



*Transforming for a*  
**Sustainable Tomorrow**







# Transforming for a Sustainable Tomorrow

As the world changes in unprecedented ways, we at Cohance Lifesciences assimilate to provide the foremost healthcare and positively impact the lives of those around us. We see growing attention towards sustainable growth and development, diverse customer requirements, and business continuity concerns.

Serving the communities and stakeholders has always been deeply integrated into Cohance's philosophy. We strongly believe in accelerating the transition to a sustainable future and providing responsible healthcare. Our vision has enabled our approach to forge sustainability and carefully strategise our business offerings to all our stakeholders.

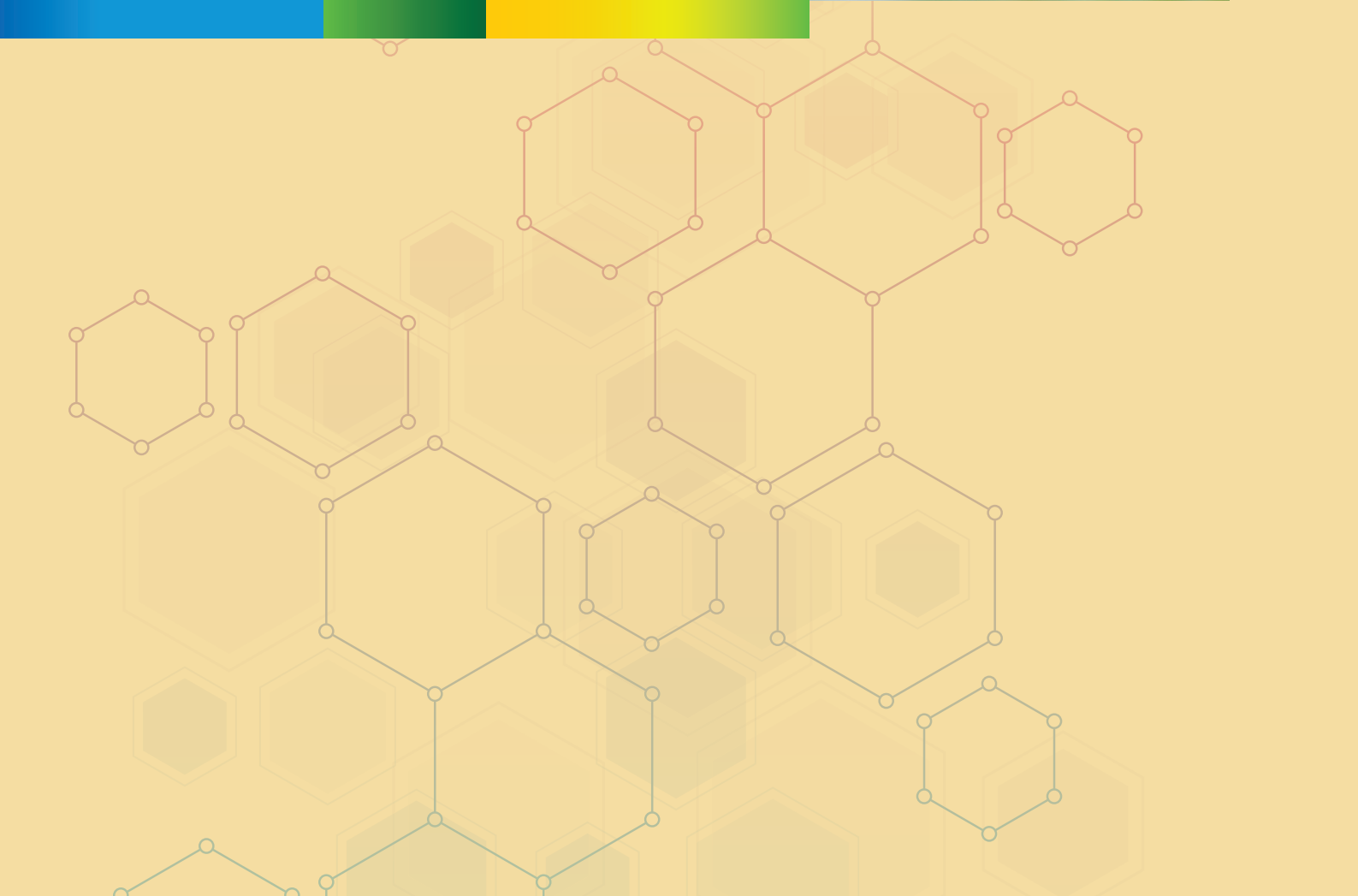
We embark on our journey to set benchmarks, challenge conventions, and consistently innovate to explore solutions that usher in a sustainable world.





On the road to set benchmarks...







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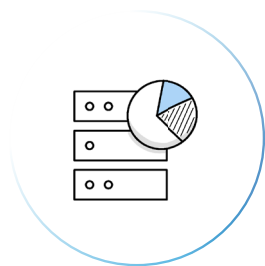




# Report at a Glance







## About the Report<sup>1</sup>

Cohance Lifesciences introduces its first sustainability report to all the stakeholders. The report represents our non-financial performance from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and our vision to integrate sustainability throughout our journey.



## Reporting Boundary and Scope

The report covers the business activities of Cohance Lifesciences, ZCL Chemical Ltd, and AVRA Laboratories Pvt Ltd across manufacturing locations and corporate offices. We aim to focus on material matters that has the potential to influence our business operations and long-term value creation for our stakeholders.



## Frameworks Referred

The report's content is developed with reference to Global Reporting Initiative (GRI) 2021 standards. The report also provides linkages to the United Nations Sustainable Development Goals (UN SDGs).



## Responsibility Statement

The Board of Directors and the Management Team have reviewed the report for accuracy and transparency and concluded that it reflects our performance across material issues and provides a fair representation of Cohance's non-financial performance for FY 2022-23. The Cohance's Board of Directors has approved the report on 26 February, 2024.

Special acknowledgment to team of KPMG Assurance And Consulting Services LLP for advisory role in making this report.

**Note:** The sustainability performance data especially related to the environment during FY 21-22 were not disclosed due to special situations i.e. one time production of COVID-related molecules, and thus do not fit into reporting principles of comparability. Therefore the most latest performance data of FY 22-23 vis-a-vis baseline year FY 20-21 have been disclosed.

### Feedback

We look forward to your feedback to strengthen our sustainability communication.

### Mr. Pushkar Bhanudasrao Lakhekar

Designation: Chief Transformation Officer  
E-mail ID: esg@cohance.com

<sup>1</sup> GRI 2-2, GRI 2-3





**Dr. Prasada Raju V**  
Managing Director and Chief Executive Officer

# Managing Director's Message<sup>2</sup>

It gives me immense pleasure to introduce our maiden sustainability report to you. Through this report, we aim to highlight the responsible business practices carried out by Cohance Lifesciences Limited that bring economic value by uplifting people, profit and the planet. To achieve this, one of our key endeavours at Cohance is our robust Environmental, Health, and Safety (EHS) system and procedures, which are always at the heart of our operating philosophy. As part of our business ethos and work culture, the significance of EHS is consistently emphasised and widely promoted. Our EHS framework enables the construction of a secure, healthy working environment for our personnel, third-party vendors, and the communities in which we operate.

We recognise the importance of sustainability for creating long-term value for our stakeholders and tirelessly strive to integrate sustainability as one of the fundamentals of doing business. For this, we have devised several policies such as Biodiversity Policy, EHS Policy, Energy & GHG Policy, Pharmaceutical in Environment Policy, Supplier Code of Conduct, Sustainable Procurement Policy, and Water Management Policy, among others. These have enabled us to put a check on our business as usual and helped us continue our offerings in CDMOs, API manufacturing and Clinical and Analytical services as leading sustainable practitioners who strive to co-create value by protecting the environment and society at large.

In this rapidly evolving healthcare landscape, we are committed to conserving quality in our products by keeping patient health at the core of our developments. In this process, we also attempt to target all segments of society by making our products accessible and affordable. Our company's

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<sup>2</sup> GRI 2-22



code of conduct underlines the vital behavioural aspects for a Cohancer that guide them to continue to serve the firm with utmost integrity and pride, thus delivering unmatched quality to the market.

We broadly govern ourselves under the values of Unity, Passion, Agility, Accountability and Simplicity. These have proved to be our pillars of success for ambitiously pursuing our vision to co-create a Top 3 CDMO and merchant API platform by serving global marquee pharma and speciality chemical customers as their partner of choice. With this vision, we aim to deliver transformational impact to our clients, enhance the quality of life of millions of patients, and set industry-leading best-in-class standards.

As we continue to advance in our business excellence, we have followed a guiding principle of “Sustainable, Replicable & Impactful Interventions through Community Involvement”. At Cohance, we believe in demonstrating care for the community by adhering to and living up to its values through planned and targeted interventions in the areas of education and skill development, health and wellness, and environmental sustainability.

Our fundamental conviction regarding CSR goals for societal advancement is aiding children in finding their smiles again. We incessantly work towards providing better education and educational facilities for underprivileged children by developing the education infrastructure. We strictly abide by our guidelines and always uphold standards for child welfare. Through the Mid-Day Meal Scheme, we have made a small effort by ensuring wholesome meals for 7000+ children in more than 100+ schools.

To ensure communities' well-being and upliftment, we constantly endeavour to support initiatives on health & hygiene. We consistently make humble efforts to ensure improved medical facilities for the local populations by developing good, better infrastructure in various village-level CHC's (Community Health Centres), PHCs (Primary Health Centres) with state-of-the-art medical Equipment's, Mobile X-ray, Ultrasound System, ECG Machines, High-flow Oxygen machines and Medical Oxygen facility, Ambulance services, etc.,

and upkeep of the PHC's & CHC's. We work closely with various implementing agencies to regularly conduct health camps in urban, rural and tribal areas, ensuring their health and wellness and leading them towards a better tomorrow. Under the program of restoration of vision, we support eye camps and cataract surgeries at the community level.

We also realise the environmental risks of operating a global business, so we've set ambitious long-term environmental sustainability goals for Maximizing Oxygen and absolute reductions in CO<sub>2</sub> emission, wastewater generation and spillages, and striving for zero waste to landfill at our hotspots. Our constant endeavour is to find ways to reduce power consumption and ensure sustainable development in all possible areas. We formed a dedicated, focused team of engineers, supported by R&D scientists and plant chemists, to prepare and execute the agenda of continuous improvement in the reduction of energy, steam, waste and water, which has resulted in;

- 30% Reduction in Water Consumption / MT Produced.
- 5% Reduction in Energy Consumption / MT Produced.
- 15% Reduction in CO<sub>2</sub> Emissions / MT Produced.
- 10% Reduction in Generated Effluents / MT Produced.

Since our inception in 2003, Cohance Lifesciences has earned the latest annual revenue of INR 1348 crores, established 07 manufacturing units, 1082 KL reactor capacity (1 billion + combined capacity for tablets / capsules at formulation manufacturing facility), 1968 workforce with 200+ R&D scientists. I would like to convey my sincere gratitude to all our stakeholders for participating in this upward trajectory. We are committed to being a responsible corporate citizen and wish to continue and co-create value for our present and future generations. ●●





# Performance Highlights

## Enhance Enterprise



Revenue  
**Rs. 1,348 Cr**



EBITDA  
**30%**



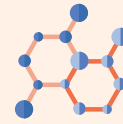
CAGR  
**16%+**  
in last 4 years



Launched  
**2 New Products**



Local Suppliers  
**228**



Global Leadership in  
**8/10 Top Molecules**

## Conserve Environment



**7.5%** of renewable energy consumption as per total energy consumption



**3,841** CO<sub>2</sub> emissions reduced



**4,626.73** MT waste diverted from disposal

## Responsible Manoeuvre



**1900+** Employees



**Zero Lost Time**  
Injury Frequency Rate (LTIFR)



**Rewards & Recognition**

# An Overview of Our Company<sup>3</sup>

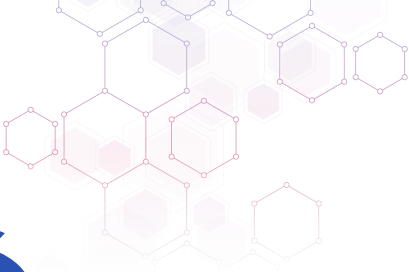


Cohance Lifesciences began in 2022 with a new identity from RA Chem Pharma Ltd. RA Chem Pharma was founded in 2003 with its first intermediate manufacturing plant at the Jaggaiahpet, Andhra Pradesh. Over the fifteen years, RA Chem Pharma strategically expanded its operations by establishing the CR Bio clinical trials organisation, formulation development and manufacturing units, and acquiring an additional intermediate manufacturing plant in Atchutapuram location, near Visakhapatnam. In 2020, Advent International Global Private Equity launched its API platform by acquiring of RA Chem Pharma. Subsequently, Advent International further bolstered the platform by acquiring ZCL Chemicals in 2021 and AVRA Laboratories in 2022.

Today, Cohance Lifesciences has emerged as a prominent Contract Development and Manufacturing Organisation (CDMO) and API platform, offering a comprehensive range of products and services encompassing all stages of a molecule's lifecycle, from development to commercialisation. Its core business units are comprise of CDMO, API+, Formulations, and Clinical & Analytical Services.

<sup>3</sup> GRI 2-1, GRI 2-6





## Our Vision

Co-create a Top 3 CDMO and merchant API platform by serving global marquee pharma and speciality chemical customers as their partner of choice. While striving to achieve a dominant position in the chosen high defensibility segments, we deliver transformational impact to our client, enhance the quality of life of millions of patients and set industry leading best-in-class standards.



## CDMO

With its expertise in complex chemistries, Cohance provide end-to-end CDMO services to global innovators and has delivered numerous projects from concept to commercialisation over the years. This comprises of full range of CDMO services for small molecule APIs and Intermediates along with world-class infrastructure capable of handling projects ranging from gram scale to metric-ton volumes.



## API, API+ and Formulations

As a global API player, Cohance serves customers across 60+ countries with molecules backed by robust R&D, regulatory capabilities, and manufacturing infrastructure. It is among the top backward integrated exporters of pellets and has strong development and manufacturing capabilities.



## Clinical and Analytical Services

Cohance has been leading as a provider of clinical solutions around Bioavailability & Bioequivalence studies and Clinical Trials focusing on providing quality outcomes to global customers through its CR-Bio division. It is an India-based regulatory class CRO with various global accreditations and approvals.



## The Core Values that Govern Us



### Unity

- Win when our colleagues succeed – Trust & Respect
- Help each other to deliver the best



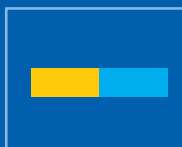
### Accountability

- We Own our Actions
- Keep each other and everyone safe



### Passion

- Love what we do & do what we love
- Unstoppable



### Simplicity

- Do what is written and write what we do



### Agility

- Quicker Decisions and shorter Discussions







# Our Expertise



Cohance Lifesciences is a leading CDMO and API+ Platform company with over two decades of expertise in API+ and Formulations Development, Manufacturing, Clinical and Analytical Services. Cohance has developed professional team comprising of Scientists, Process Engineers, Program Managers, and Regulatory Teams, who support development, manufacturing and delivering value to customers at various product stages.



We are into a business meant for the well-being of the Stakeholders and Society.

Our operations, right from the purchase of raw materials, development and manufacturing involve consumption of Power, Fuel, Water and Other Resources. We consume a certain carbon footprint. As a responsible manufacturer, we would like to contribute to Society and Stakeholders, by optimising / reducing consumption of various resources by implementing multiple initiatives towards Energy Conservation, Water Conservation, Green Chemistry, Solvent Recycling, Waste Reduction, Process Efficiency Improvement, and Efficient Sourcing.

We have been investing and will invest in new technologies, efficient equipment and processes, backward integration of our products, and local sourcing to reduce our carbon footprint.

**Mr. Sunil Govind Uttarwar**

Chief Operations Officer- Tech Ops

## API

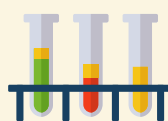
Cohance API divisions 50+ commercial APIs, manufactured from 5 manufacturing units covering a wide range of therapeutic applications and supplying across highly regulated markets, 06 out of 09 APIs are supplied by Cohance, covering more than 25% of Global Market Share for each molecule. This is achieved and sustained with strategic capacity creation, debottlenecking of capacity with an operational excellence philosophy, continuous process improvement, and strategic partnership with suppliers to secure the supply chain.

## CDMO

Cohance has dedicated development to commercialisation infrastructure and skilled resources to support CDMO Business. Research teams have expertise in handling multi-step complex chemistry, extended coupling reactions, organometallic and chiral reactions, asymmetric catalysis, and oncology product development in contained environment. We have 02 manufacturing plants which are dedicated to CDMO and oncology business, making it easier and timely to scale, meeting all regulatory requirements, which is most important aspect of CDMO business. At the same time, Cohance has the advantage of access to the large-scale capacity of other plants which can be used to cater to high-volume sustainable requirements at a full commercial scale.



75+ Scientists



02 Dedicated Facilities

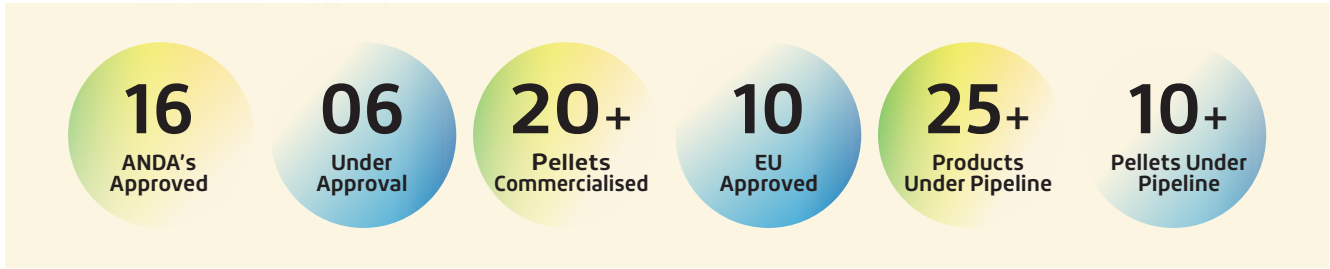


Under Construction – Potent Kilo Laboratory & Modern R&D Centre.





## Formulations and API+



Cohance has a unique position of most APIs are fully backward integrated and, at the same time, forward integrated with the manufacturing of the pellets and oral solid dosage. We have two separate facilities for manufacturing pellets and oral solids (Tablets and Capsules). The purpose of the business is to give customers one-stop service and solutions to meet their unmet needs.

## Gearing Up the Infrastructure Capacity

Business Unit	2020-21 capacity (in KL)	2022-2023 capacity (in KL)	Expansion Under Progress capacity (in KL)
API, Jaggaiahpet	360	522	120
API, Atchutapuram	142	142	100
API, Ankleshwar	207	249	181
API, Nacharam	41.4	41.4	-
API, Parawada	128	128	-
FDF, Nacharam	Pellets- 350 million	Pellets-350 million	-
	Capsules- 850 million	Capsules-850 million	-
	Tablets- 1880 million	Tablets-1880 million	-
PFI, Jadcherla	420	480	-



## Major infrastructure improvements in the last 2 years

1. We have created an additional capacity of 200 KL across platform.
2. We have created 162 KL capacity new block at Jaggaiahpet.
3. There is a new extension of 42 KL capacity in the Ankleshwar Unit at Block-II, ZCL Chemicals.
4. The Pellets plant at Jadcherla was modified to meet CGMP requirements and was inspected by the WHO authority.
5. We have created a dedicated facility with instrument controls for cyanide handling at our Jaggaiahpet Unit.

## Future Expansion Plans

1. We will be creating an additional 400+ KL facility at Jaggaiahpet (API Unit I), Atchutapuram (API Unit II) and Ankleshwar Unit (API Unit III) by 2025.



2. We will be creating a Zero Liquid Discharge (ZLD) facility for the AVRA Nacharam (API Unit IV) facility.
3. An additional Kilo Lab for oncology molecules at AVRA Nacharam (API Unit IV).

## Clinical and Analytical Services

Cohance has established a state-of-the-art infrastructure spread across a 25,000+ sq ft facility with 114 beds and state-of-the-art bioanalytical laboratory. This encompasses a skilled team of 120 employees with extensive capabilities in handling complex studies, carrying out studies for highly variable molecules and long housing designs, and conducting BA / BE studies.

With over 1000+ BA / BE studies conducted with different study designs on various types of dosage forms and 250+ validated bioanalytical methods, Cohance is vastly experienced and best placed to partner customers.

Its strength in conducting clinical trials is demonstrated by the database of 15000+ volunteers, including 500+ female volunteers.

Submissions made to globally reputed regulatory agencies are a testimony to Cohance's capabilities, including submissions to the USFDA, UK MHRA, TPD Health Canada, EMEA, MoH Turkey, NPRA Malaysia, WHO, GCC Riyadh, DCGI, MoH Ukraine, SAHPRA – South Africa, TGA – Australia, etc.

## Infrastructure at a Glance

Reactor Capacity

**1082+**  
KL

Future Expansion  
under Progress

**400+**  
KL

Operations Units

**8**

Workforce

**1900+**

R&D Team  
across 4 centres

**210+**





**2003**

RA Chem Pharma  
Established

First API  
Manufacturing  
Unit, Jaggaiahpet

**2006**

Clinical Research  
and Bio Studies  
Unit, Balanagar

Formulation  
Manufacturing  
Unit, Nacharam

**2018**

Pharmaceutical  
Formulation and  
Intermediates,  
Jadcherla

Second API  
Manufacturing  
Unit,  
Atchutapuram

**2020**

Start of New  
API platform  
with the  
acquisition  
of RA Chem  
Pharma  
by Advent  
International

**2021**

Acquisition of  
ZCL Chemicals  
Limited  
by Advent  
International

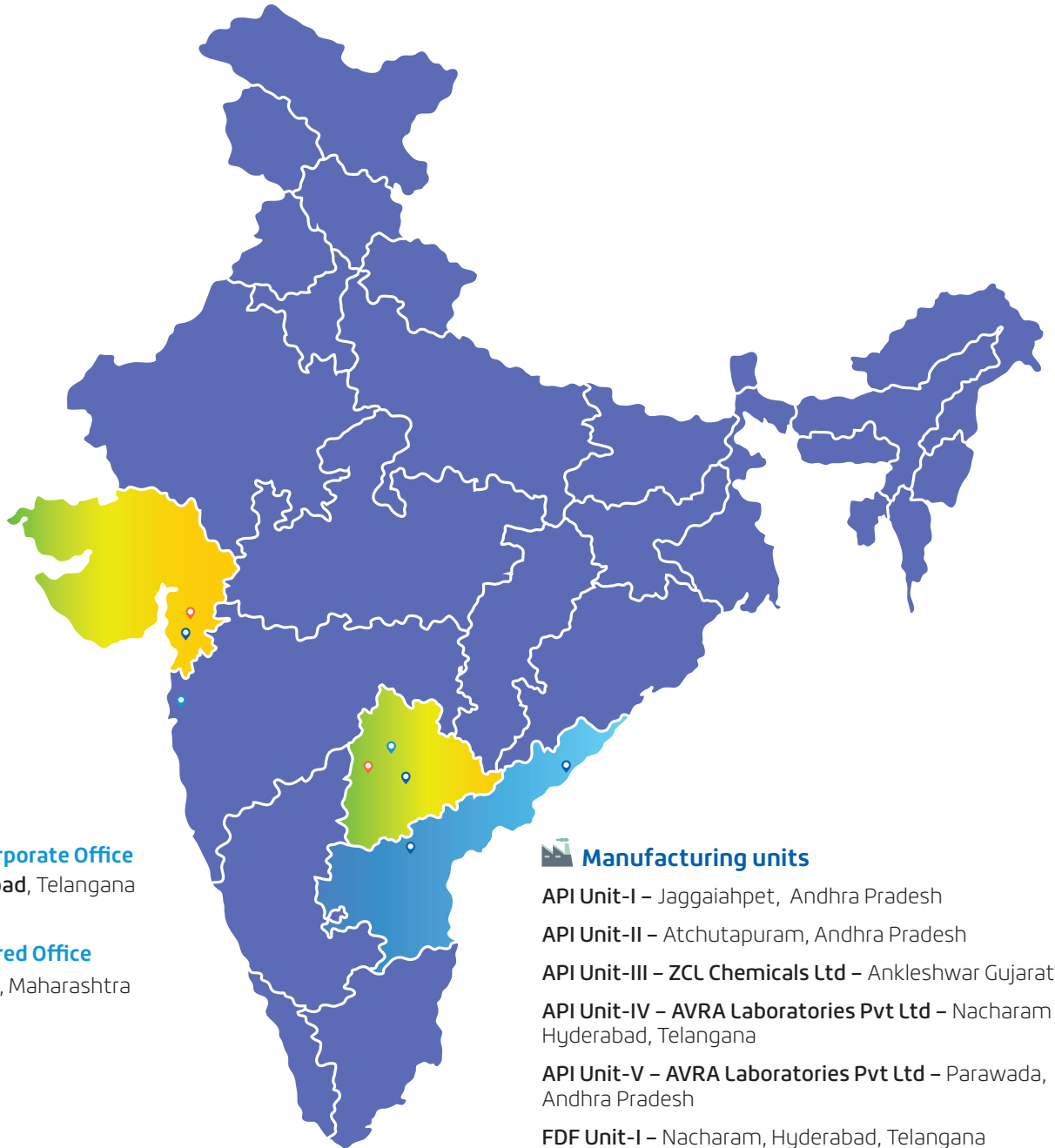
**2022**


Acquisition of  
AVRA Labs

RA Chem  
Pharma  
rebranded  
as Cohance  
Lifesciences

## Our Key Milestones

# Our Geographical Presence and Position



 **Corporate Office**  
Hyderabad, Telangana

**Registered Office**  
Mumbai, Maharashtra

 **Manufacturing units**

- API Unit-I – Jaggaiahpet, Andhra Pradesh
- API Unit-II – Atchutapuram, Andhra Pradesh
- API Unit-III – ZCL Chemicals Ltd – Ankleshwar Gujarat
- API Unit-IV – AVRA Laboratories Pvt Ltd – Nacharam Hyderabad, Telangana
- API Unit-V – AVRA Laboratories Pvt Ltd – Parawada, Andhra Pradesh
- FDF Unit-I – Nacharam, Hyderabad, Telangana
- FDF Unit-II – Jadcherla, Hyderabad, Telangana
- CRBio – Bala Nagar, Hyderabad, Telangana

 **R&D centers**

- API R&D-1 – Patancheruvu, Hyderabad, Telangana
- API R&D-II – ZCL Chemicals Ltd – Ankleshwar, Gujarat
- API R&D-III – Nacharam, Hyderabad, Telangana
- FDF R&D-1 – Nacharam, Hyderabad, Telangana





The background of the page is a composite image. At the top, there is a close-up of a person's hand in a light-colored suit jacket. Below this, on the left, is a green square with a white recycling symbol. Further down, there is a stylized globe with green continents and white oceans, set against a background of green leaves and a white vine. The bottom of the page features a horizontal bar with three colored segments: blue, green, and yellow.

## Corporate Governance

An effective governance system is the backbone for a successful business. Rooted in our values of Unity, Passion, Agility, Accountability, and Simplicity, we have ensured a governance system that produces and delivers sound management across all the levels of the organisation.

Our good governance practices provide performance and gain our stakeholder's trust. They reflect our ethics and integrity, which we integrate in our day-to-day functioning.





# ...Corporate Governance<sup>4</sup>

Our Code of Conduct underlines our commitment to maintain the highest ethical, moral, and professional standards while conducting business according to applicable laws, rules, and regulations, ensuring an elevated standard of business ethics. This code is intended to provide general guidance, guidelines, and expectations of the Company to help recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. Each Director, Officer, Employee, and Business Associates/Partners are expected to comply with

the letter and spirit of this Code. This code came into force on 1 November, 2022. The Company's directors, officers, and employees must comply with applicable laws, rules, and regulations and promote the honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping create and maintain a culture of high ethical standards, commitment to compliance, and a work environment that encourages the stakeholders to raise concerns to the management's attention.

## Our Board Composition



**Dr. Prasada Raju V**  
MD and CEO



**Mr. Bhaskar Iyer**  
Independent Director



**Mr. Abhijit Mukherjee**  
Independent Director



**Mr. Anil Kumar Chanana**  
Independent Director



**Ms. Shweta Jalan**  
Non-Executive Director



**Mr. Pankaj Patwari**  
Non-Executive Director

<sup>4</sup> GRI 2-9, GRI 405-1

## Board age and tenure

Name	Designation	Age	Tenure
Dr. Prasada Raju V	Managing Director and CEO	49	5 years
Abhijit Mukherjee	Independent Director	63	5 years
Anil Kumar Chanana	Independent Director	64	5 years
Bhaskar Iyer	Independent Director	67	5 years
Pankaj Patwari	Non-Executive Director	43	Liable to retire by rotation
Shweta Jalan	Non-Executive Director	47	Liable to retire by rotation

## Our Committees and Sub-committees of the Board

- ➔ Audit Committee
- ➔ Nomination and Remuneration Committee
- ➔ Corporate Social Responsibility Committee and
- ➔ Management Committee

Mr Abhijit Mukherjee is the chairman of the Nomination and Remuneration Committee, Mr Anil Chanana is the chairman of the Audit Committee, and Mr Bhaskar Iyer is the chairman of the CSR Committee.



Cohance will continue innovating in the CDMO/Manufacturing of APIs for its customers, focusing on accelerating R&D advantage. We will create the best customer experience and value for mutual business with an extremely high commitment to ESG and sustainability.

Our focus area will be robust internal controls as part of Governance and strict compliance through a robust framework with appropriate checks and balances.

**Jayantt B Manmadkar**  
Chief Financial Officer





## Nomination and Remuneration<sup>5</sup>

We have a well-defined Nomination and Remuneration Committee (NRC) of the Board. Below is a representation of its members:

Name of the Member	Designation
Abhijit Mukherjee	Chairman
Anil Kumar Chanana	Member
Bhaskar Iyer	Member
Pankaj Patwari	Member
Company Secretary of the Company	Secretary of the Committee

The NRC is responsible for delegating several functions at Cohance. The terms of reference of the Nomination and Remuneration Committee were as follows:

- i. Identify persons who are qualified to become Directors and who may be appointed in Senior Management by criteria laid down and recommend to the Board of their appointment/removal, including specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- ii. Formulate the criteria for determining a director’s qualifications, positive attributes, and independence and recommend a policy about the remuneration of directors, key managerial personnel, and other employees to the Board.
- iii. Such other functions may be directed by the Board or provided under the Companies Act 2013.

## Annual Total Compensation<sup>6</sup>

Annual Total Compensation Ratio
The ratio of the total compensation of our CEO to the total yearly compensation of all employees (excluding CEO) for FY’23 stood at 3.3%.
The ratio of the percentage increase in total annual compensation for our CEO to the median percentage increase in total yearly compensation for all employees (excluding CEO) for FY’23 stood at 60%.

## Our Vigil Mechanism<sup>7</sup>

At Cohance, we believe in conducting the affairs of our constituents fairly and transparently by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour. In pursuit of this, the Company encourages its employees to raise genuine concern about any malpractices in the workplace without fear of retaliation. It will protect them from victimisation or dismissal.

We have adopted a Code of Conduct that lays the principles and standards that govern the actions of the Company’s directors, employees, and commission agents/business associates, as they are prevalent occasionally.

<sup>5</sup> GRI 2-10, <sup>6</sup> GRI 2-21, <sup>7</sup> GRI 2-16

The vigil mechanism aims to provide a channel for the directors and employees to report genuine concerns about unethical behavior of any employee of the Company who shall promptly report to the management/audit committee of the Company (“Audit Committee”) when they become aware of any actual possible violation or an event of misconduct, fraud, or act not in Company’s interest.

At Cohance, we acknowledge the significance of the “Supplier Code of Conduct” as a pivotal factor in fostering strong and sustainable supplier relationships essential for establishing a resilient supply chain. Our business practices, as well as the quality of our products and services, carry substantial importance. Our commitment is rooted in the dedication to creating value for all stakeholders and upholding ethical standards in the sourcing goods and services. These principles form our commitment to responsible and transparent business practices.

In adherence to our principles, we require our suppliers, and their personnel, and affiliated parties to conform to the specified standards outlined in this code. Cohance is unwavering in its dedication to promoting responsible business conduct, ensuring compliance with applicable regulations, and fostering a culture of integrity throughout the supply chain.

Moreover, Cohance places a paramount emphasis on treating suppliers with utmost respect. We believe in cultivating partnerships, that are built on mutual trust, transparency, and fairness. This commitment extends to maintaining a positive and collaborative environment with our suppliers. Where open communication and ethical business practices thrive.

The mechanism provides for adequate safeguards against the victimisation of directors and employees and, in appropriate cases, provide direct access to the chairman of the Audit Committee.

## Our measures against Conflict of Interest<sup>8</sup>

A Conflict situation can arise:

1. When an employee, officer, or director acts or has interests that may make it difficult to perform their work objectively and effectively
2. The receipt of improper personal benefits by a member of their family as a result of one’s position in the company
3. Any outside business activity that detracts an individual’s ability to devote appropriate time and attention to their responsibilities with the Company,
4. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings.
5. Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,
6. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

The directors, officers, and employees of Cohance should be scrupulous in avoiding conflicts of interest with the Company. If a conflict is likely, the employee must fully disclose all facts and circumstances to the Board of Directors or any Committee/Officer nominated for this purpose by the Board, and prior written approval should be obtained.

<sup>8</sup> GRI 2-15





## Cohance's Policy Commitments in line with ESG<sup>9</sup>

	Policy Name	Policy Commitments
1	Environment Health & Safety (EHS)	<p>We are committed to protect the health and safety of our employees, contractors, customers, and other stakeholders related to its operations whether directly or indirectly in responsible manner. To ensure above commitment, we do the following:</p> <p>Conduct the business in accordance with all applicable statutory and other requirements in the region of operations.</p> <p>Prevent injury and occupational illness through employee involvement, robust EHS programs and Management of Risk. Provide Safe and Healthy working conditions. Eliminate Hazards and reduce risks through consultation and participation of worker.</p> <p>Incorporate relevant EHS requirements across all processes right from planning, design, recruitment, procurement, vendor selection, technology development, technology transfer, production and maintenance</p> <p>Reduce waste and optimise utilisation of energy, water and all natural resources which are in direct consumption for the business. Encourage business partners for similar efforts to protect environment and sustainable operations.</p> <p>Identify EHS hazards at the design phase of the process development and build appropriate measures to mitigate risks.</p> <p>Train and motivate employees to conduct activities in safe and environmentally responsible manner, both on and off the job.</p> <p>Promote culture of reporting near misses, unsafe act, conditions, and incidents across all locations of business.</p> <p>Conduct periodic health checkups of employees and workers and counsel as needed.</p> <p>Conduct periodic review of EHS performance and promote continuous improvement culture.</p> <p>The Management has overall responsibility to implement the policy and review it on a periodic basis.</p>
2	Whistle Blower Policy	Please Refer to the Vigil Mechanism Paragraph
3	Code of Conduct	Please Refer to the Corporate Governance Initial Section

<sup>9</sup> GRI 2-23, GRI 2-24

	Policy Name	Policy Commitments
4	Child Labor Policy	<p>As per Article 24 of the Constitution of India and other following laws (as applicable to the company) we prohibit engaging children in employment.</p> <p>The below mentioned statutes apply to various business locations depending upon the kind of operations being carried out:</p> <ul style="list-style-type: none"> <li>• Child Labor (Prohibition and Regulation) Act, 1986</li> <li>• Factories Act, 1947</li> <li>• Shops and Establishments Act in A.P and Telangana</li> <li>• Contract Labor (R&amp;A) Act, 1970</li> </ul> <p>We engage with persons who are 18 years and above and prohibit employment of children and young persons</p>
5	CSR Policy	Please Refer to the "Social Welfare" Section, Page 71 of the Report

## Risk Management

We regularly monitor risks related to production, quality, safety, budget, and forex management. This is intended to identify, evaluate, and cost-effectively control risks to ensure acceptable residual risks. Whilst it is impossible to eliminate risk, we constantly promote and apply best practices at all levels and to all activities, including dealing with external partners.

We have implemented Risk Management Procedures which guides our Employees and the Company in identifying risks ensuring effective reporting, and promptly addressing risks to ensure that the Company's objectives are met, and the interests of the Company and stakeholders are protected.

Our Company has a defined Forex Risk Management Policy. Further, we have deployed a Compliance Monitoring Tool to streamline and manage compliance tracking of all the statutory and legal compliances.

Compliance status is periodically updated in the tool and the same is periodically presented to the Senior Management Team and every quarter to Audit Committee. All the risks relating to the annual business plan and entity-level risks are regularly identified and reviewed by the operating management. The Risk review enables the operating management to sense lead indicators and, simultaneously, be ready with a mitigation plan for the identified potential risks to the business operations. This helps to reduce impact of any potential risk on the business and optimises the response time in case the potential risk occurs in the course of business. ●●





# Our Key Achievements

- API Unit-I (Jaggiahpet) effectively passed the EU GMP inspection held from 4<sup>th</sup> to 12<sup>th</sup> April, 2022, with no significant deficiencies noted. On 18 May, 2022, the facility received the "Certificate of GMP Compliance of a Manufacturer" for all 14 drug substances inspected.
- The CRBio facility succeeded in the US FDA inspection conducted from 23<sup>rd</sup> to 26<sup>th</sup> January, 2023, with Zero 483s observations reported.
- API Unit-I (Jaggiahpet) has been certified in ISO 14001:2015 & 45001:2018 by Bureau Veritas with Zero Non-conformities
- Cohance Lifesciences Limited has been certified ISO 9001-2015 by DNV
- FDF Unit-II (Jadcherla) underwent a successful Joint Inspection by CDSCO & DCA, Telangana, from 6<sup>th</sup> to 7<sup>th</sup> March, 2023, and received the certificate.
- API Unit-III (Ankleshwar facility) successfully passed the US FDA inspection held from 10<sup>th</sup> to 14<sup>th</sup> April 2023, with Zero 483s observations. The Establishment Inspection Report was received on May 30, 2023.
- Bureau Veritas conducted a successful ISO 9001:2015 Surveillance inspection at API Unit-IV (Nacharam) on 21 September, 2022, and obtained the certificate.



Building a strong, sustainable mindset in department team members requires adaptability, preparedness, and flexibility. Continuous efforts are being made to enhance the Quality Functions' Capability to withstand challenges and contribute to sustainability.

**Ms. Yamini Kongara**  
General Manager – CQA

# Stakeholder Engagement and Materiality Assessment<sup>10</sup>



Stakeholder engagement has become vital to business operations, helping organisations identify and prioritise the key issues they care about. Addressing these issues helps establish short-term and long-term goals and improves the organisation's overall performance. Stakeholders are groups of people interested in a business or organisation.



As an investor, we look forward to ESG performance as a measure of sustainable, safe business operations, reduced risks, and socially acceptable. Naturally, Indian manufacturing and R&D are increasingly important in global dynamics with advantage in cost efficiency and scale of operations.

**Arjun Gobinath**

Director – Advent International India

<sup>10</sup> GRI 2-29



They are essential for many reasons, such as providing practical and financial support to businesses, creating a positive or negative impact on their decisions, fulfilling the organisation's mission and, in the case of internal stakeholders, the ability to work together to achieve company goals. It becomes even more crucial for us as we move up the value chain in providing our goods and services. For this, we promptly engage with all our key stakeholders, including investors, customers, vendors/suppliers, communities, regulators, third-party manufacturers, employees and senior management. We annually engage with them through a various channels including SMS, Email, Personal Interactions, Flyers, Newsletters, Websites, Conferences, Public Meetings, and more.

**Below is an illustration showing the process adopted by the Cohance to identify its key Material Topics<sup>11</sup>:**

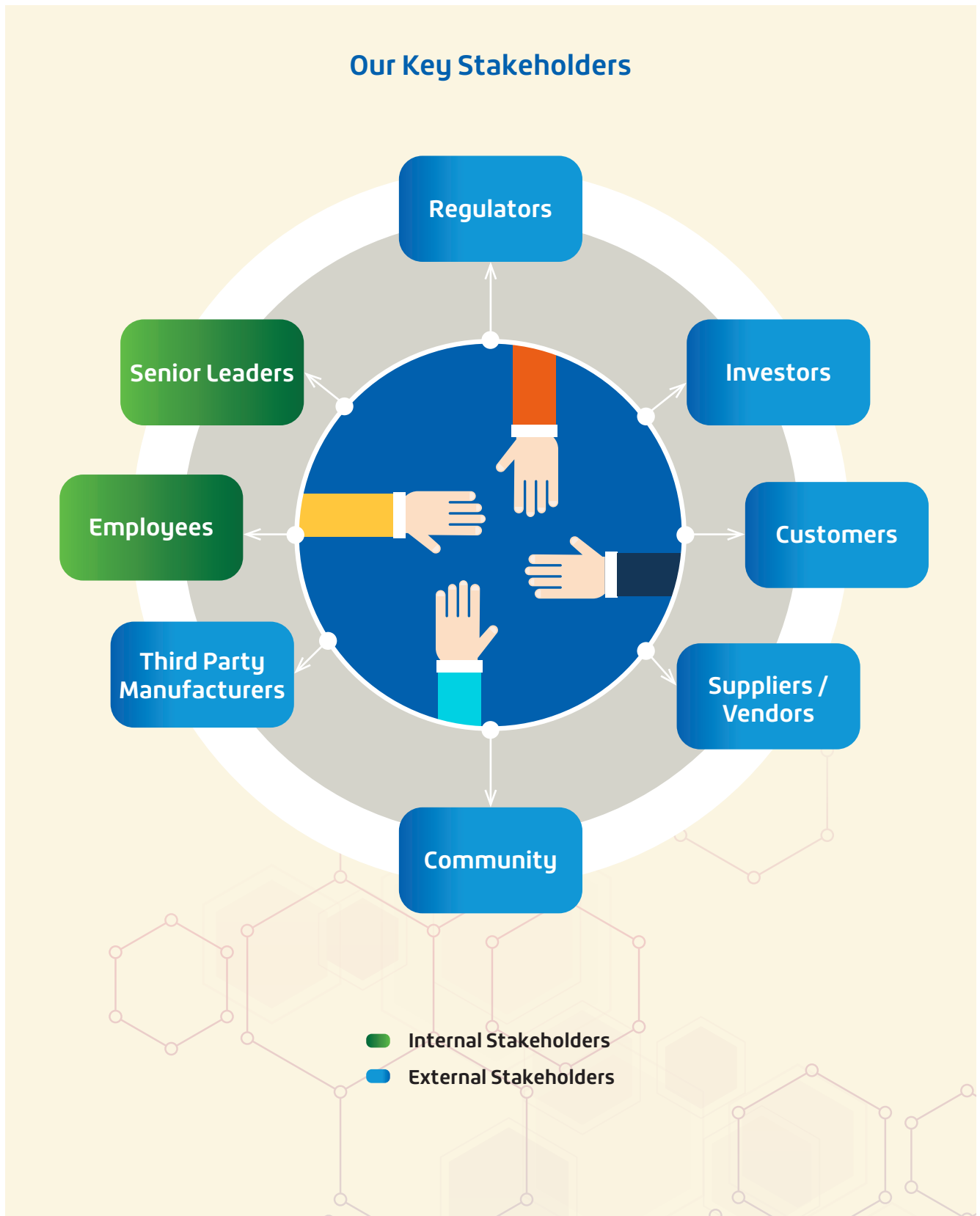


<sup>11</sup> GRI 3-1



## Cohance's Key Stakeholders

Among the potential list of stakeholder groups, the senior management of Cohance identified the top key internal and external stakeholders, with whom we interacted through surveys and interviews. Below is the list of stakeholders which we had identified for interaction to determine the material topics:



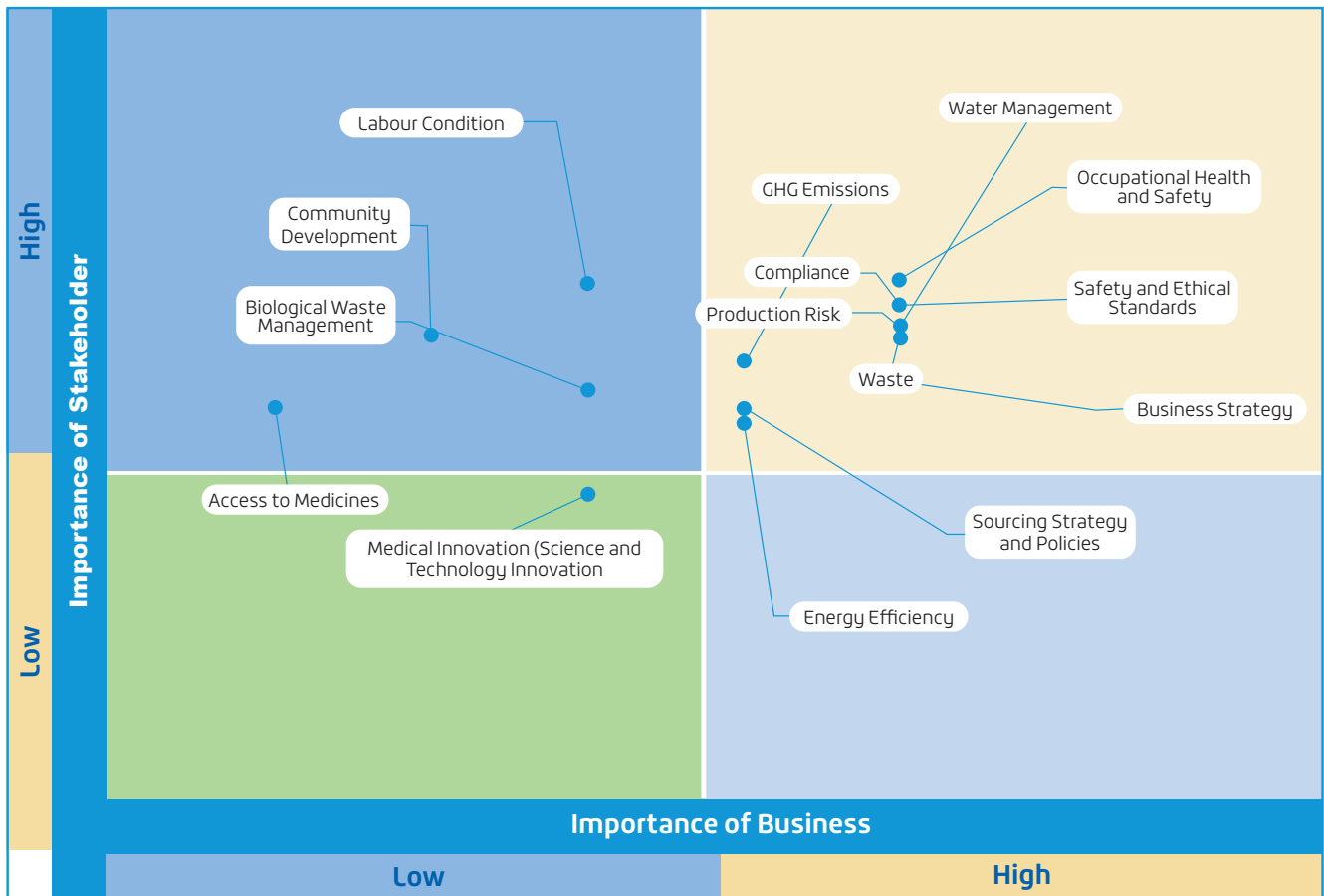


## Cohance's Material Topics<sup>12</sup>

We at Cohance Lifesciences, in a truly collaborative effort with our stakeholders, embarked on a significant journey by conducting a materiality assessment for the first time in FY 22-23. This was not just an internal process but a joint endeavour with our stakeholders, who were selected based on their importance to the company revenue, value creation, time of association, age and geographic location. The stakeholder group included a cross-sectional representation of all key Cohance stakeholders.

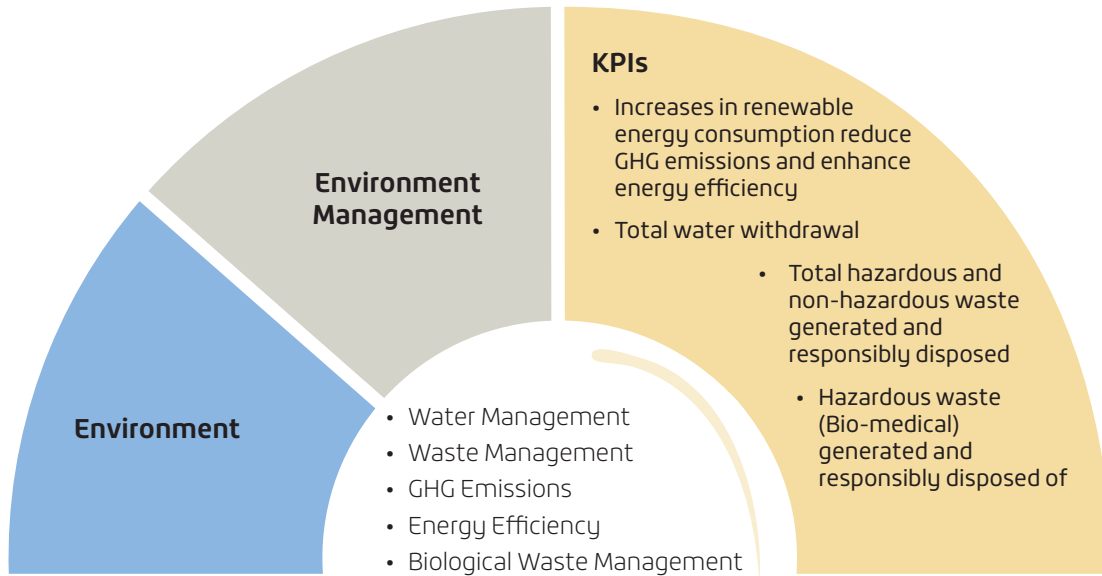
The selected respondents from all stakeholder groups were educated on the activity before they undertook the survey. The survey questionnaire included various qualitative and specific sets of quantitative questions, rated based on rating. The topics to be ranked were determined through recommendations from international standards like GRI and SASB, followed by peer benchmarking. The themes were then grouped into Environmental, Social and Governance categories. Finally, all responses were aggregated and processed to select the top nine topics to finalise with the Cohance Senior Leaders. The materiality matrix can be viewed according to the table below:

### Materiality Matrix

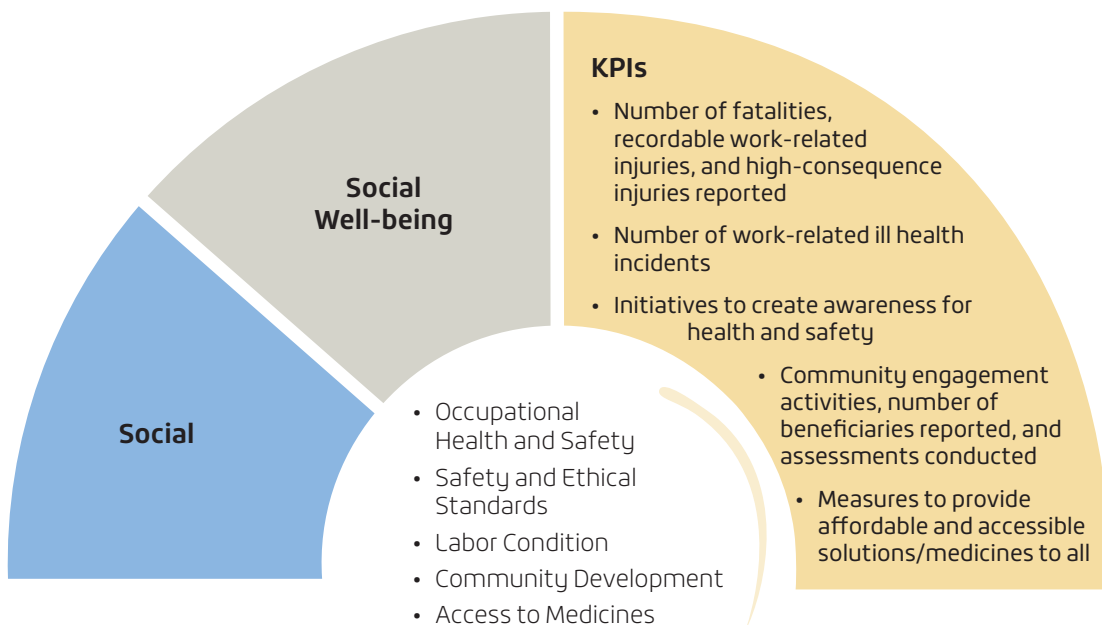


<sup>12</sup> GRI 3-2

## Overview of Our Identified Material Topics



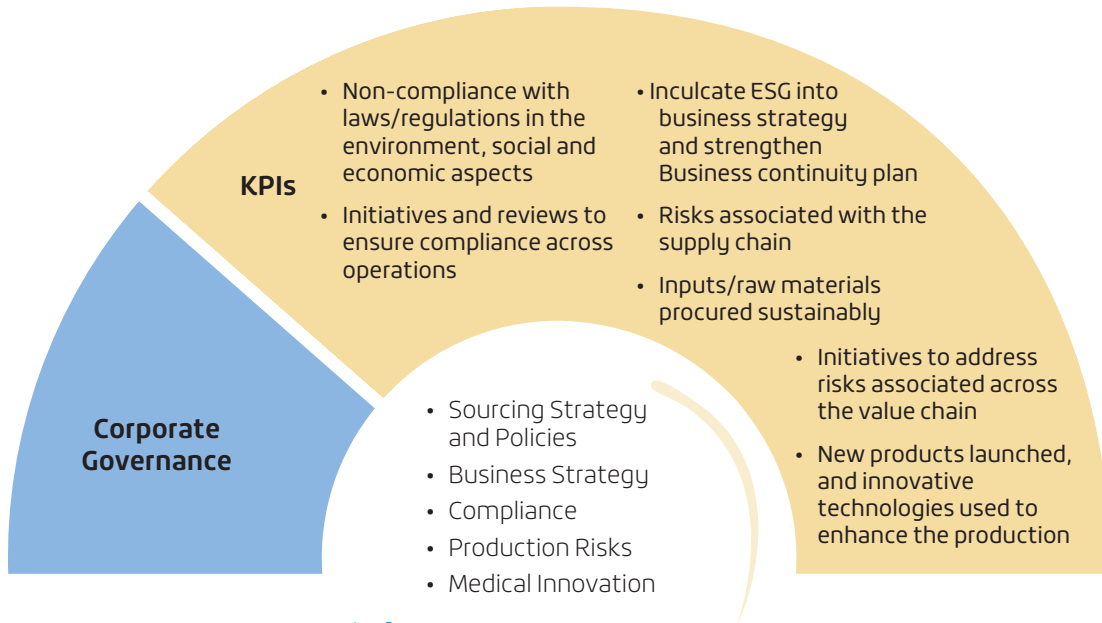
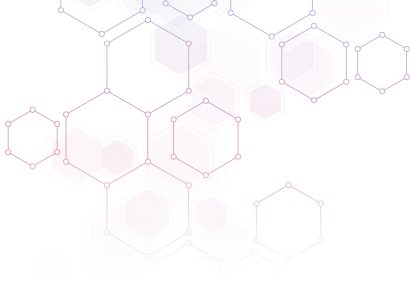
### SDGs in focus



### SDGs in focus







**SDGs in focus**



Based on the above study, Cohance is unwavering in its commitment to focus on the material topics and build sustainable developmental goals around them. This commitment, a testament to our dedication to a sustainable future, is designed to inspire confidence in our stakeholders, assuring them of our long-term vision and responsible practices:

<b>Occupational Health and Safety</b>	<b>Water Management</b>	<b>Safety and Ethical Standards</b>
<b>GHG Emissions</b>	<b>Compliance</b>	<b>Production Risk</b>
<b>Waste Management</b>	<b>Labour Conditions</b>	<b>Community Development</b>



# Research & Development towards Excellence



Research and Development has been one of the driving forces behind Cohance's growth journey. With a focus on new product development, technology transfer to plant, regulatory filing, and Manufacturing support for continuous improvement. In the last three years, Cohance has made significant investments in strengthening R&D. We have reorganised the R&D team to focus more on process intensification, aiming to reduce/optimize chemical consumption, manufacturing footprint, and water consumption. These efforts, rooted in our commitment to environmental sustainability, are designed to reassure our stakeholders of our dedication to responsible practices



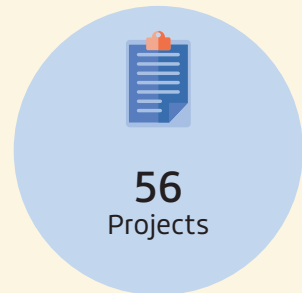
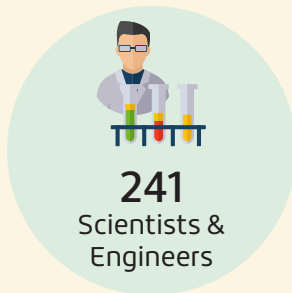
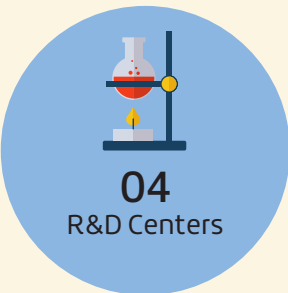
To bring a comprehensive approach to scale and robustness, Cohance invested in creating a scale-up laboratory and onboarded engineers to work with scientists to get a scale-up approach at an early stage of development. Leadership strongly believes that the safety of the process and plant is achieved when it is seeded and nurtured from the development of the product at R&D. We engaged India's best safety testing and expert laboratory to generate safety data for products under development and commercial products to strengthen all the process development with safety by design principle. Cohance has four R&D centres accommodating 240+ scientists and engineers working at our API Patancheru (Hyderabad), AVRA Laboratory Nacharam (Hyderabad), Formulations R&D centre at CDC Towers (Hyderabad) and Ankleshwar R&D Centre (Gujarat).

These four R&Ds are focused on research in the following areas:

1. Generic API development.
2. Contract Research and Development of advanced Intermediates and APIs for innovator companies.
3. Potent and Oncology molecules development.
4. In-house and Contract research for formulation development.

All the R&D centres are equipped and accessible with an analytical research laboratory, scale-up facility, pilot facility, and safety testing laboratories.

## R&D at Glance





## At Cohance we have core capabilities in:



Chemistry



Analytical



Scale up and Pilot Facility

### Chemistry



With two decades of expertise in the development and scale-up of products, the Cohance team had proven expertise at the scale of high temperature and high-pressure reactions, column chromatography, cyanation, and high-pressure carbon monoxide reactions expertise in developing and recovery of heterogeneous and homogeneous catalysts.

### Analytical



Each R&D centre is attached to the analytical development lab. This lab's core competency is developing in-house testing methods, validating them, and transferring them to commercial plants.

These analytical labs are equipped with the latest HPLC, GC, and IR instrumentation. Cohance is self-sufficient in characterising products using NMR, LCMS, and GCMS and testing physical properties through Malvern PSD Analysis.

### Scale-Up and Pilot Facility

Having a proper engineering scale and pilot facility is a very important success criterion for API companies to have faster scale-up of process development in R&D. Cohance has invested in creating geometrical prototype equipment for all scale-up studies in R&D facilities, which are operated by engineers and Scientists to understand scale up critical parameters and generate engineering data. After scale-up studies, Cohance uses three dedicated pilot plants (Ankleshwar, JPT and ACP) units for pilot studies before plant validations.



Cohance has collaborated and contracted with external safety labs to do its process safety testing by doing DSC, RClc, and powder safety (dust hazard classification, MIE value, Resistivity) studies to understand the risk involved in scale-up and mitigate risk by process modification or by putting engineering controls in the plant.



# Product Stewardship



At Cohance, we focus on creating value for our customers. Our unwavering commitment to providing quality products and services and meeting our customer's needs and expectations while safeguarding their health, safety, and data privacy has been reiterated as the pillar of our brand image throughout our journey. We are highly motivated to augment our efforts and provide innovative solutions to our customers worldwide.



The culture at Cohance is built around creativity and teamwork, which encourages our team to constantly brainstorm and explore new ideas to improve the user experience. This has led to a highly motivated workforce, with team members taking ownership and pride in their work. As part of the company's leadership team, I am proud to contribute to a sustainable approach that positively impacts businesses worldwide. I believe Cohance should prioritise adopting green chemistry principles in development and reduce emissions and exposure by using less hazardous chemicals, as this presents an opportunity.

Each of us plays a crucial role in shaping not only the future of our organisation but also the planet and society as a whole. As we embark on the journey towards a more sustainable future, I encourage each employee to embrace the principles of ESG in your daily work. Together, we have the power to drive positive change and create a world that is not only prosperous but also equitable and environmentally sustainable.

**Nagendra Babu K**  
Chief Quality and Compliance Officer

## Our Key Products Include:



- Amongst the top 3 companies globally in most of the key molecules, including Betahistine, Drotaverine, Entacapone, Fluvoxamine, Lamotrigine, Mebeverine, Midazolam and Quetiapine
- One of the top backward integrated pellets exporters from India
- Enhanced production of 80+ molecules backed by robust R&D, regulatory capabilities, and manufacturing infrastructure

Being an environmentally conscious pharmaceutical manufacturer, we recognise our products' impacts on the ecosystem throughout their life cycle. Considering the strategic and tactical importance of the product life cycle, we have implemented a product life cycle policy that showcases our commitment and efforts towards sustainability across the value chain. Additionally, we ensure strict adherence to global quality and regulatory compliance and abide by all the applicable laws and regulations for product information and labelling. We have been accredited by USFDA (United States Food and Drug Administration), EDQM (European Directorate for the Quality of Medicines and Healthcare), Cofepris (Comision Federal para la Proteccion contra Riesgos Sanitarios), PMDA-Japan (Pharmaceuticals and Medical Devices Agency), MOH-Russia

(Ministry of Health – Russia), KFDA (Korea's Ministry of Food and Drug Safety) and there have been zero incidents of non-compliance concerning product and service information, labelling and marketing communications for current reporting year. Furthermore, we regularly monitor product safety and ensure assessment of our products throughout their life cycle. There was no non-compliance concerning our products and services' health and safety impacts for the current reporting year<sup>13</sup>.

We have procedures and systems to ensure smooth functioning of Facility and Equipment, Material, Production, Quality, Laboratory, and Packaging and Labelling systems. We perform internal inspections and reviews of the systems by senior management for continuous improvement. Our detailed mechanism for ensuring product quality is as follows:

<sup>13</sup> GRI 416-2, GRI 417-2, GRI 417-3





- Product specifications.
- Control of raw materials through qualification and testing.
- Control of material movement and cross contaminations.
- Identify materials with clear identification labels at various stages to avoid missing arrangements.

A specific SOP is in place for managing product recalls, if any. To prevent product failures, we ensure the process operations and testing in the Quality Control Department laboratory are performed according to the validated process and standard test method, respectively.

Detailed SOPs are prepared to ensure product quality. The SOPs are reviewed periodically and updated as applicable. Any deviations from the approved procedure are investigated by initiating Quality Notification, and Corrective Action and Preventive Action are implemented to prevent recurrence.

The recalled and expired products are disposed of according to standard disposal procedures. The general materials and cytotoxic materials are detoxified and then handed over to the EHS department for safe disposal. The EHS department further disposes these materials to government-approved solid waste handling organisations.

- We have an independent Quality unit that monitors process operations and analysis to prevent potential quality issues.
- SOP in place for disposal of rejected and expired raw, packing material, and intermediates.

# Cognizance towards Environmental Diligence



Environment conservation initiatives are increasingly being shaped by the growing movement for carbon neutrality and net zero targets across industries and our nation. At Cohance, the ethos of environment conservation has been progressively built into every facet of our business operation. We are cognizant of the impact of our operations on the environment and actively work towards minimising our environmental footprint and contributing to global climate action efforts. We are highly committed to leading by example for our industry and peers and ensuring a positive impact on all our stakeholders.



To augment our environmental due diligence, we have laid out strategic ambitions and actions that further strengthen our aspirations of emerging as an environmentally conscious organisation. We ensure strict adherence to all applicable environmental laws and regulations in our geographies of operation. While we ensure compliance, we constantly strive to embrace a beyond-compliance and proactive approach to environmental management. For FY22-23, We have integrated measures towards making our operations responsive and resilient to current and emerging environmental challenges. The measures

focus on evaluation, monitoring, planning, and implementing energy, water, waste, and emission reduction initiatives. There were no instances of non-compliance with the environmental standards and regulations. Furthermore, ecological stewardship is deeply integrated into our vision and purpose by implementing multiple policies focusing on reducing emissions and promoting water, waste and biodiversity management. Our policies are governed by our senior management, who ensures continuous implementation and monitoring of our environmental initiatives.

## Environmentally Conscious Policies

1. Energy and GHG policy
2. GHG Reduction and Improvement
3. Pharmaceutical in Environment Policy
4. Waste Recycle and Co-processing
5. Water Management Policy
6. Bio-diversity Policy



### Energy and Emission Management

Track energy consumption across operations to identify opportunities for energy conservation and process optimisation and ultimately reduce emissions.



### Technological Interventions

Implement technologies, innovative tools, techniques, and methodologies to ensure resource and operational efficiency, which eventually helps reduce environmental footprint.



### Water Management

Promote a decentralised approach to water management, with a focus on water conservation, sustainable sourcing, and storage if possible.



### Waste Management

Evaluate various resource, technology, and process options approved by statutory authorities to optimise waste management across the business.





We have set the proper technical and governance foundation to make our future sustainable. Our achievements in reducing energy, water, waste, and productivity improvement are testimony to our team's commitment to our values. We will continue focusing on identified sustainable development goals, achieving targets with a scientific approach, and using the best project management practices. Our immediate focus will be to double the percentage of renewable energy usage.

**Mr. Pushkar Lakhekar**  
Chief Transformation Officer

## Energy and Emission Management

At the core of Cohance's shared responsibility ethos is the company's commitment to preserve natural resources. In this endeavour, we have conducted energy audits of our operating plants by external certified energy auditors and experts and designed structured improvement programs across companies. Further, we have formed a team of qualified, experienced engineers who work across all units of this program and are looking for continuous improvement. We have identified this team as the Centre of Excellence for power and fuel. Under this program, we have been continuously taking initiatives compatible with reducing our energy consumption and looking for alternate energy sources from existing non-renewable sources. As the world's economy depletes natural resources, we have taken initiatives to enhance our dependency on renewable energy consumption and cleaner fuels.

Our initiatives help us increase energy efficiency, improve air quality, reduce operating costs across our operations, and integrate renewable energy sources into our total energy consumption.

Spearheading an energy-efficient future, we stringently monitor energy consumption trends across facilities and enhance energy efficiency across our operations.

### **Some of our key actions which have resulted in a reduction of specific energy consumption by 5% in the last two years include:**

- Identified inefficient chillers whose power consumption per TR was very high, replaced them with new efficient chillers and realised power savings through this initiative.
- Implemented a condensate recovery system by installing pressure-powered Pump Package Units (PPU) to transfer steam condensate from different user points to the boiler to reduce fuel consumption. Improved the boiler efficiency from 64% to 78% by installing the Effimax automation system to control improper combustion and excess air. The above activities resulted in accruing equivalent savings of 953.11 MT coal during FY23.
- Implemented Variable Frequency Drives (VFD) for utility pumps to operate at optimum load during low load conditions. This energy conservation initiative saved 48,000 kWh.




- We have implemented an auto cut-off sensors automation system to switch off the Cooling Tower (CT) fan when outlet water from the cooling tower reaches the desired temperature.
- Implemented automatic steam cut-off control valves for Steam Tray Dryers (STD) to operate based on set temperature as per process requirement, which has resulted in saving coal and diesel consumption.
- We installed 270KW of solar power at our Vishakhapatnam API manufacturing site, which generated 3,26,731 solar power units for FY22-23, constituting 36% of overall power generation through solar plants during the current financial year.
- Replaced CFL lamps with LED lamps.
- Implemented online tube cleaning for the chiller condensers to increase chiller efficiency.

- Installed Automatic Power factor controllers to improve power factor and reduce energy loss.
- Installation of solar streetlights and enhance solar power consumption.
- Briquette use was increased at API Unit II compared to coal consumption in the boiler where alternate fuel feed was available.


In addition to direct actions in the engineering utility area, production engineers and the operational excellence team have done significant debottlenecking work to increase the capacity of the top five molecules (Lamotrigine, Midazolam family, Drotaverine, Entacapone, Quetiapine) across sites in JPT and ANK by more than double in the last two years without adding any extra utility-intensive equipment. This has indirectly helped to decrease specific power consumption per kilo of produced material.

Energy Consumption (GJ) <sup>14</sup>	FY2020-21	FY2022-23
Total Energy from Non-Renewable Sources	4,20,558	4,87,346
Total Energy from Renewable Sources	21,965	40,639
Total energy consumption	4,42,522	5,27,985
Specific Energy consumption per Kg of Production (GJ/Kg)	0.2	0.19
Production (Kg)	22,04,270	27,54,964


Emissions (TCO <sub>2</sub> ) <sup>15</sup>	FY 2020-21	FY 2022-23
Direct Emissions (Scope 1)	26,704	27396
Indirect Emissions (Scope 2)	28,968	31429
Total Emissions (Scope 1+2)	55,672	58,825
Emissions Intensity per Kg of Production (TCO <sub>2</sub> /Kg Production)	0.025	0.021



**16%** reduction in emissions per kg produced in the last two years



**5%** energy reduction per kg of produced in last two years



Renewable energy share increased to **7.7%** from **4.9%** in 2021

<sup>14</sup> GRI 302-1, GRI 302-3, <sup>15</sup> GRI 305-1, GRI 305-2, GRI 305-4

## Water Conservation

Across all the units of Cohance, water is procured from authorised third-party vendors, which is then utilised for multiple processes, including boiler operations, cooling tower, De-Mineralized (DM) plant regeneration, gardening and other domestic purposes. Effluents generated in wastewater are disposed to designated effluent treatment plants managed by respective state pollution control boards. Additionally, while discharging water, Cohance ensures it adheres to wastewater quality standards and pretreats the liquid waste before sending it to disposal.

As a responsible organisation, we continuously focus on water reduction goals while designing the processes and operational execution at the plant level. Furthermore, stringent management programs are integrated for process optimisation and minimising water consumption throughout<sup>16</sup>.

### Some of our initiatives include:

- Technological interventions, including R&D process intensification efforts supported by a cross-functional team (operational excellence, production, quality, and regulatory), resulted in water reductions of products like MDD (75% reduction), QTP-1 (50% reduction), Schiff Base (30% Reduction), and ENT-2 (33% reduction).
- We installed a High-Pressure secondary Reverse Osmosis (RO) plant to reduce the load on ETP and MEE. By implementing the secondary RO plant, we could save 15% of water to retain primary RO.
- Installed water flow meters in required areas to monitor water consumption.
- RO reject water reusing as Cooling Tower makeup to reduce effluent load and water intake. This initiative resulted in a reduction of 207.8 KL freshwater intake during FY23.



Cohance embraced sustainability in its work culture and business ethics by practising PPP (People, Planet and Profit) philosophy. On the ground, we have focused on solvent recycling, cycle time reduction, and the use of advanced equipment to improve performance, which has helped to improve productivity and reduce emissions. Further, we will prioritise increasing the use of solar energy for plant operations.

**M Satyanarayana Reddy**

President Operations

## Water withdrawal from sources<sup>17</sup>

Source (KL)	FY2020-21	FY2022-23
Third party	1,12,924	1,27,557
Fresh water from other organisation	1,213	2,888
Ground water	1,83,000	1,20,269
<b>Total</b>	<b>2,97,137</b>	<b>2,50,714</b>

<sup>16</sup> GRI 303-1, GRI 303-2, <sup>17</sup> GRI 303-3





## Water Discharge<sup>18</sup>

Discharge (KL)	FY 2020-21	FY 2022-23
Total Water Discharge	35,340	47,256*

## Water Consumption<sup>19</sup>

Consumed (KL)	FY 2020-21	FY 2022-23
Total Water Consumption	2,61,795	2,03,454

\* AVRA PWD has one time more water discharge in FY23.

**Water consumption was reduced from 118 L/Kg of production in FY21 to 74 L/Kg in FY23, a 38% reduction in water consumption and a 32% reduction on a withdrawal basis.**

## Waste Management

Our facilities ensure proper waste management by incorporating robust initiatives focusing on the 3 R's (Reduce, Reuse and Recycle). We inculcate interventional measures to reduce the overall waste generation and recycle certain waste materials as applicable—solvent streams to solvent recovery plants for recovery and then recycled in the process. Non-recovered solvent waste streams are collected separately and sent to authorised recyclers/vendors for co-processing. Similarly, solid waste is collected and sent to an authorised Pollution Control Board (PCB) approved vendor facility for incineration and landfilling. We humbly state that we have taken initiatives beyond compliance to improve waste management practices across our operations<sup>20</sup>.



beyond compliance to improve waste management practices across our operations<sup>20</sup>.

### Some of our key initiatives include:

- 513 MT of waste is sent to co-processing for fuel in cement industries, reducing emissions.
- Coal ash is sent to the brick manufacturing industry for use instead of disposal.
- Process organic waste is sent to cement industries for fuel in cement kilns.

Waste Generated (MT) <sup>21</sup>	FY 2020-21	FY 2022-23
Hazardous waste	9,480.5	10,556.87
Non-hazardous waste	3.2	16.52
E-waste and Battery waste	–	0.14
<b>Total</b>	<b>9,483.7</b>	<b>10,573.53</b>

<sup>18</sup> GRI 303-4, <sup>19</sup> GRI 303-5, <sup>20</sup> GRI 306-2, <sup>21</sup> GRI 306-3



Implementing ESG strategies and ideas is very fast and requires concrete planning. Top management's strong commitment to Sustainability and ESG implementation has been commendable.

**Venkata Ramana Reddy**

General Manager, EHS

Waste diverted from disposal (MT) <sup>22</sup>	FY 2020-21	FY 2022-23
Hazardous waste	2,540	4,370.07
Non-hazardous waste	3.2	16.52
E-waste and Battery waste	-	240.14
<b>Total</b>	<b>2,543.2</b>	<b>4,626.73</b>
Waste directed to disposal (MT) <sup>23</sup>	FY 2020-21	FY 2022-23
Hazardous waste	1,170.1	1,533.8
Non-hazardous waste	-	-
E-waste and Battery waste	-	0.14
<b>Total</b>	<b>1,170.1</b>	<b>1,533.94</b>

**Waste generated per kg of production has been reduced by 11%. Increase by 46% in the waste diverted from disposal.**

## Employee (people) Safety<sup>24</sup>

Workplace safety is foundational to a healthy and safe working environment. At Cohance, workplace safety is paramount to creating the best space for our employees to thrive. We have formalised the Environment, Health and Safety policy to ensure the same. This policy has listed various ways to identify hazards and the appropriate measures to mitigate the risks. This policy promotes a culture of reporting near misses and unsafe acts/conditions across the site, providing safe and healthy working conditions, eliminating hazards, and reducing risk levels through consultations and participation of workers. A Safety Committee is also composed of management and worker representatives. The committee meets once every quarter. Our EHS department informs them of the upcoming

meeting through a circular. In the meeting, safety aspects from every point of view are covered, where acts of unsafe incidents are highlighted along with previous unclosed points, followed by a discussion on appropriate mitigating measures. Every meeting is appropriately recorded and submitted to the factory inspector through a cover letter.

**The meeting also covers the following three agendas:**

- Maintaining 100% compliance with consented environmental parameters of air & water
- EHS awareness programs like Safety Day, National Fire Services Day celebration, and training by external competent persons to create employee awareness.

<sup>22</sup> GRI 306-4, <sup>23</sup> GRI 306-5, <sup>24</sup> GRI 403-1



- Legal compliance includes inspection of lifting tackles once every six months, pressure vessel inspection (yearly), other licenses, etc.

We are in the process of obtaining ISO 45001:2018 and ISO 14001:2015 certifications for the Cohance platform. Currently, we have them for two of our manufacturing units. We follow the OSHA guidelines and Standard Operating Procedures to ensure safety protocols are strictly followed. Also, as we deal with a lot of chemicals and hazardous compounds daily, to secure our workplace and our nearby environment from any chemical hazard, we have obtained multiple safety certificates and licenses for safe practice.

## Employee Training on Safety<sup>25</sup>



First Aid Training

All our employees and contractual employees involved in the safety management systems and trained by the following activities by external trainers

- First Aid
- Fire Fighting techniques
- Elimination of static Hazards and
- Behaviour-based Safety training

As per the training calendar we conduct classroom and demonstration training once every month

We also conduct Fire Drills once every two months and Mock drills once every three months to create awareness among the employees and submit the report to IOF.

As a part of Safety Day and Environmental Day, we conduct competitions that raise employees' awareness of the safety culture.



Fire Fighting Training



Electro Static Discharge Training

As part of the emergency preparedness mechanisms, Cohance has adopted the following measures:

- On site Emergency plan prepared by incorporating the emergency scenarios.
- Installation of all the required fire safety control measures for the entire site comprising Fire extinguishers, Fire blankets, Smoke detectors, MCP points, Alarm panels, Fire modular, Sprinkler systems, and Nitrogen blanketing among others
- Training provided to all the employees and contractual employees on the emergency escape plans and the usage of the fire control equipment's

<sup>25</sup> GRI 403-5







### Steps followed to identify risks and hazards<sup>26</sup>

- Daily monitoring is carried out for the entire site to identify hazards and risks in the related work area by recording Unsafe Acts/conditions and near misses.
- Ensuring zero chemical hazards by implementing procedures for new material entry into the premises.
- Carrying out the risk assessment/HAZOP to identify the risk associated with the work and providing control measures concerning the hierarchy of controls to eliminate or reduce the risk related to the specific job.
- Conducting committee meetings once every quarter to identify the related hazards in the work area.<sup>27</sup>
- Maintaining the standard operating procedures to record and investigate work-related employment medical checkups.
- Providing the required PPE equipment.

- To identify Hazards, third-party assessments are conducted for the entire plant, such as HAC, LDAR, Fire load calculation, and ARC flash study, considering the hierarchy of controls to reduce/Mitigate the risk level.
- Conducting annual health checks and doctor's consultations of employees and workers to keep track of wellbeing.
- Conducting toolbox and PEP talks to identify and report the hazards.
- Providing Hepatitis-B and tetanus vaccination to Biomedical waste handling persons.
- Conduct internal audits with the internal teams twice a year to identify gaps in the EHS system and provide them with CAPA.
- Ensuring the working conditions, such as illumination by the internal team and noise and air ambient conditions by the external parties.
- Conducting fire safety audits once a year by a third-party consultant.

A total of **1927** occupational health and safety trainings were conducted across all the units of Cohance in FY 2022-23<sup>28</sup>.

### Number of Audits Conducted in FY 2022-23<sup>29</sup>



Number of  
Internal Audits

**27**



Number of  
External Audits

**24**

<sup>26</sup> GRI 403-2, 403-7, <sup>27</sup> GRI 403-3, <sup>28</sup> GRI 403-5, <sup>29</sup> GRI 403-1



Below is the statistics that reports for work related injuries in FY'23<sup>30</sup>

	Employees		Workers	
	Male	Female	Male	Female
Total man-hours worked	38,79,222	3,19,584	32,73,696	4,86,288
High consequence work-related injuries	-	-	-	-
Recordable work-related injuries	-	-	-	-
Fatalities	-	-	-	-
Rate of High consequence work-related injuries	-	-	-	-
Rate of Recordable work-related injuries	-	-	-	-

It gives us immense pleasure that, due to robust risk management measures, our employees and workers did not incur any fatalities or recordable cases due to work-related ill-health during FY'23<sup>31</sup>.

Further, 100% of our employees and workers are covered under the health and safety management system of Cohance<sup>32</sup>. ●●

<sup>30</sup> GRI 403-9, <sup>31</sup> GRI 403-10, <sup>32</sup> GRI 403-8





# Responsible Supply Chain



We strongly believe that Responsible Supply Chain Management plays a critical role in resource use optimisation, business continuity and cost-effectiveness. At Cohance, we are committed towards sustainability throughout our supply chain. All our suppliers value our commitment as they ensure that they abide by our overarching Supplier Code of Conduct. Furthermore, we emphasise the aspects of human rights in our Supplier Code of Conduct. For FY 22-23, there have been no negative social impacts across our supply chain, and zero suppliers have been at risk for child or forced labour<sup>33</sup>.

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<sup>33</sup> GRI 408-1, 409-1, 414-2



Aligning our strategy with ESG principles can strengthen our core values and contribute to our organisation's sustainability and success. ESG drives meaningful impact, sets new benchmarks for excellence, and associates with/attracts customers of ESG-driven organisations. As a responsible organisation, our immediate key focus would be minimising our carbon footprint through sustainable sourcing, optimised transportation, and net '0' carbon emissions. We are reaching out to suppliers to prioritise ESG in their organisation regarding fair labour, diversity, and ethical treatment.

**Natarajan Swaminathan**  
Chief Supply Chain Officer

To enable a positive impact across our operations, we continuously strive to augment responsible procurement practices across our supply chain. Our Sustainable Procurement Policy caters to multiple aspects with regard to ethics, human rights, business integrity and a safe and healthy environment, which ultimately encourages environmentally and socially conscious etiquette. The key agenda of the policy is to create awareness and onboard vendors to adopt sustainable policy guidelines. At Cohance, we encourage procurement through MSMEs and local suppliers to stimulate local economies and reduce transportation-related emissions. For FY 22-23, 28% of our direct procurement budget was spent on MSME suppliers<sup>34</sup>. 58% of freight spending is routed through ESG-compliant global logistics service providers.

## Key Aspects of Our Sustainable Supply Chain



While onboarding suppliers, we consider environmental responsibility, social ethics, compliance with regulatory requirements, and economic impact.

We intend to prioritise suppliers and materials demonstrating a commitment to environmental sustainability, including resource efficiency, waste reduction, and lower carbon emissions.



We prioritise opting for products that are energy efficient and are manufactured using eco-friendly processes and materials.

We encourage minimising single-use plastics and adopting reusable and recyclable packaging materials.



We regularly assess and monitor supplier compliance with Cohance Lifescience sustainability standards.

<sup>34</sup> GRI 204-1



At Cohance, we have a dedicated supply chain management structure comprising a Planning, Sourcing and Logistics team that helps enhance the visibility and traceability of all our products. Our supply chain operations are detailed below:

## Overview of Our Supply Chain Operations



The **Planning** team extracts the sales plan from the marketing team for six months and backtracks it to month-wise procurement, production, and supply plan.



The **sourcing** team, in line with ESG best practices, positions the desired raw material for production.



The **Manufacturing** team produce the desired products as per the production schedule.



Finished products are appropriately labelled and stored in designated areas in a **warehouse** for dispatch.



Post clearance **logistics** team arranges to ship the products to designated customers with all statutory compliance requirements.



**What policies and procedures are in place?**

- ➔ Procurement Policy.
- ➔ Supplier Code of Conduct.

**Future plans of Supply Chain Development.**

- ➔ Procure to Pay - Digital Transformation.
- ➔ Planning Automation.
- ➔ Supply Chain Dashboard Covering Planning, Sourcing and Logistics Functions.

**Continuous efforts of alternative vendor development.**

- ➔ To continuously strive to mitigate supply risk of imported materials from neighbouring Asian countries.
- ➔ Considering the forward volumes for the next 4-5 years, assess the capacity of existing suppliers, drive for AVD suitably, and ensure business continuity.

**Strategic sourcing/Import substitution?**

- ➔ Our Supply Chain strategy prioritises at least 2-3 suppliers (Domestic, China, and ROW).

- ➔ For all future new product development, we plan to have two vendors qualified at the time of DMF filing.
- ➔ While developing new projects, we constantly explore backward integration/ CMO opportunities to gain a competitive price advantage.
- ➔ To constantly benchmark our existing price of all molecules, a clean cost sheet assessment is undertaken with the support of the R&D team.

**Need to add summary content of achievement so far on below lines:**

- ➔ The current level of dependency on neighbouring asian countries imports is 22% of the total procurement budget. Which has reduced from 30% in the year 2022. We aim to reduce it to 5% by 2033.
- ➔ Procurement from single-source supplies contributes approximately 18% of the overall procurement value. We aim to reduce it to 0% by 2033. ●●



Early in the design phase, our development teams give importance to sustainable and robust options of processes that go to the plant for scale-up. This is seen in the uniqueness of each asset with respect to the expertise developed and the leadership position of key molecules in the global market. Further, we are gearing up to bring more green engineering principles to our products under development. The reduction of water and emission per MT of products produced within

the last three years of our operation are examples of our commitment, philosophy, and practice to environmental, social, and corporate governance (ESG), aiming to generate value for all stakeholders.

**Dr. Saswata Lahiri**  
Chief Business Officer



# Cascading Value Creation for Our Stakeholders



Cohance's dedication to cascading value creation for stakeholders marks a pivotal aspect of our sustainable journey. Through innovative and sustainable practices, we strive to enhance the lives of our employees, customers, and the broader community, demonstrating our unwavering commitment to growth, prosperity, and a positive societal impact. This narrative reflects our efforts in building a resilient and sustainable future.





Our Value of Unity considers the entire business ecosystem and all the stakeholders as a single entity. All our actions and decisions aim to maximise the value to every stakeholder. We have been fostering industry and community partnerships to bring about positive societal changes in education, health and wellness and protecting the environment. On our own, we took the initiative to reduce the carbon footprints by bringing in greener technology across the locations. We have even moved to a more environmentally friendly mode of transportation.

**Mr. Sidhartha Das**  
Chief Human Resource Officer

## Employee Wellbeing

At Cohance, employee wellbeing is one of our apex-level responsibilities. We must succeed with a high employee value proposition (EVP) to grow as a business. Our employees are the key drivers of bringing change and widening our growth opportunities.

At Cohance, we drive programs and initiatives to ensure holistic employee well-being, including our employees' physical, mental, emotional, and economic health. We understand that fostering employee well-being adds an element of personal care to our employees, which in turn impacts the

overall dynamics of the organisation. With our employee wellbeing practices, our employees have overcome stress and created positive working environments where both work and the workforce thrive. Good health and well-being are the core enablers of employee engagement and organisational performance at Cohance. Employee well-being is essential because it improves safety, quality, compliance, and productivity. Further, it enhances the company's ability to attract and retain top talent, ensuring a steady influx of expertise and innovation for future growth and development.







## Following measures undertaken to support the work-life balance of employees:

- Paid time off, including optional holidays, vacation days, sick leave, and personal days, was provided to allow employees to take time off when needed without worrying about lost income, including maternity and paternity leaves.
- Taking Time Off between work
- Encouraging a healthy lifestyle through orientation on the importance of physical fitness
- Clear communications between employees and management about fair working conditions were provided.
- Tools and technologies were provided that streamline work processes and reduce unnecessary overtime, which can help employees complete their tasks more efficiently.
- Training in time management and productivity techniques was offered, which helped employees better prioritise tasks and achieve a healthier balance between work and life.
- Regularly soliciting employee feedback through surveys, small group discussions, or one-on-one discussions helped prepare support measures to meet specific needs and concerns.

When it comes to an employee's health, there is very little room for compromise. Following are some of the health promotion programs undertaken by us in the current financial year and certain key practices we ensured during the pandemic to ensure proper health and care of all our employees and workers:

- a. Medical checkup of the employees.
- b. Pre-employment medical checkup.
- c. First-Aid training programs.
- d. Training program on "Tobacco Consumption Causes Health Issues."
- e. Observing and Participating in Yoga day.
- f. Through our signature program, 'Soul-Sync,' we endeavour to promote well-being by educating employees and their family members on good health and well-being matters.
- g. Wearing a seatbelt and helmet while driving a two-wheeler/car.
- h. Provided Home facility and COVID kits for employees during the COVID phase.
- i. Biometric free access and different check-in timings allow all departments to avoid gathering and physical contact with individuals.

We further increase the interaction with Health/Medical Experts to improve health awareness.

## Our Workforce Profile for FY 2022-23<sup>35</sup>



Total Number of  
Female Employees

**161**



Total Number of  
Male Employees

**1806**

Total number of workers who are not employees and whose work is controlled by the organisation - 1907

<sup>35</sup> GRI 2-7, 2-8



### Our Employee Gradient

Employee Category	<30 years	30 – 50 years	>50 years	Male	Female
Senior management	1	38	31	66	4
Middle management	1	109	34	130	14
Junior management	23	300	47	331	39
Non-management	535	813	35	1279	104

### Our Employee Turnover<sup>36</sup>

Employee Category	<30 years	30-50 years	>50 years	Male	Female
Senior Management (Level-1)	–	12	9	21	–
Middle Management (Level-2)	–	24	9	31	2
Junior Management (Level-3)	23	71	9	89	14
Non-management (Level-4)	252	193	4	412	37
Contractual	702	427	31	911	247

<sup>36</sup> GRI 401-1





## Talent Attraction and Retention

We are employers who promote equal opportunity to all. Our criteria for selecting a candidate rest majorly on the skill sets that they bring to the table to support the expected business deliverables not only for today but also for the future, along with their personal values and passion for learning and innovation. We also check the candidate's beliefs and behaviour concerning the overall dynamics of our organisation and select the best fit.

We also give preference to female candidates during the hiring stages of new positions and replacements, wherever possible, considering the nature of the work. To provide more employment for females, we are exploring enhancing the facilities to extend their work in A' shift and B' shift. We also promote the employment of differently-abled people/people with physical challenges. Such examples can be found in our Stores and Quality Departments.

Every new joiner is welcomed by an introductory session on the company's values, offerings and expectations.

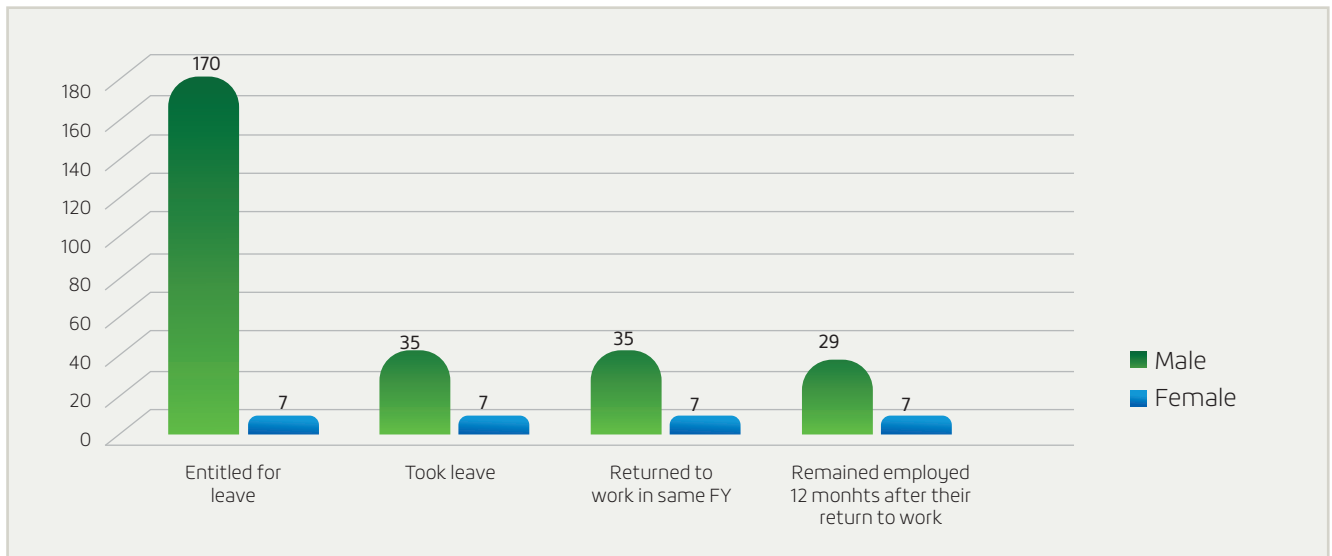
In case of maternity leave, we have the following undertakings to retain our employees:

Based on the requirement, we are considering extending maternity leave to support retention.

- a. We allow periodical breaks to be extended given to situations.
- b. We have also extended flexible working hours for the employees.



## Cohancers who opted for parental leave in FY'23<sup>37</sup>



We are also proud to disclose that in the financial year 2022-23, we achieved a 100% return to work rate for both our male and female employees and an 83% and 100% retention rate for male and female employees, respectively.

## New hires in FY 22-23<sup>38</sup>

Employee Category	<30 years	30-50 years	>50 years	Male	Female
Senior Management (Level-1)	–	9	10	18	1
Middle Management (Level-2)	3	36	9	45	3
Junior Management (Level-3)	23	64	7	83	11
Non-management (Level-4)	266	90	3	318	41
<b>Total</b>	<b>292</b>	<b>199</b>	<b>29</b>	<b>464</b>	<b>56</b>

## Employee Learning and Development<sup>39</sup>

Employees are the assets of our organisation. We ensure to invest in their professional development by planning various technical and awareness-related training programs. Our training programs are goal-oriented, with assessment tests to provide credibility and satisfaction to the trainees. Our programs are designed for the overall development of people at different levels of our organisation. The programs are designed with the current and future roles and the expected deliveries of the people kept in mind. Along with imparting necessary skill sets related to the professional domain of the Cohancer, we also develop managerial and leadership capabilities of our middle-level and senior managers. We continually educate the organisation on the organisation's values. Our Training Framework is designed and developed in line with the Organisational Business Framework – DISHA.

<sup>37</sup> 401-3, <sup>38</sup> GRI 401-1, <sup>39</sup> GRI 404-2



# Project Disha: Overall Transformation Framework



Our Learning and Development Programs are oriented towards driving our operating framework. We diligently focus on training towards safety, generating quality and regulatory awareness, building skills, managerial and leadership competencies.

We drive change and efficiencies through our developmental plans and build capabilities by putting people through live organisational projects that mutually benefit the Cohancer and the organisation. We believe in mutual growth and development.

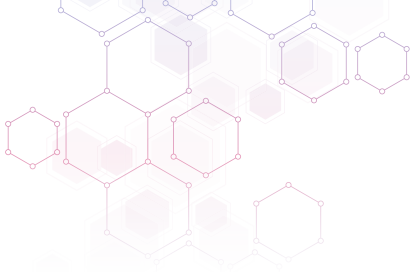


Sustainability has been a key feature in whatever actions we undertake at Cohance. The progress on these projects has been consistent and fruitful, which can be seen in our day-to-day activities, including a reduction in carbon footprint. It has been an interesting and inspirational journey so far at Cohance.

**Subrat Satpathy**

Vice President Operations





S.No.	Category	Program / Intervention	Program Details
1	Learning - Behavioural	Creating Winning Teams	Learning programs for Managers and Senior Managers for improving Managerial skills like the Function of a Manager, Prioritisation, Time Management based on Importance and Urgency, Managing Performance Self Awareness, oriented communication, and Emotional Intelligence.
2	Learning - Behavioural	Step Up for the Team:	Learning program for Senior Executives, Assistant Managers and Deputy Managers for improving execution skills like Self Awareness Prioritisation, Time Management based on Importance and Urgency, Managing Performance, and oriented communication.
3	Learning - DISHA Business Transformation	Behavioural Based Safety	Behavioural-based safety training for the associates working in manufacturing was provided with a focus on sensitising them.
4	Learning - DISHA Business Transformation	Data Integrity and Quality Systems Compliance	Importance: Data Integrity training was imparted as part of GMP to the associates working in manufacturing sites.
5	Learning - Capacity Building	English Language Skill	English Language skill development training was provided to the associates.
6	Learn and Earn – Fresh Graduate	Uttej - Campus hires	The six-month freshers' orientation program was conducted for the trainees who joined the production department. The training included Core Department and cross-functional department orientation, English language, Personality development, GMP, Safety, and Job training.

## Organisation Development

**Town Hall:** A townhall meeting was organised by Management to share the progress of the business and also take feedback and suggestions from the employees.

## Employee Wellbeing

**International Yoga Day:** International Yoga Day was celebrated across the platform with an emphasis on employee well-being.

**Annual Medical Check-ups:** Associates undergo pre and periodical medical check-ups.

**Paramedical Staff deployment:** We have engaged medical officers and paramedical staff in various locations to provide medical aid promptly.

## Employee Engagement - Festivals

**Ganesh Chaturthi - 3/5 Days:** Ganesh Chaturthi was celebrated in units with Disha as the theme.

## Employee Engagement

**Engineer's Day celebs:** Engineers Day was celebrating in the manufacturing locations.

**Dr. Kalam's Oath to Pharma Professionals:** The oath was taken by associates across the platform.

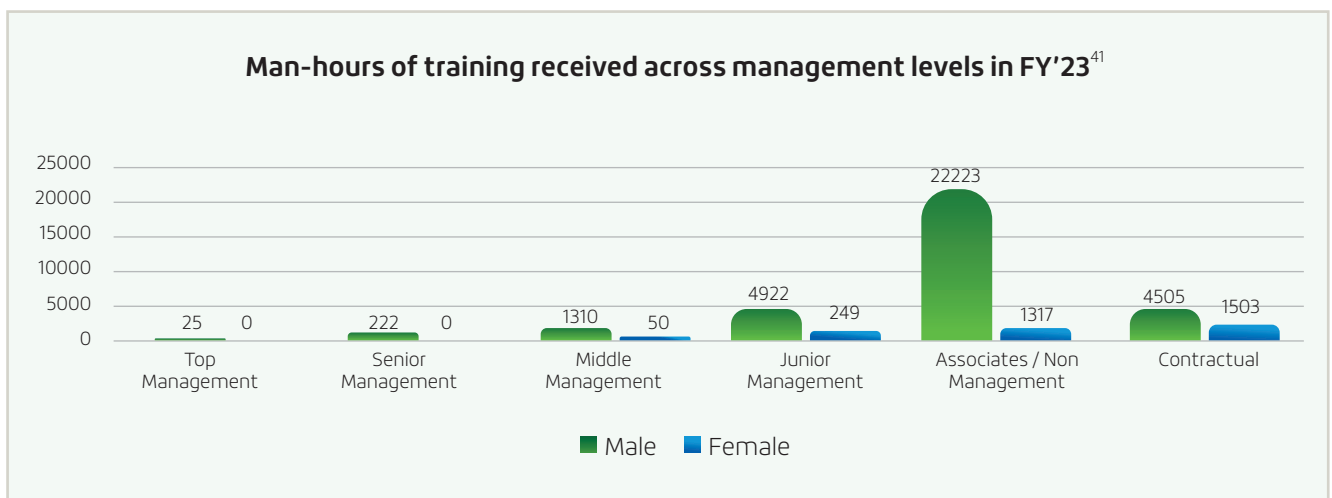
**Science and Research Day:** On the eve of National Science Day, the R&D centres organised an event to celebrate the privilege of being a scientist. The senior leadership appreciated the role of the R&D team in organisational development.

**Safety Week Celebrations - Disha 1st Pillar:** Events were organised in collaboration with the Safety team in manufacturing sites. The MD and CEO addressed the associates on the importance of safety, emphasising this year's theme.

**International Women's Days:** International Women's Day was organised in different zones. Interaction with eminent women leaders was organised apart from a few recreational events. Cohance believes in diversity, equity, and inclusiveness and continuously aims to nurture them in the future.



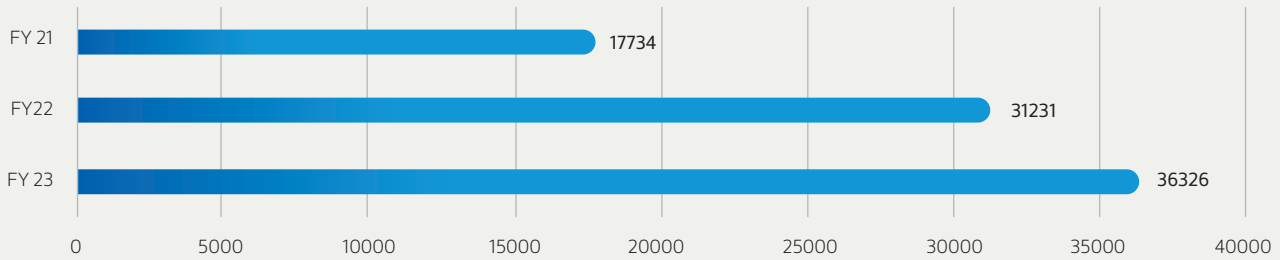
## Total training hours for past three years<sup>40</sup>



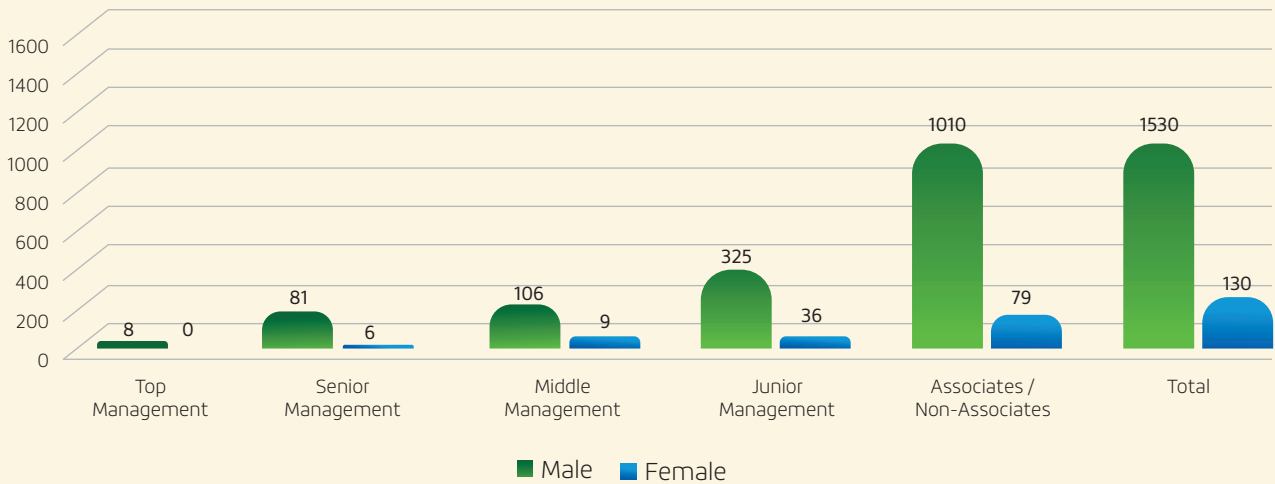
<sup>40</sup> GRI 404-1, <sup>41</sup> GRI 404-3



### Total number of training hours for past 3 years



### Total number of our employees who received regular performance and career development reviews during FY'23



We also nurture and encourage our employees through various awards and recognition upon achieving excellence in their work. We have a Reward and Recognition policy under which we receive nominations from our respective departments. At times, management also recognises and rewards good work done by individuals and teams. The reward categories are as follows:

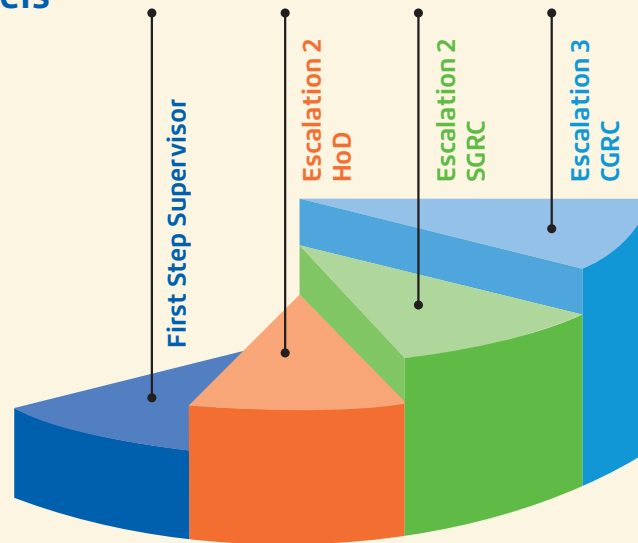
- On the Spot Award
- Individual Award
- Team Award
- Special Project Success Rewards

## Employee Grievance Redressal

At Cohance, we aim to provide a fair and transparent process for resolving employee complaints. We ensure that all employees are treated equally and fairly, regardless of their tenure in the company, position, or seniority. The system is implemented through various policies and procedures to ensure that grievances



## Escalation Levels



are handled fairly and impartially, without bias towards anyone involved. Cohance Lifesciences Ltd., being an organisation that puts people ahead of everything (we have a People First Approach), encourages openly to discuss their grievances and is committed to redressal of their genuine grievances in the shortest possible time by following the principle of natural Justice and recognises the fact that an unsatisfied employee may not contribute to his full potential.

The redressal mechanism happens at four different grades depending on the level of grievance that the employee faces. The hierarchy for the same is portrayed above.

### **SGRC - Site Grievance Redressal Committee**

The SGRC functions at the site level by comprising representatives from various departments and levels. They will conduct an impartial review of the grievance and propose a resolution.

If the grievance remains unresolved/disagrees/dissatisfies at the departmental level, it can be escalated to a formal Grievance Redressal Committee.

### **CGRC - Central Grievance Redressal Committee**

The CGRC functions at the corporate level and comprises a senior management team/CXO. The committee will review the grievance, assess the actions taken at previous levels, and make a final decision.

In cases where the Grievance Redressal Committee does not resolve the grievance, it shall be escalated to the CGRC.

Any grievances raised related to Human Rights are reported to SGRC (Site Grievance Redressal Committee) and CGRC (Central Grievance Redressal Committee). Below is a portrayal of how the mechanism functions:



<b>PARTICULARS</b>	<b>Problem Identification, Collecting the information and Analysis</b>	<b>Addressing the Grievance (Decision making and Implementation)</b>
If the grievance was first communicated to the Supervisor	3 days	2 Days
If the grievance was first communicated to the HoD	5 Days	3 Days
If the grievance was first communicated to the Site Grievance Redressal Committee,	5 Days	3 Days
If the grievance was first communicated to the Central Grievance Redressal Committee	7 Days	3 Days
If the grievance was first communicated to the CHRO	7 Days	3 Days

- a. The above timelines are indicative that the individuals/committees handling the grievances must do their best to adhere to them. Considering the nature of grievances, the timelines may vary based on the stakeholders and other resources involved in addressing the grievances holistically.
- b. The Central Grievance Redressal Committee (CGRC) decision is final and binding. The CGRC has the discretion to inform the Management Committee/Managing Director if an employee is not satisfied with its final decision or recommendation.
- c. For grievances that directly reach the CGRC, based on the nature of the grievance, the CGRC can delegate the Problem Identification, Investigation, Collection of Information, Analysis, Decision Making, and Implementation to SGRC.
- d. If the grievance is against an associate who is a member of CGRC, it can be communicated in writing to the CHRO (Chief Human Resource Officer). After reviewing the Grievance, the CHRO shall direct the further course of action for Problem Identification, Investigation, Information Collection, Analysis, Decision-Making, and Implementation.

All of our employees are oriented on these aspects when they joined and these aspects are emphasised on different platforms of employee trainings, and engagement activities, including interaction by senior management.

**PARICHAY and ICE BREAKER** - This new employee orientation aims to share important information on Cohance, including how we would like to run the business. It is a monthly program where all the new associates participate enthusiastically. Below are sections that cover:

1. About Pharma
2. About Cohance
3. Disha – Business Transformation Framework 



# Striving towards Community Development<sup>42</sup>



We can only grow with the development of the community and the ecosystem around us. This is our fundamental belief, and we have laid the foundation for our Corporate Social Responsibility agenda. Our goal as conscious corporate citizens is to fulfil our obligation towards our society. In keeping with our visions, “To uplift society for a better tomorrow,” “To uplift children for a better future,” and “To uplift forests for a better green planet,” we strive just as tirelessly to improve our neighbourhood.

<sup>42</sup> GRI 413-1





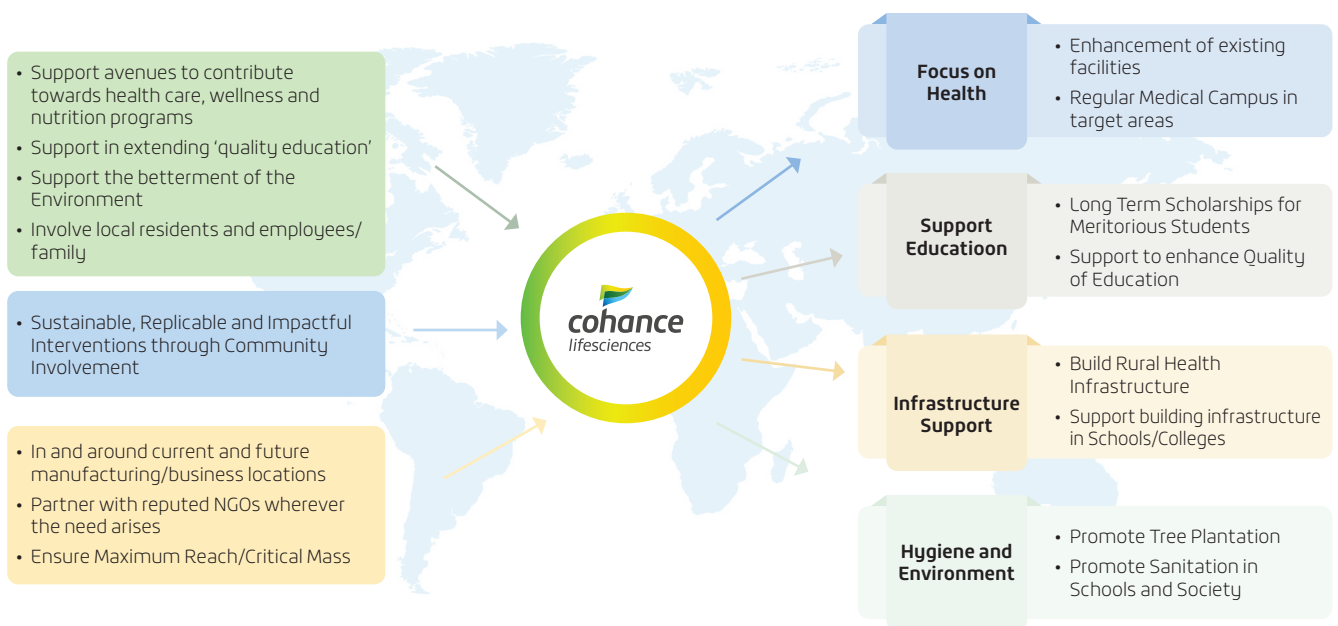
We are guided by the principle of *Sustainable, Replicable and Impactful Interventions through Community Involvement*. We believe in demonstrating care for the community, by adhering to and living up to its Values through planned and targeted interventions in Education, Skill Development, Health, Wellness, and Environmental Sustainability.

We also support special initiatives like **“Tuberculosis (TB) free India by 2030”** and support TB patients with nutrition.





## Our CSR Landscapes



To deploy our Corporate Social Responsibility activities (CSR) we have formulated a Board level CSR Committee comprising of the following Board members:

Name of the Member	Designation
Bhaskar Iyer	Chairman and Independent Director
Abhijit Mukherjee	Member and Independent Director
Anil Kumar Chanana	Member and Independent Director
Pankaj Patwari	Member and Non-Executive Director
Dr. Prasada Raju V	Managing Director and Chief Executive Officer
Company Secretary of the Company	Secretary of the Committee



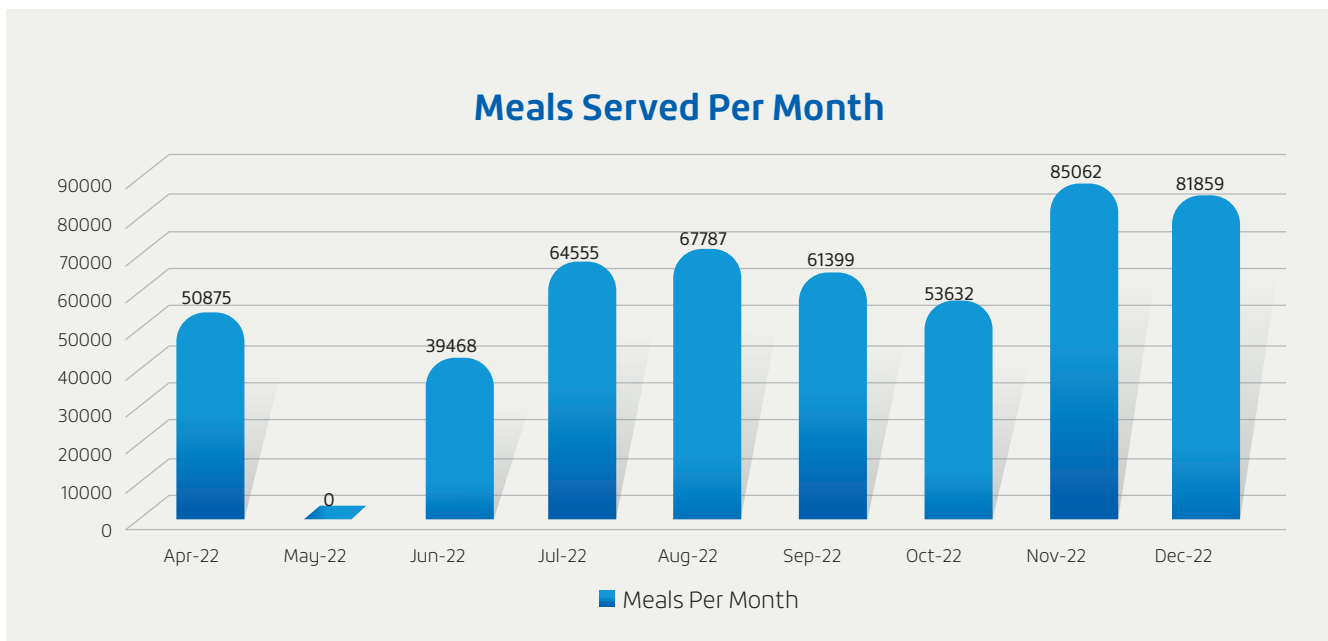
The terms of reference of the Corporate Social Responsibility Committee were as follows:

- i. Formulate and recommend a Corporate Social Responsibility Policy to the Board, which shall indicate the company's activities in areas or subjects specified in Schedule VII of the Companies Act, 2013.
- ii. Prepare a budget and recommend an annual action plan for the expenditure on the corporate social responsibility activities referred to in clause one above.
- iii. Monitor the Corporate Social Responsibility activities of the Company and the implementation of Policy from time to time.
- iv. Carry out any other function as is mandated by the Board from time to time and enforced by any statutory notification, amendment or modification as may be applicable.

## Child Welfare

Our fundamental conviction regarding CSR goals for societal advancement is aiding children in finding their smiles again. We incessantly work towards providing better education and educational facilities by developing the education infrastructure for disadvantaged children. We strictly abide by our guidelines and always uphold standards for child welfare. We have made a small effort by partnering with Akshaya Patra Foundation to ensure wholesome meals for 7000+ children in more than 100+ schools through the Mid-Day Meal Scheme.

Statistics suggest that proper nutrition develops a child's attention span, leading to holistic growth at a crucial age. Additionally, it maintains classroom attendance and helps to reduce children's drop-out rates.



From October to December FY'22 in Telangana State of India, about **3,380** children benefited from the mid-day meals. This was achieved by targeting over **47** schools and serving over **2,20,553** meals.



## A glimpse at the beneficiaries



## Social Welfare



To ensure communities' well-being and upliftment, we constantly endeavour to support initiatives on health and hygiene. We consistently make humble efforts to provide improved medical facilities for the local populations by developing better and accessible infrastructures in various village level CHC's (Community Health Centers), PHCs (Primary Health Centers) with state of art medical equipment Mobile X-Ray, Ultrasound Systems, ECG Machines, High-flow Oxygen machines and Medical Oxygen facility, Ambulance services, etc., and upkeep of the PHC's and CHC's. We were instrumental in setting up the lone dialysis centre that caters to the population within a radius of 20+ km from Jaggaiahpet.

We work closely with various implementing agencies to regularly conduct health camps in urban, rural, and tribal areas ensuring their health and wellness and leading them towards a better tomorrow. Under the program of restoration of vision, we support eye camps and cataract surgeries at the community level.

## Forestation



At Cohance, we believe caring for people entails caring for our ecosystem. Safeguarding the environment is our primary responsibility as Cohancers. We realise the environmental risks of operating a global business, so we've set ambitious long-term environmental sustainability goals for Maximizing Oxygen and absolute reductions in CO<sub>2</sub> emission, wastewater generation and spillages, and striving for zero waste to landfill at our hotspots. Our constant endeavour is to find ways to reduce power consumption and ensure sustainable development in all possible areas. One of the key initiatives we have undertaken is planting trees by partnering with state forest departments. ●●

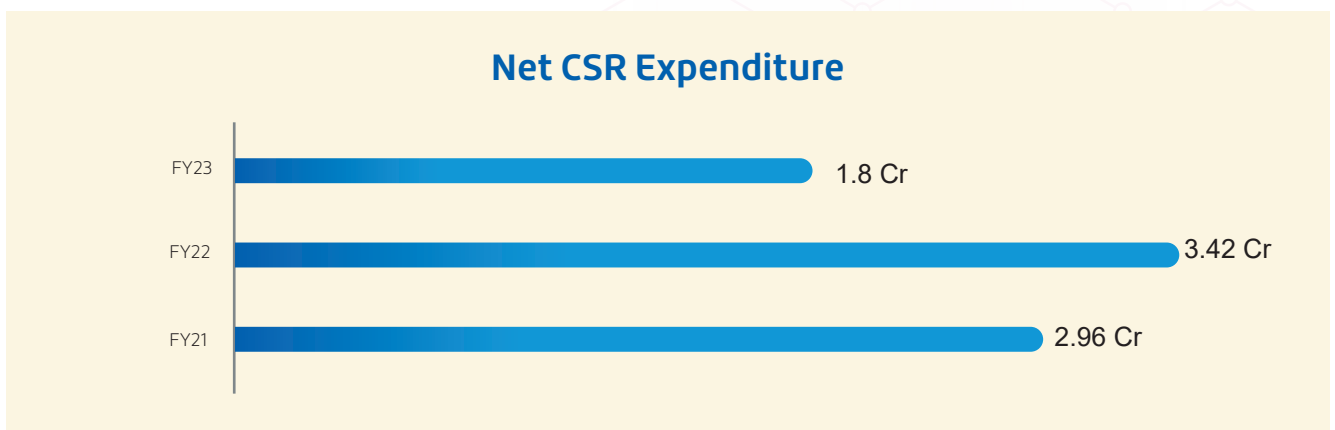


## A summary of our CSR activities in FY 22-23

Sr. No.	Name of the Project	Location	Implementing agency	Beneficiaries	Sanctioned amount for CSR project [in Lakhs]	Remarks
1	Green Belt development in 2 hectares	Bharan Village, Ankleshwar	Forest Department, Bharuch	Helping in preserving local biodiversity and natural resources	45.00	The project is ongoing and will be completed by 25 March
2	Facilitation of School uniforms [2 Pairs] Tracksuit and Shoes [1 pair each], Notebooks and other misc. items to the schoolchildren	Kanya Shala No3, Ankleshwar	Directly by the Company	Approximately 240 children in the said school	4.50	The project is completed
3	Making living infrastructure better for the girls in the hostel by constructing three additional rooms and renovation of existing building including other misc. requirements	Sarvajanik Madhyamik Shala, Bhamadiya, Valia	Directly by the Company	Around 40 girls are benefited and has provision to accommodate more ten girls from the tribal area	59.00	The project is completed
	Creating Library and Laboratory with the necessary furniture and equipment			Around 80 students of the said school will get benefit from this project	5.50	Will be completed by 23 July

Sr. No.	Name of the Project	Location	Implementing agency	Beneficiaries	Sanctioned amount for CSR project [in Lakhs]	Remarks
4	Eye Camps followed by Cataract Surgeries/ Operations for low-income families in tribal areas	Jhagadia, Valia & Netrang	SEWA Rural, Jhagadia & Anandi Maa Medical Centre, Nikora	Patients from the Tribal area of Jhagadia, Vali & Netrang are benefited/ will benefitted	15.00	The project is ongoing. Will be completed by 24 March. So far, 471 patients have been examined, 33 of whom had cataract surgery, and 310 received spectacles
5	Facilitation of Ambulance to Community Health Centre [CHC]	Gadkhol, Ankleshwar	Directly by the Company	People of surrounding villages will benefit from this	25.00	The project is completed
6	Renovation and development of Primary Health Centre [PHC] in tribal area	Valia and Netrang	Health Department, Bharuch	People of surrounding villages will benefit from this	52.00	The project is ongoing and will be completed by 24 March

## Our Net CSR Expenditure for the past two Financial Years



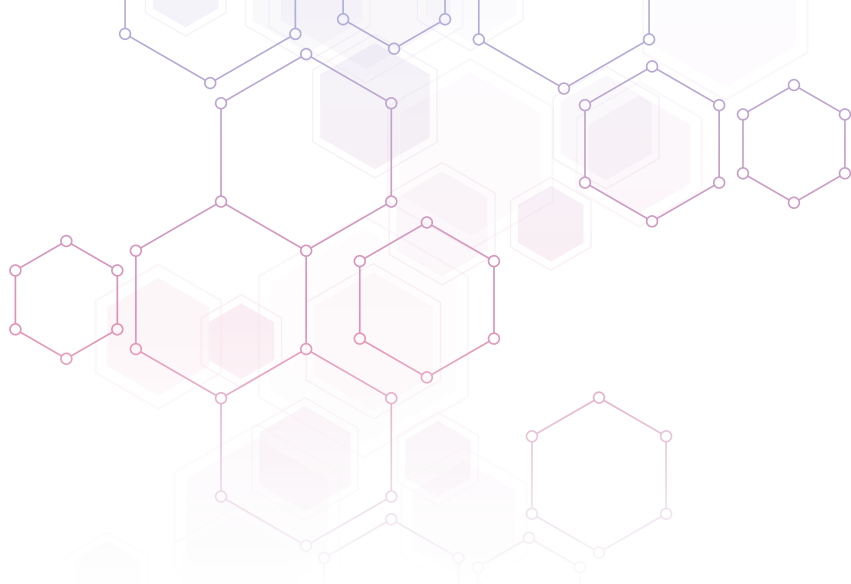




# Our Aspirations 2033



We aspire to make our business more sustainable by protecting the planet and people. We will continue to focus on and increase efforts to reduce emissions, waste, and water usage. We will strengthen our infrastructure and build an active and independent safety culture in the organisation to protect people and planet. We will continue to implement structured program of increasing renewable energy contribution to our usage.



We will be part of the net zero mission of the industry with our committed efforts to achieve our below targets:

**People:** Gender diversity will be our key priority in improving social balance, our current female workforce is 7.49% of total employment. By 2033, we aim to make it 15%.

**Planet:** Optimised usage of natural resources is a key to protecting the earth. We have picked up very important targets to which will significantly impact the planet. By 2033, we aspire to achieve below goals to contribute to the global mission of net zero.

- Reduce energy consumption by 15%
- Reduction in emissions by 30%
- Water usage reduction by 25%
- Reduce waste by 15%
- Reduce waste generation by 15% ●●





The GHG inventory categorisation, calculation methodologies, standards, and assumptions have been aligned with the GHG protocol. Our approach for the calculation includes collection, collation and internal validation of data by the respective data owners across all sites.



The reference sources for conversion and emission factors have been detailed for each category below:

## SCOPE 1

Scope 1 emission data incorporates the direct GHG emissions from sources owned or controlled by the company. We have included data about following categories:

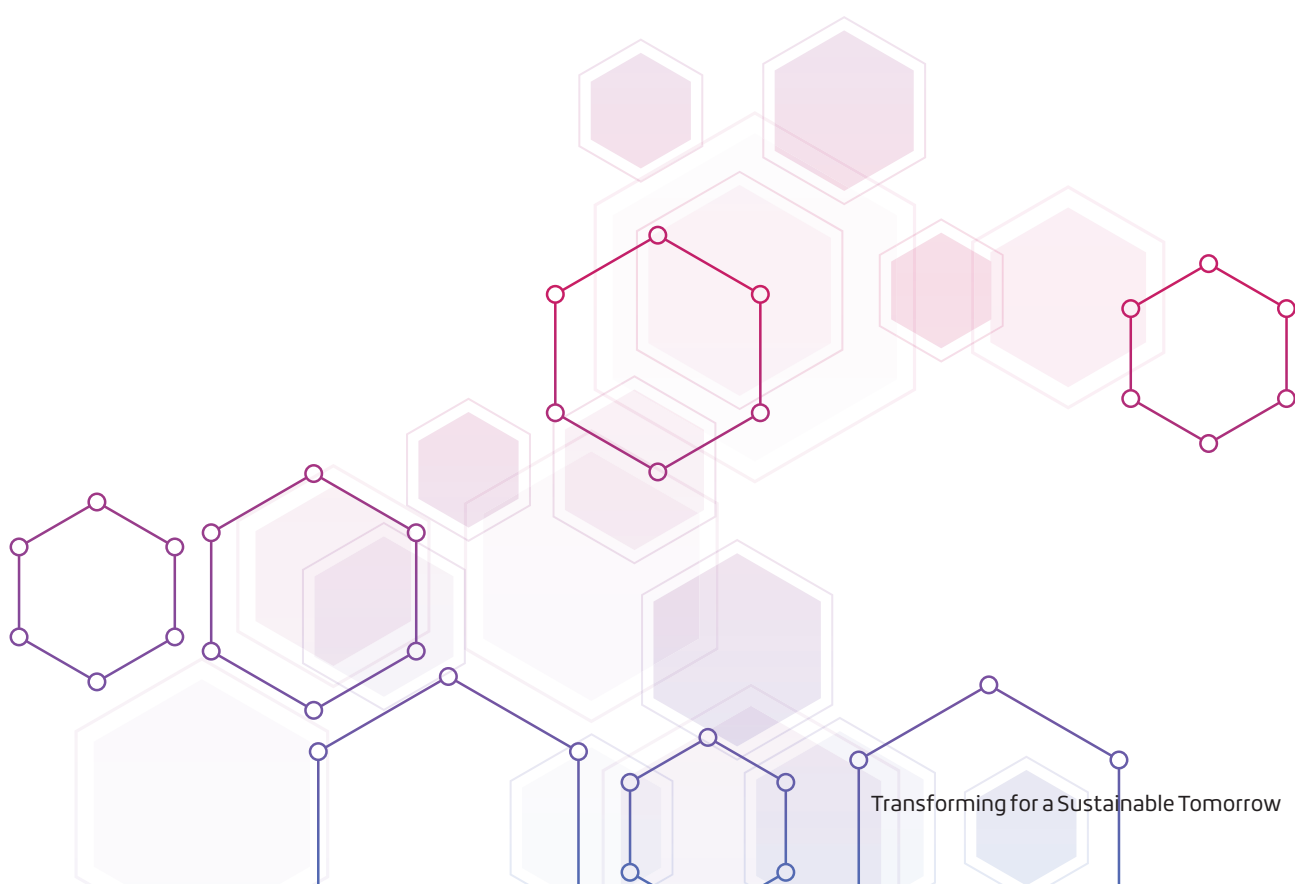
Stationary combustion – We calculated direct GHG emissions from activity data of fuel sources comprising LPG, Furnace Oil, Natural Gas, HSD, and LPG owned or controlled by the company. The fuel consumption for each source was converted using standard conversion factors and subsequently multiplied with emission factors to get the net emission.

*\*Stationary combustion emission factor source: IPCC Emission factor database for stationary fuel consumption*

## SCOPE 2

Scope 2 emission data encompass indirect GHG emissions based on activity data from grid electricity consumption. Electricity consumed data across facilities was consolidated in reference to electricity consumption data provided by the service provider. An India-specific grid emission factor was employed for ascertaining total emissions.

Category	Sub-category	Emission factor source	Emissions FY 22-23
Emissions generated from the purchased electricity, heat or steam owned by the company	Purchased electricity manufacturing/offices	CO <sub>2</sub> baseline database for the Indian Power Sector User Guide, issued by Central Electricity Authority, Government of India CEA	31,429 tCO <sub>2</sub> e





## GRI Content Index

Statement of use: Cohance Lifesciences Limited has reported the information cited in this GRI content index for the period from April 1, 2022 to March 31, 2023 with reference to the GRI Standards (2021)

GRI Standard	Disclosure	Page No
GRI 2: General Disclosures	2-1 Organisational Details	11
	2-2 Entities included in the organisation's sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7
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	2-6 Activities, value chain and other business relationships	11
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	2-22 Statement on Sustainable Development Strategy	8
	2-23 Policy commitments	26
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2-29 Approach to stakeholder engagement	29	
GRI 3: Material Topics	3-1 Process to determine material topics	30
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GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	53
GRI 302: Energy	302-1 Energy consumption within the organisation	44
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GRI 303: Water and Effluents	303-1 Interaction with water as a shared source	45
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GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	44
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<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page No</b>
GRI 306: Waste and Effluents	306-2 Management of significant waste-related impacts	46
	306-3 Waste generated	46
	306-4 Waste diverted from disposal	47
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GRI 401: Employment	401-1 New employee hires and employee turnover	59, 61
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GRI 403: Occupational Health and Safety	403-1 Occupational Health and Safety Management System	47, 50
	403-2 Hazard identification, risk assessment and incident investigation	50
	403-3 Occupational health services	50
	403-5 Worker training on occupational health and safety	48, 50
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50
	403-8 Workers covered by an occupational health and safety management system	51
	403-9 Work-related injuries	51
	403-10 Work-related ill health	51
GRI 404: Training and Education	404-1 Average hours of training per year per employee	65
	404-2 Programs for upgrading employee skills and transition assistance programs	61
	404-3 Percentage of employees receiving regular performance and career development reviews	65
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	22
GRI 408: Child labor	408-1 Operations and suppliers at significant risk for incidents of child labour	52
GRI 409: Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	52
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments and development programs	69
GRI 414: Supplier social assessment	414-2 Negative social impacts on the supply chain and actions taken	52
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	39
GRI 417: Marketing and Labelling	417-2 Incidents of non-compliance concerning product and service information and labeling	39
	417-3 Incidents of non-compliance concerning marketing communications	39





# Independent Assurance Statement

## Introduction

CETIZION Verifica Private Ltd, (CV, We) has been entrusted by the management of Cohance Lifesciences (Cohance, the Company), to conduct independent “Limited” assurance of ESG Report, titled: Transforming for a Sustainable Tomorrow (the Report). All contractual contents for this assurance engagement rest entirely within the responsibility of Cohance. Our task was to give a fair and adequate judgment on the Cohance ESG Report.

The intended users of this assurance statement are stakeholders having relevance to the Cohance overall ESG performance and impacts of its business activities during financial year 2020-2021 (April 2020 - March 2021) and financial year 2022-2023 (April 2022 - March 2023). The financial year 2021-2022 was not reported due to special year for Corona related molecule production, as explained in the report.

CETIZION Verifica is a global service provider of ESG and Corporate Sustainability Services, licensed Assurance provider by Accountability AA1000, accredited Pharmaceutical Supply Chain Initiative (PSCI) audit provider, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Climate Change, GHG verification, Climate Change, Biodiversity, Human and Labor Rights, Supply Chain Due-diligence and Stakeholder Consultation. We have maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

## Assurance Standard

The Independent Assurance was carried out in accordance with Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”) and with the International Standard on Assurance Engagements 3410 “Assurance Engagements on Greenhouse Gas Statements” (“ISAE 3410”). To achieve “Limited” assurance, ISAE 3000 and ISAE 3410 requires that we review the processes, systems and competencies used to compile the subject matter, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls.

## Scope & Level of Assurance

### **Our assurance engagement covers the following:**

Cohance ESG performance and according to disclosure on management approach (DMAs) covering Environment, Social and Governance (ESG) disclosures. The report covers the business activities of Cohance Lifesciences Limited (5 manufacturing units), ZCL Chemicals Limited (1 manufacturing unit) and AVRA Laboratories Private Limited (2 manufacturing units), Corporate office, Registered Office, Research & Development Centre (API R&D and Formulation R&D), as described on report page 18-19.

Evaluation of disclosed information in the report as per the Assurance Standards, distribution of ESG disclosures amongst major manufacturing units of Cohance Lifesciences Limited, ZCL Chemicals Limited and AVRA Laboratories Private Limited have been assured as annexure to this statement.

## Limited Assurance, ISAE 3000

**Limitation:** The assurance engagement was carried out at Cohance corporate office location with representatives from manufacturing locations through virtual method and hold focussed group discussion

with concerned employees. We have not observed any significant situations to limit our assurance activity. The verification was carried out based on the data and information provided by Cohance, assuming they are complete and true. We did not verify the reported financial data as same is verified by another third party.

## Assurance Methodology

CETIZION Verifica has challenged the report contents and assess the process undertaken by Cohance from source to aggregate in disclosure of information/data related to their sustainability performance. Our judgment is based on the objective review of reported information as per criteria defined under Assurance standards.

Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents in light of contractual agreement and the factual Cohance ESG strategy & framework as mentioned in the report and available on company website <https://cohance.com/sustainability/>. Our work included consultation with over 24 Cohance representatives including ESG team, senior management and responsible employees. The consultations with external stakeholders were not carried out. The approach deemed to be appropriate for the purpose of assurance of the report since all data therein could be verified through original proofs, verified database entries.

The Assurance was performed by our multidisciplinary team of experienced professionals in the field of Corporate Sustainability, Environment, Climate Change, GHG, Human & Labor Rights, Supply Chain Due-diligence and Stakeholder consultation.

We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below and based on the content of our contract.

## Conclusion

Based on our Limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the selected KPIs for the period Financial year 2020-2021 (April 2020 - March 2021) and Financial year 2022-2023 (April 2022 ~ March 2023) have not been prepared, in all material respects, in accordance with the "Basis for Reporting" as appropriate.

The Report includes statements and claims that reflects Cohance achievements and challenges supported by documentary evidence and internal records.

The performance data we found in the report are collected, stored, and analyzed in a systematic and professional manner and were plausible.

CETIZION Verifica shall not bear any liability or responsibility to a third party for perception and decision about Cohance based on this Limited Assurance Statement.

### For CETIZION Verifica Private Limited

**GANGA  
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Digitally signed by  
GANGA  
CHARAN  
SHARMA  
Date:  
2024.03.25  
16:30:00+05'30

Gangaa C SHARMA  
Lead Verifier  
Place: New Delhi  
Date: March 25, 2024

In case of any clarification, please contact.  
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## Assured ESG Data

Sr No	ESG parameters	Unit	Financial Year	AVRA Laboratories Pvt. Ltd	Cohance Lifesciences Ltd	ZCL Chemicals Ltd	Total, as reported
<b>ENERGY CONSUPTION (GJ)</b>							
1	Total energy from Non-Renewable Source	GJ	2020-2021	39093.6	332164.09	49300.26	420558
			2022-2023	43111.8	342783.32	101450.77	487346
2	Total energy from Renewable Source	GJ	2020-2021	0	21964.86	0	21965
			2022-2023	1155.64	39484.07	0	40639
3	Total energy consumption	GJ	2020-2021	39093.6	354128.95	49300.26	442522
			2022-2023	44267.44	382267.39	101450.77	527985
4	Specific Energy consumption per kg of production	GJ/KG	2020-2021				0.2
			2022-2023				0.19
5	Production	KG	2020-2021	1448909	51551	703810	2204270
			2022-2023	64300	1826550.25	864114	2754964
<b>EMISSION (tCO<sub>2</sub>)</b>							
1	Direct emission (scope 1)		2020-2021	1909.82	24291.08	502.95	26704
			2022-2023	2457.82	24142.22	796.07	27396
2	Indirect emission (scope 2)		2020-2021	13.9	28922.12	31.98	28968
			2022-2023	11.15	29397.37	2020.48	31429
3	Total emission		2020-2021	1923.72	53213.2	534.93	55672
			2022-2023	2468.97	53539.59	2816.55	58825
4	Emission intensity per kg of production	tCO <sub>2</sub> / kg production	2020-2021				0.025
			2022-2023				0.021
<b>WATER WITHDRAWAL FROM SOURCES</b>							
1	Third party	KL	2020-2021	29533	38263.13	45128	112924
			2022-2023	42698	42131.81	42727	127557
2	Fresh water from other organization	KL	2020-2021	0	1213	0	1213
			2022-2023	0	2888	0	2888
3	Ground Water	KL	2020-2021	0	183000	0	183000
			2022-2023	0	120269	0	120269



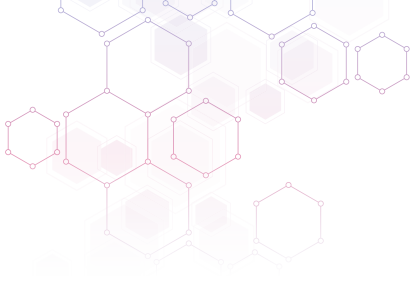
Sr No	ESG parameters	Unit	Financial Year	AVRA Laboratories Pvt. Ltd	Cohance Lifesciences Ltd	ZCL Chemicals Ltd	Total, as reported
<b>WATER CONSUMED</b>							
1	Total water consumed	KL	2020-2021	29543	212036	20216	261795
			2022-2023	23285	150847	29322	203454
<b>WATER DISCHARGE</b>							
1	Total water Discharge	KL	2020-2021	9317	10438	15585	35340
			2022-2023	13376	14438	19442	47256
<b>WASTE GENERATED</b>							
1	Hazardous Waste	MT	2020-2021	570.2	6577.78	2332.59	9480
			2022-2023	665.62	6559.43	3331.82	10556
2	Non-Hazardous Waste	MT	2020-2021	3.2	0	0	3.2
			2022-2023	16.52	0	0	16.52
3	E-Waste & Battery Waste	MT	2020-2021	0	0	0	0
			2022-2023	0	0	0.14	0.14
<b>WASTE DIVERTED FROM DISPOSAL</b>							
1	Hazardous Waste	MT	2020-2021	362.52	183.31	1994.54	2540
			2022-2023	518.43	1123.72	2727.88	4370
2	Non-Hazardous Waste	MT	2020-2021	3.2	0	0	3.2
			2022-2023	16.52	0	0	16.52
3	E-Waste & Battery Waste	MT	2020-2021	0	0	0	0
			2022-2023	0	240	0.14	240
<b>WASTE DIRECTED TO DISPOSAL</b>							
1	Hazardous waste	MT	2020-2021	48.71	855.03	266.42	1170
			2022-2023	491.85	977.9	63.78	1533
2	Non-Hazardous waste	MT	2020-2021	0	0	0	0
			2022-2023	0	0	0	0
3	E-Waste & Battery Waste	MT	2020-2021	0	0	0	0
			2022-2023	0	0	0.14	0.14
<b>HIRING DATA</b>							
1	Senior Management (Level-1)	Male	2022-2023	2	11	5	18
		Female		0	1	0	1
2	Middle Management (Level-2)	Male		4	34	7	45
		Female		1	1	1	3
3	Junior Management (Level-3)	Male		14	50	19	83
		Female		0	8	3	11
4	Non-Management (Level-4)	Male	55	177	86	318	
		Female	14	20	7	41	











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