



UNLEASHING SUSTAINABLE  
POSSIBILITIES THROUGH SCIENCE



# Unleashing Sustainable Possibilities through Science

In a world grappling with complex environmental and social disparities posed by climate change, resource depletion and other natural disasters due to global warming, the need for sustainable development has never been more important. We at Honour believe that science holds the key to unlocking innovative solutions that can drive lasting change.



HONOUR

# A New Identity for New Ambitions

Our new logo is a visual representation that embodies the harmonious integration of science, technology and sustainability.

It serves as a testament to our extensive capabilities, illustrating how we leverage these strengths to develop practical solutions that contribute to sustainability. Through our research endeavours, we seek to unlock new insights into the complex dynamics of natural systems and develop innovative solutions that minimize environmental impact while maximizing societal benefits.

Our commitment to sustainability is rooted deeply in our belief that through the power of scientific inquiry and technological advancement, we can create a brighter, more sustainable future for generations to come.

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# About this Report

We at Honour Lab Limited are pleased to announce our first sustainability report. This report presents Honour's strategy and actions towards sustainability, providing clear insights of our efforts of unleashing the possibilities sustainably.

## Reporting Boundary and Frequency

The reporting boundary of this report is limited to Honour Lab Limited. Unless specified this report covers our corporate office and manufacturing units in India. The boundary of our sustainability reporting focuses on the relevant material issues on Environment, Social and Governance parameters and also aligns with sectoral topics from Sustainability Accounting Standards Board (SASB). This report is based on the key reporting principles of GRI Universal Standards 2021 - Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness, and Verifiability to the best of our efforts. This is our first sustainability report. In future, we shall continue to report our sustainability progress annually. Honour has a wholly-owned subsidiary viz; Hoster Labs Private Limited. The data related to Hoster Labs will be incorporated into our Sustainability performance in the subsequent reporting period.

## Assurance

Honour has engaged TUV Nord to provide independent limited assurance for all sustainability disclosures in this report. Please refer to pages 72-75 for the assurance statement and scope of data assured.

## Corrections and Re-statements

As this is our first sustainability report as per GRI 2021, there is no correction or restatement.

## Our Point of Contact

We highly appreciate the input from both internal and external stakeholders to enhance and advance our sustainability practices and communication strategies. Kindly share your thoughts and feedback with us at: [sustainability@honourlab.com](mailto:sustainability@honourlab.com)

## Message from the Managing Director



### Dear Esteemed Colleagues and Stakeholders,

We are happy to unveil Honour Lab Limited's debut Sustainability Report, a comprehensive reflection of our steadfast dedication to sustainability, responsibility, and growth. It gives me immense pleasure to share with you our commitment to Environmental, Social, and Governance (ESG) principles, and our ambitious vision for the future.

Our commitment to ESG principles remains unwavering. From fostering a culture of diversity and inclusion within our workforce to upholding the highest standards of corporate governance, we are steadfast in our pursuit of ethical business practices. Furthermore, we actively engage with our stakeholders to understand their evolving expectations and incorporate their feedback into our decision-making processes. Our efforts in ESG are not just about compliance; they are a testament to our values and our commitment to creating shared value for all stakeholders.

Our sustainability journey began with understanding the issues that matter most to our stakeholders. Through a rigorous materiality assessment conducted in collaboration with our internal stakeholders, we have identified key environmental, social, and economic factors that significantly impact our business and stakeholders. This assessment has enabled us to prioritize



## *We will continue to innovate, inspire, and lead the way towards a more **sustainable future***

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our efforts and focus on areas where we can make the most significant positive impact.

Ethical governance lies at the heart of our business operations. We are committed to upholding the highest standards of integrity, transparency, and accountability in all aspects of our business. Our governance practices are guided by a strong code of ethics and compliance framework, which ensures that our decisions and actions are aligned with our core values and principles. By maintaining a culture of ethical conduct and corporate responsibility, we are building trust and confidence among our stakeholders and positioning ourselves for long-term success.

At Honour, we recognize the inherent value of diversity and inclusion in driving innovation, fostering creativity, and enhancing organizational performance. We are committed to creating a work environment where all individuals are respected, valued, and empowered to contribute their unique perspectives and talents

Effective management of resources is essential for sustainable operations. We have implemented a range of measures to optimize our energy consumption, minimize water usage, and reduce waste generation across our facilities. Recognizing the critical role energy consumption plays in environmental

impact, we have implemented robust strategies to optimize our energy usage. Through the adoption of energy-efficient technologies, process improvements, and employee engagement initiatives, we have achieved significant reductions in our energy consumption while enhancing operational efficiency.

Looking ahead, we are fully cognizant of the challenges and opportunities that lie ahead in our sustainability journey. We are committed to building on our past successes and driving continuous improvement across all aspects of our operations. In line with our vision for the future, we have set ambitious sustainability goals, encompassing areas such as carbon footprint reduction, waste management, and community engagement. These goals will guide our actions as we strive to become a global leader in sustainable business practices.

In closing, I extend my sincerest gratitude to our dedicated team members, valued partners, and esteemed stakeholders for their unwavering support and collaboration. Together, we will continue to innovate, inspire, and lead the way towards a more sustainable and prosperous future.

Thank you for joining us on this transformative journey.

**Dr. Rathnakar Reddy Kura**  
Managing Director



# Company Overview

Honour Lab Limited headquartered in Hyderabad, India is a leading API, Intermediate and Contract Development & Manufacturing Organization (CDMO) committed in providing high-quality, reliable, and cost-effective solutions.

We partner with pharmaceutical and biotechnology companies of all sizes, offering a comprehensive range of services across the entire product lifecycle, from drug discovery and development to commercial manufacturing and supply. Honour has 6 Manufacturing locations and 1 R&D lab across India.

Over a decade of unwavering dedication has enhanced our position in the industry. Our state-of-the-art facilities, an approximate 3000 m<sup>3</sup> of manufacturing capacity, stand as a testament to our commitment to innovation and scale. Our diverse team of over 3000+ talented employees form the heart of our operation, expertise driving us to greater heights.

Honour is poised to revolutionize the global API, Intermediate, Contract Development & Manufacturing Organization (CDMO) and Specialty industries with our innovative offerings: Honour Synthesis and Honour Specialty. Our dedicated team, fuelled by the



science of partnership and possibilities, is passionate about delivering unparalleled excellence to pharmaceutical and biotechnology partners by unveiling practical solutions.

Our commitment extends beyond science, driven by the desire to transform everyday lives. We achieve this through the creation of specialty chemicals and ingredients for both the electronics and pharmaceutical industries, fostering a healthier and more advanced future.

At Honour Synthesis, we empower innovation with comprehensive, bespoke chemical solutions. We cater to pharmaceutical, electronic chemicals, and performance materials industries, tackling unique needs with expertise. Our offerings span API, Intermediate custom synthesis, discovery chemistry support, and complete Contract Development & Manufacturing Organization (CDMO) services for starting materials and intermediates. From process development and analytical methods to scale-up and commercial production, we're your partner for every stage of the product journey.

Honour Specialty division is a treasure trove of diverse chemicals and ingredients, meticulously crafted to meet the needs of our valued partners. We specialize in manufacturing key components that form the foundations of progress: coupling reagents for cutting-edge displays and high-speed communication systems, high-quality excipients for life-saving pharmaceuticals, and versatile monomers for polymers with applications across aerospace, automotive, and energy industries.

Honour R&D orchestrates the perfect symphony of chemistry and technology, utilizing our extensive capabilities to craft practical solutions for our partners. Our ultra-modern facility, brimming with 150+ scientists, ensures we're equipped to solve your most complex challenges.

Honour upholds the highest Environmental, Social, and Governance (ESG) standards, collaborating with stakeholders to champion sustainable, people-centric, and transformative outcomes. We are committed to not only revolutionising the Contract Development & Manufacturing Organization (CDMO) and Specialty landscapes, but also to creating a better future for all.



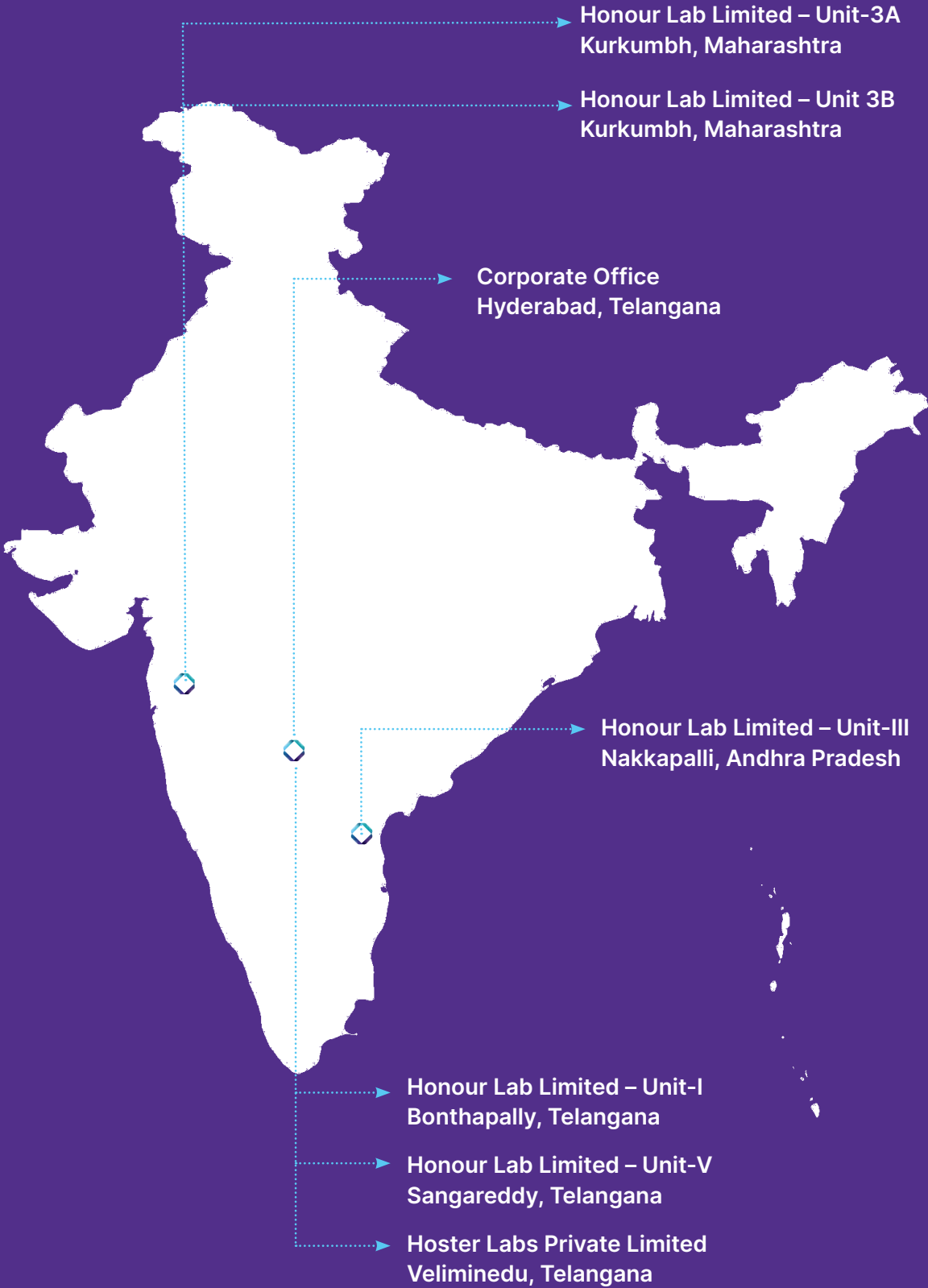
10+  
Years of Operations



~3,000 m<sup>3</sup>  
Manufacturing Capacity



3,000+  
Employees and Workers



## Our Core Values

At the heart of Honour, we have four core values that guide our every step: innovation, agility, trust, and integrity. We believe in pushing the boundaries of possibility, constantly seeking new and better ways to serve our customers and contribute to the world. This spirit of innovation fuels our research and development efforts, driving us to create solutions that are not only effective but also impactful.

We also embrace agility, recognizing that the world is constantly changing and demanding quick adaptation. We empower our teams to be nimble and responsive, able to pivot strategies and adjust course as needed to navigate challenges and seize opportunities. This agility allows us to stay ahead of the curve and remain relevant in an ever-evolving landscape.

Above all, we operate with unwavering trust and integrity. We build strong relationships with our employees, customers, and partners, founded on mutual respect and transparency. This commitment to ethical conduct guides every decision we make, ensuring that our actions are aligned with our values and contribute to a sustainable and responsible future.

In essence, these four core values are the main pillars of our company, shaping our culture and influencing everything we do. They are the compass that guides us towards success and the foundation upon which we build a brighter tomorrow.



## Innovation

We strive for innovation in everything we do. We constantly push the boundaries of what is possible.

## Agility

In today's dynamic world, agility is essential. We pride ourselves on our ability to quickly adapt to emerging technologies and evolving global needs.












## Trust

Trust is the foundation of our relationships with our partners and employees alike.

## Integrity

At our core, we value integrity above everything. Honour is committed to doing the right thing, even when it is difficult.

# Our Therapeutics

<p>Antifungal</p> 	<p>Antidiabetic</p> 	<p>Cardiovascular</p> 
<p>Antiretroviral</p> 	<p>Erectile Dysfunction</p> 	<p>Anticoagulant</p> 
<p>Antidepressant</p> 	<p>Neurology</p> 	<p>Antibiotic</p> 
<p>Radiological</p> 	<p>Antiviral</p> 	



# Key Business Highlights of the Year

Honour Lab Limited boasts six state-of-the-art manufacturing facilities out of which four are approved by the USFDA and a dedicated R&D division, exemplifying excellence in pharmaceutical innovation and production.



**Honour Lab Limited** offers a portfolio of



The production volume for FY22-23 exhibited a notable 20% increase compared to FY21-22, showcasing Honour's continued growth and operational excellence in meeting market demands.

Honour has recently integrated new production blocks within Unit-I, Unit-3A, Unit-3B, and Unit-V, demonstrating our commitment to operational efficiency and strategic growth initiatives.

## Membership of Associations

We at Honour engage with key associations to share best practices, and contribute to the advancement of industry standards. We are confident that by working together, we can make a significant impact on patient lives and shape a healthier future for all.



FTCCI - Federation of  
Telangana Chambers of  
Commerce and Industry



BDMAI - Bulk Drug  
Manufacturers  
Association of India

## Key Partners



Ramky Enviro Engineers  
Private Limited



Pattancheru Enviro Tech  
Limited



Jeedimetla Effluent  
Treatment Plant

## Our Certifiers and Trainers in Sustainability



Lawn Enviro  
Associates



British Standards  
Institutions (BSI)



TUV India Pvt Ltd



St. John Ambulance



# Awards Won

Honour has recently been recognized by Prestigious Awards and Accolades for its exceptional achievements towards commitment to excellence in occupational health and safety.

**At the "15<sup>th</sup> EXCEED Occupational Health Safety & Security Awards," four units of the Honour Group were honoured, receiving one Platinum, two Gold, and one Silver Award.**



**Platinum Award**  
Unit V



**Gold Award**  
Unit III



**Gold Award**  
Unit 3B



**Silver Award**  
Unit I



### Best API Patent Award

Honour received the “Best API Patent Award” from the Indian Drug Manufacturers Association, demonstrating its dedication to innovation and intellectual property protection.



### Honour Lab Limited declared as Winner in 11<sup>th</sup> Global Safety Summit Awards



### Best Management Award

The Department of Labour, Government of Telangana, awarded Honour the “Best Management Award” for its outstanding commitment to employee welfare and fostering a positive work environment.



This recognition underscores the company’s unwavering commitment to safeguarding the health and well-being of its workforce.

These awards stand as a testament to Honour’s dedication to quality, innovation, and employee well-being. They serve as a source of motivation for the company to continue exceeding expectations and setting new benchmarks in the pharmaceutical industry.



# Our Sustainability Perspective

## Prioritising actions for a sustainable and resilient future

Understanding what truly matters is crucial for the sustainable growth of an organization. This involves identifying and addressing key issues that impact the organisation's financial performance, environmental footprint, and social responsibility. These material issues influence the company's own strategy and operations, also play a significant role in shaping the decisions and expectations of stakeholders like investors, employees, customers, and communities.

## Approach towards materiality

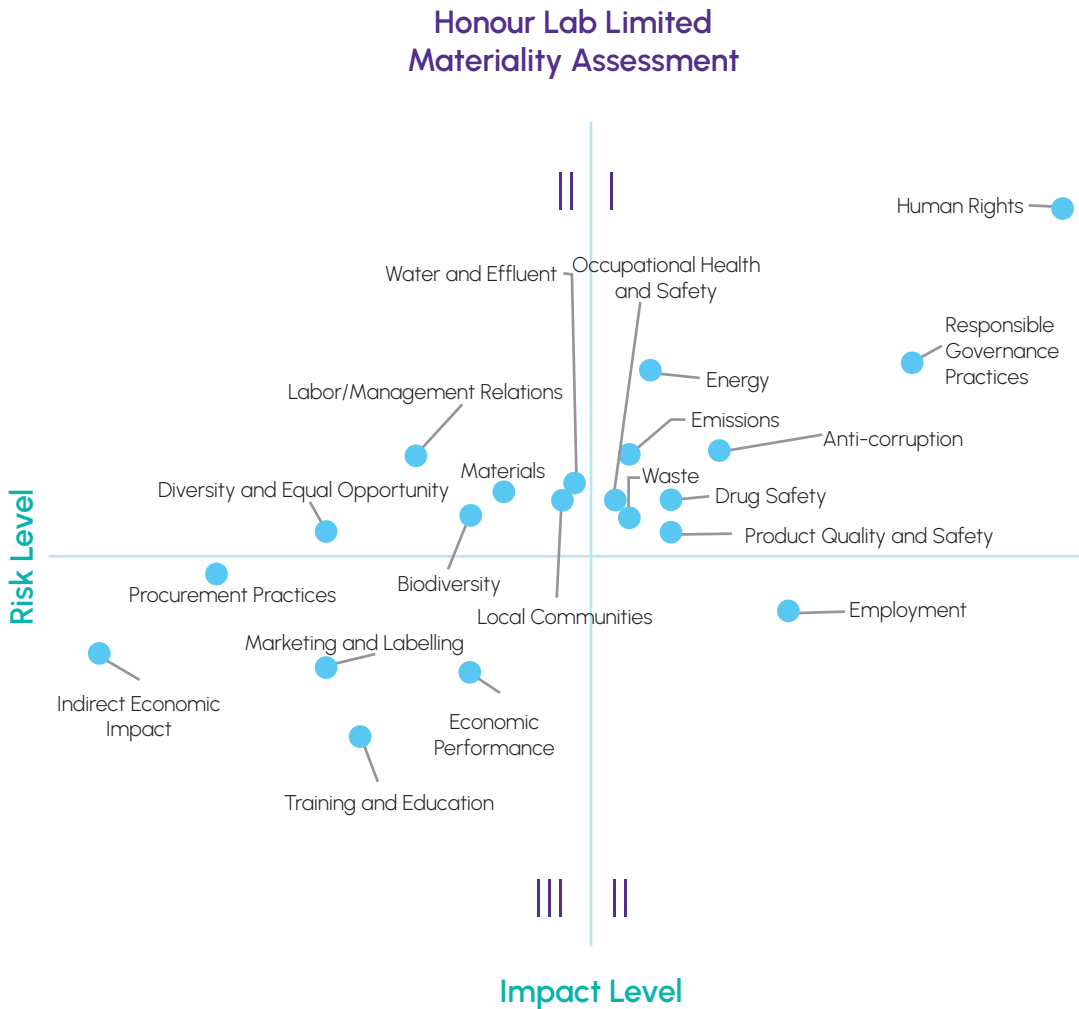
Building sustainability into its core, Honour embarked on a comprehensive materiality assessment. Through in-depth engagement with stakeholders encompassing employees, investors, communities, and others, the assessment captured diverse perspectives on environmental, social, governance, and economic factors crucial to the organisation's long-term success. This comprehensive analysis enabled Honour to identify and prioritize the issues most critical to its sustainability and value creation, shaping its journey towards a more responsible and resilient future.

The process of identifying material topics is a crucial step for any organization to ensure its reporting resonates with stakeholders. The following steps are included in the process:

1. Stakeholder sensitization, where key audiences are informed about the importance of materiality and its role in the sustainability Journey of Honour. This fosters engagement and helps define the scope of relevant issues.
2. Conducting Peer Benchmarking and Sectoral Trend Analysis, to understand the industry's current trends for identifying the potential material topics.
3. A Survey is conducted to understand the perspective of the key stakeholders. This survey solicits feedback on the importance of the listed topics from diverse stakeholders.
4. The results are analysed alongside internal data to create a materiality matrix, visually depicting the significance of each topic for both the organization and its stakeholders.

### Materiality Matrix

The Materiality Matrix represents the views of the stakeholders on the identified material topics. It plots the relevance of various topics to Honour's value creation. This matrix pinpoints high-priority material issues, characterised by both high risk and level of importance for its influence. These crucial topics are then integrated into the company's overall strategy, ensuring focused efforts towards generating long-term value for all stakeholders.








	Very High Priority	High Priority	Low Priority
<b>Environment</b> 	<ul style="list-style-type: none"> <li>• Emissions</li> <li>• Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Water and Effluent</li> <li>• Waste</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Materials</li> </ul>
<b>Social</b> 	<ul style="list-style-type: none"> <li>• Human Rights</li> <li>• Diversity and Equal Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Local Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Practices</li> <li>• Training and Education</li> <li>• Marketing and Labelling</li> <li>• Product Safety and Health</li> </ul>
<b>Governance</b> 	<ul style="list-style-type: none"> <li>• Responsible Governance Practices</li> <li>• Anti-Corruption</li> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Labour/ Management Relations</li> <li>• Product Quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Indirect Economic Impact</li> </ul>



# Environment



Topics	Areas focussed	Key Actions and Interventions
<b>Emissions</b> 	Minimising CO <sub>2</sub> Emissions by using efficient technologies	<ul style="list-style-type: none"> <li>• Fossil-to-renewable fuel shift</li> <li>• Measuring and monitoring of CO<sub>2</sub> emissions and setting up targets to reduce them</li> </ul>
<b>Energy</b> 	Reduce energy consumption and increase renewable energy use	<ul style="list-style-type: none"> <li>• Implement energy-saving technologies and processes in manufacturing.</li> <li>• Invest in solar and wind power generation.</li> <li>• Optimize transportation logistics for efficiency.</li> <li>• Conduct energy audits and identify improvement opportunities.</li> </ul>
<b>Water and Effluent</b> 	Effective Management of water and effluents	<ul style="list-style-type: none"> <li>• Reducing the freshwater consumption through process Efficiency</li> <li>• Effective management of effluents through continuous monitoring and analysis</li> </ul>





Social		
Topics	Areas focussed	Key Actions and Interventions
<b>Human Rights</b> 	Respect human rights throughout the value chain	<ul style="list-style-type: none"> <li>• Implement policies and procedures to prevent discrimination and harassment.</li> <li>• Provide training to employees on human rights principles.</li> <li>• Establish a grievance mechanism for workers to report concerns.</li> </ul>
<b>Diversity, Equity and Inclusion</b> 	Create a diverse and inclusive workplace	<ul style="list-style-type: none"> <li>• Implement Diversity, Equity and Inclusion (DE&amp;I) initiatives in recruitment, hiring, and promotion practices.</li> <li>• Develop training to avoid unconscious bias among the employee.</li> <li>• Create opportunities for employee engagement and feedback on DE&amp;I initiatives.</li> <li>• Partner with diverse suppliers and vendors.</li> </ul>

Governance		
Topics	Areas focussed	Key Actions and Interventions
<b>Responsible Government Practices</b> 	Engage with government bodies in a transparent and ethical manner	<ul style="list-style-type: none"> <li>• Implementing robust risk management practices across the organization to identify, assess and mitigate the risks.</li> <li>• Advocate for policies that promote good governance.</li> </ul>
<b>Anti-corruption</b> 	Prevent and combat corruption in all its forms	<ul style="list-style-type: none"> <li>• Implement a zero-tolerance policy for corruption.</li> <li>• Establish a strong internal control environment.</li> <li>• Conduct regular audits and risk assessments.</li> <li>• Report and investigate any suspected corruption incidents.</li> </ul>

## Key Challenges and Opportunities

Honour is committed to long-term success and positive impact, we recognize the interconnectedness of our environmental, social, and economic well-being. This report drives into the heart of the various Environmental, Social and governance parameters and explores the key challenges and opportunities that define our current sustainability performance.

	Description	Impact	Opportunity	Actions Proposed
<b>Resource Consumption</b>	High consumption of energy, water, and raw materials.	Increased operating costs, environmental impact, and potential resource scarcity.	Transition to renewable energy and resource-efficient technologies.	<ul style="list-style-type: none"> <li>• Conduct energy audits and implement energy-saving measures.</li> <li>• Invest in renewable energy sources like solar and wind power.</li> <li>• Optimise resource usage in manufacturing processes.</li> <li>• Collaborate with suppliers to reduce our environmental footprint.</li> </ul>
<b>Waste Generation</b> 	Manufacturing and research activities generate hazardous and non-hazardous waste.	Environmental pollution and potential regulatory fines.	Develop sustainable packaging solutions and implement waste reduction initiatives.	<ul style="list-style-type: none"> <li>• Reduce use of hazardous materials in production processes.</li> <li>• Increase recycling and waste-to-energy programs.</li> <li>• Explore partnerships with waste management companies.</li> </ul>
<b>Emissions</b> 	Greenhouse gas emissions.	Climate change, regulatory compliance issues, and potential damage to brand reputation.	Reduce greenhouse gas emissions and improve air quality.	<ul style="list-style-type: none"> <li>• Implement energy efficiency measures and invest in renewable energy sources.</li> <li>• Implement emission control technologies and optimize production processes.</li> </ul>

**Supply Chain Transparency**



Description	Impact	Opportunity	Actions Proposed
<p>Limited visibility into the sustainability practices of suppliers.</p>	<p>Potential environmental and social risks, reputational damage, and lack of control over the company's overall sustainability footprint.</p>	<p>Increase supply chain transparency and collaborate with suppliers on sustainability initiatives.</p>	<ul style="list-style-type: none"> <li>• Conduct supplier audits to assess the sustainability practices.</li> <li>• Develop and implement a supplier code of conduct.</li> <li>• Collaborate with suppliers to improve the environmental and social performance.</li> <li>• Invest in technology solutions for supply chain traceability.</li> </ul>





# Stakeholder Engagement

At Honour, we recognize the importance of building long-term relationships with our stakeholders as a key driver of our inclusive and responsible growth. By taking the time to understand the needs, interests, and expectations of our stakeholders, we create value not only for the company but also for the individuals and communities we serve. Our commitment to honest and open communication has fostered strong bonds with our stakeholders, who are crucial to achieving our corporate goals. We carefully identify our stakeholders based on the potential impact on our operations and ability to influence our success.

Stakeholder Group	Expected outcomes	Preferred Mode of Engagement
 <p><b>Investors and Shareholders</b></p>	<p>Financial returns, responsible business practices, long-term growth</p>	<p>Annual General Meetings, Annual Report</p>
 <p><b>Employees</b></p>	<p>Safe and healthy workplace, career development opportunities, fair compensation, ethical practices</p>	<p>Our engagement methods with the employees includes toolbox talks, town hall meetings, recognition programs, employee opinion surveys, workshops, and communications platforms</p>
 <p><b>Suppliers</b></p>	<p>Reliable and long-term partnerships, fair pricing, transparent communication, sustainability commitment</p>	<p>One-on-one communication by the Procurement team through emails, meetings, etc.</p>
 <p><b>Local Communities</b></p>	<p>Environmental responsibility, economic development, access to healthcare.</p>	<p>CSR engagement programs through our CSR team</p>
 <p><b>Customers</b></p>	<p>Expand market reach. Promote new offerings. Ensure ethical conduct. Address customer feedback.</p>	<p>One-on-one communication by our Business Development team through emails, meetings, etc.</p>



# Responsible Corporate Governance





Our approach to responsible corporate governance is rooted in two key pillars: our core company values and our commitment to external regulations, initiatives, and international guidelines. We seamlessly integrate these requirements into our overarching sustainability strategy. These guidelines encompass charters and principles applicable across the entire organization, alongside specific standards and procedures tailored for individual business sectors and locations. This dual-pronged approach ensures sound governance practices that reflect both our internal values and external obligations, ultimately fostering a sustainable and responsible organization.

### Governance Structure

The Board of Directors plays a pivotal role as the highest governing body at Honour Lab Limited. Their primary responsibility is to enhance long-term goals and guide the company's strategic directions. Our Board comprises esteemed members including the Managing Director, Woman Director, Whole-Time Directors, and Independent Directors. This diverse and experienced team ensures effective governance and decision-making, driving Honour towards continued success and growth. The assessment and appointment of the members to the Board is based on the combination of criteria that includes ethics, personal and professional stature, domain and specification required for the position. The Nomination and Remuneration Committee plays a crucial role in this process, identifying individuals of integrity who possess the relevant expertise, experience, and leadership qualities necessary for their respective roles, in accordance with the criteria outlined by the Companies Act, 2013.

Furthermore, the Board, upon the recommendation of the Nomination and Remuneration Committee, has established a comprehensive Policy on remuneration for Directors, Key Managerial Personnel, and other Employees. This policy ensures transparency, fairness, and alignment with industry standards, contributing to a balanced and effective governance structure at Honour.

The remuneration of Directors, Key Managerial Personnel (KMPs), and Senior Management Personnel at Honour is structured in accordance with the Global Reporting Initiative (GRI) guidelines and is compliant with the provisions outlined in the Companies Act, 2013. Our remuneration policy is designed to ensure transparency, fairness, and alignment with industry standards while also reflecting the Company's performance and objectives. Additionally, the remuneration policy of Honour is regularly reviewed and updated by the Nomination and Remuneration Committee to ensure that it remains in line with regulatory requirements and best practices. This continuous review process allows us to adapt our remuneration practices to changing market conditions and business dynamics while maintaining fairness and competitiveness.

Overall, our commitment to aligning remuneration with regulatory standards and the Company's policy underscores our dedication to sound corporate governance and ethical business practices at Honour.

## Board Members



**Dr. K. Rathnakar Reddy**  
Managing Director



**Dr. K. Subhas Chander Reddy**  
Whole-time Director



**Mr. N. Muralidhar Reddy**  
Whole-time Director

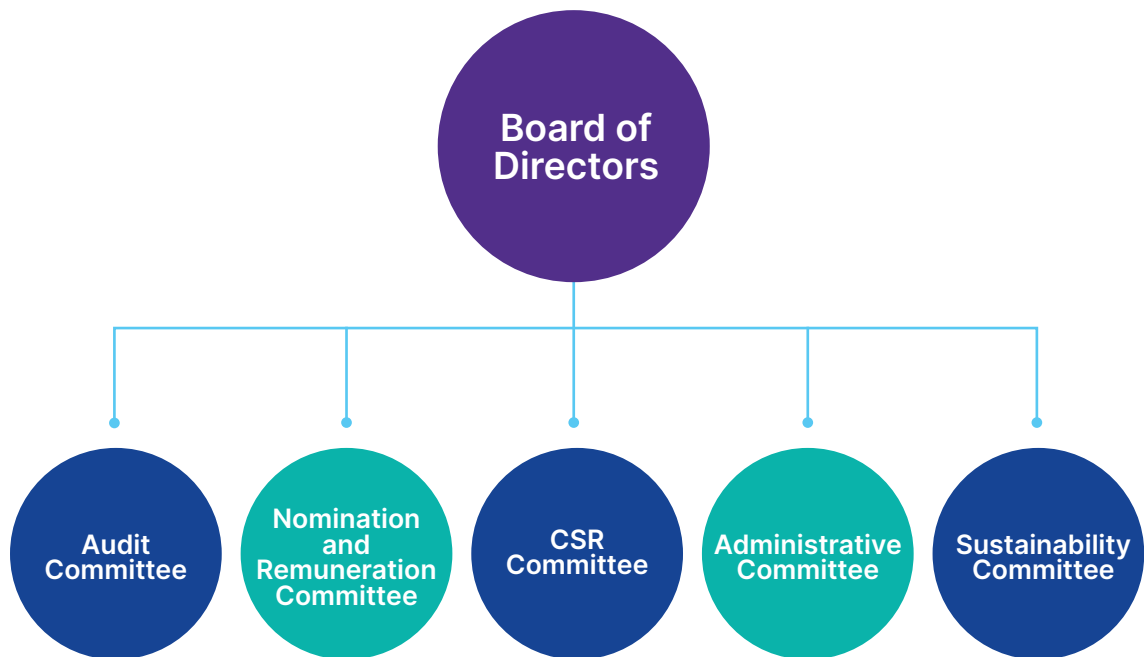
**Mrs. K. Krishnaveni**  
Director (Women)

**Mr. B.V.S. Suri**  
Director (Independent)

**Mr. A. Sudhakar Reddy**  
Director

**Mr. Narsimha Reddy**  
Director (Independent)

# Governance Structure



At Honour, we are committed to integrating sustainability into our core business strategies and operations. The Board of Directors plays a pivotal role in overseeing sustainability strategies and performance. Our Board is committed to integrating sustainability considerations into decision-making processes, ensuring alignment with our long-term goals and values. We are in process of developing a comprehensive Sustainability Policy that outlines our commitments, goals, and strategies related to environmental stewardship, social responsibility, and ethical governance and a dedicated Sustainability Governance Team tasked with enhancing our sustainability policies and initiatives. This team will play a pivotal role in driving our sustainability agenda forward. The Sustainability Committee, responsible for sustainability governance, will be headed by the Whole time Director. This leadership role will bring strategic vision and commitment to our sustainability journey. The Administrative committee communicates the progress to the Board each quarter.




At each of our operational units, we aim to have a dedicated Plant Head and management team focused on supporting our sustainability initiatives. These teams will play a crucial role in implementing sustainability practices at the base level. The Environment, Health, Safety, and Sustainability (EHSS) Head will oversee the overall development and implementation of sustainability initiatives across the organization.

The highest governance body, represented by the Board of Directors, will review and monitor Honour's policies and strategies on sustainability-related matters. Our Managing Director will be playing a important role in development of the sustainability report.

### Implementing Responsible Practices

Guided by our policies, at Honour we establish comprehensive internal standards that provide specific direction for operational processes across the organisation. These policies are regularly reviewed and updated by relevant departments and readily available on our internal network for easy access. Our internal management system plays a crucial role in implementing and enforcing these policies within our respective areas of responsibility. To ensure widespread understanding and adherence, we provide comprehensive training and education programs for all employees on the relevant guidelines.

### List of all Policies

 <b>Environment</b>	 <b>Social</b>	 <b>Governance</b>
<ul style="list-style-type: none"> <li>Energy policy</li> <li>Bio Diversity Policy</li> <li>Environment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Social Policy</li> <li>Employment Policy</li> <li>Contract Labour Management Policy</li> <li>Health and Safety Policy</li> <li>Skill Development policy</li> <li>POSH</li> <li>Prevention of Child Labour</li> <li>Expectant Mothers Policy</li> <li>Policy Against Forced or Compulsory Labour</li> <li>Employees Resignation and Discharge Policy</li> <li>Information Security Policy</li> </ul>	<ul style="list-style-type: none"> <li>Whistle Blower Policy</li> <li>Remuneration Policy</li> <li>Promotion Policy</li> <li>Anti-Bribery Policy</li> <li>Risk Assessment Policy</li> <li>Freedom of Association and the Right to Collective Bargaining</li> <li>Grievance Handling Policy</li> <li>Customer Safety Guidelines</li> <li>CSR Policy</li> </ul>

Furthermore, we leverage robust management systems to steer operational processes, define clear goals and action plans. To demonstrate our commitment to continuous improvement and accountability, we undergo regular independent audits for ISO 14000, and 45000 certifications, holding group certificates for both standards. This rigorous approach ensures that our operations adhere to the highest standards, promoting responsible practices and sustainable growth.

## Compliance with Laws and Regulations

At Honour, our business intersects with several critical environmental and social aspects of society, making regulatory compliance a top priority. Through our well-established processes, we diligently track regulatory requirements on a global scale and ensure strict compliance. As a result of our commitment to regulatory adherence, we have consistently maintained approval from global regulators for several years. This ongoing approval reflects our dedication to upholding the highest standards in environmental and social responsibility while delivering quality products and services

## Anti-corruption

At Honour, we firmly believe that ethical conduct and unwavering integrity are the cornerstones of a successful and sustainable organisation. We operate in a complex global landscape, and upholding the highest standards of anti-corruption and anti-bribery practices is not just a legal obligation, but a moral imperative.

At our core, we value transparency and accountability. We have zero tolerance for any form of bribery or corruption, and our robust compliance program ensures rigorous adherence to all applicable laws and regulations. This includes comprehensive anti-bribery policies, comprehensive training programs for all employees, and clear reporting mechanisms for concerns or suspicions. We maintain open communication channels, encouraging employees to report any potential violations without fear of retaliation.

Furthermore, we actively promote responsible sourcing and vendor relationships. We partner with suppliers who share our commitment to ethical conduct and conduct thorough due diligence to mitigate risks. We prioritise transparency in financial transactions and maintain detailed records to ensure all dealings are above board. We are in process of assessing the risk related to corruption in our operations.

Ultimately, our commitment to anti-corruption and anti-bribery practices goes beyond mere compliance. We believe it fosters a culture of trust and respect, attracts and retains top talent, and strengthens our relationships with clients, partners, and the communities we serve. By upholding these values, we not only protect our reputation and ensure long-term success, but also contribute to a more ethical and sustainable industry.

**All our employees are trained on Anti-Corruption Policy**

**No legal actions on anti-competitive behavior, anti-trust, and monopoly practices**

**No Confirmed Incident of Corruption in the Reporting Period**



# Risk Management

At Honour, we focus on the trends of emerging risks relevant to the pharmaceutical sector in accordance with World Economic forum and other important organisation and have analysed the following risks.

The impact and the appropriate mitigation measures are as follows:

Emerging Risk Category	Specific Risk	Impact	Mitigation Measures
Product Quality	Manufacturing errors: Product recalls, adverse events, patient harm.	Loss of life, brand damage, financial losses, regulatory action.	Implement rigorous quality management systems, use advanced process controls, conduct thorough quality audits, prioritize employee training and safety.
Product Development	Clinical trial failures: Lack of efficacy, safety concerns, high cost.	Pipeline delays, lost investment, reputational damage, missed market opportunities.	Conduct robust preclinical studies, optimize trial design, diversify patient populations, leverage AI and predictive models, partner with CROs with strong track records.
Informational Security	<ul style="list-style-type: none"> <li>Cyberattacks: Data breaches, system disruptions, intellectual property theft.</li> <li>Data privacy violations: Non-compliance with regulations, misuse of patient data.</li> </ul>	<ul style="list-style-type: none"> <li>Financial losses, operational shutdown, reputational damage, legal liability.</li> <li>Regulatory fines, loss of public trust, reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Implement robust cybersecurity measures, conduct regular penetration testing, train employees on cyber hygiene, partner with cybersecurity experts.</li> <li>Develop comprehensive data privacy policies, implement data access controls, obtain informed consent from patients, ensure transparency and accountability.</li> </ul>
ESG and Sustainability	<ul style="list-style-type: none"> <li>Environmental impact of drug manufacturing: Greenhouse gas emissions, resource depletion, waste generation.</li> <li>Social responsibility concerns: Lack of access to medicines for underserved populations, ethical sourcing of ingredients.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory pressure, reputational damage, consumer backlash.</li> <li>Public health issues, reputational damage, investor pressure.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt sustainable manufacturing practices (e.g., green chemistry), invest in renewable energy, reduce waste and emissions, develop eco-friendly packaging.</li> <li>Implement access programs, partner with NGOs, source ingredients responsibly, promote diversity and inclusion within the company.</li> </ul>
Climate Change	Disruptions in supply chain and logistics: Extreme weather events, resource scarcity.	Drug shortages, price increases, delivery delays, increased production costs.	Build resilient supply chains, diversify sourcing, invest in climate-smart transportation, explore alternative production methods.





## Reporting and Transparency Practices

Honour prioritises transparency in all aspects of its operations and performance. We go beyond our Annual Report and report on Environment, Social and governance indicators by making readily available a vast array of internal policies, codes, and guidelines. Additionally, we provide annual updates on our financial and ESG performance, ensuring stakeholders are kept informed. This open approach fosters trust and accountability, allowing stakeholders to understand our actions and impact.

## Product Quality and Safety

Our's is a leading API, Intermediate and Contract Development & Manufacturing Organization (CDMO) dedicated to delivering exceptional service and exceeding expectations in every aspect of its operations. We believe that product quality, clear communication, and unwavering commitment to drug safety are paramount to the health and well-being of patients.

At Honour, we prioritize product quality by implementing a robust quality management system that adheres to the highest international standards. Our state-of-the-art facilities are equipped with advanced technology and undergo regular audits to ensure compliance with our cGMP guidelines. We employ a research and development team of highly qualified and experienced professionals who meticulously oversee every step. Additionally, we invest in continuous improvement initiatives, implementing cutting-edge technologies and methodologies to further enhance our quality control measures.

## Marketing and Labelling

Honour recognizes the critical role of clear and accurate communication in fostering trust and ensuring customer safety. Our commitment extends to crafting marketing materials and product labels that not only meet regulatory standards but also provide comprehensive information to our clients. Our team of experienced professionals meticulously ensures that every detail, from indications to potential side effects and safety precautions, is effectively communicated.

In addition to regulatory compliance, we prioritize responsible product stewardship. Our comprehensive product information program includes detailed insights into our streamlined product recall process and readily accessible Material Safety Data Sheets (MSDS), guaranteeing safe usage and responsible disposal of our products. This commitment underscores our dedication to customer well-being and environmental sustainability.

Furthermore, Honour goes beyond mere compliance by setting ambitious standards for ourselves. We are driven by a passion for excellence, investing in ongoing research and development to evolve our processes and technologies continually. This approach keeps us at the forefront of the API, Intermediate and Contract Development & Manufacturing Organization (CDMO) industry, while our culture of innovation and collaboration empowers employees to contribute ideas and drive the development of new, improved approaches



# Our Economic Performance

At Honour, we believe our financial growth should translate into tangible benefits for society and our stakeholders. Through dedicated community development initiatives, fostering a strong local supplier network, and unwavering commitment to legal and financial responsibility, we strive to create a win-win situation for everyone.

Particulars	FY 2022-23 (in Million Rs)
Revenue	21217.29
Direct Economic Value Generated	21217.29
Economic Value Distributed	19875.17
Economic Value Retained	1342.12
Operating Costs	17912.41
Employee Wages and Benefits	1090.93
Payments to Government	86.11
Total Capitalization Debt	2712.49
Total Capitalization Equity	50.00
Net Sales	20910.22
Profit After Tax	821.89
Community Investments (CSR)	60.00



Environmental Performance

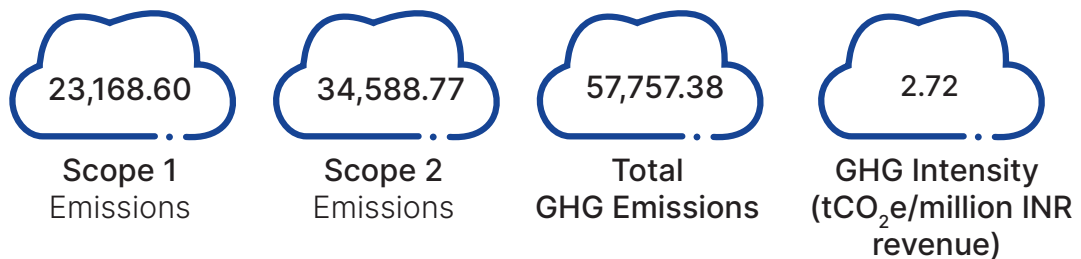
At Honour, we recognize the critical importance of environmental stewardship in achieving sustainable development goals and fostering long-term resilience. This section provides an overview of our commitment to environmental sustainability, outlining our initiatives, performance, and progress towards minimizing our ecological footprint while maximizing positive impacts. Through transparent reporting and strategic initiatives, we aim to demonstrate our dedication to responsible environmental management and contribute to a healthier, more sustainable planet for future generations.

## Climate Change

At Honour, we recognize the significant implications of our operations on the environment and are deeply committed to mitigating our impact. Our awareness extends beyond a mere understanding of greenhouse gas emissions urgency; we are dedicated to implementing measures that reduce our environmental footprint. With meticulous attention, we monitor and manage our Scope 1 and 2 emissions, undertaking proactive steps to diminish them through initiatives focused on renewable energy, operational efficiency enhancements, and responsible resource management practices.

By sharing our progress and engaging in discussions, we aim to identify and implement innovative solutions that contribute to building a more sustainable future. At Honour, we consider environmental responsibility to be an integral aspect of our corporate integrity. It serves as a fundamental pillar that influences every decision we make and every action we take, guiding us towards practices that align with our commitment to sustainability.

### GHG Emissions (tCO<sub>2</sub>e) – FY 23



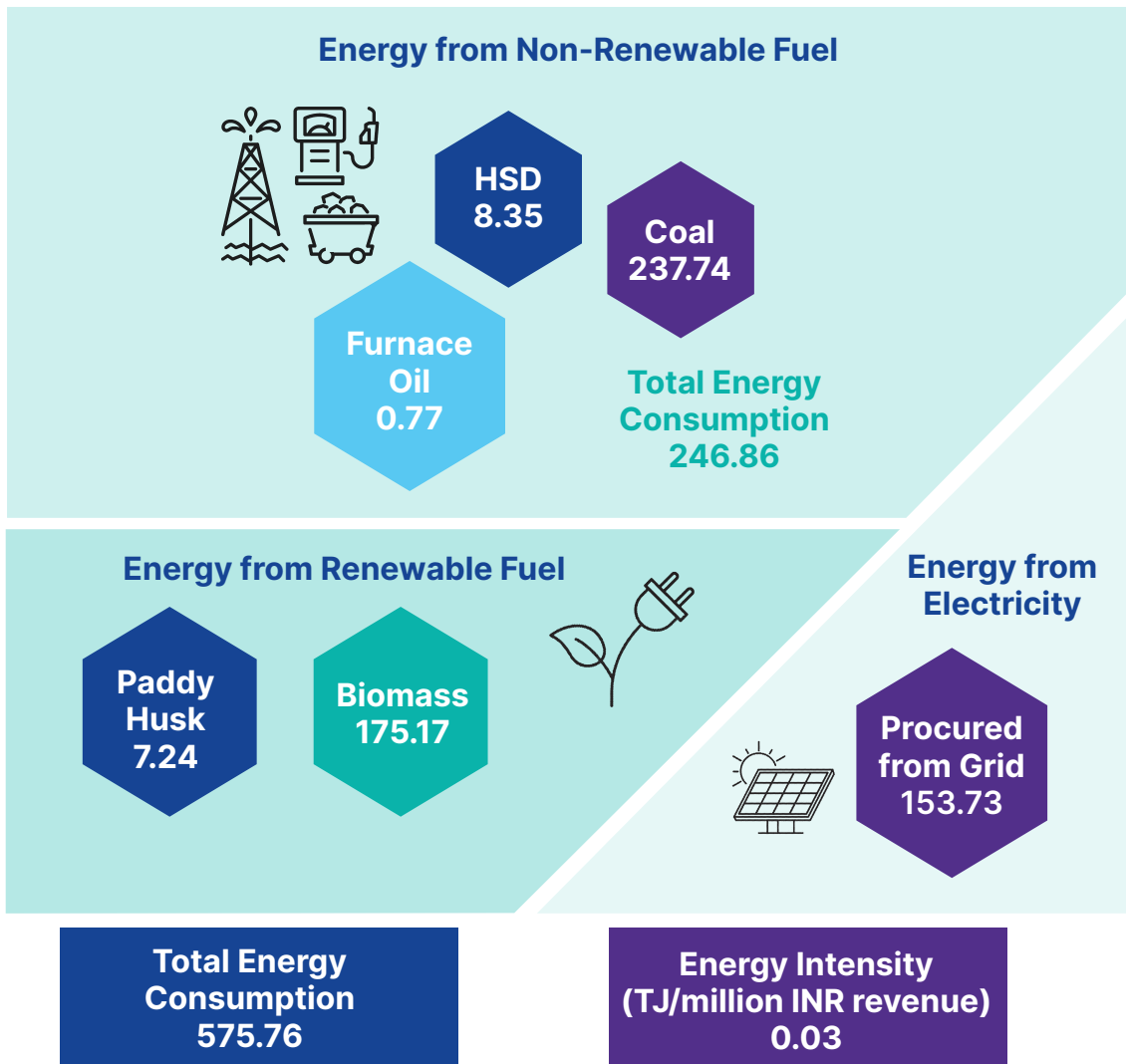
Our environmental initiatives are rooted within our corporate culture, shaping our approach to business operations, product development, and community engagement. We continually strive to enhance our environmental performance, by meeting the regulatory requirements and to exceed industry standards and contribute positively to the preservation of our planet for future generations.

We have started monitoring our Scope 1 & 2 Emissions and we will be extending our scope by measuring the relevant categories of Scope 3 Emissions.

### Energy Management

At Honour, we recognize the critical importance of energy management in minimizing our environmental impact and ensuring sustainable operations. In this section of our Sustainability Report, we outline our comprehensive approach to energy management, highlighting our strategies for optimizing energy efficiency, reducing consumption, and transitioning towards renewable sources.

### Energy Consumption (TJ) FY23



### Energy Efficiency Initiatives

We are committed to improving energy efficiency across our facilities through the implementation of innovative technologies and best practices. Our energy audits and assessments enable us to identify areas for improvement and prioritize energy-saving measures. By investing in energy-efficient equipment, optimizing processes, and implementing energy management systems, we aim to reduce our energy intensity and

enhance operational sustainability. Transitioning towards renewable energy sources is a key focus area for Honour. We recognize the environmental benefits of renewable energy and its role in mitigating climate change. Through partnerships with renewable energy providers and the installation of on-site renewable energy generation systems, such as solar panels and wind turbines, we are working towards reducing our reliance on fossil fuels and lowering our carbon footprint.

Transparent monitoring and reporting are integral to our energy management efforts. We employ robust monitoring systems to track energy consumption, identify trends, and assess the effectiveness of our energy-saving initiatives. Regular reporting allows us to communicate our progress to stakeholders, demonstrate accountability, and identify opportunities for further improvement.

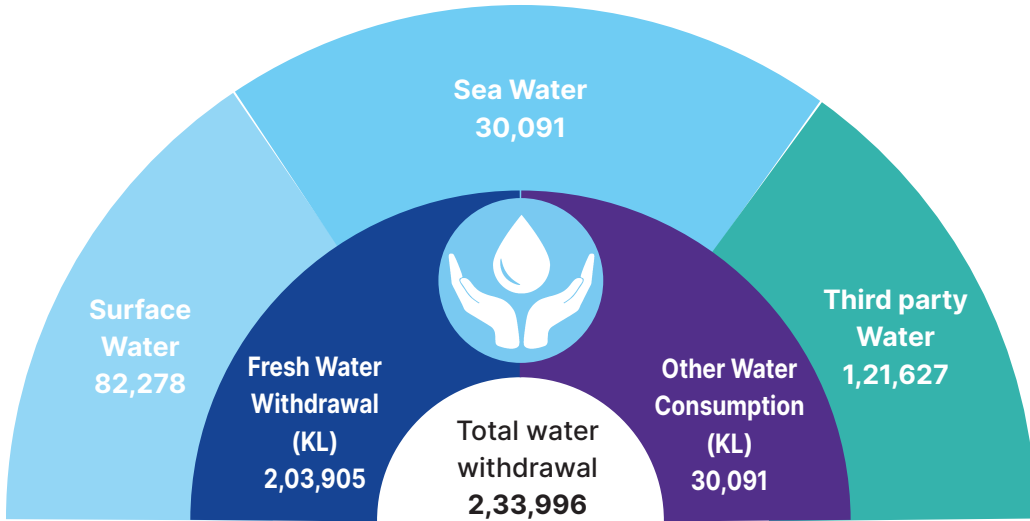
Honour is committed to continuous improvement in energy management. We regularly review and update our energy policies, set targets for energy efficiency improvements, and engage employees in energy conservation efforts. Looking ahead, we remain dedicated to exploring new technologies, enhancing our energy management practices, and contributing to a more sustainable energy future.

Unit-III is certified with ISO 50000 Certification. We are in the process of getting ISO 50000 certificate for all our manufacturing locations.



## Water Stewardship

### Water Withdrawal (KL) – FY 23

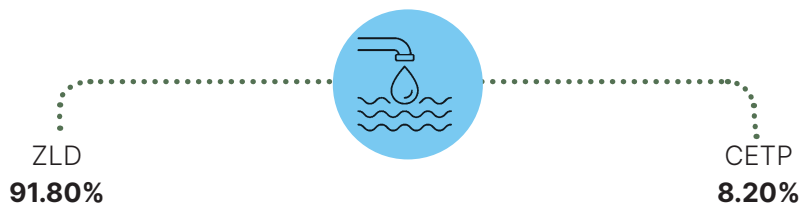


Honour takes its commitment to sustainable water stewardship which is evident in their groundbreaking zero liquid discharge system. Every drop counts, not only for operational efficiency, but for the planet. This state-of-the-art technology reclaims and recycles wastewater, preventing a single drop from polluting waterways. It's a closed-loop cycle, minimizing environmental impact and maximizing responsible water usage.

### Wastewater Generation and Recycle (KL) – FY 2023



### Waste Water Generation & Disposal Pattern



\* The total water withdrawn from surface water and third-party water are from fresh water sources.



## Waste and Circular Economy

Our approach to managing waste entails overseeing its origin, maximizing resource use, and reducing waste production. We emphasize diverting waste away from landfills by prioritizing recycling, various recovery techniques, and coprocessing.

### Waste Category (MT) – FY 23



In our efforts to reduce single-use plastic disposal, we’ve partnered with an authorized waste handler to gather and oversee the management of used plastic. This collaboration ensures alignment with pollution control board guidelines and the regulations regarding extended producer responsibility (EPR).

### Hazardous Waste Recycled in FY 23 : 926 MT

Honour, a leading pharmaceutical company, is committed to embracing circular economy principles within its supply chain. This comprises to reducing waste generation at every stage, from sourcing raw materials to product disposal. Traditionally, the pharma industry generates a significant amount of waste, including hazardous chemicals, expired medications, and single-use plastics. These contribute to environmental pollution, resource depletion, and potential health risks.

To combat this, Honour prioritizes responsible sourcing, utilizing recycled materials, and opting for reusable or biodegradable alternatives whenever possible. Additionally, Honour actively promotes take-back programs for used packaging materials, ensuring proper recycling and responsible disposal. By eliminating single-use plastics, Honour not only reduces plastic pollution but also minimizes the need for virgin plastic production, further contributing to a circular economy.

Honour’s commitment to circularity extends beyond environmental benefits. It fosters resource efficiency, cost savings, and a more sustainable future for the pharmaceutical industry. By minimizing waste and embracing reuse and recycling, Honour sets an example for the industry, paving the way for a more responsible and environmentally conscious future.

Hazardous Waste Diverted to Disposal (MT)		FY 23
<b>Disposal Mode</b>		
Landfill		2574.64
Incineration (with energy recovery)		8197.85
Recycling		926



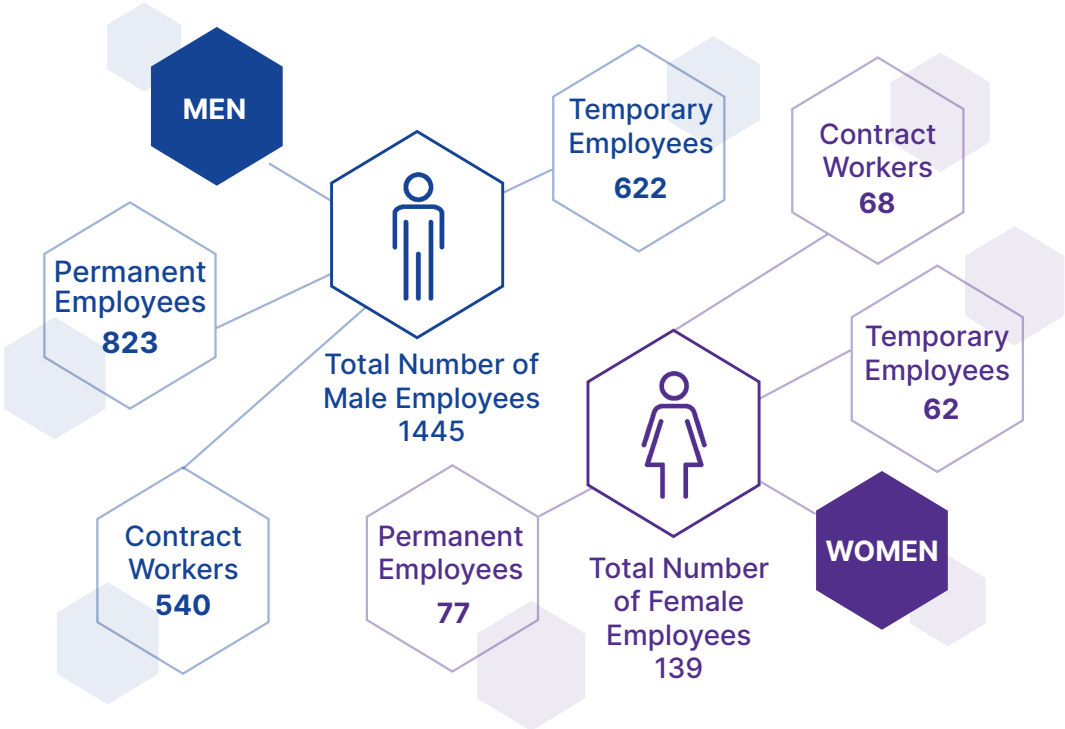
# Social Performance



**Employment**

At Honour, we are committed to upholding fair labor practices and treating our employees with dignity and respect. We adhere to local labor laws and international standards, ensuring fair wages, safe working conditions, and the protection of workers' rights. We believe in fostering a culture of trust, transparency, and open communication, where employees feel valued, heard, and empowered to voice their concerns. The workers in the manufacturing locations are involved in manufacturing, packaging and house keeping works and Honour has contractual relationship with the workers.

**Diversity of Employee**



Total Number of Employees: 1584  
 Total Number of Workers: 608

Category of Employees	Attrition Rate
Male	39%
Female	40%
Age Group <30	51%
Age Group 30-50	22%
Age Group >50	29%

In the pursuit of organizational sustainability, it is essential to recognize and address factors contributing to employee attrition. At Honour, we understand that turnover impacts our productivity and morale but also reflects underlying issues that require attention and resolution.

Through comprehensive data analysis, we are identifying the trends and patterns in employee turnover within our organization. It is imperative to delve deeper into the root causes of attrition to develop targeted interventions and solutions. Our Overall attrition rate stood at 34%.

Addressing attrition requires a multifaceted approach that addresses both systemic issues and individual needs. Strategies for mitigating turnover may include:

**Career Development:** Providing opportunities for growth, advancement, and skills development to ensure employees feel valued and engaged in their work.

**Enhancing Recognition and Rewards:** Implementing recognition programs, performance incentives, and rewards systems to acknowledge and appreciate employee contributions.

**Promoting Work-Life Balance:** Offering flexible work arrangements, wellness programs, and support services to help employees achieve a healthy balance between work and personal life.

**Improving Leadership and Communication:** Providing leadership training, fostering transparent communication channels, and promoting a culture of trust and collaboration to enhance employee satisfaction and engagement.

### Employee well-being initiatives

At Honour, we understand that happy and healthy employees are productive employees. That's why we're committed to creating a work environment that prioritizes the well-being of our team members.

**Flexible work arrangements:** We offer flexible work schedules, remote work options, and generous leave policies to help employees achieve a healthy work-life balance.

**Comprehensive benefits:** We provide our employees with access to comprehensive health insurance, mental health resources, and financial wellness programs.

**Employee development:** We invest in the professional development of our employees through training programs, tuition reimbursement, and leadership opportunities.

**Positive work culture:** We foster a culture of open communication, collaboration, and mutual respect, where employees feel valued and supported.

## Human Rights

### Fair Employment Practices

Honour, as an integral component of ethical conduct, plays a pivotal role in striving to uphold human rights and fair employment practices globally. It serves as the guiding principle that compels organizations, governments, and individuals to ensure equity, dignity, and justice for all. Within this framework, initiatives are developed to eliminate discrimination, promote inclusivity, and safeguard fundamental rights across diverse communities. Companies align their policies to champion fair labor practices, embracing diversity and equal opportunities while advocating for human rights through education, awareness campaigns, and partnerships with advocacy groups. By anchoring actions in principles of Honour, societies endeavor to create environments where every individual's rights are respected, and fair employment practices are the norm, fostering a more just and equitable world.

Investing in employee well-being goes beyond mere compliance or following trends; it is a fundamental aspect of honouring the individuals who comprise our valued team. At

our organization, we recognize that acknowledging the humanity of our employees and catering to their holistic needs is essential for fostering a culture of respect, fulfilment, and productivity.

At Honour we prioritize the physical and mental health of our employees by creating a supportive environment that promotes work-life balance and encourages healthy habits. This includes initiatives such as offering access to on-site fitness facilities, mental health programs, and resources that help individuals maintain overall well-being.

Our commitment to honouring our employees extends to fostering their intellectual growth and professional development. We provide ample opportunities for continuous learning and skill enhancement, challenging them with meaningful tasks and projects that stimulate growth and innovation. Furthermore, we value their diverse perspectives, recognizing that a variety of viewpoints enriches our organizational culture and drives success. We strive to cultivate a culture of recognition and appreciation, celebrating both individual and team achievements. By acknowledging the invaluable contributions of our employees, we create a sense of belonging and pride within the organization. Transparent communication channels ensure that employees are informed, involved, and valued every step of the way.

**No cases of discrimination or any other human rights issues were filed during the reporting year.**

### Respect for human rights across the value chain

Honour serves as a catalyst in the pursuit of respecting human rights across the entire value chain of industries and enterprises. It compels organizations to embed ethical considerations into every stage of their operations, from sourcing raw materials to production, distribution, and beyond. Through a lens of Honour, businesses engage in due diligence, ensuring that their suppliers and partners adhere to human rights standards, labor regulations, and ethical practices. This commitment extends to monitoring working conditions, preventing exploitation, and empowering workers with fair wages and safe environments. Moreover, companies actively collaborate with stakeholders, including local communities and civil society organizations, to address social issues and promote human rights awareness. By integrating Honour-driven principles into their value chains, entities aspire not only to achieve compliance but also to create a positive impact, fostering a culture of respect for human rights throughout their operations.

### Training and Education

At Honour, we prioritize investing in our employees by fostering entrepreneurship and ownership within them. Our learning and development programs are designed to offer individualized skill development journeys and differentiated career paths, enabling our employees to advance within the organization.

We have structured our training and development initiatives into three main categories:

**Technical Mandatory Training:** This includes specialized training programs tailored to the technical requirements of various roles within the organization, such as GMP training in the pharmaceutical industry to ensure consistent quality and safety of products.

**Soft Skill Training:** We provide training in soft skills such as communication, leadership, teamwork, and problem-solving, essential for personal and professional development.

**Safety Training:** Safety is a top priority at Honour Lab Limited. We conduct comprehensive safety training programs covering topics like bio-safety, emergency management, safe waste handling, general safety procedures, chemicals handling safety, first aid, fire safety, and more. Both internal and external trainers facilitate these safety training sessions.

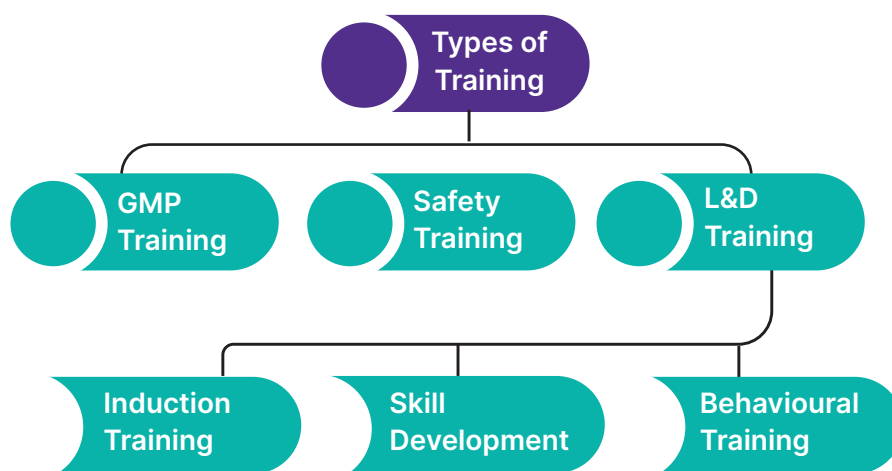
Our induction and orientation programs for new hires are designed to familiarize them with our organizational culture, working operations, procedures, governance structure, core values, and principles. This helps align them with their roles and responsibilities from the outset.

Career building with appropriate skills is actively promoted at Honour. We have revamped our induction and skill development programs to cater to the diverse needs of our employees. For example:

All employees and contract workers undergo safety training annually to ensure a safe work environment. This training covers a wide range of safety topics and is crucial for maintaining a culture of safety across our organization.

For contract workers, completion of safety training from Honour is a prerequisite to commence work, ensuring that all personnel are well-equipped to handle their responsibilities safely and efficiently.

**100% of our employees receive performance and career development reviews.**



### Employee Training FY 23



#### Average Training Hours

- GMP Trainings 29.33
- Safety Training 13.111
- Learning and Development 8.09

### Training details of Workers FY 22-23

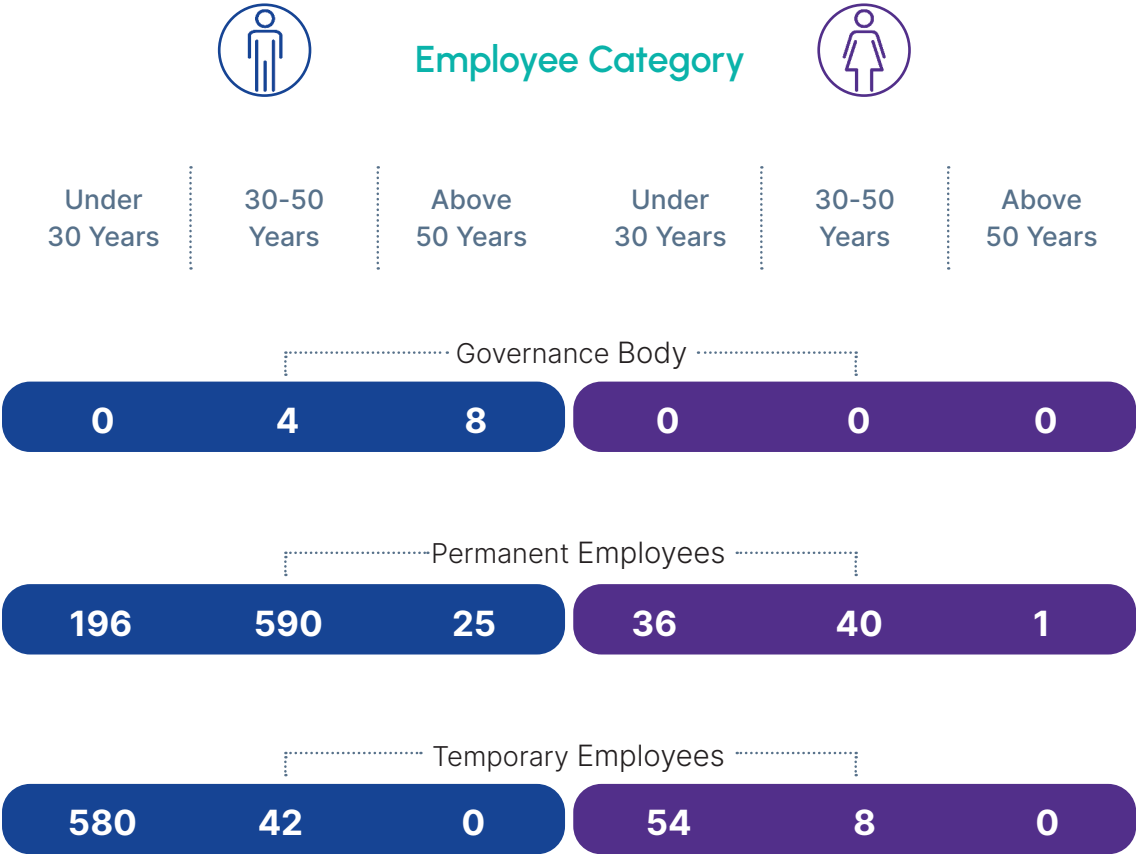
- GMP & HSE 45.21

**Diversity and Inclusion**

Honour is dedicated in creating a diverse and inclusive work environment where everyone feels valued and respected. We believe in providing equal opportunities for all, regardless of their background or identity. We have implemented robust policies and support systems to ensure a safe and pleasant working experience for all our team members.

Honour is committed to increasing the representation of women in our workforce. We actively recruit and promote talented female employees and contract workers, striving to bridge the gender gap. Currently, female contract workers account for 11% of our total contract workforce, while female employees make up nearly 8.77% of total employees. We are committed to increasing these numbers and creating a more balanced workforce.

Honour is committed to sustainable growth that prioritizes diversity and inclusion. We believe that a diverse and inclusive workforce is not just the right thing to do, but also essential for our long-term success. We will continue to implement initiatives and policies that empower women, promote gender equality, and create a workplace where everyone can thrive.



**Health and Safety**

At Honour, the foundation of our operations revolves around fostering a secure and nurturing work environment. We deeply value our employees as our most precious resources, making their well-being our top priority. This commitment drives us to continually explore and implement cutting-edge occupational health and safety practices, ensuring that everyone leaves work as healthy and content as when they arrived.

Our dedication commences with comprehensive risk evaluations and precise safety measures tailored to each specific task and area. Substantial investments in training and awareness initiatives equip our employees with the knowledge and skills to identify and prevent potential dangers. Encouraging an open communication culture, we welcome reports on even the smallest concerns regarding safety hazards.

Our efforts extend further as we consistently monitor and assess our safety performance, actively seeking input and implementing enhancements whenever feasible. By engaging with our employees directly, we grasp their concerns and adapt our strategies to meet their individual requirements. This collaborative approach ensures that everyone is committed to establishing and sustaining a safe and healthy work environment.

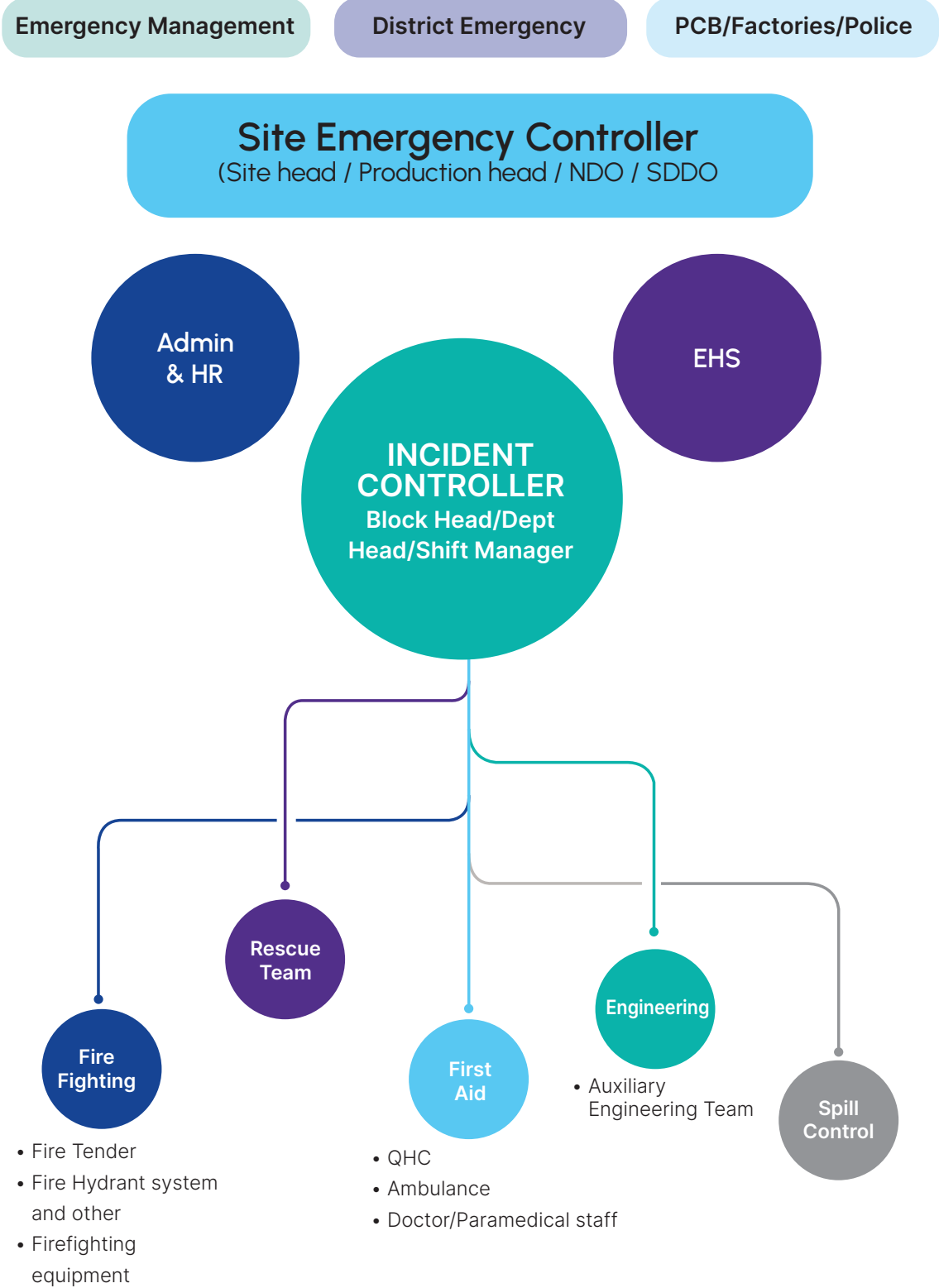
Ultimately, our objective is beyond mere compliance with regulations; we aim to establish a workplace where safety isn't just a priority but an ingrained part of daily operations. Embracing this proactive and employee-centric approach, we believe Honour stands as a frontrunner not only in the pharmaceutical industry but also in championing occupational health and safety standards.

Particulars	Safety Data (Employees) FY 23	Safety Data (Workers) FY 23
Man hours worked (in million hours)*	3.80	1.45
First Aid cases	54	23
Number of medical treatment cases	5	0
Number of lost time incidents	0	0
Number of man-days lost	0	0
Rate of Fatalities as a result of work-related injury	0	0
Rate of high-consequence work-related injuries (Excluding Fatalities)	0	0
Rate of recordable Work-related injuries	0	0
Frequency rate (Lost time incidents per Million man hours worked)	0	0
Severity Rate of Lost-time Incidents (Man-days lost due to incidents per million man hours worked)	0	0

\* Man hours calculated based on total number of Employees, Number of working days, Number of working hours.



## Emergency Preparedness and Response Organogram





### Customer Health and Safety

As a core part of its business, Honour has established processes for the continuous and systematic review of the benefit-risk profile of all of our products. These processes are designed to ensure the best possible safety for our customers.

At Honour, we prioritize health and safety testing procedures for all our products. Our safety risk management process begins early in the development phase of new products. Our team develops safety monitoring and risk management plans for new molecules, ensuring that potential risks are identified and addressed proactively. We provide Safety Data Sheet (SDS) for all our customers which explains the risks and measures to be taken while handling our products.

At Honour, we keep customer health and safety as our top priority and we have a well-structured process in place that spans from Research and Development. We collect, review, and scrutinize product safety data at each stage, taking necessary actions to minimize risks in all forms. In FY 23, we are pleased to report that there were no incidents concerning the health and safety aspect.

## Responsible Supply Chain

Our intricate supply chain reaches beyond borders, connecting us with over diverse suppliers across the globe. We procure key materials and chemicals responsibly, ensuring adherence to good EHS practices, human rights standards, and responsible waste management. Through our robust supplier code of conduct and sustainable procurement policy, we actively engage with our partners to minimise environmental impact and build a more sustainable future for all. As an responsible sourcing we are in the process of improving our sourcing from local suppliers. About 74% of our procurement are through local suppliers from India.

Number of Local Vendors	8612
Number of International Vendors	529
Spend on Local Vendors	12,508.17
Spend on International Vendors	4,424.90
% of Local Vendors	94.2
% Spend on local Vendors	73.87





## CSR Initiatives during FY 22-23



**Budget  
16.8 Millions**



Honour plays a vital role in improving access to health, education, livelihoods, environment, and infrastructure facilities among communities through Corporate Social Responsibility interventions. Honour is closely working with government schools and Anganwadi centres to enhance access to education, improve learning outcomes, and increase student retention by boosting attendance and reducing dropouts.

We provide uniforms and essential stationery items such as notebooks, bags, pens, pencils, writing pads, and compass boxes to ensure students have the necessary tools for engaging in daily learning activities. Additionally, we offer extra teaching support to schools through Vidya Volunteers and contribute to enhancing infrastructural facilities in schools and Anganwadi centres. Honour extends financial assistance to underprivileged students to improve their access to higher education.

Tuberculosis is a prevalent disease among marginalized communities, often exacerbated by inadequate nutrition and poor hygiene. A significant challenge faced by TB patients is the loss of livelihood during treatment, which necessitates a nutritious diet over the six-month medication course. Many patients, particularly from marginalized backgrounds, lack access to proper nutrition. Honour provided nutrition kits to patients for six months during their medication period in Khammam, Badhradri Kothagudem districts in Telangana, and Anakapally district in Andhra Pradesh. A total of 9,432 food baskets were distributed in these districts at patients' doorsteps through ABHWC with the assistance of ASHA workers.

The National Tuberculosis Elimination Program, a public health initiative by the Government of India, aims to eradicate TB. Aligned with the National Strategic Plan 2017–25, the program envisions a “TB-free India” through strategies focusing on prevention, detection, treatment, and universal coverage with social protection pillars. The program offers free, quality TB diagnosis and treatment services nationwide through the government health system.

The Pradhan Mantri TB Mukta Bharat Abhiyaan (PMTBMBA) was launched on 9th September 2022 by the Honourable President of India Smt. Droupadi Murmu, to eliminate TB by 2025, emphasizing collaborative community support. Ni-kshaya mitra, a donor, provides nutrition food baskets to TB patients for six months. Dr. Bandi Parthasaradhi Reddy, Honourable Rajya Sabha Member and Chairman of Honour Group of companies, pledged to support TB patients in two districts by providing nutrition kits under PMTBMBA. These kits include Wheat Rava, Wheat Flour, Rice, Tuar dal, Groundnut, Milk Powder, Jaggery, and Oil, packed in cloth/jute bags, aiming to support the nutritional needs of TB patients during their treatment.

Honour established a Vision Centre to deliver eye care services to marginalized and rural communities in Nakkapalli, Anakapalli district of Andhra Pradesh. This centre serves 31 villages in Nakkapalli Mandal, offering comprehensive eye care services including primary care, medications, spectacles, and support for cataract operations. We collaborate with the Sankuratri Foundation and Sri Kiran Eye Institute Kakinada to facilitate cataract surgeries.



**Budget  
0.86 Millions**



The Vision Centre plays a crucial role in improving accessibility to eye care services by eliminating the need for long-distance travel. This reduces barriers to essential eye care, ensuring that individuals in Nakkapalli Mandal receive timely diagnosis, treatment, and preventive care for eye-related issues.

**“Detection and prevention of eye diseases:** The Honour Vision Centre plays a crucial role in early detection and prevention of eye diseases through regular eye screenings. These screenings help identify eye conditions at early stages, enabling prompt intervention and treatment. Early detection of eye diseases such as cataracts, glaucoma, and refractive errors significantly improves the chances of successful treatment and prevents vision loss.

**Provision of affordable eye care:** Affordability is a significant concern for individuals and families in rural communities with limited financial resources. The Vision Centre provides eye care services free of cost, making them more accessible to economically disadvantaged families. Additionally, the centre offers cost-effective solutions such as affordable glasses, medications, and free treatment options, alleviating the financial burden associated with eye care. This ensures that no one is left behind due to financial constraints.”

**Social impact and inclusivity:** The Honour Vision Centre is dedicated to creating a positive social impact and fostering inclusivity. By investing in eye care services for underserved communities, Honour contributes to narrowing the healthcare gap between urban and rural areas. It promotes social inclusivity by ensuring that individuals in Nakkapalli Mandal have equal access to essential eye care services, regardless of their socio-economic background. This initiative significantly reduces health disparities and improves overall community well-being.







**Budget  
14.8 Millions**



**Community Infrastructure Development**

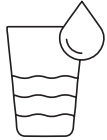
Honour is actively supporting community infrastructure development by providing essential amenities such as roads, drainage systems, Gram Panchayat buildings, and community halls in villages. These efforts enhance accessibility to transport and other infrastructural facilities, improving the quality of life for residents in target communities.”



**CC Cameras**

Honour has provided CC cameras to villages to enhance safety, especially for women and children. This service also offers additional security to deter thefts and other antisocial activities, contributing to a safer community environment.

**Budget  
2.71 Millions**



### Drinking Water

Honour installs RO water plants in rural communities to improve access to safe drinking water for marginalized populations. Additionally, Honour supports initiatives to enhance drinking water infrastructures, ensuring sustained access to clean and safe water.



### Games & Sports

Honour supports the development of sports grounds in Nakkapally to promote rural sports. By providing playing materials, Honour encourages rural youth to engage in sports activities, fostering physical fitness and overall well-being.



**TOILETS**

### Public Toilets

Honour has constructed public toilets in communities to support the Swachh Bharat Mission. These facilities promote proper sanitation, which is crucial for public health. By enabling proper waste disposal, they prevent environmental contamination and reduce health risks for the community.”

# Appendix

## GRI Content Index

Statement of use	Honour has reported the information cited in this GRI content index for the period 2022-2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
GRI General Disclosures	2-1 Organisational Details	11
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	2-9 Governance structure and composition	35
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	2-12 Role of the highest governance body in overseeing the management of impacts	35
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	23
	3-2 List of material topics	24
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	43
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	59
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	37
GRI 302: Energy 2016	302-1 Energy consumption within the organization	46
	302-4 Reduction of energy consumption	47
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	48
	303-4 Water discharge	48
	303-5 Water consumption	48

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	45
	305-2 Energy indirect (Scope 2) GHG emissions	45
GRI 306: Waste 2020	306-3 Waste generated	49
	306-4 Waste diverted from disposal	49
	306-5 Waste directed to disposal	49
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	51
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	55
	403-3 Occupational health services	57
	403-4 Worker participation, consultation, and communication on occupational health and safety	58
	403-5 Worker training on occupational health and safety	54
	403-6 Promotion of worker health	56
	403-8 Workers covered by an occupational health and safety management system	56
	403-9 Work-related injuries	56
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
404-2 Programs for upgrading employee skills and transition assistance programs		53
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	55

GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	53
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	61
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	58
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	41

# Annexure

Energy and GHG Emission Quantification GHG calculation and inventorization is based on The Greenhouse Gas Protocol developed by the World Resource Institute (WRI) and World Business Council and Standards Board (WBCSD). The GHG Protocol for Corporate Accounting and Reporting Standard has been applied at Honour.

Global warming potential has been taken as provided by Inter-governmental Panel on Climate Change (IPCC). Only two types of emissions have been considered:

- Due to consumption of fuel at site for stationary Combustion
- Due to purchase of electricity from the grid

## Stationary Combustion

Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 have been used to calculate GHG emissions from stationary combustion source. (Source: [https://www.ipccnggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipccnggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf)). Quantity of various fuel consumed has been multiplied by density and calorific value. The calorific value of coal is based on the GCV provided by the supplier of coal, whereas the calorific value of other fuels is determined based on the data published by Bureau of energy efficiency (BEE) on its website or by the respective fuel provider on their website. Data from BEE is the preferred source. All energy figures are converted into TJ before multiplying with the emission factor.

## Emission due to Purchase of Electricity (Scope 2 or indirect emission)

The grid emission factor is multiplied with the electricity consumed to arrive at the emission due to purchased electricity. The grid emission factor is provided by Central Electricity Authority of India. For this years calculation, emission factors specified in the 'CO2 Baseline Database for the Indian Power Sector User Guide, Version 16.0, MARCH 2021' has been applied (Source: [https://cea.nic.in/wp-content/uploads/baseline/2021/06/User\\_Guide\\_ver\\_16\\_2021-1.pdf](https://cea.nic.in/wp-content/uploads/baseline/2021/06/User_Guide_ver_16_2021-1.pdf))

## Global Warming Potential

The Global Warming Potential of gases are as per the Second assessment report of IPCC [https://www.ghgprotocol.org/sites/default/files/ghgp/Global-Warming-PotentialValues%20%28Feb%2016%202016%29\\_1.pdf](https://www.ghgprotocol.org/sites/default/files/ghgp/Global-Warming-PotentialValues%20%28Feb%2016%202016%29_1.pdf)

## Limitations

Other sources of direct i.e., Scope 1 emissions, are not considered in our emission inventory currently. LPG gas is other probable sources of minor emissions. However, an estimation of the emissions due to these sources has not been undertaken so far. Indirect emissions other than energy purchase i.e., Scope 3 emission, have as well not been considered in our GHG inventory and reporting.

## Independent Assurance Statement

The Directors and Management,

Honour Lab Limited  
#8-3-166/7/1, Ground Floor, Erragadda,  
Hyderabad, Telangana-500018, India.

### Introduction and Engagement

'Honour Lab Limited' (hereafter Honour which includes Honour Lab Limited) commissioned TUV India Private Limited (TUVI) to conduct the independent external assurance of non-financial ESG performance indicators disclosed in Honour's Sustainability Report (hereinafter the 'Report') for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. This engagement was comprised a "limited assurance" of Honour's sustainability information for the applied reporting period. The Verification was conducted using an on-site assessment from 21<sup>st</sup> March 2024 to 22<sup>nd</sup> March 2024 at the Honour Corporate office-Erragadda, Hyderabad, Telangana as listed under "Scope and Boundary" below. The Report is based on the principles of GRI Standards 2021 (hereafter 'GRI'). This assurance engagement was conducted in reference with ISAE 3000 (revised).

### Management's Responsibility

Honour developed the Report's content by monitoring the performance data. Honour management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web-based and print), including website maintenance and integrity, and for ensuring its quality and accuracy in reference with the applied criteria stated in the GRI Standards in such a way that it is free of intended or unintended material misstatements.

### Scope and Boundary of Assurance

The scope of work includes limited assurance of the following non-financial performance / KPI disclosures as disclosed in the Report. In particular, the assurance engagement included the following:

- i. Review of the disclosures submitted by Honour;
- ii. Review of the quality of information;
- iii. Review of evidence (on a sample basis) for identified non-financial indicators

TUVI has verified the below-mentioned disclosures given in the Report:

Topic	Indicator	GRI Disclosure
Materials	Process to determine material topics	301-1
	Recycled input materials used	301-2
	Reclaimed products and their packaging materials	301-3
Energy	Energy consumption within the organization	302-1
Water	Interactions with water as a shared resource	303-1
	Water withdrawal	303-3
	Water discharge	303-4
	Water consumption	303-5
Emissions	Direct (Scope 1) GHG emissions	305-1
	Energy indirect (Scope 2) GHG emissions	305-2
	Other indirect (Scope 3) GHG emissions	305-3
waste	Waste directed to disposal	306-5
Employment	New employee hires and employee turnover	401-1
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2
Occupational Health and Safety	Workers covered by an occupational health and safety management system	403-8
	Work-related injuries	403-9
	Work-related ill health	403-10
Training and Education	Average hours of training per year per employee	404-1





	Programs for upgrading employee skills and transition assistance programs	404-2
	Percentage of employees receiving regular performance and career development reviews	404-3
Diversity and equal opportunity	Diversity of governance bodies and employees	405-1
	Ratio of basic salary and remuneration of women to men	405-2
Freedom of Association and Collective Bargaining	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1
Child Labor	Operations and suppliers at significant risk for incidents of child labor	408-1
Local Communities	Operations with local community engagement, impact assessments, and development programs	413-1
	Operations with significant actual and potential negative impacts on local communities	413-2
Customer Health and Safety	Assessment of the health and safety impacts of product and service categories	416-1
	Incidents of non-compliance concerning the health and safety impacts of products and services	416-2
Marketing and Labeling	Requirements for product and service information and labeling	417-1
	Incidents of non-compliance concerning marketing communications	417-3
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	418-1

The reporting boundaries of Honour Lab Limited for the above topics includes

1.	(Corporate Office)	Erragadda,	Hyderabad,	Telangana.
2.	Unit-I	Bonthapally Village,	Sangareddy,	Telangana.
3.	Unit-III	Narsapuram Village,	Anakapalli,	Andhra Pradesh
4.	Unit-III A	Kurkumbh Industrial Area	Pune	Maharashtra
5.	Unit-III B	Kurkumbh Industrial Area,	Pune	Maharashtra
6.	Unit-V	Gundlamachanoor	Sangareddy	Telangana.
7.	R&D	Bonthapally Village	Sangareddy	Telangana.

The assurance activities were carried out together with desk review as well site visit at Honour Lab Limited.

**Limitations**

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement.

**Our Responsibility**

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion. On the basis on the work performed. This engagement did not include an assessment of the sufficiency of the principles of GRI Standards 2021: Core option, and ISAE 3000 (revised), other than those mentioned in the scope of the ESG data assurance. TUVI's responsibility regarding this verification is in reference with the agreed scope of work which includes non-financial Quantitative and qualitative information disclosed by Honour.

**Verification Methodology**

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- i. TUVI examined and reviewed the documents, data, and other information made available by Honour for non-financial disclosures;
- ii. TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Honour;
- iii. TUVI reviewed the level of adherence to principles of GRI standards 2021.
- iv. TUVI examined and reviewed the documents, data (on sample basis) and other information made available by Honour for the reported disclosures including the Management Approach and performance disclosure;



### Opportunities for Improvement

The following are the opportunities for improvement reported to Honour. However, they are generally consistent with Honour management's objectives and programs. Honour already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organization.

- i. The Rain water harvesting water can be utilized for the internal process can be used for the water collected to avoid the third party procurement.
- ii. Honour Group can opt for 1 MW renewable plant for Unit 5 can be implemented to reduce the Scope 2 emissions.
- iii. Recommended to adopt the energy efficiency measures for the units for reducing the scope 1 emission.
- iv. Honour Group can opt for certification of the ISO 27001 Standard for the information security management standard for entire Honour group.
- v. Honour Group can opt for certification of the ISO 20400 Sustainability procurement standard to achieve the future goals.

### Conclusions

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and performance disclosures and meets the general content and quality requirements of the GRI Standards: Core option.

**Disclosures:** TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in reference with the "Core" option. Honour refers to general disclosure to report contextual information about Honour, while the Management Approach is discussed to report the management approach for each material topic.

**Universal Standard:** Honour followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements.

**Topic Specific Standard:** 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that Honour used to prepare its Report are appropriately identified and addressed.

**Limited Assurance Conclusion:** Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards.

**Independence:** TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The Assessment Team was safeguarded from any type of intimidation.

**Quality control:** The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In reference with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In the context of Assurance, the following contemporary principles has been observed:

## Evaluation of the adherence to other contemporary Principles

**Inclusivity:** Stakeholder identification and engagement is carried out by Honour on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

**Materiality:** The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the Honour range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of Honour. In our view, the Report meets the requirements.

**Responsiveness:** TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e., disclosures on Honour policies and management systems, including governance. In our view, the Report meets the requirements.

**Impact:** Honour communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Ethical and other policies. Honour reports on sustainability performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of Honour. The Management of the Honour is responsible for the information provided in the Report as well as the process of collecting, analyzing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in reference with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by Honour in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by Honour are complete and true.

## Our Assurance Team and Independence

TUVI is an independent, neutral third party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with Honour on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited



Manojkumar Borekar  
Project Manager and Reviewer  
Head – Sustainability Assurance Service



Date: 15-04-2024  
Place: Mumbai, India  
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**Regd Office**

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