



Responsible Today, Resilient Tomorrow

SUSTAINABILITY REPORT 2023-24

HONOUR™

Contents

Our Introduction

- 04 Introduction to the Theme
- 05 About the Report
- 06 Message from Managing Director
- 08 Company Overview
- 11 Our Core Values
- 14 ESG Highlights of the Year
- 16 Membership of Associations
- 17 Awards & Accolades

Our Sustainability Strategy

- 21 Our Commitment to Sustainability
- 22 Our Approach to Materiality
- 27 Stakeholder Engagement



Our Governance

- 31 Responsible Corporate Governance
- 34 Sustainability Governance
- 37 Risk Management



- » Read our last year's sustainability report here.
- » Discover more online at www.honourlab.com



Our Planet

- 39** Environmental Performance
 - 40** Climate Change
 - 42** Energy Management
 - 44** Water Stewardship
 - 46** Waste and Circular Economy
-



Our People

- 49** Social Performance
 - 62** Safety and Well-being
 - 68** Customer Health and Safety
 - 70** Responsible Supply chain
-

Our Community

- 72** CSR Initiatives
-

Annexure

- 83** GRI Index
-

Introduction to the Theme

Responsible Today, Resilient Tomorrow reflects Honour Lab's belief that present responsibility lays the foundation for future strength.

Our commitment to ethical practices in product safety, responsible sourcing, fair labour and transparent governance defines how we operate today. By embedding responsibility into our core, we equip ourselves to adapt with agility and confidence. Accountability for us is not a short-

term goal but a continuous practice. It positions Honour Lab as a company that grows stronger by aligning values with actions. Our responsibility safeguards the present, while resilience secures the future. Together, they create a path of sustainable progress.

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About the Report

We are thrilled to present Honour Lab Limited's second Sustainability Report, building on the overwhelmingly positive feedback and engagement we received from stakeholders on our previous report.

This new report marks another significant milestone in our dedicated pursuit of sustainability within the pharmaceutical industry.

Within this report, you will discover our strategic approach and the impactful actions we have taken to further embed environmental stewardship, social responsibility, and robust governance into every facet of our operations.

We are confident this report will offer even deeper insights into our evolving sustainability practices and the positive difference we are striving to make.



Corrections and Restatements

In our commitment to accuracy and transparency, we aim to provide reliable data. For this Sustainability Report, we confirm that no corrections or restatements of previously published information are necessary. We continuously strive for the highest data integrity and encourage stakeholder feedback.

Feedback Channel

To further strengthen our sustainability journey and communication, we actively seek and appreciate the input from both our internal and external stakeholders. Kindly share your thoughts and feedback with us at:

» sustainability@honourlab.com

Reporting Period

1st April 2023 to 31st March 2024

Reporting Boundary and Frequency

This report significantly enhances our disclosure and transparency with all our stakeholders. The core focus remains on Honour Lab Limited's operations and includes our corporate head office in Hyderabad, six manufacturing units (Units-I, III, 3A, 3B, V and Hoster Labs Private Limited) and one R&D unit across India.

Our reporting boundary and context are meticulously defined by material Environment, Social and Governance (ESG) issues. This report is prepared in reference to the GRI Standards, 2021. We have gone to great lengths to ensure the accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability of all the information presented.

Looking ahead, our commitment to providing this crucial insight continues with annual reporting of our sustainability progress.

We are confident this report will offer even deeper insights into our evolving sustainability practices and the positive difference we are striving to make.



Message from the Managing Director

Dear esteemed colleagues and stakeholders,

It gives me great pride to present Honour Lab Limited's second Sustainability Report, a reflection of our unwavering commitment to responsible growth, innovation, and the well-being of every stakeholder connected to our journey.



Dr. Rathnakar Reddy Kura
Managing Director

Across our operations, we have embedded environmentally conscious practices, from achieving significant reductions in emissions and water use through cutting-edge zero liquid discharge systems, to adopting renewable energy and advancing our waste reduction initiatives.



This past year has been defined by resilience, purposeful action, and a deepened sense of responsibility towards the environment, our people, and the communities we serve.

At Honour Lab, sustainability is not a parallel track, it is the foundation of how we operate, innovate, and grow. On the environmental front, we have strengthened our environmental management systems, aligned with ISO standards, and adopted cleaner technologies across our operations. With a focus on reducing emissions, optimizing water and energy consumption, and minimizing waste, we continue to embed circular economy principles into our processes. Our efforts not only improve efficiency but also safeguard ecosystems and future generations. Across our

operations, we have embedded environmentally conscious practices, from achieving significant reductions in emissions and water use through cutting-edge zero liquid discharge systems, to adopting renewable energy and advancing our waste reduction initiatives. These measures are not just environmental imperatives; they also enhance operational efficiency and resilience in an evolving world.

Our people remain central to our journey. With 2,804 employees, we continue to foster an inclusive workforce where talent is nurtured and rewarded. This year, 861 new colleagues joined us, and 100% of our workforce received career development reviews and targeted training. We take pride in our diversity initiatives, with women representing nearly 10% of our workforce, and are committed to creating opportunities for their increased participation. The well-being of our employees is supported through robust health, safety, and wellness programs, with zero cases of work-related ill-health reported during the year.

Governance has been further strengthened through an active and diverse Board of Directors, backed by a Sustainability Committee that provides strategic direction on ESG priorities. With strong policies on anti-corruption, risk management, and responsible remuneration, our governance framework ensures transparency, accountability, and resilience.

Equally, our community engagement has deepened through impactful CSR initiatives in healthcare, education, water and sanitation, rural development, livelihoods, and cultural preservation. We firmly believe that our responsibility extends to delivering affordable and accessible medicines and uplifting the communities around us. In FY24, through Hetero Foundation and Sai Sindhu Foundation, we invested ₹ 62.70 Lakhs in diverse CSR initiatives across Andhra Pradesh, Telangana, and Maharashtra, positively impacting thousands of lives. Our programs spanned across healthcare, education, safe drinking water, livelihood support, rural infrastructure, promotion of sports and preservation of culture, in compliance with the

In FY24, through Hetero Foundation and Sai Sindhu Foundation, we invested

₹62.70 Lakhs

in diverse CSR initiatives



provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 which are aligned with national development priorities and the UN Sustainable Development Goals. From adopting the Nakkapally Government Hospital and establishing a Vision Centre to distributing over 9,400 nutrition kits to TB patients, conducting more than 300 health camps, and enhancing access to education through scholarships and school support, our interventions reflect our unwavering commitment to inclusive growth. These efforts not only improve health, education, and livelihoods but also empower communities, and preserve cultural heritage.

As we look ahead, our vision remains clear, to push the boundaries of science, set new standards in sustainable pharmaceutical manufacturing, and forge partnerships that deliver meaningful impact. The challenges of climate change, resource scarcity, and public health demand not just innovation, but integrity and shared purpose. With the dedication of our teams, the trust of our partners, and the support of our stakeholders, we are confident of shaping a future that is sustainable, and inclusive.

I extend my heartfelt gratitude to our employees, partners and our customers for their trust and collaboration. Together, we will continue to shape a future that balances innovation with responsibility, where every achievement contributes to a healthier planet and a better tomorrow.

Our community engagement has deepened through impactful CSR initiatives in healthcare, education, water and sanitation, rural development, livelihoods, and cultural preservation.



Company Overview

Honour Lab Limited (Honour Lab), headquartered in Hyderabad, India stands as a premier Active Pharmaceutical Ingredient (API), Intermediate, and Contract Development & Manufacturing Organization (CDMO).

We are dedicated to delivering high-quality, reliable, and cost-effective solutions to our global partners, while simultaneously upholding our commitment to sustainable practices and environment stewardship. We collaborate with pharmaceutical and biotechnology companies of all sizes, providing a comprehensive suite of services that span the entire product lifecycle, from drug development to commercial manufacturing and supply.

Our unwavering dedication over more than a decade has solidified our industry position. Honour Lab operates six state-of-the-art manufacturing facilities strategically located across India. These facilities, spanning across approximately 3,300 m³ of manufacturing capacity, underscore our commitment to innovation and scale.

Complementing our manufacturing prowess are our robust R&D capabilities, driven by dedicated teams focused on advancing scientific solutions. At the heart of our operations lies our diverse team of 2,804 talented workforce, whose collective expertise propels us to achieve greater heights.

Honour Lab is poised to revolutionize the global API, Intermediate, CDMO and specialty industries through Honour Synthesis and Honour Specialty, both being our innovative offerings. Fueled by the "Science of partnership and possibilities", our dedicated team is passionate about delivering unparalleled excellence to our pharmaceutical and biotechnology partners by unveiling practical solutions. Our commitment extends beyond scientific innovations. It is driven by a desire to transform everyday lives. We achieve this change by creating specialty chemicals and ingredients for both the electronics and pharmaceutical industries fostering a healthier and more advanced future.

At the heart of our operations lies our diverse team of

2,804

talented workforce.



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» Our Therapeutics

Modern lifestyles, characterized by sedentary habits, chronic stress, and processed diets, are significantly impacting global health. This fuels a surge in non-communicable diseases like diabetes, cardiovascular ailments, obesity, weak immune systems and mental health challenges. Consequently, the demand for therapeutics is

escalating, becoming essential for managing these widespread chronic conditions and improving quality of life, underscoring the critical role of pharmaceutical innovation in addressing evolving public health needs. Keeping this in mind, we offer a wide range of therapeutics of high quality.

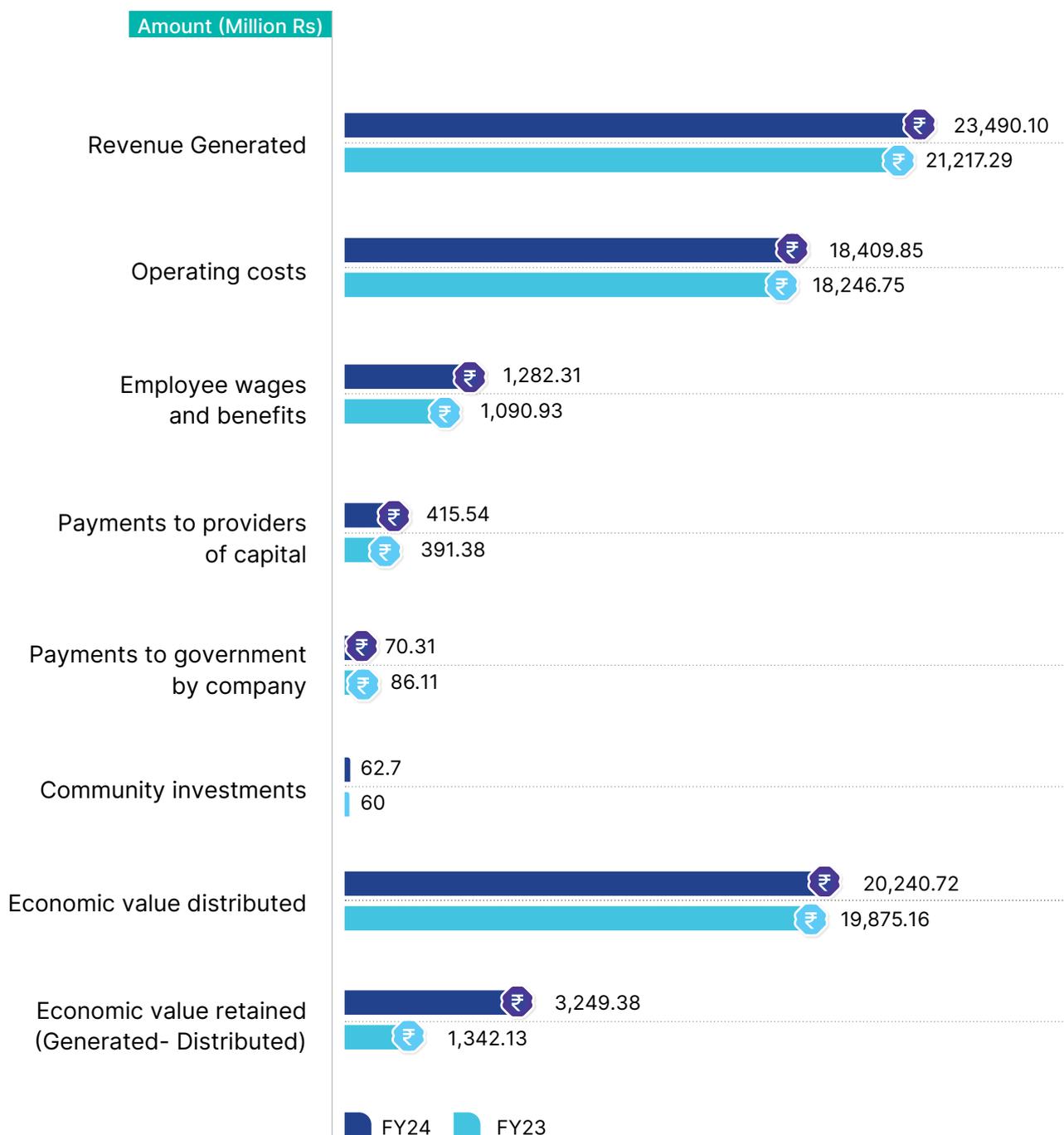


» Our Economic Performance

At Honour Lab, we recognize that financial growth must be accompanied by measurable contributions to society and our stakeholders.

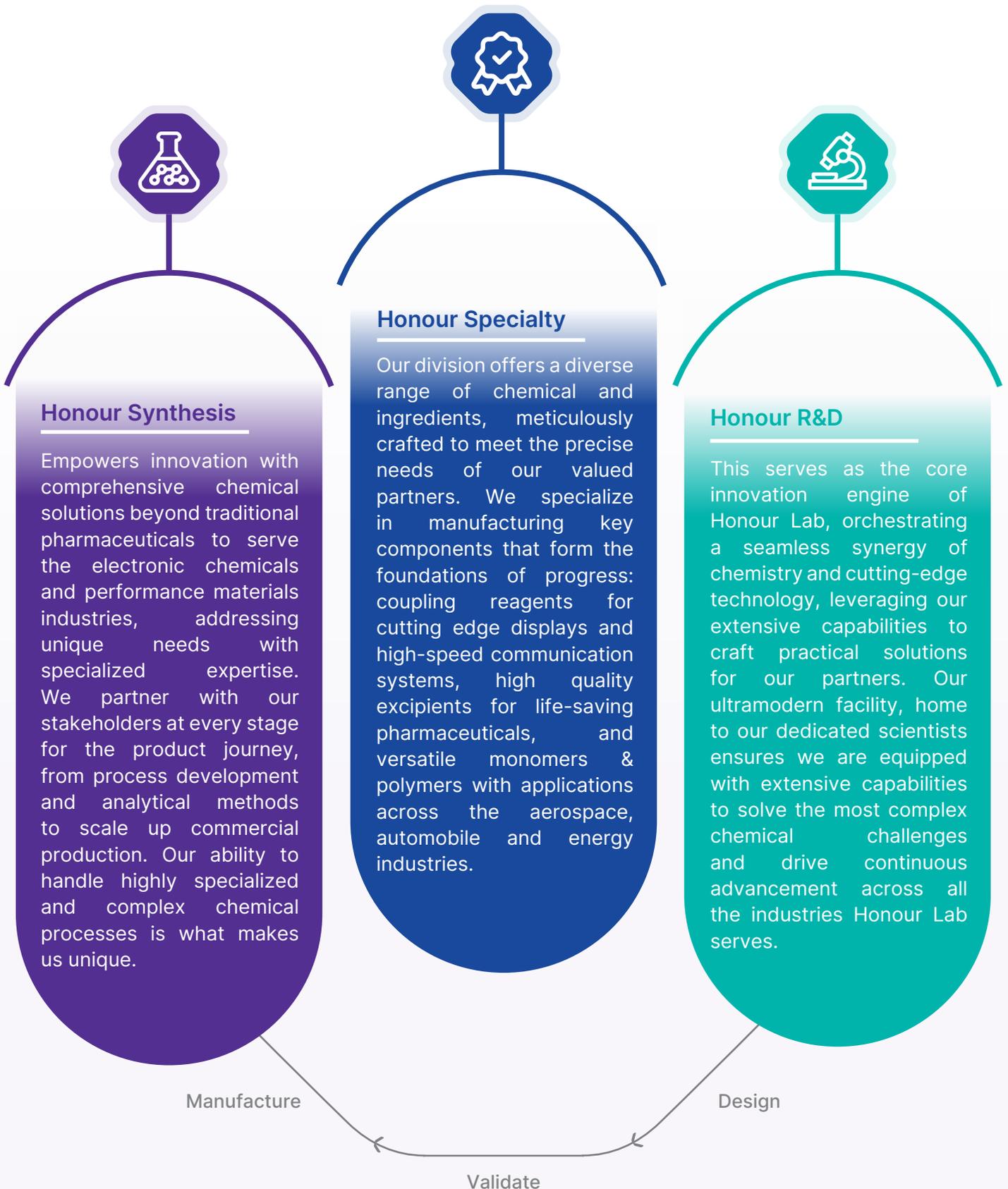
We pursue this through community development programmes, strengthening local supplier networks to promote regional economic participation, and maintaining strict adherence to legal and financial responsibilities. By integrating

these priorities into our business practices, we aim to advance sustainable growth that delivers long-term value to both the organization and the communities we engage with.



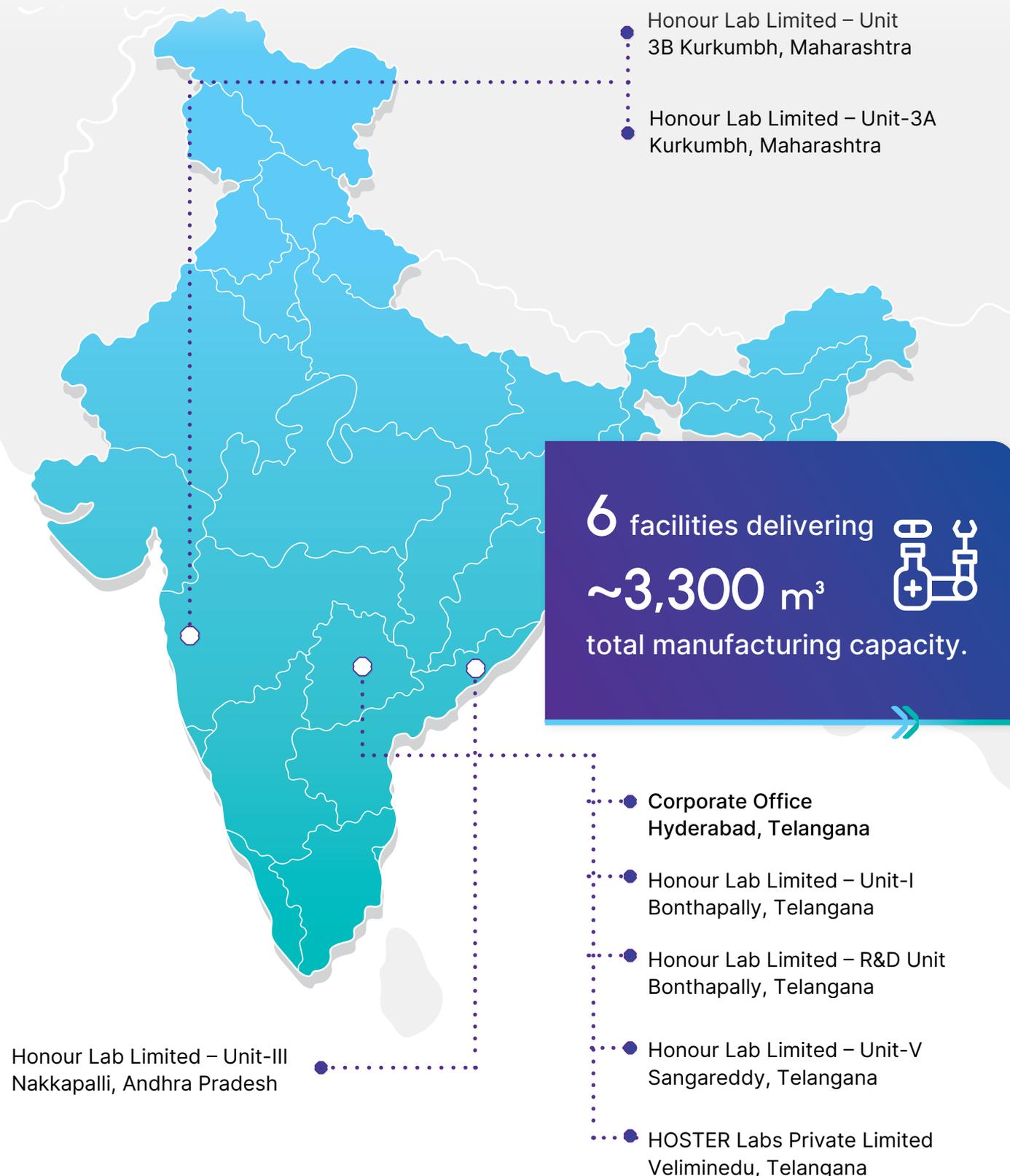
» Our Value Creation

Synthesis, Specialty, and R&D working together from development to scale up.



» Where We Operate

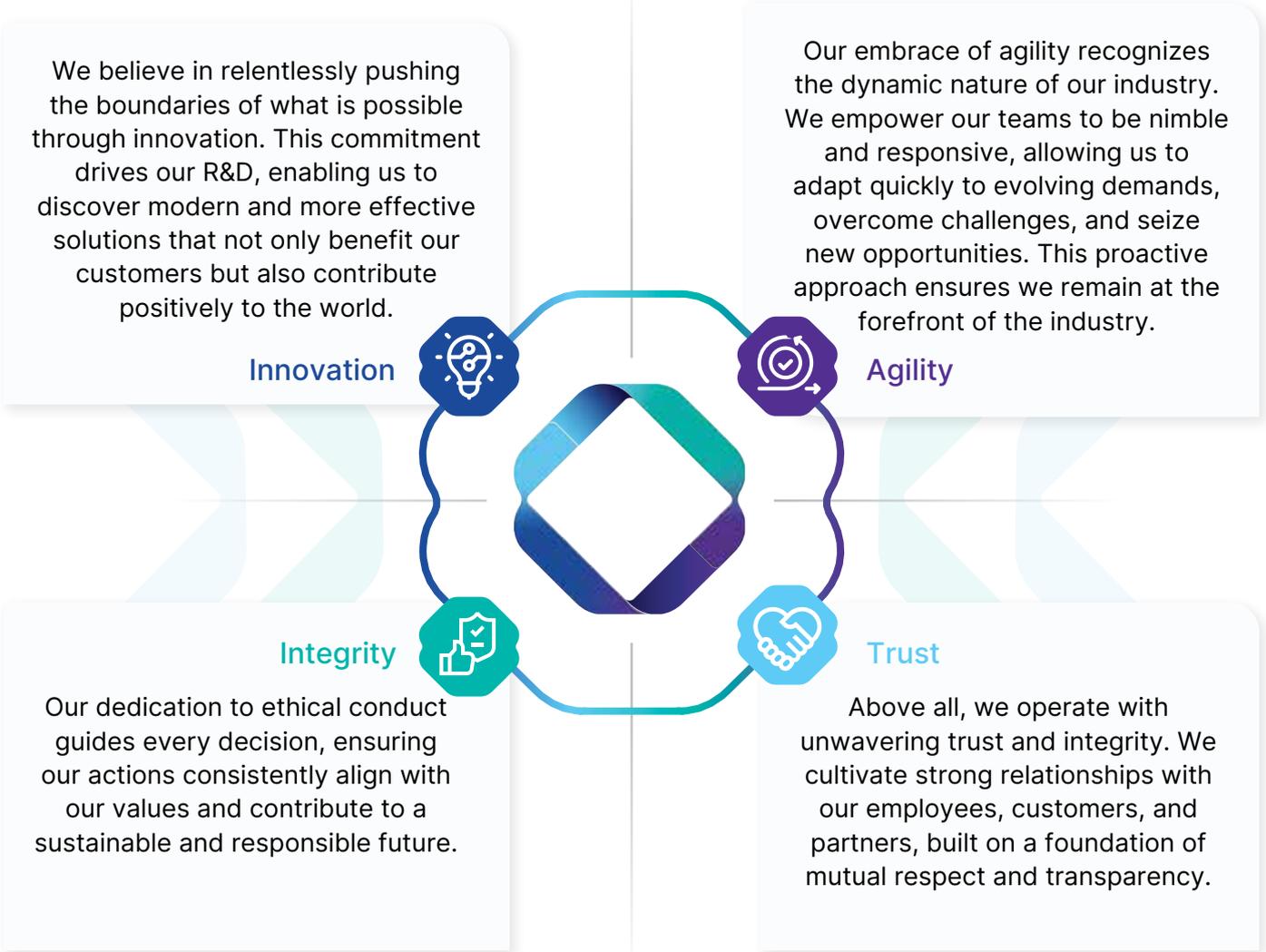
Honour Lab Limited operates across India with a corporate head office in Hyderabad, six manufacturing units (Units-I, III, 3A, 3B, V and HOSTER), and one R&D unit.



Note: Map not to scale; locations are approximate.

Our Core Values

At Honour Lab Limited, our operations are guided by 4 fundamental core values. These values are the bedrock of our culture, shaping every decision and action we take.



These 4 core values are the pillars of our company, providing the compass that guides us toward success and the foundation upon which we build a brighter tomorrow.

ESG Highlights of the Year

Environment

Energy Consumption and Emissions Reduction

- Achieved total savings of **2,966.40 GJ** at Unit-I through cogeneration turbine installation and a flash steam recovery project.
- Delivered total savings of **37,857.5 GJ** at Unit-V by introducing temperature control systems and replacing coal and briquettes with paddy husk in boiler operations.
- Adheres to ISO **50001** certified energy management practices.

Water Pollution Mitigation

- Prioritizes state of the art Zero Liquid Discharge (ZLD) systems at facilities.
- Ensures complete water reclamation.
- Significantly reduces freshwater dependency and contamination risks.

Waste Management and Circular Economy

- Combats waste generation through an integrated circular economy approach.
- Emphasizes waste reduction at source
- Partners for systematic plastic waste management .
- Adheres to Extended Producer Responsibility.

Social

Employment and Workforce Practices

- Upholds fair employment practices, compliance with labour laws, and dignity at work.
- Maintains transparent communication channels to ensure that employees feel valued and heard.

Diversity, Equity, and Inclusion (DEI)

- We have a total workforce of **3,350**, with **10.27%** female representation in FY24.
- Promotes women's participation - **8.16%** of permanent employees and **9.30%** of contractual employees.

Talent Acquisition and Retention

- Hired **861** new employees in FY24 across management and worker levels.
- Recorded an attrition rate of **26.21%** in FY24.

Employee Well-being and Development

- Provides flexible work arrangements, health insurance, mental health support, and financial wellness programs.
- Invests in training, mentorship, and leadership development - **100%** of employees received performance and career development reviews.
- Recorded **zero cases** of work-related ill health in FY24.



Customer Health and Safety

- Ensures compliance with cGMP standards and provides safety data sheets for safe handling.
- Recorded zero incidents of non-compliance related to product quality, labelling, or marketing in FY24.

Responsible Supply Chain

- Actively promotes local procurement within India to strengthen regional economies and reduce supply chain risks.
- Conducts supplier audits and capacity-building programs to drive sustainable practices across the supply chain.

Community Well Being

- Healthcare impact - **304** medical camps benefiting **10,157** patients, **6,089** consultations at Vision Centre, **1,892** spectacles distributed, and **257** cataract surgeries performed.
- Hospital adoption - Supported **50**-bedded Govt. Hospital at Nakkapally with critical medical equipment, RO water plant, and waste management facilities.
- TB Nutrition Support - Distributed **9,432** nutrition kits to TB patients in 3 districts under the PM TB Mukht Bharat Abhiyaan.
- Education initiatives - Supported 10 Anganwadis with learning materials, deployed **2** Vidya Volunteers, provided scholarships, school supplies, and Class **10** study materials.
- Infrastructure development - Laid **6 km** of CC & BT roads, built 1.5 km underground drainage, community halls, bus shelters, and installed CCTV cameras in villages.

- Safe drinking water & sanitation - Installed RO plants in schools and rural communities, constructed toilets and handwashing facilities to promote hygiene.
- Rural sports & cultural promotion - Supported playfields, sports equipment, and preservation of traditional art & culture in Andhra Pradesh.



Governance

- Sustainability Governance - Formation of a Sustainability Committee, led by a Whole-time Director; quarterly updates to the Board; site-level EHSS Heads for implementation.
- Compliance & Certifications - Group-wide **ISO 14000 & ISO 45000** certifications maintained: robust management systems and regular audits.
- Anti-Corruption Framework - Zero-tolerance policy, employee-wide training, whistleblowing channels; no confirmed incidents or legal actions in the reporting year.
- Risk Management - Structured framework aligned with WEF standards; risks mapped across product quality, cybersecurity, ESG, and climate change.

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

Key Partners



Ramky Enviro Engineers Private Limited



Envirotech Systems Limited



Jeedimetia Effluent Treatment Plant

Our Certifiers and Trainers in Sustainability



Lawn Enviro Associates



TUV India Pvt Ltd



British Standards Institution



St. John Ambulance

Awards & Accolades

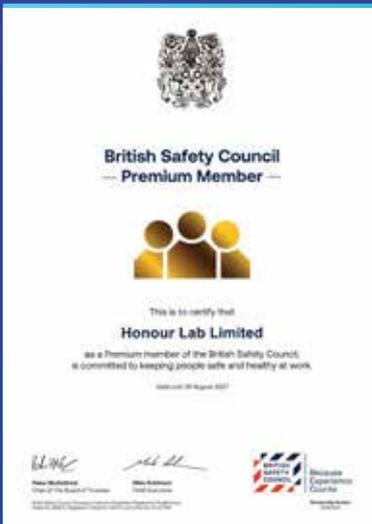
Our commitment to sustainability, responsible business practices, and stakeholder well-being has been recognized through several awards and accolades.

These awards reflect not only our efforts to integrate environmental, social, and governance principles into our operations but also the positive impact we continue to create for communities, employees, and the environment. Each recognition strengthens our resolve to pursue excellence while driving meaningful change for a sustainable future.



Telangana Best Employer Award

We were honoured with the Telangana Best Employer Award in recognition of our employee-friendly policies, inclusive practices, and commitment to creating a supportive workplace.



British Safety Council Member

We are now a proud and premium member of British Safety Council, reinforcing our commitment to ensuring safety and health of our people.

Recognized by CII

Our plant units were recognized by CII for their outstanding advancements in Environment, Health, and Safety initiatives. Honour Lab Limited's Unit-I and HOSTER were awarded Silver, while Unit-V and Unit-III received Bronze honours.



Celebrating excellence in sustainable impact



Driving change, shaping tomorrow



Building pathways to a resilient future



Commitment to people, planet, and progress



Advancing solutions for a sustainable world

Each recognition strengthens our resolve to pursue excellence while driving meaningful change for a sustainable future.





Championing sustainability through action



Inspiring progress through responsibility



Recognized for leadership in sustainability



Strengthening the future with sustainability



Our Sustainability Strategy

Aligning Priorities, Creating Value



Employee wellness, occupational health, community health programs.



Women empowerment, DEI programs, inclusive workplace practices.



Energy efficiency, renewable energy adoption, low-carbon initiatives.



Circular economy, waste reduction, resource efficiency.



Carbon reduction, climate risk management, renewable energy transition.



Our Commitment to Sustainability

To secure long-term success and resilience, organizations must embed sustainability at the core of their strategy.

This begins with proactively identifying and addressing the material issues that most significantly affect financial outcomes, environmental impact, and social well-being. By focusing on what truly matters, organizations can allocate resources more effectively, mitigate risks, and seize opportunities that align with stakeholder expectations, from investors and employees to customers and communities.

For Honour Lab, prioritizing sustainability is not only a moral imperative but also a strategic advantage. It empowers the business to operate more efficiently, build trust, and foster innovation. As global challenges such as climate change, resource scarcity, and social inequality intensify, a clear, action-oriented approach to sustainability becomes essential for long-term value creation and organizational resilience.



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Honour Lab Actively promotes **local procurement** within India to strengthen regional economies and reduce supply chain risks.



» Our Approach to Materiality

To embed sustainability deeply into our core and long-term vision, Honour Lab Limited undertook a comprehensive materiality assessment.

Our robust materiality assessment process is designed to comprehensively identify and evaluate our organization’s impacts, along with the associated risks and opportunities. We begin by thoroughly understanding our context and engaging with key stakeholders to highlight a broad range of actual and potential impacts on the economy, environment and people. This includes considering how our operations, products, and services throughout our value chain contribute to both negative consequences

and positive contributions. Subsequently, we rigorously assess the significance of these impacts, determining the severity and likelihood of negative outcomes, and the scale, scope, and likelihood of positive ones. This systematic approach ensures we identify not only where we create significant impacts, but also the critical risks these impacts might pose to our business and the valuable opportunities they present for innovation, efficiency and enhanced stakeholder relationships.

Identification of Material Topics

STEP

01 Understand our context

GOAL

- Understand the organization and the environment it operates in
- Outline the profile (business, purpose, workforce)
 - Understand the sustainability landscape (global and local issues)
- Identify all relevant stakeholders

STEP

02 Identify actual and potential impacts

GOAL

- Map all specific ways the organization impacts the economy, environment, and people across the value chain, identifying risks and opportunities
- Identify impacts from upstream and downstream activities Consider both negative (risks) and positive impacts (positive)
 - Gather data from internal (audits and grievances) and external sources (benchmarks, stakeholder feedback, legal reviews, anti-corruption compliance management systems, financial audits, occupational health and safety inspections, and shareholder filings)

STEP

03 Assess the significance of the impacts

GOAL

- Prioritize which impacts are significant based on their severity and likelihood.
- For negative impacts (risks) assess severity scale, scope, human rights and likelihood
 - For positive impacts (opportunities) assess scale, scope, and likelihood
 - Engage stakeholders and experts for valuable insights

STEP

04 Prioritize the most significant impacts for reporting

GOAL

- Select the most significant impacts to become our material topics for reporting.
- Define a materiality threshold based on the assessment
 - Group similar significant impacts into material topics
 - Obtain approval from the organization's highest governance body for the material topics
 - Select relevant GRI disclosures and determine what to report for each material topic.

STEP

05 The material topics prioritized and mapped in the materiality matrix

Materiality Matrix

The Materiality Matrix visually represents our stakeholders' perspectives on the identified material topics.

It plots the relevance of various topics to Honour Lab Limited's value creation. This matrix helps us pinpoint high-priority material issues, characterized by both their potential risk and level of importance for their influence. These crucial topics are then integrated into our overall company strategy, ensuring focused efforts towards generating long-term value for all our stakeholders.

Honour Lab Limited's Materiality Assessment



- C** Energy
- A** Human Rights
- P** Procurement Practices
- D** Emissions
- B** Responsible Governance Practices
- Q** Indirect Economic Impact
- H** Waste
- E** Occupational Health and Safety
- R** Marketing and Labelling
- J** Water and Effluent
- F** Anti-corruption
- S** Training and Education
- L** Materials
- G** Drug Safety
- T** Economic Performance
- M** Biodiversity
- I** Product Quality and Safety
- U** Employment
- K** Local Communities
- N** Labour/Management Relations
- O** Diversity and Equal Opportunity

● Environment
 ● Social
 ● Governance

Topics	Focus Areas	SDGs linked	Impacts and risks	Actions
Operational efficiency				
Resource consumption	Enhancing operational efficiency	   	Results in increased costs and environmental footprint. This creates an opportunity to adopt a path towards renewable energy and resource efficient technologies that can deliver long term savings, resilience and sustainability gains	Conduct comprehensive energy audits to identify and act on savings opportunities; investing in renewable energy infrastructure such as solar and wind power; optimizing manufacturing processes to improve resource efficiency; and working collaboratively with suppliers to promote sustainable sourcing
Environment				
Emissions	Carbon emissions reduction			Transitioning to renewable and efficient technology reduces CO ₂ emissions and the use of regular monitoring will help in setting science based targets and ensure accountability
Energy	Energy efficiency and renewable energy adoption	   	Results in increased costs, environmental impact, and resource scarcity. This creates an opportunity for efficiency gains through resource efficient technology and renewable energy.	Boosting energy efficiency in manufacturing and logistics through technology and audits along with investment in solar and wind power
Water and Effluent	Water and effluent management			Improving water efficiency by reducing consumption through optimized processes while effectively managing effluent discharge with monitoring, treatment, and environmental compliance

Topics	Focus Areas	SDGs linked	Impacts and risks	Actions
Waste	Hazardous and non-hazardous waste	    	<p>Contributes to environmental pollution, regulatory risk, and reputational harm.</p> <p>Opportunity to enhance reputation with advanced recycling and circular economy</p>	<p>Reducing the use of hazardous substances in production processes, expanding recycling initiatives, scaling waste-to-energy programs and partnering with specialized waste management companies to improve disposal method</p>
Social				
Human Rights	Human rights across the value chain	 	<p>Risk of reputational damage, legal penalties, and loss of talent due to violations. Opportunity to enhance brand reputation, attract and retain skilled employees, and foster strong stakeholder relationships by upholding human rights standards</p>	<p>Prevent discrimination, harassment, and human rights violations through strong policies and regular training and maintain effective grievance mechanisms for safe reporting</p>
Diversity, Equity and Inclusion	Diverse, equitable, and Inclusive workplace (DE&I)	  		
Governance				
Responsible Government Practices	Ethical and transparent practices	  	<p>Risk of legal penalties, reputational damage, and loss of public trust due to unethical or non-transparent practices. Opportunity to enhance credibility, attract responsible investors, and foster a stable operating environment by upholding ethical governance and transparency</p>	<p>Ethical, transparent governance system and robust risk management. Advocacy for policies supporting transparency, good governance, and sustainable development, with accountability and training in all key activities</p>

Topics	Focus Areas	SDGs linked	Impacts and risks	Actions
Anti-corruption	Prevent and combat corruption in all its forms	  	<p>Risk of legal penalties, reputational damage, and loss of public trust due to unethical or non-transparent practices. Opportunity to enhance credibility, attract responsible investors, and foster a stable operating environment by upholding ethical governance and transparency</p>	<p>Enforce a zero tolerance corruption policy across the organization and value chain. Establish strong controls, conduct regular audits, and provide secure whistleblower channels to prevent and detect corrupt practices. Investigate and remediate incidents and offer anti corruption training to foster integrity</p>
Supply Chain	Supply chain transparency	    	<p>Limited knowledge about supply chain creates the risk of exposure to environmental and social non-compliance</p> <p>Opportunity to increase supply chain transparency and collaboration with supplier sustainability initiatives</p>	<p>Conduct supplier audits to assess the sustainability practice</p> <p>Develop and implement a Supplier Code of Conduct</p> <p>Collaborate with suppliers to improve the environmental and social performance</p> <p>Invest in technology solutions for supply chain traceability</p>



Stakeholder Engagement

At Honour Lab, we believe strong, lasting relationships with our stakeholders are fundamental to our inclusive and responsible growth. By understanding their needs, we create shared value for everyone involved.

Stakeholder engagement is crucial for gaining insights and building a resilient business. Good relationships, built on trust and open communication, drive our reputation, attract talent, and foster innovation.

We meticulously identify stakeholders based on their impact and influence, recognizing their vital role in achieving our goals. Our commitment to honest dialogue not only helps us meet our objectives but also contributes positively to the wider community.

Our stakeholders are integral to advancing our Environmental, Social, and Governance (ESG) agenda. Employees contribute by embedding sustainability and compliance into daily operations. Customers and partners drive innovation through demand for ethical, high-

quality products. Investors and regulators push us towards higher transparency, accountability, and long term value creation. Local communities help shape our social initiatives, ensuring they are meaningful and impactful. Together, our stakeholders help us strengthen environmental stewardship, promote social responsibility, and uphold strong governance practices aligning our business with global sustainability standards and contributing to a better future.

We meticulously identify stakeholders based on their impact and influence, recognizing their vital role in achieving our goals. Our commitment to honest dialogue not only helps us meet our objectives but also contributes positively to the wider community.



Stakeholder group	Expected outcomes	Preferred mode of engagement	Engagement elements
Investors and shareholders 	Financial returns, responsible business practices, long term growth	Annual general meetings	Transparent disclosures beyond compliance, proactive dialogue on long-term value creation, inclusion in sustainability strategy development.
Employees 	Safe and healthy workplace, career development opportunities, fair compensation, ethical practices	Our employee engagement approach includes a range of initiatives such as toolbox talks, town hall meetings, recognition programs, employee opinion surveys, skill-building workshops, and the use of dedicated communication platforms to foster transparency, collaboration, and a positive workplace culture.	Fostering inclusivity and belonging, mental health and well-being support, open-door leadership culture, recognition of employee voices in decision-making, transparent grievance mechanisms, continuous feedback loops for improvement.
Suppliers 	Build reliable, long-term partnerships through fair pricing, transparent communication, and a steadfast commitment to sustainability.	One-on-one communication by the Procurement team through emails, meetings, etc.	Capacity building on sustainability practices, co-innovation on product development, long-term collaboration beyond transactional relationships, joint audits and improvement programs, knowledge-sharing platforms.
Local communities 	Environmental responsibility, economic development, access to healthcare.	Social engagement programs through our CSR team	Participatory planning for CSR initiatives, listening forums and grievance redressal mechanisms, promoting local hiring and entrepreneurship, long-term social impact measurement, co-creation of programs (health, education, environment).
Customers 	Expand market reach. Promote new offerings. Ensure ethical conduct.	One-on-one communication by our Business Development team through emails, meetings, etc.	Building trust through responsible marketing and transparent product information, engaging in co-creation of solutions, regular customer satisfaction assessments, responsiveness to evolving expectations on sustainability and ethics.



Honour Lab conducts comprehensive energy audits to identify and act on savings opportunities; investing in renewable energy infrastructure such as solar and wind power; optimizing manufacturing processes to minimize resource efficiency; and working collaboratively with suppliers to promote sustainable sourcing



Our Governance

Driving Accountability, Ensuring Integrity



Diversity and inclusion in leadership



Aligns with economic and social priorities, fair practices, business ethics



Aligns with environmental and sustainable practices



Governance and ethical decision-making, trust



Responsible Corporate Governance

Corporate governance plays a critical role in ensuring the long-term success, accountability, and sustainability of any organization. It establishes a framework for ethical decision-making, transparency, and effective oversight, helping to build trust among stakeholders and safeguard the interests of employees, customers, shareholders, and the wider community.

By promoting integrity and responsible leadership, strong corporate governance contributes to organizational resilience, operational excellence, and positive social and environmental impact.

Our approach to responsible corporate governance is guided by two fundamental pillars: our core company values and our dedication to adhering to external regulations, international frameworks, and voluntary initiatives. We actively incorporate these requirements into our broader sustainability strategy, ensuring they are not treated as separate obligations but as integral

components of how we conduct business. This includes a set of organizational-wide charters and principles, complemented by specific standards and operational guidelines tailored to individual business units and regional operations.

This dual approach enables us to uphold sound governance practices that honour both our internal commitments and external responsibilities, helping us cultivate a sustainable, ethical, and responsible organization.

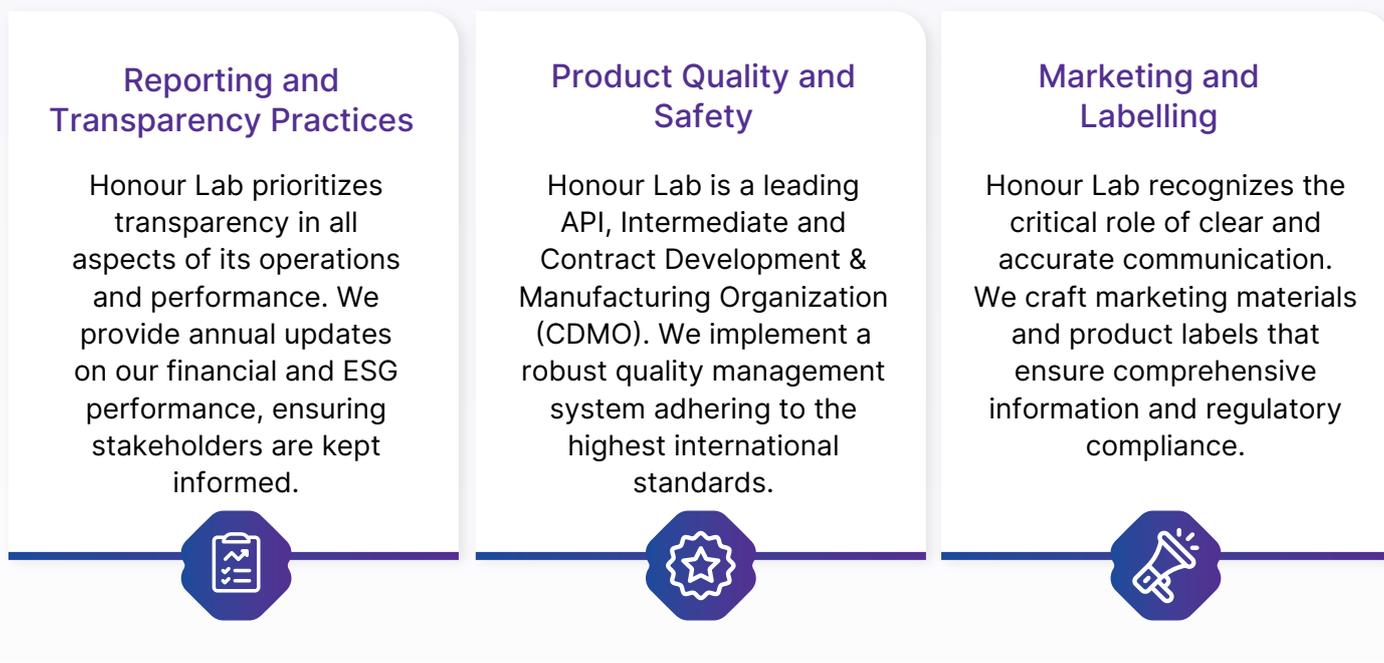
By promoting integrity and responsible leadership, strong corporate governance contributes to organizational resilience, operational excellence, and positive social and environmental impact.



» Reporting and Transparency Practices

Honour Lab prioritizes transparency across operations by publishing annual updates on financial and ESG performance. Sharing internal policies and codes openly fosters a culture of accountability.

This transparency strengthens investor confidence, enhances corporate reputation, and supports long-term stakeholder trust, which are the key drivers of sustainable business growth.



» Governance Structure

At Honour Lab, the Board of Directors serves as the highest governing authority, responsible for steering the company's strategic vision and overseeing its long-term performance.

The Board comprises esteemed members including the Managing Director, Woman Director, Whole-Time Directors, and Independent Directors. With collective expertise spanning manufacturing, EHS, supply chain, quality and other core operational areas, the Board ensures sound decision making and reinforces a strong governance culture that supports sustainable growth.

The process for selecting Board members is designed to uphold the highest standards of integrity, professionalism, and domain expertise. This responsibility lies with the Nomination and Remuneration Committee, which evaluates potential candidates based on ethical conduct,

leadership capabilities, relevant experience, and regulatory requirements under the Companies Act, 2013.

In addition, the Board as guided by recommendations from the Nomination and Remuneration Committee, has adopted a detailed Remuneration Policy for Directors, Key Managerial Personnel (KMPs), and other employees. This policy is structured in accordance with the requirements set forth in the Companies Act, 2013, ensuring robust transparency and accountability. Our policy is designed to clearly reflect the company's performance and strategic objectives while remaining competitive within market standards.

A dedicated Nomination and Remuneration Committee systematically reviews and updates this policy, ensuring its continuous relevance and full regulatory alignment, enabling adaptation to evolving market dynamics and business priorities. This steadfast commitment to a well-defined, equitable, and transparent remuneration process underscores our profound dedication to responsible corporate governance and ethical business operations.

Board Members



Dr. K. Rathnakar Reddy
Managing Director



Dr. K. Subhas Chander Reddy
Whole-Time Director



Mr. N. Muralidhar Reddy
Whole-Time Director

Mrs. K. Krishnaveni	Women Director
Mr. Buchiram Venkat Sobhanadri Suri *	Independent Director
Mr. Narsimha Reddy *	Independent Director
Justice (Retd.) Gopal Reddy Annareddy **	Independent Director
Dr. Adi Sessa Giri Jagarapu **	Independent Director
Mr. A. Sudhakar Reddy	Director

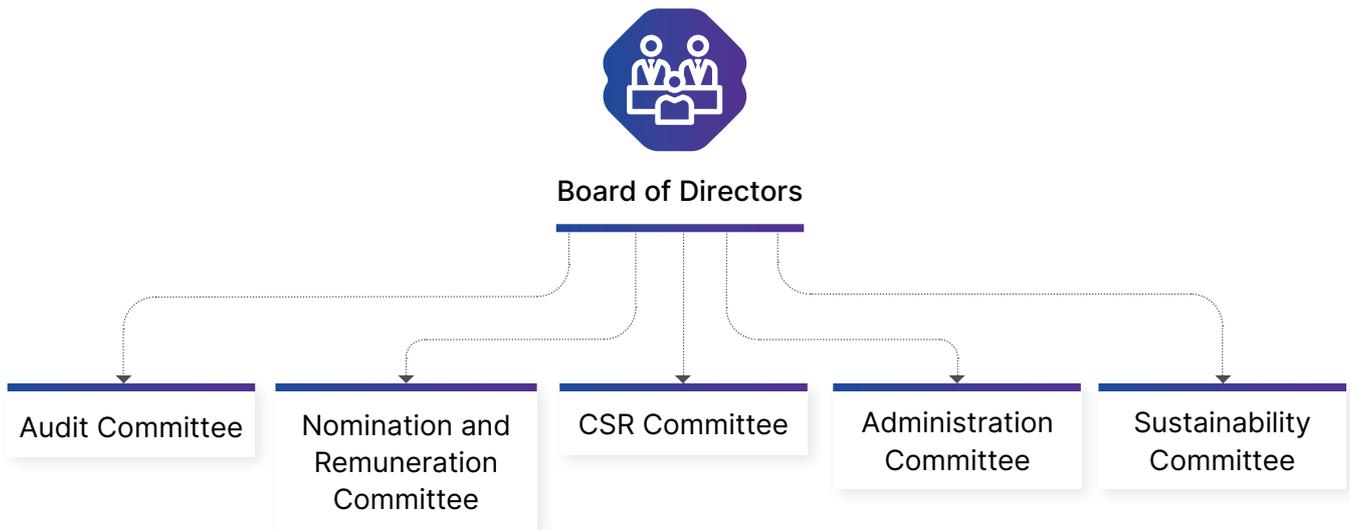
*Mr. Buchiram Venkat Sobhanadri Suri and Mr. Narsimha Reddy, Independent Directors of the Company were retired and ceased to be Independent Directors on the Board w.e.f. 26th September 2023.

** Justice (Retd.) Gopal Reddy Annareddy and Dr. Adi Sessa Giri Jagarapu were appointed as Independent Directors on the Board w.e.f. 18th December, 2023.

» Sustainability Governance

At Honour Lab, we aim to embed sustainability into the core of our business strategies, decision-making processes, and day-to-day operations.

The Board of Directors plays a pivotal role in overseeing sustainability strategies and ensuring alignment with our long-term goals and corporate values. To strengthen this commitment, we are in the process of developing a comprehensive Sustainability Policy that will outline our objectives, principles, and action plans related to environmental stewardship, social responsibility, and ethical governance.



As an outcome, this will provide a clear framework for sustainable practices across the organization. A dedicated Sustainability Governance Team and a Sustainability Committee, led by the Whole-Time Director, will be established to drive this agenda forward, ensuring strategic oversight and effective implementation. The Administration Committee will aim to provide quarterly updates to the Board on the sustainability progress, promoting continuous review and improvement. At the operational level, we plan to appoint dedicated plant heads and management teams at each site to implement sustainability initiatives at the ground level, while the Environment, Health, Safety, and Sustainability (EHSS) head will oversee the overall development and coordination of these efforts. Ultimately, the highest governance authority, represented by our Board of Directors, will regularly review and monitor Honour Lab's sustainability-related policies and strategies. The intended outcome is

to build a resilient, responsible, and sustainable organization that upholds ethical business practices and delivers long-term value to all stakeholders.

Plant Heads and management teams at each site to implement sustainability initiatives at the ground level, while the Environment, Health, Safety, and Sustainability (EHSS) head will oversee the overall development and coordination of these efforts.

» Implementing Responsible Practices

At Honour Lab, our strategy for promoting responsible business practices is driven by well-defined internal policies and operational standards.

These internal frameworks are designed to provide clear and consistent direction for processes across the entire organization. To maintain their relevance and effectiveness, these policies are regularly reviewed, refined, and updated by the respective departments, ensuring alignment with evolving business needs and regulatory requirements. For ease of accessibility and operational efficiency, all policies are made readily available on our internal digital platforms.

A key component of our implementation strategy is the integration of these policies into our internal management system, which serves as the primary mechanism for enforcing standards and monitoring compliance within each area of responsibility. To support this, we have established comprehensive training and awareness programs aimed at equipping all employees with the knowledge and understanding needed to effectively apply these guidelines in their daily operations. This strategic approach ensures a culture of accountability, operational consistency, and continuous improvement across all levels of the organization.

List of all Policies

Environment

- Energy policy
- Bio-Diversity Policy
- Environment Policy

Social

- Social Policy
- Employment Policy
- Contract Labour Management Policy
- Health and Safety Policy
- Skill Development Policy
- POSH
- Prevention of Child Labour
- Expectant Mothers Policy
- Policy Against Forced or Compulsory Labour
- Employees Resignation and Discharge Policy
- Information Security Policy
- CSR Policy

Governance

- Whistle Blower Policy
- Remuneration Policy
- Promotion Policy
- Anti-Bribery Policy
- Risk Assessment Policy
- Freedom of Association and the Right to Collective Bargaining
- Grievance Handling Policy
- Customer Safety Guidelines



Group-wide ISO 14001 and ISO 45001 certifications maintained through robust management systems and regular internal and external audits.

In addition, we utilize strong management systems to guide our operational processes, set defined objectives, and implement structured action plans. As part of our commitment to continuous improvement, transparency, and accountability, we participate in regular independent audits for ISO 14000 and ISO 45000 certifications, maintaining group-wide certifications for both standards. This disciplined and proactive approach ensures that our operations consistently meet internationally recognized benchmarks, supporting responsible business practices and fostering sustainable, long-term growth.

» Compliance with Laws and Regulations

At Honour Lab, we recognize that compliance with laws, regulations, and ethical standards is fundamental to building a resilient, responsible, and sustainable organization.

In a business landscape where our operations intersect with critical environmental, social, and governance (ESG) concerns, regulatory compliance is not merely a legal necessity but a reflection of our commitment to safeguarding communities, protecting the environment, and ensuring fair business practices. Upholding these obligations reinforces trust with stakeholders, preserves our corporate integrity, and strengthens our position as a responsible global business.

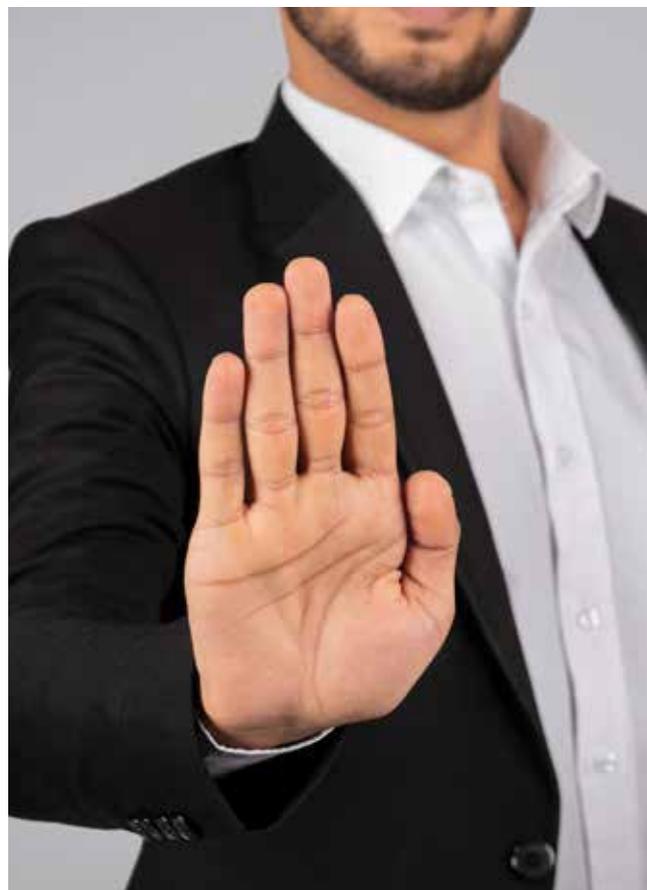
» Anti-Corruption

At Honour Lab, we believe that ethical conduct and integrity are the foundations of long-term success and sustainability.

In today's complex global environment, maintaining the highest standards of anti-corruption and anti-bribery is not only a legal requirement, it is a moral obligation we take seriously. Transparency and accountability are central to our operations. We have a zero-tolerance policy for bribery and corruption, supported by a comprehensive compliance framework. This includes clear anti-bribery policies, regular and mandatory training for all employees, and accessible reporting channels to raise concerns or suspicions without fear of retaliation. We are equally committed to ethical practices across our supply chain. We work with partners and suppliers who share our values, conducting thorough due diligence to identify and mitigate potential risks. Our financial transactions are transparent and well-documented, ensuring integrity in every aspect of our business. As part of our proactive approach, we have conducted a detailed risk assessment to identify and address corruption-related vulnerabilities within our operations. Our commitment extends beyond compliance. We believe that upholding these principles builds a culture of trust and respect, enhances our ability to attract and retain top talent, and strengthens our relationships with clients, partners, and the communities we serve. Through these efforts, we aim not only to protect our reputation and ensure continued success but also to contribute meaningfully to a more ethical and sustainable industry.

» All our employees are trained on Anti-Corruption Policy

» No confirmed incidents of corruption in reporting period



Risk Management

At Honour Lab, we focus on the trends of emerging risks relevant to the pharmaceutical sector in accordance with World Economic Forum and other important organizations and have analyzed the following risks.

Emerging Risk Category	Specific Risk	Impact	Mitigation Measures
 <p>Product quality</p>	<p>Manufacturing errors: Product recalls, adverse events and patient harm.</p>	<p>Loss of life, brand damage, financial losses and regulatory action.</p>	<p>Implement rigorous quality management systems, use advanced process controls, conduct thorough quality audits, prioritize employee training and safety.</p>
 <p>Product development</p>	<p>Lack of efficacy, safety concerns, high cost.</p>	<p>Pipeline delays, lost investment, reputational damage and missed market opportunities.</p>	<p>New Products and Technology Transfer Packages are developed by R&D and validations are done by the Plants. Optimize trial design, partner with CROs with strong track records.</p>
 <p>Information security</p>	<p>Cyberattacks: Data breaches, system disruptions, intellectual property theft.</p> <p>Data privacy violations: Non-compliance with regulations.</p>	<p>Financial losses, operational shutdown, reputational damage and legal liability.</p> <p>Regulatory fines, loss of public trust.</p>	<p>Implement robust cybersecurity measures, conduct regular penetration testing, train employees on cyber hygiene, partner with cybersecurity experts.</p> <p>Develop comprehensive data privacy policies, implement data access controls, ensure transparency and accountability.</p>
 <p>ESG and Sustainability</p>	<p>Environmental impact of drug manufacturing: Greenhouse gas emissions, resource depletion, waste generation.</p> <p>Social responsibility concerns: Lack of access to medicines for underserved populations, ethical sourcing of ingredients.</p>	<p>Regulatory pressure, reputational damage and consumer backlash.</p> <p>Public health issues, reputational damage and investor pressure.</p>	<p>Adopt sustainable manufacturing practices (e.g., green chemistry), invest in renewable energy, reduce waste and emissions, develop eco-friendly packaging.</p> <p>Implement access programs, partner with NGOs, source ingredients responsibly, promote diversity and inclusion within the company.</p>
 <p>Climate change</p>	<p>Disruptions in supply chain and logistics: Extreme weather events, resource scarcity.</p>	<p>Drug shortages, price increases, delivery delays and increased production costs.</p>	<p>Build resilient supply chains, diversify sourcing, invest in climate-smart transportation, explore alternative production methods</p>

Our Planet

The Science of Sustainability, The Future of Responsibility



Water efficiency and management



Energy efficiency, renewable energy adoption



Waste reduction, resource efficiency



GHG reduction, climate resilience



Biodiversity, pollution control



Environmental Performance

The pharmaceutical industry, while vital for human health, faces several pressing environmental issues globally. These challenges stem from various stages of the drug lifecycle, from R&D to manufacturing, distribution, and disposal.

One of the most significant environmental concerns is water pollution from Active Pharmaceutical Ingredients (APIs). Manufacturing facilities of other companies often discharge wastewater containing trace amounts of APIs, which contaminates water bodies. These residues, even at low concentrations adversely affects aquatic ecosystems. Furthermore, the energy intensity of the manufacturing process contributes significantly to greenhouse gas emissions. Complex chemical syntheses, temperature-controlled environments, and extensive purification steps require substantial energy inputs.

Honour Lab has prioritized state-of-the-art Zero Liquid Discharge (ZLD) systems at its facilities

Another critical issue is waste generation, encompassing hazardous chemical waste, packaging materials, and expired or unused medicines. The disposal of hazardous chemical waste from R&D and manufacturing, if not managed properly, poses risks of soil and water contamination.

Honour Lab places environmental sustainability at the heart of its business strategy and is directly addressing pressing global environmental issues faced by the pharmaceutical industry through its sustainability initiatives.

Recognizing the impact of water pollution from APIs and high energy consumption, Honour Lab has prioritized state-of-the-art Zero Liquid Discharge (ZLD) systems at its facilities,

ensuring complete water reclamation and significantly reducing freshwater dependency and contamination risks. Simultaneously, there is monitoring and reduction of Scope 1 and Scope 2 emissions through investments in renewable energy, operational efficiency upgrades and ISO 50001 certified energy management practices, directly tackling the industry’s energy intensity and carbon footprint.

Furthermore, Honour Lab combats the widespread issue of waste generation through an integrated circular economy approach, emphasizing waste reduction at source, extensive recycling and partnerships for systematic plastic waste management.

By embedding these robust environmental accountabilities across its operations and supply chain, Honour Lab exemplifies a proactive and integrated strategy for mitigating the pharmaceutical industry’s most significant ecological challenges.



» Climate Change

Climate change, with its far-reaching consequences on weather patterns, biodiversity, public health, and resource availability, is one of the most urgent global challenges of our time.

The pharmaceutical industry faces widespread climate change risks, including physical threats like extreme weather events that can disrupt supply chains and manufacturing, as well as transition risks such as stricter environmental regulations, carbon pricing, and evolving investor expectations. These challenges directly impact raw material sourcing, operational continuity, increased compliance costs and reputational standing, making comprehensive climate risk management essential for the industry's resilience and its ability to consistently deliver vital healthcare products globally.

Additionally, Honour Lab is committed to transparency and continuous improvement by regularly tracking environmental performance metrics, sharing progress, and engaging with industry and community stakeholders to explore collaborative solutions. As part of its forward-looking strategy, the company has also begun laying the groundwork for monitoring relevant categories of Scope 3 emissions, recognizing the importance of addressing indirect environmental impacts across the value chain.

Beyond immediate emission controls, Honour Lab embeds environmental accountability into every



Acknowledging the growing risks associated with rising greenhouse gas emissions, Honour Lab has made climate action a key priority, understanding that mitigating environmental impact today is essential for securing a sustainable future.

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In pursuit of this commitment, Honour Lab has actively implemented initiatives to monitor and reduce its Scope 1 and Scope 2 emissions, directly targeting operational activities such as fuel consumption and energy use. This is being done through investments in renewable energy alternatives, upgrades in operational efficiencies, and responsible resource management. These measures have not only helped Honour Lab meet existing regulatory standards but also positioned the organization to surpass industry norms in environmental responsibility.

aspect of its business operations, from decision making and product development to community programs and supply chain management. This integrated approach ensures that sustainability principles guide both corporate strategy and day-to-day actions. By fostering a culture of environmental awareness among employees and stakeholders, Honour Lab strengthens collective accountability and drives innovation in sustainability practices.

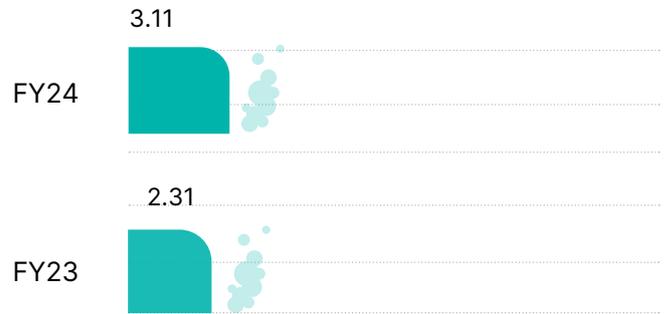


Emissions

	FY24 (tCO2e)	FY23 (tCO2e)
Scope 1	40,696.10	23,169
Scope 2	36,898.54	34,589

Emission Category	FY24 (kg)	FY23 (kg)
NOx	393.27	449.61
SOx	727.25	755.81
Particulate matter (PM)	1483.12	1270.11

Emission Intensity Unit - tCO2e / ₹ Million



By embedding robust environmental accountabilities across its operations and supply chain, Honour Lab exemplifies a proactive and integrated strategy for mitigating the pharmaceutical industry’s most significant ecological challenges.



» Energy Management

Honour Lab views energy management as a strategic imperative, recognizing its critical role in achieving global climate goals and enhancing business resilience.

By consistently optimizing efficiency, reducing consumption, and progressively shifting towards renewable sources, we safeguard ecological health and ensure operational continuity in an era where sustainable energy use is paramount.



Energy Mix for FY24

Energy Type	FY24 (GJ)	FY23 (GJ)
HSD used in operations	9,974.30	11,027.35
Coal	399,022.00	4,03,848.20
Furnace Oil	0	319.20
Biomass	188,635.00	16,824.60
Paddy Husk	24,800.80	3,967.20
Purchased Electricity	182,716.31	169,872.40
Total Energy Consumption	8,05,147.61	6,05,859.95

	FY24 (GJ/₹ Million)	FY23 (GJ/₹ Million)
Energy Intensity	34.28	28.56

	FY24	FY23
Total renewable energy consumption (GJ)	2,13,435.00	20,791.80
Percentage of total energy consumption from renewable sources (%)	26.51%	3.40%

Energy Efficiency Initiatives

As part of this commitment, Honour Lab conducts regular energy audits and in-depth assessments across its facilities to identify inefficiencies and areas of improvement. These insights have guided targeted investments in advanced, energy-efficient equipment and the deployment of energy management systems that streamline operational processes while minimizing wastage. The result is a measurable reduction in energy intensity, which not only cuts costs but also reduces the environmental footprint.

A central pillar of Honour Lab’s strategy involves accelerating the adoption of renewable energy. By forging partnerships with renewable energy providers and integrating on-site solar and wind energy systems, Honour Lab is actively reducing its dependence on fossil fuels, thereby lowering greenhouse gas emissions. This transition also enhances the company’s energy security and resilience against future energy market volatility.

Transparency remains a cornerstone of Honour Lab’s energy management framework. Comprehensive monitoring systems track consumption patterns, detect anomalies, and assess the success of ongoing initiatives. Regular progress reports to stakeholders ensure accountability, while continuous policy reviews and employee engagement campaigns foster a culture of conservation and innovation.

Notably, Honour Lab’s Unit-III manufacturing site is already certified under ISO 50001 for energy management, and similar certifications for other manufacturing units are underway, demonstrating Honour Lab’s industry leadership in responsible energy stewardship.

At Unit-I, Honour Lab implemented key initiatives during FY24 to strengthen energy performance. A turbine was installed as part of a cogeneration plant, reducing reliance on grid electricity and enabling internal power generation. This initiative resulted in electricity savings of 2,966.40 GJ during the year. In addition, a flash steam recovery project was undertaken through the installation of steam traps, which delivered an annual fuel saving of 6,502.8 GJ.

At Unit-V, energy-saving measures were introduced during FY24 through temperature control systems for process cooling tower fan motors and AHUs’ DX coils and units. These initiatives resulted in annual savings of 102.64 GJ and 35.81 GJ, respectively, amounting to a total saving of 138.46 GJ. In addition, coal and briquettes used in the 8 TPH boiler were replaced with paddy husk. This measure resulted in an annual fuel saving of 37,719 GJ, reducing reliance on fossil-based fuels.

Cogeneration turbine saved
2,966.40 GJ
 of electricity this year.

Transparency remains a cornerstone of Honour Lab’s energy management framework. Comprehensive monitoring systems track consumption patterns, detect anomalies, and assess the success of ongoing initiatives.

» Water Stewardship

Water is one of the world's most precious natural resources, and its sustainable management is essential for both ecological preservation and industrial operations.

Honour Lab acknowledges the increasing global concerns around water scarcity and pollution, particularly in regions where pharmaceutical manufacturing can significantly impact local water systems. In response, Honour Lab has prioritized water stewardship as a core sustainability objective, anchored by its state-of-the-art Zero Liquid Discharge (ZLD) system. This closed-loop technology ensures that every drop of water used in operations is reclaimed, treated, and recycled, leaving no wastewater to contaminate nearby water bodies.

Water for operations is withdrawn from various sources across sites: from water tankers at Units-I, 3A, 3B, and V; from the sea at Unit-III;

All Honour Lab sites operate under a ZLD policy, ensuring that wastewater is fully treated and reused internally. The only exception is Unit-III, where treated wastewater is responsibly sent to a Common Effluent Treatment Plant (CETP) for further processing.

By adopting ZLD technology and stringent water reuse practices, Honour Lab not only upholds environmental compliance but also significantly reduces freshwater dependency. These protect surrounding communities, preserve local ecosystems, enhance operational efficiency, reduce water-related costs, and demonstrate leadership in sustainable industrial water management.



Honour Lab has prioritized water stewardship as a core sustainability objective, anchored by its state-of-the-art Zero Liquid Discharge (ZLD) system.

and from a borewell at HOSTER. This water is then utilized across a range of activities including production processes, utility systems such as scrubbers, boilers, and cooling towers, as well as for domestic use in canteens and toilets, and gardening.

Water-Related Impacts

We have not recorded any runoff-related impacts to date, reflecting the effectiveness of our preventive measures. Bund walls are constructed around all storage tanks to contain any potential discharge, while trained and experienced personnel are deployed across all shifts to maintain operational oversight. In addition, storage tanks are equipped with level indicators to enable continuous monitoring and control. These measures collectively reduce the risk of water-related impacts linked to our activities.

To strengthen long-term stewardship, we regularly measure and monitor groundwater usage, with reduction targets embedded as key performance indicators for relevant employees. Conservation initiatives such as the installation of push-type taps, employee training on environmental issues, and awareness programmes on resource conservation are implemented to promote responsible use of water. Further, we engage with stakeholders, including employees and suppliers, to encourage sustainable practices and reinforce the importance of water stewardship across our operations and business relationships.



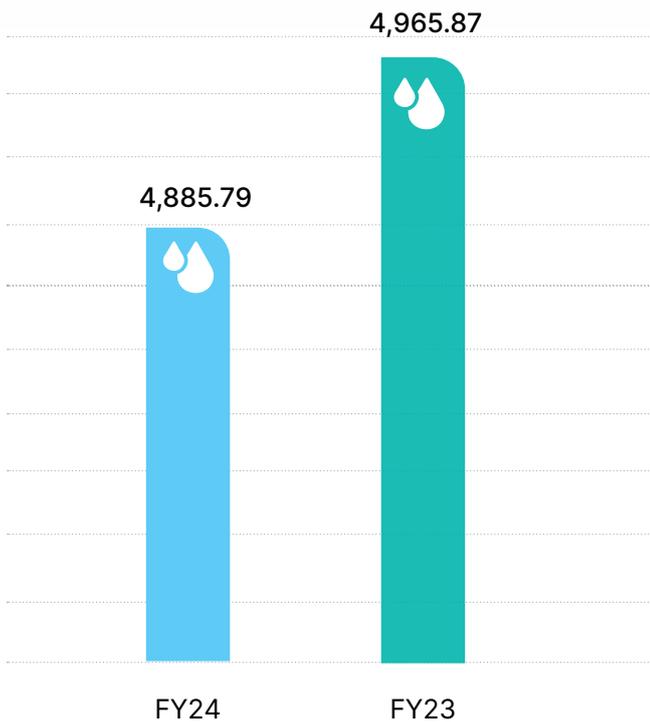
Water Withdrawal / Consumption

Source	FY24 (in KL)	FY23 (in KL)
Surface water	0	0
Ground water	20,512.00	2,422.00
Sea water	28,184.00	8,372.00
Third party water	251,141.00	246,164.00
Total Water Withdrawal	2,99,837.00	256,958.00
Total Water Consumption	2,94,951.21	2,51,992.13
Water Intensity (in KL /₹ Million)	12.56	11.88

Water discharged

Total Water Discharged (to only sea water)

Unit - KL



» Waste and Circular Economy

As the pharmaceutical industry traditionally generates substantial waste, from hazardous chemicals to single-use plastics, Honour Lab has adopted an integrated waste management strategy grounded in circular economy principles.

The company's vision extends beyond waste disposal to proactive resource optimization, waste reduction at source, and maximizing material recovery.

Honour Lab emphasizes diverting waste away from landfills by prioritizing recycling, co-processing, and alternative recovery methods. In FY24 alone, 21,226.55 metric tons of hazardous waste were successfully diverted from disposal, demonstrating the company's operational commitment to reducing environmental harm.

reusable and biodegradable alternatives, and introducing take-back programs for used packaging. These initiatives not only minimize waste generation and lower environmental impact but also enhance resource efficiency, operational cost savings, and regulatory compliance.

By embedding circularity into its supply chain and operations, Honour Lab sets a new standard for the pharmaceutical industry, demonstrating that environmental stewardship and business growth can coexist harmoniously.



In FY24 alone, 21,226.55 metric tons of hazardous waste were successfully diverted from disposal, demonstrating the company's operational commitment to reducing environmental harm.

To address plastic waste, a significant contributor to pollution and resource depletion, Honour Lab has partnered with certified waste handlers for systematic collection, management, and disposal of used plastics. This partnership ensures strict adherence to Pollution Control Board guidelines and compliance with Extended Producer Responsibility (EPR) obligations.

Further reinforcing its circular economy model, Honour Lab actively reduces reliance on virgin plastics by sourcing recycled materials, promoting

Honour Lab actively reduces virgin plastic use by sourcing recycled, reusable, and biodegradable materials.



Waste Management

Waste Generated

Category	FY24 (MT)	FY23 (MT)
Hazardous waste	39,363.13	27,243.78
E-waste	0.03	0.02
Non-hazardous waste	6,164.88	3,144.50
Total waste generated	45,528.04	30,388.30
Waste Intensity (MT/ Million Rs.)	0.88	0.61

Waste Diverted from Disposal

Category	FY24 (in MT)	FY23 (in MT)
Hazardous waste	21,226.55	16,471.29
Non-hazardous waste	6,164.88	3,144.50
Total waste	27,391.43	19,615.79

Waste directed to disposal

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

*E-waste disposed was a cumulative waste for present and previous year

Our People

Our Responsibility, Your Wellbeing



Employee health, safety, and wellness



Training, skill development



Inclusive workplace



Labour rights, fair wages



Social Performance

» Employment

At Honour Lab, we are dedicated to maintaining fair employment practices and treating our employees with dignity and respect.

We comply with all local labour laws and international standards, ensuring fair wages, safe working conditions, and the protection of workers' rights. We aim to foster an environment built on trust, transparency, and open communication, where employees feel valued, heard and are able to express their concerns. At our manufacturing sites, workers handle manufacturing, packaging, and housekeeping duties, and Honour Lab directly employs all these individuals.

Employs a total workforce of
3,350
 with **10.27% female**
 representation in FY24.



Workforce Breakdown

Gender-wise Breakdown

Employee category	FY24			FY 23		
	Total	Male	Female	Total	Male	Female
Permanent	1360	1,249	111	1266	1,170	96
Contractual	1322	1,199	123	1241	1,144	97
Total Employees	2682	2448	234	2507	2314	193
Total Number of Workers	668	558	110	640	540	100

Age-wise breakdown

Employee category	FY24			FY 23		
	<30 yrs	30-50 yrs	>50 yrs	<30 yrs	30-50 yrs	>50 yrs
Permanent	336	965	59	291	920	55
Contractual	1197	123	2	1110	131	0
Total Number of Workers	359	283	26	354	260	26

New Employee Hires

	Male			Female			Total
	Under 30 Years	30-50 Years	Above 50 Years	Under 30 Years	30-50 Years	Above 50 Years	
FY24	604	181	7	33	36	0	861
FY23	913	194	4	72	15	0	1,198

	FY24	FY23
Percentage of employees from a minority or vulnerable group in the whole organization	2.94%	3.38%
Percentage of employees from a minority or vulnerable group at top management level	7.14%	11.11%



Category of employees	FY24	FY23
	Attrition Rate	Attrition Rate
Male	26.85%	29.46%
Female	20.41%	23.47%
Age Group <30	32.51%	38.23%
Age Group 30-50	17.83%	16.92%
Age Group >50	26.56%	17.19%



Hired 861 new employees in FY24 across management and worker levels.

Recorded an attrition rate of 26.21% in FY24.



» Employee Turnover

Through in-depth data analysis, Honour Lab identifies trends and patterns in employee turnover within the organization.

It's essential to thoroughly investigate the root causes of attrition to develop effective interventions and solutions. Currently, Honour Lab's overall attrition rate stands at 26.21%.

Addressing attrition requires a comprehensive strategy that tackles both systemic issues and individual needs. Key goal-strategies Honour Lab employs to reduce turnover include:

GOAL 01



Support Career Development Strategy

Provide employees with opportunities for growth, advancement, and skill development through targeted training programs, mentorship, and career path planning.

GOAL 02



Enhance Employee Recognition and Rewards Strategy

Implement recognition programs, performance incentives, and structured reward systems to consistently acknowledge and appreciate employee contributions.

GOAL 03



Promote Work-Life Balance Strategy

Offer flexible work arrangements, wellness initiatives, and support services to help employees maintain a healthy balance between their personal and professional lives.

GOAL 04



Improve Leadership and Communication Strategy

Deliver leadership development programs, establish transparent communication channels, and foster a culture of trust and collaboration across all levels of the organization.



» Employee well-being initiatives

Honour Lab recognizes that happy and healthy employees are productive employees.

Therefore, Honour Lab is committed to creating a work environment that prioritizes the well-being of its team members. This commitment is supported by several initiatives:



01

ACTION

Offer flexible work schedules, remote work options, and generous leave policies

OUTCOME

Employees achieve a healthier work-life balance, leading to increased job satisfaction and reduced burnout

02

ACTION

Invest in training programs, financial support for education, and leadership development opportunities

OUTCOME

Employees grow professionally, feel more engaged, and are better prepared for advancement within the organization

03

ACTION

Provide access to comprehensive health insurance, mental health support, and financial wellness programs

OUTCOME

Employees experience improved overall well-being, which enhances productivity and reduces absenteeism

04

ACTION

Foster open communication, encourage collaboration, and build a respectful workplace culture

OUTCOME

Employees feel valued and supported, contributing to a positive, inclusive, and high-performing work environment

Honour Lab Invests in training, mentorship, and leadership development - 100% of employees received performance and career development reviews.



» Promoting Human Rights and Fair Employment Practices

Honour Lab's values serve as a foundation that drives the advancement of human rights and fair employment practices worldwide. We have established clear policies that guide our due diligence processes to identify, prevent and mitigate potential adverse impacts across our value chain.

This commitment ensures we uphold principles such as eliminating child and forced labour, fostering occupational health and safety, promoting diversity and non-discrimination, and respecting freedom of association.



To achieve this, we implement solutions that

» Eliminate discrimination through inclusive hiring practices, anti-bias training, and equitable workplace policies.

» Promote inclusivity by designing environments where diverse backgrounds, perspectives, and identities are celebrated and integrated into decision-making processes.

» Protect fundamental rights by aligning with global human rights standards and collaborating with advocacy organizations to raise awareness and drive systemic change.

We are an organization committed to honour and act by

- » Developing clear human rights policies and reporting mechanisms.
- » Embedding diversity, equity, and inclusion (DEI) into core business strategies.
- » Partnering with NGOs and global initiatives to influence wider social transformation.
- » Respecting Human Rights Across the Value Chain

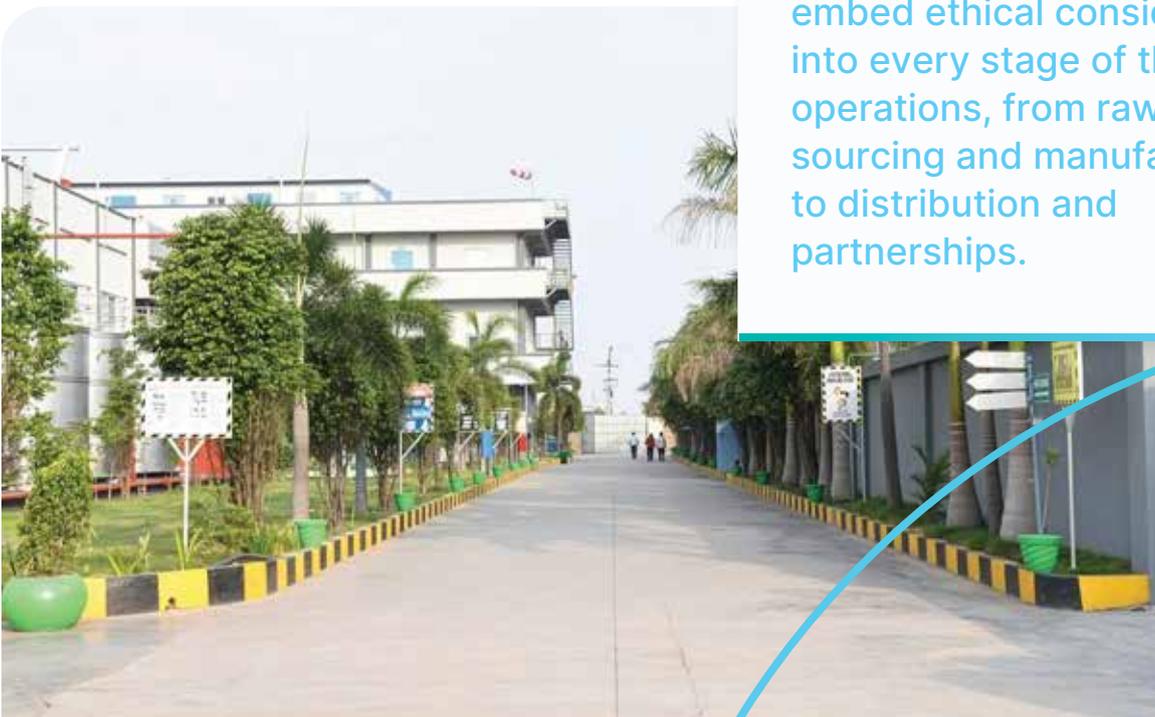
In today's interconnected global economy, the value chains of industries and enterprises stretch across borders, often involving complex networks of suppliers, manufacturers, and distributors. Unfortunately, this complexity can lead to serious human rights challenges, including unsafe working conditions, unfair wages, forced labour, and a lack of accountability, especially in regions with limited regulatory oversight. As a result, respecting human rights across the entire value chain has become both a moral imperative and a strategic necessity for responsible organizations.

The importance of upholding human rights throughout the value chain cannot be overstated. It directly impacts the dignity, safety, and well-being of millions of workers, and it influences the social license to operate for businesses. Consumers, investors, and regulatory bodies are

increasingly demanding greater transparency, ethical sourcing, and responsible labour practices.

In this context, Honour Lab emerges as a powerful catalyst for change. When organizations commit to honour-driven values, they embed ethical considerations into every stage of their operations, from raw material sourcing and manufacturing to distribution and partnerships. Through this lens, businesses carry out rigorous due diligence, ensuring that all stakeholders in the value chain uphold human rights standards, labour laws, and ethical conduct.

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This commitment involves more than just policy, it requires active monitoring of working conditions, preventing exploitation, and empowering workers with fair wages, safe environments, and the opportunity for growth. Moreover, honourable businesses engage with a broad range of stakeholders, including local communities and civil society organizations, to address systemic social issues and raise awareness about human rights.

By integrating Honour Lab into their core operations, value chain partners go beyond compliance, they contribute to building a global culture rooted in dignity, equity, and justice. This not only strengthens reputations and fosters long-term success but also ensures that progress is inclusive and sustainable for all participants in the value chain.



Zero cases of discrimination or any other human rights issues were filed during the reporting year.

In FY24, no cases of child labour or forced labour were reported



» Practical Solutions for Employee Well-being and Development

At Honour Lab, we implement a proactive approach to employee well-being, viewing it as a strategic priority and moral imperative.



Our goal is to respect, support, and empower each individual within our team. To realize this, we've established the following practices:



Physical and Mental Health Support

- Provide access to on-site and virtual fitness and wellness programs.
- Offer mental health resources, including counseling and stress management workshops.
- Encourage a healthy work-life balance through flexible scheduling and time-off policies.



Professional Growth and Development

- Invest in continuous learning through training programs, mentorship, and career advancement pathways.
- Assign meaningful projects that promote innovation, leadership, and skill development.



Diversity, Equity and Inclusion

- Implement fair and transparent hiring practices that ensure equal opportunities for all candidates.
- Host DEI training and forums to encourage open dialogue and awareness.
- Integrate diverse voices in policymaking and team leadership.



Recognition and Communication

- Create a culture of recognition through regular awards, shout-outs, and performance acknowledgments.
- Maintain transparent communication channels to ensure every employee feels informed, included, and respected.
- Conduct regular feedback sessions to adapt and improve based on employee input.

Provides flexible work arrangements, health insurance, mental health support, and financial wellness programs.

Zero cases of discrimination or any other human rights issues were filed during the reporting year



» Training and Education

Training and development are fundamental to the growth and sustainability of any organization.

A well-trained workforce not only enhances operational efficiency but also drives innovation, strengthens employee engagement, and ensures long-term success. At Honour Lab, we recognize the critical role that continuous learning plays in developing a skilled, adaptable, and empowered team.

We are committed to investing in our employees by nurturing a sense of entrepreneurship and ownership. Our learning and development initiatives are designed to support personalized skill-building and provide diverse career advancement opportunities, enabling individuals to grow and thrive within the organization.

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



Technical Mandatory Training

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



Soft Skills Training

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



Safety Training

Safety remains a top priority at Honour Lab Limited. Our comprehensive training covers a wide range of topics including process safety, emergency preparedness, waste handling, chemical safety, first aid, fire safety, and general workplace safety procedures. These programs are delivered by internal experts as well as external specialists to ensure thorough and up-to-date instruction.

Through these targeted training initiatives, we aim to build a knowledgeable, responsible, and forward-thinking workforce that contributes meaningfully to the organization's mission and values.



» Welcoming and Supporting Our People

At Honour Lab, we believe that every new team member deserves a strong and supportive start. Our induction and orientation programs are thoughtfully designed to help new hires feel welcomed and connected from day one. We introduce them to our organizational culture, operational practices, governance structure, and the core values that guide everything we do. This foundation helps new employees confidently understand their roles and responsibilities, setting them up for success.

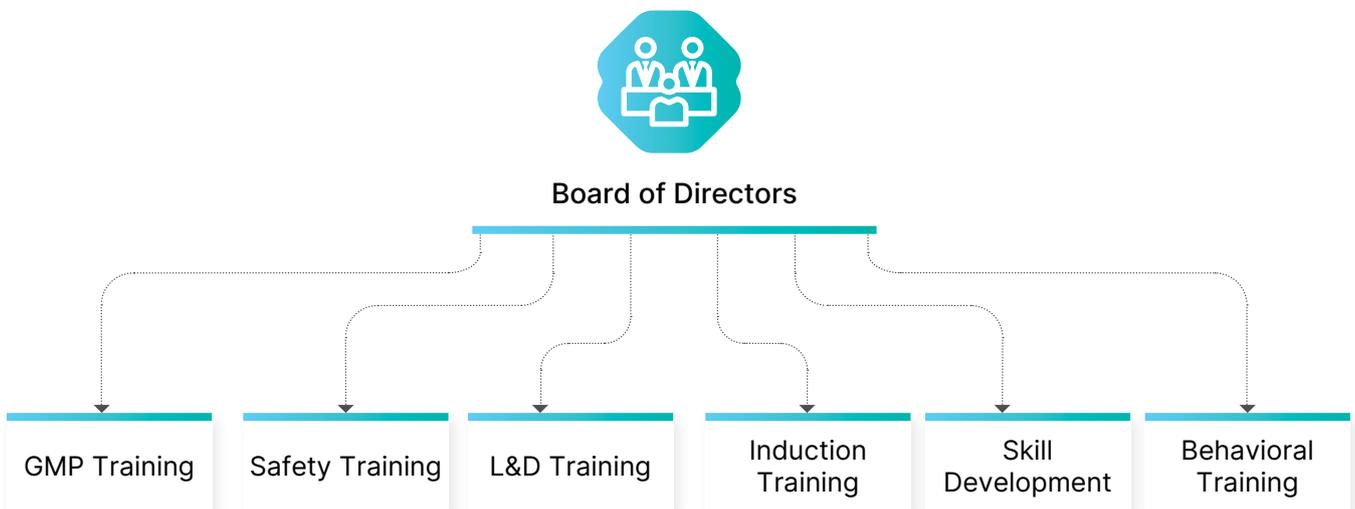
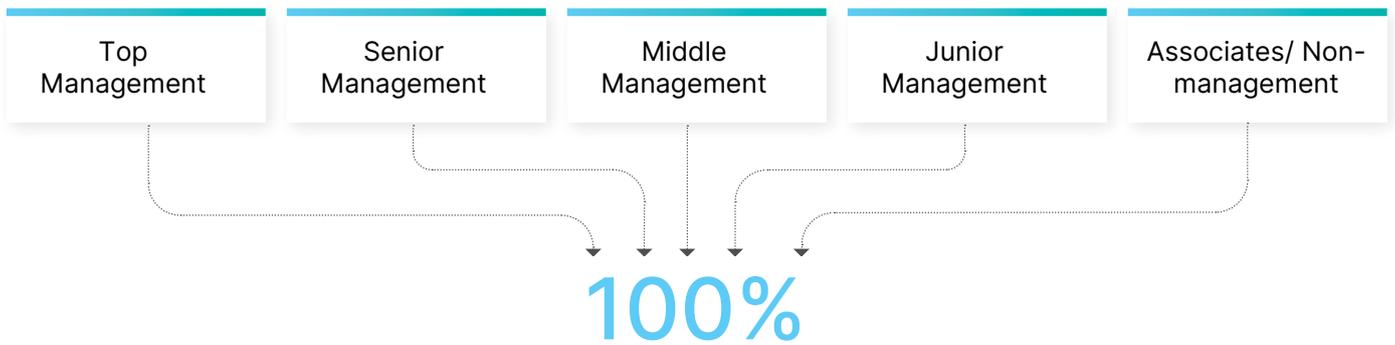
We are deeply committed to nurturing careers by providing the right skills and development opportunities tailored to the unique needs of each individual. Our induction and training programs have been refreshed to be more inclusive and responsive, ensuring everyone, whether

permanent staff or contract workers, receive the support they need to grow and thrive.

Safety is a shared priority at Honour Lab, and we actively promote a culture where everyone feels secure and valued. To uphold this, all employees and contract workers participate in annual safety training that covers essential topics to maintain a safe workplace for all. For contract workers, completing this training before starting work is a vital step, empowering them with the knowledge and confidence to perform their duties safely and effectively.

By focusing on our people’s well-being, growth, and safety, we build a workplace where everyone can contribute fully and feel genuinely supported.

Percentage of employees who received performance and career development reviews



Employee Training

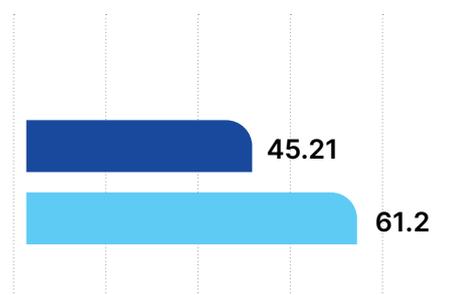
Average training hours



FY23 FY24



Average training hours (Worker)



» Fostering Diversity and Inclusion at Honour Lab

At Honour Lab, we believe that every person who walks through our doors deserves to feel valued, respected, and empowered to bring their full selves to work.

In today’s world, creating diverse and inclusive workplaces is more important than ever, not only because it reflects the rich variety of human experience but because it drives innovation, collaboration, and success. Despite progress, many organizations still face challenges in achieving genuine representation and equality, which makes our commitment even more crucial.

We are dedicated to building a workplace where equal opportunity is more than a principle, it’s a lived reality. No matter your background, identity, or role, Honour Lab is a place where your unique talents and perspectives are welcomed and celebrated.

Supporting women in the workforce is a key focus area for us. We actively seek to attract, develop,

and promote talented women across all levels and roles. Today, women represent about 11.34% of our contract workforce and nearly 8.63% of our permanent employees. We recognize that there is more work to do, and we are committed to growing these numbers to create a more balanced, inclusive team.

Women represent about 9.30% of our contract workforce and nearly 8.16% of our permanent employees.



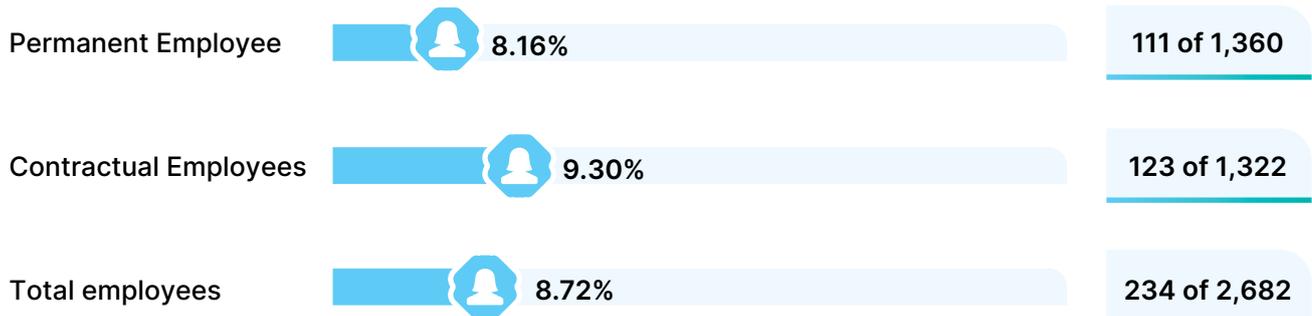
At Honour Lab, sustainable growth goes hand in hand with fostering a culture of diversity and inclusion. We understand that when people feel included and respected, they perform better, collaborate more effectively, and contribute to a positive workplace culture. Our ongoing initiatives aim to empower women, promote gender equality, and ensure that everyone, regardless of gender or background, has the opportunity to thrive and succeed.

By putting our people at the center of this journey, we are building a stronger, more vibrant Honour Lab community where diversity is celebrated, and inclusion is a shared value.

Employee Category

Employee category	Total Number	Age Group			Gender	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
Permanent	1,360	336	956	59	1,249	111
Contractual	1,322	1,197	123	2	1,199	123
Permanent Workers	668	359	283	26	558	110

Women Representation



» Safety and Well-being

At Honour Lab, our primary goal is to create and maintain a secure and supportive work environment where every employee's well-being is safeguarded.

Recognizing our people as our greatest asset, we are dedicated to ensuring that everyone returns home safe, healthy and satisfied each day. To support this commitment, all Honour Lab sites are equipped with full-fledged Occupational Health Centers (OHCs), staffed with a full-time doctor and round-the-clock male nurses to provide immediate and ongoing healthcare support.

We conduct comprehensive annual medical examinations for all employees and contract workers. These examinations are closely tracked by the HR team to ensure timely completion. The OHC doctor analyzes medical examination

trends and provides personalized counselling to individuals whose reports indicate any abnormalities. To maintain confidentiality, each person's medical report is discussed privately, and all medical records are securely maintained by the OHC under the joint supervision of the HR department and the factory medical officer.

In line with our strong focus on occupational health and safety, we also provide executive medical health checkups at tie-up hospitals, tailored to employees based on their age group. HR monitors and maintains records of these annual health checkups, ensuring that



Honour Lab sites are equipped with full-fledged Occupational Health Centers (OHCs), staffed with a full-time doctor and round-the-clock male nurses to provide immediate and ongoing healthcare support.

occupational health services are consistently delivered without being used for any favorable or unfavorable treatment of workers.

Further strengthening our safety framework, we conduct Hazard Identification and Risk Assessment (HIRA) and Hazard and Operability (HAZOP) studies for all activities and processes. Additionally, process safety studies are completed for every process before executing

a batch on-site. These proactive measures help us identify potential hazards and implement effective control measures, reinforcing our commitment to a safe and healthy workplace for all.

To achieve this, we focus on the following key objectives:

- 01  Implement advanced occupational health and safety practices through thorough risk assessments and customized safety protocols for every task and work area
- 02  Invest significantly in ongoing training and awareness programs to empower employees with the knowledge and skills needed to proactively identify, report, and mitigate potential hazards
- 03  Foster a culture of open communication where all safety concerns, no matter how minor, are encouraged, heard, and addressed promptly
- 04  Continuously monitor and evaluate safety performance to identify opportunities for improvement and swiftly implement necessary enhancements
- 05  Engage directly with employees to understand their safety concerns and adapt strategies to meet their specific needs, ensuring shared responsibility and commitment across the organization

Our ultimate aim extends beyond mere regulatory compliance. We strive to embed safety into the very fabric of our daily operations, making it a natural and unwavering priority. By adopting this proactive, employee-focused approach, Honour Lab is positioned not only as a leader within the pharmaceutical industry but also as a benchmark for occupational health and safety excellence.

Honour Lab is positioned not only as a leader within the pharmaceutical industry but also as a benchmark for occupational health and safety excellence.



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



In FY24 we recorded **9 cases** related to work-related injuries and **zero cases** related to work-related ill health.



» Worker involvement in safety

Worker participation, consultation, and communication are integral components of our Occupational Health and Safety Management System (OHSMS).

Employees and workers play a key role in identifying and addressing workplace hazards by participating in Hazard Identification and Risk Assessment (HIRA) studies, Job Safety Analysis (JSA), and Gemba Walks. Regular Toolbox Talks during shifts facilitate direct communication and awareness on safety practices, while unsafe

conditions and unsafe acts are proactively reported and tracked by employees to promote continuous improvement. Additionally, we ensure that our employees and workers are actively involved in incident investigations, safety campaigns, and training sessions, this is done through:

01 Safety Committee Meeting

The Safety Committee Meeting is chaired by the Unit Head, with the EHS Head serving as the secretary. The committee comprises an equal representation of employees and workers (50% each), ensuring balanced participation. The chairperson plays a vital role in setting the agenda, facilitating discussions, guiding the committee toward safety objectives, and ensuring smooth execution of meetings. The secretary is responsible for preparing and distributing the agenda, recording and sharing meeting minutes, tracking follow-up actions, and maintaining all related documentation. Members of the committee actively contribute by identifying hazards, conducting inspections, promoting safety awareness, participating in training programs, investigating incidents, and supporting communication between management and workers. Importantly, all workers, including contract workers, are represented through these forums. There are no categories of workers excluded from participation in joint management-worker health and safety committees

Through these structured meetings, we foster a proactive safety culture, ensuring consistent engagement, accountability, and collaboration between management and workers in maintaining and enhancing workplace safety.

02 Monthly MIS Meeting

Conducted at the unit level, the Monthly MIS Meeting is chaired by the Director, with the Plant Head acting as secretary. These meetings provide a platform to review safety performance, address safety issues, and align safety strategies across units. The chairperson leads the meeting by defining the agenda, moderating discussions, and ensuring alignment with organizational safety goals. The secretary manages the operational aspects, disseminating agendas, recording proceedings, ensuring timely follow-up of action items, and maintaining comprehensive records.

03 Weekly Safety Review Meeting

Held across the group, the Weekly Safety Review Meeting is chaired by the Director and coordinated by the EHS Head, who acts as secretary. This forum facilitates regular monitoring and quick response to emerging safety issues. The chairperson leads discussions on weekly safety performance, critical observations, and necessary interventions. The secretary plays a crucial role in ensuring the meeting's administrative efficiency, by managing communication, maintaining accurate documentation, and following up on decisions made.

» Healthcare and Well-being

The organization provides employees and contract workers access to various non-occupational medical and healthcare services.

These include Group Personal Accident Policy, Medclaim, and ESI & PF coverage. In addition, tie-ups with hospitals enable employees to avail medical services at discounted rates. Every factory is equipped with an Occupational Health Centre (OHC), where doctors provide free treatment for both occupational and non-occupational illnesses.

Scope of Access

Medical Insurance: Comprehensive coverage is provided to all employees.

ESI or Medical Insurance for Contract Workers: Based on eligibility and statutory criteria, contract workers are covered under ESI or equivalent insurance schemes.

Tie-up Hospitals: Employees can access healthcare facilities at discounted prices.

On-site OHC Support: Doctors treat all health concerns, occupational or non-occupational, at no cost.

Voluntary Health Promotion Services and Programs

To promote preventive healthcare and address major non-work-related health risks, the organization provides:

Annual Health Check-ups: All employees undergo an annual medical examination, fully paid by the company.

Executive Health Check-ups: Employees above the age of 40 are offered comprehensive executive health check-ups free of cost.

Coverage for Family Members: Medical insurance and executive health check-ups are extended to employees' families.

On-Duty Medical Access: Employees are granted paid time (on-duty) to attend scheduled medical check-ups.

Awareness, Selection, and Effectiveness

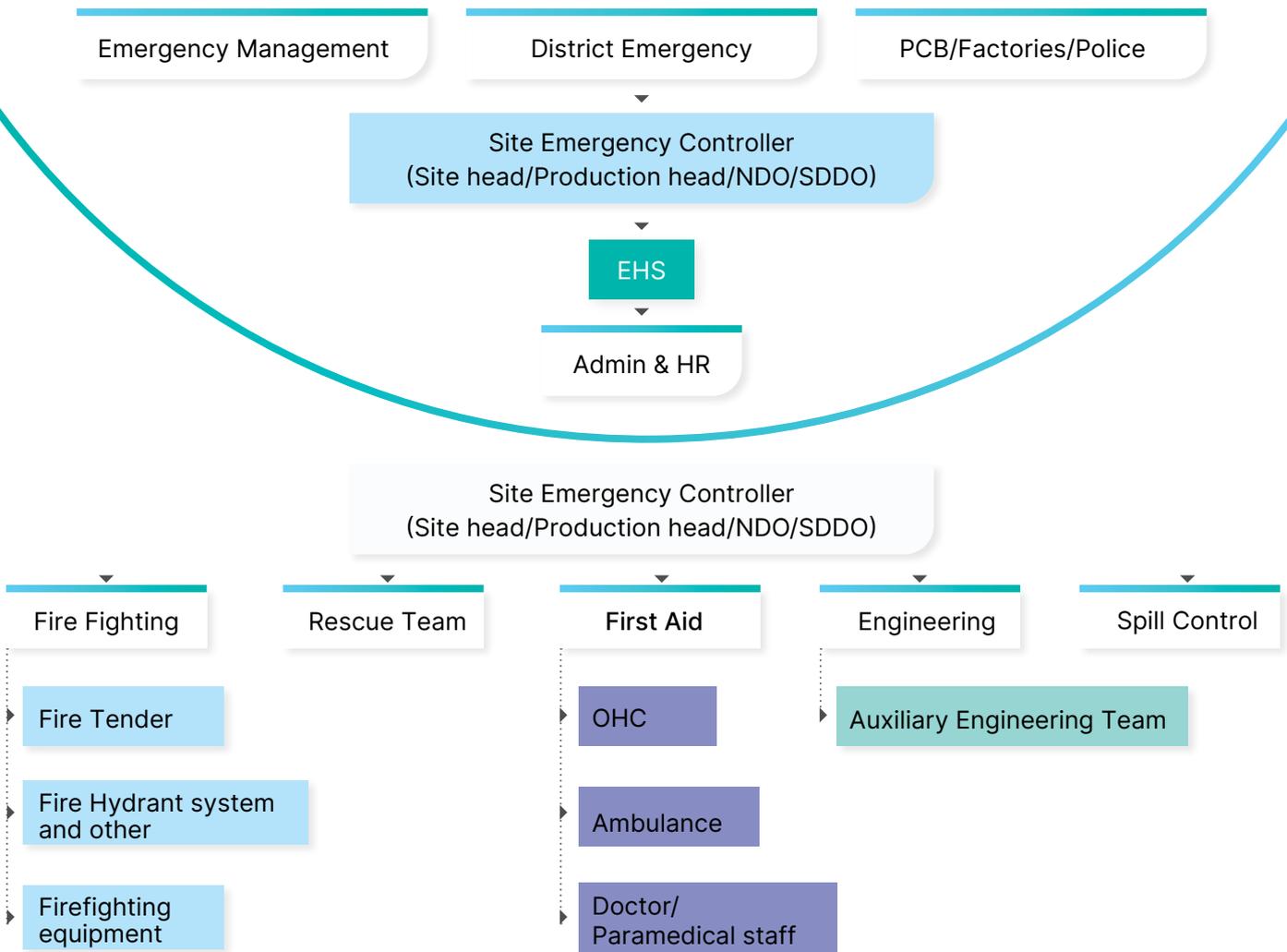
Health promotion topics are identified through a systematic review of on risk profiles, employee needs, and emerging health concerns. Awareness is created through internal communication channels, and employees are encouraged to participate actively. Effectiveness is evaluated through participation rates, feedback, and medical outcomes from health check-ups.

Confidentiality and Non-Discrimination

Confidentiality: All medical records are maintained securely by the OHC doctor and the HR department, with strict safeguards to protect confidentiality.

Non-Discrimination: Health records and participation in programs are not used for favorable or unfavorable treatment of employees. Records remain under HR's control, with no possibility of misuse.

Emergency Preparedness and Response Organogram



» Customer Health and Safety

At Honour Lab, the health and safety of our customers is paramount and integral to everything we do.

We recognize that ensuring the well-being of those who use our products is not only a responsibility but a fundamental value that drives our business forward. Maintaining rigorous safety standards helps us build trust and deliver products that meet the highest quality benchmarks.

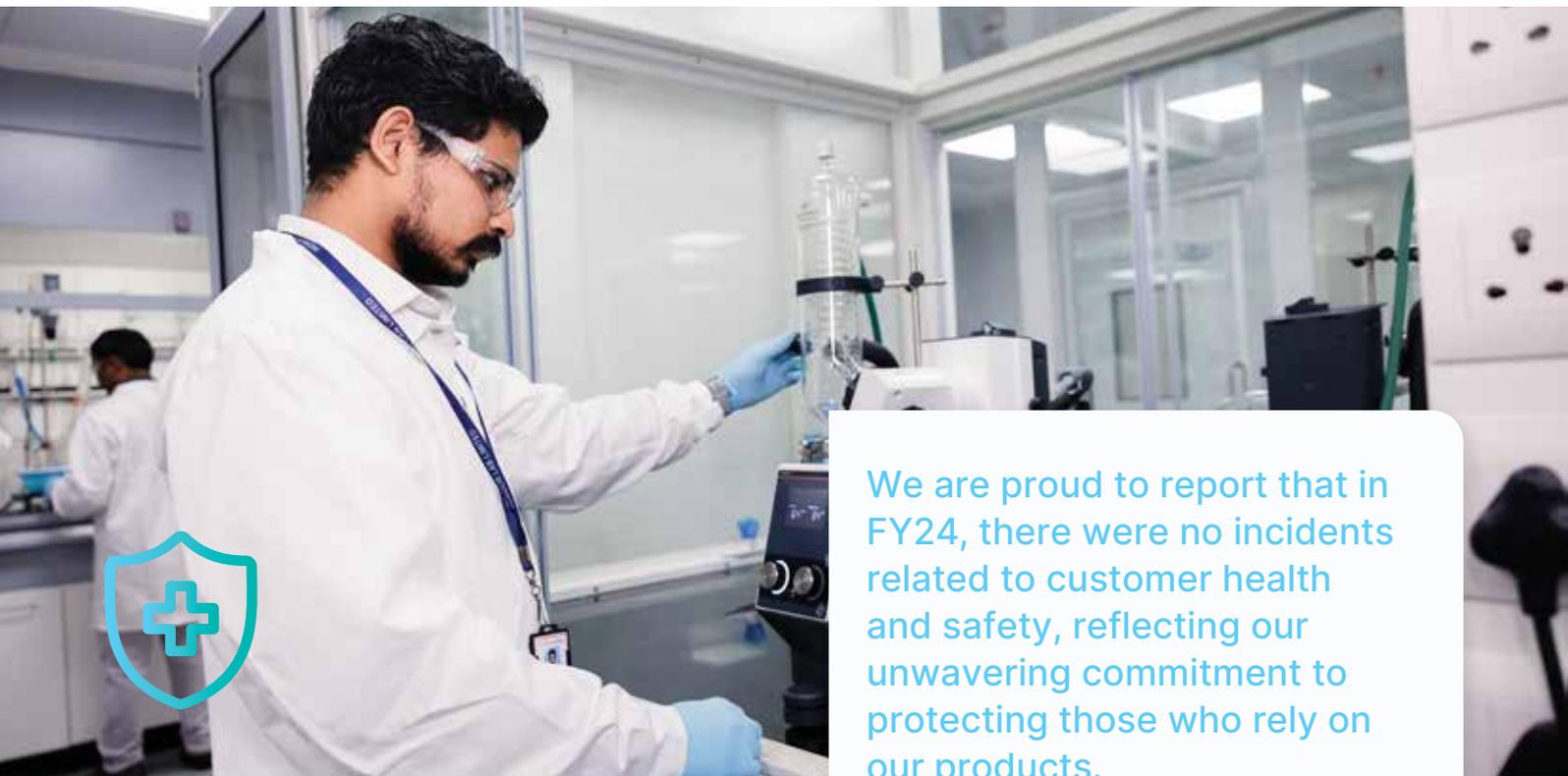
To uphold this commitment, Honour Lab has established comprehensive and systematic processes for the ongoing review of the benefit-risk profile of all our products. These processes are designed to proactively identify, assess, and mitigate potential risks to ensure utmost safety for our customers at every stage.

Our safety risk management begins early, during the development phase of new products. Our dedicated team formulates detailed safety monitoring and risk management plans for all new molecules, allowing us to anticipate and address potential hazards effectively. Furthermore, we

provide clear and accessible Safety Data Sheets (SDS) to all customers, outlining important risk information and safe handling practices.

From Research and Development through to product delivery, Honour Lab maintains a robust framework for collecting, reviewing, and analyzing safety data. This enables us to take timely and appropriate actions to minimize risks in every form. We are proud to report that in FY24, there were no incidents related to customer health and safety, reflecting our unwavering commitment to protecting those who rely on our products.

At Honour Lab, safeguarding customer health and safety is more than a process, it is a core principle that guides our innovation, quality assurance, and customer engagement efforts.



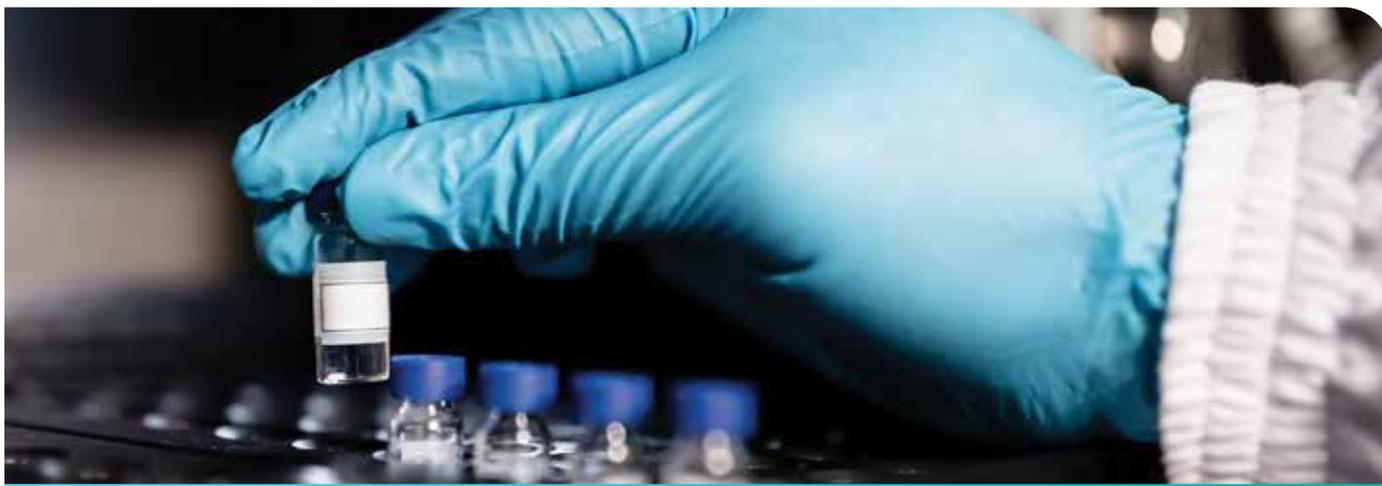
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» Product Quality and Safety

By implementing a robust quality management system that aligns with global cGMP standards, Honour Lab ensures product consistency, safety, and efficacy.

Our focus on cutting-edge technology and continuous R&D positions us as a reliable partner in the pharmaceutical value chain. This commitment enhances client satisfaction, strengthens regulatory compliance, and safeguards our brand reputation in a highly competitive market.



» Marketing and Labelling

By adhering to ethical marketing practices and accurate product labelling aligned with global regulatory standards, Honour Lab ensures transparency, trust, and informed choice for its customers.

This builds customer loyalty, mitigates legal risk, and reinforces our standing as a transparent and responsible CDMO, helping us gain and retain global clients.

In FY24 we have recorded zero incidents of non-compliance concerning product and service information and labelling as well as marketing communications.



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» Responsible Supply Chain

Honour Lab operates a complex and far-reaching supply chain that connects us with a wide and diverse network of suppliers across multiple regions and countries.



We carefully select and collaborate with suppliers who demonstrate strong commitments to Environmental, Health, and Safety (EHS) standards, uphold internationally recognized human rights, and implement effective waste management practices.

We understand that responsible supply chain management is crucial not only for maintaining the quality and integrity of our products but also for promoting sustainable development and ethical business practices globally.

Our procurement strategy is deeply rooted in responsible sourcing principles. We carefully select and collaborate with suppliers who demonstrate strong commitments to Environmental, Health, and Safety (EHS) standards, uphold internationally recognized human rights, and implement effective waste management practices. This ensures that all materials and chemicals we procure meet stringent safety and sustainability criteria before they enter our production processes.

To formalize these expectations, Honour Lab has developed a robust Supplier Code of Conduct and a Sustainable Procurement Policy. These frameworks outline clear requirements on environmental stewardship, ethical labour practices, transparency, and continuous improvement. We actively engage with our suppliers through regular assessments, audits, and capacity-building initiatives to ensure compliance and encourage the adoption of best practices.

Sustainability is a core pillar of our supply chain philosophy. We work collaboratively with our partners to identify opportunities for reducing carbon emissions, minimizing waste generation, optimizing resource use, and protecting biodiversity. These efforts contribute to lowering our overall environmental footprint and advancing circular economy principles.

In alignment with our commitment to responsible sourcing, Honour Lab is focused on enhancing procurement from local suppliers to support regional economies and reduce supply chain risks related to long-distance transportation. We continuously strive to increase the percentage of procurement from these local suppliers by identifying and developing reliable local partners who meet our quality and sustainability standards.

Through these comprehensive initiatives, Honour Lab aims to build a supply chain that not only delivers high-quality products but also drives

positive social, economic, and environmental impact. Our commitment to responsible supply chain management is fundamental to achieving a more sustainable and equitable future for all stakeholders involved.

Number of local vendors	4963
Number of international vendors	187
Spend on local vendors	16,704.45 Million
Spend on international vendors	5,184.05 Million
% of local vendors	96.37%
% spend on local vendors	76.32%

Our commitment to a sustainable supply chain ensures that every step - from sourcing to delivery - respects the environment, empowers communities, and drives long-term value for all stakeholders.



Our Community

Healing with Purpose, Building with Trust



Community development, livelihood support



Nutrition programs, agricultural support



Improving quality of life for all ages



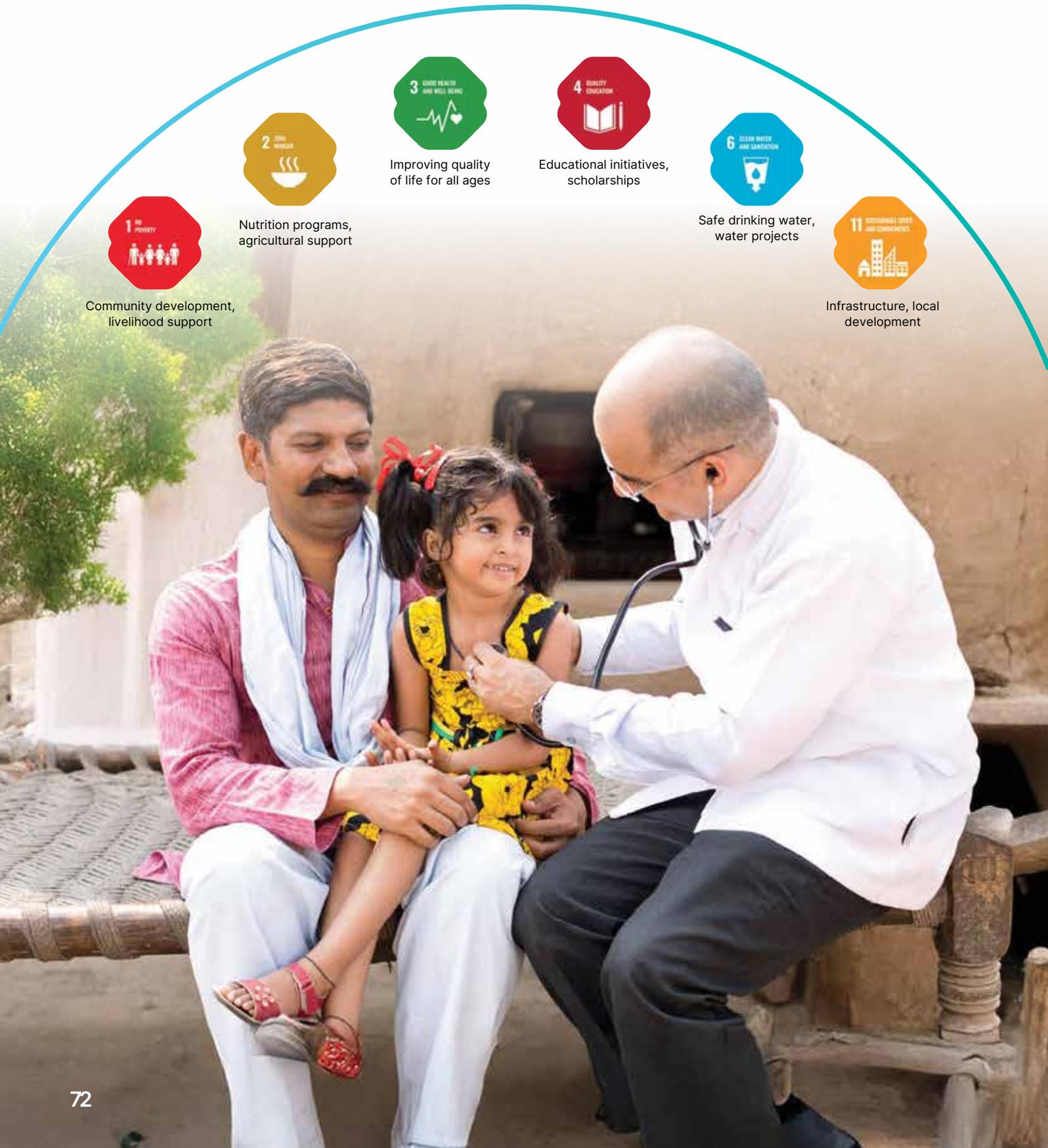
Educational initiatives, scholarships



Safe drinking water, water projects



Infrastructure, local development



» CSR Initiatives

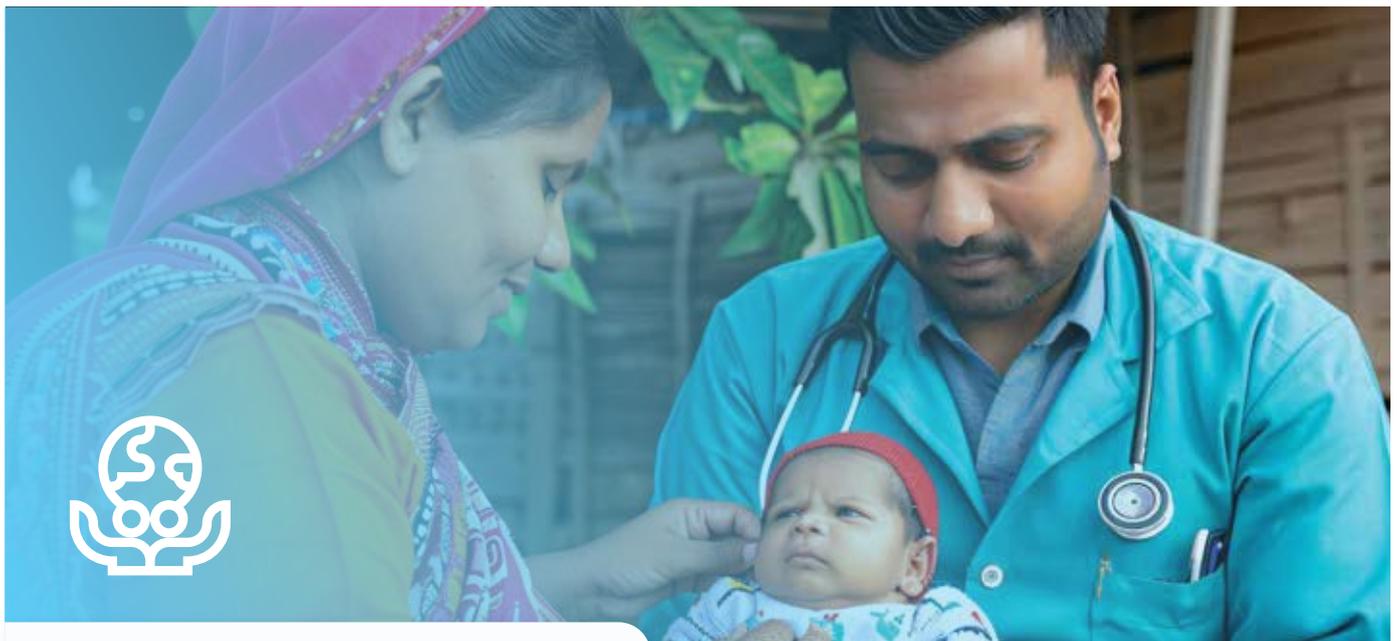
At Honour Lab, We value the health and prosperity of people and communities. Our passion for improving quality of life goes beyond business operations.

While we strive to make medicines affordable and accessible, we also actively contribute to society through our corporate social responsibility (CSR) initiatives. Since inception, we have been supporting education, healthcare programs, water and sanitation, and welfare activities in communities around our factories and offices. We also extend our support to other regions whenever there are community needs or emergencies.

Corporate Social Responsibility has become an integral part of our business strategy, going

beyond profits to actively contribute to the well-being of society.

In FY24, we undertook several impactful CSR projects across states such as Andhra Pradesh, Telangana, and Maharashtra. These initiatives, implemented mainly through Hetero Foundation and Sai Sindhu Foundation, targeted priority areas like safe drinking water, education, healthcare, rural infrastructure, livelihood support, promotion of rural sports, and protection of art and culture.



₹ 62.70 Lakhs

CSR spend across Andhra Pradesh, Telangana, and Maharashtra.

Our CSR Expenditure

The cumulative expenditure on all CSR activities during the reporting period amounted to ₹62.70 Lakhs. These diverse and impactful initiatives reflect our organization's unwavering commitment to driving inclusive growth and sustainable development. Through focused investments in health, education, rural development, livelihood support, and cultural preservation, we aim to create meaningful, long-term value for the communities we serve.

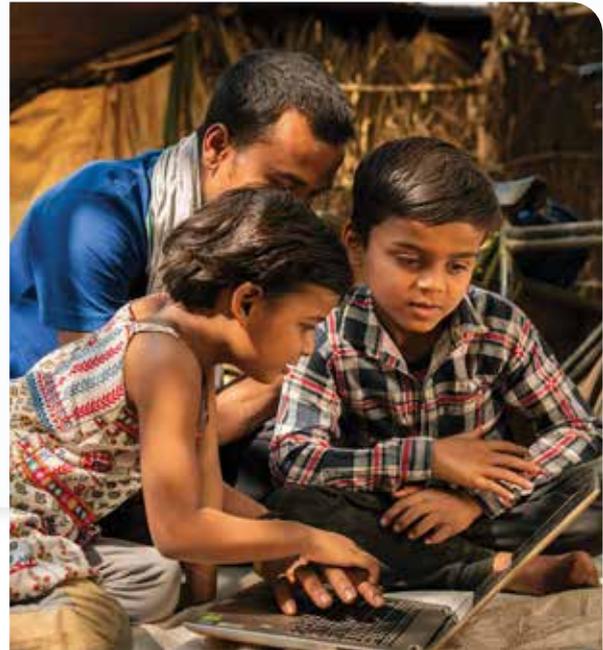
Key Focus Areas and Expenditure

Our focus areas are aligned with the activities specified under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. They have been designed by closely considering community needs, our sustainability priorities, and the Government of India's national development missions. Together, these six focus areas also contribute to the United Nations Sustainable Development Goals (SDGs).

All the below initiatives were implemented through the Hetero Foundation.

» Promoting Education

We carried out several educational initiatives across Telangana, Andhra Pradesh, and Maharashtra. The total expenditure of these efforts was ₹7.42 Lakhs. Geographically, the expenditures were distributed as follows: ₹1.75 Lakhs in Sangareddy (Telangana), ₹4.35 Lakhs in Khammam (Telangana), ₹0.33 Lakhs in Pune (Maharashtra), and ₹0.99 Lakhs in Anakapally (Andhra Pradesh).



» Enhancing Access to Healthcare

Recognizing the pressing healthcare needs in underserved areas, our organization initiated a series of health-related projects. With a total spend of ₹8.30 Lakhs, these initiatives were implemented in both Andhra Pradesh and Telangana. Specifically, the district-wise allocation was ₹1.51 Lakhs in Anakapally (Andhra Pradesh) and ₹6.79 Lakhs in Khammam (Telangana). A significant healthcare project was undertaken in Hyderabad, Telangana, under the aegis of the Sai Sindhu Foundation. The initiative, aimed at improving access to essential medical services in urban and peri-urban areas through targeted interventions involving a considerable spend of ₹13.20 Lakhs.

» Improving Access to Safe Drinking Water

To address the critical need for access to clean and safe drinking water in underserved rural areas, our organization installed Reverse Osmosis (RO) water purification plants in various villages within Anakapally, Andhra Pradesh. The project resulted in an expenditure of ₹2.94 Lakhs.



» Promotion of Rural Sports

To promote physical well-being, team spirit, and a healthy lifestyle among rural youth, we undertook a rural sports development project in Anakapally, Andhra Pradesh which was executed through the Hetero Foundation at an expenditure of ₹0.23 Lakhs.

» Rural Development

Our organization made substantial contributions toward improving rural infrastructure in the states of Andhra Pradesh and Telangana. The total amount spent on these rural development projects was ₹23.24 Lakhs. A district-wise breakdown of expenditures reveals ₹16.93 Lakhs spent in Anakapally (Andhra Pradesh), ₹6.26 Lakhs in Sangareddy (Telangana), and ₹0.05 Lakhs in Khammam (Telangana).





» Livelihood Enhancement

In Hyderabad, Telangana, we launched a livelihood enhancement program aimed at supporting economically weaker sections of society which focused on strengthening income-generation capabilities through sustainable means. The project involved an investment of ₹5.55 Lakhs.

» Promotion of Art and Culture

To preserve and promote India's rich cultural heritage, our organization extended support to traditional art and cultural programs in Andhra Pradesh, specifically in Jammalamadugu and Anakapally. The total expenditure of this initiative was ₹1.82 Lakhs.



» Corporate Social Responsibility Overview Progress

In the financial year 2023-24, we implemented various CSR interventions with an aim of impacting communities.

We saw considerable improvements in the quality of health, education, WASH (Water Sanitation and Hygiene), environment and the livelihoods of our communities through the implementation of our CSR flagship programs.

10 Anganwadi centres received learning materials

304 Medical camps were conducted through a mobile medical van, benefiting **10,157** patients

1,892 Patients received spectacles, and **257** cataract surgeries were performed through our Vision Centre

Total of **6,089** patients received doctor consultations through our Vision Center

One Government hospital with **50** beds has been adopted for effective functioning

2 districts (Khammam & Badhradri Kothagudem) received nutrition kits for TB patients

6 Kms of CC and BT roads have been laid across **7** villages

1.5 Kms of underground drainage provided in 2 villages



» Our Approach

We strongly believe that communities are key stakeholders in our growth journey. Our CSR initiatives are centered around six focus areas that create a triple bottom-line impact:

01 Arogya - Community Health

Our motto is "Caring today for a healthier tomorrow." Every initiative we take contributes to building healthier communities. Aligned with Sustainable Development Goal 3: Good Health and Wellbeing, we strategically design and implement community health programs that improve access to quality healthcare and enhance overall wellbeing.

04 Ajeevika - Livelihoods

We envision communities growing alongside us. To support this, we create employment and entrepreneurship opportunities by enhancing access to skills, resources, and technology. These efforts contribute to SDG 8: Decent Work and Economic Growth, helping individuals secure stable livelihoods and achieve financial independence.

02 Abhyasa - Education

We believe education is a powerful tool that empowers individuals and uplifts communities. Guided by this belief and our experience, we develop impactful programs focused on improving learning outcomes. Our initiatives are aligned with the National Education Policy 2020 and SDG 4: Quality Education, ensuring that our interventions strengthen the education system and create meaningful impact.

05 Spandana - Climate Response

Through this focus area, we support communities facing the challenges of floods, droughts, and natural disasters. Our interventions are need-based, ranging from immediate relief measures to long-term sustainability programs. We aim to become water positive, enhance green cover, and implement initiatives that contribute to SDG 13: Climate Action.

03 Swachhata - Water, Sanitation and Hygiene (WASH)

We work to ensure that marginalized communities have access to safe drinking water, sanitation, and hygiene facilities in households and public institutions such as schools, Anganwadi centers, and health and wellness centers. Improved access to clean water and sanitation reduces disease morbidity and enhances health indicators. Our efforts also align with the Government of India's Swachh Bharat Mission and contribute to SDG 6: Clean Water and Sanitation and SDG 3: Good Health and Well-being with a focus on long-term sustainability.

06 Susthira - Sustainable Asset Generation

We invest in need-based community infrastructure that bridges gaps in access to essential facilities and amenities. These projects empower communities to use shared assets for their collective wellbeing. Our initiatives are aligned with SDG 1: No Poverty and SDG 11: Sustainable Cities and Communities, ensuring inclusive and sustainable development.

» Our Key Initiatives

Aarogya (Health)

Adoption of Nakkapally Government Hospital

Under the Hetero Foundation, Honour Lab has adopted a 50-bedded government hospital in Nakkapally, Anakapally district, Andhra Pradesh, which serves as a primary healthcare facility for surrounding villages, especially for fishermen communities. Located on National Highway 16, the hospital also provides emergency care for accident victims, with no other major facility available within 50 kilometers. After conducting an assessment, we filled critical gaps by providing:

- Biomedical waste management storage unit which was constructed to reduce Hospital Acquired Infections (HAIs) and promote safe waste segregation practices.
- Ultrasound scanning equipment to address the lack of diagnostic facilities, enabling pregnant women and other patients to access services locally, saving time and money.
- Cardiac monitor to support early detection and timely treatment of heart conditions, reducing the need for patients to travel to distant cities.
- Anesthesia equipment to strengthen critical care facilities, enabling the hospital to treat complex cases effectively.
- RO water plant to ensure safe drinking water for 400-500 patients and staff daily.
- Employee volunteering in cleaning and maintenance activities to support hospital hygiene.

Eye Care Services

Under the Hetero Foundation, Honour Lab has established a Vision Centre in Nakkapally village, extending services to 31 surrounding villages. The centre provides primary eye care, medicines and spectacles, along with preventive counselling. It plays a crucial role in early detection and prevention of eye diseases like cataracts, glaucoma, and refractive errors through regular screenings. The center provides services free of charge and affordable corrective glasses and medicines, making eye care accessible to families with limited resources. In partnership with Sri Kiran Eye Institute, Kakinada, free cataract operations are conducted for patients.

Key impacts include:

- Accessible and affordable primary eye care
- Early detection and treatment of vision-related issues.
- Free cataract surgeries through institutional collaboration.

Beyond health benefits, the Vision Centre promotes social inclusivity by narrowing the healthcare gap between urban and rural populations.



Mobile Medical Van

To extend healthcare access, we launched a Mobile Medical Van that conducts regular health camps across Nakkapally Mandal villages. Staffed with an MBBS doctor and nursing personnel, the van provides consultations, medicines and referrals.

- Covers remote villages with doorstep primary healthcare.
- Offers preventive care and referral services.
- Over 10,157 consultations provided, benefiting daily-wage workers and underserved communities.



Nutrition Support for Tuberculosis Patients

Tuberculosis (TB) continues to be a major public health concern, especially in marginalized areas where poor nutrition and hygiene worsen the condition. Recognizing this challenge, Honour Lab, under the Hetero Foundation has extended its support to TB patients by providing nutrition kits that strengthen treatment outcomes and ease the financial burden during the six-month medication period.

As part of the Government of India's National Tuberculosis Elimination Program (NTEP), and in alignment with the Pradhan Mantri TB Mukht Bharat Abhiyaan (PMTBMBA), we distributed 9,432 nutrition kits to patients across Khammam and Bhadrachari Kothagudem districts of Telangana and Anakapally district of Andhra Pradesh. The distribution was carried out through AB-HWC and ASHA workers, ensuring last-mile delivery directly to patients' homes.

Each kit included essential food items such as wheat rava, wheat flour, rice, toor dal, groundnut, milk powder, jaggery, and oil, packaged in eco-friendly cloth or jute bags. This initiative not only provided critical nutritional support but also complemented the government's goal of achieving a TB-free India by 2025.

Through this effort, we ensured:

- Nutrition kits supplied to TB patients in three districts.
- Improved treatment adherence and health outcomes by ensuring access to a balanced diet.
- Active community participation in supporting national health priorities.

Abhyasa (Education)

Improving educational access and infrastructure in rural government schools and Anganwadi centres is our focus. We aim to empower students and reduce the financial burden on families. Our initiatives under the Hetero Foundation are designed to strengthen learning outcomes, enhance attendance, and minimize dropouts, ensuring every child has the opportunity to learn and grow.

Educational support

Distribution of school bags, uniforms, notebooks, and stationery to students in schools and Anganwadi centres, helping families reduce expenses and ensuring children have the essentials to continue their education.



Infrastructure development

Provision of classrooms, learning aids, and playing materials in schools and Anganwadi centres, creating an environment conducive to better learning opportunities.



Academic assistance

Supplying study materials for Class 10 students to help them prepare for board examinations and deploying Vidya Volunteers to provide supplementary teaching support where needed.



Financial support

Offering scholarships to meritorious students and financial assistance to those from economically weaker sections, enabling them to pursue higher education.



Encouraging talent

Providing gifts and awards to students excelling in games and sports during national day competitions, motivating them to participate in extracurricular activities.

Through these initiatives, we strengthen the education ecosystem by working closely with schools, Anganwadi centres, and local communities, ensuring inclusive and impactful educational development.

Swachata-WASH (Water Sanitation and Hygiene)

Water, sanitation, and hygiene play a vital role in improving health, education, and livelihoods. As one of our key CSR focus areas WASH initiatives aim to provide safe drinking water, sanitation, and hygiene facilities to schools, healthcare centres, and communities.

- Setting up of RO water plants in 2 schools, giving students and staff access to clean drinking water.
- Installation of RO water purification plants in rural communities and healthcare facilities to ensure consistent access to safe drinking water.
- Construction of toilet facilities in 2 schools to improve sanitation and encourage student attendance, especially among girl students.
- Provision of a handwashing facility in 1 school to promote hygiene practices among children.
- Support to 1 school under the Clean & Green initiative, ensuring a healthier and more sustainable learning environment.

In alignment with the Swachh Bharat Mission, we have built public toilets in communities, significantly improving sanitation and hygiene. These facilities help manage waste responsibly, prevent environmental pollution, and safeguard public health.

Susthira-Sustainable infrastructure support to communities

We actively provide infrastructure support to communities to address their needs. We invest in village infrastructure, constructing vital facilities such as roads, drainage systems, community halls, and Gram Panchayat buildings and are providing bus shelters to communities. We are also providing CC cameras to the villages to improve their safety and security. These cameras serve as a deterrent against theft, vandalism, and antisocial activities, contributing to a more secure environment.

- 5.1 kilometers of Concrete Cement (CC) roads laid across 5 villages.
- 1 community hall constructed, each in a different village.
- 2.5 kilometers of underground drainage laid in 3 villages.

Sports and Recreation

Honour Lab encourages youth participation in sports by developing playfields in Nakkapalli and supplying sports equipment. These efforts promote physical fitness, recreational activities, and social well-being among rural youth.

GRI Index

GRI Standard	Disclosure	Page No.
GRI 2: General Disclosures 2021	2-1 Organizational details	8
	2-2 Entities included in the organization's sustainability reporting	5
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	5
	2-6 Activities, value chain and other business relationships	8
	2-7 Employees	49,50
	2-9 Governance structure and composition	32,33
	2-10 Nomination and selection of the highest governance body	32,33
	2-12 Role of the highest governance body in overseeing the management of impacts	32,33
	2-14 Role of the highest governance body in sustainability reporting	32,33
	2-19 Remuneration policies	32,33
	2-20 Process to determine remuneration	32,33
	2-22 Statement on sustainable development strategy	6
	2-23 Policy commitments	35
	2-24 Embedding policy commitments	35
	2-27 Compliance with laws and regulations	36
2-28 Membership associations	16	
2-29 Approach to stakeholder engagement	27	

GRI Standard	Disclosure	Page No.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22
	3-2 List of material topics	23
	3-3 Management of material topics	24,25,26
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	10
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	71
GRI 205: Anti-corruption 2016	205-2 Communication and training about anticorruption policies and procedures	36
	205-3 Confirmed incidents of corruption and actions taken	36
GRI 302: Energy 2016	302-1 Energy consumption within the organization	42
	302-3 Energy intensity	42
	302-4 Reduction of energy consumption	43
GRI 303: Water 2016	303-1 Interactions with water as a shared resource	44
	303-2 Management of water discharge-related impacts	44
	303-3 Water withdrawal	45
	303-4 Water discharge	45
	303-5 Water consumption	45
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	41
	305-2 Energy indirect (Scope 2) GHG emissions	41
	305-4 GHG emission intensity	41
	305-5 Reduction of GHG emission	40
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	41

GRI Standard	Disclosure	Page No.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	46
	306-2 Management of significant waste-related impacts	46
	306-3 Waste generated	47
	306-4 Waste diverted from disposal	47
	306-5 Waste directed to disposal	47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	50
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	53
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62,63
	403-2 Hazard identification, risk assessment, and incident investigation	62,63
	403-3 Occupational health services	62,63
	403-4 Worker participation, consultation, and communication on occupational health and safety	65
	403-5 Worker training on occupational health and safety	58,59
	403-6 Promotion of worker health	65,66
	403-8 Workers covered by an occupational health and safety management system	65
	403-9 Work-related injuries	64
	403-10 Work-related ill health	64
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	58
	404-3 Percentage of employees receiving regular performance and career development reviews	59

GRI Standard	Disclosure	Page No.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	61
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	56
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	56
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	56
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	72
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	68
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	69
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	69
	417-2 Incidents of non-compliance concerning product and service information and labelling	69
	417-3 Incidents of non-compliance concerning marketing communications	69

Learning from Progress, Leading with Purpose

At Honour Lab, progress is not just measured but internalized, with lessons shaping purposeful strategies that create lasting impact for people and the planet.





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