management systems. It works closely with internal and external auditors to ensure compliance with statutory requirements, transparency in disclosures, and the safeguarding of company assets. This committee plays a critical role in maintaining stakeholder confidence through rigorous financial governance.

## 02 Nomination and Remuneration Committee



This committee is responsible for identifying, evaluating, and recommending candidates for the Board and senior management positions. It also designs and reviews remuneration policies to ensure they are fair, performance linked, and aligned with long term shareholder value creation. By promoting meritocracy and diversity in leadership, the committee strengthens organizational capability and culture.

## 03 Corporate Social Responsibility (CSR) Committee



The CSR Committee guides the company's social impact strategy, ensuring that our initiatives address community needs and align with our sustainability commitments. It monitors the planning, execution, and evaluation of CSR projects, focusing on areas such as healthcare access, education, environmental stewardship, and community development.

## 04 Administrative Committee



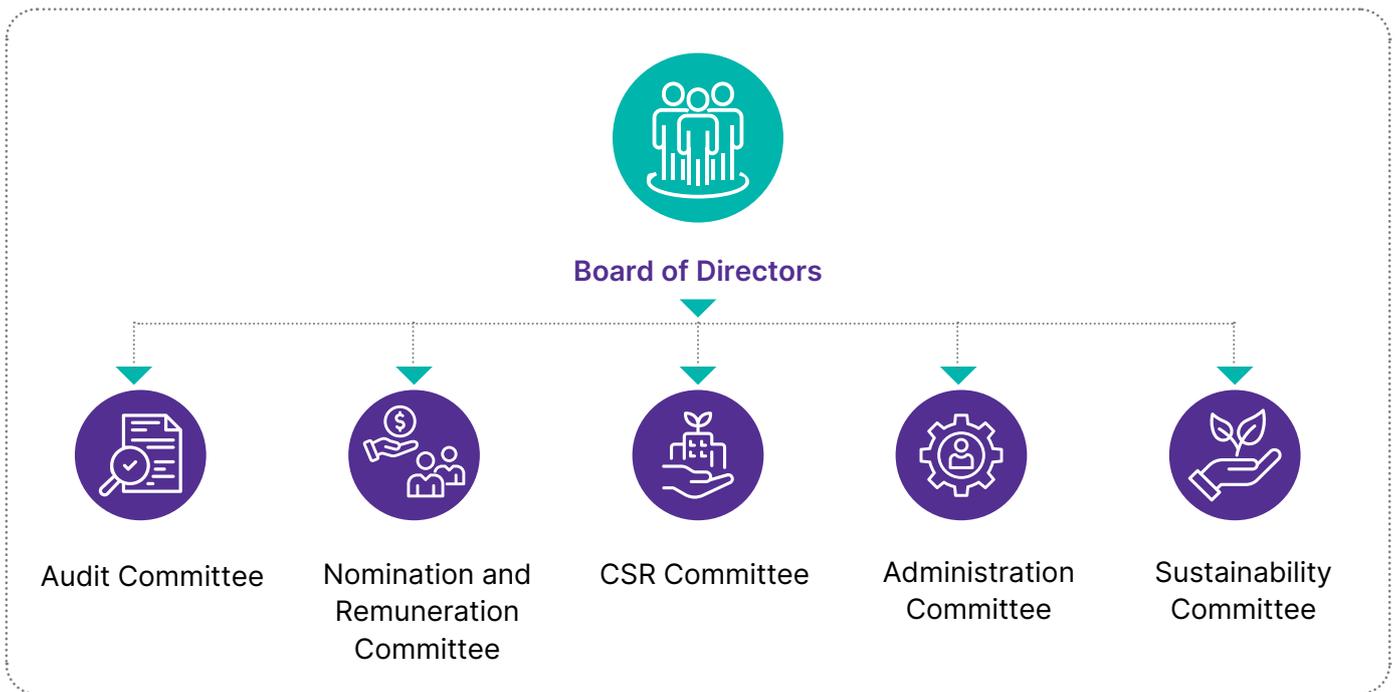
The Administrative Committee handles specific operational and administrative matters delegated by the Board. This includes approving transactions, overseeing procedural compliance, and ensuring that day to day governance decisions are made efficiently without compromising accountability.

## 05 Sustainability Committee



The Sustainability Committee drives the integration of environmental, social, and governance (ESG) principles into our business strategy. It monitors sustainability performance, sets targets for reducing environmental impact, and ensures that our operations contribute positively to long term societal and ecological well being.





Through these committees, Honour Lab ensures that governance is not just a compliance requirement but a proactive framework for ethical leadership, strategic oversight, and sustainable value creation. Each committee's work reinforces our commitment to transparency, accountability, and responsible growth.

## Integrating Sustainability into Governance and Operations

Embedding sustainability into the fabric of business strategy is a priority for Honour Lab.

We are committed to ensuring that ESG considerations are not treated as peripheral obligations but are integrated into strategic planning, decision-making, and everyday operations. This approach reflects our belief that long-term success depends on responsible growth, ethical conduct, and meaningful stakeholder engagement.

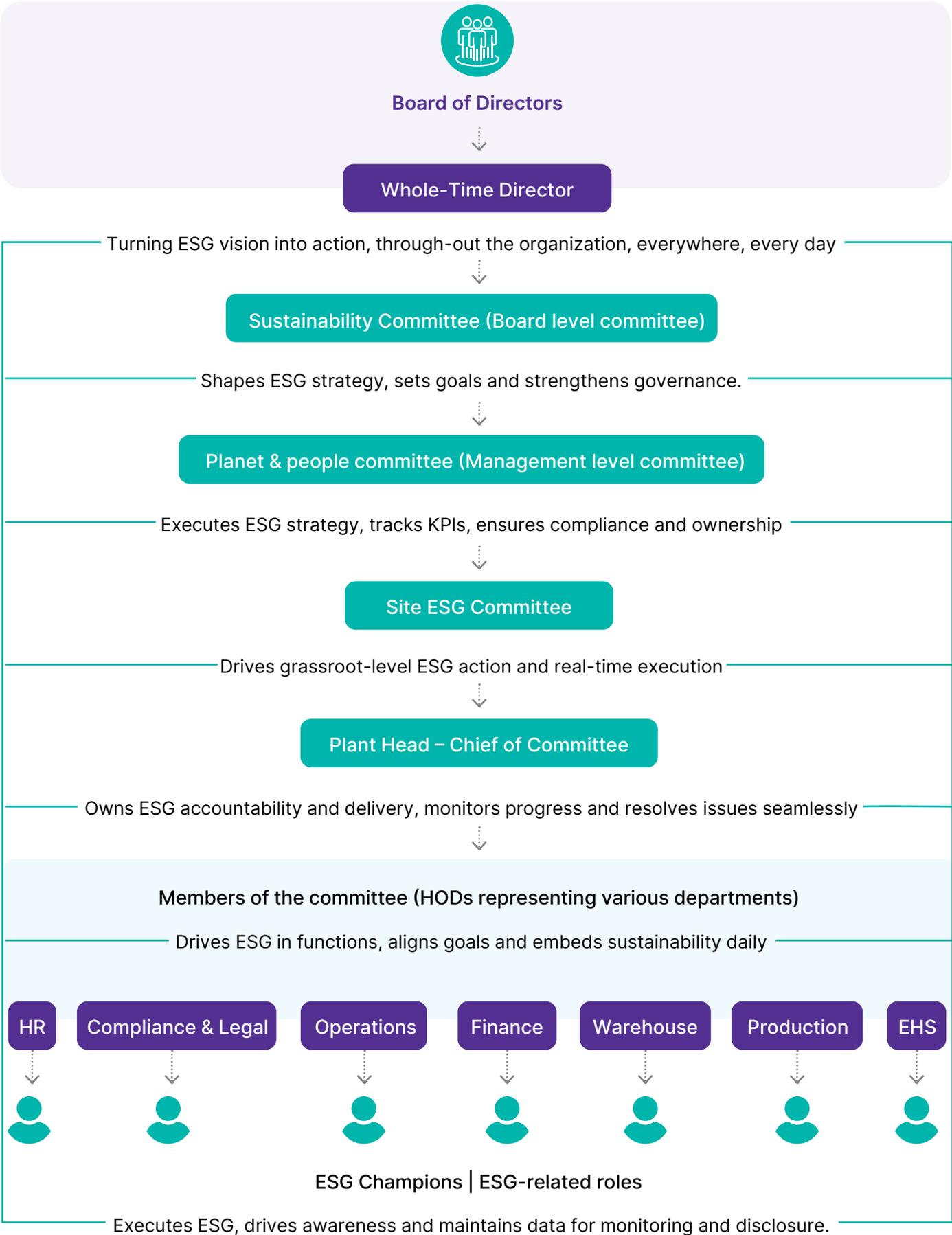
### Board and Management-Level Committees

The Sustainability Committee is a Board-level committee with a strategic oversight role, primarily responsible for guiding the Company's ESG agenda in alignment with long-term business objectives. It plays a pivotal role in shaping ESG strategy, approving goals and targets, reviewing risk exposure and sustainability disclosures, and driving the integration of ESG principles into corporate governance.

Reporting directly to this committee is the Planet & People Committee, which is a man-

agement-level cross-functional committee. The Planet & People Committee is responsible for executing the approved ESG strategy across functions, defining and monitoring function-specific KPIs, enabling compliance with ESG-related laws and standards, supporting disclosures, and ensuring enterprise-wide ownership of ESG responsibilities. It acts as the operational engine for ESG delivery, ensuring that all the plants are aligned with the organization's broader sustainability commitments.

### ESG Governance Structure - Oversight and Execution Roles of the Sustainability Committee and Planet & People Committee



## Site-Level Committees and ESG Champions

At the plant or site level, each location shall establish its own Site ESG Committee chaired by the Plant Head, who will act as the Chief of the Committee and hold overall accountability for ESG implementation and escalation. This Committee will include Function-Wise Committee Members, comprising Heads of Departments (HODs) from critical operational and support functions such as HR, EHS, Operations, and Sec-retarial. These members will be responsible for steering ESG priorities within their respective functions.

To ensure effective execution, we have nomi-nated ESG Champions from their teams. These Champions will serve as the on-ground imple-menters, responsible for executing ESG activities, driving awareness, and maintaining documenta-tion and data required for internal monitoring and external disclosures.

Together, the site-level structure ensures grass-root-level engagement, real-time ESG execution, and upward reporting to the management and board committees.

## Strengthening Responsible Business Practices Through Policy and Systems

Honour Lab is committed to fostering a culture of integrity, accountability, and opera-tional excellence through a robust framework of internal policies and standards.

Our governance tools serve as the backbone of our responsible business strategy, offering clear and consistent guidance across all functions and geographies. Developed with precision and reviewed regularly by relevant departments, our policies are continuously refined to reflect evol-ving regulatory landscapes, industry best prac-tices, organizational priorities.

To ensure accessibility and operational effi-ciency, all policies are housed on centralized digi-tal platforms, enabling seamless integration into daily workflows. These frameworks are embed-ded within our internal management systems, which act as the primary mechanism for enforc-ing standards, monitoring compliance, and driv-ing performance across the organization.

Category	Policies	Description
Environment	Energy Policy	Promotes efficient energy use, renewable energy adoption, and reduction of carbon footprint.
	Bio-Diversity Policy	Commits to protecting natural habitats, preventing deforestation, and enhancing ecosystem balance.
	Environment Policy	Provides an overarching framework for pollution control, waste reduction, and sustainable practices.
Social	Social Policy	Ensures equitable treatment and respect for communities, employees, and stakeholders.
	Employment Policy	Defines fair recruitment, equal opportunity, and inclusive workforce practices.

	Contract Labour Management Policy	Governs engagement, welfare, and rights of contract and temporary workers.
	Health and Safety Policy	Safeguards employees' physical and mental well-being through workplace safety standards.
	Skill Development Policy	Focuses on training, capability building, and career growth opportunities for employees.
	POSH (Prevention of Sexual Harassment)	Protects employees from harassment and promotes a safe, respectful workplace.
	Prevention of Child Labour	Prohibits employment of children in any form and ensures compliance with labour laws.
	Expectant Mothers Policy	Provides maternity benefits, flexible work, and wellness support for expectant mothers.
	Policy Against Forced or Compulsory Labour	Prohibits bonded, forced, or involuntary labour across operations and supply chain.
	Employees Resignation and Discharge Policy	Outlines transparent, fair, and ethical exit processes for employees.
	Information Security Policy	Ensures confidentiality, data protection, and responsible use of digital assets.
	CSR Policy	Directs company contributions towards community development and social upliftment.
<b>Governance</b>	Whistle Blower Policy	Provides a secure channel for reporting unethical practices without retaliation.
	Remuneration Policy	Ensures fair, transparent, and performance-linked compensation practices.
	Promotion Policy	Establishes merit-based and unbiased employee advancement criteria.
	Anti-Bribery Policy	Prohibits corruption, bribery, and unethical inducements in business dealings.
	Risk Assessment Policy	Identifies, monitors, and mitigates operational, environmental, and social risks.
	Freedom of Association and the Right to Collective Bargaining	Respects employees' right to form associations and engage in collective negotiations.
	Grievance Handling Policy	Provides mechanisms for timely and fair resolution of employee concerns.
	Customer Safety Guidelines	Ensures product quality, safety standards, and responsible customer communications.



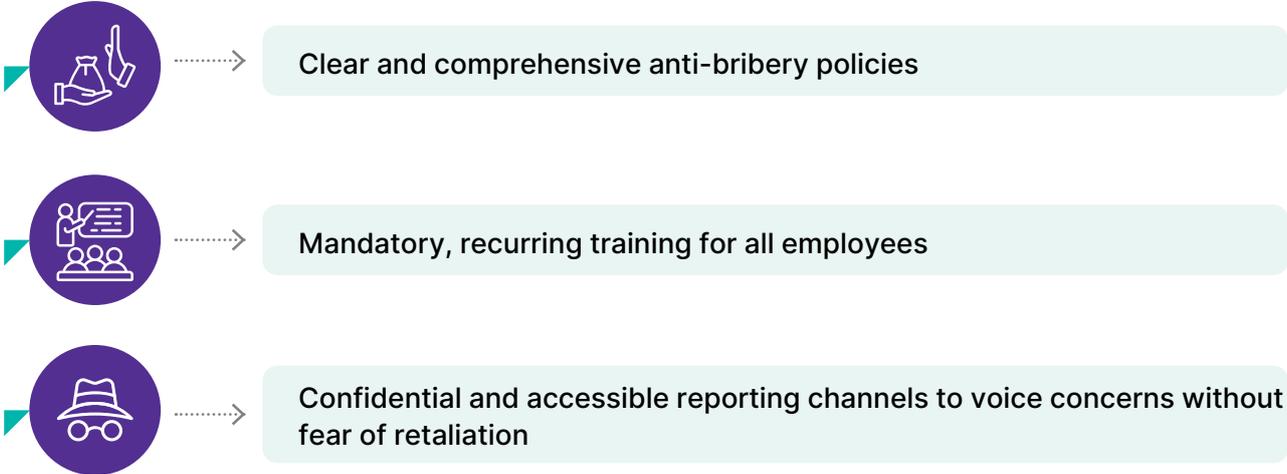
The site-level structure ensures grassroots-level engagement, real-time ESG execution, and upward reporting to the management and board committees.

# Commitment to Compliance and Ethical Conduct

We view regulatory compliance as a reflection of our values, demonstrating our dedication to protecting the environment, respecting communities, and upholding fair and transparent business practices. By embedding compliance into our operations, we reinforce stakeholder trust, safeguard our corporate reputation, and ensure long-term business continuity.

## Anti-Corruption

We operate with unwavering transparency and accountability. Our zero-tolerance stance on bribery and corruption is reinforced by a robust compliance framework that includes:



Our ethical commitment extends across our entire value chain. We partner exclusively with suppliers and stakeholders who share our principles, conducting rigorous due diligence to proactively identify and mitigate risks. Every financial transaction is meticulously documented and transparently executed, ensuring integrity at every level of our operations.

regular training to ensure all employees understand their responsibilities and the importance of maintaining integrity in these interactions. By proactively managing this area, we aim to prevent corruption risks and uphold the trust of our stakeholders.

## Gifting and Hospitality

As part of our commitment to maintaining ethical business practices, we have identified gift and hospitality as a key area of potential risk in our anti-corruption framework. Gifts and hospitality may carry the risk of undue influence or perceived conflicts of interest. Our risk assessment has therefore prioritized clear policies and robust controls around the giving and receiving of gifts and hospitality. This includes transparent reporting mechanisms, defined value thresholds, and

Our ethical commitment extends across our entire value chain. We partner exclusively with suppliers and stakeholders who share our principles, conducting rigorous due diligence to proactively identify and mitigate risks.

## Building Trust Through Transparency

KPIs	Percentage/Number
Employees trained on our Anti-Corruption Policy	100%
Confirmed incidents of corruption	0
Legal actions related to anti-corruption, anti-trust, or monopolistic practices	0
Operational sites certified with anti-corruption management system	0
Total workforce trained on business ethics issues	100%
Operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted	100%
Reports related to violation of business ethics through whistleblower procedure	0
Percentage of all sites with an ethics certification, such as ISO 27001 or ISO 37001	100%

## Code of Conduct

The company's Code of Conduct establishes clear standards of integrity, professionalism, and ethical behavior.

### Key Elements covered in our Code of Conduct

#### Conflict of Interest

Employees are required to avoid conflicts of interest and disclose any personal or financial relationships that may compromise fair decision-making.

#### Money Laundering

The company enforces zero tolerance for money laundering and complies with all applicable laws and regulations. Due diligence processes are implemented to identify and prevent illicit financial activities.

#### Fraud

Strict measures are in place to prevent, detect, and address fraudulent activities. Regular monitoring, internal controls, and awareness programs ensure transparency and accountability across all business functions.

#### Anti-Competitive Practices

The company is committed to fair competition and prohibits practices such as market manipulation, or abuse of market power. All employees and business partners are expected to operate in line with antitrust and competition laws.

## Prohibition of Sexual Harassment

The company has adopted a zero-tolerance policy towards sexual harassment, reaffirming its commitment to maintaining a workplace that is safe, dignified, and free from misconduct. Awareness sessions and regular training are organized to sensitize employees on appropriate workplace behavior and to build a culture of mutual respect. A formal redressal mechanism is in place, supported by an Internal Complaints Committee (ICC) that is empowered to investigate and resolve complaints confidentially and fairly. Clear communication ensures that employees are aware of their rights and the procedures available to them.

## No Discrimination Policy

The company ensures equal opportunity in all aspects of employment and strictly prohibits any form of discrimination based on gender, age, caste, religion, disability, marital status, or socio-economic background. Recruitment and promotion processes are designed to be merit-based, transparent, and inclusive, while workplace policies are structured to provide equal access to growth opportunities. Managers are trained to identify and prevent biases in decision-making, and grievance mechanisms are available to address concerns effectively.

## Grievance Handling Mechanism

A clear grievance mechanism is in place, outlining the channels through which concerns can be raised, the hierarchy for escalation, and the process for timely investigation and resolution. Employees are regularly informed about these procedures through training, internal communications, and induction programs, ensuring that everyone is aware of how to report issues safely and responsibly.

## Responsible Information Management

The company safeguards sensitive business and personal data through secure handling, storage, and processing practices. Policies ensure compliance with data protection laws, while training and controls reinforce responsible information management.

## No Child Labour Policy

We uphold a zero-tolerance approach to child labour, forced labour, and human trafficking. Our policy ensures that all employees, contractors, and partners operate in environments free from exploitation or coercion. Through awareness programs, strict monitoring, and adherence to labour laws, we protect the rights and dignity of every worker.

## Employee Testimonial



**I'm proud to work in a company that sees sustainability not as a trend, but as a responsibility. My role enables me to drive initiatives that benefit both business and society.**

— A.V. Raghava Reddy,  
Vice President, Operations

# Risk Management

## Turning Risks into Pathways of Growth.

By embedding risk management across our operations, from safeguarding product quality and strengthening cybersecurity to addressing climate change and advancing ESG goals, we aim to create a foundation of confidence for our employees, partners, regulators and shareholders.

### Mapped SDGs



Responsible business practices



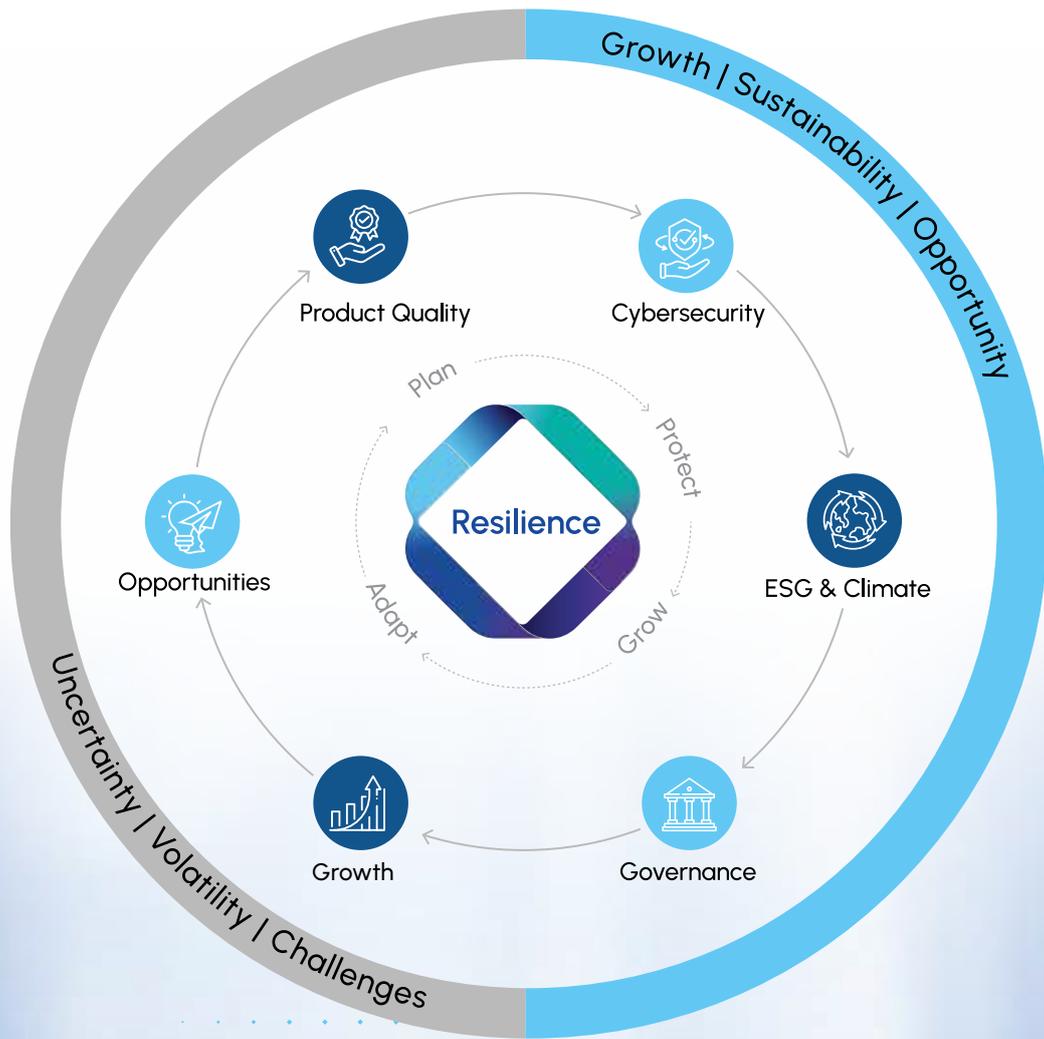
Integration of climate and ESG into governance



Collaboration and accountability across stakeholders

### In this Section

- 48** Managing Risks with Foresight
- 50** Information Security Management



# Managing Risks with Foresight

At Honour Lab, we proactively monitor and analyze emerging risk trends impacting the pharmaceutical sector, guided by insights from the World Economic Forum and other globally recognized institutions.

Our approach is rooted in strategic foresight and industry intelligence, enabling us to identify and assess critical vulnerabilities that could affect long-term resilience, regulatory compliance, and stakeholder trust. Through this lens, we have conducted a comprehensive evaluation of key risks facing the sector, ensuring our clients are equipped to navigate an increasingly complex and dynamic global environment.

We have conducted a comprehensive evaluation of key risks facing the sector, ensuring our clients are equipped to navigate an increasingly complex and dynamic global environment.



The impact and the appropriate mitigation measures are as follows:

Risk Category	Specific Risk	Potential Impact	Mitigation Strategies
<b>Product Quality</b> 	Manufacturing errors leading to product recalls, adverse events, and patient harm	<ul style="list-style-type: none"> <li>➤ Loss of life</li> <li>➤ Brand reputation damage</li> <li>➤ Financial losses</li> <li>➤ Regulatory action</li> </ul>	<ul style="list-style-type: none"> <li>➤ Implement robust Quality Management Systems (QMS)</li> <li>➤ Use advanced process controls</li> <li>➤ Conduct regular audits</li> <li>➤ Prioritize employee training and safety</li> </ul>
<b>Information Security</b> 	Cyberattacks: data breaches, system disruptions, IP theft, data privacy violations	<ul style="list-style-type: none"> <li>➤ Financial losses</li> <li>➤ Operational shutdowns</li> <li>➤ Legal liabilities</li> <li>➤ Loss of public trust</li> </ul>	<ul style="list-style-type: none"> <li>➤ Deploy advanced cybersecurity protocols</li> <li>➤ Conduct regular penetration testing</li> <li>➤ Train staff on cyber hygiene</li> <li>➤ Partner with cybersecurity experts</li> <li>➤ Enforce strict data privacy policies and access controls</li> </ul>
<b>ESG and Sustainability</b> 	Environmental impact: emissions, resource depletion, waste  Social concerns: access to medicines, ethical sourcing	<ul style="list-style-type: none"> <li>➤ Regulatory scrutiny</li> <li>➤ Consumer backlash</li> <li>➤ Public health risks</li> <li>➤ Investor pressure</li> </ul>	<ul style="list-style-type: none"> <li>➤ Adopt green manufacturing practices</li> <li>➤ Invest in renewable energy</li> <li>➤ Minimize waste and emissions</li> <li>➤ Use eco-friendly packaging</li> <li>➤ Launch access programs</li> <li>➤ Collaborate with NGOs</li> <li>➤ Ensure ethical sourcing and inclusive practices</li> </ul>
<b>Climate Change</b> 	Supply chain disruptions due to extreme weather and resource scarcity	<ul style="list-style-type: none"> <li>➤ Drug shortages</li> <li>➤ Price volatility</li> <li>➤ Delivery delays</li> <li>➤ Increased production costs</li> </ul>	<ul style="list-style-type: none"> <li>➤ Build resilient and diversified supply chains</li> <li>➤ Invest in climate-smart logistics</li> <li>➤ Explore alternative production models</li> </ul>

# Information Security Management

At Honour Lab, safeguarding information is a cornerstone of our operational integrity and business continuity. We recognize that the protection of sensitive data is critical to maintaining trust and compliance with regulatory requirements.

## Information Security Management

Employees participate in regular, comprehensive awareness training programs designed to prevent security breaches, equipping them with the knowledge to identify potential threats such as phishing attempts, malware, and other cyber risks. In parallel, all third-party partners undergo an information security due diligence program, ensuring that our extended network adheres to the same high standards of data protection.

Stakeholders are empowered to raise concerns through a dedicated whistleblower procedure, which guarantees confidentiality and provides clear guidance on escalation, investigation, and resolution. The company conducts periodic risk assessments to identify potential vulnerabilities in systems, processes, and infrastructure, supported by regular audits of control procedures to strengthen our defenses. A structured records retention schedule governs the secure storage,

management, and eventual disposal of all business and personal data, ensuring full compliance with applicable laws and standards. Through these integrated measures, Honour Lab demonstrates a holistic and proactive approach to responsible information management, reinforcing our commitment to ethical practices, operational resilience, and stakeholder trust.

We have **100%** of all operational sites with an information security management system (ISMS) certified to **ISO/IEC 27001: 2022**

During FY 25, there were **0** cases of confirmed information security incidents.



## CASE STUDY 01

## Measures to Protect Data

We aimed to strengthen our information security posture by protecting third-party data from unauthorized access or disclosure. A key focus was enhancing employee awareness and resilience against phishing attacks, which are often the first step in cyber intrusions. The company sought a measurable approach to assess risks and identify vulnerabilities related to phishing and malware.

### Initiative

To address this, we implemented a comprehensive phishing simulation program. This involved sending mock phishing emails to employees worldwide to evaluate their susceptibility and identify gaps in understanding. The program was integrated into the existing security awareness initiatives, enabling targeted training for employees who were more vulnerable to phishing attacks. Alongside this, a security assessment was conducted to evaluate the effectiveness of existing controls, analyze residual risks, and assess external infrastructure vulnerabilities. The initiative provided actionable insights into employee awareness levels and the overall state of cybersecurity risk.

### Impact

The phishing simulation program and accompanying security assessment helped quantify the effectiveness of our security awareness efforts. Employees became more adept at recognizing and reporting phishing attempts, reducing the likelihood of successful attacks. The company gained a clear understanding of residual risks, enabling the prioritization of countermeasures and further investments in information security.

### Employee Testimonial



Leadership is about creating lasting impact. I've helped embed sustainability into our business strategy, ensuring that our growth is both ethical and environmentally sound.

— D.Dora Reddy  
Vice President, Operations

## Incident Response Plan

In 2024, our IT Team detected and contained a phishing-related breach by disconnecting affected systems, disabling compromised accounts, and reinforcing access controls. They then applied patches, removed malicious software, and restored data from secure backups while ensuring compliance with data privacy regulations.

This incident reinforced our commitment to sustainable governance by demonstrating effective risk management and resilience. Regular cybersecurity training and simulated breach exercises have been instituted to enhance preparedness and protect confidential information, thereby safeguarding stakeholder trust and supporting the organization's long-term sustainability.

# Driving Environmental Stewardship

## Sustainability in Motion, Impact in Action.

By integrating sustainable practices across our operations—from tackling climate change and optimizing energy use to promoting circularity, reducing waste, and managing water responsibly, we aim to protect natural resources, reduce environmental impact, and create long-term value for communities, business, and the planet.

### Mapped SDGs



Water Stewardship



Climate Change



Energy Management



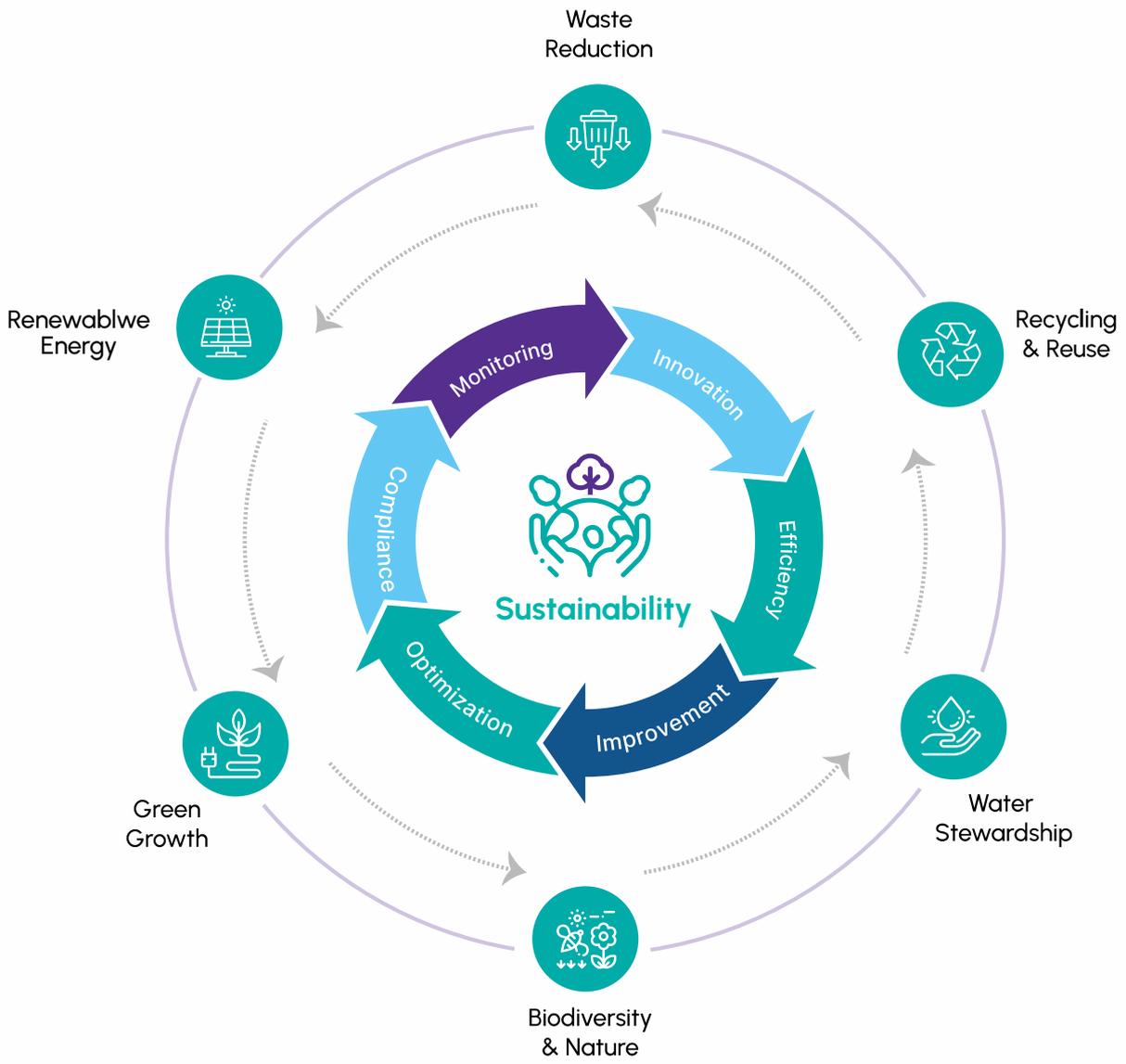
Broader Environmental Stewardship



Waste & Circular Economy

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# Climate Change

Honour Lab acknowledges the scale and urgency of climate-related risks and has embedded climate action as a core strategic priority. Guided by the principle that proactive environmental stewardship is essential for securing a sustainable future, we have launched a suite of targeted initiatives to reduce our carbon footprint and enhance operational sustainability. We also hold regular training for our employees on energy conservation and climate action.

Central to this effort is the monitoring and reduction of Scope 1 and Scope 2 emissions, with a focus on fuel consumption, energy use, and facility-level efficiencies. We have made significant investments in renewable energy, implemented ISO 50001-certified energy management systems, and upgraded operational processes to

drive measurable reductions in greenhouse gas emissions. These actions have enabled the organization to not only meet regulatory requirements but consistently outperform industry benchmarks in environmental performance.

## Environmental Stewardship in Action

KPIs	Percentage
Percentage of operational sites assessed on specific environmental risks	100%
Percentage of operational sites with ISO 14001	100%
Percentage of operational site with ISO 50001	75%

Our climate strategy is anchored in transparency, accountability, and continuous improvement. The company tracks key environmental performance indicators, publicly shares progress, and actively collaborates with industry peers, regulators, and community stakeholders to co-create scalable, forward-thinking solutions. In recognition of the broader environmental footprint across our value chain, we have also initiated the groundwork for Scope 3 emissions monitoring, reflecting our commitment to addressing indirect impacts, from upstream sourcing to downstream production.



## Emissions Performance

	FY25 (tCO2e)	FY24 (tCO2e)	FY23 (tCO2e)
Scope 1	39,997.41	40,696.10	23,168.60
Scope 2	41,403.57	36,898.54	34,588.77

### Scope 3 Emissions

We have initiated the reporting of scope 3 emissions, reflecting our commitment to addressing indirect impacts, from upstream sourcing to downstream production.

Category	Emissions (tCO2e)
Category 1: Purchased Goods and Services	3,98,992.90
Category 2: Capital Goods	6,401.90
Category 3: Fuels and Energy related activities	18,798.98
Category 4: Upstream Transportation of Goods and Services	77,038.97
Category 5: Waste Generated within the Operation	2,022.68
Category 6: Business Travel	260.27
Category 7: Employee Commute	2,194.84
Category 9: Downstream Transportation of Goods and Services	5,703.26
Category 12: End of Life Treatment of Sold Products	3.61
<b>Scope 3 Emissions</b>	<b>5,11,417.41</b>

Emissions (tCO2e)	FY25	FY24	FY23
Total gross Scope 3 Downstream GHG emissions	5,706.87	-	-
Total gross Scope 3 Upstream GHG emission	5,05,710.53	-	-

### Emission Intensity

Unit: tCO2e/million	FY25	FY24	FY23
Scope 1 & 2	3.26	3.11	2.31
Scope 3	20.48	-	-

# Net Zero Commitment

Honour Lab is working on reaching net-zero emissions across its value chain. Honour is registered with SBTi with ID: 40033433

Our long-term decarbonization roadmap reflects our ambition to address climate-related risks and contribute to a low-carbon future. We have signed the Science Based Targets initiative (SBTi) commitment, and our strategy is currently under development. These efforts underscore our determination to integrate climate action across the business and value chain.

## 1. Ambition

Setting science-aligned decarbonization targets consistent with a net zero pathway.

## 2. Governance

Establishing strong leadership, accountability and oversight mechanisms to steer the net zero agenda.

## 3. Corporate strategy

Integrating net zero objectives into the core of corporate strategy and long-term business planning.

## 4. Business Model Transformation

Adapting and evolving the operating model to support a low-carbon transition across the company.

## 5. Supply chains

Redesigning value chains to reduce emissions and foster a resilient, low-carbon ecosystem.

## 6. Innovation

Leveraging technologies and innovative solutions to accelerate decarbonization.

## 7. Finance

Mobilizing capital and aligning financial planning to support the delivery of net zero goals.

## 8. Transparency

Providing transparent, consistent, and balanced reporting on actions taken and outcomes achieved.

## 9. Engagement

Driving momentum through active collaboration and influence across stakeholders and broader ecosystems.

<https://unglobalcompact.org/what-is-gc/participants/167615-Honour-Lab-Limited>



As part of this long-term commitment, we are currently in the process of defining a clear and structured roadmap that outlines the necessary steps to reach this milestone.

## Our approach involves

- Scaling up the use of renewable energy across our operations

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- Exploring alternative fuel sources to transition away from conventional energy

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- Implementing targeted energy efficiency measures, supported by periodic energy audits to identify and act on opportunities for improvement.

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- Neutralizing residual emissions through offset initiatives while identifying further avenues for emission mitigation beyond our immediate value chain.

Our long-term decarbonization roadmap reflects our ambition to address climate-related risks and contribute to a low-carbon future.

## Employee Testimonial



At Honour Lab, I see how decision-making drives sustainability initiatives forward. We are encouraged to source sustainable materials and minimize unnecessary resource use, while focusing on the hierarchy of actions such as Reuse, Recycle, and Reduce, to promote lasting sustainability.

— Muni Raja Reddy,  
AVP, Operations



## Ambient Air Quality Monitoring through Third Party Sampling

To preserve air quality and ensure compliance with environmental norms, Honour Lab conducts ambient air quality monitoring through accredited testing laboratories by environmental authorities. All our measured values are below permissible values.

Air samples are collected and analyzed to measure concentrations of pollutants such as particulate matter, NOx, and SOx. The findings support proactive management of emissions and provide transparent data to regulators, underscoring the company's dedication to protecting both community health and the environment.

### Air Emissions at a Glance

Category	FY25 (in kg)	FY24 (in kg)	FY23 (in kg)
NOx	420.98	393.27	449.61
SOx	683.46	727.25	755.81
Particulate matter (PM)	1,452.89	1,483.12	1,270.11
Total weight of air pollutants	2,557.00	2,604.00	2,476.00



## CASE STUDY 02

## Reducing VOC and Air Pollutant Emissions through Advanced Monitoring and Control

Volatile Organic Compounds (VOCs), Sulphur Oxides (SO<sub>x</sub>), and Nitrogen Oxides (NO<sub>x</sub>) are by-products of industrial activities that can affect air quality and community health. Our

To achieve this, we introduced a series of integrated measures:

- + Scrubbers were installed across all manufacturing blocks to capture VOC emissions before release with a scrubber maintenance checklist to ensure consistent performance and reliability.
- + Nitrogen blanketing systems for storage tanks to minimize VOC emissions at the source.
- + Bag Filters in boilers to control particulate matter (PM) emissions.
- + Deployment of primary and secondary condensers with variable utilities to further reduce VOC emissions.
- + Installation of portable VOC monitors and LEL detectors to track VOCs and organic vapor emissions in real time.
- + A fixed VOC monitoring system, integrated with the Telangana Pollution Control Board's continuous online monitoring platform, for transparent reporting and compliance..

objective was to adopt robust systems and technologies to minimize atmospheric emissions, ensure compliance with environmental regulations, and promote safe operations.



### Impact

These combined actions have significantly lowered VOC, SO<sub>x</sub>, and NO<sub>x</sub> emissions across operations. Real-time monitoring ensures quick identification and response to emission risks, while preventive systems reduce pollution at the source.



## CASE STUDY 03

## Preventing Atmospheric Pollutants and Environmental Nuisances

Industrial operations can often generate odors and pollutants that affect surrounding communities and ecosystems. Our objective was to adopt a solution that would neutralize such emissions effectively while aligning with our commitment to natural, safe, and sustainable practices.

### Initiative

To address this, we implemented the Piian System, an advanced industrial-grade odor control technology. This system vaporizes a super-concentrated solution made from a proprietary blend of natural plant extracts, essential oils, and emulsifiers. Unlike traditional methods that rely on masking agents, the Piian System neutralizes odors through absorption and biodegradation. The atomized solution targets the source of odors in wastewater treatment, solid waste handling, and other manufacturing processes, creating a neutral odor balance without harmful chemicals. By integrating this system, we ensured an eco-friendly and permanent method of managing odor emissions.

### Impact

The adoption of the Piian System has significantly reduced atmospheric pollutants and odor nuisances across our operations. This not only improved environmental performance but also enhanced the health, safety, and comfort of our workforce and neighboring communities.



# Energy Management

In a world where sustainable energy use defines corporate responsibility and competitive advantage, Honour Lab is committed to driving meaningful change through intelligent energy stewardship.

By continuously optimizing energy efficiency, minimizing consumption, and accelerating the transition to renewable sources, we actively contribute to global climate goals while reinforcing the stability and agility of our operations. This approach safeguards ecological integrity, reduces carbon intensity, and ensures uninterrupted performance, amid evolving environmental regulations and resource constraints.

## Energy Mix for FY25

Energy Type	FY25 (GJ)	FY24 (GJ)	FY23 (GJ)
HSD used in operations (Diesel)	15,562.53	9,974.30	11,027.35
Coal	3,85,763.12	3,99,022.00	4,03,848.20
Furnace oil	-	-	319.20
Biomass	1,41,655.92	1,88,635.00	16,824.60
Paddy Husk	78,903.20	24,800.80	3,967.20
Purchased Electricity	2,05,024.56	1,82,716.31	1,69,872.40
<b>Total Energy Consumption</b>	<b>8,26,909.33</b>	<b>8,05,147.61</b>	<b>6,05,859.95</b>
<b>Renewable Energy Consumption</b>	<b>2,20,559.12</b>	<b>2,13,435.00</b>	<b>20,791.80</b>

<b>Percentage of total energy consumption from renewable sources</b>	<b>26.67%</b>	<b>26.51%</b>	<b>3.40%</b>
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## Energy Intensity

Energy Intensity	GJ/million (₹)
FY25	33.11
FY24	34.28
FY23	28.56



The percentage of total energy consumption from renewable sources was 26.35 % for the financial year FY 2024-25.



### CASE STUDY 04

## Fuel Transition to Renewable Biomass: Paddy Husk Adoption

Honour Lab has transitioned from coal to paddy husk as the primary boiler fuel, reducing dependence on fossil fuels and cutting carbon emissions. This renewable, agro-based alternative aligns with circular economy principles, supports cleaner combustion, and has delivered an energy saving of 2,918.96 MT of fuel.

### Impact

Lowered carbon footprint, promoted renewable energy, and advanced sustainable manufacturing practices.



## Energy Efficiency Initiatives

Honour Lab approaches energy management as a strategic lever for sustainability, operational excellence, and climate resilience. As part of this commitment, the organization conducts regular energy audits and in-depth facility assessments to uncover inefficiencies and identify opportunities for improvement.

These data-driven insights have resulted in targeted investments in advanced, energy-efficient technologies and the deployment of intelligent energy management systems that optimize operations while minimizing waste. The result is a measurable reduction in energy intensity, translating into lower operational costs and a significantly reduced environmental footprint.

### CASE STUDY 05

## Powering Sustainability through Turbine-Based Cogeneration

Unit-I at Honour Lab has installed a turbine-based cogeneration plant having a capacity of 367 Kw/Hr to enhance energy efficiency by generating electricity while utilizing waste heat. This integrated system has achieved impressive energy savings of 1,613,000 kWh, reducing dependence on external power and lowering operational costs. By converting thermal energy into usable electricity, the initiative contributes significantly to reducing the facility's carbon footprint and advancing the company's environmental goals.

### Impact

Maximized resource utilization, lowered emissions, and strengthened energy resilience.



A cornerstone of our energy strategy is the accelerated transition to renewable energy. Through strategic partnerships with clean energy providers and the integration of solar and wind systems, we are planning to reduce our reliance on fossil fuels and curbing greenhouse gas emissions. This shift not only supports global climate goals but also enhances energy security and shields operations from future market volatility.

Our leadership in energy stewardship is exemplified by its Unit-III manufacturing site, which is certified under ISO 50001 for energy management. Certification efforts for additional facilities are actively underway, underscoring our commitment to setting industry benchmarks in responsible energy use and environmental performance.

## CASE STUDY 06

## Smart Cooling for Energy Efficiency

Energy-efficient cooling tower fans were installed in H-Block and A-Block, delivering total energy savings of 8,734 kWh. This upgrade optimizes cooling performance while reducing energy consumption, reflecting our commitment to intelligent infrastructure, environmental responsibility, and continuous improvement in operational sustainability.

### Impact

Reduced power usage and enhanced operational sustainability through smarter cooling solutions.



## CASE STUDY 07

## Steam Savings Through Flash Steam Recovery

A flash steam recovery system, enabled by strategically installed steam traps, has enhanced thermal efficiency across operations. The initiative has achieved steam savings of 222 tonnes, translating to energy savings of 2,664 MWh. By capturing and reusing flash steam that would otherwise be lost, this system reduces fuel consumption, lowers emissions, and promotes long-term operational resilience.

### Impact

Improved energy efficiency, reduced emissions, and smarter resource utilization.



## CASE STUDY 08

## Optimized Fan Operation: VFDs for Boiler ID & FD Fans

Previously operating continuously at a fixed frequency, the Induced Draft (ID) and Forced Draft (FD) fans now employ Variable Frequency Drives (VFDs) to adjust speed based on process demand. This adjustment has resulted in energy savings of 58,320 kWh, improving efficiency and reducing unnecessary energy consumption.

### Impact

Dynamic process control and significant energy savings.



## CASE STUDY 09

## Load-Responsive ETP Blowers

VFDs were installed on two Effluent Treatment Plant (ETP) blowers, enabling load-responsive operation instead of constant-speed running. This improvement has saved 5,100 kWh and reduced unnecessary energy use while enhancing system performance.

### Impact

Smarter, energy-efficient wastewater management.



## CASE STUDY 10

## Process Pumps Optimized with Dry Run Protection

Dry run protection relays were implemented for process pumps to prevent operation under dry conditions, avoiding energy wastage and equipment wear. This measure has delivered energy savings of 17,640 kWh and improved equipment reliability.

### Impact

Reduced energy waste and enhanced operational efficiency.



# Waste and Circular Economy

Honour Lab has adopted a robust and unified waste management framework across all operational units, guided by the principles of prevention, circularity, compliance, and transparency.

Our principles are embedded into daily operations, ensuring that waste is minimized at source, recovered where possible, and disposed of safely in full compliance with regulatory requirements. From Unit-I to Unit-IX, targeted strategies have been implemented to reduce waste at source, enhance resource recovery, and ensure safe, compliant disposal. These efforts span process optimization, circularity measures, advanced treatment technologies, and robust tracking systems, all aligned with our broader commitment to environmental responsibility, operational efficiency, and regulatory excellence.

## Our Approach



### Source Reduction

- + Production processes are optimized to reduce high-volume waste at source, with effluent streams segregated into low-TDS and high-TDS categories.

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- + Operational efficiency measures, including workflow refinements, staff training, and supplier selection based on sustainability credentials, minimize material wastage, excess packaging, and inefficient use of resources.

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- + Raw material use, solvent consumption, and hazardous chemical handling are identified as critical inputs contributing to waste, and targeted measures are applied to reduce impacts.



### Treatment of Waste

- + Advanced pollution control systems have been deployed across units, including Multiple Effect Evaporators (MEE), Agitated Thin Film Dryers (ATFDs), Reverse Osmosis (RO) and polished RO units and double-stage scrubbers.

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- + Additional treatment and equipment facilities such as boiler treatment systems, Total Flow Management (TFM) units, and acoustic enclosures for generators are in place to reduce environmental load and maintain site cleanliness and noise control.

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- + Wastewater pretreatment has been upgraded from alum and lime dosing to polyelectrolytes and coagulants, improving treatment efficiency.

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- + Effluent water is routed through above-ground pipelines and transferred to Effluent Treatment Plant (ETP) for treatment, with accredited third-party agencies confirming results within permissible limits.





## Circularity and Resource Recovery

Circularity is actively pursued across units through:

- + Recovery of liquor ammonia from waste ammonia water.
- + Solvent separation, recovery at Solvent Recovery Systems (SRS), and resale to authorized parties.
- + Diversion of organic waste to co-processing units in cement industries.
- + Utilization of general waste in power plants as an alternative fuel source.
- + Formal transition from incineration to co-processing, reducing emissions and landfill dependency.
- + Conversion of raw material spillages, production residues, and disposal byproducts into Alternative Fuels and Raw Materials (AFRM).

### CASE STUDY II

## Safer Storage, Smarter Operations: Solvent Drum Minimization Program

To reduce solvent handling risks and streamline storage, the Solvent Drum Minimization Program replaced up to 65 solvent drums and 10 IBCs with stainless steel (SS) mobile tanks of 5 KL capacity across blocks and 10 KL at the SRS plant. Each tank is equipped with flame arresters, level gauges, pressure gauges, and earthing provisions, ensuring both safety and operational efficiency. By minimizing reliance on drums and IBCs, the initiative reduces manual handling, lowers fire and spillage risks, and optimizes material management across the plant.

### Impact

Maximized resource utilization, lowered emissions, and improved safety.





## Safe Handling, Transport and Disposal of Hazardous Waste

- + Dedicated tractors and fast-loading systems reduce the risk of contamination and waste accumulation.

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- + All waste is stored securely, with hazardous materials transferred to designated areas before final disposal.

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- + Waste transfer to landfill is managed through third-party agreements, ensuring timely transfer and preventing onsite buildup.



## Documentation and Tracking

- + Documentation is maintained across units, including:

- Waste Generation Slips submitted by departments.
- Form III for recording generation.
- Form X for disposal activities through the online Manifest system.
- Form IV for annual disposal summaries.
- Form XIV for hazardous waste documentation.

- + Tracking systems include flow meters for liquid waste, source-based monitoring for solids, and weighment systems for ATFD salts (e.g., transferred to Ramky Enviro Engineers Ltd.).

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- + Daily and monthly reports are submitted to State Pollution Control Boards (SPCBs), ensuring regulatory compliance.

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## Governance and Management Process for Waste Management

- + The Environment, Health, and Safety (EHS) Department oversees the lifecycle of treatment, storage, and disposal at units where waste is internally managed.

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- + Third-party handlers and recyclers are vetted for contractual and legal compliance, with certification checks, ISO 14001 assessments, disposal certificates, and service agreements in place.

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- + ISO 14001 verification, accredited environmental monitoring, and routine audits reinforce compliance and accountability.



## Training on Waste Reduction and Sorting

- + To strengthen sustainable practices, employees at Honour Lab are trained in waste reduction and segregation at source. The training sessions emphasize minimizing waste generation, identifying recyclable materials, and categorizing waste streams effectively.

## Unit-Level Highlights

### Unit- I

Deployment of additional ATFDs and double-stage scrubbers, ammonia recovery systems, solvent separation, and acoustic enclosures for generators. Dedicated tractors facilitate fast waste loading and transfer.

### Unit-III

Strategic focus on supplier sustainability, renewable energy adoption, staff training, and ISO 14001-verified waste protocols. Effluent routed to CETP with strong third-party compliance oversight.

### Unit-3A

Transition from incineration to co-processing with strict internal management of waste under regulatory protocols. Waste Generation Slips, Form III, Form X, and Form IV ensure transparency and traceability.

### Unit-3B

Implementation of the Solvent Drum Minimization Initiative, supported by engineering controls on SS tanks. Waste managed internally with strict adherence to Form III, Form X, and Form IV documentation.

### Unit-V

Focus on refining production workflows to reduce chemical residues, solvent emissions, and effluent loads associated with API and intermediate manufacturing.

### Unit-IX

Circularity measures convert spillages and production residues into AFRM, reducing landfill dependency. Waste management is overseen by the EHS Department, with strict recycler vetting and contractual compliance.

## Waste Generated

Category	FY25 (in MT)	FY24 (in MT)	FY23 (in MT)
Hazardous waste	60,115.74	39,363.13	27,243.78
Non-hazardous waste	4,944.72	6,164.88	3,144.50
E-waste	0	0.03	0.02
Total waste	65,060.46	45,528.04	30,388.30
Waste Intensity (MT/ Million ₹)	0.99	0.88	0.61

## Waste Diverted from Disposal

Category	FY25 (in MT)	FY24 (in MT)	FY23 (in MT)
Hazardous waste	35,355.3	21,226.55	16,471.29
Non-hazardous waste	1,178.52	2,631.13	1,751.15
Boiler Ash	3,766.2	3,533.75	1,393.35
Total waste	40,300.02	27,391.43	19,615.79
Percentage of total waste from company operations diverted from landfills	65%	60%	62%

## Waste Directed to Disposal

Category	FY25 (in MT)	FY24 (in MT)	FY23 (in MT)
Hazardous waste	24,760.44	18,136.58	10,772.49
Non-hazardous waste	0	0	0
E-waste	0	0.05	0
Total waste	24,760.44	18,136.63	10,772.49

## Hazardous Waste Diverted to Disposal

Disposal Mode	FY25 (in MT)	FY24 (in MT)	FY23 (in MT)
Landfill	4,841.42	3,424.39	2,574.64
Incineration (with energy recovery)	19,919.02	14,712.19	8,197.85

## Recycling

	FY25 (in MT)	FY24 (in MT)	FY23 (in MT)
Recycling	35,355.3	21,226.55	16,471.29

## End-of-Life Management at Honour

### Collaborative Approach to Responsible End-of-Life Management

Honour adopts a collaborative approach to product end-of-life management by engaging with independent, authorized external stakeholders such as licensed waste management service providers, recycling partners, and government-approved treatment facilities. These collaborations enable the responsible collection, recycling, recovery, and environmentally sound disposal of products, packaging, and residues in compliance with applicable regulatory requirements. Oversight is maintained through Honour's Environment, Health & Safety (EHS) function, supported by waste tracking records and partner documentation, ensuring shared responsibility, traceability, and minimized environmental impact.

### Customer Guidance on Proper Product Disposal

Honour adopts a collaborative approach to product end-of-life management by engaging with independent, authorized external stakeholders such as licensed waste management service providers, recycling partners, and government-approved treatment facilities. These collaborations

enable the responsible collection, recycling, recovery, and environmentally sound disposal of products, packaging, and residues in compliance with applicable regulatory requirements. Oversight is maintained through Honour's Environment, Health & Safety (EHS) function, supported by waste tracking records and partner documentation, ensuring shared responsibility, traceability, and minimized environmental impact.

### Promoting Circular Material Flow and Environmental Protection

Through its end-of-life management practices, Honour aims to reduce waste sent to landfill and support circular material flows by encouraging recycling and recovery wherever feasible. Disposal guidance and external collaborations prioritize preventing leakage of product components or residues into the environment and reducing reliance on virgin materials. These efforts contribute to responsible product stewardship, regulatory compliance, and Honour's broader commitment to environmental protection and sustainable resource use.

## Optimization of Primary packaging to reduce its dimensions, weight, or simplify material mix

**Initiative:** Usage of 100% recyclable Jumbo Bag in place of HDPE Carboys

**Initial process:** For one of our intermediate products, we used to pack the material in a double poly bag and keep it finally in a HDPE carboy of 25 Kg or 50 Kg pack size and dispatch the material. Considering FY 24-25 data, this used to consume around 1,00,000 carboys and 2,00,000 of poly bags considering all material packed in 25 Kg packs.

**Improved process using Jumbo Bag:**

In an effort towards our sustainability initiatives to reduce usage of fresh poly bags and HDPE carboys, we have implemented using Jumbo bags (100% recyclable) which come in a pack size 25 Kg and 50 Kg. The usage of eco-friendly Jumbo Bag helped us to reduce the cost of the packing and improved the environmental sustainability.

## Employee Testimonial



At Honour Lab, I feel empowered to make a difference through our sustainability initiatives. Coordinating reports, supporting wastewater recycling and reducing hazardous waste are all part of contributing to the company's responsible and ethical practices. This alignment between my personal values and the organization's vision motivates me to perform at my highest level every day.

— R.Venugopal Reddy, Plant Head, Operations



# Water Stewardship

Water is one of the most essential yet increasingly vulnerable natural resources. Its sustainable management is critical for safeguarding ecosystems, while also ensuring stability, safety, and long-term resilience of industrial processes.

Honour Lab recognizes the growing urgency of water scarcity and pollution, particularly in regions where pharmaceutical manufacturing can place stress on local systems and has positioned water stewardship as a foundational pillar of its sustainability strategy.



## Water Management Framework

- + A comprehensive water management framework is implemented across operations, anchored by state-of-the-art Zero Liquid Discharge (ZLD) systems.

- + This closed-loop technology ensures:

- All water used is reclaimed, treated, and recycled internally.
- No untreated wastewater enters surrounding ecosystems.
- Full compliance with environmental standards while actively protecting community water resources and biodiversity



## Wastewater Treatment and Discharge

- + All operational sites function under a strict ZLD policy.

- + Unit III transfers treated wastewater to a Common Effluent Treatment Plant (CETP) for further purification in line with regulations.



## Sources and Usage

- + Recognizing the varied geographical contexts of our operations, Honour Lab has adopted a site-specific approach to water sourcing.

- Units I, 3A, 3B, and V – sourced from water tankers.
- Unit III – seawater intake.

- + This adaptive approach ensures reliable supply for:

- Production processes.
- Utility systems – scrubbers, boilers, and cooling towers.
- Domestic use – sanitation, landscaping, and canteen services.



## Integrating Water Management into Business Strategy

Our approach reflects a deep commitment to environmental accountability, innovation, and continuous improvement. Water management is integrated into strategic planning, operational decision-making, and employee engagement programs, ensuring that sustainability principles guide both corporate vision and day-to-day actions. Through these efforts, the company continues to set a benchmark for responsible water use in the pharmaceutical sector, demonstrating that industrial growth and environmental stewardship can and must go hand in hand.



## Water-Related Impacts and Safeguards

Effective risk management is central to our sustainability agenda. The company maintains a proactive and preventive approach to water-related environmental risks, with no runoff-related impacts recorded to date.

### + Preventive measures include:

- Containment walls around all storage tanks to avoid accidental discharge
- Tank level indicators for continuous monitoring.
- 24/7 oversight by trained personnel to ensure operational integrity.

### + Groundwater usage is regularly monitored, with reduction targets embedded as performance indicators for responsible teams.

### + Data-driven monitoring enables tracking progress, identifying areas for improvement, and aligning usage with sustainability goals.



## Conservation and Awareness

- + Alongside systems and infrastructure, we actively promote water conservation through awareness programs and operational improvements.
- + We actively promote water conservation through:

- Installation of push-type taps to reduce wastage.
- Employee training on environmental practices.
- Awareness programs emphasizing resource efficiency.

By engaging employees, suppliers, and other stakeholders, we foster shared accountability and encourage adoption of sustainable practices across our value chain.



## Wastewater Monitoring

Ensuring water quality and regulatory compliance requires robust monitoring systems. We follow a dual approach to wastewater monitoring, combining in-house checks with independent third-party evaluations.

### + A dual approach to wastewater monitoring ensures strong oversight

- **In-house monitoring** – continuous checks of effluent quality to confirm treatment systems function optimally.
- **Independent third-party evaluations** – external validation for impartial assurance of compliance with regulatory standards.

This layered process enhances transparency, reinforces accountability, and demonstrates our commitment to minimizing our environmental footprint.



## Creating Long-Term Value

Our comprehensive approach to water stewardship demonstrates that sustainability is not just a compliance requirement but a strategic enabler of long-term resilience. By embedding advanced technologies, site-specific sourcing practices, and robust monitoring systems into its operations, the company ensures that every drop of water is managed responsibly.

- + Reduced dependence on freshwater resources.
- + Optimized internal reuse, improving operational efficiency.
- + Lower water-related costs.
- + Enhanced resilience against future water scarcity challenges.
- + Contribution to climate adaptation, biodiversity protection, and community well-being.

### CASE STUDY 12

## Water Saving Initiatives

Our key objective was to optimize water usage in industrial processes, particularly in areas where water plays a critical role in energy efficiency and operational performance.

### Initiative

To achieve this, the company implemented measures to reuse Reverse Osmosis (RO) water for improved heat transfer in processes. Additionally, efforts were focused on increasing steam condensate recovery, which rose to 58% in 2024–25. This not only reduced the consumption of fresh water but also enhanced process efficiency and reduced dependency on external water sources.

We also ensured that all cooling towers were equipped with Vulcan make electronic anti-scale systems, which reduce scale deposits, water consumption, and wastage. Systematic monitoring and process optimization ensure that RO water is used efficiently across all operations.

### Impact

These initiatives resulted in significant water savings, totaling 1,17,767 KL of RO water annually. By improving condensate recovery and reusing RO water effectively, we have minimized environmental impact while enhancing resource efficiency.



## Water Withdrawal

Source	FY25 (KL)	FY24 (KL)	FY23 (KL)
Surface water	0	0	0
Ground water	22,649.90	20,512.00	2,422.00
Sea water	34,812.00	28,184.00	8,372.00
Produced water	0	0	0
Third party water	2,37,922.00	2,51,141.00	2,46,164.00
<b>Total water withdrawal</b>	<b>2,95,383.90</b>	<b>2,99,837.00</b>	<b>2,56,958.00</b>

## Total water consumption

Year	KL
FY25	2,88,670.80
FY24	2,94,951.21
FY23	2,51,992.13

## Water intensity

Year	KL/million (₹)
FY25	11.56
FY24	12.56
FY23	11.88

## Water discharged

Source	FY25 (KL)	FY24 (KL)	FY23 (KL)
Total Water Discharged (to only sea water)	6,713.1	4,885.79	4,965.87

## Wastewater generation and recycling

	FY25 (KL)	FY24 (KL)	FY23 (KL)
Total wastewater generated	84,873.22	74,468.8	71,294.63
Total recycled water	67,312.88	55,220.71	51,714.93
Wasterwater recycle %	79.31%	74.15%	72.54%

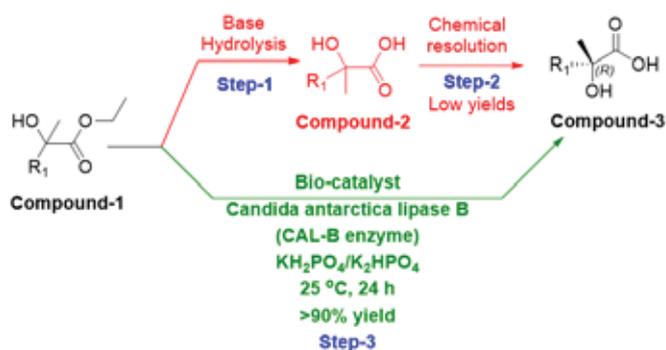
## Wastewater generation and disposal pattern

	FY25 (KL)	FY24 (KL)	FY23 (KL)
ZLD	77,414.22	69,099.80	65,837.63
CETP	7,459	5,369	5,457



## CASE STUDY 13

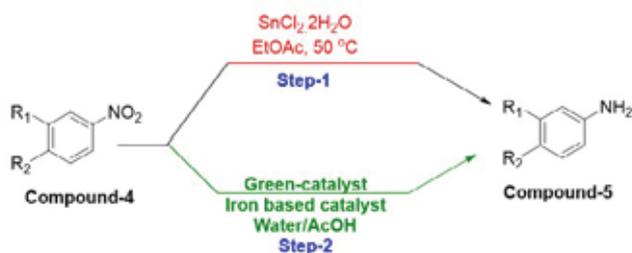
### Use of eco-friendly or bio-based input materials



The initial preparation of compound-3 involved base hydrolysis and chemical resolution using a chiral amine, resulting in low overall yield, high cost, and poor eco-friendliness. To address this, a more sustainable approach using the bio-catalyst *Candida antarctica* lipase B (CAL-B) was developed. Conducted in a phosphate buffer at room temperature, the enzymatic hydrolysis produced compound-3 with the desired enantiomeric purity, reducing costs and enhancing environmental sustainability.

## CASE STUDY 14

### Use of alternative, less hazardous substances in operations



The initial synthesis of compound-5 involved reduction using stannous chloride dihydrate (SnCl<sub>2</sub>·2H<sub>2</sub>O), a reagent that, while effective, is highly hazardous to the environment. To enhance eco-friendliness, an alternative green catalyst based on iron metal was developed in a water and acetic acid mixture. This new approach maintained similar yields while completely eliminating the use of the hazardous reagent, improving the overall sustainability of the process.

## CASE STUDY 15

### Green chemistry design to eliminate or reduce leaching of harmful residues



The initial synthesis of compound-7 involved oxidation using Dess-Martin periodinane, which provided satisfactory yields but required purification by column chromatography. This made the process expensive and generated significant chemical waste. To address these issues, green chemistry design principles were

applied to optimize the reaction conditions. The improved process replaced the original reagent with a milder NaOCl/TEMPO system, allowing the reaction to proceed efficiently. The product is extracted using toluene, enabling solvent recovery of over 90%. This modification incorporated key green principles such as improved atom economy, safer chemicals, and the use of renewable feedstock through solvent recycling. These changes reduced costs, minimized chemical waste, and enhanced the sustainability of compound-7 synthesis without compromising product quality.

## CASE STUDY 16

### Water Recycling and Reuse through Steam Condensate Recovery

Boiler operations typically consume large amounts of freshwater, with much of the steam condensate discharged as wastewater, leading to wasted water, higher energy use, and increased chemical treatment costs. To address this, a steam condensate recovery system was installed to capture and return condensate to the boiler feedwater system, preventing loss to drains and maximizing reuse. This system recycles hot, high-quality condensate back into the boiler, reducing the need for fresh makeup water and lowering energy required

to heat incoming water. It also decreases boiler blowdown, cutting water treatment, chemical use and operational costs. By reducing wastewater discharge, the system supports environmental sustainability and improves boiler efficiency. As a result, the system saves approximately 7 kiloliters of water daily. When combined with regular monitoring and maintenance, this initiative effectively conserves water, reduces energy consumption, and enhances the overall performance of boiler operations.

## CASE STUDY 17

### Water Conservation through Chemical Treatment of Cooling Tower Water

Cooling towers use large volumes of water, and without proper control of parameters like Total Dissolved Solids (TDS) and pH, they can suffer from scaling, corrosion, and microbial growth. Frequent blowdown to manage these issues increases freshwater use and wastewater production. To optimize water usage and improve performance, a chemical dosing program was implemented to maintain TDS and pH within recommended limits. This approach controls scaling,

corrosion, and biological growth effectively, allowing higher cycles of concentration and reducing blowdown frequency and volume. The chemical treatment, combined with regular monitoring, has resulted in daily water savings of approximately 5 kiloliters. This initiative supports sustainable cooling tower operation by conserving freshwater, lowering wastewater discharge, and enhancing system efficiency and equipment lifespan.

## CASE STUDY 18

### Reducing Air Compressor Noise with Acoustic Canopy and Preventive Maintenance

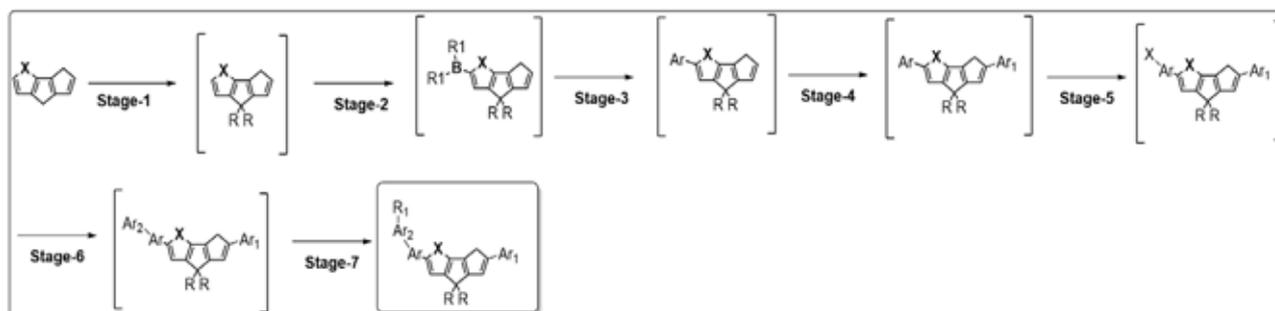
To address abnormal noise generated by an air compressor, Honour implemented a noise preventative maintenance plan that includes timely replacement of parts likely to cause excessive noise. As part of this initiative, an acoustic canopy was designed and installed to effectively contain and reduce sound emissions. The canopy is constructed using fire-retardant, sound-absorbing special foam, ensuring both safety and acoustic efficiency. This solution maintains noise levels within 78 dB(A)  $\pm$  3 dB(A), meeting operational noise standards. Combined with regular preventive maintenance, the acoustic canopy provides an effective means to minimize abnormal noise and support reliable, noise-free

operation of the equipment. This integrated approach has significantly reduced noise pollution, improving workplace comfort and safety. It reflects Honour's commitment to operational excellence and environmental responsibility by enhancing equipment performance while protecting employee well-being.



## CASE STUDY 19

## Process Intensification and Green Chemistry Integration in DTP Synthesis



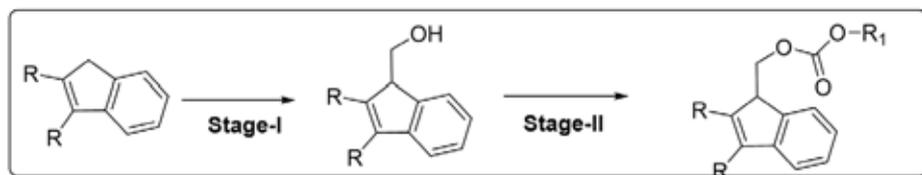
The original synthesis of DTP involved seven discrete stages, each requiring isolation and purification of intermediates. This multi-step process was labor-intensive, resource-heavy, and used significant solvents during crystallization, leading to low overall yield and high raw material consumption. To overcome these challenges, a modified synthesis route was developed that combined Green Chemistry principles with Process Intensification techniques. The new telescopic process merges the seven stages into two, allowing multiple reactions to proceed sequentially without isolating

intermediates, thus reducing process complexity and enabling continuous flow. This approach improved atom economy, minimized waste, and significantly cut solvent use by eliminating multiple crystallization steps. It also reduced raw material consumption and operational labor, resulting in higher efficiency and sustainability. The redesigned DTP synthesis demonstrates how process innovation can simplify manufacturing, improve yields, and lower environmental impact while maintaining product quality.



## CASE STUDY 20

### Solvent Reduction and Green Solvent Integration in FMC Synthesis



The original FMC synthesis relied heavily on organic solvents such as DMSO, THF, hexane, acetone, ethyl acetate, methanol, and isopropyl acetate. This resulted in high operational costs, environmental risks, and lower yields due to extensive solvent use and multiple distillation steps. To improve efficiency and sustainability, the process was redesigned to reduce solvent volumes and replace hazardous solvents with water. In Stage I, DMSO usage was cut from 10 to 1.5 volumes, and THF and

hexane were completely eliminated. In Stage II, acetone volume was reduced and ethyl acetate, methanol, and isopropyl acetate were substituted with water, simplifying downstream processing. These modifications increased yields, lowered solvent consumption, and significantly reduced environmental impact. The changes also reduced costs and enhanced safety, demonstrating a successful green chemistry approach without compromising product quality.

## CASE STUDY 21

### Optimizing Effluent Treatment Through Waste Stream Segregation and Mapping

At Honour Lab Limited, mapping of effluent waste streams enabled effective segregation and targeted treatment of two distinct wastewater types based on COD and TDS levels. The strong effluent stream undergoes neutralization, pretreatment, and concentration via Multi Effect Evaporation, with hazardous wastes managed through authorized disposal. The weak effluent stream receives biological treatment followed by advanced filtration and reverse osmosis, ensuring high-quality water recovery.

This systematic waste stream mapping improved resource efficiency, reduced environmental impact, and ensured regulatory compliance. By clearly identifying and treating each waste fraction appropriately, Honour demonstrates a strong commitment to sustainable effluent management and operational excellence.

## CASE STUDY 22

### Multi Effect Evaporation (MEE) and Concentration of High TDS Effluents

The strong effluent stream is treated in a Multi Effect Evaporation (MEE) system designed to concentrate high TDS inorganic waste. Vapors generated are condensed and reused, significantly reducing water consumption. Concentrated residues are

processed through an Agitated Thin Film Dryer (ATFD), and solid waste is carefully managed and sent to authorized hazardous waste facilities. This system enhances water recovery and minimizes environmental discharge.

## CASE STUDY 23

### Biological Treatment of Weak Effluent Stream

Weak effluent undergoes a multi-step biological treatment involving pH correction, chemical dosing, aerobic digestion in a three-stage aeration system, and sediment separation. Advanced filtration methods including pressure sand and activated carbon filters are employed to polish the

water before reverse osmosis. Sludge from treatment is efficiently thickened, dewatered, and disposed of safely, supporting environmental compliance and water reuse.

**Water Saved: 5kl/day**

## CASE STUDY 24

### Reverse Osmosis (RO) Treatment and Water Reuse

Honour's RO system features multiple filtration stages such as pressure sand, micron filtration, and CDRO followed by degassing. RO reject water is recycled back to the MEE feed, maximizing water conservation. This integrated approach

ensures treated water meets quality standards for reuse, reducing freshwater dependence and supporting sustainability goals.

**Water Saved: 7kl/day**

# Social Responsibility and Inclusion

## Turning People Potential into Lasting Impact

By embedding social responsibility and inclusive practices across our operations, from empowering our workforce and fostering diversity to promoting human rights, fair employment, and continuous learning, we aim to create a workplace where everyone thrives. Our initiatives strengthen communities, enhance employee well-being, and build long-term value for society and business alike.

### Mapped SDGs



Employee well-being initiatives



Fair employment practices, workforce growth



Training and education



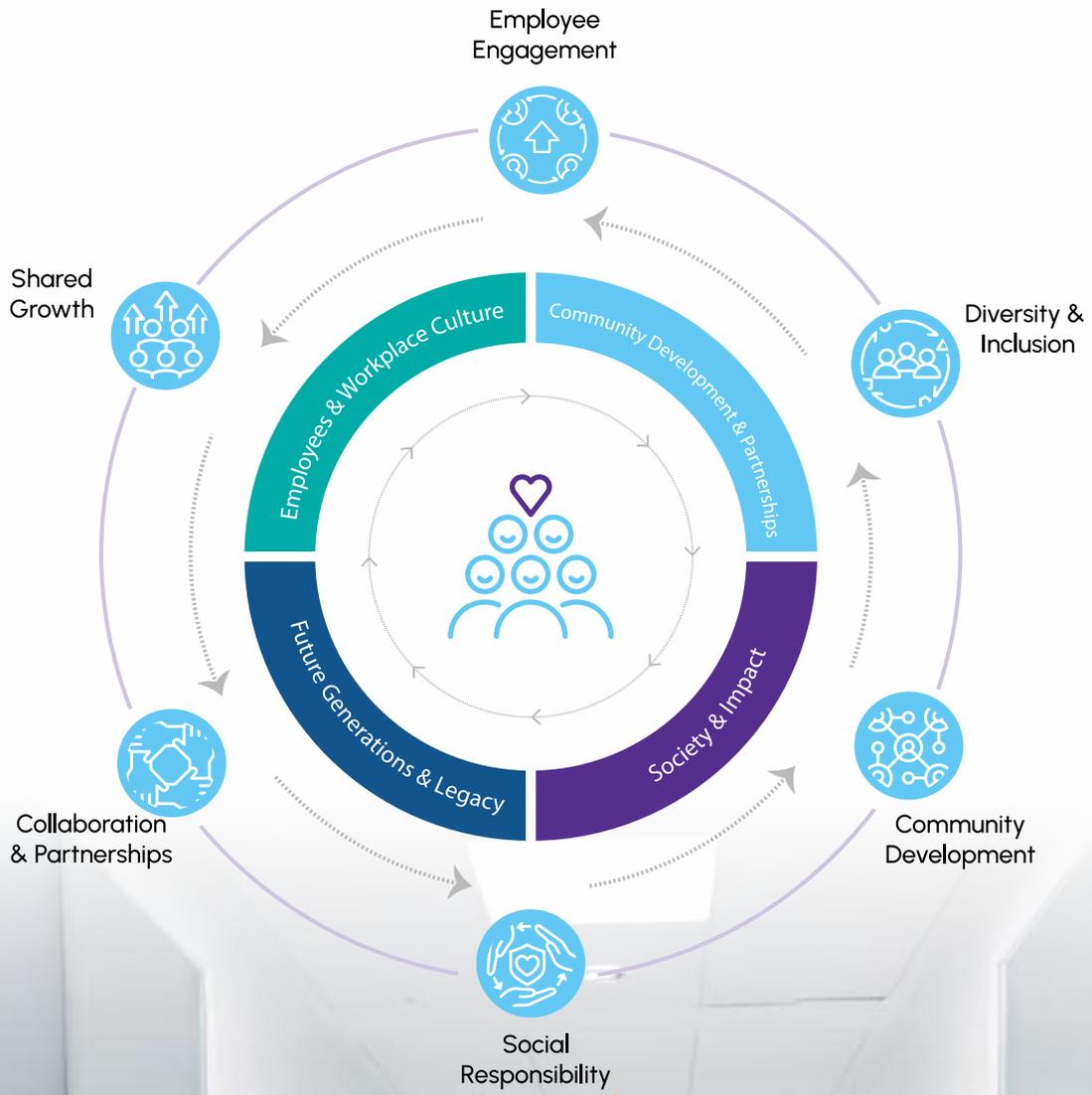
Reduced Inequalities



Diversity and inclusion

### In this Section

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- 91 Promoting Human Rights and Fair Employment Practices
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At Honour Lab, we believe that every employee deserves more than just a role, they deserve a confident beginning and a journey marked by support, growth, and belonging.

We focus on fostering an inclusive workplace, ensuring the health and safety of our workforce, respecting human rights, and supporting the well-being of the communities where we operate. We aim to build meaningful relationships with employees, partners, and stakeholders. Our approach goes beyond compliance to create opportunities for growth, strengthen social equity, and contribute to a resilient and responsible business ecosystem.

We foster a culture where innovation thrives by encouraging employees to share ideas and challenge conventions through open forums such as

town halls, surveys and reviews. Our commitment to agility ensures that feedback is not only welcomed but also acted upon swiftly, enabling us to adapt to changing needs and evolving stakeholder expectations. By cultivating transparent communication and inclusive dialogue, we strengthen trust across teams and our workforce. Guided by a deep sense of integrity, we remain dedicated to attracting and retaining talented individuals from diverse backgrounds, ensuring that our workforce reflects the communities around us while upholding the highest ethical standards in every interaction.

## Fueling Growth Through Our Workforce

We uphold a strong commitment to fair and ethical employment practices, ensuring that all employees are treated with dignity, respect and equality. We fully comply with applicable local labour laws and international standards, providing fair wages, safe working conditions and protection of workers' rights. Our workplace culture is built on trust and transparency, empowering employees to voice concerns and contribute meaningfully to the organization.

### Employee Satisfaction Survey

The Employee Satisfaction Survey gathers confidential feedback on training, work environment, leadership, inclusivity, recognition, and work-life balance. It helps identify strengths and areas for improvement, guiding HR policies and leadership decisions. By tracking trends regularly, the survey fosters a positive and engaging workplace culture that boosts employee retention, engagement, and motivation.



### Our Workforce

We maintain a balanced workforce by tracking employee distribution across functions, levels, and demographics to ensure fair representation. Diversity remains a key priority, with active efforts to build teams that reflect different genders, age groups, cultures and backgrounds. Through structured hiring practices and no discrimination policies we foster an environment where varied perspectives are valued, collaboration is strengthened, and every individual has the opportunity to thrive.

## Workforce Breakdown

Category	FY25		FY24		FY23	
	Male	Female	Male	Female	Male	Female
Permanent Employees	1,449	140	1,249	111	1,170	96
Contractual Employee	1,199	154	1,199	123	1,144	97
<b>Total Number of Employees</b>	<b>2,648</b>	<b>294</b>	<b>2,448</b>	<b>234</b>	<b>2,314</b>	<b>193</b>
<b>Total Number of Workers</b>	<b>688</b>	<b>165</b>	<b>558</b>	<b>110</b>	<b>540</b>	<b>100</b>



## Age-wise breakdown

FY25

Employee category	Total Number	Age Group			Gender	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
Permanent	1,589	424	1,084	64	1,449	140
Contractual	1,353	1,227	116	0	1,199	154
Workers	853	407	404	36	688	165

### FY24

Employee category	Total Number	Age Group			Gender	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
Permanent	1,360	336	965	59	1,249	111
Contractual	1,322	1,197	123	2	1,199	123
Workers	668	359	283	26	558	110

### FY23

Employee category	Total Number	Age Group			Gender	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
Permanent	1,266	291	920	55	1,170	96
Contractual	1,241	1,110	131	0	1,144	97
Workers	640	354	260	26	540	100

## New Employee Hires

Category	New Hires FY25	New Hires FY24	New Hires FY23
Total No of Employees	1,223	861	1,198
Male	1,080	792	1,111
Age Group <30	846	637	985
Age Group 30-50	373	217	209
Age Group >50	4	7	4



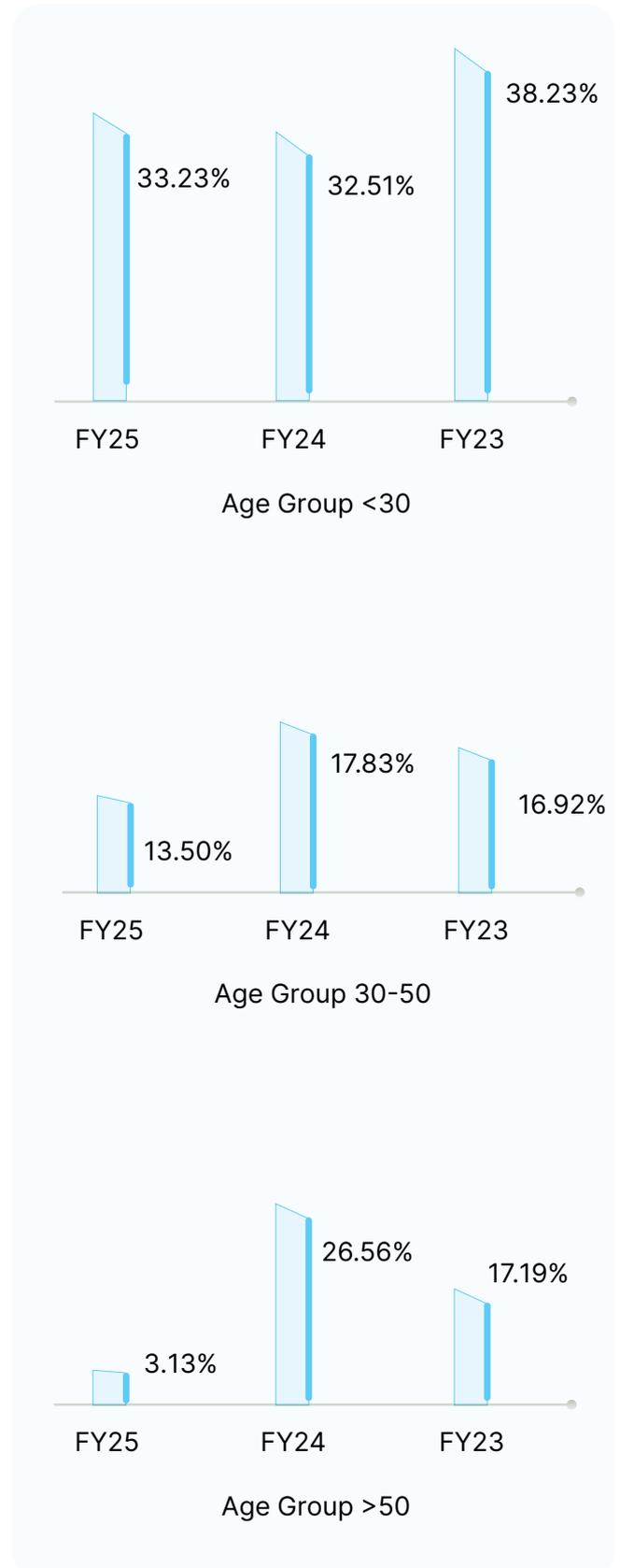
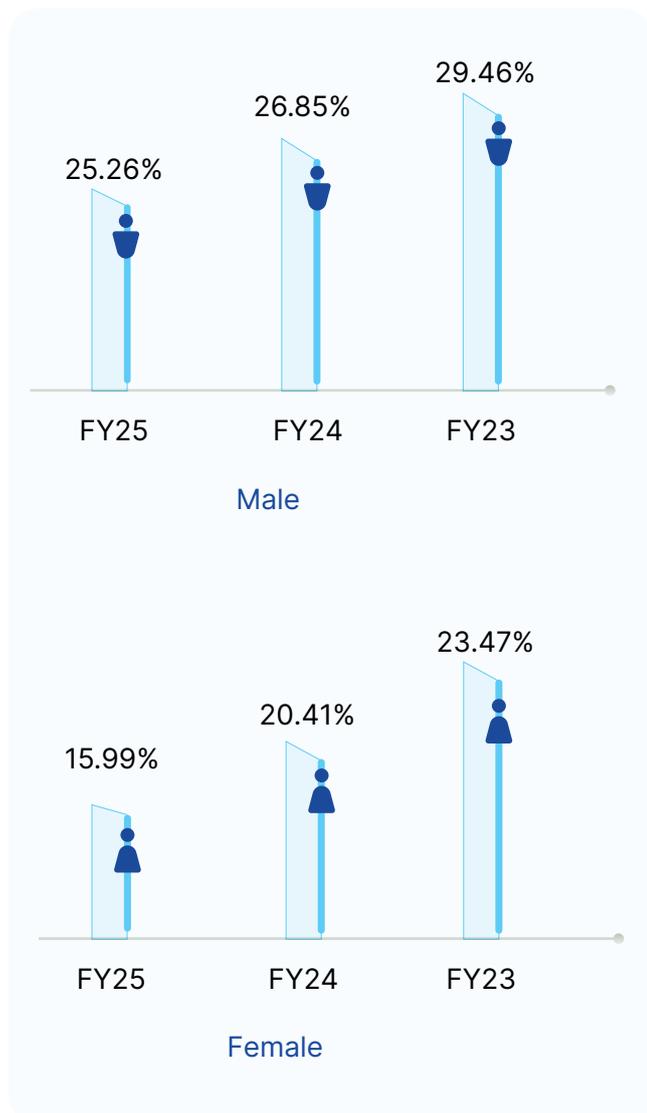
Diversity remains a key priority, with active efforts to build teams that reflect different genders, age groups, cultures and backgrounds.

## Employee Turnover

Honour Lab continuously monitors employee turnover through detailed data analysis to uncover meaningful trends and patterns. Understanding the root causes of attrition is critical to shaping effective retention strategies and fostering a stable workforce. By examining both quantitative metrics and qualitative feedback, the organization gains insights into why employees leave and how to proactively address those challenges. As of now, our overall attrition rate is 25.05%, prompting ongoing efforts to enhance employee engagement, satisfaction, and long-term career development.

### Attrition Rate

#### Category of employees



## Parental Leave

Category	Male	Female
Return to work rate %	100%	100%
Retention rate %	98.95%	91.67%

## Key strategies we employ to reduce turnover include

Focus Area	Approach
 <b>Support Career Development</b>	Provide opportunities for growth, advancement, and skill development through training programs, mentorship, and career path planning.
 <b>Enhance Employee Recognition and Rewards</b>	Implement recognition programs, performance incentives, and structured reward systems to consistently acknowledge employee contributions.
 <b>Promote Work-Life Balance</b>	Offer flexible work arrangements, wellness initiatives, and support services to help employees maintain a healthy personal-professional balance.
 <b>Improve Leadership and Communication</b>	Deliver leadership development programs, establish transparent communication channels, and foster a culture of trust and collaboration.

By focusing on career development, recognition and a supportive work culture, we aim to reduce voluntary exits and maintain a motivated, high-performing workforce.

## Compensation Ratio

Category	FY25	FY24	FY23
Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees	133:1	129:1	145:1
Average unadjusted gender pay gap	17%	15%	17%

# Fostering Diversity and Inclusion

At Honour Lab, we believe that diversity and inclusion are not just guiding principles, they are foundational to how we operate, collaborate, and grow.

In a world still confronting inequality and under-representation, our commitment to building an inclusive culture is more urgent and impactful than ever. Every team member, regardless of background, identity, or role, is welcomed, respected, and celebrated for their unique contributions. Empowering women is a key pillar of our inclusion strategy. We are actively working to attract, support, and elevate women across all levels of the organization. Currently, women

represent 11.10% of our total workforce, comprising 9.66% of our permanent employees, 12.84% of our contractual employees and 23.98% of our workers. While these numbers mark progress, we recognize the need to go further. Through targeted recruitment, mentorship, leadership development, and inclusive workplace policies, we are breaking down barriers and creating pathways for women to thrive.

## Women representation

<https://www.weps.org/company/honour-lab-limited>

Particulars	No. of employees (A)	Female representation	
		No. of female employees (B)	% (B/A)
Permanent Employee	1449	140	9.66%
Contractual	1199	154	12.84%
Total Employees	2648	294	11.1%
Total Workers	688	165	23.98%

## Diversity Breakdown

Category	Percentage
Total women at top management level	21.21%
Total women within the organization's board	20%

## Percentage of employees from a minority/vulnerable group

Category	Percentage
In the whole organization	5.45%
At top management level	9.38%

## Employee Testimonial



I take pride in driving efficiency while ensuring our practices align with Honour Lab's ESG principles. Our focus on resource optimization, employee well-being, and sustainable growth reflects our commitment to creating long-term value for both the organization and society.

— Sabbavarapu Sattireddy, Senior GM, Operations

# Employee Benefits and Well-being Initiatives

## Employee Mental Wellness Program - Bharosa

At Honour, the Bharosa Program supports employee mental health and overall wellness through confidential counselling, stress management, mindfulness sessions, and wellness resources. It fosters a safe, stigma-free environment where employees can seek help for challenges like depression, anxiety, and stress.

The program includes awareness training and ongoing support to boost resilience, productivity, job satisfaction, and retention. Training is provided during new hire orientation and periodically across units to promote early help-seeking and a positive work environment.



## Workplace Provisions for a Disabled Employee

To enable the disabled employee to work effectively and independently while preserving dignity and productivity, and to comply with statutory disability inclusion requirements, the organization made several provisions. These included installing wheelchair-accessible ramps and handrails, reserving parking spaces near the building entrance, and modifying restrooms to ensure accessibility.

## Provision of Free Hostel and Transportation Facilities

The organization offers free hostel and transportation facilities to employees to promote safety, convenience, and a better work-life balance. Transportation is provided through company-operated or authorized vehicles, ensuring employees can commute to and from work safely and punctually. These services help alleviate commuting stress, boost punctuality, and contribute to overall employee well-being.

## Wellbeing Program

At Honour, the Bharosa Program supports employee mental health and overall wellness through confidential counselling, stress management, mindfulness sessions, and wellness resources. It fosters a safe, stigma-free environment where employees can seek help for challenges like depression, anxiety, and stress.

The program includes awareness training and ongoing support to boost resilience, productivity, job satisfaction, and retention. Training is provided during new hire orientation and periodically across units to promote early help-seeking and a positive work environment.

Employee well-being is a core focus of our people strategy, encompassing physical, mental, and emotional health. We provide access to wellness programs, preventive health check-ups, counselling support, and stress-management resources to help employees. Regular awareness sessions, fitness activities, and digital health platforms further promote proactive care.



To bring our core focus to life, we have implemented a range of initiatives from inclusive policies and flexible work arrangements to wellness programs and leadership development, every practice is aimed at creating a workplace where employees can flourish, personally and professionally.

## Employee Benefits

Employee benefits form an integral part of our commitment to creating a supportive and rewarding workplace. Our policies are designed to enhance financial security, promote health and well-being, and provide work-life balance for every team member.

From comprehensive insurance coverage and retirement plans to leave policies and performance-linked rewards, these benefits reflect our dedication to valuing employees and helping them thrive both professionally and personally. All personnel involved in manufacturing, packaging, and housekeeping at our sites are directly employed by Honour Lab.

We offer a comprehensive suite of employee benefits, including:

- ▶ **Life Insurance:** Group Term Life Insurance (GTLI) and Group Personal Accident (GPA) coverage

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- ▶ **Health Care:** Medclaim policy for medical support

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- ▶ **Disability and Invalidity Coverage:** Employee Compensation and Employees' State Insurance (ESI)

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- ▶ **Parental Leave:** Paid leave for new parents

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- ▶ **Retirement Provision:** Structured retirement benefits

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Our Initiatives	Key Practices	Outcomes
Offer flexible work schedules, remote work options, and generous leave policies	<ul style="list-style-type: none"> <li>• Flexible scheduling and leave policies to support work-life balance</li> <li>• Sabbatical leave granted exclusively on medical grounds, with a guaranteed return to employment, ensuring job security during periods of health recovery.</li> <li>• Shifting emphasis from rigid schedules to goal-based outcomes, ensuring accountability and flexibility</li> </ul>	Healthier work-life balance, increased job satisfaction, and reduced absenteeism
Provide access to comprehensive health insurance, mental health support, and financial wellness programs	<ul style="list-style-type: none"> <li>• On-site and virtual fitness and wellness programs</li> <li>• Mental health resources including counseling and stress management workshops</li> </ul>	Improved overall well-being and enhanced productivity
Invest in training programs, financial support for education, and leadership development opportunities	<ul style="list-style-type: none"> <li>• Continuous learning through training, mentorship, and career advancement pathways</li> <li>• Meaningful projects that foster innovation, leadership, and skill development</li> <li>• DEI training and forums for open dialogue and awareness</li> </ul>	Professional growth, higher engagement, and better preparedness for career advancement
Foster open communication, encourage collaboration, and build a respectful workplace culture	<ul style="list-style-type: none"> <li>• Regular awards, shout-outs, and performance acknowledgments</li> <li>• Transparent communication channels for inclusion and respect</li> <li>• Feedback sessions to guide continuous improvement</li> </ul>	Employees feel valued and supported, contributing to a positive, inclusive, and high-performing work environment

## CASE STUDY 25

## Blending Employee Wellbeing and Tradition

The company identified the need to extend support to employees and their families beyond the workplace, with a focus on easing financial pressures related to education and cultural responsibilities. The objective was to strengthen employee well-being by providing targeted assistance that addresses both academic and traditional needs.

### Initiative

As part of this initiative, we have developed a policy to extend financial support to employees for their children's education, helping them meet school-related expenses and ensure uninterrupted learning opportunities. In addition, assistance is also provided for important cultural events such as saree and dhoti ceremonies, which hold deep social and emotional value for families. By supporting these milestones, the company acknowledged the significance of cultural traditions alongside financial stability.

### Impact

The initiative had a meaningful impact, reducing the financial burden on employees and enabling them to prioritize their children's education while celebrating cultural practices with dignity.



### Employee Testimonial



I'm proud to support a company that places sustainability at the core of its culture and operations. We foster diversity, inclusion, and continuous learning, empowering our people to contribute to responsible business practices. This commitment not only enhances employee wellbeing but also drives meaningful impact for our communities and the environment. Being part of this journey inspires me every day.

— Midhun M.R, AVP, HR, Corporate

CASE STUDY 26

## Supporting Employees through Life's Milestones

The company recognized the importance of supporting employees during significant life events and set an objective to provide financial assistance that would ease personal expenses and strengthen emotional connection with the organization.

### Initiative

As part of this effort, a monetary benefit is extended to employees on the occasion of their marriage. This gesture not only helps them manage the financial requirements of the ceremony but also serves as a token of appreciation for their association with the company



### Impact

The initiative has created a positive impact during an important milestone in employees' lives. It fosters goodwill, reinforces a sense of belonging, and demonstrates the company's commitment to valuing its workforce beyond professional contributions.

## Employee Testimonial



Working in Honour Lab Limited has given me the opportunity to lead with integrity and purpose. I've actively supported sustainability programs that reduce waste and promote energy efficiency, aligning with our long-term vision.

— Kamesh Y.S.V.S, Sr. GM, CQA

In 2025, Honour conducted a comprehensive Living Wage Assessment to establish a fair and responsible wage benchmark that goes beyond statutory requirements and reflects employees' cost-of-living needs. The assessment involved detailed benchmarking against relevant industry and local wage references, confirming that employee compensation aligns with, or exceeds, established standards. These findings reinforce Honour's commitment to ethical labour practices, employee well-being, and

financial security. Honour is committed to continuously paying a living wage and to ensuring equitable remuneration across its workforce. Building on this commitment, the company has set a target to maintain 100% coverage of all employees being paid a living wage. The assessment outcomes will be used to identify potential wage gaps and support ongoing compensation reviews in line with international labour standards and evolving ESG expectations.

# Promoting Human Rights and Fair Employment Practices

We continue to champion human rights and fair employment practices as core values that guide our operations and influence our global value chain. In FY25, the organization strengthened its commitment through robust policies and due diligence mechanisms designed to identify, prevent, and mitigate adverse human rights impacts.

Our efforts uphold key principles such as the elimination of child and forced labour, promotion of occupational health and safety, respect for freedom of association, and the advancement of diversity and non-discrimination.

Critical aspects of workplace equity and fairness, working conditions, including provisions on diversity, non-discrimination, and protection against harassment are outlined in our commitment. We ensure that employees' rights, safety, and well-being are safeguarded through structured dialogue with employee representatives.

To support this commitment, we implemented inclusive hiring practices, anti-bias training, and equitable workplace policies to eliminate discrimination. The organization also aligns with international human rights standards and collaborates

Zero cases of discrimination or human rights issues were filed during the reporting year, due to the annual trainings rolled out on different human rights topics.

with advocacy groups to raise awareness and drive systemic change. In addition, protective measures are in place to avoid any young workers being employed, including age-verification measures and employee training to ensure compliance with all legal and safety requirements.

Our broader engagement includes partnerships with NGOs and global initiatives, embedding diversity, equity, and inclusion (DEI) into business strategy, and maintaining transparent reporting mechanisms. In a global economy where supply chains span regions with varying regulatory oversight, we ensure ethical conduct and fair labour practices across all operations, through active monitoring and stakeholder collaboration.



In FY25, zero cases of child labour and forced labour were reported.

## Equal and Fair Wages

We, at Honour Lab, are committed to ensuring fair compensation practices across our operations. In line with this commitment, we strictly adhere to all statutory requirements and guarantee payment of at least the prescribed minimum wages to all our employees and workers.

We also ensure transparency in our remuneration practices by communicating the salary grid, procedures for salary advancement and related policies to all employees. In addition, a performance-linked bonus scheme is implemented, aligning rewards with the overall success of the company and motivating employees to contribute to collective growth.

## Advance Communication on Operational Changes

We ensure timely communication with our workforce by providing a minimum of one week’s notice to employees and their representatives before implementing any significant operational changes that could materially affect them. This practice reflects the organization’s commitment to transparency, preparedness and employee well-being, allowing sufficient time for adjustment and dialogue during transitions such as restructuring, process updates, or strategic shifts.

Category	FY25
Percentage of operational sites with a labor and human rights certification, such as ISO 45001	88%

## Human Rights and Living Wages

KPIs	Percentage
Direct employees covered by a living wage benchmarking analysis	100%
Direct employees paid below living wage	0%
Employees paid below living wage, including direct employees and non-employee workers	0%
Average wage gap for direct employees paid below living wage against a living wage benchmark	0%
Operational sites that have been subject to human rights reviews or human rights impact assessments	100%

## Freedom of Association and Collective Bargaining Coverage

Parameters	Percentage
The total workforce across all locations covered by formal collective agreements concerning working conditions	100%
Total workforce across all locations covered by formally elected employee representatives	0

Honour Lab Limited offers a transparent grievance mechanism where employees first raise concerns informally with supervisors. Unresolved issues escalate to the Unit HR Head, then to a Grievance Redressal Committee comprising management and worker representatives. Employees can appeal to Management, and if needed, proceed to binding arbitration. The process ensures confidentiality, fairness, timely responses, and protection from retaliation, with HR maintaining records to uphold ethical workplace practices.

# Training and Education

At Honour Lab, we believe that continuous learning is the cornerstone of organizational excellence and long-term sustainability. A well-equipped workforce boosts operational performance and also fuels innovation and strengthens our competitive edge.

Recognizing this, we place strategic emphasis on training and development as a catalyst for both individual and collective growth. Our commitment goes beyond skill-building, we aim to cultivate a culture of ownership and lifelong learning. Through tailored development programs, mentorship and diverse career pathways, we empower

our employees to evolve with confidence, take initiative and thrive in dynamic roles across the organization.

To meet the varied learning needs of our workforce, we have categorized our training programs into three key areas:

**01**  
**Technical Mandatory Training**

These role-specific training programs are designed to meet industry standards and regulatory requirements. In our pharmaceutical sector, this includes Good Manufacturing Practices (GMP) training to ensure product quality and safety are consistently maintained.

**02**  
**Soft Skills Training**

These skills crucial for fostering collaboration, improving productivity, and supporting career progression. We offer development sessions in essential interpersonal and professional competencies such as leadership, communication, teamwork, and problem-solving

**03**  
**Safety Training**

Safety awareness and training are provided to every person working at our site. We invest in our employees through tailored learning and development programs, including technical, soft skills, and safety training.

Induction programs familiarize new hires with our culture, operations, governance, and core values. Skill development initiatives cater to different employee groups, such as the Manthan program for pharmacy freshers and webinars for senior leadership.

**Within the three categories, the following are training courses given to all employees.**



Category	FY25	FY24	FY23
Percentage of employees who received skills-related training	100	100	100

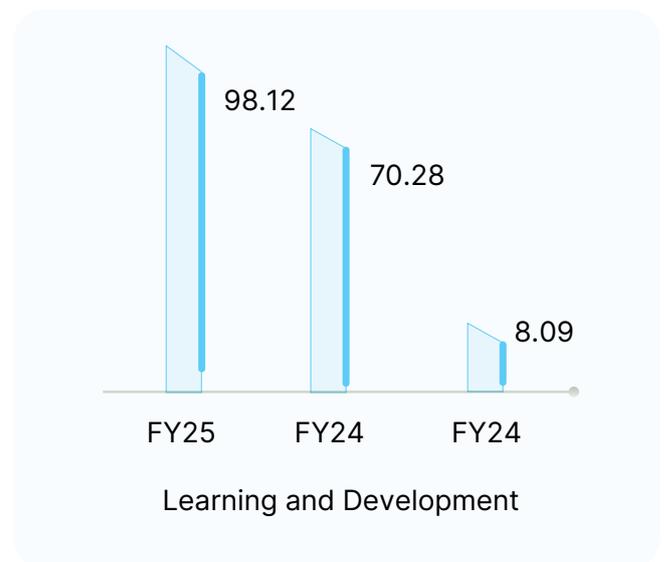
All employees and contract workers receive annual safety training on topics like emergency management, waste handling, chemical safety, first aid, fire safety, and equipment operation. New joiners receive general safety training during induction.

Our thoughtfully designed induction and orientation programs ensure that all new hires, whether permanent or contractual, feel welcomed, empowered, and aligned from day one. These sessions go beyond introductions, immersing employees in our core values, governance framework, and operational ethos, while fostering meaningful connections that lay the groundwork for long-term success and engagement.

Safety remains central to our workplace ethos and all employees and contractual workers undergo annual safety training, with contract staff completing it prior to joining. This ensures everyone is equipped with the knowledge and confidence to work securely and responsibly. We also conduct regular training programs for employees to build awareness on child labour, forced labour, and human trafficking, ensuring strict adherence to ethical labour practices.

### Average Training Hours: Employees

Category	FY25	FY24	FY23
GMP Trainings	72.03	87.40	29.33



### Average Training Hours: Workers

Category	FY25	FY24	FY23
GMP & HSE	93.19	61.20	45.21

## Identification of training needs

Identifying training needs is a critical step in building a skilled and future-ready workforce. By systematically assessing skill gaps, performance requirements, and strategic business objectives, we ensure that learning initiatives are targeted, relevant, and impactful. Our approach enables employees to enhance their capabilities, adapt to evolving roles, and contribute effectively to organizational success.

- Employee Surveys and Self-Assessments:** We gather input directly from employees on areas where they feel they need further training or support.

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- Business Goals Alignment:** We assess training requirements based on strategic organizational objectives and upcoming projects or initiatives.

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- Competency Mapping:** We compare current employee skills against role-specific competency frameworks to pinpoint gaps

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- Compliance and Regulatory Requirements:** We identify mandatory training needs related to safety, legal, and industry-specific standards.

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- Manager and Team Feedback:** We incorporate insights from supervisors on team performance, emerging skill requirements, and potential future challenges.

### Employee Testimonial



Honour Lab Limited has given me the opportunity to lead with integrity and purpose. I've actively supported sustainability programs that reduce waste and promote energy efficiency, aligning with our long-term vision of creating core values. The Financial and accounting systems and procedures are streamlined with a purpose to reduce Paper waste as part of environmental responsibility.

— Amarnath Reddy,  
GM, Finance

## Employee training on diversity, inclusion, and environmental awareness

KPIs	Percentage
Total workforce across all locations that received training on diversity, discrimination and/or harassment	100%
Percentage of employees trained on specific environmental issues	100%

# Performance Management and Feedback

Fostering a high-performance culture through regular and structured performance reviews across all levels of the organization not only supports individual growth and career progression but also align employee contributions with strategic business goals.

We conduct structured review cycles that combine self-assessments, manager evaluations, and constructive feedback to provide a fair and transparent assessment of individual contributions. Our performance cycle is conducted annually.

Appraisals are linked to measurable outcomes and competencies, ensuring that high performance is recognized through merit-based rewards, career development opportunities and personalized learning plans.

This approach not only motivates employees but also strengthens a culture of accountability, collaboration, and continuous improvement.



100 % of employees covered in performance management procedure

## Goal Achievement and Alignment

We evaluate the degree to which individual and team objectives are aligned with organizational priorities, ensuring that employees' contributions support strategic goals. This includes assessing both quantitative outcomes, such as project delivery and qualitative achievements like innovation and collaboration.

## Development and Learning Impact

We track how many employees complete training programs recommended during performance reviews, and measure improvements in skills, productivity, and career progression over time.

## Promotion and Career Progression Metrics

We measure how performance outcomes translate into career growth opportunities, including promotions, lateral moves for skill development, and internal mobility to critical roles.

### Employee Promotion

The Employee Promotion Policy applies to all employees and provides a structured approach for career advancement. Promotions follow either a Normal Track (after 3 years) or a Fast Track (after 2 years), with eligibility based on a minimum tenure of 3 years in the current role and an "Exceeding Expectations" (EE) rating for three consecutive years.

### Employee Transfer

The Employee Transfer Policy covers all Honour group employees and addresses both employee-requested and company-initiated transfers. Employee-requested transfers require 1 year of service, submission of a Transfer Form, and approval by HR and the receiving department, with no allowances provided. Company-initiated transfers may occur based on business needs, and relocation allowances apply. The policy is subject to management discretion, compliance, and may be amended at any time.

### High-Performer Identification and Retention

We analyze the performance distribution across the organization to identify high performers, monitor their engagement levels, and implement retention strategies such as mentorship, challenging assignments, and succession planning.

For performance-related challenges, employees are enrolled in a structured Performance Improvement Plan (PIP), offering a three-month window of targeted training and mentorship. Those who demonstrate progress are retained, reflecting our belief in development over dismissal.

### Employee Experience and Satisfaction

Regular surveys gauge employee perception of the appraisal process, fairness, transparency, and usefulness, helping us continuously improve the system.

### Manager Effectiveness in Appraisals

We check managers' ability to set clear expectations, provide ongoing feedback, and objectively evaluate performance through calibration exercises and post-cycle assessments.

## Formal performance and career development reviews received

Employee Category	Total
Top Management	100%
Senior Management	100%
Middle Management	100%
Junior Management	100%
Associates/ non-management	100%

## Commitment to Career Continuity and Employee Support

Honour Lab fosters a culture of respect and responsibility by ensuring thoughtful support throughout every stage of an employee's career journey. For those approaching retirement, individuals with exceptional performance, long-standing service, or specialized expertise may have their retirement age extended from 58 to 60 years and are often engaged as consultants on a selective basis, preserving institutional knowledge and promoting continued contribution. In cases of employment termination, the organization upholds a principled and compassionate approach. Immediate separation is reserved solely for grave violations, such as breaches of data integrity. We are committed to promoting employee well-being, fostering career resilience, and upholding ethical workforce management, in alignment with global standards for responsible employment practices.

### Employee Testimonial



I'm proud to work in a company that sees sustainability not as a trend, but as a responsibility. My role enables me to drive initiatives that benefit both business and society.

— K.Srinivasa Chary, GM, EHS

# Safety and Well-being

## Protecting People, Empowering Potential

Rooted in clear safety objectives, strong governance, and proactive management systems, we create a workplace where risks are minimized, and people are protected. Through comprehensive infrastructure, ergonomic design, and preventive controls, we ensure safe and healthy work environments. Training programs empower employees with the knowledge to act safely, while initiatives that nurture physical and mental well-being keep people at their best. At the core, our workers remain the driving force, making safety not just a priority but a shared culture that strengthens both our communities and our business.

### Mapped SDGs



Health and safety initiatives, employee well-being



Fair labour practices, safe working conditions



Training and awareness programs



Safe work environments contributing to broader social well-being



Safe and inclusive workplaces

### In this Section

- 100** Safety Objectives and Core Principles
- 101** Organizational Safety Governance
- 104** Health and Safety Management
- 108** Comprehensive Health and Safety Infrastructure
- 109** Ergonomics, Workstation Design and Preventive Controls
- 110** Empowering Safe Practices Through Training
- 112** Emergency Preparedness
- 113** Nurturing Health at Work
- 114** Workers at the Heart of Safety



At Honour Lab, we place the health and safety of our workforce at the center of our operations. Our comprehensive Health and Safety Plan is designed to safeguard employees in all workplace situations, including emergencies.

It establishes clear procedures, responsibilities, and response mechanisms to ensure quick and effective action during incidents such as accidents involving heavy equipment, injuries, fires, chemical spills, explosions, or falls. The plan also identifies key personnel responsible during

emergencies, making it easy for employees to report incidents to the right authority. Step-by-step guidelines are in place for managing such situations effectively, thereby preventing major implications.

## Safety Objectives and Core Principles

Our objectives are designed to translate assessments into action, embedding accountability, awareness and continuous improvement across the organization. These objectives guide programme planning, resource allocation and performance measurement.



### Advanced Safety Protocols

We implement rigorous risk assessments and develop customized safety procedures tailored to each task and work area. This ensures that potential hazards are identified early and mitigated effectively.



### Performance Monitoring and Improvement

Safety performance is continuously tracked and evaluated. Insights from these assessments guide timely enhancements, ensuring our practices remain responsive and effective.



### Continuous Training and Awareness

We invest in ongoing safety education to equip employees with the knowledge and confidence to recognize, report, and respond to risks. These programs foster a culture of vigilance and shared responsibility.



### Employee Engagement and Feedback

We actively engage with our workforce to understand their safety needs and adapt strategies accordingly. This collaborative approach reinforces our collective commitment to a safe and healthy work environment.



### Open Communication Culture

Safety concerns, no matter how minor, are encouraged and addressed promptly. We maintain transparent channels where employees feel heard and supported in raising issues.

# Organizational Safety Governance

At Honour Lab, safeguarding occupational health and safety is not a reactive obligation, it is a strategic imperative woven into the fabric of every operation, product, and partnership.

We have instituted a comprehensive framework of organizational-level controls to proactively identify, assess, and mitigate risks that could result in significant negative impacts on employee well-being.

- ▶ A meticulously maintained risk register serves as a living document to monitor and evaluate potential threats across the site. Through rigorous methodologies such as Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Study (HAZOP), and process safety evaluations, all critical risks are systematically identified and addressed with robust engineering and administrative safeguards.
- ▶ Safety is also embedded into individual accountability, every employee is assigned Key Performance Indicators (KPIs) related to safety, reinforcing a culture where vigilance and responsibility are shared values.
- ▶ To ensure continuity and resilience, Honour Lab has developed a Business Continuity Plan (BCP) that outlines structured responses to emergencies and operational disruptions. Simultaneously, we are driving automation across all critical operations, reducing manual handling and enhancing precision, thereby minimizing human error and exposure to hazardous conditions.

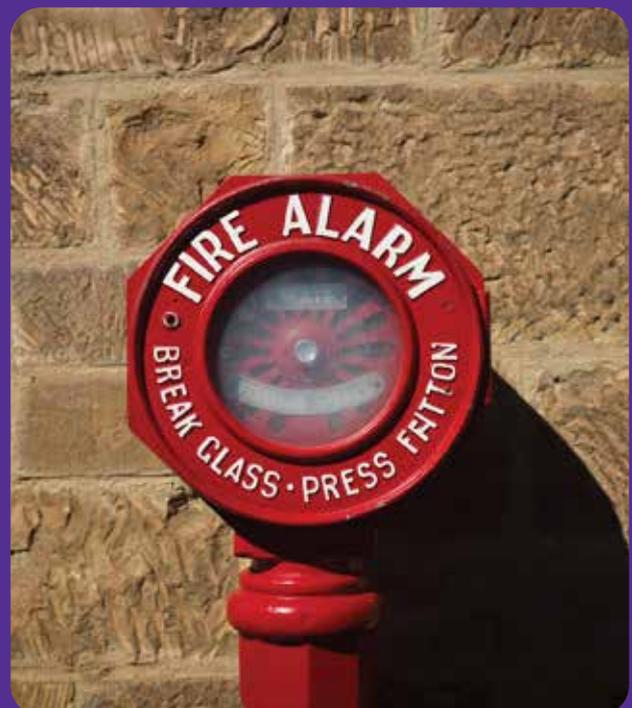
## CASE STUDY 27

### Instant Alerts, Safer Operations: Temperature and Fire Alarm Systems

To strengthen operational monitoring and emergency response, temperature alarm hooters and fire alarm systems, including manual call points and hooters, have been installed across manufacturing areas. These devices provide immediate alerts in the event of abnormal temperature rise or fire, enabling rapid response to prevent equipment failure, fire incidents, and operational disruptions. The initiatives enhance situational awareness, facilitate early intervention, and protect personnel and assets.

#### Impact

Rapid hazard detection, strengthened operational control, safeguarded personnel, minimized property damage, and ensured continuity of operations.



## SAFE 360° Framework - Systematic Approach for Future-ready Employee Well-being and Occupational Risk Control

A proactive and structured approach to occupational health and safety was maintained throughout FY 2024–25, with a strong focus on identifying, evaluating, and mitigating work-related hazards that could result in high-consequence injuries. Our SAFE 360° Framework is closely aligned with OSHA’s regulatory standards and principles, ensuring systematic hazard identification, incident recording, engineering controls, and employee participation.

Section	Details	OSHA Alignment
<b>Framework &amp; Methodologies</b> 	Built on SOPs for Hazard Identification and Risk Assessment (HIRA), HAZOP studies, and Pre-Startup Safety Reviews (PSSR). Reinforced through audits, cross-functional walkthroughs, equipment inspections, and Management of Change (MOC) evaluations.	Process Safety Management (29 CFR 1910.119) and Hazard Communication (29 CFR 1910.1200) require systematic identification, communication, and management of hazards.
<b>Engineering &amp; Preventive Controls</b> 	Engineering controls deployed based on process safety reports and audits. Risks mitigated through gas detectors, interlocks, safer process designs, chemical substitution, and administrative safeguards, supported by PPE use.	OSHA’s Hierarchy of Controls emphasizes elimination, substitution, engineering, administrative, and PPE layers.
<b>High-Risk Hazard Management</b> 	Hazards such as chemical splashes, burns, falls from height, eye injuries, and toxic gas exposure addressed via safer process designs, controls, PPE provision, and PPE matrix boards displayed at worksites.	Standards include Control of Hazardous Energy (29 CFR 1910.147), Respiratory Protection (29 CFR 1910.134), and PPE Standards (29 CFR 1910.132–138).
<b>Employee Involvement</b> 	All employees actively engaged in safety planning, hazard identification, and corrective actions, with no exclusions, building a transparent and inclusive culture.	OSHA’s Employee Participation requirement under Process Safety Management (29 CFR 1910.119(c)) ensures worker involvement in safety programs.
<b>Analytical Tools for Investigations</b> 	Investigations supported by Why-Why Analysis and Event-Based Analysis to uncover systemic causes and strengthen preventive measures.	OSHA requires Incident Investigation (29 CFR 1910.119(m)) to identify contributing factors and prevent recurrence.

Section	Details	OSHA Alignment
<b>Wellness &amp; Health Support</b> 	Holistic wellness approach promotes work-life balance, counseling, health screenings, and preventive care initiatives to sustain employee vitality.	General Duty Clause (Section 5(a)(1)) obligates employers to provide a workplace free of recognized hazards, extending to occupational health and wellness.

### Incident Recording & Reviews

Effective incident recording and review are vital to our incident management process. When an incident occurs, a Preliminary Incident Intimation Report is promptly completed by the responsible shift or department head, capturing essential details and immediate actions. A designated team then conducts a thorough investigation to identify root causes and contributing factors.

Findings are compiled in a Final Investigation Report with recommendations to prevent recurrence, reviewed by management, and shared for implementation. Reportable or dangerous incidents are reported to authorities as required. Regular safety meetings use incident data to promote learning and reinforce a strong safety culture. This process supports continuous risk reduction, compliance, and proactive workplace safety.

### CASE STUDY 28

## Electrical Fire Protection That Works Instantly: Suppression Systems

Fire suppression systems have been installed for high-voltage Power Control Center (PCC) and Motor Control Center (MCC) panels, designed to detect and extinguish electrical fires at the source. This upgrade addresses vulnerabilities such as overheating, short circuits, and fire outbreaks, providing immediate alerts to personnel and enabling rapid emergency response. The initiative minimizes fire-related risks, protects critical infrastructure, and maintains business continuity.

#### Impact

Reduced fire risks, safeguarded critical infrastructure, improved operational resilience, and enhanced protection of assets and personnel.



# Health and Safety Management

Before operations commence, we complete detailed process safety studies to identify hazards and apply control measures. This structured testing and review approach reduces the likelihood of major incidents.



Hazard Identification and Risk Assessment (HIRA) and Hazard and Operability (HAZOP) studies are completed for all activities and processes. Pre-Startup Safety Reviews (PSSR) are applied prior to batch execution. This helps us address risks related to equipment, processes, and work environments before they result in accidents or injuries. Regular reviews and updates of HIRA ensure that our practices remain relevant, robust, and aligned with evolving operational needs.



Process safety evaluations inform engineering and administrative safeguards while gas detectors, equipment interlocks and safer process designs are implemented where required.



Management of Change (MOC) procedures and documented SOPs guide safe modifications to processes and systems.



# Common Safety Practices

To maintain consistency across the organization, we have established a strong foundation of safety protocols and systems that guide all units.

- Systematic hazard identification and risk management through SOPs for both routine and non-routine activities, aligned with the hierarchy of controls.
- Transparent hazard reporting channels, supported by protection against reprisals, to encourage open communication.
- Deployment of PPE and engineering controls across work areas to minimize exposure to risks.
- Right to withdraw from unsafe situations, supported by clear policies, SOPs, and infrastructure for immediate recourse.
- Incident management protocols covering structured investigations, root cause analysis, and corrective and preventive actions (CAPA).
- Cross-functional collaboration and oversight mechanisms that foster accountability, shared learning, and alignment across functions.
- Occupational noise management, including regular assessments of noise levels in relevant workplaces, identification of high-risk areas, and timely implementation of corrective actions.

Incident management protocols covering structured investigations, root cause analysis, and corrective and preventive actions (CAPA).

# Training, Preparedness, and Continuous Improvement

We ensure our workforce is well-prepared through regular safety trainings and mock drills that familiarize employees with emergency protocols, evacuation processes, and safe work practices. Safety equipment, first-aid facilities, and occupational health support are readily available across all sites to provide immediate assistance when required. In addition, regular equipment safety inspections are conducted to maintain operational reliability and safeguard our workforce.

Regular equipment safety inspections are conducted to maintain operational reliability and safeguard our workforce.



## Reinforcing Targeted Safety Initiatives

While our practices form the backbone of our safety culture, we strengthen them with focused initiatives that address specific operational contexts and risks.

- ▶ Advanced risk assessment tools and studies such as HAZOP, HIRA, LDAR, thermal analysis, and PSSR protocols.

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- ▶ Change management systems like MOC and change control frameworks that proactively manage risks associated with new projects, processes or technologies.

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- ▶ Regular mock drills and emergency preparedness exercises and scenario-specific simulations to build workforce readiness and responsiveness.

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- ▶ Health and medical infrastructure, including 24/7 Occupational Health Centers, certified medical officers, preventive health programs, counselling services, and food safety initiatives.

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- ▶ Technology-enabled monitoring, such as workplace risk indicators, auto-alerts, alarms, and centralized CAPA tracking, ensuring visibility, responsiveness, and follow-through.

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- ▶ Safety governance and oversight, with structured safety meetings at multiple levels, participation of top management, internal and external audits, and horizontal sharing of learnings across units.

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- ▶ Zero-harm commitment, where safety reviews, investigations, and policy updates are institutionalized to sustain continuous improvement.

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Regular mock drills and emergency preparedness exercises and scenario-specific simulations, to build workforce readiness and responsiveness.

### Employee Testimonial



Being a head of the Engineering, I am responsible for initiating energy reduction, emission controls and reduction of diesel, coal and water consumption. Reduction of energy consumption, initiating the usage of renewable energy and controlling Boiler emissions within the industrial standards is my responsibility. I am so proud to be part of implementing and optimizing of our energy consumption, minimize water usage and reduction of coal consumption.

— Veeramallaiah, GM, Engineering



## CASE STUDY 29

## Hands-Off, Risk-Free: Automation for Ammonia Reactions and Powder Handling

Automation has been implemented in ammonia reactions for ABM product manufacturing and in the Powder Transfer System (PTS) for handling MGB product with low Minimum Ignition Energy (MIE). These improvements reduce manual intervention, minimize exposure to hazardous gases and powders, prevent static discharge and ignition risks, and strengthen process control. By automating critical steps, the initiatives enhance safety, streamline operations, and optimize manpower.

### Impact

Minimized exposure to chemicals and powders, reduced ignition risks, optimized operational efficiency, improved process reliability, and enhanced workforce safety.



# Comprehensive Health and Safety Infrastructure

Our facilities and systems are designed to provide immediate care, continuous monitoring and privacy-protected medical support for all employees and contractors. These measures ensure timely medical attention and a robust record-keeping system that supports health outcomes and confidentiality.

- 1 Every site operates a full-fledged Occupational Health Centre (OHC) staffed by a full-time doctor and round-the-clock nursing support.
- 2 We conduct comprehensive annual medical examinations for all employees and contract workers where HR tracks completion and the OHC doctor analyses health trends. Any abnormality is handled through confidential, private counselling and secure records maintained jointly by HR and the factory medical officer.
- 3 Executive medical checkups are provided at partner hospitals (age-appropriate), with HR oversight to ensure consistent, fair access and no preferential treatment.
- 4 OHC doctors provide both occupational and non-occupational medical support. Free treatment is available at each on-site OHC regardless of the origin of the health issue.
- 5 Medical insurance and statutory cover: Group Personal Accident policy, Mediclaim coverage, ESI or equivalent for eligible contract workers, and Provident Fund (PF) benefits along with tie-ups with hospitals provide discounted care.
- 6 Confidentiality and fairness are paramount: Medical records are secured by OHC and HR, not used for performance evaluation, and participation in health programs is voluntary with no discrimination.



# Ergonomics, Workstation Design and Preventive Controls

We invest in workplace design and preventive engineering to reduce physical strain and long-term health risks. Our goal is to prevent musculoskeletal injuries and reduce exposure to routine hazards through design and control measures.



Ergonomic assessments are carried out regularly to optimize workstations, tasks and processes to reduce repetitive movements, awkward postures and overexertion.



Engineering controls and administrative measures are implemented based on these assessments to minimize risks associated with manual tasks.

## CASE STUDY 30

### Chemicals Without Compromise: Triphosgene Handling & Safer Reagents

Chemical handling processes, including Triphosgene operations and reactions using Pd/C, Hydrogen, Magnesium turnings, and Methyl Iodide, were upgraded to reduce human exposure and environmental risks. Triphosgene handling was enhanced through improved cooling and controlled chemical addition, cutting handling time from 8–12 hours to 3–4 hours. High-risk reagents were replaced with Con-HCl and Trimethyl Sulfoxonium Iodide, simplifying reactions and eliminating volatile, flammable chemicals. These initiatives reduce ergonomic strain, minimize chemical exposure, and improve process efficiency while promoting sustainability.

#### Impact

Reduced ergonomic strain, safer chemical handling, lower environmental and health risks, enhanced operational efficiency, and strengthened sustainability practices.



# Empowering Safe Practices Through Training

Training underpins our ability to prevent incidents, respond effectively and maintain a resilient workforce. We invest in an inclusive and evidence-based learning system that adapts to evolving risks.

Total training hours on safety:  
22,991

## Training strategy overview

We ensure every worker is prepared for the hazards they may encounter and that learning is measured, inclusive and repeatable.

### Mandatory induction

All permanent and contract workers undergo a safety induction before entering operational areas.

### Core topics

CGMP, General Safety, Process Safety, HAZOP, HIRA, Material Safety Data Sheets (MSDS), Zero Liquid Discharge (ZLD) operations and other role-specific subjects.

### Training needs assessment

Annually conducted with department heads to identify needs based on designation, exposure and skill level, this shapes a detailed training calendar.

### Continuous reinforcement

Refresher courses, toolbox talks, and safety campaigns are scheduled as per the annual calendar and adjusted for emerging risks.

### Delivery & inclusivity

Qualified trainers deliver customized content through presentations, interactive modules and post-training assessments while sessions are conducted in English and local languages.

### Accountability

Safety-related KPIs are assigned to all employees to embed ownership of training outcomes.

Through this structured, inclusive, and dynamic approach, Honour Lab ensures that safety training is not just a regulatory requirement, it is a proactive investment in the health, confidence, and resilience of our workforce.

## CASE STUDY 31

## Spotting Danger Before It Strikes: Ammonia & H<sub>2</sub>S Gas Detection

To strengthen workplace safety and environmental monitoring, ammonia gas detectors and hydrogen sulfide (H<sub>2</sub>S) detectors have been installed in critical areas. These improvements enable early detection of hazardous gas leaks, allowing for swift containment and mitigation. By proactively identifying gas leaks, the initiatives enhance emergency preparedness, reduce health hazards, minimize environmental incidents, and ensure compliance with industrial safety standards.

### Impact

Enhanced workforce safety, improved emergency readiness, minimized chemical exposure, and strengthened proactive safety culture.



# Emergency Preparedness

We maintain a clear command structure and external coordination framework to manage emergencies effectively. The organogram below summarizes roles and key external links for rapid, coordinated response.

**Emergency Management (external coordination):** District Emergency — PCB / Department of Factories / Police.

**Site leadership and response teams:** Site Emergency Controller (Site head / Production head / NDO / SDDO) supported by EHS, Admin & HR.

**A comprehensive Health and Safety Plan** outlines responsibilities and step-by-step procedures for accidents involving heavy equipment, injuries, fires, chemical spills, explosions and falls.

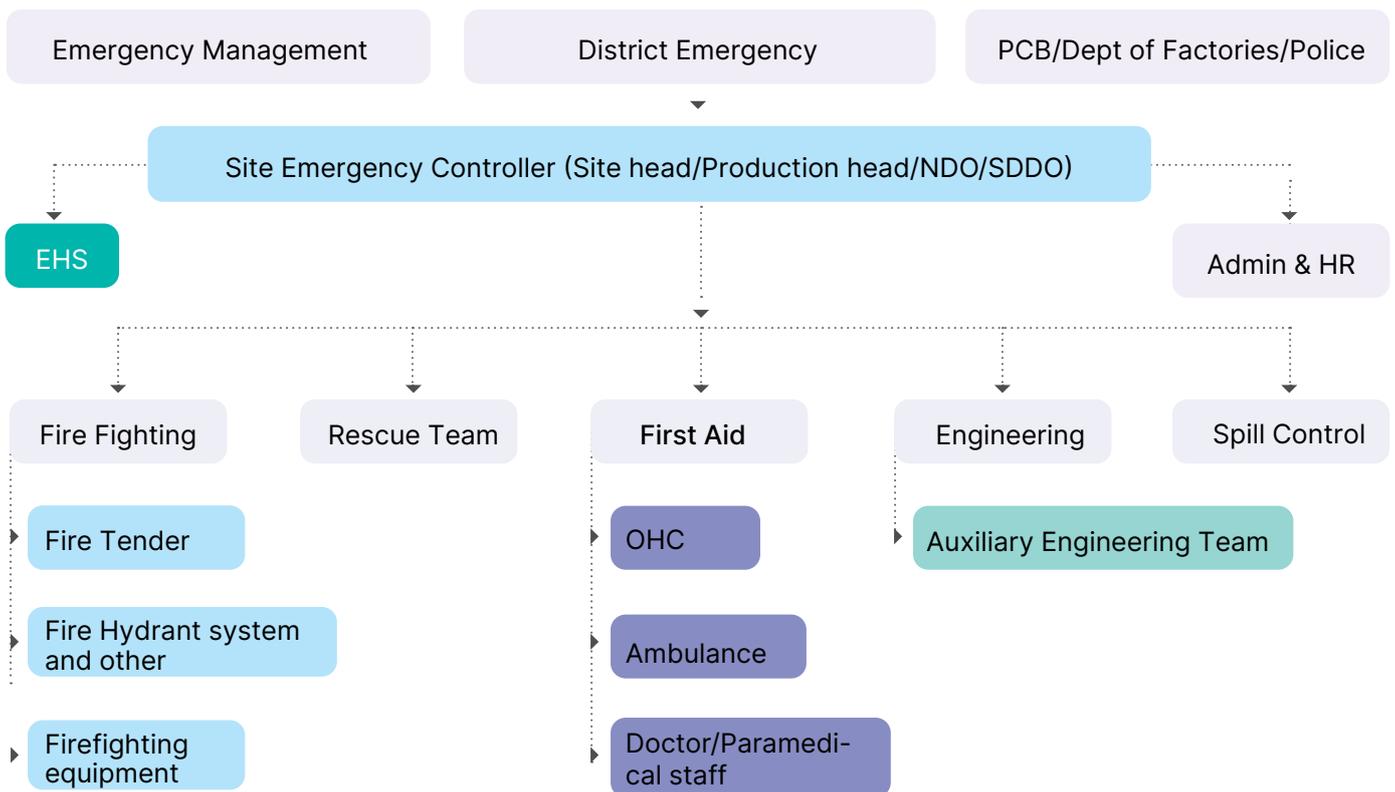
**Roles and contact points** are defined so that incidents are reported quickly to the appropriate authority while procedures provide clear, practical steps to mitigate impact.

**Regular mock drills and training** familiarize employees with evacuation protocols and emergency roles.

**Safety equipment and first-aid facilities** are available across locations and routine equipment inspections keep systems ready for use.

**Occupational noise exposure** is monitored regularly and corrective actions are taken in high-risk areas to minimize exposure.

Emergency Preparedness and Response Organogram



# Nurturing Health at Work

Well-being encompasses physical, mental and social health. Our programmes foster whole-person care, extend benefits beyond the workplace and prioritize preventive health-care.



## Health & welfare overview

We provide comprehensive medical services, insurance cover and voluntary wellness programmes to support employees and their families.

- + On-site OHCs provide free treatment for both occupational and non-occupational health concerns.

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- + Benefits include Group Personal Accident policy, Mediclaim, and ESI & PF benefits for eligible workers and tie-ups with hospitals deliver discounted services.

**Scope of access**

- **Medical insurance:** comprehensive coverage for all employees.
- **ESI or equivalent:** provided to contract workers as per statutory eligibility.
- **Tie-up hospitals:** discounted services for employees.
- **On-site OHC support:** doctors provide treatment for all health issues, irrespective of origin.

- + **Voluntary Health Promotion Programs:** annual health check-ups for all employees (organization-funded), executive screenings for those aged 40+, and family coverage for specific programmes.

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- + Employees are given on-duty time to attend scheduled appointments.

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- + Health topics are prioritized based on risk profiles, employee feedback and emerging trends while programme effectiveness is evaluated via participation rates, feedback and medical outcomes.

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- + **Confidential protection and non-discrimination:** medical records remain secure and are not used in employment decisions. Participation in these programmes is voluntary.

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Through these initiatives, we foster a culture of care where health supports dignity, inclusion and productivity.

# Workers at the Heart of Safety

We believe safety is most effective when workers are directly involved. Our systems create multiple avenues for participation, so worker insight informs policy and practice.

Workers engage in hazard identification and mitigation through structured programs and daily practices. Their involvement creates accountability and practical improvements.

- Structured processes include HIRA, Job Safety Analysis (JSA) and Gemba Walks.
- Toolbox Talks across shifts facilitate open dialogue and peer learning.
- Workers proactively report unsafe conditions and acts and reporting is tracked and corrected.
- Employees participate in incident investigations, safety campaigns and targeted training programmes, ensuring their perspectives shape outcomes.

Employees participate in incident investigations, safety campaigns and targeted training programmes, ensuring their perspectives shape outcomes.



# Structured safety meetings and forums

We institutionalize worker representation across committees and review forums to maintain transparency and action-orientation.



**Quarterly Safety Committee Meetings:** Chaired by the Unit Head, coordinated by the EHS Head, with equal representation of employees and workers (including contract staff). These meetings focus on hazard identification, inspections, awareness and management-worker communication.



**Monthly MIS Meetings:** Unit level meetings, led by the Director and supported by the Plant Head, review safety performance and align strategy.



**Weekly Safety Review Meetings:** Group-level reviews chaired by the Director and coordinated by the EHS Head to enable rapid response and consistent monitoring.



Additional forums include canteen committees, open discussions post-MIS, and recognition programmes that celebrate proactive safety behavior.



Strong anti-reprisal protections ensure employees report issues without fear.

Unit level meetings, led by the Director and supported by the Plant Head, review safety performance and align strategy.

## Employee Testimonial



As a SCM Head Working in Honour Lab Limited has given me the opportunity to lead with integrity and purpose. I've actively supported sustainability programs that reduce waste and promote energy efficiency, aligning with our long-term vision I'm proud to work in a company that sees sustainability not as a trend, but as a responsibility. My role enables me to drive initiatives that benefit both business and society.

— Ravi Kumar Meka, DGM, SCM - Engg



## Safety Beyond Compliance

Particulars	Safety data (employees)			Safety data (workers)		
	FY25	FY24	FY23	FY25	FY24	FY23
Man hours worked (in million hours) *	3.29	3.33	3.80	3.70	3.39	1.45
First Aid cases	11	9	54	11	6	23
Number of medical treatment cases	0	0	5	0	0	0
Number of lost time incidents	0	0	0	0	0	0
Number of man-days lost	0	0	0	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0
Rate of high-consequence work-related injuries	0	0	0	0	0	0
Frequency rate (Lost time incidents per million-man hours worked)	0	0	0	0	0	0
Number of days lost to work-related injuries, fatalities and ill health	0	0	0	0	0	0
Number of work-related accidents	0	0	0	0	0	0
Severity rate of lost-time incidents (Man-days lost due to incidents per million-man hours worked)	0	0	0	0	0	0



During FY 25 employee health & safety risk assessments have been conducted for **100%** of all operational sites.



During FY25, **7%** of our total workforce across locations was represented in formal joint management-worker health & safety committees.

CASE STUDY 32

## Safety First Culture Always: National Safety Week 2024

With the aim of strengthening workplace safety culture, the company actively engaged employees, contractors, and partners during National Safety Week 2024. The event opened with an inauguration followed by a series of interactive activities, including a safety exhibition by vendors, quizzes, essay and elocution contests, SCBA donning and doffing, fire-fighting drills, PPE identification, and creative competitions such as slogans, posters, skits, and spot-the-hazard exercises.

By blending practical training with creative participation, the initiative encouraged employees to apply safety knowledge in both technical and innovative ways. The celebrations con-

cluded with prize distribution, recognizing contributions and motivating wider participation. This holistic approach not only enhanced awareness and hands-on safety skills but also instilled a stronger sense of shared responsibility, embedding safety more deeply into workplace culture.

### Impact

Enhanced workforce safety, improved emergency readiness, minimized chemical exposure, and strengthened proactive safety culture.



# Responsible Supply Chain

## Responsibility at Source, Trust at Destination

By embedding responsibility and integrity across our supply chain, we ensure that every product delivered reflects quality, safety, and ethical practices. From safeguarding customer health and building trust to ensuring transparency in labeling and upholding the highest scientific standards, our approach strengthens accountability at every step. Ethical marketing, rigorous quality systems, and responsible partnerships enable us to protect people, meet global expectations, and create sustainable value for society and business alike.

### Mapped SDGs



Customer health and safety, safe products



Transparency in labeling, ethical marketing



Responsible supply chain practices



Accountability, ethics, and trust in operations

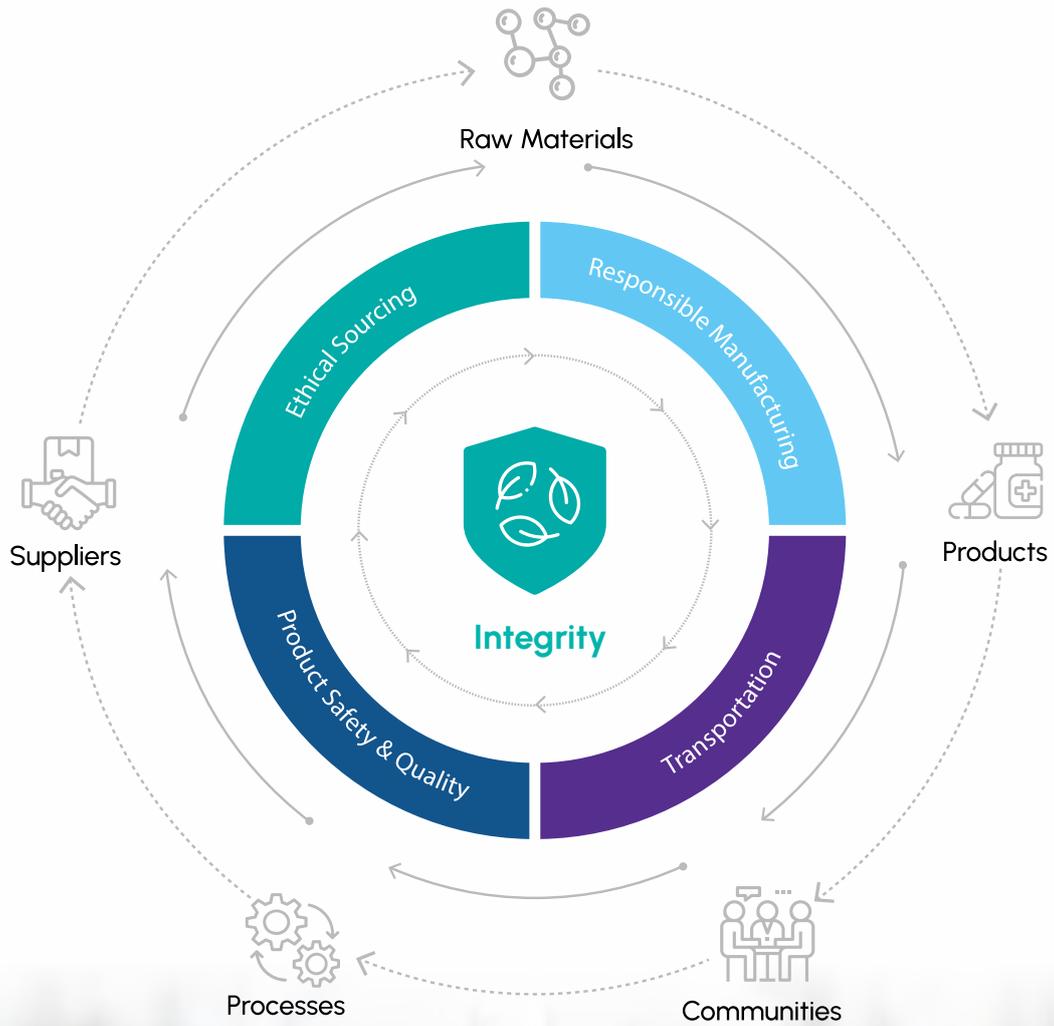


Science- and standards-based quality systems

### In this Section

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**122** Safeguarding Customers' Health, Safety, and Trust



# Responsible Supply Chain: Integrity from Source to Solution

Our supply chain spans multiple regions and countries, connecting us with a diverse network of suppliers. We recognize that responsible sourcing is essential not only for product integrity but also for advancing sustainable and ethical business practices. Our procurement strategy is grounded in rigorous Environmental, Health, and Safety (EHS) standards, human rights principles, and waste management protocols.

To formalize these expectations, we have established a Supplier Code of Conduct and a Sustainable Procurement Policy, which outlines clear requirements for environmental stewardship, ethical labour practices, and continuous improvement. We engage suppliers through regular assessments, audits, and capacity-building initiatives to ensure compliance and foster best practices. In addition, suppliers are periodically evaluated on their environmental and social practices to ensure alignment with the company's sustainability standards.

Sustainability is a core pillar of our supply chain philosophy. We collaborate with partners to reduce carbon emissions, minimize waste, optimize resource use, and protect biodiversity, advancing circular economy principles and reducing our environmental footprint. In support of regional development, we are actively increasing procurement from local suppliers within India, currently accounting for approximately 96.09% of our sourcing.



In support of regional development, we are actively increasing procurement from local suppliers within India, currently accounting for approximately **96.09%** of our sourcing.

We continue to expand this share by identifying and nurturing reliable local partners who meet our quality and sustainability standards. Our holistic approach reflects a deep commitment to sustainability, integrity, and long-term value creation for all stakeholders.

The company also ensures that buyers across all locations receive training on sustainable procurement practices. These programs equip the procurement team with the knowledge to evaluate suppliers on environmental and social performance, integrate sustainability clauses into contracts, and make informed purchasing decisions that align with the company's responsible sourcing commitments.

## Empowering Local Partnerships

KPI	Vendor Data
Number of local vendors	5,481
Number of international vendors	223
Spent on local vendors	₹18,380 million
Spent on international vendors	₹462.1 million
% of local vendors	96.09%
% spend on local vendors	97.55%

Beyond procurement, the company also works with suppliers to strengthen diversity, equity, and inclusion within their own workforce. These efforts help build a more inclusive value chain that extends the company's commitment to fairness and equity beyond its direct operations.

## Sustainable Supply Chain and Responsible Procurement

KPIs	Percentage
Targeted suppliers that have gone through a sustainability assessment	100%
Targeted suppliers that have gone through a sustainability on-site audit	50%
Assessed suppliers engaged in corrective actions or capacity building	100%
Targeted suppliers who have signed the supplier code of conduct	100%
Targeted suppliers who have contracts that include clauses on environmental, labour, and human rights requirements.	100%
Buyers across all locations who have received training for sustainable procurement	100%

Category	FY25	FY24	FY23
Percentage of risky trading partners covered by a due diligence process on corruption or information security	100	25	0



### Advancing Responsible Procurement through alignment with ISO 20400

Honour Lab has embarked on its ISO 20400 readiness journey to embed sustainability principles into procurement and supply chain practices. ISO 20400, the international standard for sustainable procurement, provides a structured framework that enables companies to go beyond cost efficiency and integrate environmental, social and ethical considerations into purchasing decisions. For Honour Lab, this step is critical in ensuring that suppliers and partners uphold the same values of responsibility, safety, and integrity that guide our own operations. By

adopting this standard, we are aligning procurement with our broader ESG commitments, thereby mitigating risks and building trust across our stakeholder ecosystem.

Our framework covers a wide spectrum of aspects, including labour rights, workplace safety, environmental performance, fair business practices, and governance standards. This initiative is a significant milestone in shaping a value chain that delivers shared benefits for our business, our partners, and the society at large.

The advantages of this alignment go beyond mere compliance. It strengthens supply chain transparency, mitigates operational and reputational risks, and ensures adherence to global best practices. For suppliers and stakeholders, it fosters long-term, ethical partnerships that support shared growth and sustainable value creation. This positions Honour Lab to cultivate a procurement ecosystem that is efficient, reliable, ethical, inclusive, and resilient for the future.

# Safeguarding Customers' Health, Safety, and Trust

At Honour Lab, customer health and safety is not just a responsibility, it is a guiding principle that informs every decision we make. We are deeply committed to ensuring that the individuals who rely on our products experience the highest standards of safety, efficacy, and transparency. This commitment is embedded into our operations, from product development to delivery, and is central to building long-term trust with our clients

To uphold this promise, we have implemented a comprehensive framework for continuously reviewing the benefit-risk profile of all products. Our safety risk management begins at the earliest stages of development, where dedicated teams formulate detailed monitoring and mitigation plans for every new molecule. These proactive measures allow us to anticipate potential hazards and implement safeguards well before products reach the market.

We maintain clear and accessible Safety Data Sheets (SDS) for all products, empowering customers with essential information on risk management and safe handling. Throughout the product lifecycle, from research and development to distribution, our teams collect, analyze, and act on safety data to ensure timely interventions and risk minimization. In FY25, we proudly recorded zero incidents related to customer health and safety, underscoring our unwavering commitment to protecting those who depend on us.



## Customer Awareness on Health and Safety

We ensure that customers are well-informed about the health and safety aspects of our products and services. Awareness programs are organized to provide detailed information on safe usage, handling precautions, and potential risks associated with the products. Through labels, product manuals, and direct communication channels, customers are empowered to make informed decisions, thereby strengthening safety beyond the workplace and across the value chain.



## Emergency Preparedness and Response Procedure

The company has established a comprehensive Standard Operating Procedure (SOP) for emergency preparedness and response, which includes a structured product recall process. This framework ensures rapid identification, communication, and resolution in case of safety concerns. The SOP clearly defines escalation protocols, responsibilities, and corrective measures, enabling timely action to mitigate risks and safeguard both customers and business continuity.



Category	FY25	FY24	FY23
Percentage of unused or expired medicines collected for recycling or waste treatment out of total volume of products sold	0.95	1.25	1.5



### Product Quality and Safety Built on Science and Standards

Our robust Quality Management System (QMS) is aligned with global current Good Manufacturing Practices (cGMP), ensuring product consistency, safety, and efficacy across all operations. Our investment in cutting-edge technology and continuous R&D enables us to deliver innovative solutions while maintaining strict regulatory compliance. This approach not only enhances client satisfaction but also strengthens our reputation as a trusted partner in the pharmaceutical value chain.



### Ethical Marketing and Labelling Transparency in Every Detail

Accurate labelling and responsible marketing are integral to our customer safety promise. We go beyond regulatory requirements to ensure that all product information is clear, compliant, and ethically presented. This commitment to transparency builds customer loyalty, mitigates legal risk, and reinforces our position as a responsible and globally respected Contract Development and Manufacturing Organization (CDMO). In FY25, we recorded zero incidents of non-compliance related to product information, labelling, or marketing communications.

# Corporate Social Responsibility Initiatives

## Empowering Communities, Sustaining Futures

Honour Lab's Corporate Social Responsibility (CSR) reflects a deep-rooted commitment to advancing social equity and sustainable development. Grounded in the values of compassion, inclusion, and service, its initiatives target critical challenges in health, education, environment, livelihoods, and cultural preservation. By fostering strong partnerships with communities and local authorities, we ensure that each program is thoughtfully designed, community-driven, and impactful, reaching and uplifting thousands across India.

### Mapped SDGs



No Poverty



Clean Water and Sanitation



Reduced Inequalities



Life on Land



Good Health and Well-being



Affordable and Clean Energy



Sustainable Cities and Communities



Quality Education



Decent Work and Economic Growth



Responsible Consumption and Production



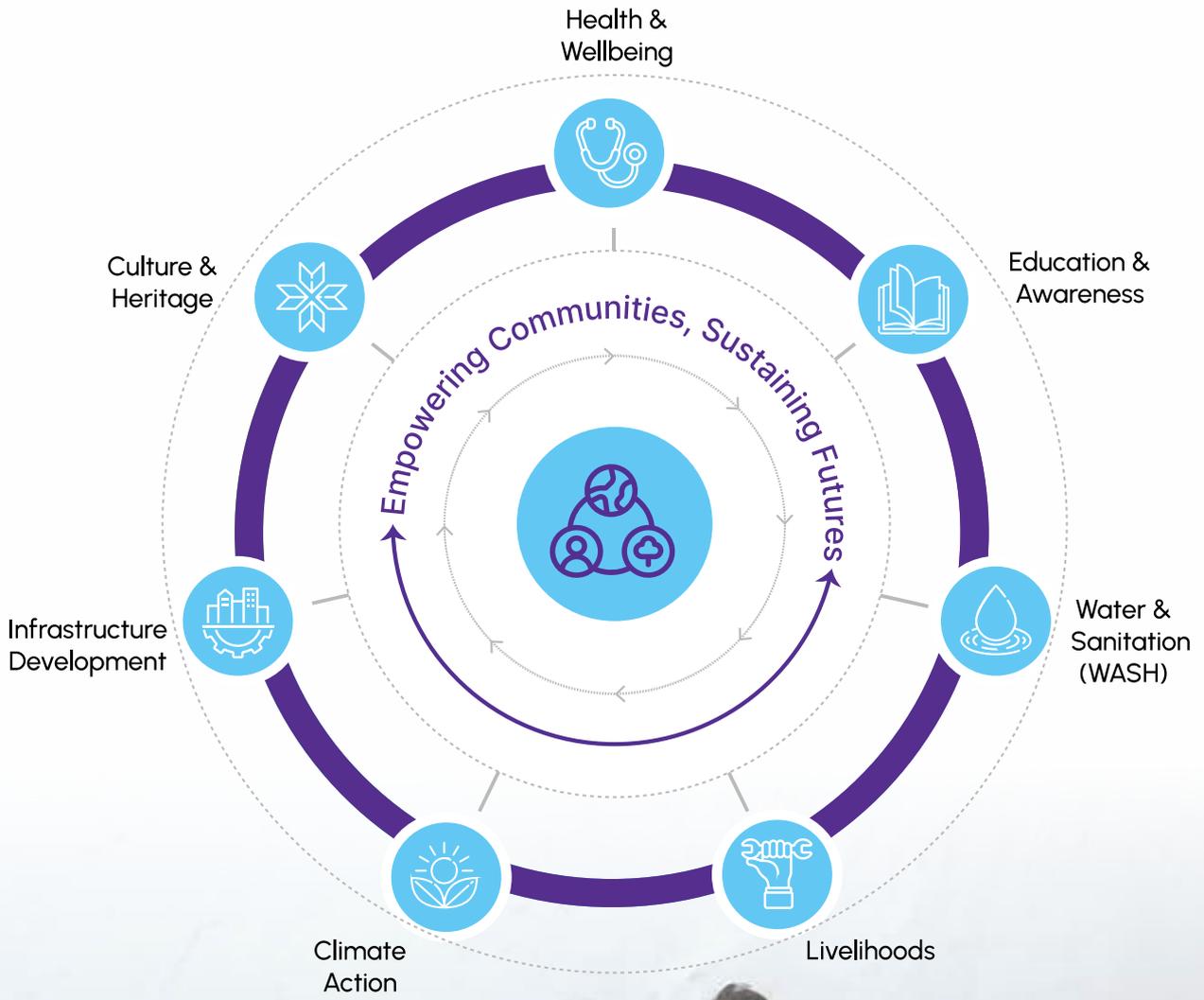
Gender Equality



Industry, Innovation, and Infrastructure



Climate Action



Our CSR programs are structured around six areas. Each area is aligned with national priorities and global development frameworks:

 <p><b>Aarogya</b> Community Health</p>	 <p><b>Abhyasa</b> Education</p>	 <p><b>Swachhata</b> Water, Sanitation, and Hygiene(WASH)</p>
 <p><b>Ajeevika</b> Livelihoods</p>	 <p><b>Spandana</b> Climate Change Response</p>	 <p><b>Susthira</b> Sustainable Infrastructure Development</p>

In addition, we support initiatives in Heritage, Art and Culture, preserving India's rich traditions and fostering cultural pride. All thematic areas are mapped to the UN Sustainable Development Goals (SDGs) and CSR guidelines under Section 135 of the Companies Act, 2013.

### Employee Testimonial



I take pride in driving operational excellence while supporting sustainability goals. Being a part of an organization that values environmental responsibility makes my role both impactful and fulfilling.

The SOP's and compliances are digitalized replacing physical documents significantly helps sustainability and the environment

— Srinivas Vengala, Company Secretary, Secretarial & Compliance

# Expanding Reach, Deepening Impact

During the financial year, CSR programs reached over 100,000 individuals across multiple states. Key highlights include:

- + Distribution of uniforms, school bags, stationery, and notebooks to **3,106** students
- + Deployment of **2** Vidya Volunteers to support government school education
- + Establishment of **36** Computer Learning Corners and installation of LED TVs with LMS systems in **2** schools
- + Provision of study materials to **1,300** tenth-grade students
- + Organization of **315** medical camps, benefiting **12,460** individuals
- + Infrastructure upgrades at a **50**-bed government hospital in Nakkapally
- + Construction of **7.6** km of CC roads and **3** km of underground drainage across villages
- + Installation of **3** RO plants, **2** bore wells, and placement of **50** cement benches in public spaces
- + Construction of a weekly bazaar shed in Kurkumbh village
- + Provided **2,080** spectacles and aided in **249** cataract surgeries
- + Built toilets and hand-washing stations in schools and trained **110** teachers in hygiene practices.
- + Distributed **10** sewing machines to rural women to promote self-reliance through skill-based support.
- + Placed **50** cement benches in the community
- + Partnered with Sakura Art Society and sponsored exhibitions promoting traditional Indian art.



Our initiatives are aligned with UN Sustainable Development Goals (SDGs) and follow the CSR guidelines under Section 135 of the Companies Act, 2013.

# Thematic Progress Overview

## Aarogya - Healing Hands, Healthier Communities

### Aligned SDGs:



Access to healthcare, preventive care, eye care



Improving healthcare access for marginalized communities

Good health forms the foundation of thriving communities, and Honour Lab’s initiatives under Aarogya focus on strengthening preventive and curative care. Through mobile medical services, specialized eye-care camps, and investments in local health infrastructure, we worked to make healthcare accessible, affordable, and community-driven.

In FY 2024–25, 315 medical camps reached more than 12,460 beneficiaries, offering screenings, treatments, and counseling. Many patients received timely interventions, preventing further complications and enhancing quality of life. One example is the restoration of eyesight in several elderly patients through cataract surgeries conducted during our eye camps—enabling them to live independently again.

We also strengthened the infrastructure of the 50-bed government hospital in Nakkapally, ensuring better facilities for both inpatient and outpatient care. Community members expressed that these efforts not only saved time and costs of traveling to distant hospitals but also built trust in local healthcare.



In FY 2024–25, 315 medical camps reached more than 12,460 beneficiaries, offering screenings, treatments, and counseling.

## Abhyasa - Igniting Young Minds, Shaping Futures

### Aligned SDGs:



STEM labs, merit awards, Vidya Volunteers



WASH facilities improving school attendance for girls



Supporting government schools and vulnerable students

Education is a powerful enabler of opportunity and dignity. Through Abhyasa, our aim was to support government schools with resources, technology, and recognition that inspire children to remain engaged in learning.

We deployed two Vidya Volunteers who supported teachers in delivering quality lessons and provided personalized attention to struggling students. The establishment of two STEM labs gave rural children hands-on exposure to science and innovation, igniting curiosity and improving learning outcomes. Teachers observed a marked increase in participation in science fairs and competitions after the labs became operational.

Further, WASH infrastructure improvements such as clean toilets and hand-washing facilities helped improve hygiene and school attendance, especially among girls. To nurture talent, we promoted academic excellence through merit awards and distribution of study materials, reducing dropout risks while motivating students to aim higher. Parents and teachers shared that these interventions restored confidence in the public education system and offered children new aspirations for the future.



The establishment of two STEM labs gave rural children hands-on exposure to science and innovation, igniting curiosity and improving learning outcomes.

## Swachhata - Clean Water, Healthy Habits, Stronger Lives

### Aligned SDGs:

- 

3 GOOD HEALTH AND WELL-BEING  
Hygiene awareness, disease prevention
- 

6 CLEAN WATER AND SANITATION  
RO plants, bore wells, toilets, hand-washing stations
- 

12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
Behavioral change for hygiene and water conservation

Safe water and sanitation are central to public health. Our Swachhata program addressed these challenges by combining access to clean infrastructure with awareness-building.

In the reporting year, we installed three RO plants and two borewells, directly benefiting hundreds of households with reliable access to safe drinking water. In schools, we constructed toilets and hand-washing stations, ensuring that children, especially girls, had a dignified and hygienic learning environment.

Beyond infrastructure, we emphasized behavioral change. Through training sessions and IEC campaigns, children learned the importance of hand hygiene, safe water storage, and waste segregation. Teachers noted that students were not only practicing these habits in schools but also influencing their families at home, showing clear evidence of lasting impact.



In schools, we constructed toilets and hand-washing stations, ensuring that children, especially girls, had a dignified and hygienic learning environment.

## Ajeevika - Empowering Skills, Enabling Self-Reliance

### Aligned SDGs:



Entrepreneurship, income generation



Empowering women through skill development



Enhancing income opportunities for marginalized groups



Through Ajeevika, we focused on skill-building and enabling women and marginalized groups to become micro-entrepreneurs.

Sustainable livelihoods empower communities to achieve self-reliance. Through Ajeevika, we focused on skill-building and enabling women and marginalized groups to become micro-entrepreneurs.

This year, 10 sewing machines were distributed, but more importantly, recipients were also trained in tailoring techniques, financial literacy, and connected with local markets to ensure income opportunities. Women who once depended solely on daily-wage work are now generating steady earnings, contributing to their household income, and building confidence.

Such initiatives go beyond economic support, they help foster dignity, independence, and intergenerational benefits, as families can now invest more in their children's education and healthcare.



## Susthira - Building Resilience, Strengthening Communities

### Aligned SDGs:



Roads, drainage, market-shed



RO plants, borewells, toilets, hand-washing stations



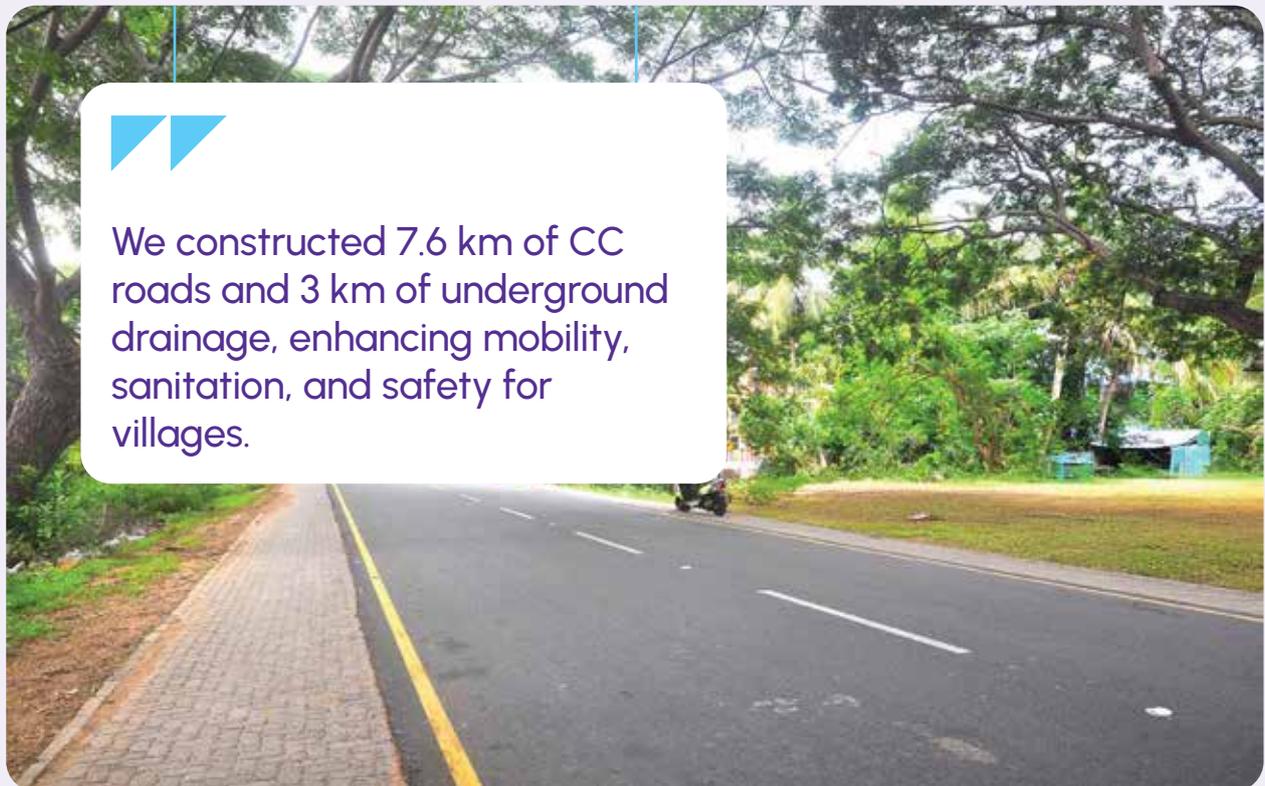
Resilient infrastructure, community spaces

Resilient infrastructure is the backbone of rural development. Under Susthira, our efforts were aimed at improving quality of life while strengthening community resilience to future challenges.

We constructed 7.6 km of CC roads and 3 km of underground drainage, enhancing mobility, sanitation, and safety for villages. Access to healthcare, schools, and markets has become easier, reducing travel time and risks.

Additionally, we installed RO plants, borewells, and cement benches, directly addressing community needs and comfort. The development of a weekly bazaar shed in Kurkumbh created a safe and organized space for small vendors, boosting local economic activity. Community members noted that these facilities not only improved convenience but also gave them a sense of pride and ownership.

All projects were designed for durability and low maintenance, ensuring long-term usability and reduced burden on local resources.



We constructed 7.6 km of CC roads and 3 km of underground drainage, enhancing mobility, sanitation, and safety for villages.

## Heritage, Art, and Culture - Preserving Traditions, Inspiring Tomorrow

### Aligned SDGs:



Cultural heritage preservation



Awareness through art, cultural learning



Supporting livelihoods of artists and cultural platforms

Cultural heritage connects communities to their roots and fosters pride in identity. Our initiatives supported platforms that celebrate Indian traditions, ensuring continuity for future generations.

In partnership with the Sakura Art Society in Hyderabad, we sponsored art exhibitions that showcased traditional and contemporary Indian art. These exhibitions provided local artists with a stage to display their creativity and inspired younger audiences to connect with cultural narratives.

Such initiatives are not just sponsorships but investments in preserving intangible heritage, nurturing creativity, promoting diversity, and reinforcing India's cultural fabric.



In partnership with the Sakura Art Society in Hyderabad, we sponsored art exhibitions that showcased traditional and contemporary Indian art.

# Looking Ahead

Honour Lab's CSR strategy for the coming year will continue to emphasize long-term impact, sustainability, and inclusive growth. Planned initiatives include:

- Scaling healthcare and eye-care services to underserved regions
- Expanding digital and STEM learning infrastructure in government schools
- Strengthening rural WASH systems and climate resilience programs
- Supporting innovative livelihood models for women and youth
- Enhancing infrastructure that fosters equitable development



With renewed purpose and strategic focus, we shall remain dedicated to building stronger, healthier, and empowered communities, driven by values, guided by impact.



# Advancing Sustainability with Purpose

At Honour Lab, sustainability is not a destination, it is a continuous journey woven into the fabric of our operations, culture, and vision for the future. As we move forward, our unwavering commitment to responsible growth will guide every decision we make, ensuring that our actions generate long-term value for people, planet, and progress.

Guided by global sustainability frameworks and aligned with national development priorities, we will continue to deepen our impact across key areas such as healthcare, education, environmental stewardship, and community empowerment. Our approach is rooted in innovation, inclusivity and principles that enable us to adapt to evolving challenges while staying true to our purpose.

With the collective strength of our employees, partners, and communities, we are poised to lead with integrity and compassion. Together, we will shape a future that is not only sustainable and equitable, but also inspiring, where science serves society, and progress uplifts every life it touches.

Our approach is rooted in innovation, inclusivity and principles that enable us to adapt to evolving challenges while staying true to our purpose.



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# INDEPENDENT ASSURANCE STATEMENT

To,  
 The Directors and Management,  
 Honour Lab Limited,  
 Nexity Tower-30, 12th Floor, Sy.No.83/1,  
 Hyderabad Knowledge City, Raidurg,  
 Hyderabad, Telangana-500081.

Honour Lab Limited (hereinafter referred to as "Honour") engaged TÜV India Private Limited ("TUVI") to conduct an independent external assurance of the non-financial Environmental, Social, and Governance (ESG) indicators disclosed in Honour's Sustainability Report (hereinafter referred to as "the Report") for the reporting period April 1, 2024 to March 31, 2025. The Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021. The scope of the assurance engagement covered the ESG disclosures and performance data presented for the stated reporting period. TUVI performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information – which is specifically applicable to the assurance of non-financial and sustainability information.

## Management's Responsibility

Honour has developed the Report content and is responsible for monitoring its ESG data and identifying material sustainability issues relevant to its operations. This includes the identification, establishment, and reporting of performance management systems, data governance, and quality control measures. The management of Honour is accountable for the accuracy and completeness of the ESG data, as well as the processes involved in collecting, analysing, and reporting the information disclosed through both web-based and printed formats. This responsibility extends to the maintenance and integrity of the company's website where such information may be presented. Honour's management is also responsible for preparing the ESG Report with reference to the applied criteria of the Global Reporting Initiative (GRI) Standards. It is incumbent upon Honour to ensure that the Report is free from any material misstatements, whether intentional or unintentional, thereby maintaining the trust and confidence of stakeholders in the disclosed information. Furthermore, Honour is responsible for ensuring the archiving and reproducibility of the disclosed ESG data, making it available to stakeholders upon request.

## Scope and Boundary

The assurance engagement encompasses a review of the evidence (on a sample basis) for identified ESG indicators. The assurance engagement conducted by TÜV India Private Limited covered the following key activities:

- 1. Verification of Report Content and Material Topics**  
 Assessed the application of the Report's content in with reference to material topics identified through an applied double materiality approach, and evaluated the quality of information disclosed, as guided by the principles outlined in the Global Reporting Initiative (GRI) Standards, over the defined reporting period.
- 2. Review of Governance Policies and Practices**  
 Examined key governance-related policies and practices referenced in the Report, including but not limited to the Code of Conduct, Corporate Social Responsibility (CSR) policy, Prevention of Sexual Harassment (POSH) policy, and the Whistle Blower mechanism, along with related initiatives and performance disclosures.
- 3. Review of GRI Standards Requirements**  
 Reviewed the non-financial disclosures presented in the Report for alignment with the applicable requirements of the GRI Standards.
- 4. Verification of Environmental and Social Data**  
 Verified the reliability of selected disclosures related to environmental and social topics, by sampling and testing supporting data and documentation.
- 5. Assessment of Specified Information for Stakeholder Relevance**  
 Evaluated the specified ESG information selected for assurance to ensure it reflects material concerns and is meaningful and relevant to the Report's intended stakeholders.

TUVI has verified the disclosures as per GRI Standard 2021. The reporting boundaries for the disclosures (refer annexure 1) includes.

1. Corporate Office address: Honour Lab Limited, Nexity, Tower-30, 12th Floor, Survey No: 83/1, Knowledge City, Raidurg (Village), Serilingampally, Madhapur, Hyderabad – 500081, Telangana, India.
2. Facility #1: Honour Lab Limited, Unit-I, Survey No 200, 202, 203E, 204, 206, 206A & 217, Bonthapally (V), Gummadidala (M), Sangareddy (Dist.), Telangana – 502313.
3. Facility #2: Honour Lab Limited, Unit-III, Plot No:4, Hetero Infrastructure SEZ Ltd, N Narsapuram Village, Nakkapalli Mandal, Anakapalli (District) – 531081, Andhra Pradesh, India.
4. Facility #3: Honour Lab Limited, Unit-3A, Plot No:D-10, MIDC Kurkumbh, Daund Taluka, Pune District - 413802, Maharashtra, India.

5. Facility #4: Honour Lab Limited, Unit-3B, Plot No: A-88, MIDC Kurkumbh, Daund Taluka, Pune District - 413802, Maharashtra, India.
6. Facility #5: Honour Lab Limited, Unit-V, Survey No 371, Gundlamachnoor Village, Hathnoora Mandal, Sangareddy (District) - 502296, Telangana, India.
7. Facility #6: Honour Lab Limited, Unit-IX, Survey No 332, 335, 336 & 341, Veliminedu (V), Chityal (M), Nalgonda (District) 508114, Telangana, India.
8. Facility #7: Honour Synthesis Private Limited, Sy No. 211/AA1, 211/AA2, 211/AA1, 211/A1, 211/A2, 211/A3, 211/A4, 211/E5, 211/E6, 211/E7, Terpole, Kondapur, Sangareddy - 502295.
9. Facility #8: Honour Lab Limited, R&D (CDMO), Sy No. 219, Bonthapally Village, Gummadidala Mandal, Sangareddy, District - 502313, Telangana, India.

**Onsite Verification was conducted at below mentioned locations on 16/10/2025 and 17/10/2025.**

1. Honour Lab Limited; Unit-V: Gundlamachnoor Village, Hathnoora Mandal, Sangareddy District, Telangana-502296, India. - 16<sup>th</sup> October 2025.
2. Honour Lab Limited, Corporate office: Nexity, Tower 30, 12<sup>th</sup> Floor, Survey No. 83/1, Hyderabad Knowledge City, Raidurg, Serilingampally, Hyderabad-500081, Telangana, India. - 17<sup>th</sup> October 2025.

The assurance activities were carried out together with a desk review of entire reporting boundary.

### Our Responsibility

The responsibility of TUVI under this assurance engagement is to perform independent limited assurance and to express a conclusion based on the procedures conducted. The engagement was carried out with reference to the agreed scope of work, specifically focused on selected non-financial Environmental, Social, and Governance (ESG) indicators. This engagement did not include an evaluation of the adequacy or effectiveness of Honour's overall sustainability strategy, governance, or management systems, nor an assessment of the sufficiency of the Report against the overarching principles of the GRI Standards or the ISAE 3000 (Revised) standard, beyond the elements explicitly covered within the defined scope. The ESG data was verified on a sample basis, and the responsibility for the accuracy, completeness, and authenticity of the information remains solely with Honour. The reporting organization is also accountable for the archiving and retention of all related data for a reasonable period to support transparency and traceability.

TUVI does not assume liability or co-responsibility for:

1. Any inaccuracies or erroneous data reported by Honour.
2. Any decisions made by individuals or entities based on this assurance statement.

This assurance is provided on the assumption that all data and information made available to TUVI by Honour were complete, accurate, and true to the best of Honour's knowledge.

### Verification Methodology

TUVI adopted a risk-based approach, focusing on verification efforts on issues of high material relevance to Honour business and its stakeholders. During the assurance engagement, TUVI applied a risk-based approach, concentrating verification efforts on the Key Performance Indicators (KPIs) disclosed within the Report. The primary objective was to evaluate the reliability of the reported information and the effectiveness of the underlying data management systems, information flows, and internal controls.

As part of the engagement, TUVI conducted the following activities:

1. Review of Stakeholder Engagement and Materiality Process: TUVI reviewed the approach adopted by Honour for the stakeholder engagement and double materiality determination process. Assessed Honour's approach to stakeholder engagement and the process for identifying and prioritizing material ESG topics, ensuring alignment with established reporting frameworks and principles.
2. Verification of Disclosures and Internal Controls: Verified selected disclosures and assertions made in the Report and evaluated the robustness and adequacy of the related data management systems, information flows, and internal control procedures.
3. Document Review and Data Assessment: TUVI examined and reviewed the documents, data, and other information made available by Honour for the reported disclosures, including the disclosure on management approach and performance disclosures. Examined pertinent documentation, datasets, and other supporting evidence provided by Honour for all reported KPIs. This review was performed on a sample basis, focusing on non-financial information disclosures.
4. Stakeholder Interviews: Engaged with key personnel, including data owners and decision-makers across relevant functions of Honour, during the onsite and remote verification phase to gather insights and corroborate information.
5. Assessment of ESG Policy Implementation: Conducted sample-based evaluations of the implementation of ESG-related policies as described in the Report to verify adherence and effectiveness.
6. Verification of Data Generation and Management Processes: Reviewed, on a sample basis, the procedures for generating, collecting, managing, and reporting both quantitative data and qualitative information included in the ESG disclosures for the reporting period.

The Report was evaluated against the following criteria: adherence to the principles of stakeholder inclusiveness, materiality (double), responsiveness, completeness, neutrality, relevance, sustainability context, accuracy, reliability, comparability, clarity, and timeliness, as prescribed in the GRI Standards 2021, and International Standard on Assurance Engagements (ISAE) 3000 (Revised).

## Action Plan

The following improvement areas were identified and shared with Honour Lab Limited (Honour). These recommendations align with Honour management's existing objectives and sustainability initiatives. Notably, Honour has already recognized many of these areas, and the assurance team supports their continued focus to advance the organization's sustainability goals:

1. **Smart data acquisition system:** Honour may further strengthen its internal data management framework by adopting a cloud-based data acquisition system. This would further facilitate periodic monitoring, improve data accuracy, and streamline performance reviews.
2. **Internal Training:** Internal training programs on sustainability may be conducted to further enhance the knowledge and understanding of data owners.

## Our Conclusion

In our opinion, and based on the scope of this assurance engagement, the ESG disclosures and related reference information provided by Honour offer a fair representation of the material topics and are aligned with the general content and quality requirements of the applicable Global Reporting Initiative (GRI) Standards. Honour has appropriately disclosed Key Performance Indicators (KPIs) and actions aimed at creating value over the short, medium, and long term. The selected KPIs disclosed by Honour are fairly represented, and the underlying data management processes reflect a commitment to transparency and integrity. TUVI did not perform assurance procedures on forward-looking statements, such as targets, forecasts, expectations, or ambitions presented in the Report. Consequently, no conclusions are drawn on such prospective information. This assurance statement has been prepared in accordance with the terms of our engagement and is limited to the scope and boundaries defined therein.

## Disclosures Evaluation

TUVI is of the opinion that Honour's sustainability disclosures generally meet the requirements of the GRI Standards. The following reporting elements have been appropriately addressed:

- Universal Standards:
  - 1) GRI 1: Foundation 2021 – Requirements and principles for using the GRI Standards.
  - 2) GRI 2: General Disclosures 2021 – Information on Honour's organizational profile, strategy, ethics and integrity, governance, stakeholder engagement, and reporting practices.
  - 3) GRI 3: Material Topics 2021 – Information on Honour's identification and management of material topics.
- Topic-Specific Standards:
  - 1) GRI 300 Series (Environmental topics) and
  - 2) GRI 400 Series (Social topics) – These were applied to report the company's impacts on relevant environmental and social issues. TUVI finds that the material topics and associated Topic-specific Standards are appropriately identified and addressed in Honour's ESG disclosures.

**Conclusion of Assurance Procedures:** Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information subject to this limited assurance engagement was not prepared, in all material respects, in accordance with the stated criteria.

## Principles Observed in the Assurance Process

- **Independence:** TUVI conducted this engagement in compliance with the International Ethics Standards Board for Accountants (IESBA) Code, which adopts a threats and safeguards approach to independence. The assurance team was selected to avoid risks of self-interest, self-review, advocacy, familiarity, or intimidation, ensuring objectivity throughout the engagement.
- **Quality Control:** TUVI maintains a comprehensive system of quality control, in line with the International Standard on Quality Control (ISQC). The assurance team adhered to the IESBA Code's principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. All procedures were conducted in accordance with applicable ethical and professional standards.

## Evaluation of the adherence to contemporary Principles

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

**Sustainability Context:** Honour established the relationship between ESG and organizational strategy within the Report, as well as the context in which disclosures are made. In our view, the Report meets the requirements with regards to the sustainability Context.

**Materiality:** The double materiality determination process has been conducted and reviewed based on materiality and the requirements of the GRI Standards, considering involvement of internal and external stakeholders in upstream and downstream value chain in identifying the material issues to the Honour range of businesses. The Report fairly brings out the aspects, topics, and their respective boundaries of the diverse operations of Honour. 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 Honour policies and management systems, including governance. In our view, the Report meets the requirements.

**Impact:** Honour communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI Standards 2021 as part of its policy framework encompassing environmental, social, ethical, and other policies. Honour reports on sustainability performance to the Board of Directors, who oversee and monitor

the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

**Completeness:** The Report has fairly disclosed the selected non-financial KPIs, as per GRI Standards 2021. In our view, the Report meets the requirements.

**Reporting Principles for defining report quality:** The majority of the data and information were verified by TUVI's assurance team during the remote assessment and found to be fairly accurate. The disclosures related to ESG issues and performances are reported in a balanced manner and are clear in terms of content and presentation. In our view, the Report meets the requirements.

**Reliability:** The majority of the data and information were verified by TUVI's assurance team and found to be fairly accurate. Some inaccuracies in the data identified during the verification process were found to be attributable to transcription, interpretation, and aggregation errors, and these errors have been corrected. Therefore, in reference to the GRI Standards 2021, TUVI concludes that the ESG data and information presented in the Report are fairly reliable and acceptable. In our view, the Report meets the requirements.

**Neutrality:** The disclosures related to ESG issues and performance are reported in a neutral tone, in terms of content and presentation. In our view, the Report meets the requirements.

This assurance statement does not endorse any environmental and social claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the reporting organization. TUVI does not permit use of this statement for Greenwashing or misleading claims.

### **Our Assurance Team and Independence**

TUVI is an independent and neutral third-party organization providing sustainability assurance services through a team of qualified environmental and social specialists. TUVI affirms its independence and impartiality in relation to this assurance engagement and confirms that no conflict of interest exists. During the reporting year, TUVI did not undertake any other engagements with Honour that could compromise the objectivity, independence, or impartiality of our findings, conclusions, or recommendations. TUVI was not involved in the preparation of any content or data presented in Honour's Report, with the sole exception of this independent assurance statement. Furthermore, TUVI maintains complete neutrality and impartiality with respect to all individuals interviewed during the assurance process.

For and on behalf of TUV India Private Limited



Date: 07-01-2026  
Place: Mumbai, India



Project Reference No: 8124-222194

Revision:01

## Annexure 1

Topic	Indicator	GRI Disclosure	
General Disclosures	Organizational details	2-1	
	Entities included in the organization's sustainability reporting	2-2	
	Reporting period, frequency and contact point	2-3	
	Activities, value chain, and other business relationships	2-6	
	Employees	2-7	
	Workers who are not employees	2-8	
	Governance structure and composition	2-9	
	Nomination and selection of the highest governance body	2-10	
	Chair of the highest governance body	2-11	
	Statement on sustainable development strategy	2-22	
	Compliance with laws and regulations	2-27	
	Membership associations	2-28	
	Approach to stakeholder engagement	2-29	
	Material Topics	Process to determine material topics	3-1
		List of material topics	3-2
Management of material topics		3-3	
Procurement practices	Proportion of spending on local suppliers	204-1	
Anti-corruption	Communication and training about anti-corruption policies and procedures	205-2	
	Confirmed incidents of corruption and actions taken	205-3	
Energy	Energy consumption within the organization	302-1	
	Energy intensity	302-3	
	Reduction of energy consumption	302-4	
Water and Effluents	Water withdrawal	303-3	
	Water discharge	303-4	
	Water consumption	303-5	
Emissions	Direct (Scope 1) GHG emissions	305-1	
	Energy indirect (Scope 2) GHG emissions	305-2	
	Other indirect (Scope 3) GHG emissions	305-3	
	GHG emissions intensity	305-4	
	Reduction of GHG emissions	305-5	
Waste	Waste generated	306-3	
	Waste diverted from disposal	306-4	
	Waste directed to disposal	306-5	
Employment	New employee hires and employee turnover	401-1	
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2	
	Parental leave	401-3	
Occupational Health and Safety	Occupational health and safety management system	403-1	
	Hazard identification, risk assessment, and incident investigation	403-2	
	Occupational health services	403-3	
	Worker participation, consultation, and communication on occupational health and safety	403-4	
	Worker training on occupational health and safety	403-5	
	Promotion of worker health	403-6	
	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7	
	Workers covered by an occupational health and safety management system	403-8	
	Work-related injuries	403-9	
	Work-related ill health	403-10	
Training and Education	Average hours of training per year per employee	404-1	
	Programs for upgrading employee skills and transition assistance programs	404-2	
	Percentage of employees receiving regular performance and career development reviews	404-3	
Diversity and Equal Opportunity	Diversity of governance bodies and employees	405-1	
Non-discrimination	Incidents of discrimination and corrective actions taken	406-1	
Freedom of association and collective bargaining	Freedom of association and collective bargaining	407-1	
Child Labour	Operations and Supplier at significant risk for incidents of child labour	408-1	
Forced or Compulsory Labor	Operations and supplier at significant risk for incidents of forced or compulsory labour	409-1	
Local communities	Operations with local community engagement, impact assessments, and development programs	413-1	
Customer Health and Safety	Assessment of the health and safety impacts of product and service categories	416-1	
	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2	
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	
Supplier Assessment	New suppliers that were screened using environmental criteria	308-1	
	New suppliers that were screened using social criteria	414-1	

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