

Neuland Laboratories Limited

ESG Data Book | FY 2025-26

Reporting period: FY 2025–26 (1 April 2025 to 31 March 2026)

This data book consolidates decision-useful environmental, social and governance information from Neuland Laboratories Limited.

1. Reporting Basis and Assessment Lens

Item	Data-book convention
Reporting entity	Neuland Laboratories Limited
Boundary	All data mentioned here by in the data book are with 100% coverage to our operations
Reporting period	FY 2025–26, with FY 2024–25, FY 2023–24 and FY 2022-23 comparatives wherever available.
Assurance	Assurance provided by BDO India Services Private Limited. Assurance statement located in Integrated Report Page: 396-399

2. Environmental Dimensions

1. Environmental Management Systems Verification

Aspects	Coverage
EMS is verified through international standards	100% of operational sites certified under ISO 14001, ISO 45001 and ISO 27001 for FY 2025–26, FY 2024–25 and FY 2023–24

2. Environmental Violations

Metric	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of violations of legal obligations / regulations	0	0	0	0
Amount of fines/penalties related to the above (in INR)	0	0	0	0
Environmental liability accrued at year end (in INR)	0	0	0	0

3. Energy Consumption

Energy consumption (in MWh)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Total non-renewable energy consumption	151391	104764.4	106490.53	122550.65	128678.18
Total renewable energy consumption	0	0	0	8774.84	8600

Renewable energy share (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	0	0	0	6.7

4. Energy Management Programs

Neuland Laboratories has established a structured energy management programme focused on improving energy performance, reducing energy consumption and progressively increasing the use of renewable energy across its operations. The programme is supported by energy audits, energy and water performance monitoring, defined energy-efficiency initiatives, periodic evaluation of performance and investments in energy-conservation technologies.

Energy audits and performance monitoring: Neuland conducts energy audits and uses energy-consumption monitoring to identify significant energy-use areas, operational inefficiencies and opportunities for improving energy performance. During FY 2025–26, energy and water KPIs were integrated into production performance reviews, strengthening the monitoring and review of resource efficiency across operations.

Quantified energy-performance objectives: Neuland has established measurable energy and fuel-efficiency objectives as part of its broader energy and decarbonisation programme. During FY 2025–26, absolute fuel energy consumption from coal reduced by 1% compared with FY 2024–25, while LPG energy consumption reduced by 30% compared with the FY 2023–24 baseline. The Company also continues to pursue longer-term decarbonisation objectives through energy-efficiency improvements and increased renewable energy adoption.

Actions to reduce energy consumption: The Company implemented multiple energy-conservation measures during the year, including replacement of underperforming and high-energy-consuming vacuum pumps, installation of energy-efficient IE3 motors, installation of automatic tube-cleaning systems in refrigeration plants, replacement of reciprocating air compressors with energy-efficient screw compressors, replacement of water-jet vacuum pumps with dry vacuum pumps, installation of localised capacitor banks to minimise transmission losses, deployment of kVAR energy controllers for chillers, upgrading to energy-efficient Electronically Commutated (EC) blowers, and optimisation of cooling-tower systems.

Evaluation of progress: Neuland evaluates energy performance through periodic monitoring of electricity and fuel consumption, energy intensity and the impact of energy-conservation projects. In FY 2025–26, the implemented energy-conservation projects resulted in an estimated annual reduction of 298,227 kWh of electricity consumption and 597 tonnes of coal consumption. These measures correspond to estimated annual Scope 2 and Scope 1 emission reductions of approximately 727.55 tCO₂e and 1,124 tCO₂e, respectively. The Company also tracks energy consumption and energy intensity across reporting periods to assess the effectiveness of its energy-efficiency measures.

Renewable and clean energy: Neuland has increased its use of renewable energy through the utilisation of biomass briquettes as an alternative to coal. During FY 2025–26, 31.59 TJ of energy was consumed from biomass briquettes, with approximately 1,827 tonnes of biomass briquettes used as an alternative to coal. The Company is also evaluating renewable electricity procurement options, including wheeling, group-captive and third-party renewable energy arrangements, to support the transition towards lower-carbon energy sources.

Investment and technology innovation: Neuland invests in energy-efficient equipment and technologies to improve energy performance. During FY 2025–26, the Company invested approximately ₹8.17 crore in energy-conservation equipment. These investments include energy-efficient motors, compressors, vacuum systems, refrigeration optimisation, electrical power-factor improvement systems and other equipment upgrades designed to reduce energy consumption while maintaining operational reliability and manufacturing performance.

Employee awareness and training: Energy conservation is supported through employee awareness and capability-building initiatives designed to promote responsible resource use and energy-efficient operating practices. Neuland's broader EHS and sustainability training programmes cover environmental conservation and operational practices, supported by extensive employee and worker training across its manufacturing operations. The Company continues to strengthen awareness of resource efficiency and responsible energy use as part of its broader environmental management programme.

5. Waste Management Programs

Neuland Laboratories has established a structured waste management and circularity programme focused on preventing waste generation at source, improving resource efficiency, increasing recovery and recycling, and eliminating operational waste from landfill. The programme integrates waste assessment, process optimisation, Green Chemistry, waste segregation, recovery and recycling initiatives, quantified waste-management objectives, employee awareness and independent Zero Waste to Landfill certification.

Waste audits and assessment: Neuland periodically assesses its waste-management practices and waste streams to identify opportunities for improved resource recovery, recycling and diversion from landfill. During FY 2025–26, the Company audited its waste-management vendors as part of strengthening vendor assurance and waste-management controls. Waste-stream mapping, segregation practices and monitoring of waste-treatment pathways are used to identify opportunities for improving waste performance.

Actions to reduce waste generation: Neuland follows a source-reduction approach that integrates Green Chemistry, safer chemical alternatives, process optimisation and resource efficiency into manufacturing operations. The Company focuses on minimising the use and generation of hazardous substances, improving process efficiency, recovering valuable materials and strengthening solvent recovery. During FY 2025–26, Neuland upgraded waste segregation and solvent recovery systems to enhance resource recovery and minimise reliance on disposal pathways. Process improvement initiatives also support the recovery and reuse of valuable materials and by-products from manufacturing processes.

Quantified waste-reduction and diversion objectives: Waste management is integrated into Neuland's sustainability framework and management performance objectives. The Company has committed to maintaining Zero Waste to Landfill and achieving 100% co-processing of waste, while maintaining Zero Liquid Discharge across its manufacturing operations. These objectives are monitored as part of the Company's ESG performance framework and are reviewed periodically by management.

Innovation and R&D for waste minimisation: Neuland integrates environmental considerations into process development and sustainable R&D. Green Chemistry and process innovation are used to minimise material consumption, reduce hazardous waste generation and improve resource efficiency. The Company's Process Improvement and Development activities evaluate manufacturing processes, raw materials, chemical alternatives and process technologies to identify opportunities for reducing environmental impacts. Sustainability considerations, including waste reduction and resource efficiency, are increasingly incorporated into R&D and technology-development decisions.

Waste segregation, reuse and recycling: Neuland has established recycling programmes covering e-waste, plastic, paper, glass, metals and other recyclable materials. Waste is segregated at source to minimise contamination and maximise recovery. Hazardous waste is primarily directed towards co-processing and recycling/reuse pathways, while non-hazardous waste is channelled through established recycling programmes. During FY 2025–26, the Company reported 7,865.13 MT of hazardous waste through co-processing/reuse and 7.87 MT through recycling, with zero hazardous waste sent to landfill.

Evaluation of waste-diversion performance: Neuland monitors waste generated and the treatment and disposal routes used across hazardous and non-hazardous waste streams. In FY 2025–26, the Company maintained zero waste to landfill, with a reported 99.98% hazardous waste diversion rate and 98.01% non-hazardous waste diversion rate. The Company also reported that 99.9% of hazardous waste was co-processed/reused. These performance indicators are used to evaluate progress against the Company's waste-management objectives.

Independent Zero Waste to Landfill certification: 100% of our operational sites are certified with ISO 14001. Neuland's waste-diversion performance is independently certified. All three operational manufacturing units are Zero Waste to Landfill certified with a Platinum diversion rate by TÜV India. This independent certification provides external validation of the Company's waste-diversion performance against the applicable Zero Waste to Landfill certification requirements.

Employee awareness and training: Neuland's environmental, health and safety management programme includes employee awareness and training on responsible environmental practices, resource conservation, waste handling and segregation. The Company continues to strengthen employee awareness of waste minimisation, source segregation, resource recovery and responsible waste-management practices as part of its broader environmental management programme.

6. Waste Disposal

Waste (in metric tonnes)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Total waste recycled/reused	61.42	83.58	2613.71	7002.81	
Total waste disposed	61.42	83.58	2613.71	7002.81	7100
- Waste landfilled	0	0	0	0	
- Waste incinerated with energy recovery	3.95	4.33	1530.47	2578.51	
- Waste incinerated without energy recovery	0	0	0	0	
- Waste otherwise disposed, please specify:	57.47	79.25	1083.24	4425.3	
- Waste with unknown disposal method	0	0	0	0	

7. Hazardous Waste

Hazardous waste (in metric tonnes)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Total hazardous waste recycled/reused	5672.3	7026.43	5280.39	7873	
Total hazardous waste disposed	5672.3	7026.43	5280.39	7873	7900
- Hazardous waste landfilled	0	0	0	0	
- Hazardous waste incinerated with energy recovery	5672.3	7026.43	5280.39	7873	
- Hazardous waste otherwise disposed, please specify:	0	0	0	0	
- Hazardous waste with unknown disposal method	0	0	0	0	

8. Collection and treatment of unused or expired medicines

Unused or expired medicines (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Unused or expired medicines collected for recycling or waste treatment out of total volume of products sold	Not applicable	Not Applicable	Not Applicable	Not Applicable

9. Water Efficiency Management Programs

Neuland Laboratories has established a structured water management programme focused on improving water-use efficiency, reducing freshwater dependence, maximising wastewater recycling and reuse, improving wastewater quality and progressively advancing towards water neutrality. The programme integrates water-use assessments, site-level conservation initiatives, wastewater treatment and monitoring, recycling and reuse, quantified water-efficiency targets, and employee awareness as part of the Company's broader environmental management system.

Water-use assessment and monitoring: Neuland conducts comprehensive water audits across all three manufacturing units to identify significant water-use areas, conservation opportunities and potential efficiency improvements. The Company also undertakes internal reviews and monitors water-related performance indicators. During FY 2025-26, water KPIs were integrated into production performance reviews to strengthen monitoring and accountability for water efficiency across operations.

Actions to reduce water consumption: Neuland has implemented multiple measures to reduce water consumption across its manufacturing operations. These include installation of water-saving aerator fixtures with controlled flow across taps, automated tank-level interlocks to prevent unnecessary water use and overflow, process optimisation, improvement of equipment efficiency, rainwater-harvesting initiatives and increased reuse of treated water. These measures are complemented by Green Chemistry and process-efficiency initiatives that help reduce water requirements during manufacturing.

Quantified water-efficiency targets: Neuland has established measurable targets to improve water efficiency and progressively move towards water neutrality. The Company has set a target to achieve a 10% reduction in water consumption through recycling and efficient water-management practices. In addition, Neuland has established longer-term water-neutrality targets of 25% by FY 2034–35 and 100% by FY 2049–50. Progress against these objectives is monitored through water-consumption and efficiency indicators.

Wastewater quality management: Neuland has implemented Zero Liquid Discharge (ZLD) systems across all manufacturing facilities, ensuring that wastewater generated from operations is treated, recycled and reused within the facilities, with no routine liquid effluent discharged externally. The wastewater treatment process incorporates multiple treatment stages, including primary treatment, ultrafiltration, reverse osmosis, evaporation and crystallisation, as applicable to the wastewater streams. The Company also operates online monitoring systems for parameters including pH, COD and flow, supported by interlocks and periodic third-party testing to strengthen wastewater-quality monitoring and treatment performance.

Water recycling and reuse: Water recycling is a core component of Neuland's water-management programme. The Company reuses treated water within its operations, including for utilities, gardening and process cleaning. During FY 2025–26, approximately 92% of permeate and condensate was reused across these applications. The Company's ZLD systems enable treated wastewater to be recovered and reused, reducing freshwater requirements and eliminating routine liquid discharge from manufacturing operations.

Water conservation and resilience: Neuland continues to implement measures to strengthen water resilience beyond operational water efficiency. During FY 2025–26, the Company continued rainwater-harvesting improvements and source-diversification initiatives and continues its investments in water-bodies rejuvenation project covering 5 water bodies during the previous year, which supported the collection of an estimated 10,000 m³ of surface water during FY 2025–26. These initiatives complement the Company's operational water-conservation and recycling measures.

Evaluation of performance: Neuland evaluates its water-management performance through periodic monitoring of water withdrawal, consumption, intensity, wastewater generation and water-recycling performance. During FY 2025–26, wastewater generation decreased by 2.2% compared with FY 2024–25, while water recycled increased by 0.9%. Total water consumption was 188,097.65 m³, with water intensity of 0.49 KL/kg of production. The Company also maintained 100% ZLD across its manufacturing facilities.

Employee awareness and training: Neuland's environmental management system incorporates employee awareness and training on responsible resource management and environmental practices. The Company continues to strengthen employee awareness of water conservation, efficient water use, wastewater management and resource-reuse practices as part of its environmental management programme.

10. Water Consumption

Water (in Million cubic meters)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
A. Water withdrawal (excluding saltwater)	0.11313	0.128	0.1414904	0.18809765	
B. Water discharge (excluding saltwater)	0	0.00118	0.0017	0	
Total net freshwater consumption (A-B)	0.11313	0.12682	0.13979	0.18809765	0.19
Water recycled and reused	0.1040796	0.11776	0.13017117	0.17304984	

11. Net-Zero Transition Plan

Alignment with Paris Agreement / 1.5°C

Neuland Laboratories has established science-based climate targets aligned with the Paris Agreement through targets validated by the Science Based Targets initiative (SBTi). The Company has committed to achieving net-zero greenhouse gas emissions across its value chain by FY2050. As an interim milestone, Neuland has committed to reducing absolute Scope 1 and Scope 2 GHG emissions by 58.8% and Scope 3 GHG emissions intensity by 63.8% per tonne of product manufactured by FY2034, from a FY2024 baseline.

Quantified target for investments

Neuland has allocated financial resources towards energy conservation, environmental management and the integration of environmental technologies into its operations. The Company invested ₹8.17 crore in energy-conservation equipment and ₹15 crore in EHS initiatives. In addition, approximately ₹342 crore was invested in capacity expansion incorporating environmental technologies, while 11.5% of FY2025 R&D expenditure was allocated towards environmental improvement initiatives

Planned key actions / decarbonisation levers

Scope 1

Key Scope 1 decarbonisation measures include improving energy efficiency across manufacturing operations, optimising boilers and high-energy equipment, deployment of variable frequency drives and automated controls, power-factor optimisation, and increasing the use of lower-carbon fuels such as biomass briquettes. The Company is also implementing green chemistry initiatives, including conversion of solvent-based processes to water-based alternatives where technically feasible.

Scope 2

Key Scope 2 decarbonisation measures include increasing the use of renewable and lower-carbon electricity, together with energy-efficiency measures across manufacturing and utility operations. Initiatives include deployment of energy-efficient equipment, variable frequency drives, power-factor optimisation, automated controls and optimisation of utility systems.

Scope 3

Key Scope 3 decarbonisation measures include supplier GHG data collection and engagement, sustainable procurement, supplier ESG assessments and capability building, increased local sourcing, logistics optimisation, green chemistry and life-cycle assessment. Neuland has undertaken GHG inventorisation across suppliers representing approximately 70% of procurement value and 90% of procurement volume.

Engagement with stakeholders**Value chain**

Neuland engages suppliers and other value-chain partners through sustainable procurement practices, supplier ESG assessments, GHG data collection, ESG capability-building initiatives and mitigation planning for identified supplier risks. The Company also promotes local sourcing and supply-chain collaboration to reduce transportation-related emissions.

Industry peers / associations / initiatives

Neuland engages with recognised sustainability and climate initiatives, including the Science Based Targets initiative (SBTi) and United Nations Global Compact (UNGC). The Company's GHG reduction targets have been validated by SBTi, providing a science-based framework for its transition towards net zero.

Government / public sector / civil society

Neuland engages with government and regulatory stakeholders through statutory environmental and regulatory processes, compliance activities and audits. The Company also engages with local communities and civil society through its CSR and community-development programmes covering areas including healthcare, education, water and sanitation and environmental initiatives. The Company sought inputs from these stakeholders also in the Double Materiality Assessment survey.

Assessment of social implications and corresponding actions

Neuland considers social and human-capital aspects as part of its broader sustainability and risk-management approach. The Company's transition towards cleaner technologies, improved energy efficiency and sustainable supply chains is supported by initiatives relating to employee health and safety, workforce training and capability development, supplier ESG practices and community development. The Company also undertakes community programmes covering healthcare, education, water and sanitation, alongside apprenticeship and employment-enhancement initiatives.

12. Direct Greenhouse Gas Emissions (Scope 1)

Scope 1 (in metric tonnes CO ₂ equivalents)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Total direct GHG emissions (Scope 1)	27442.35	23,566.15	27760.95	29324.15	30790.36

13. Indirect Greenhouse Gas Emissions (Scope 2)

Scope 2 (in metric tonnes CO ₂ equivalents)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Location-based	27245	28,096.85	31,059.61	34849.39	36591.86
Market-based	27245	28,096.85	31,059.61	15324.19	16090.40

Scope 1+2 emission intensity per rupee of turnover (Metric tonnes of CO ₂ equivalent per Rupee)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	0.0000047	0.0000033	0.0000040	0.0000032

14. Indirect Greenhouse Gas Emissions (Scope 3)

Scope 3 emissions	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Total Scope 3 emissions (in metric tonnes CO₂ equivalents)	1606.96	1,04,977.89	128244	158999.72	166,949.71
Scope 3 emission intensity per rupee of turnover (Metric tonnes of CO₂ equivalent per Rupee)	0.00000045	0.00000019	0.0000087	0.0000079	

Scope 3 category	Emissions in the reporting year (metric tonnes CO ₂ e)	Emissions calculation methodology or rationale for exclusion
1. Purchased goods and services	130093	GHG protocol
2. Capital goods	4250	GHG protocol
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	18315.67	GHG protocol
4. Upstream transportation and distribution	3866	GHG protocol
5. Waste generated in operations	319.83	GHG protocol
6. Business travel	226.51	GHG protocol
7. Employee commuting	39.37	GHG protocol
8. Upstream leased assets	1019.34	GHG protocol
9. Downstream transportation and distribution	870	GHG protocol
10. Processing of sold products	0	We do not sell products directly
11. Use of sold products	0	We do not manufacture end product
12. End-of-life treatment of sold products	0	We do not manufacture end product
13. Downstream leased assets	0	We have no downstream assets leased
14. Franchises	0	We have no franchises
15. Investments	0	We have no investments with emissions
Other upstream	0	No other categories
Other downstream	0	No other categories

15. Air pollution

Air pollution (in tons)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
NOx	21.89	28.23	26.02	18.50
SOx	64.46	74.15	70.14	55.91
PM	27.87	37.18	35.70	30.85
Total weight of air pollutants	114.22	139.56	131.86	105.26

16. Biodiversity

Biodiversity related KPIs (in number)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Incidents related to biodiversity loss	0	0	0	0

17. Employees training on environmental issues

Employee training (percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employees trained on environmental issues	100	100	100	100

18. Climate-Related Management Incentives

Who is entitled to benefit from this incentive?	Type of incentive	Incentivized KPIs	Description of the KPI
CEO	Monetary	Targets; Emission reduction; Resource use and efficiency; Policies and commitments	The performance-based incentive offered to our CEO and the management team includes company's achievements regarding climate-focused sustainability metrics, such as renewable energy utilization and Net zero ambition
Facility/Unit/Site management	Monetary	Targets; Emission reduction; Resource use and efficiency	Performance objectives for relevant facility, unit and site management personnel incorporate applicable ESG and environmental targets. Incentivised KPIs include emission reduction, energy and resource efficiency, renewable energy utilisation and progress against relevant environmental targets. Performance against assigned objectives is considered in the applicable variable pay framework.
Employees	Monetary	Targets; Emission reduction; Resource use and efficiency; Policies and commitments	Relevant employee groups with direct responsibility for ESG and climate-related objectives have performance metrics aligned with the Company's ESG programme. Incentivised KPIs may include applicable emission-reduction targets, resource and energy efficiency, renewable energy utilisation and progress towards relevant sustainability commitments. Achievement against assigned objectives contributes to performance-linked variable pay.

19. Product Design Criteria

Raw materials / components

Neuland integrates Green Chemistry principles into product and process development by promoting the use of safer and less hazardous chemicals, optimising reactions through catalysis and exploring sustainable and renewable sources of raw materials. Life Cycle Assessment (LCA) insights are also used to identify environmental hotspots and inform feedstock selection and product-development decisions.

Direct operations, production & manufacturing

Environmental considerations are integrated into manufacturing and process development through waste minimisation, energy efficiency, emissions reduction and water management. Initiatives include energy-efficient equipment, process optimisation, Zero Liquid Discharge systems, wastewater recycling, VOC monitoring and the use of scrubbers to control emissions. Green Chemistry principles are applied to reduce hazardous substances and waste generation in chemical processes.

Distribution, storage & transportation

Neuland is working to reduce the environmental impact of downstream logistics and transportation as part of its Scope 3 roadmap. Initiatives include route optimisation, multimodal freight systems and engagement with low-emission transport partners. The Company is also exploring collaborations with logistics providers using Sustainable Aviation Fuel (SAF) to reduce freight-related emissions.

Use phase – operation and servicing/maintenance

Neuland considers resource and energy efficiency in product and process development. Measures such as energy-efficient synthesis methods, replacement of older motors, automatic tube-cleaning systems and dry vacuum pumps contribute to reducing energy and resource consumption associated with manufacturing and operation. LCA is used to identify environmental hotspots and support product and process optimisation.

End-of-life management

Neuland incorporates waste minimisation and responsible end-of-life management into its environmental practices. Waste management is governed by defined SOPs and applicable regulatory requirements, with waste streams managed through recycling, co-processing and safe disposal. Zero Waste to Landfill-certified facilities and EPR registration further support responsible waste recovery and end-of-life management.

20. Exposure to Hazardous Substances

Substances classified as hazardous by a regulatory authority	Regulatory classification of hazardous substances	Percentage of revenue associated with products containing substances in this list
	None	0

Neuland Laboratories conducts risk assessments covering 100% of its products by revenue to evaluate potential hazards, uses and exposures and assess their potential impacts on human health and the environment. The assessment considers hazard identification, hazard characterisation, exposure assessment and risk characterisation, with appropriate measures implemented to manage identified risks.

3. Social Dimension

1. Workforce Breakdown

Diversity indicator	Percentage (0-100%)	Public target (0-100%) & Year
Share of women in total workforce	11.97%	14% - 2030
Share of women in all management positions, including junior, middle and top management	12.4%	
Share of women in junior management positions, i.e. first level of management	13.2%	
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions	8.7%	10% - 2030
Share of women in management positions in revenue-generating functions	21.7%	
Share of women in STEM-related positions	12.2%	

Nationality at Group level, including subsidiaries:

Nationality	Share in total workforce (as a percentage of total workforce)	Share in all management positions, including junior, middle and senior management (as a percentage of total management workforce)
India	99.77%	99.76%
North America	0.18%	0.19%
Japan	0.04%	0.04%

Workforce related KPIs	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total number of employees	Number	1,559	1,648	1,799	2,188
Women in the workforce	Percentage	9.6	10.86	11.4	11.9
Women at top executive positions	Percentage	7	5.15	7.5	8.7
Women in the board	Percentage	20	27	22.23	12.5
Employees from minority groups	Percentage	0	0	0	0
Employees from minority groups at top executive positions	Percentage	0	0	0	0

2. Gender Pay Indicators

Indicator	Difference between men and women employees (percentage)
Mean gender pay gap	62.2%
Median gender pay gap	38.97%
Mean bonus gap	52.25%
Median bonus gap	-3.48%

3. Workforce Trade Union and Collective Bargaining Coverage

Metric (percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements	100	100	95	86

4. Living wage

Metric (percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Direct employees covered by a living wage benchmarking analysis	100	100	100	100
Direct employees paid below living wage	0	0	0	0
Employees paid below living wage, including direct employees and non-employee workers	0	0	0	0
Average wage gap for direct employees paid below living wage against a living wage benchmark	0	0	0	0

5. Health and safety

Health and safety related KPIs	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of employee health and safety risk assessments conducted	Number	Site assessments – 6 HIRA & Hazop Product - 50	Site assessments – 8 HIRA & Hazop Product – 70	Site assessments – 10 HIRA & Hazop Product - 100	Site assessments – 12 HIRA & Hazop Product - 150
Number of days lost due to injuries, fatalities or ill-health	Number	0	0	0	0
Number of work-related accidents	Number	0	0	0	0

Employees covered by health care	Percentage	100	100	100	100
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During FY 2025-26, Neuland conducted 12 on site assessments along with additional product related HIRA and HAZOP formal health and safety risk assessments across its operational locations. The assessment programme covered 100% of plants and offices and included workplace risk assessments, HIRA, HAZOP and periodic safety reviews.

- Regular workplace risk assessments
- HIRA and HAZOP processes
- Half-yearly safety audits
- Half-yearly inter-facility safety audits
- Annual independent external audits
- 100% of plants and offices assessed for health and safety practices
- ISO 45001:2018 coverage across manufacturing sites and R&D

6. Human Rights Assessment

Category	Percentage of total assessed in last three years	Percentage of total assessed where risks have been identified	Percentage of risk with mitigation actions taken
Own operations	100	0	0
Contractors and Tier I suppliers	100	0	0

7. Human Rights Due Diligence Process

Neuland has established a risk-based human rights due diligence process to proactively identify, assess, prevent and mitigate actual and potential adverse human rights impacts arising from its business activities. Human rights considerations are integrated into the Company's human rights, equal opportunity, health and safety and responsible sourcing frameworks and are considered as part of business and risk-management processes.

The due diligence process covers Neuland's own operations as well as activities across its value chain, including suppliers and other business partners. Human rights expectations are extended to value-chain partners through the Supplier Code of Conduct and applicable business agreements and contracts, which cover employment practices, human rights, environmental, health and safety, ethical conduct and legal compliance requirements. Supplier onboarding and evaluation processes incorporate due diligence and assessment of relevant ESG and human rights risks.

Neuland identifies potential human rights risks through periodic assessments, supplier screening and assessments, workplace assessments, employee-related processes and stakeholder engagement. The process considers the nature and severity of potential impacts and supports the identification of appropriate preventive, corrective and mitigation measures. Identified risks and findings are monitored and reviewed, with corrective actions and improvement measures implemented where required.

Human rights due diligence is also considered when establishing new or significant business relationships, including the assessment of relevant ESG, compliance, labour, health and safety and human rights considerations before onboarding or entering into material relationships with business partners, as applicable.

The Company undertakes a systematic and periodic review of its human rights risk profile and identified risks to reflect changes in its operations, workforce, suppliers, business relationships, regulatory requirements and stakeholder expectations. The outcomes of assessments are used to strengthen policies, controls, supplier requirements, employee practices and corrective-action measures.

Human Rights Issues Covered / Identified

Neuland's human rights risk identification and due diligence process covers the following actual and potential human rights issues:

- Forced labour / involuntary labour
- Human trafficking
- Child labour
- Freedom of association
- Right to collective bargaining
- Discrimination
- Health and safety
- Working hours

These issues are addressed through the Company's human rights and equal-opportunity framework, workplace practices, health and safety management systems, supplier requirements and supplier assessment processes. The Supplier Code of Conduct extends relevant labour, human rights, health and safety and ethical requirements to value-chain partners.

Groups at Risk Considered

The human rights due diligence process considers the potential impacts on the following groups:

- Own employees
- Women
- Children
- Migrant workers

- Indigenous people
- Third-party employees
- Local communities
- Persons with Disabilities (PWD)

Neuland considers the specific risks faced by these groups through its workplace policies, equal-opportunity practices, health and safety systems, supplier due diligence and responsible sourcing processes. Particular attention is given to risks relating to discrimination, equal opportunity, child and forced labour, working conditions, occupational health and safety, freedom of association and fair employment practices.

For persons with disabilities, Neuland promotes equal employment opportunities and accessibility across its offices, manufacturing and R&D facilities, with facilities designed to comply with applicable accessibility requirements.

Human Rights Risk Mitigation Processes

Neuland monitors human rights risks through workplace assessments, supplier assessments, employee grievance and feedback mechanisms, compliance reviews and ongoing engagement with relevant stakeholders. Where actual or potential risks or gaps are identified, the Company establishes appropriate corrective and improvement actions, monitors implementation and follows up on identified concerns.

The Company's approach is designed to ensure that human rights considerations are embedded into ongoing business decision-making and risk management, rather than relying solely on grievance or whistle-blowing mechanisms. The process supports the prevention and mitigation of adverse human rights impacts across Neuland's operations and value chain.

Human Rights (in number)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Child or forced labour incidents reported	0	0	0	0
Child or forced labour audits conducted in own operational sites	Third Party Ethics and Human Rights Audit completed covering 100% of operations	Third Party Ethics and Human Rights Audit completed covering 100% of operations	Third Party Ethics and Human Rights Audit completed covering 100% of operations	Third Party Ethics and Human Rights Audit completed covering 100% of operations
Human rights impact assessments performed	Third Party Ethics and Human Rights Audit completed covering 100% of operations	Third Party Ethics and Human Rights Audit completed covering 100% of operations	Third Party Ethics and Human Rights Audit completed covering 100% of operations	Third Party Ethics and Human Rights Audit completed covering 100% of operations
Grievance mechanism cases of human rights incidents	0	0	0	0

8. Employee Development Programs

Learning Methods Offered for Employee Development

Neuland has established a structured employee learning and development framework to strengthen employees' technical, functional, behavioural and leadership capabilities and support their career development. The Company uses a combination of internal and externally supported learning methods, including coaching and mentoring, structured learning programmes, workshops, seminars, webinars, e-learning and learning through teams and professional networks.

Neuland's Mentoring and Coaching Programme enables employees to learn from experienced senior leaders and supports their readiness for broader responsibilities and career progression. The Company also facilitates learning through teams and networks, including cross-functional collaboration, knowledge sharing, interaction with subject-matter experts, workshops and other learning forums. Its Learning Management System and digital learning resources further enable employees to access continuous and self-directed learning opportunities.

Leadership Development Programme

Neuland implements structured leadership development programmes for current and future leaders. The Company's Leadership Journey Programme includes leadership competency assessment, psychometric assessment, identification of development areas, Individual Development Plans and periodic reviews.

The Company also conducts programmes such as Learn to Lead and Supervisory Skill Development to strengthen leadership, people-management and supervisory capabilities. Leadership development is further supported through talent assessment, 360-degree feedback, succession planning, career planning and Individual Development Plans for identified talent.

Cultural Education

Neuland incorporates organisational culture, values and expected behaviours into its employee development framework. The Parichay induction programme familiarises employees with the Company's culture, legacy and core values, while ongoing learning and leadership programmes reinforce these values in day-to-day work.

The Company also uses behavioural and interpersonal development programmes to strengthen communication, collaboration, stakeholder management and inclusive working practices across the workforce.

Transition Programme for Retiring and Terminated Employees

Neuland supports employees during career transitions through its established employee-management and separation processes. Employees transitioning out of the organisation receive appropriate guidance and support in accordance with applicable Company policies, employment terms and statutory requirements. Where applicable, the Company supports employees through transition-related discussions, documentation, benefits and other separation-related assistance. The Company also facilitates career development and employability through its broader learning and development framework.

Digital Transition Programme

Neuland is strengthening digital capabilities as part of its broader digital transformation. Employee development initiatives include digital learning, e-learning, Learning Management System-based programmes and capability-building initiatives that enable employees to adopt new digital tools, technologies and ways of working.

The Company's digital capability-building approach supports employees in developing the skills required to improve process efficiency, data-driven decision-making, technology adoption and business transformation.

Quantitative Business Impact of Employee Development Programmes

Neuland monitors the effectiveness and business relevance of employee development through participation, completion, workplace application and capability-development indicators.

During FY2025–26, the Company recorded 1,42,461 learning hours across employees and workmen, covering 3,881 participants. Employee development initiatives included technical, functional, behavioural, leadership and digital-learning interventions delivered through structured learning programmes, coaching, mentoring, digital learning and on-the-job development.

As part of its leadership and supervisory development initiatives, the Company implemented structured Action Learning Projects (ALPs) through programmes such as ACE, Learn to Lead and other leadership-development interventions. These projects enabled participants to apply learning in real workplace situations and successfully complete assigned improvement initiatives.

Neuland monitors participation, completion, workplace application, Action Learning Project implementation, Individual Development Plan progress and leadership-pipeline development as indicators of employee-development effectiveness.

Coverage of Contractual and Part-Time Employees

Neuland extends relevant learning and development opportunities to its broader workforce, including eligible contractual employees, based on their roles, responsibilities and development requirements. Contractual employees receive applicable functional, operational, behavioural and capability-building training relevant to their work.

Structured development programmes such as leadership and career-development programmes are provided based on employee eligibility and role requirements, while learning and capability-building initiatives applicable to the broader workforce are made available to relevant contractual employees. Part-time employees, where applicable, are covered by relevant development initiatives based on their role and employment terms.

Overall Employee Development Approach

Neuland's employee development framework therefore incorporates coaching and mentoring, teams and networks, leadership development, cultural education, digital capability development, career development, Individual Development Plans, succession planning and ongoing learning opportunities. These initiatives are designed to strengthen employee capabilities, build a future-ready workforce and align individual development with the Company's evolving business and strategic requirements.

Disclosure of the quantitative business impact

Neuland monitors the business impact of its employee development programmes through quantitative talent and organisational capability indicators, including leadership-readiness and succession coverage for critical positions, career progression of identified talent and completion and monitoring of Individual Development Plans. The Leadership Competencies Awareness Framework assessed the profiles of more than 100 employees at AGM and above levels, with identified talent mapped for succession to critical positions and individual development journeys established and periodically reviewed. The Mentoring and Coaching Programme covered 27 employees through 15 mentors, while the Learn to Lead and Supervisory Skill Development programmes covered 29 and 51 employees, respectively. These measures enable Neuland to track the development of leadership capability, internal talent pipelines and readiness for critical roles

Employee trainings	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Average training hours per employee	Hours/employee	25	18	35.6	36.7
Employees trained on discrimination and human rights	Percentage	100	100	100	100
Employees who have received career or skill related training	Percentage	54	100	100	100
Employees trained on health and safety issues	Percentage	100	100	100	100

9. Employee survey

Employee survey	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee satisfaction survey score (in percentage)	67	73	70	69

10. Type of Performance Appraisal

Neuland conducts formal mid-year and annual performance reviews for all full-time and part-time employees, supported by structured one-on-one discussions between employees and their reporting managers. Performance objectives are established collaboratively with line managers and are reviewed periodically to assess progress against predefined individual and organisational goals. The annual performance review covers both performance evaluation and career development, including discussions on employees' development needs, career aspirations and opportunities for growth.

Neuland follows a multidimensional performance appraisal approach, incorporating multiple inputs into employee performance assessment. In addition to individual objectives and performance outcomes, managers consider feedback from internal stakeholders before finalising performance ratings. A formal 360-degree feedback process is implemented for Heads of Departments and critical senior employees, providing perspectives from relevant colleagues and stakeholders.

Performance management also incorporates a team-based performance approach, where relevant employees are assessed against both individual objectives and team or functional objectives. This enables individual contributions to be considered alongside the achievement of shared business, functional and organisational goals and promotes collaboration and collective accountability.

Neuland also follows an agile performance-management approach through ongoing performance and development conversations. Managers and employees engage in regular discussions throughout the year to review objectives, provide feedback, discuss progress and identify or address performance and development requirements. These ongoing conversations complement the formal mid-year and annual reviews and enable objectives and priorities to be revisited as business requirements evolve.

The process therefore incorporates management by objectives, multidimensional performance appraisal, team-based performance appraisal, 360-degree feedback, one-on-one feedback, career-development discussions and agile/ongoing performance conversations. This integrated approach supports continuous feedback, employee development, capability building and alignment of individual and team performance with organisational priorities.

Career development KPIs	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employees who receive regular performance and career development reviews	Percentage	90	68	60.72	75.51
Employees who received personal development plans	Percentage	90	68	60.72	75.51
Numbers of Promotions	Number	125	237	167	249

4. Governance & Economic Dimension

1. Board Accountability

Shareholder approval required for changes in bylaw

The Company follows the governance framework prescribed under the Companies Act, 2013 and applicable SEBI Listing Regulations. Any amendment to the Memorandum of Association (MoA) or Articles of Association (bylaws) that affects shareholder rights, including matters relating to certain board processes such as exercising borrowing powers, alteration of objects (MoA) of the Company, voting rights, dividend entitlements or shareholder meeting procedures, requires approval of shareholders through the applicable resolution process. As a listed entity, the Company also complies with the relevant disclosure and approval requirements under the SEBI Listing Regulations, thereby ensuring transparency, accountability and protection of shareholder interests

No limitation to directors' liabilities

The Company does not provide any limitation on directors' liability beyond what is permitted under applicable law. Directors remain accountable for the discharge of their duties and responsibilities under the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws. This framework reinforces fiduciary responsibility, integrity and sound corporate governance, while ensuring that directors remain responsible for decisions taken in the course of the Company's affairs.

Annual election of board members

Neuland Laboratories Limited follows the provisions of the Companies Act, 2013 and SEBI Listing Regulations with respect to the appointment and reappointment of directors. Directors liable to retire by rotation retire at the Annual General Meeting (AGM) in accordance with statutory requirements and, being eligible, may offer themselves for reappointment by shareholders. The appointment or reappointment of Independent Directors is recommended by the Nomination and Remuneration Committee (NRC) and Board for the approval of the shareholders, as applicable. The tenure of an Independent Director shall not exceed five years per term, with a maximum of two consecutive terms of five years each, subject to compliance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and applicable regulatory requirements.

2. Management Ownership

The data in the table below is based on the value of shares held by the Vice-Chairman & CEO, Vice-Chairman & Managing Director, and Executive Chairman of the company as of March 31, 2026. The number of shares held was multiplied by the Company's stock price as of the last trading day of FY 2025-26 (INR 12,012.65). The value of the shares held, and base salaries are mentioned in the table below:

Position	Name(s)	No of Shares held at the end of reporting period	Values of Shares as per stock price on last trading day of FY 26 (INR)	Base Salary (INR)	Multiple of base salary
Vice Chairman & Chief Executive Officer	Mr. Davuluri Sucheth Rao	2,57,969	Rs. 3,09,88,91,307.85	Rs. 5,06,81,000	61.14
Vice Chairman & Managing Director	Mr. Davuluri Saharsh Rao	1,95,125	Rs. 2,34,39,68,331.25	Rs. 5,06,81,000	46.25
Executive Chairman	Dr. Davuluri Rama Mohan Rao	2,09,300	Rs. 2,51,42,47,645.00	Rs. 5,06,71,000	49.62

3. Materiality

Aspect	Material Issue 1	Material Issue 2	Material Issue 3
Material issue	Emissions and Climate Change	Digitalisation, including Cyber-security and Data Privacy	Sustainable Supply Chain
Material risk or opportunity	Risk Neuland's energy-intensive manufacturing operations are exposed to transition risks from climate regulation, energy costs and customer expectations, as well as physical climate risks. At the same time, energy efficiency, renewable energy adoption and emissions reduction provide opportunities to improve operational efficiency, resilience and long-term competitiveness.	Opportunity Digitalisation provides opportunities to improve operational efficiency, data-driven decision-making and business resilience, while increased dependence on digital systems creates risks relating to cybersecurity, data privacy, system availability and protection of sensitive information.	Risk Neuland's manufacturing operations depend on reliable sourcing of raw materials, intermediates, equipment and services. Supplier disruptions, concentration, quality issues, regulatory non-compliance and ESG risks may affect operational continuity, costs and customer commitments.
Business case	Reducing greenhouse gas emissions and improving energy efficiency. Neuland's energy-intensive operations expose the	Embracing digitalisation to improve operational efficiency and resilience. Digitalisation enables Neuland to improve	Building a resilient, responsible and transparent supply chain. Supply-chain disruptions and supplier-related ESG,

	Company to energy-cost volatility, increasing regulatory expectations and the transition towards lower-carbon manufacturing. Reducing emissions and improving energy efficiency can reduce operating costs and transition-related exposure while strengthening operational resilience. Type of impact: Cost	process efficiency, strengthen data-driven decision-making, enhance compliance and improve business continuity. Strengthening cybersecurity and data privacy alongside digital transformation helps protect critical information and systems. Type of impact: Opportunity	quality and compliance risks can affect operational continuity and customer commitments. Neuland therefore integrates supplier diversification, supplier assessment, ESG screening, responsible sourcing and supplier engagement into its procurement and supply-chain management approach. Type of impact: Risk
Business strategy	Neuland's climate strategy is guided by science-based emissions reduction targets and its Net Zero ambition. The Company targets a 58.8% reduction in absolute Scope 1 and Scope 2 emissions by FY2033–34 from the FY2023–24 baseline, a 63.8% reduction in Scope 3 emissions per tonne of product manufactured by FY2033–34, and Net Zero emissions across operations and the value chain by FY2049–50. Key initiatives include energy efficiency, renewable energy adoption, process optimisation, green chemistry, emissions monitoring and Scope 3 reduction initiatives.	Neuland is progressing its digital transformation through a structured roadmap focused on digitising business processes, strengthening data and technology capabilities, leveraging AI and improving transparency, compliance and decision-making. The Company has established a target to achieve more than 90% digitisation of business processes across key functions by 2030, while cybersecurity and data privacy controls support secure and resilient digital operations.	Neuland has developed a Sustainable Supply Chain roadmap with defined milestones and integrates ESG considerations into supplier onboarding, assessment and engagement. The Company uses supplier ESG screening, Supplier Code of Conduct requirements, supplier assessments, responsible sourcing practices and supply-chain GHG inventorisation to strengthen resilience and sustainability.
Target	58.8% reduction in absolute Scope 1 and Scope 2 GHG emissions by FY2033–34 from FY2023–24 baseline; 63.8% reduction in Scope 3 GHG emissions per tonne of product	More than 90% digitisation of business processes across key functions by 2030.	100% screening of new significant suppliers on ESG parameters and 100% assessment of significant suppliers, supported by supplier resilience,

	manufactured by FY2033–34; Net Zero by FY2049–50.		localisation, engagement and sustainability milestones.
Target year	2033	2030	2026
Progress	Neuland has established FY2023–24 as the baseline for its emissions targets and continued implementing energy-efficiency and emissions-reduction initiatives during FY2025–26. The Company reported reductions in fuel energy consumption, including coal-related energy consumption and LPG consumption.	Neuland has established a digitalisation roadmap and is progressively implementing digital initiatives across key functions, including technology-enabled process improvement, data-driven decision-making and AI-enabled capabilities, alongside strengthened cybersecurity and data-privacy practices.	During FY2025–26, Neuland reported 100% screening of new significant suppliers and 100% assessment of significant suppliers against defined ESG requirements. The Company also continued supplier engagement, supply-chain GHG inventorisation and supplier capability-building initiatives.
Executive compensation	Climate and ESG performance indicators are incorporated into the leadership Balanced Scorecard and contribute to performance-linked variable pay, supporting management accountability for climate and sustainability priorities.	Digitalisation and related strategic objectives are incorporated into the leadership performance-management framework through the Balanced Scorecard approach. Relevant strategic, operational, ESG and business-transformation objectives contribute to leadership performance assessment and variable pay.	Sustainable supply-chain and ESG objectives form part of the broader leadership Balanced Scorecard framework. Relevant sustainability and business-performance objectives contribute to leadership performance assessment and variable-pay processes.

Aspect	Impact 1	Impact 2
Material issue for external stakeholders	Sustainable Supply Chain	Emissions and Climate Change
External impact category	Supply Chain Management	Climate Transition & Physical Risks
Cause of the impact	Business value chain: Operations, Products/Services and Supply Chain.	Business value chain: Operations, Products/Services and Supply Chain.

Business activity coverage	More than 50% of business activities	More than 50% of business activities
External stakeholder / impact area evaluated	External employees / organisations in the supply chain and contractors	Environment
Topic relevance to external stakeholders	Neuland's procurement and supply-chain activities can affect the environmental and social performance of suppliers and value-chain partners. The Company evaluates supplier-related impacts through ESG screening, supplier assessments, GHG inventorisation, responsible sourcing practices and supplier engagement, covering areas such as emissions, environmental management, labour practices, health and safety and responsible business conduct. Type of impact: Negative	Neuland's manufacturing operations and value-chain activities generate greenhouse gas emissions that contribute to climate change and associated environmental impacts. The Company evaluates these impacts through its GHG inventory, Scope 1, Scope 2 and Scope 3 emissions measurement, climate-risk assessment and science-based emissions-reduction targets. Type of impact: Negative
Output metric	Scope 3 Category 1 – Purchased Goods and Services GHG emissions - 130,093 tCO ₂ e	Total GHG emissions – Scope 1, Scope 2 and Scope 3 - 223,173.26 tCO ₂ e
Impact valuation	Other – Company internal impact assessment methodology Neuland evaluates the external environmental and social impacts associated with its supply chain through supplier ESG assessments, supplier GHG inventorisation, risk-based supplier screening and monitoring of environmental and social performance. The assessment considers the potential consequences of supplier-related emissions, environmental impacts, labour practices, health and safety and responsible sourcing on external stakeholders.	Other — GHG emissions and climate impact. Neuland evaluates its climate-related external impact through measurement of GHG emissions across its operations and value chain, assessment of climate-related risks and impacts, and tracking of performance against science-based emissions-reduction targets and its Net Zero ambition. The assessment considers the contribution of GHG emissions to climate change and associated environmental consequences.
Impact metric	Supply-chain environmental and social impact performance	Climate impact measured through GHG emissions and emissions intensity

	Impact is assessed through supplier GHG emissions, supplier ESG performance, coverage of significant suppliers under ESG screening and assessment, and identification and management of actual and potential negative impacts across the supply chain.	The impact on the environment is quantified through total Scope 1, Scope 2 and Scope 3 GHG emissions and relevant emissions-intensity indicators, with progress assessed against Neuland's science-based emissions-reduction targets and Net Zero pathway.
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4. Executive compensation

Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	47.61	55.52	163.95	222.27

5. Risk Governance

Operational Risk Ownership – First Line

Neuland has clearly assigned operational risk ownership within its business and functional operations. Employees, process owners and business/function heads are responsible for identifying, managing and monitoring risks arising from their respective day-to-day activities. The first line is responsible for implementing established risk controls, maintaining compliance with applicable procedures and escalating material or emerging risks through the defined governance structure.

Risk Management and Compliance Oversight – Second Line

Neuland has dedicated management-level functions and governance mechanisms that provide oversight of risk management and compliance. These functions establish and monitor risk-management and control requirements, review compliance with applicable policies and procedures, assess significant and emerging risks, and provide guidance to operational teams on appropriate mitigation measures. The second line operates separately from day-to-day risk ownership and provides oversight and monitoring of the risk-management framework.

Independent Audit Unit – Third Line

Neuland has an independent Internal Auditors who review the effectiveness of risk management, internal controls and governance processes, as per the internal audit schedule. Being external Internal Auditors, the auditors operate independently from the Company's management and the functions responsible for managing and controlling risks and reports its observations and recommendations through the established governance structure, including the Audit Committee. Its scope extends beyond financial reporting and includes reviews of operational, compliance, process and risk-management controls.

Three Lines of Defense Governance

Neuland's risk governance framework follows the principles of the Three Lines of Defense model, with responsibilities distributed across operational risk ownership, risk management and compliance oversight, and independent assurance. The first line manages risks through day-to-day operations, the second line provides oversight and monitors adherence to risk and control requirements, and the third line independently assesses the effectiveness of risk management and internal controls. This structure establishes clear accountability and supports effective escalation, monitoring and assurance of material risks.

6. Risk Management Processes

Risk Exposure Assessment

Neuland maintains an enterprise risk management framework to identify, assess and monitor risks based on their potential likelihood and impact on the Company. The assessment considers the nature and magnitude of potential financial, operational, regulatory, strategic, environmental and reputational impacts. Key risks assessed include supply-chain disruption, regulatory and compliance risks, cybersecurity and data privacy, climate-related risks, occupational health and safety, business continuity and financial risks.

Risk Appetite

Neuland determines its risk appetite through its enterprise risk management framework, under which identified risks are assessed against defined likelihood and impact parameters and prioritised according to their potential effect on strategic and operational objectives. Risk owners are responsible for managing risks within the approved risk appetite, while material or elevated risks are escalated to senior management and the appropriate Board-level governance forum for review and decision-making.

Risk Mitigation

Neuland develops and implements mitigation measures for identified material risks. For supply-chain risks, mitigation measures include supplier qualification and assessment, multi-sourcing, inventory buffers, supplier monitoring and contingency sourcing. Climate and environmental risks are addressed through energy-efficiency measures, renewable-energy initiatives, climate-risk assessments, business-continuity measures and resource-efficiency programmes. Cybersecurity risks are managed through information-security controls, monitoring, awareness and incident-response mechanisms. Occupational health and safety risks are addressed through hazard identification and risk assessment, engineering controls, safety procedures, training, emergency preparedness and periodic safety assessments.

Regular Risk Review

Neuland regularly reviews its risk profile through its enterprise risk management and governance processes. Material risks are monitored throughout the year, with formal reviews conducted at least twice annually and more frequently where required. Emerging and elevated risks are escalated to the relevant management and Board-level governance forums for review and appropriate action.

Internal Audit

Neuland's risk management processes form part of its internal audit and assurance framework. Internal audit reviews the effectiveness of relevant risk management, internal control and governance processes, with observations and recommendations reported to management and the Audit Committee for appropriate action yearly.

External Audit

External assurance and audit activities are undertaken where applicable to provide independent review of relevant risk management, control and governance processes. The scope of such reviews is determined based on the nature and significance of the relevant risks and control areas yearly.

Risk Management Education for Non-Executive Directors

Neuland provides non-executive directors with regular updates and awareness on the Company's risk profile, emerging risks, enterprise risk management framework and mitigation measures. Significant changes in the risk environment and material risks are communicated to the Board and relevant Board-level committees to support effective oversight.

Risk Management Training Across the Organisation

Neuland promotes risk awareness and provides focused training and awareness programmes across the organisation based on employees' roles and responsibilities. Training and awareness cover relevant areas such as operational risks, regulatory compliance, information security, occupational health and safety, business continuity and other risk-management requirements.

Risk Criteria in Product and Service Development

Risk considerations are integrated into product and process development activities. Depending on the nature of the product or development activity, Neuland considers quality, regulatory, operational, environmental, occupational health and safety, supply-chain and technology-related risks to identify potential impacts and implement appropriate controls during development and commercialisation.

Risk-Related Financial Incentives

Neuland incorporates relevant risk and sustainability objectives into leadership performance management through its Balanced Scorecard framework. Risk-related areas such as ESG performance, safety, compliance and other applicable risk-management objectives contribute to performance assessment and variable pay, thereby linking leadership accountability and financial incentives with the management of identified business risks.

7. Sites covered under risk assessment

Risk assessment (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Operational sites covered under environmental risk assessment	100	100	100	100
Operational sites covered under employee health and safety risk assessment	100	100	100	100
Operational sites covered under business ethics risk assessment	100	100	100	100

8. Emerging Risks

Particulars	Emerging Risk 1	Emerging Risk 2
Name of Emerging Risk	Trade Wars and Geopolitical Tensions:	Failure to capture upsides (or contain downsides) from use of AI
Category	Geopolitical	Technological
Description	Risk events: 1) Rising tariffs and trade barriers compressing margins and affecting price competitiveness	Risk events: 1) AI misuse causing data or confidentiality breaches, triggering compliance and contractual risks

	2) Localization mandates limiting export flexibility and market access 3) Geopolitical realignments reshaping supply chains, driving higher input and logistics costs.	2) AI-driven cyber or misinformation threats disrupting operations and financial stability. 3) Slow or ineffective AI adoption eroding efficiency and competitiveness.
Impact	Severe in the short to medium term (1 - 5 years) Moderate in the long-term (>5 years)	1) High in the short term (1-2 years) 2) Severe in the medium term (2-5 years) 3) Moderate-High in the long term (>5 years)
Mitigating actions	For above describe event: 1) Proactively work with Customers to mitigate any pricing impacts, protect prospectively through contractual safeguards, hedging 2) Long term: Wider geography research/ manufacturing investment 3) Reduce geographic dependencies and increase efficiencies and resilience in supply chains and business models	For above describe event: 1) Publish responsible AI policy and train and educate employees on responsible use of AI as well as risks from AI; 2) Increase external cyber threat assessments and simulations and employee awareness 3) Systematic deployment of identified projects in both core areas of Quality/Manufacturing/R&D /Project Management as well as HR and Contract/Legal

9. Reporting on Breaches

Reporting areas (in number of cases)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Corruption or bribery	0	0	0	0
Discrimination or harassment	0	0	3	0
Customer privacy data	0	0	0	0
Conflicts of interest	0	0	0	0
Money laundering or insider trading	0	0	0	0
Whistleblower reports received	0	0	0	0

10. Business Ethics training

Employees trained on business ethics (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	100	100	100	100

11. Lobbying and Trade Associations - Climate Alignment

Neuland has established a structured management system for public policy engagement, lobbying activities and participation in trade associations. The Company engages with government and regulatory authorities and participates in relevant industry associations to contribute to policy discussions and monitor regulatory developments. Such activities are undertaken in accordance with applicable laws, regulations and the Company's governance requirements.

Governance and Accountability

Public policy engagement and trade association memberships are overseen through the Company's governance framework, with defined responsibilities across relevant functions and management. Material public policy matters are escalated through the appropriate management and governance channels, ensuring accountability for the Company's external engagement and policy positions.

Climate-related Public Policy Position

Neuland supports public policies and regulatory measures that facilitate the transition to a low-carbon economy and are aligned with the objectives of the Paris Agreement. The Company supports policies promoting renewable energy, energy efficiency, greenhouse gas emissions reduction, industrial decarbonisation, resource efficiency and adoption of lower-carbon technologies.

Neuland's public policy position is consistent with its climate strategy and Net Zero ambition, including its commitment to reduce greenhouse gas emissions across its value chain and progressively transition towards lower-carbon operations.

Review and Monitoring of Public Policy Engagement

Neuland maintains processes to review and monitor its public policy engagements to ensure consistency with its climate strategy and stated policy positions. For direct lobbying and public policy engagement, relevant functions assess proposed engagements and policy positions against the Company's sustainability objectives, climate commitments and applicable regulatory requirements before material engagement is undertaken.

For trade associations, Neuland periodically reviews relevant memberships and monitors the policy positions and advocacy activities of associations on climate and environmental matters. The Company assesses the alignment of material association positions with its own climate objectives and Paris-aligned position.

Addressing Misalignment with Trade Associations

Where a material misalignment is identified between a trade association's climate-related policy position or advocacy activities and Neuland's climate position, the Company engages with the relevant association to seek clarification and encourage alignment. Where appropriate, such matters are escalated through the Company's governance framework.

If a material misalignment cannot be satisfactorily addressed, Neuland may publicly clarify its position, reassess its participation in the association, or discontinue the relevant membership, as appropriate.

Reporting and Transparency

Neuland reports on its public policy engagement and participation in trade associations through its corporate and sustainability disclosures. The Company provides information on relevant trade association memberships and associated expenditure and monitors climate-related policy developments and engagements.

The Company also maintains oversight of climate-related direct lobbying activities and will disclose material climate-related lobbying engagements, where applicable, including the relevant policy subject matter and nature of the engagement.

Scope

The programme applies to all jurisdictions in which Neuland has operations, undertakes public policy engagement or maintains relevant trade association memberships. The Company's engagement includes interactions with central and state government authorities and participation in relevant national, regional and industry associations.

12. Supplier ESG Programs

Highest accountable decision-making body

Executive management has overall accountability for Neuland's ESG Supply Chain Management System. Executive management oversees the integration of environmental, social and governance considerations into supplier management and procurement activities and is responsible for ensuring that supplier ESG requirements are established, implemented, monitored and periodically reviewed in alignment with the Company's sustainability objectives.

Review of purchasing practices

Neuland regularly reviews its purchasing and procurement practices to ensure alignment with the Company's Supplier Code of Conduct and ESG requirements. Procurement decisions consider commercial requirements, including cost, quality and delivery, together with applicable environmental, social and governance criteria. This review helps identify and address purchasing practices that could create potential conflicts with supplier ESG requirements and enables the Company to maintain consistency between its procurement practices and responsible sourcing commitments.

Exclusion of suppliers that do not meet minimum ESG requirements

Neuland establishes minimum ESG requirements for suppliers through its Supplier Code of Conduct and supplier assessment processes. Suppliers that do not initially meet the applicable requirements are provided with corrective-action and improvement opportunities within defined timelines. Suppliers that are unable to achieve the required minimum ESG standards within the stipulated timeframe may be excluded from supplier selection, tendering or contracting until the identified gaps are satisfactorily addressed.

Preference for suppliers with better ESG performance

Neuland integrates ESG performance into supplier evaluation, selection and contract-awarding processes alongside conventional procurement criteria such as quality, cost, technical capability and delivery performance. Suppliers demonstrating stronger ESG performance and alignment with Neuland's sustainability expectations are given preference during supplier evaluation and selection. This approach encourages suppliers to improve their environmental, social and governance performance and embeds responsible sourcing considerations into procurement decision-making.

Training for buyers and internal stakeholders

Neuland provides training and awareness programmes for buyers and relevant internal stakeholders involved in procurement and supplier management. The training covers the Supplier Code of Conduct, supplier ESG requirements, ESG screening and assessment processes, responsible sourcing expectations, identification of supplier ESG risks, corrective-action requirements and the integration of ESG considerations into supplier selection, evaluation and ongoing supplier management. These programmes help ensure that procurement personnel understand their roles and responsibilities in implementing the Company's supplier ESG objectives.

Buyers trained on sustainable procurement (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	100	100	100	100

13. Supplier Screening

Supplier screening — aspects:

Environmental

Neuland screens significant suppliers for environmental risks, including greenhouse gas emissions, energy and resource consumption, water use, waste generation, pollution, hazardous substances and other relevant environmental impacts.

Social

Neuland screens significant suppliers for social risks, including human rights, labour practices, occupational health and safety, non-discrimination, working conditions, forced and child labour, freedom of association and other relevant social impacts.

Governance

Neuland screens significant suppliers for governance risks, including anti-bribery and anti-corruption, conflicts of interest, ethical business practices, compliance and responsible business conduct.

Business relevance

Neuland considers the business relevance of suppliers as part of its screening process, including factors such as supplier criticality, procurement spend, dependency, substitutability and the potential impact of supplier disruption on business operations.

Supplier KPIs (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Unique suppliers that have signed the supplier code of conduct	100%	100%	100%	100%
Suppliers with contracts that include ESG clauses	100%	100%	100%	100%
Unique suppliers covered by a sustainability assessment	0%	0%	0%	1.78%
Unique suppliers that have gone through a sustainability on-site audit	0%	0%	0%	2.77%
Audited or assessed suppliers engaged in corrective actions or capacity building	0%	0%	0%	0%

Supplier screening — risks considered:

Country-specific risk

Neuland considers country-specific ESG risks associated with significant suppliers, including relevant political, social, economic, environmental and regulatory conditions that may affect supplier sustainability performance and supply continuity.

Sector-specific risk

Neuland considers sector-specific ESG risks based on the characteristics of the supplier's industry, including labour conditions, resource intensity, energy consumption, emissions, pollution potential and other sector-relevant environmental and social risks.

Commodity-specific risk

Neuland considers commodity-specific ESG risks associated with key materials and commodities sourced from suppliers, including risks related to resource intensity, material toxicity, environmental impacts, labour conditions, emissions and pollution potential.

14. Supplier Assessment and Development

Neuland has established a structured supplier assessment process for significant suppliers, including Tier 1 and critical suppliers. The assessment process evaluates suppliers against environmental, social, governance and business-related criteria and is supported by supplier due diligence, ESG assessments, evidence verification and corrective-action mechanisms.

Supplier desk assessments with systematic verification of evidence

Neuland conducts structured desk-based assessments of significant suppliers. Suppliers are required to provide relevant information and supporting evidence relating to their environmental, social and governance policies, practices, certifications and performance. The information submitted is reviewed against defined supplier requirements and assessment criteria to identify ESG risks, gaps and areas for improvement.

Supplier on-site assessments – 2nd party

Neuland conducts supplier on-site assessments through authorised procurement, supply chain, quality, EHS and other relevant personnel, as applicable. Assessments include review of supplier documentation, management systems, operational practices and site-level performance against applicable ESG, quality, safety, environmental and compliance requirements. Findings are used to identify corrective and improvement opportunities.

Supplier on-site assessments – 3rd party

Neuland uses independent external assessment and verification mechanisms, where appropriate, to strengthen the evaluation and assurance of supplier ESG performance. Third-party assessments may be used to evaluate supplier sustainability practices, compliance and performance against applicable requirements and recognised standards.

Recognised industry / multi-stakeholder standards and methodologies

Neuland's supplier assessment approach is aligned with its Supplier Code of Conduct and relevant recognised management-system and sustainability standards. Supplier evaluations consider applicable standards and certifications, including ISO 9001, ISO 14001 and ISO 45001, as relevant to the supplier's activities. Neuland also leverages external sustainability assessment methodologies and platforms to support systematic evaluation of supplier ESG performance.

Supplier corrective action / improvement plans

Where supplier assessments identify ESG non-conformities, gaps or areas requiring improvement, Neuland establishes corrective and improvement actions with the concerned suppliers. Suppliers are expected to address identified gaps within defined timelines, with progress monitored through the supplier management process. Persistent or material non-compliance may result in escalation, reassessment or appropriate action within the supplier relationship.

Supplier Development:

Neuland has established a supplier development approach focused on improving supplier awareness, capabilities and ESG performance through engagement, training, knowledge sharing, corrective-action support and capacity building.

Supplier information / training on the Company's supplier ESG programme

Neuland provides suppliers with information, training and awareness on its Supplier Code of Conduct, ESG requirements, responsible sourcing expectations, assessment processes and sustainability objectives. Supplier engagement includes workshops, webinars, knowledge-sharing sessions and other capability-building activities to strengthen suppliers' understanding and implementation of ESG requirements.

Supplier access to ESG benchmarks against peers

Neuland provides suppliers with visibility into their sustainability performance through ESG assessment tools, performance dashboards and benchmarking mechanisms. Suppliers can use the resulting performance information to identify areas of strength and improvement and develop actions to enhance their ESG performance against applicable sustainability expectations and benchmarks.

Supplier support on corrective / improvement actions

Neuland provides suppliers with guidance and support to address identified ESG gaps and implement corrective and improvement actions. Support is provided through dedicated resources, remote engagement, workshops, webinars and knowledge-sharing sessions, as well as direct supplier engagement where required. Progress is monitored to support continuous improvement and achievement of applicable ESG requirements.

In-depth technical support and capacity-building programmes

Neuland undertakes structured supplier capability-building initiatives to strengthen ESG knowledge, systems and performance. These initiatives include targeted training, capability-building sessions, ESG data collection, carbon-emissions measurement, Scope 3 emissions management, climate target-setting and sustainability performance improvement. Through its supplier sustainability programme and NeuACTS platform, Neuland supports suppliers in implementing ESG best practices and strengthening their overall sustainability performance.

15. KPIs for Supplier Assessment and Development

Tier-1 and non-Tier-1 suppliers

KPI for supplier assessment and development		FY 2025 - 26
Total number of unique suppliers		1659
Number of unique significant suppliers		255
Number of unique significant suppliers supported with development measures		255
Number of unique significant suppliers assessed via desk assessments/on-site assessments		29
Number of unique significant suppliers assessed with substantial actual/potential negative impacts		0

Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated	0

10. Information Security Management Programs

Information Security Business Continuity Plans

Neuland has information security-related business continuity and disaster recovery measures in place to support the continued availability and recovery of critical information systems and technology infrastructure. These plans establish response, recovery and escalation mechanisms to minimise disruption arising from information security incidents, system failures and other technology-related events.

Information Security Vulnerability Analysis

Neuland conducts information security risk assessments and vulnerability assessments to identify, evaluate and prioritise vulnerabilities across its information technology environment. Identified vulnerabilities are assessed based on their potential impact and are addressed through appropriate corrective and preventive measures to strengthen the Company's information security posture.

Escalation Process for Information Security Incidents

Neuland has established mechanisms for employees to report information security incidents, suspected vulnerabilities, suspicious activities and potential cybersecurity threats. Reported incidents are escalated to the appropriate IT, information security, compliance and management functions for investigation, containment, remediation and monitoring.

At NLL management responsibilities and procedures is established to ensure a quick, effective, and orderly response to information security incidents. The information security events, weaknesses, alerts and vulnerabilities are used to detect the information security incidents.

All employees, contractors and third-party users of information systems and services shall be required to note and report any observed or suspected security weaknesses in systems or services.

Any information security incidents including but not limited to computer systems, computer-based or hardcopy information immediately to cybersecurity@neulandlabs.com, the ITS to determine if the threat is a false-positive or a potential Information Security Incident and Data Breach.

An incident is reported in 2 fashion:

1. via email
2. via Fresh work (IT Help tool)

Internal Reporting Channel

Any information security incidents or Data Breach can be reported by NLL Information Security team, employees, etc. by using the following method:

Email to cybersecurity@neulandlabs.com

External Reporting Channel

Any information security incidents or Data Breach can be reported by NLL's Clients, Third Parties, Partners, etc. by using the following method:

Email to: Cybersecurity@Neulandlabs.com

Information security incidents related to business application, file server, mailing system are reported directly through ITS ticketing system - Fresh works. ITS TEAM/ISG performs the root cause analysis and rectifies the same.

Information Security Incident are classified into four categories namely Level1, level2, Level3 and level4 Based on the type of incident, the incident raised will be classified into above 4 categories by Analystist The ITS team is responsible at different levels of incident

Incident Level	Person (s) Responsible
Level 1	ISG
Level 2	ITS Team
Level 3	Administrator
Level 4	Support

Once the issue is assigned to a particular Analyst in the ITS team, he/she further investigates the issue and performs root cause analysis, and these are recorded in the system – IT Helpdesk for future reference.

The ITS team maintains the primary procedures for prioritization of the incidents and for handling the containment, eradication and recovery aspects of Information Security Incidents, and the guidelines for development of an escalation procedure.

Level	Severity Level	Definition	Response Time	Resolution Time
Level 1	Critical	The problem that affects the entire business operation of a group of users	15 minutes	Within 4 hours
Level 2	High	Problem with no workaround that affects a single user	Within 8 hours	Within 16 hours
Level 3	Medium	A general service request or problem with a workaround solution	Within 16 hours	Within 24 hours
Level 4	Low	A service request that does not require immediate attention or involves long-range planning	Within 24 hours	Within 36 hours

Information Security Breaches

Breaches (in number of cases)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	0	0	0	0

Grievance Escalation Mechanism: Employees may raise concerns or report suspected violations through their Immediate Supervisor/Reporting Manager, HR Department, or the Designated Compliance Officer. Information security-related incidents may be reported directly to the Information Security Team. Reported concerns are investigated promptly and confidentially, and appropriate action is taken in accordance with the Company's established policies and procedures.

Information Security Awareness Training

Neuland conducts information security awareness and training programmes for employees to strengthen awareness of cybersecurity threats and responsible use of information systems. The training covers areas including data protection, secure access practices, phishing and social-engineering risks, password security, safe handling of information and reporting of suspected information security incidents.

Employees who have received IT security training (in percentage)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	100	100	100	100

Internal Audits of IT Infrastructure and Information Security

Neuland conducts internal audits and assessments covering its IT infrastructure, information security controls and related processes. These reviews assess the effectiveness of information security controls, identify vulnerabilities and control gaps, evaluate compliance with established policies and procedures, and monitor the implementation of corrective actions.

Independent External Audit / Certification

Neuland's Information Security Management System (ISMS) is certified to ISO/IEC 27001:2022. The certification provides an independently assessed framework for managing information security risks and protecting the confidentiality, integrity and availability of information. Neuland's information security controls are subject to periodic assessment and audit to maintain the effectiveness of the ISMS and support continued compliance with the applicable standard.

11. Product Quality Incidents & Corrective Action

Topic	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Product quality incidents (in numbers)	0	0	0	0
Product quality incident corrective actions	No corrective actions	No corrective actions	No corrective actions	No corrective actions
Number of customer feedback regarding product safety	0	0	0	0

12. Compliance to Regulatory Standards

Regulatory agency inspections	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of inspections	4 (USFDA/EDQM/CDSCO (2))	2 (USFDA/ANVISA)	1 (USFDA)	2 (USFDA/WHO, Geneva)

Form 483 Observations (or equivalent)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Form 483 Observations (or equivalent) *	3	0	1	1
Annual Revenue Generated from Affected Facilities (USD Mn)	0	0	0	0
Annual Revenue Impacted by Production Stoppages (USD Mn)	0	0	0	0

* The observations were procedural in nature and did not have any impact either on the operations or on the revenues.

FDA Warning Letters (or equivalent)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of FDA Warning Letters (or equivalent)	0	0	0	0
Annual Revenue Generated from Affected Facilities (USD Mn)	-	-	-	-
Annual Revenue Impacted by Production Stoppages (USD Mn)	0	0	0	0