



Pharmaceuticals Limited

Registered & Corporate Office :

Plot No. 72, H. No. 8-2-334/3 & 4, Road No. 5,
Opp. SBI Executive Enclave, Banjara Hills,

Hyderabad - 500 034, Telangana, INDIA.

Tel : +91-40-2525 9999, Fax : +91-40-2525 9889

CIN : L24239TG1987PLC008066

Email: info@smspharma.com, www.smspharma.com

Date: 07th September, 2023

To
The Manager,
Corporate Filings Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

The Manager,
Listing Compliance Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

Security Code: 532815

Symbol: SMSPHARMA

Dear Sir/Madam,

Sub: Business Responsibility and Sustainability Report for the financial year 2022-23.

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year 2022-23. The BRSR also forms part of the Annual Report for the Financial Year 2022-23.

Please take the above intimation on your records.

Thanking you
Yours faithfully

For SMS Pharmaceuticals Limited

**Thirumalesh Tumma
Company Secretary and Compliance Officer**

Encl: as above

Business Responsibility & Sustainability Report (BRSR)-2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | | |
|-----|--|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L24239TG1987PLC008066 |
| 2. | Name of the Listed Entity | SMS Pharmaceuticals Limited |
| 3. | Year of incorporation | 14.12.1987 |
| 4. | Registered office address | Plot. No. 72, H.No: 8-2-334/3&4, Road No: 5, Opp. SBI Executive Enclave, Banjara Hills, Hyderabad – 5000034, Telangana, India |
| 5. | Corporate address | Plot. No. 72, H.No: 8-2-334/3&4, Road No: 5, Opp. SBI Executive Enclave, Banjara Hills, Hyderabad – 5000034, Telangana, India |
| 6. | E-mail | info@smspharma.com |
| 7. | Telephone | Tel: 040-35359999 |
| 8. | Website | www.smspharma.com |
| 9. | Financial year for which reporting is being done | Financial year ended 31st March, 2023 |
| 10. | Name of the Stock Exchange(s) where shares are listed | BSE Limited (BSE), National Stock Exchange of India Limited (NSE) |
| 11. | Paid-up Capital | Rs.846.52 lakhs |
| 12. | Name and contact details telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr.Thirumalesh Tumma, Company Secretary and Compliance Officer Tel:040-35359999, Email:Complianceofficer@smspharma.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosure under BRSR Standalone is on standalone basis unless otherwise stated. |

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|---|-----------------------------|
| 1 | Manufacturing | Manufacture of Active Pharmaceutical Ingredients (APIs) | 99.07 |

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

| S. No. | Product/Service | NIC Code | % of total Turnover Contributed |
|--------|--|----------|---------------------------------|
| 1 | Manufacture of Active pharma ingredients (API), intermediates, custom pharmaceutical services and nutraceuticals | 21001 | 100 |

III. Operations**16. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 3* | 1 | 4 |
| International | 0 | 0 | 0 |

*The plants include the Company's manufacturing locations and R&D centres.

17. Markets served by the entity:**a. Number of locations**

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 24 |
| International (No. of Countries) | 46 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

65%

c. A brief on types of customers

Our customers include various pharmaceutical and nutraceutical companies across the globe.

IV. Employees**18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------------|------------|------------|--------------|-----------|-------------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 954 | 907 | 95.07 | 47 | 4.93 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0.00 |
| 3. | Total employees (D + E) | 954 | 907 | 95.07 | 47 | 4.93 |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 141 | 141 | 100.00 | 0 | 0 |
| 5. | Other than Permanent (G) | 484 | 450 | 92.98 | 34 | 7.02 |
| 6. | Total workers (F + G) | 625 | 591 | 94.56 | 34 | 5.44 |

b. Differently abled Employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--------------------------------|-----------|----------|----------|----------|----------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total employees (D + E) | 0 | 0 | 0 | 0 | 0 |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total workers (F + G) | 0 | 0 | 0 | 0 | 0 |

19. Participation/ Inclusion/representation of Women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 7 | 1 | 14.29 |
| Key Management Personnel | 0 | 0 | 0 |

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 23.3 | 23.4 | 46.7 | 25.5 | 16.67 | 42.1 | 24.97 | 10.81 | 35.78 |
| Permanent Workers | 1.42 | 0 | 1.42 | 1.46 | 0 | 1.46 | 2.7 | 0 | 2.7 |

V. Holding, subsidiary and Associate Companies (including Joint Ventures)**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding Subsidiary/ Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|-----------------------------------|--|
| 1 | VKT Pharma Private Limited | Associate | 36.55 | No |
| 2 | CHEMO SMS ENTERPRISES SL (55% held by Chemo 45% held by SMS) | Joint Venture | 45.00 | No |

VI. CSR Details**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

(ii) Turnover (in Rs.) 522,05,13,500/-

(iii) Net worth (in Rs.) 495,09,99,359/-

VII. Transparency and Disclosures Compliances

23. Complaints/Grievance on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business conduct

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)* | FY 2022-23 | | | FY 2021-22 | | |
|---|---|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Y | - | - | - | - | - | - |
| Investors (other than shareholders) | Y | - | - | - | - | - | - |
| Shareholders | Y | 1 | - | - | - | - | - |
| Employees and workers | Y | - | - | - | - | - | - |
| Customers | Y | - | - | - | - | - | - |
| Value Chain Partners | Y | - | - | - | - | - | - |
| Other (please specify) | Y | - | - | - | - | - | - |

* Various policies of the Company for redressing the grievances of its stakeholders are available at <https://smspharma.com/company-announcements/downloads/> In addition there are internal policies placed on intranet of the Company.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adopt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 1 | ESG compliance | Risk and Opportunity | ESG reporting assists businesses in identifying and managing risks, improving operations, and making better decisions. It also helps stakeholders make more informed decisions by providing data on a company's overall performance, including environmental and social impact | Company has always been in advocating and practicing sustainability and for the betterment of environment and social upliftment and strive to improve. | Positive: impacts financials by creating new opportunities in new geography and adding new clients |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adopt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|--|---|--|
| 2 | Regulatory compliance | Risk | As we have customer base located all over the world, we must comply with local regulations in the field of product research, manufacture, quality, and marketing. Strict adherence to these regulations comes at a cost in terms of time, cost, and other resources. | experienced regulatory staff, as well as regulatory checks and controls, in place to ensure effective compliance with laws and regulations. Meeting our Company's regulatory standards, as well as the laws and regulations, helps to ensure that our services are in conformity with the law | Negative: Cost of operation can increase due to change in laws and regulations |
| 3 | Changing global political and economic conditions | Risk | Presence of business in various countries increases the risk of your firm being vulnerable to global political and economic events. Natural disasters, provide an additional external risk to our operations due to their unpredictable incidence and extent of impact | Carefully planning business strategy in relation to the changes in geopolitical and changes in political regimes and polices with external elements helps in to minimize any performance instability caused by their uncertainties | Negative: Geopolitical events like wars, internal conflict can cause impact in distribution and client deliveries and increased cost in transport and receivables |
| 4 | Supply chain sustainability | Risk | It is extremely important to ensure a stable supply chain to ensure business continuity. Measures must be undertaken to prevent and mitigate that cause disruptions. Any disruptions in manufacturing facilities may impact the supply of our products in the market, resulting in lower sales and a negative impact on the Company's reputation | There has been a significant improvement in the sourcing of key raw materials through its integrated facility. Over the past 2 years, the procurement share of raw materials and intermediates from Indian suppliers is on a steady rise and the direct sourcing of raw materials from Indian vendors year on year. We continuously strive to build local alternate vendors for other materials | Negative: Disruption across value chain can adversely impact the operations by affecting supply raw material and increasing costs |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adopt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|---|---|
| 5 | Environment risk | Risk | protecting environment and conserving resources has been part of company's policy and work culture. Sustaining environmental policies and complying with regulatory requirements can have impact on performance and image of the Company | Our motto, "Nurture the nature in which we exist," serves as the impetus for our constant vigilance to ensure that our operations do not have a negative impact on the environment." SMS's drive for green chemistry is best exemplified by its status as the first Indian pharmaceutical business to obtain the Indo-US GCNC award for green chemistry practices | Negative: In the case of non-compliance with environmental norms and regulations, can face reputational damage as well as adverse financial repercussions |
| 6 | Product and quality risk | Risk | All pharmaceutical companies are constantly being evaluated on possible recalls, product safety concerns | While we leveraged our robust R&D capabilities, we also enhanced our capabilities to expand our product our R&D team is working diligently to develop generic versions that will further add to our topline. The team is working on two-three important niche products and Adherence to prescribed quality standards | Negative: In the case of poor product quality, can risk of reputational as well as operational damage. |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| b. Has the policy been approved by the Board? (Yes/No) | The policies have been approved by the Chairman and Managing Director and certain policies are approved by the Board | | | | | | | | |
| c. Web Link of the Policies, if available | Many of the policies are available on the website of the Company https://smspharma.com/company-announcements/downloads/ and the policies which are internal to the Company are available on the Intranet of the Company | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | NA | NA | Y |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | P 2 = Y P3: The company has Environmental Management System Accreditation ISO 14001. P6: The company has Occupational Health and Safety Accreditation ISO 45001 | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines if any. | P6 = the company has committed to reengineering the manufacturing process of various products including Ibuprofen, decreasing of wastage, reducing the production cycle time, increasing batch size by the end of march 2024 | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met. | The performance against specific commitments, goals and targets are provided in the respective capitals of the integrated annual report, wherever applicable. | | | | | | | | |
| Governance, leadership, and oversight | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | <p>We try to evaluate how our operations affect the economy, our communities, and the environment. We continued to execute our sustainability commitments, which address the environmental, social, and governance (ESG) issues impacting our stakeholders and the community at large. Our ESG endeavors are rooted in our commitment to delivering relationship-focused financial services in a way that benefits our communities, instils a sense of purpose and responsibility in our employees, and benefits our stakeholders. Our motto, "Nurture the nature in which we exist," serves as the impetus for our constant vigilance to ensure that our operations do not have a negative impact on the environment. This is accomplished by increasing awareness, giving employees increased responsibility through training, equipping them with technology, and ensuring that there are adequate resources. SMS's drive for green chemistry is best exemplified by its status as the first Indian pharmaceutical business to obtain the Indo-US GCNC award for green chemistry practices. We track our energy consumption, manage the emissions and waste generated, and practice responsible water utilization. We have also invested in state-of-the-art pollution control equipment to minimize the impact of our activities on the environment. We organize tree-planting campaigns and efforts to preserve the ecosystem of the areas where we operate as part of our continued commitment to environmental protection.</p> | | | | | | | | |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies) | Name: Ramesh Babu Potluri Designation: Chairman and Managing Director DIN: 00166381 | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | No | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| | Indicate whether review was undertaken by Director / Committee of the Board/ | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | The policies of the Company are reviewed periodically / on a need basis by department heads | | | | | | | | | Periodically/need basis | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company is in compliance with all applicable laws. | | | | | | | | | Ongoing basis | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | No, the Company internally reviews the working of the above-mentioned policies. The working of the policy is also ensured by the various department heads / director / wherever applicable | | | | | | | | |

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No) | - | - | - | - | - | - | - | - | - |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | - | - | - | - | - | - | - | - | - |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | - | - | - | - | - | - | - | - | - |
| It is planned to be done in the next financial year (Yes/No) | - | - | - | - | - | - | - | - | - |
| Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership.” While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|--|---|--|
| Board of Directors & Key Managerial Personnel | 2 | Familiarisation programs for the Board of Directors/ KMPs of the Company are done periodically. The topics of the programmes includes business and industry updates, risk management, important regulatory changes and compliances of various statutory requirements, updating on various Codes/Policies of the Company, environmental, social and governance parameters, legal cases, etc. | 100 |
| Employees other than BoD and KMPs Workers | 157 | Employees basis their role undergo various training programs throughout the year based on their role and responsibilities. This includes technical trainings, functional SOP trainings, Safety trainings, On the Job trainings, Health, Safety and Environmental trainings | 100 |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website):

| | Monetary | | | | |
|-----------------|-----------------|---|-----------------|-------------------|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | - | - | - | - | - |
| Settlement | - | - | - | - | - |
| Compounding fee | - | - | - | - | - |

| Non-Monetary | | | | |
|--------------|-----------------|---|-----------------|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Has an appeal been preferred? (Yes/No) |
| Imprisonment | - | - | - | - |
| Punishment | - | - | - | - |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| NA | NA |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available provide a web-link to the policy.

No. The Company does not have an independent anti-bribery policy but Our employees and those representing us, including agents and intermediaries, shall not, directly, or indirectly, offer or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favors for the conduct of our business. The Company has zero tolerance approach towards corruption and bribery. We have appropriate internal controls to ensure that the Company or its employees do not engage in unethical practices. We conduct proactive reviews, audits, and internal investigations to monitor compliance as a part of our training on the Code of Conduct, training is also imparted to employees on Anti-Corruption and Anti-bribery topics. Company is in the process of formulating anti-bribery policy

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2022-23 | FY 2021-22 |
|-----------|------------|------------|
| Directors | - | - |
| KMPs | - | - |
| Employees | - | - |
| Workers | - | - |

6. Details of complaints with regard to conflict of interest:

| | FY 2022-23 | | FY 2021-22 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | - | - | - | - |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | - | - | - | - |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

| Total Number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (By value of Business done with such partners) under the awareness programmes |
|---|--|--|
| 0 | 0 | 0 |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company's Code of Conduct expects all its Personnel (Members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. <https://smspharma.com/wp-content/uploads/2022/08/code-of-business-conduct-and-ethics-for-directors-sr-mgt-personnel.pdf>

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2022-23 | FY 2021-22 | Details of improvements in environmental and social impacts |
|-------|------------|------------|---|
| R&D | 0 | 0 | Reduce the number of process steps to reduce the carbon footprint and to reduce the production process life cycle |
| Capex | 97 | 54.24 | |

- 2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?

No

- 3 Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since the Company is engaged in pharmaceutical sector, we do not reclaim products for reusing, recycling, and

disposing them at the end of their life. However, we have waste management systems in place at all our facilities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Given the nature of our business, the above is not applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, the Company endeavors to conduct LCA for its select products in FY 2023-24.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Not applicable, as we have not conducted LCA for any of our products

3. Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry).

Since the Company is engaged in pharmaceutical sector, we do not recycle or reuse input material

4. of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Since the Company is engaged in pharmaceutical sector, we do not reclaim products for reusing, recycling, and disposing them at the end of their life.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Since the Company is engaged in pharmaceutical sector, we do not reclaim products for reusing, recycling and disposing them at the end of their life.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---------------------------------------|--------------|---------------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--------------|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | No.(B) | % (B / A) | No. (C) | % (C / A) | No.(D) | % (D / A) | No. (E) | % (E / A) | No. (F) | % (F / A) |
| Permanent employees | | | | | | | | | | | |
| Male | 907 | 314 | 34.62 | 907 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 47 | 8 | 17.02 | 47 | 100 | 47 | 100 | 0 | 0 | 0 | 0 |
| Total | 954 | 322 | 33.75 | 954 | 100 | 47 | 4.93 | 0 | 0 | 0 | 0 |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

b. Details of measures for the well-being of workers:

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|-------------------------------------|--------------|-------------------------|--------------|--------------------|-------------|--------------------|-------------|--------------------|--------------|---------------------|--------------|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | No.(B) | % (B /A) | No. (C) | % (C /A) | No.(D) | % (D /A) | No. (E) | % (E / A) | No. (F) | % (F / A) |
| Permanent workers | | | | | | | | | | | |
| Male | 141 | 107 | 75.89 | 141 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 141 | 107 | 75.89 | 141 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent workers | | | | | | | | | | | |
| Male | 450 | 450 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 34 | 34 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 484 | 484 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| | FY Current Financial Year | | | FY Previous Financial Year | | |
|----------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % Of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100.00% | 100.00% | NA | 100.00% | 100.00% | NA |
| Gratuity | 100.00% | 100.00% | NA | 100.00% | 100.00% | NA |
| ESI | 33.75% | 97.63% | NA | 45.53% | 25.00% | NA |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As per the requirements of the Rights of Persons with Disabilities, the Company manufacturing premises and offices have ramps, elevators and infrastructure for differently abled individuals

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company does not have policy in place, but the Company believes in equal opportunity for all its employees, wherein the Company is committed to providing an inclusive work culture and an environment free from any discrimination. SMS pharma values and welcomes diversity and does not treat anybody differently based on their race, sex, religion/beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other class of person protected by laws in the country The company intend to have a policy in place during the financial year 2023-24.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If yes, then give details of the mechanism in brief) Yes |
|--------------------------------|---|
| Permanent Workers | The Company has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management as part of the Whistleblower Policy, the Company provides a grievance redressal mechanism and encourages its employees and workers to bring to attention any instances of unethical behavior, incidents, frauds or violation. The Company has a policy on prevention, prohibition, and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's policy on the same is placed on the Company's website. The ICC comprises majority of women members. Members of the Company's ICC are responsible for conducting inquiries pertaining to such complaints. The Company on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings and awareness programmes which are held on a regular basis. |
| Other than Permanent Workers | Yes, the non-permanent employees and workers communicate their grievances through their respective supervisors. The grievances are further communicated to the Company for necessary action and resolution of the grievances. Additionally, they can also report on any instances of unethical behavior, incident, or violations through the Company's Whistleblower mechanism |
| Permanent Employees | A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances. The Company has formulated Whistle Blower Policy for redressing grievances. The Policy can be accessed from https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf |
| Other than Permanent Employees | A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances. The Company has formulated Whistle Blower Policy for redressing grievances. The Policy can be accessed from https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company does not have any employee associations. The Company, however, recognizes the right to freedom of association and does not discourage collective bargaining

8. Details of training given to employees and workers:

| | FY 2022-23 | | | | | FY 2021-22 | | | | |
|------------------|------------|-------------------------------|--------------|----------------------|--------------|------------|-------------------------------|--------------|----------------------|--------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No.(C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 907 | 620 | 68.36 | 470 | 51.82 | 852 | 764 | 89.67 | 400 | 46.95 |
| Female | 47 | 35 | 74.47 | 23 | 48.94 | 42 | 29 | 69.05 | 12 | 28.57 |
| Total | 954 | 655 | 68.66 | 493 | 51.68 | 894 | 793 | 88.70 | 412 | 46.09 |
| Workers | | | | | | | | | | |
| Male | 141 | 141 | 100 | 141 | 100 | 137 | 137 | 100 | 137 | 100 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 141 | 141 | 100 | 141 | 100 | 137 | 137 | 100 | 137 | 100 |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------|------------|------------|--------------|------------|------------|--------------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 907 | 881 | 97.13 | 852 | 835 | 98.00 |
| Female | 47 | 35 | 74.47 | 42 | 29 | 69.05 |
| Total | 954 | 916 | 96.02 | 894 | 864 | 96.64 |
| Workers | | | | | | |
| Male | 141 | 141 | 100 | 137 | 137 | 100 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 141 | 141 | 100 | 137 | 137 | 100 |

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all manufacturing locations under the entity have an Occupational Health and Safety management system in place, in accordance with the guidelines provided by OHSAS IS 14489 & ISO45001 :2018 standards and the legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act, The Epidemic Disease Act among others.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company undertakes periodic internal and external audits to ensure the compliance of Occupational Health and Safety management system within the

manufacturing operation. The EHS trainings, audits and inspections are carried out as per the guidelines of OHSAS IS 14489 & ISO45001 :2018 standard. The Company's Process Safety Management system facilitates the implementation of best safety practices. Further, it enables the identification of work-related hazards through design checklists.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, The Company has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report on work-related hazards and the subsequent steps to mitigate them. In addition, the Company trains all its employees and workers with occupational health and safety. The training cover aspects to identify work-related hazards, analyze the risks associated with it and

take subsequent steps to mitigate them. During the safety and emergency evacuation drills, employees are trained in dealing with emergency equipment such as fire hydrant, firefighting system, leak and spill control procedures, safety alarms among others. The practical trainings equip the employees with right procedure of reporting work-related hazards and the steps to remove themselves from such situations

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides non-occupational medical and healthcare services to its employees and workers. Further, the Company ensures the provision of medical insurance to all its employees and workers. In addition, personnel are being trained to respond appropriately to medical emergencies on-site

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 | FY 2021-22 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

we emphasize strongly on the health, safety, and well-being of our people. We continuously strive to create a work environment that is free from any occupational hazards, whether it is at plants, Corporate Office or Research center or what type of work they carry out. We have implemented strong health and safety systems at all our plants. These systems are guided and driven by our established policies and procedures. Periodic assessments are conducted to evaluate the effectiveness of the systems implemented and appropriate measures are taken to further improve our H&S performance continually

13. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | 0 | 0 | 0 | 0 |
| Health & Safety | 0 | 0 | 0 | 0 | 0 | 0 |

14. Assessments for the year:

| | % of your plants and offices that were assessed (By entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 50% |
| Working Conditions | 50% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All safety related accidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits. ii. Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through elimination of manual job by use of Technology, Safety Capability Building, Monitoring, and supervision, etc.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No (the company has accidental death insurance PA)

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions are deducted and deposited in accordance with extant regulations. This is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability The Company expects its value chain partners to behave ethically and with integrity in all its business transactions and uphold standards of fair business practices.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|------------|---|------------|
| | FY 2022 -23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company periodically provides skill-upgradation training programs to all its employees during their employment. The training programs cater to the specific requirements of the cadre and relevant function areas which further enable the employees to pursue employment post-retirement or termination, based on the acquired skillset.

5. Details on assessment of value chain partners:

As per the Company's Code of Business Conduct and Ethics for other Stakeholders, the value chain partners are expected to adhere to the principles of Health and safety practices, working conditions as per extant regulations. However, no independent assessment is carried out.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

During the reporting period, no corrective action plan was necessitated.

If any such risks/concerns are noticed, the value chain partner will be asked to comply with requisite measures in a timebound manner. If not complied within the given time, procurement will be differed till the value chain partners improve the safety practices and working conditions to address the risk/concern.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identified key stakeholder groups based on those groups who are impacted as well those who have a major influence on the business decisions. The key internal and external stakeholder groups identified by the Company as part of the engagement mechanism are Investors and shareholder, regulators, Governments, suppliers/vendors/, Value Chain Partners, Non-Governmental Organizations (NGO), Community, Customer B2B, Employees, Senior leadership, and the society. The company understands the impact of its policies, decisions, products and services and associated operations on the stakeholders. We consider individuals, groups, institutions, or entities that contribute to shaping our business that add value or constitute a core part of the business value chain as key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|------------------------|---|--|---|--|
| Investor/ Shareholder | No | Email, newspaper advertisement, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences | Frequent and need based | To stay abreast of developments in the Company and its subsidiary companies |
| Regulator & Government | No | one-on-one meetings, conferences | Need Based | Our engagement with official authorities is multi-fold. With regulatory authorities, our engagement is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|---|---|---|---|
| Supplier/ vendor/ third party manufacturer | No | Multiple channels – physical and digital | Frequent and need based | Helps to increase reach and enhance business |
| NGO / Community | No | Multiple channels – physical and digital | Frequent and need based | To promote social welfare activities for inclusive growth, fair and equitable development and wellbeing of society through our business functioning and Support socially projects, Community Development |
| Customer B2B | No | Multiple channels – physical and digital | Frequent | We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/ tenders and maximize the outreach of our products. Helps to increase reach and enhance business |
| Employees | No | Direct & other communication mechanisms | Quarterly | To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth. Aim to provide employees a safe, inclusive workplace. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate offices, manufacturing locations and in the field. |

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company to the extent considered necessary and permitted by regulations, ensure transparent communication and access to relevant information about

its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information. Engagement with stakeholders is a continuous process, as part of the Group's business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement. The BoD are updated on various developments arising out of such engagement and they provide their guidance /inputs on such matters, the identified material issues

were presented to the highest governing member and the Board for their feedback and guidance on strategizing the sustainable growth model of the Company.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Group to better serve its stakeholders, The Company believes that our products help in promoting and creating a healthy world and help in combating disease and mitigate suffering of millions of people across the world. In addition, the Company has engaged a ESG consultant and expert in this

field, which helps to better understand expectations of stakeholders and benchmark against best practices. The Company recognizes that it is still in a 'learning phase' on various evolving aspects of ESG and hence stakeholder interactions are important. The Group believes that it is still learning the evolving aspects of ESG and lays significant importance to such interactions

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

SMS through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons, for further details <https://smspharma.com/corporate-governance/corporate-social-responsibility/>

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------------|------------|--------------------------------------|------------|------------|--------------------------------------|------------|
| | Total (A) | No. of employees workers covered (B) | % (B / A) | Total (C) | No. of employees workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 954 | 954 | 100 | 894 | 894 | 100 |
| Other than permanent | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Employees | 954 | 954 | 100 | 894 | 894 | 100 |
| Workers | | | | | | |
| Permanent | 141 | 141 | 100 | 137 | 137 | 100 |
| Other than permanent | 484 | 484 | 100 | 398 | 398 | 100 |
| Total Workers | 625 | 625 | 100 | 535 | 535 | 100 |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---------------------------------|--------------|--------------------------|--------------|---------------------------|--------------|--------------|--------------------------|--------------|---------------------------|--------------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No.(C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Permanent | 954 | 235 | 24.63 | 719 | 75.37 | 894 | 165 | 18.46 | 729 | 81.54 |
| Male | 907 | 225 | 24.81 | 682 | 75.09 | 852 | 152 | 17.84 | 700 | 82.16 |
| Female | 47 | 10 | 21.28 | 37 | 78.72 | 42 | 13 | 30.95 | 29 | 69.05 |
| Other than Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Workers | | | | | | | | | | |
| Permanent | 141 | 0 | 0 | 141 | 100.00 | 137 | 0 | 0 | 137 | 100.00 |
| Male | 141 | 0 | 0 | 141 | 100.00 | 137 | 0 | 0 | 137 | 100.00 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent | 484 | 404 | 83.47 | 83.47 | 16.53 | 398 | 332 | 83.42 | 66 | 16.58 |
| Male | 450 | 370 | 82.22 | 80 | 17.78 | 391 | 325 | 83.12 | 66 | 16.88 |
| Female | 34 | 34 | 100.00 | 0.00 | 0.00 | 7 | 7 | 100.00 | 0 | 0.00 |

3. Details of remuneration/salary/wages, in the following format:

| Gender | Male | | Female | |
|-------------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration salary/wages of respective category |
| Board of Directors (BoD) | 5 | 3,30,000 | 1 | 3,10,000 |
| Key Managerial Personnel | 2 | 19,12,625 | 0 | 0 |
| Employees other than BoD and KMP | 903 | 3,81,500 | 47 | 4,20,000 |
| Workers | 141 | 2,18,000 | 0 | 0 |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Managing Director of the Company oversees the human resources function in the Company. In addition, the HR Head along with the other Sr.Executives are responsible for addressing any human rights issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We see to conduct our business in a manner that respects the human rights and dignity of people. We play a role in the elimination of human rights abuses such as child labor, human trafficking and forced labor. SMS Pharmaceuticals Ltd. does not tolerate retaliation. We consider acts of retaliation to be misconduct. Retaliation can take many forms like threats, intimidation, exclusion, humiliation and raising issues maliciously or in bad faith. The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed, we have a Grievance redressal mechanism for its employees in the form of Whistle blower policy and a formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

Refer to <https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf>

6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | NA | 0 | 0 | NA |
| Discrimination at workplace | 0 | 0 | NA | 0 | 0 | NA |
| Child Labour | 0 | 0 | NA | 0 | 0 | NA |
| Forced Labour/ Involuntary Labour | 0 | 0 | NA | 0 | 0 | NA |
| Wages | 0 | 0 | NA | 0 | 0 | NA |
| Other human rights related issues | 0 | 0 | NA | 0 | 0 | NA |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Refer to: <https://smspharma.com/wp-content/uploads/2022/08/code-of-business-conduct-and-ethics-for-others.pdf>

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

YES

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | 100% |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There have been no significant human rights grievances/complaints warranting modification/introduction of business processes

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company undertook due diligence of human rights through internal protocols as per policies and procedures.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The premises/ offices of the Company, including the registered offices and plants have ramps or have elevators and relevant infrastructure for differently abled individuals.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|--|
| Sexual Harassment | The Company expects its value chain partners to adhere to the same values, principles and business ethics as upheld by the Group in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain elements covered in annual review of processes and controls. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|------------------|------------------|
| Total electricity consumption (A) | 107058 | 118137 |
| Total fuel consumption (B) | 340390.50 | 267697.10 |
| Energy consumption through other sources (C) | 0.00 | 0.00 |
| Total energy consumption (A+B+C) | 447448.46 | 385834.08 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | 0.000069775 | 0.000073482 |
| Energy intensity (optional) – the relevant metric may be selected by the entity | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any sites/facilities identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|-----------------|-----------------|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | Nil | Nil |
| (ii) Groundwater | 40503 | 43177 |
| (iii) Third party water | 3145 | 3148 |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others | 13423.65 | 13448.60 |
| Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v) | 57071.65 | 59773.60 |
| Total volume of water consumption (in kiloliters) | 57071.65 | 59773.6 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.000010705 | 0.000011162 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – NO

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Multiple Effect Evaporator (MEE): to separate the solids from the liquid effluents by which the company become a Zero Liquid Discharge Unit (ZLD) and established reverse osmosis system and followed by biological treatment, after treatment, we are reusing the evolved water from MEE after condensation.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | unit | FY 2022-23 | FY 2021-22 |
|-------------------------------------|------|------------|------------|
| NOx | Tons | 42.62 | 30.99 |
| SOx | Tons | 60.47 | 41.19 |
| Particulate matter (PM) | Tons | 82.36 | 52.92 |
| Persistent organic pollutants (POP) | Tons | NA | NA |
| Volatile organic compounds (VOC) | PPM | 20.95 | 9.81 |
| Hazardous air pollutants (HAP) | Tons | NA | NA |
| Others- please specify | Tons | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

YES, it was carried out SV ENVIRO LABS & CONSULTANTS, Environmental Engineers & Consultants in Pollution Control

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | specify unit | FY 2022-23 | FY 2021-22 |
|---|---------------------------------|----------------------|----------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 32757.70 | 25759.67 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 28551.17 | 31505.80 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Metric tonnes of CO2 equivalent | 0.00000994235 | 0.00000918524 |
| Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency-**NO**

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

NO

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 9.66 | 10.06 |
| E-waste (B) | 0.02 | 0.01 |
| Bio-medical waste (C) | 0.46 | 0.45 |
| Construction and demolition waste (D) | 0.13 | 0.21 |
| Battery waste (E) | 3.73 | 0.45 |
| Radioactive waste (F) | 0.00 | 0.00 |
| Other Hazardous waste. Please specify, if any. (G) | 301.47 | 412.85 |

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-----------------|-----------------|
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) | 24.48 | 36.30 |
| Total (A+B + C + D + E + F + G+ H) | 339.98 | 460.35 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 13423.65 | 13448.60 |
| (ii) Re-used | 31.18 | 24.14 |
| (iii) Other recovery operations | 0.00 | 0.00 |
| Total | 13454.83 | 13472.74 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 83.22 | 137.58 |
| (ii) Landfilling | 227.68 | 239.90 |
| (iii) Other disposal operations | 0.00 | 0.00 |
| Total | 310.90 | 377.48 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NO

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The potential for environmental pollution prevention is one of the guiding factors in developing the route of synthesis and converting by products to useful raw materials for the process. SMS has developed a commercial process to get Neopentyl glycol (from waste generated in the process as residue), which is one of the key raw materials in Ibuprofen process. By developing the Neopentyl glycol synthesis from waste stream, not only commercial benefit but also environmental protection is also addressed.

- 10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No. | Location of operations /offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|---|-------------------------------|---|
| | Kandivalasa Village, Vizianagaram (D), Andhra Pradesh | Bulk Drug Manufacturing (API) | Yes |

- 11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No environmental impact assessments were undertaken in FY 2022-23

- 12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

All the manufacturing operations and R&D centers under the entity are in compliance with the applicable environmental laws/ regulations and guidelines as per the national and state level mandates

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|------------------|------------------|
| From renewable sources | | |
| Total electricity consumption (A) | - | - |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) | - | - |
| From non-renewable sources: nil | | |
| total electricity consumption (D) | 107058 | 1118137 |
| Total fuel consumption (E) | 5293.46 | 4268.88 |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 112351.55 | 122405.90 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

2. Provide the following details related to water discharged:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-------------------|-------------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (ii) To Ground water | - | - |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (iii) To Seawater | - | - |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | 3584.98 KL | 3066.39 KL |
| (iv) Sent to third-parties | - | - |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (v) Others | - | - |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| Total water discharged (in kilolitres) | 3584.98 KL | 3066.39 KL |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - NO

3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

Not Applicable. Our facilities are not located in areas of water stress.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format.

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|--|---|----------------------|----------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 31.87 | 32.5 |
| Total Scope 3 emissions per rupee of turnover | | 0.00000006105 | 0.00000006190 |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

5 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

- a) **Solvent Distillation System (SDS):** The company has adopted and implemented the SDS to recover the solvents from mother liquor and SDS well connected to scrubbers to arrest any evolved gases arise during distillation by doing so to protect environment
- b) **Multiple Effect Evaporator (MEE):** to separate the solids from the liquid effluents by which the company become a Zero Liquid Discharge Unit (ZLD) and established reverse osmosis system and followed by biological treatment, after treatment, we are reusing the evolved water from MEE after condensation.
- c) **Material Handling:** The Company has implemented various material handlings systems to protect the environment through automation of process and auto transfer of input materials.

6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|--|--|--|
| 1 | <p>Water Conservation Measures taken: At SMS Pharma, we view water through the interconnected lenses of effective usage and conservation. We have endeavored to improve water conservation by recycling / condensate water and streamlining processes. Installed 200 KLD RO Plant for waste water treatment. Currently we are getting 138KLD of water after treatment. Further SMS has been planned to recover the water as condensate from atmosphere through while using Air handling Units.</p> | | <ul style="list-style-type: none"> 1. Enabled to conserve our water consumption from 300KLD to 162 KLD. Total Saving Ground Water 138KL/Day 2. Expected water condensate per day will be 15KL per day. |
| 2 | <p>Enhanced the condensate recovery through controls in the steam condensate System and increased the condensate collection from 45 % to 65%, By improving the steam condensate recovery, not only reducing water consumption also benefited with coal savings by 35 Tonnes/Year. Apart from water conservation through utilities we are reusing 16000 Lts of water in stage -2 of Ibuprofen process which is being used in Ibuprofen Stage-5 for every batch of of Ibuprofen .The total quantity of water reused by this recycling process tuned to 535KL per month</p> | | <p>Resulted in savings of makeup water by 20 KL/ day, contributes 20% with respect to total feed water consumption/day.</p> |

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|---|--|---|
| | <p>Energy Conservation Measures taken:</p> <p>Energy Conservation continues to receive priority within the Company. The continuous monitoring of the energy Consumptions across the Company's locations, has resulted in improvement in maintenance systems and reduction in Distribution losses.</p> <p>Steps taken by the Company for utilizing the alternate sources of energy:</p> <p>a. Facility created to purchase power through open access during the power holiday time to avoid the running of diesel generator sets and saving of HSD. Participating in the Open access bidding to get the power in the cheaper price as compared to the discom prices as per available slots</p> <p>Energy Conservation Measures taken:</p> <p>01. Installed LED Lights instead of CFL lights in both areas like intermediate and pharm in all blocks and QC.</p> <p>02. Implemented numerous energy conservation activities in utilities and block equipment through performance assessments, automation of equipment, standard procurement of energy efficient equipment ie, installation of energy efficient motors & Pump sets.</p> <p>03. VFDs are provided for Screw Chillers D61</p> | | <p>a. reduced the power cost. / Year: 35Lakhs/Year.</p> <p>01. power saving 1656 Units/ Month.</p> <p>03. Resulting in a daily energy savings of 200 units per day @ Each Chiller</p> |
| | <p>04. Replacement of existing +5degC water-cooled reciprocating type chillers with new energy efficient water-cooled screw type refrigeration systems installed.</p> <p>05. Replaced manually operated valves of utilities with automated control valves to reduce the utility Consumption at the Production Blocks.</p> <p>06. Installed online tube cleaning systems (ECO MAX) for Chilling plants condensers tube cleaning purpose and improve the Condenser Heat Transfer Area and Reduce the discharge pressures and Maintain the Standard of KW/TR :0.75</p> <p>07. Installed Common header for compressed air circuit for optimum utilization of air compressor</p> <p>08. Installed Steam Condensate Recovery System so as to achieve increased efficiency of the boilers & reduce the fuel consumption</p> <p>09. Installed Steam Condensate Recovery Pumps (Pressure Powered Pump) Steam Condensate Water pumping purpose so there are centrifugal pumps are replaced with Pressure Powered Pump ,</p> <p>10. Installed Steam Operated Pumping traps used for Solvent Recovery Systems so there are reduce in the process cycle time and steam & power consumption</p> | | <p>4. saving of 60,000Units Year</p> <p>7. Saving in Power Units/Day :30Units/Day</p> <p>9. power Saving in Units/ day: 100 Units/day</p> |

7 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the company has BCP and Disaster Management Plan in place. The Business Continuity Team comprises a group of managers or their delegates that can assess the impact of the failure on the business and implement contingency measures appropriate to the local situation with focus on the Critical Business Processes. Members of Plant Management would be normally the members of BCP team also.

SMS Pharmaceuticals Limited believes that it is very much necessary to be aware of the potential hazards involved in the production process before implementation and understand the safety system and emergency procedures to combat any untoward incident.

8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not applicable

9 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

In the reporting period, the Company did not evaluate any of its value chain partners on the basis of environmental impact

PRINCIPLE 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

4

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1 | Confederation of Indian Industry | National |
| 2 | Bulk Drug Manufacturers Association | State |
| 3 | Federation of Telangana Chambers of Commerce and Industry | State |
| 4 | Pharmaceuticals Export Promotion Council of India | National |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

For the reporting year, there were no cases issued against the Company for issues pertaining to anticompetitive conduct

Leadership Indicators

1. Details of public policy positions advocated by the entity:

SMS is member of various trade and industry chambers, associations, councils. We proactively contribute to the discussions and resolutions within the scope of these forum. The Company works closely with various trade and industry associations. This includes industry representations to the government and/ or regulators. SMS maintains regular engagement with the Government agencies and regulators and stands committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc., as and when required.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company did not undertake any Social Impact Assessment

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

In the reporting year, the Company did not undertake any ongoing Rehabilitation and Resettlement (R&R) project.

3. Describe the mechanisms to receive and redress grievances of the community.

The communities can raise their grievances as per the mechanism provided in our Code of Conduct available on our website of the Company

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| Directly sourced from MSMEs/ small producers | 5 | 5 |
| Sourced directly from within the district and neighboring districts | 20 | 16 |

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

In FY2022-23, there were no Social Impact Assessments conducted

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent Lakhs (In INR) |
|--------|------------------------------|--|-----------------------------|
| 1 | Andhra Pradesh, Vizianagaram | 1. Continuous support to Campus Challenge, Konada Junction (On NH- 16), Kotha Kopperla (PO), Singavaram (SO), Vizianagaram Dist-5352 13. Campus Challenge is works for deprived children in Coastal and Tribal Andhra Pradesh. Their main goal is to create ability and facilitate the process of empowerment for the persons with disabilities. | 5.40 |
| 2 | Telangana, Hyderabad | Continuing Support to poor people crippled with heart, lung and vascular diseases, through Dr. Alla Gopala Krishna Gokhale, Sahrudaya Health, Medical and Educational Trust | 10.00 |
| 3 | Andhra Pradesh, Vizianagaram | Construction of class room at M. P. U. P. School located at Ayyannapeta, Vizianagaram, Andhra Pradesh 535003. The existing school building was demolished due to old age as well as poor condition. | 5.00 |
| 4 | Andhra Pradesh, Vizianagaram | Construction of Community Hall in Kumili Village, Pusapatirega Mandal Vizianagaram District Andhra Pradesh for the usage of village people and nearby villages people for agricultural reforms, social and cultural gatherings. This village is located surrounding area of Company's Unit VII facility.- Ongoing Project | 99.00 |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/ No)

Small scale industries form a crucial part of Company's business partner base. We always encourage as to procure required raw materials from local and small-scale units, because it approachable easily and frequent monitoring can be done in respect of quality and supplies. Majority of daily services are executed through engaging neighborhood communities. We continuously strive to build local alternate vendors for other materials

(b) From which marginalized /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|---|---|--|
| 1 | Continuous support to Campus Challenge, Konada Junction (On NH- 16), Kotha Kopperla (PO), Singavaram (SO), Vizianagaram Dist-5352 13. Campus Challenge is works for deprived children in Coastal and Tribal Andhra Pradesh. Their main goal is to create ability and facilitate the process of empowerment for the persons with disabilities. | 5 | 100 |
| 2 | Continuing Support to poor people crippled with heart, lung and vascular diseases, through Dr. Alla Gopala Krishna Gokhale, Sahrudaya Health, Medical and Educational Trust | 5 | 100 |
| 3 | Construction of class room at M. P. U. P. School located at Ayyannapeta, Vizianagaram, Andhra Pradesh 535003. The existing school building was demolished due to old age as well as poor condition. | 35 | 80 |
| 4 | Construction of Community hall in Kumili Village, Pusapatirega Mandal Vizianagaram Distirict Andhra Pradesh for the usage of village people and nearby villages people for agricultural reforms, social and cultural gatherings. This village is located surrounding area of Company's Unit VII facility.- Ongoing Project | 500 | 70 |

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Communication received through Mail and same escalated concern team to solve the issue and proper CAPA

2. Turnover of products and/ services as a percentage of turnover from all products /service that carry information about:

| S. No. | Name of the trade and industry chambers/ associations | As a percentage to total turnover |
|--------|---|-----------------------------------|
| 1 | Environmental and social parameters relevant to the product | - |
| 3 | Safe and responsible usage | 12.5 |
| 4 | Recycling and/or safe disposal | 7.5 |

3. Number of consumer complaints in respect of the following:

| Benefits | FY 2022-23 | | | FY 2021-22 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | - | - | NA | - | - | NA |
| Advertising | - | - | NA | - | - | NA |
| Cyber-security | - | - | NA | - | - | NA |
| Delivery of essential services | - | - | NA | - | - | NA |
| Restrictive Trade Practices | - | - | NA | - | - | NA |
| Unfair Trade Practices | - | - | NA | - | - | NA |
| Other | - | - | NA | - | - | NA |

4 Details of instances of product recalls on account of safety issues:

| S. No. | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company is in process of finalizing the Policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data \privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There are no complaints received for issues pertaining to delivery of essential services, advertising, cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/services For FY 2022-23

Leadership Indicators**1. Channels / platforms where information on products and services of the entity can be accessed (Provide web link, if available).**

<https://smspharma.com/api/>

<https://smspharma.com/central-laboratory-analytical-services/>

<https://smspharma.com/crams/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

Product information of Safety Data Sheet and Certificate of Analysis is enclosed during Transit

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

5. Provide the following information relating to data breaches:**a. Number of instances of data breaches along-with impact**

- NIL

b. Percentage of data breaches involving personally identifiable information of customers -

NIL