

ANNEXURE III

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24232CH1995PLC015553
2. Name of the Company	Ind-Swift Laboratories Limited
3. Registered Address	SCO 850, Shivalik Enclave, NAC, Manimajra, Chandigarh- 160101
4. Website	www.indswiftlabs.com
5. E-mail id	pardeep.verma@indswiftlabs.com
6. Financial Year Reported	1st April 2021 to 31st March 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	NIC Code - 210 Description - Pharmaceuticals
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Active Pharmaceutical Ingredients (APIs). 2. Advanced Intermediates 3. Contract Research and Manufacturing Services (CRAMS)
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	International : USA
(b) Number of National Locations	National : Two manufacturing locations, one R&D Centre, one marketing office
10. Markets served by the Company – Local/State/National/International	Company has a global footprint and serves both National and International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)

INR 59.81 Crores

2. Total Turnover (INR)

INR 1029.81 Crores

3. Total profit after taxes (INR)

INR (- 6.13) Crores

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

During the financial year 2021-22, the company has spent INR 22,27,353/- on CSR Activities.

5. List of activities in which expenditure in 4 above has been incurred:-

Please refer to Annexure V – “Annual Report on CSR activities for the Financial year 2021-22” of the Board’s report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

- Yes. The details of subsidiaries are provided in Board’s report, which forms part of the annual report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

- The Subsidiary Companies do not participate in the BR Initiatives of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

- The other entities e.g. Suppliers, distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 00015096
2. Name: Sh. Navrattan Munjal
3. Designation: Chairman and Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00015096
2	Name	Sh. Navrattan Munjal
3	Designation	Chairman and Managing Director
4	Telephone number	0172-5061850
5	e-mail id	investor@indswiftlabs.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	<p>Ind-Swift Laboratories Limited does not have a formal policy covering all the nine NVG principles. However, company is in the process of developing policies adopting all of the National Voluntary Guidelines Principles.</p> <p>Currently, company has a few policies to encourage business responsibility throughout its operations viz:</p> <p>a) Vigil Mechanism (Whistle Blower Policy). b) Corporate Social Responsibility Policy. c) Policy for Determination of Materiality. d) Code of Fair Disclosure. e) Code of Conduct f) Code of Business Conduct and Ethics</p>								
2	Has the policy being formulated in consultation with the relevant stakeholders?	<p>Stakeholders are of utmost importance to Ind-Swift. Stakeholder interest is incorporated into developing a successful business agenda and policymaking, ensuring stability in long term financial returns, at the same time meeting along with legal and ethical requirements.</p> <p>Board members ensure operational transparency to the stakeholders, and at the same time ensure that confidentiality is maintained in order to build a culture of good decision-making. Company has a stakeholder relationship committee to address stakeholder's interest.</p>								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	<p>Ind-Swift governance strategies and policies follow the Companies Act, 2013, as well as SEBI listing regulations.</p>								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all of Ind-Swift policies need to be approved by the board before execution. Board members and the Managing Director are actively involved in formulation of the policy.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Ind-Swift has seven KMP's (Key Managerial Personnel) in accordance with Company's Act, 2013. The Chairman of company is also the executive director, who is mostly responsible for Environmental, Economic, Social and Governance decisions, with the help of other board members. The board is responsible for overseeing implementation of policies.								
6	Indicate the link for the policy to be viewed online?	https://www.indswiftlabs.com/investor/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies have been communicated to all employees, shareholders, and other relevant stakeholders. Policies are available on the company's website.								
8	Does the company have in-house structure to implement the policy/ policies.	Ind-Swift KMP's, board members are responsible for formulating and implementing the policies, under the guidance of the Managing Director.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Ind-Swift has a code of conduct and Vigil Mechanism (Whistle Blower Policy) that allow stakeholders to communicate their grievances to the board members. Ind-Swift has an internal complaint committee to hear cases related to Sexual harassment and to promote a safe workplace for all the women's working in the organization. These grievances are reported to the Chairman and other members of the committee. Ind-Swift also has an investor's grievance cell i.e. Stakeholder Relationship Committee where investors can put forth their issues.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	During the year Company has got the audit of the Company's Environmental, social, and ethical performance – or Sustainability done from Ecovadis, which is World's largest and most trusted provider of business sustainability ratings. EcoVadis access processes of organization from the perspectives of transparency, sustainability, modernization and efficacy. Organization started its EcoVadis journey in year 2020 and started to gradually build & improvise our processes to meet global standards of sustainable processes. Organization qualified assessment criteria of EcoVadis and attained "EcoVadis Bronze Medal" in year 2022 for our sustainable process flows in domains of Environment, Safety, HR, Labour, Ethics and Procurement.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Ind-Swift assesses the business performance Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Ind-Swift business responsibility report is published on an annual basis. Hyperlink of the same is <http://www.indswiftlabs.com/investor/business-responsibility-reports/>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Ind-Swift policies on ethics, bribery and corruption i.e. its code of conduct covers not only its employees, but also includes other people associated with it like contractors/suppliers. Ind-Swift code of conduct or "Vigil Mechanism (Whistle Blower Policy)" constantly promotes ethical behaviour in all its business activities in accordance with the best international governance practices; through its directors, employees, business associates and other stakeholders, Ind-Swift has established a system to report unethical behaviour, malpractices, fraud and other incidents of misconduct. Ind-Swift has a policy in place in which all the directors, employees and business associates have the ability to directly access the Chairman, who then work towards resolving the issues. Ind-Swift is putting in a mechanism in place to develop a supply chain policy to ensure that best practices are followed throughout its supply chain.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During this year, we have not received any complaint related to unethical practices across all our operations.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- (a) Active Pharmaceutical Ingredients (APIs).
- (b) Advanced Intermediates
- (c) Contract Research and Manufacturing Services (CRAMS)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Continuous improvement in every aspect is a prime factor in our corporate policy. Our motive is to look beyond the statutory compliances to create responsible business practices that guarantee a safe work environment and a healthy work force.

Initiatives are taken to improve awareness regarding legal compliances, to enhance eco-friendly efficiencies and packaging/logistics improvements at the suppliers' end. Our approach is to add value in such a manner that not only are our products affordable and accessible, but our practices are also sustainable and equitable.

Paper less working while generating Purchase Requisitions through SAP & introduction of Track-wise software in Quality systems has resulted in reduction of the number of papers used.

In addition to spreading wellness through our APIs, we also work for the welfare of the neighborhood economy by sourcing local material and labor wherever possible. Local sourcing is also an environmentally sustainable option as the decrease in the need for transportation significantly reduces the carbon footprint.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Each employee at Ind-swift is committed to take adequate preventive measures related to Environment, Health & Safety in developing, manufacturing, storing, handling, transportation, and distribution of all our products. As a resource-respecting organization, we make every effort to be environment-friendly and we take steps to follow the best practices. Our manufacturing unit is certified for ISO standards. Accordingly, we have made large investments in a zero liquid discharge system for our manufacturing facility. This system recycles the recovered water for onward use within our utilities.

The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements. 100% of wastewater is recycled and reused back in the process or in the utilities.

Adoption of innovative measures such as energy efficient machines, LED lighting and condensate recovery measures have significantly enhanced energy savings.

All new facilities constructed on our campuses have been designed to be energy-efficient and optimize use of natural light.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We are having sustainable procurement policy in place. Critical RM Suppliers – 80% of them meet the compliance. VQF and other set of documents submitted by the supplier are validated by Q.A to ensure on the Quality parameter's and party's capability to supply material on long term basis. Audits are also performed to check on their Quality & Capacity capability.

Simultaneously, we are working on de-risking of our API, where dependency of RM's are entirely from china. Exercise has already commenced with formation of cross functional team with focus on import substitution/contract manufacturing of same to have sustainable sourcing.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, we prefer & encourage indigenous / local procurement. We have successfully developed & approved the sources for PTSC, DCC, Thiophene2-Ethanol, N-Hydroxy Succinimide, 6-Bromoveratradehyde which were earlier being imported from china. For Engineering material/services – We prefer & procure from engineering / operating supplies from local supplier to reduce the freight / inventory cost & delivery time. Even engineering person visit the local fabricators to elucidate them on the required item as per our drawing.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company has mechanism for recycling the wastewater and some solid waste. Process water, cooling tower blow down water and domestic water are being treated in different types of systems like Biological treatment, RO, Mechanical Vapor Recompression and Multi Effect Evaporator. Thereafter, the recovered water is being used for makeup in cooling towers.

Steam Condensate is being recycled to Boiler Unit. Used containers from process are being recycled for low end requirement. Waste polythene is also being reused for packing of Hazardous waste (100 %).

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

1,452 on roll

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

1,000

3. Please indicate the Number of permanent women employees.

87

4. Please indicate the Number of permanent employees with disabilities

Nil

5. Do you have an employee association that is recognized by management.

No

6. What percentage of your permanent employees is members of this recognized employee association?

Nil

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees – 82%
- (b) Permanent Women Employees – 100%
- (c) Casual/Temporary/Contractual Employees – 100%
- (d) Employees with Disabilities - NA

Principle 4: Businesses should respect the interests of and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, Ind-Swift has mapped its internal and external stakeholders i.e.

- a) Management
- b) Employees
- c) Farmers
- d) Customers
- e) Partners
- f) Suppliers
- g) Vendors
- h) Retailers
- i) Government authorities/regulators
- j) Local communities

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Ind-Swift has identified disadvantaged, vulnerable and marginalized stakeholders within its communities and has worked towards building community development programs for assisting them.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Education Initiatives: Education is one of the primary focuses of Ind-Swift CSR activities. Ind-Swift has a staunch belief that education is a right that needs to be provided to all children. Keeping this in mind, Ind-Swift has initiated projects to promote the education, details of which are given in CSR schedule as mentioned above.

Creation of jobs: The presence of Ind-Swift has provided many job opportunities for the communities present around it, resulting in economic growth, community development, income growth and improvement in general quality of life.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy covers Ind-Swift and its subsidiaries

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have not received any complaint related to human rights violation during the reporting period.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

As an integral part of our EHS philosophy, we think & work together responsibly so that employee & community at large and the environment including natural resources are protected and maintained leaving minimal environmental foot prints. Over the record on EHS excellence, ISLL has adopted a top down approach and embraced the principles and code of best EHS practices into the EHS management system.

Ind-Swift has a well-defined Environment, Health & Safety (EHS) Policy in place to minimize environmental impacts and prevent injuries and ill health at the workplace. It covers all our internal and external stakeholders and extends to the Group, suppliers, contractors who work with us. This policy is communicated to ensure participation, consultation, awareness through trainings among all our employees, contractors, Service providers, Local Community and those working on behalf of organization.

Adherence to the EHS policy is communicated to all stakeholders by the top management, as well as through appropriate communications within the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The commitment to minimize the impact on environment (global warming, climate change) and biodiversity is clearly stressed upon in the Company's EHS policy.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, A Risk Based approach i.e. 'Aspect impact identification' methodology, is in place to assess and identify environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

An MVR has been installed. It shall help in saving of 100 KL of fresh water from withdrawal, by treating effluent & making it fit for use in as makeup for cooling towers.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- i) A 50 KW solar power plant is proposed to be installed in our Power Plant area. Thus renewable energy shall be available to the plant.
- ii) For energy efficiency improvement, various measures have been taken, like utility pump & AHU operation optimization, use of VFDs for blower & CT Fan motors, installation of energy Efficient Reactor Agitators, use of LEDs for lighting and Enhancement of Condensate collection.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, Emissions/ waste generated by the Company are well within the permissible limits prescribed by the environmental regulators such as CPCB/SPCB for the last financial year 2021-22.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices are pending as on end of Financial Year 2021-22.

Principle 7: Businesses when engaged in influencing public and regulatory policy should do in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) HD Chamber of Commerce
- (b) Pharmexcil

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes the company actively participates in the initiatives for the overall development of the Industry and its stakeholders through these Associations.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof..

Yes, Ind-Swift has undertaken initiatives for supporting inclusive growth and equitable development through its CSR activities. Ind-Swift continuously engages itself in the upliftment of the communities that it is involved with. Ind-Swift believes that a triple bottom line approach-growth of people, protection of environment, and profit in operations, is essential for sustained growth.

Ind-Swift constantly works towards the wellbeing of the community around its operations, believing in the principles of inclusive growth. Community growth and development is done by promoting various healthcare programs, educational programs, and many

other activities. Ind-Swift ensures that such community development programs are conducted in all its locations of operation.

Ind-Swift has a CSR Committee that is responsible for the development of the company's CSR activities, and develop, monitor and review various CSR initiatives as specified under Companies Act, 2013 which relate to environmental protection as well as community involvement and development. The CSR committee also recommends the amount of expenditure on different types of activities to the board, depending on the kind of CSR policy is in place. The committee also looks at various communities and the issues effecting them, in order to create effective management plans to address such issues. The CSR committee is also involved with development of the CSR policy.

The CSR committee initially identifies priority areas-education, health, and infrastructure, skill development etc. During the year, the company has taken many initiatives as CSR which are mentioned above in this report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Ind-Swift has a dedicated in-house team which undertakes CSR activities and initiatives. Its projects are also directed through external trusts and agencies which have a positive proven track record.

3. Have you done any impact assessment of your initiative?

Ind-Swift has not yet done an impact assessment of its CSR initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year, the company has contributed in various projects as per the CSR Policy of the Company. Details of various initiatives taken by the Company is specified above in Section B of this report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, Ind-Swift frequently monitors its initiatives & projects to ensure that it's successfully adopted by the communities. Ind-Swift is constantly in touch with communities to constantly check the progress of the CSR activities that are implemented. Ind-Swift CSR policy ensures effective implementation of various CSR programs by monitoring them on a constant basis.

Principle 9-Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

All the complaints (100%) are closed with respect to investigation and CAPA implementation.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes, the product information which is mandatory as per laws is mentioned on the label. Information includes product name, storage condition, container No. , Net wt., gross wt., tare wt., Batch No., Mfg. date, expiry/retest date, licence No. and company address and QR Code (Quick Response Code) which is recently implemented to facilitate adequate tracking & tracing of material.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes we have well defined procedure in place SOP/MK/007 in accordance to which customer Satisfaction surveys is carried out annually and evaluation is done accordingly.