



Deepening the Connect

SUSTAINABILITY REPORT 2024

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About The Report



We present performance data on focus areas impacting our sustainability 'with reference' to the Global Reporting Initiative (GRI) Universal Standards (2021).

We are pleased to present the second sustainability report of the MSN Group of Companies (hereafter referred to as MSN). This report underscores our unwavering commitment to integrating environmental, social, and governance (ESG) considerations into every facet of our operations and decision-making processes. We present performance data on critical issues impacting our sustainability 'with reference' to the Global Reporting Initiative (GRI) Universal Standards (2021). Additionally, we align our reporting with the standards set by the Sustainability Accounting Standards Board (SASB) guidance for Biotechnology and Pharmaceuticals, along with the principles of the United Nations Global Compact (UNGC). These frameworks help us ensure comprehensive coverage of our ESG performance and contribute to global sustainability goals.

Reporting Period

This second edition of sustainability report showcases MSN Group's performance from April 1, 2023, to March 31, 2024. Our sustainability reporting cycle is aligned with our financial reporting period. By synchronizing these cycles, we provide a holistic and integrated perspective on our sustainability efforts and economic performance, underscoring our commitment to responsible and transparent business practices.

Scope & Boundary

This report covers the business and activities of the MSN Group, including MSN Laboratories Pvt Ltd., MSN Research & Development, MSN Pharmachem Pvt Ltd., MSN Life Sciences Pvt Ltd., MSN Organics Pvt Ltd., and the corporate office of MSN Group.

While our sales and marketing offices are located worldwide and our products are distributed globally, this report focuses exclusively on our operations in India.

For this report, we have identified and included the manufacturing units and R&D centres that are most material from a business perspective. Approximately 50% of MSN's workforce and 100% of significant operations, including manufacturing, are based in India. Therefore, India is designated as the primary geography for this report and is referred to as the "local" geography.

We have established a systematic process to revisit the boundary of our disclosure for existing and new business operations.

Restatement of Information

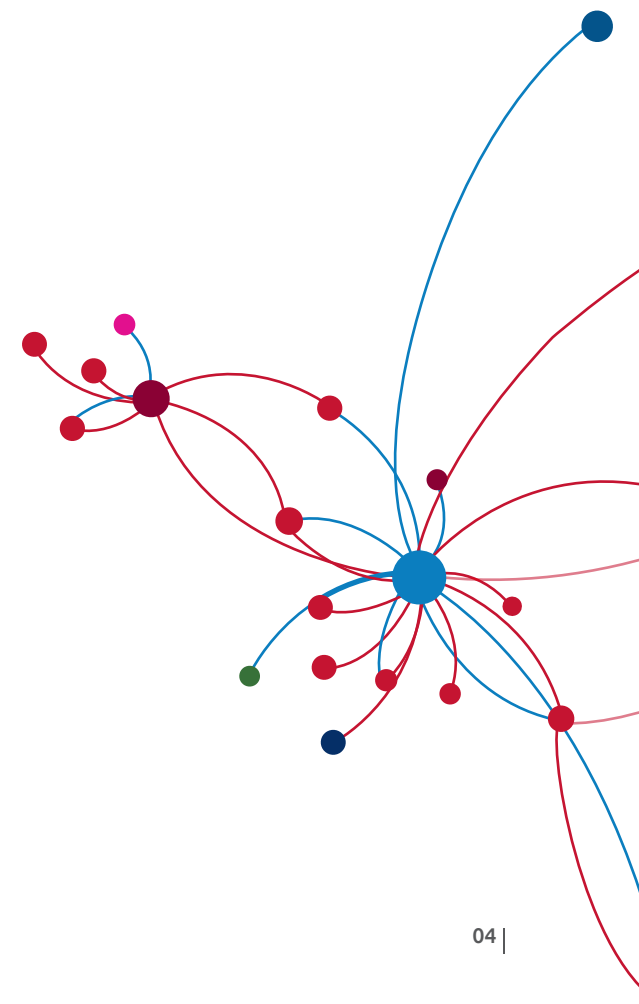
In this year of reporting, we have calculated the coal ash in the non-hazardous waste and are reporting for the previous year as well in the waste section.

External Assurance

MSN Group marks the beginning of independent verification by a third party, starting this year onward. For FY23-24, we have engaged TUV India Pvt. Ltd. to provide independent assurance, signifying our commitment to transparency and accountability in our sustainability endeavors. The assurance statement is provided in this report.

Feedback

As we continue to evolve our reporting practices, MSN values the insights and recommendations of our stakeholders and readers. Your input plays a crucial role in enhancing the quality, transparency, and relevance of our sustainability report. We warmly encourage you to share your feedback or suggestions with us at sustainability@msnlabs.com.



Message from Leadership

Sustainability as an enabler for business growth



Dr. MSN Reddy

Chairman and Managing Director
MSN Group of Companies

Dear Stakeholders,

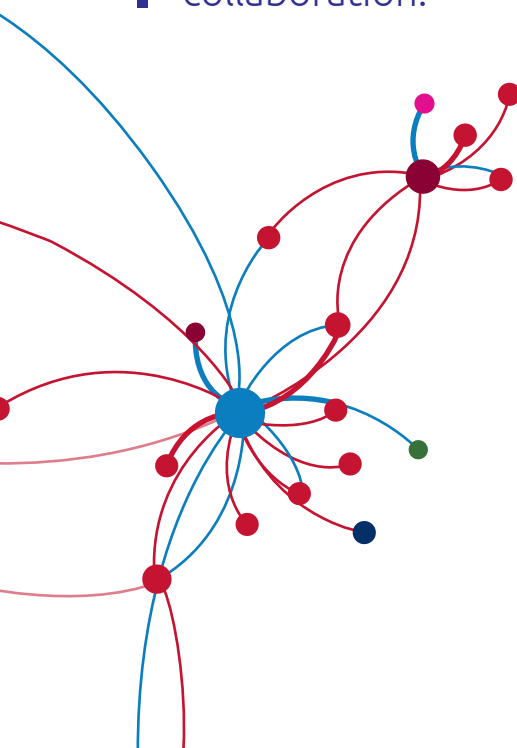
We are thrilled to embark on the third decade of our journey. We take great pride in reaching significant financial milestones and establishing strong stability, thanks to our exceptional operational skills and delivery capabilities. Expanding into new markets and enhancing our global presence is a testament to our continuous growth and success. I will take this opportunity to mention that our company's progress will be impossible without making sustainability central to our growth strategy. We are continuing to build upon our

strong foundation by taking bold steps to integrate sustainability even more deeply into every aspect of our business.

This past year has been particularly pivotal in our actions towards sustainability as we developed and launched a comprehensive sustainability strategy. It represents our commitment to embedding sustainability into every aspect of our business operations with a vision for 2030. It's a blueprint for continuing to grow responsibly, innovate, and create long-term value. The strategy is designed to help us navigate our industry's complex challenges while ensuring that we remain resilient and adaptive in a rapidly changing global landscape.

Another significant achievement during the year has been the deeper infusion of sustainability

within the company. We have integrated sustainability into the core of our operations, with over 40 employees from diverse functions playing a central role in driving our sustainability efforts. To support these initiatives, our Sustainability Committee has played a crucial role in connecting people across the organization. This committee has been instrumental in driving our sustainability strategy, facilitating collaboration between different departments, and ensuring that our sustainability efforts are integrated into our day-to-day operations. Looking ahead, I am confident that each year, we will further expand the active participation of our team in sustainability initiatives, fostering a strong connection between everyone at MSN and our shared commitment to sustainability, as our people are at the heart of the company's growth.



Our customers are at the heart of everything we do, and this year, we have focused on strengthening these relationships through enhanced communication, transparency, and collaboration.

A key aspect of our sustainability journey is the deepening of connections across all fronts. Our customers are at the heart of everything we do, and this year, we have focused on strengthening these relationships through enhanced communication, transparency, and collaboration. By aligning our sustainability goals with the expectations of our customers, we are building more robust, more meaningful partnerships that drive mutual growth and success.

One of the highlights of this year has been reaching the significant milestone of one billion dollars in revenue. This achievement represents more than just financial success; it

underscores our ability to leverage sustainability as a strategic advantage. However, we see this milestone not as an endpoint but as a launching pad for further growth. As we expand into new markets and deepen our global presence, we are increasingly focused on strengthening our relationships across the entire value chain. This approach ensures that our sustainability efforts resonate in every aspect of our operations, enhancing the value we create for all our stakeholders.

We are confident that sustainability will be an essential enabler in business growth and that connecting all stakeholders is central to our ability to achieve truly sustainable success.

In closing, I would like to extend my deepest gratitude to our employees, customers, partners, and stakeholders. Your unwavering support and commitment to our sustainability goals have been instrumental in our success. Together, we will continue to build a sustainable and prosperous future for all.

Message from Leadership

Integrating Sustainability in all operations and value chain



Ms. Sindhuja Reddy

Director

Dear Stakeholders,

As we celebrate 20 years of MSN Group, sustainability connect to the core of our business becomes stronger. At MSN, integrating sustainability and environmental responsibility into our operations has been a purposeful endeavor, enabling us to align our business objectives with our commitment to a sustainable future.

At MSN, we believe that the well-being of our customers is intrinsically linked to the sustainability of our business. This year, we have developed an ESG strategy, Vision 2030, which focuses on advancing our sustainability initiatives through a strategic approach that balances environmental stewardship with business growth. Our comprehensive strategy aims for net-zero emissions by 2045, and we have taken significant steps by

submitting our commitments to the Carbon Disclosure Project (CDP) and aligning with the Science-Based Targets Initiative (SBTi).

I would like to share that along with our ongoing efforts, we have successfully obtained two ISO certifications and completed an ethics audit certification. This reflects our unwavering dedication to conducting our business responsibly. Furthermore, we have proactively carried out an ESG risk assessment to anticipate and address potential future impacts of our operations.

Recognizing the importance of understanding our products' environmental footprint, we have recently conducted a comprehensive Life Cycle Assessment (LCA) for one of our products. This assessment not only allows us to minimize emissions but also aligns perfectly with our green chemistry principles, demonstrating our strong commitment to meeting our

customers' sustainability expectations. I'm genuinely excited about the positive impact these initiatives will have on our business and the environment. To further support our employees and streamline our sustainability efforts, we have automated the data collection process using a third-party platform. This initiative not only enhances our efficiency but also empowers our teams to focus on more strategic aspects of our sustainability journey.

As we move forward, our ability to balance ethical considerations with business goals will drive our continued success, ensuring that we not only meet but exceed the expectations of all our stakeholders. These efforts will be instrumental in deepening our connections, reinforcing trust, and fostering stronger relationships across our entire value chain as we continue to build a sustainable and prosperous future together.



About MSN

Our Vision

To be a leading pharmaceutical company with a global reach, consistently delivering affordable, world-class medicines while upholding our commitment to humanity and honoring our social and environmental responsibilities.

Our Mission

To contribute to improved quality of life and ultimately society's greater good through our sustained efforts in developing and manufacturing safe, innovative and affordable pharmaceuticals for alleviation of life-threatening diseases.

History and Presence



20+
years of presence

100+
countries

Our People



20,000+
Employees worldwide

1400+
Quality Experts

Manufacturing Capabilities



25
State-of-the-art manufacturing facilities (17 API & 8 FDF)

End-to-end Integration R&D < APIs < Finished Dosages

API Capacities:

2400 Reactors	10,000 Kl Total Volume	1500+ MT p.a.
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FDF Capacities:

15 Bn. Tablets	4 Bn. Capsules	8 Mn. Oral Suspensions
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120 Mn. Sachets	3000 Tons Granules
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Products



500+
APIs

1200+
Global DMFs

300+
Formulations

8699+
Dossiers

30+
First to launch
generics

927+
National and
International Patents

170+
ANDAs

World No. **1**
in active US DMF
Filings

Financial metrics



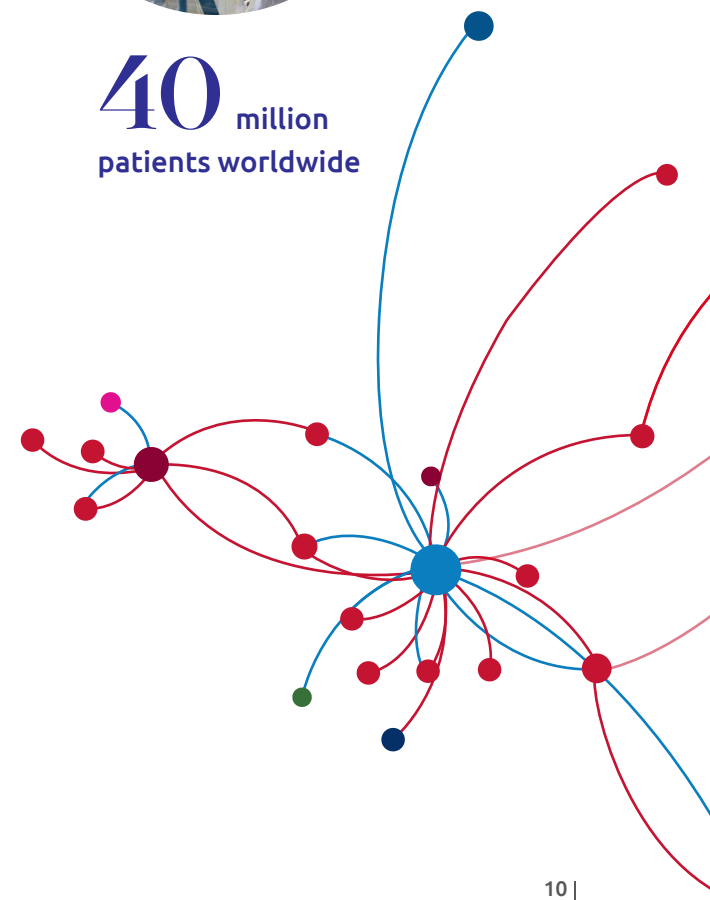
1 Billion USD in
Revenue in FY23-24

40%
CAGR since 2005

Impact



40 million
patients worldwide



Our business

We excel in developing, manufacturing, and marketing top-tier Active Pharmaceutical Ingredients (APIs) and Finished Dosages, supported by one of Asia's largest integrated R&D centers. Our 750,000-square-foot facility houses over 2,200 experts, driving innovation in niche generics, complex APIs, New Chemical Entities (NCEs), and Novel Drug Delivery Systems (NDDS). With a robust R&D infrastructure and a comprehensive state-of-the-art manufacturing setup that includes 17 API and

8 Finished Dosage Form (FDF) facilities, we ensure compliance with the highest cGMP standards. Our commitment to quality, safety, and affordability is reflected in our expansive production capacities and rigorous quality control, audited by the most stringent regulatory bodies worldwide. At MSN Group, we are dedicated to delivering exceptional pharmaceutical products that improve global health outcomes, driven by our firm commitment to excellence and sustainability.



Therapeutic areas- 300+ differentiated & bioequivalent products



Cardiovascular



CNS



Oncology



Respiratory



Antibacterials



Nephrology



Urology



Gastroenterology



Orthopedics



Rheumatology



Dermatology



Diabetes



Immunology



Hematology



Anti-inflammatory

Products & Services

Active Pharmaceutical Ingredients (API)

We are one of the fastest-growing pharmaceutical companies in the country. We operate fifteen API facilities, including those specializing in Cytotoxics and Prostaglandins. Our global supply network has established us as a prominent player in the pharmaceutical sector, serving over 300 international customers across more than 35 therapeutic domains.

Finished Dosage Formulations

Our research spans both generic and complex pharmaceuticals, with a strong emphasis on new product development as a critical driver of growth. Industry experts lead our formulation R&D, which encompasses various specialized areas: Formulation Development, Analytical Methods Development, Clinical and Pharmacokinetics Development, and Packaging

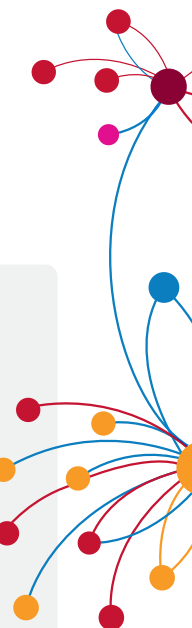
Development. A robust program management process ensures meticulous oversight of all activities, guaranteeing high-quality, regulatory-compliant formulations. Supported by cutting-edge infrastructure and elite scientific expertise, we focus on both, creating top-tier products

and employing the best processes to meet regulatory standards.

Business presence and reach

From the beginning, our vision has been to make healthcare affordable and accessible

globally. We have established an international presence, and our ongoing efforts are dedicated to expanding and deepening our global outreach to ensure that quality healthcare reaches those who need it most.



North America

- Novadoz and MSN Pharmaceuticals Inc. strengthened the presence.
- Established to accelerate our growth in key markets like the US, Canada & EU
- Our state-of-the-art Finished Dosages facility in Piscataway, New Jersey, supports our product portfolio, CDM services, and Made-in-America initiatives.

Europe

- Wholly-owned marketing subsidiary - Vivanta Generics
- Strategically located warehouses in UK, Spain & Malta for seamless supply
- Dedicated QP release professionals for the UK & Europe, ensuring top-quality products
- Offerings: B2B, B2C, CMO+

India

• **350+**
differentiated &
bioequivalent products

• Ranked among the
top **10**
trusted brands as per
IQVIA data

• **1800+**
field force covering
90,000
medical professionals
and top healthcare
institutions

- Pioneering products in CNS, Diabetology, Oncology, Urology, Pulmonary Arterial Hypertension, Dilutional Hyponatremia, Pain Management, Antiulcerants, Over Active Bladder, etc.

Emerging Markets

• **100+**
Operating countries

• **100+**
Global partners

• **30+**
Global FDA Approvals

• **130+**
Self-marketed products

• **10**
Regional Offices

- Market presence in

LATAM

19

Africa

26

MENA

17

Asia

10

CEE

14

CIS

05

Building partnerships



Awards & accolades

- TV5 Business Leader Award
- PHARMEXCIL Patent Award - **Gold**

2016

- Informa Markets - Packaging Team of the Year
- Telangana State IP Award (TSIPA)
- CII - Intellectual Property

2017

- CII - Intellectual Property Award
- PHARMEXCIL Patent Award - Silver
- PHARMEXCIL-DMF Award

2021

- Govt. of Telangana Award for Employment Opportunities created

2023

- Patient-centric Packaging at the PPL Innovation Awards by Indian Express
- Pharma Company of the year by HMTV

2024



MSN journey in
**digital
transformation**

Approach

We have always strived to stay ahead of the curve, and this year marks a significant leap forward in our digital transformation. Our strategic investments in digitization across various functions are reshaping the way we operate, empowering our employees, and delivering enhanced value to our customers. By embracing cutting-edge platforms, we are streamlining processes, boosting efficiency, and fostering a culture of collaboration and innovation.

One of our flagship platforms, **VGrow**, is revolutionizing the learning experience for our workforce. Designed to unlock growth potential, it provides employees with a comprehensive suite of learning opportunities, guided by an easy-to-navigate user manual. By enabling seamless access to skill-building resources, VGrow is empowering every individual within the company to take

charge of their personal and professional development. Complementing this is **VConnect**, a dynamic digital platform that fosters workplace connectivity and camaraderie. This innovative solution enables employees to stay connected, exchange ideas, and collaborate across departments. By bringing people together in a shared digital space, vibe through vConnect platform enhances engagement and strengthens the sense of community within MSN.

In our **Marketing and Quality** departments, the implementation of a centralized database platform has drastically improved efficiency. This system houses comprehensive information on our products and inventory, allowing potential customers to access the data they need without involving the QA team. This not only saves time but also ensures faster response times and better customer service. The platform also offers a complaint submission

Our strategic investments in digitization are transforming the way we operate, empowering employees, and delivering enhanced value to customers, with platforms like VGrow and VConnect revolutionizing learning, collaboration, and operational efficiency across the company.

feature, allowing customers to raise queries directly with the QA team, ensuring timely resolution and fostering more robust customer relationships.

Our **logistics function has also transformed** with the introduction of a tracking mechanism platform. This system enhances visibility for both inbound and outbound operations, ensuring real-time tracking of shipments and on-time delivery. By optimizing logistics, we are improving operational efficiency and ensuring a seamless supply chain experience for our partners.

In our commitment to **Sustainability**, we are implementing a digital solution that tracks relevant data across

functions, generating both qualitative and quantitative insights. This tool enables us to measure and analyze our sustainability efforts effectively, providing detailed reports that guide our ongoing initiatives and help us meet our sustainability goals.

Each of these platforms reflects our dedication to digitization as a key driver of progress. By investing in technology, we are not only optimizing our processes but also creating a more connected, efficient, and forward-thinking organization, ready to lead in the pharmaceutical industry for years to come.





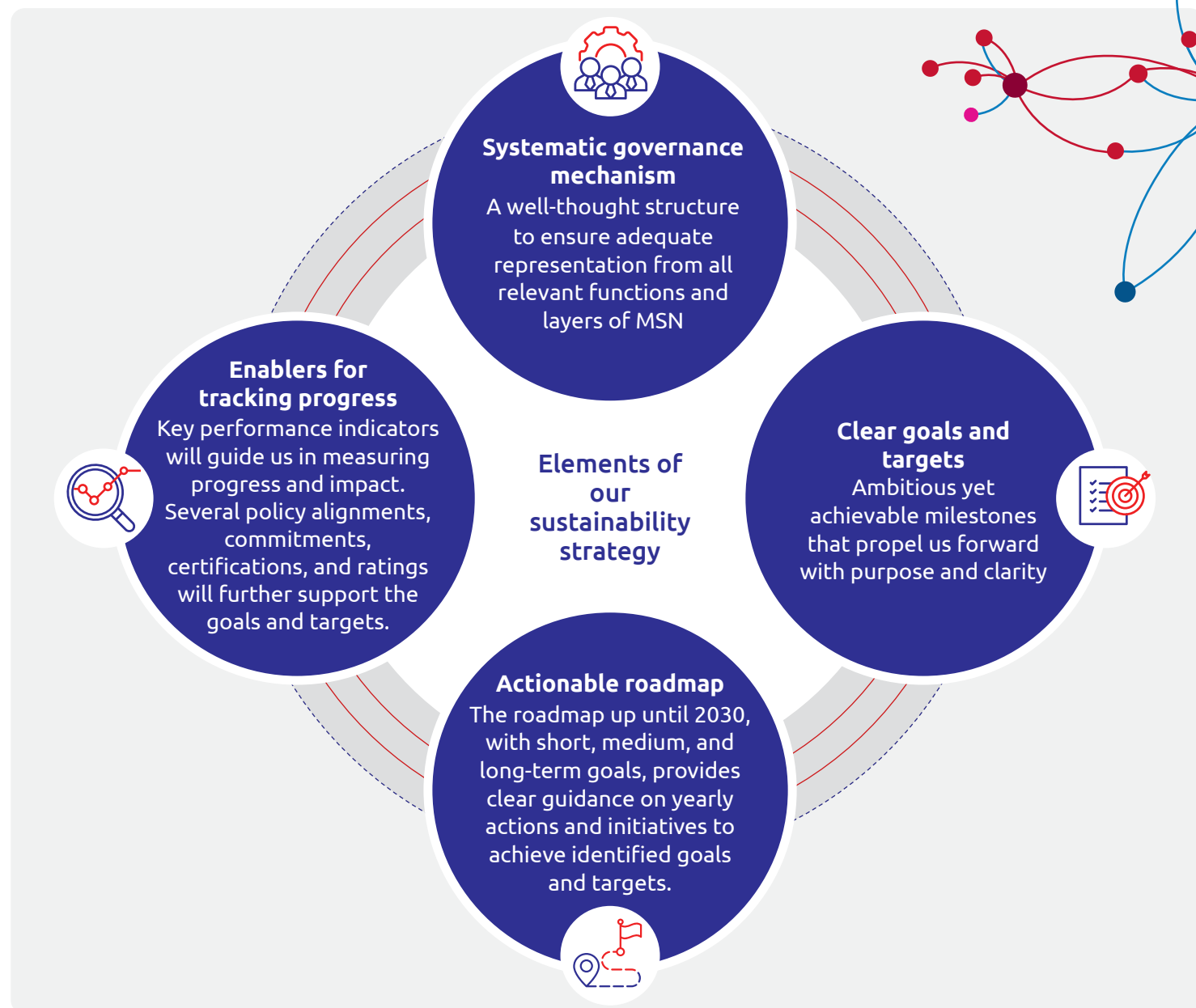
Advancing Sustainable healthcare



Our approach to sustainability

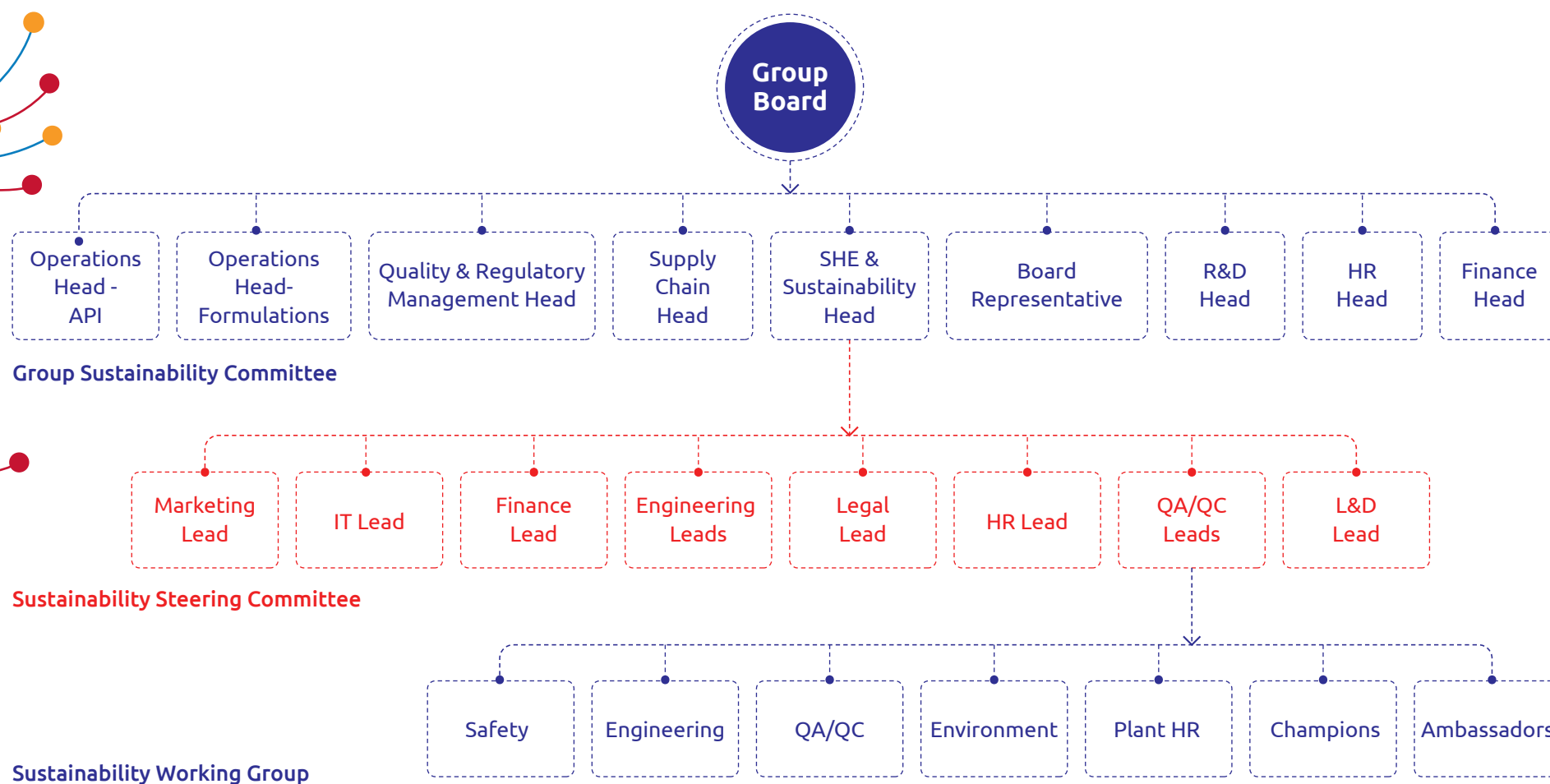
Sustainability starts at the MSN board and percolates to every level within the company. We view sustainability as a collective responsibility to bring about long-term gains and mitigate risks. Our approach to sustainability is built on a robust foundation provided by the sustainability strategy developed during the year. It aligns seamlessly with MSN Group's overall business model, portfolio strategy, and market focus.

Developing our sustainability strategy was a detailed, systematic process. It was collaborative and consultative, based on sound background activities of materiality assessment, understanding of the evolving regulatory landscape, reflection of client expectations, and sectoral performance and developments.



Governance to support sustainability

Our three-tier ESG governance system is central to achieving our ESG vision by ensuring our initiatives are effectively integrated and managed throughout the organization. This comprehensive governance structure fosters accountability, transparency, and continuous improvement across all organizational levels, ensuring that our ESG vision is not only articulated but actively pursued and realized. Nearly 50 MSN employees form part of the sustainability committees.





Group Sustainability Committee

Integrating sustainability

This committee is committed to embedding sustainability into the core of our business. Meeting twice a year, it evaluates sustainability performance, develops risk mitigation strategies, and oversees the creation of detailed sustainability reports. Additionally, the committee fosters sustainability awareness across the organization and ensures transparent communication and disclosure to all stakeholders. Its key responsibilities include integrating sustainability practices, assessing performance, formulating risk management strategies, and promoting sustainability awareness.



Sustainability Steering Committee

Driving initiatives forward

The Steering Committee, the driving force behind our ESG roadmap, convenes quarterly to nominate members for the working group and oversee strategic initiatives. It provides essential data and information support, ensuring the effective communication of goals and targets across the organization. The Sustainability Lead will serve as the rapporteur for the ESG Steering Committee and act as the central coordination point between the Steering Committee and the Working Groups. Key responsibilities include member nomination, strategic monitoring, data support, and goal communication.



Sustainability Working Group

Hands-on implementation

The Sustainability Working Group plays a vital role in driving our ESG initiatives. Their responsibilities include participating in ESG sensitization sessions to understand the ESG perspective and materiality assessment, contributing to the development of the ESG framework and roadmap based on these assessments. They actively engage in roadmap exercises, jointly finalizing KPIs to ensure alignment with strategic goals. The group also shares updates on ongoing initiatives related to identified material topics and assists in gathering relevant data from their departments to support our Ambassadors. The group convenes bi-weekly to carry out these tasks. Key responsibilities include sensitization sessions, ESG framework development, KPI finalization, and data collection.

This robust governance structure ensures that MSN Group's ESG initiatives are not just managed but actively aligned with our strategic objectives. By fostering a culture of sustainability and resilience, we are not just preparing for the future - we are creating it.






Sustainability continues to become increasingly central to our business conduct. To ensure a coherent and systematic effort, a sustainability governance structure most suitable for MSN is developed.

Voices shaping sustainability: stakeholder connect

At the core of our sustainability journey and disclosure is a steadfast commitment to incorporating the perspectives and insights of all our stakeholders. We have prioritized an inclusive approach, ensuring that the perceptions and expectations of those most closely connected to our operations are heard and valued. Employees, customers, suppliers, local communities, investors, regulators, and government agencies are the most critical. We have created a structured and efficient communication network with them.

We utilize a variety of communication channels to actively engage with our stakeholders, fostering transparent and meaningful dialogues. By doing so, we ensure that our sustainability efforts are aligned with their expectations and needs. Our comprehensive stakeholder engagement methodology, detailed in the next section, demonstrates our dedication to building strong, collaborative relationships that drive our sustainability initiatives forward.

Our communication channels

Stakeholder Group	Mode of Engagement	Focus Area of the Stakeholder Group	Objective
 Investors/Shareholders	<ul style="list-style-type: none"> ▶ Directors Meeting ▶ Annual Review Meeting ▶ Investor meetings 	<ul style="list-style-type: none"> ▶ Economic Performance ▶ Corporate Governance ▶ Compliance 	Understanding the strategy, operating performance expectations, and capital allocation
 Suppliers/Vendors	<ul style="list-style-type: none"> ▶ Vendor Audits ▶ Online Survey ▶ Supplier Assessment ▶ Suppliers training 	<ul style="list-style-type: none"> ▶ Sustainable Supply Chain ▶ Business ethics ▶ Health and Safety 	Engagement with suppliers is based on ethical conduct, environmental stewardship, and inclusion.
 Customers/Consumers	<ul style="list-style-type: none"> ▶ Feedback forms ▶ Customer meets 	<ul style="list-style-type: none"> ▶ Product stewardship ▶ Customer Health and Safety ▶ Accessibility & Affordability 	To understand the needs of the customers and expectations with MSN's products and service along with the level of satisfaction.
 Employees	<ul style="list-style-type: none"> ▶ Feedback form ▶ Open floor suggestions ▶ Employee meets ▶ Virtual platforms ▶ Annual performance meets 	<ul style="list-style-type: none"> ▶ Health and wellbeing ▶ Training and Education ▶ Diversity ▶ Non-discrimination 	To acknowledge their commitment and gain feedback on well-being, and safety. We aim to have a diverse and talented team.
 Society/Local community	<ul style="list-style-type: none"> ▶ Inperson village meets ▶ Through NGO's ▶ Feedback 	<ul style="list-style-type: none"> ▶ Education ▶ Healthcare ▶ Infrastructure Development 	Investing to address the needs of the communities



Raising awareness and participation

Central to our sustainability program is raising awareness and engagement among all stakeholders. Throughout the last 15 months, several stakeholder awareness sessions, coupled with feedback and concern-addressing interactions, were conducted as individual, small, and large group sessions. These activities result in engaging employees and promote active participation in the initiatives.

Sustainability ambassadors and champions

MSN intends to provide an opportunity for every interested individual in the organisation to participate in sustainability activities, irrespective of the job description or role, based on the inclination towards sustainability. The ambassadors and champions are selected from various areas of work across the company. They participate in committee meetings and awareness sessions, increase their understanding of the subject and MSN's strategy, and enable its implementation in various forms. We expect the ambassador and champion programs to grow significantly in the coming years.



Direction of our sustainability ambition

The high-level goals for MSN are critical in driving our commitment to sustainability, ensuring that we align with global standards, and fostering a culture of transparency, accountability, and active stakeholder engagement. These goals are designed to solidify our position as a responsible and forward-thinking organization, integrating Environmental, Social, and Governance (ESG) considerations into the very fabric of our operations.

Enhance integrity, accountability, and transparency



▶ Maintain the highest standards in ESG disclosure, commit to regular annual disclosures in the public domain, providing high-quality and comprehensive information.



▶ Our goal is to systematically increase company-wide disclosure coverage, ensuring that all aspects of our operations are transparent and accountable.



▶ We will expand the scope of our disclosure each year by incorporating new, relevant information that reflects our performance and evolving commitments.



▶ To further enhance the credibility of our disclosures, we will undertake third-party audits and assurance of the information provided, along with implementing rigorous measures to improve data quality and integrity.

Strengthen stakeholder engagement and knowledge



▶ Engaging with our stakeholders and fostering a culture of continuous improvement is at the heart of our approach.



▶ We will develop and strengthen employee and stakeholder feedback mechanisms, including systems for raising and systematically resolving grievances and improving employee feedback systems.



▶ Continuously engaging stakeholders on ESG issues will help us disseminate relevant knowledge and maintain a dynamic dialogue with all our stakeholders.























Our area of focus

MSN's materiality assessment is based on the materiality process and principles provided by GRI. Based on the GRI principles, the materiality assessment followed the impact and risk approach. Over 800 internal and external stakeholders provided feedback that facilitated the development of a materiality matrix and the identification of top material topics of focus for MSN. The comprehensive materiality assessment exercise was conducted in FY22-23, and we shall re-conduct this exercise once in three years. (Detailed approach is provided in Sustainability Report FY22-23) Therefore, the material topics presented in this report are the same as the previous year. Climate change and Emissions are combined this year to form a material topic, which will represent air emissions and GHG emissions.

Over 800 internal and external stakeholders provided feedback that facilitated the development of a materiality matrix and the identification of top material topics of focus for MSN.

Sustainability Pillars

The material topics identified through our materiality assessment have been consolidated into four pillars

Sustainability Pillar	Material Topic	Priority (High/Medium)	SDG
 Ethical Governance Practices	Economic Performance	High	
	Compliance	Medium	
	Anti-Corruption	Medium	
 Preserving our Planet	Energy	High	 
	Climate Change & Emissions	High	 
	Water and Effluent	High	 
	Waste	High	
	Biodiversity	Medium	
 Our People, Our Strength	Employment	Medium	
	Diversity and Equal Opportunity	High	  
	Occupational Health and Safety	High	 
	Labor/Management Relations	High	
	Training and Education	High	
 Steering towards Progress	Sustainable Supply Chain	Medium	 
	Customer Privacy	Medium	
	Local employment and wages	High	
	Customer Health and Safety	Medium	
	Access to Healthcare	Medium	

Our ESG goals and targets

Based on our set of material topics, we have identified key areas for setting impactful goals and targets that align with our mission of advancing sustainable healthcare solutions. Our goals and targets have been strategically formed by carefully evaluating the importance of each topic on our business and the expectations of our stakeholders. This understanding has been refined over years of active engagement with stakeholders and by learning from our peers through benchmarking. Each of these targets has been mapped to the GRI Standards, ensuring that our efforts are aligned with global best practices. The following goals and targets have been crafted to drive progress, benefiting both people and the planet while ensuring sustainable growth.

Advancing our Commitment: Goals and Targets

Embed sustainability into the supply chain

- ▶ **100%** of strategic suppliers acknowledge sustainable supplier COC by 2026
- ▶ Embed sustainability aspects in all supplier contracts by **2028**
- ▶ Initiate tracking **GHG emissions** by 2025
- ▶ **Reduce** supply chain GHG emissions by 2030
- ▶ **Sustainability** procurement certification under ISO20400
- ▶ Continue providing certificate **training** to the supply chain team

Improve water management practices and operation

- ▶ Reduce freshwater consumption by **33%** by 2030
- ▶ Water stress and risk assessment for **100%** of operations by 2026
- ▶ Continuously increase the use of **recycled water**

Aim to achieve net zero by 2045

- ▶ **Establish** Scope 3 GHG emissions inventory by 2024
- ▶ **25%** of total power consumption through renewable by 2030
- ▶ Continuously progress towards **higher energy efficiency.**
- ▶ Reduce Scope 1 and 2 emissions **25%** by 2030
- ▶ **Undertake** lifecycle assessment for at least two products by 2025

Advancing our Commitment: Goals and Targets

Minimise waste generation and maximise waste recycling and reuse

- ▶ **Zero waste disposal** to landfill by 2026
- ▶ Attempt to use **recyclable packaging**
- ▶ Reduce waste generation by **10%** by 2028

Increase gender diversity and equality

- ▶ Increase the women percentage by **30%** by 2030
- ▶ **Increase** women strength in managerial positions
- ▶ Attempt to provide **representation** to people with disabilities

Enhance medicine reach and safety

- ▶ Continuously **strengthen** the Patient Safety Adverse Reactions Program
- ▶ **Increase** outreach to patients by 2026

Enhance safety training & foster a safe work environment

- ▶ A minimum of two days of mandatory **safety training** per employee annually
- ▶ **Implement targeted strategies** to reduce workplace stress, utilizing employee feedback and surveys

Our next steps

As we advance, ensuring the integrity and accuracy of our data is paramount. To achieve this, we have adopted a specialized third-party ESG digital solution tailored to our needs, which facilitates seamless data aggregation, integration, alignment, analytics, and validation. This technology underpins our sustainability efforts with reliable data, driving informed decision-making and reinforcing our commitments. Concurrently, we are developing a detailed decarbonization roadmap to align towards a net zero future.

ESG Risk and Opportunity Assessment

In an evolving global landscape, MSN is dedicated to mitigating ESG (Environmental, Social, and Governance) risks while maximizing sustainability opportunities. Our ESG Risk and Opportunity Assessment was conducted using globally recognized frameworks, such as those from MSCI, Sustainalytics, and the World Economic Forum (WEF), to ensure a thorough and comparable evaluation process. Through benchmarking stakeholder engagement across various functions, including Manufacturing, R&D, and Supply Chain, as well as risk prioritization, we developed a strategic approach to address key ESG challenges in alignment with our commitment to sustainable growth and operational resilience.

ESG Risk and Opportunity Assessment has outlined a strategic focus on managing both high-priority and medium-priority risks. This distinction ensures that immediate attention is directed toward the most critical challenges, while medium-priority risks are managed with a structured approach to support long-term sustainability and resilience.

Key Risks Addressed and Mitigation Strategies

The following areas have been identified as top priorities due to their high potential impact on operational, strategic, manufacturing, R&D, Financial, logistics, and supply chain.



Climate Resilience and Extreme Weather Adaptation

Addressing the risks posed by extreme weather events, including wildfires and heat waves, is essential to protecting our facilities, employees, and communities. This mitigation strategy focuses on fortifying infrastructure and operational protocols to adapt to climate impacts and enhance resilience.



Carbon Management in Core Operations

Reducing Scope 1 and Scope 2 emissions, alongside relevant Scope 3 emissions in logistics, reinforces our commitment to carbon neutrality. This high-priority focus includes implementing low-emission technologies, optimizing energy use, and enhancing emissions tracking to achieve tangible progress toward climate goals.



Regulatory Compliance and Quality Standards

Compliance with rigorous industry standards and regulatory frameworks is critical to maintaining operational integrity and reputation. To stay ahead of requirements, ensure strict adherence to quality standards, establish robust compliance processes, and continuously monitor regulatory developments.

Medium-priority risks present opportunities for proactive risk management that, while not immediately critical, are essential to fostering sustainable growth and resilience. The action plans for medium-priority areas are designed for phased implementation over the next six months, with progress tracked and reported quarterly.



Resource Efficiency and Waste Reduction

Efficient resource use and waste minimization are integral to reducing environmental impact and operational costs. Our mitigation efforts here include process optimizations, resource-saving technologies, and waste recycling initiatives that contribute to our sustainability goals in a structured, phased manner.



Access to Healthcare (Product Accessibility and Affordability)

Ensuring that our products are accessible and affordable is fundamental to our mission of improving global health. Our efforts focus on enhancing supply chain efficiency, investing in affordable drug formulations, and exploring partnerships to expand access to underserved regions. By making our products more accessible, we support health equity and reinforce our position as a responsible healthcare provider.



Employee Health and Safety

Protecting the well-being of our employees through rigorous safety protocols, regular health assessments, and proactive training programs. Our approach to employee well-being includes both physical safety and mental health support, recognizing that a healthy workforce is integral to our long-term success and sustainability.

Analysis of the financial impact associated with high and medium-severity risks reinforces our commitment to sustainable business practices. This insight enables MSN to allocate resources effectively and pursue a growth strategy that balances profitability with our dedication to social and environmental responsibility.

Opportunities for sustainable growth have emerged through effective risk management. Leveraging TCFD and CDP frameworks, we identified areas where responsible ESG practices can yield strategic advantages. Our comprehensive ESG Risk and Opportunity Assessment represents a strategic commitment to long-term resilience, sustainable growth, and value creation for all stakeholders.

Each of these priority areas is addressed with dedicated mitigation plans that involve immediate actions, resource allocation, and quarterly reviews by our Sustainability Steering Committee to ensure continuous progress and adaptation. In addition, establishing a specialized Risk Committee, in tandem with an Enterprise Risk Management (ERM) framework, is our next step in fortifying our risk management approach.





Promoting Ethical Governance:

Building trust through transparency and responsibility

Approach

At MSN Group, ethical governance is the cornerstone of our commitment to transparency and responsibility. Through rigorous ethical practices, we ensure that our business operations uphold the highest standards of integrity. Our Board of Directors, with a composition of 25% women, is the highest governance body responsible for providing direction and guidance to achieve the long-term goals of the organization. It plays a crucial role in the oversight of strategic goal setting and is dedicated to ethical practices that promote transparency in all aspects of our operations. Demonstrating our leadership in corporate responsibility, we are conducting a comprehensive ESG risk and opportunities assessment this year. This initiative highlights our proactive approach to identifying and mitigating risks, reflecting our ongoing commitment to ethical and sustainable business practices that are in line with industry standards.

Our operations are governed by a robust corporate governance framework that continually aligns our actions with our purpose, mission, and values.

Our long-term success is firmly grounded in a commitment to ethics, transparency, and regulatory compliance. Our operations are governed by a robust corporate governance framework that continually aligns our actions with our purpose, mission, and values. This governance structure ensures that our commitment to responsible business practices is embedded throughout our value chains, where ethical conduct and compliance are critical. The highest governance body, the Board of Directors, led by our Managing Director-plays a pivotal role in overseeing these



commitments, ensuring accountability across all levels of the organization.

Operating within complex value chains, we recognize that bridging the gap between intention and action is essential. Whether we interact with consumers, customers, employees, suppliers, investors, or regulators, we consistently adhere to our Code of Conduct. This code

outlines expectations related to internal policies, procedures, ethical practices, conflict of interest management, and harassment prevention, ensuring we effectively manage regulatory compliance. All the related policies are publicly available on the website <https://www.msnlabs.com/life-at-msn.html>.

Commitment to compliance

Board of Directors

Our board is comprised of individuals with diverse expertise in areas ranging from pharmaceutical innovation to technology, sustainability, and business development. Their collective experience strengthens MSN's ability to navigate challenges and drive growth across global markets.

Dr. Manne Satyanarayana Reddy (Dr. MSN)

Founder, Chairman & Managing Director

Dr. MSN has led MSN Group with visionary leadership, driving innovation and growth. A key figure in the pharmaceutical sector, he holds over 350 patents and has developed new molecules for global markets. He has been recognized with prestigious awards such as the Udyog Ratan Award and TV5 Business Leader Award.

Mr. Bharat Reddy

Executive Director
MSN Group

An accomplished technocrat with over three decades of experience in life sciences, pharmaceuticals, and IT, Bharat has successfully established and expanded businesses in the USA and India. He oversees the global business development for MSN's formulation division, portfolio management, IT, and new ventures, bringing a wealth of expertise in driving growth and innovation across international markets.

Ms. Sindhuja Reddy

Director
MSN Group

A leader with a strong focus on sustainability, Ms. Sindhuja holds an M-Tech in Biotechnology and an MBA from ISB. She integrates sustainability into MSN's operations, aligning business growth with environmental responsibility.

Mr. Nikhil Reddy

Executive Director
MSN Group

With a background in Business Information Systems, electronics, and communication, Mr. Nikhil leverages technology to enhance operational efficiency. He plays a key role in international expansion and drives product launches globally.

Compliance Management

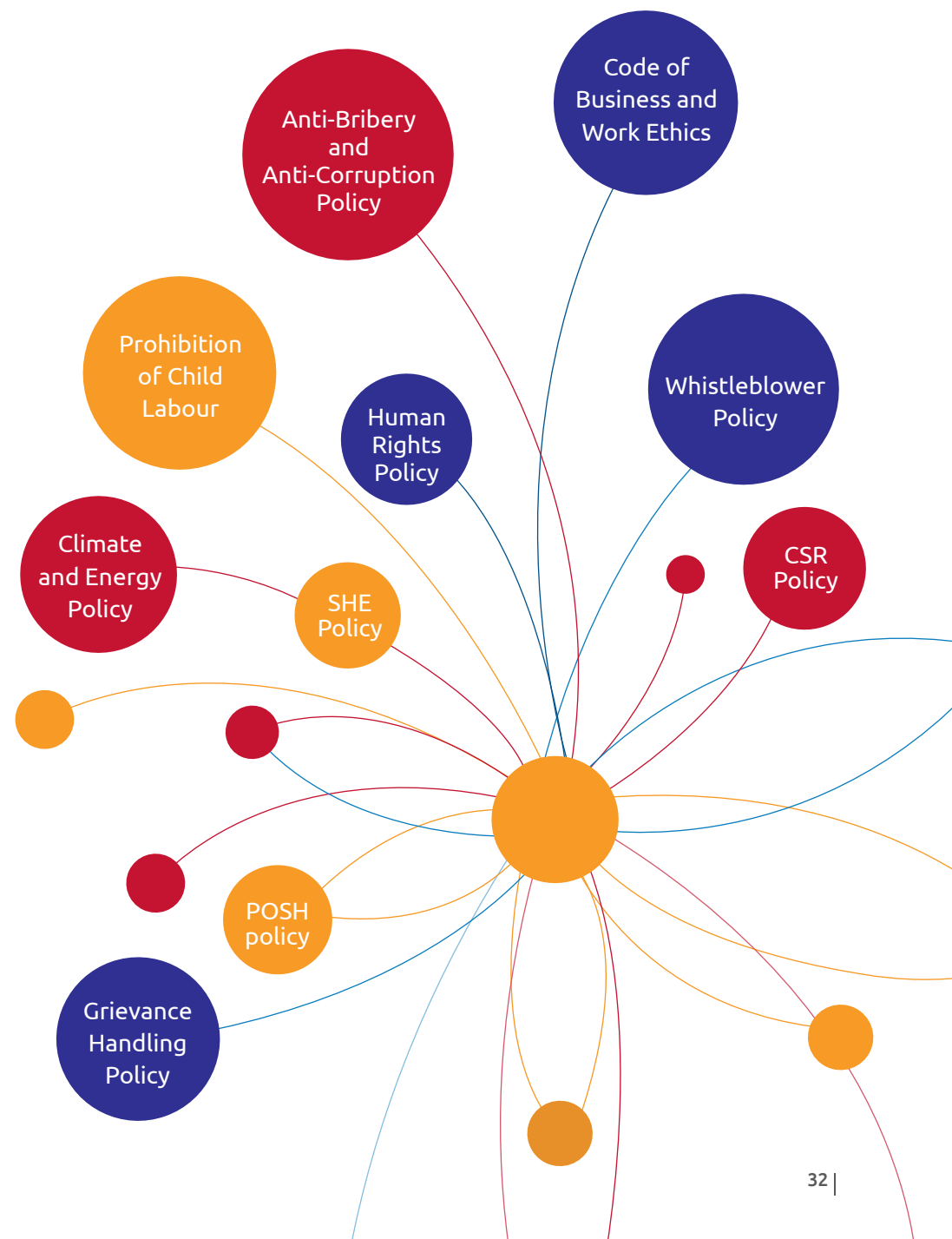
Every function at MSN is responsible for maintaining regulatory compliance and ensuring adherence to relevant laws and guidelines across our operations. Our legal function supports secretarial compliance, ensuring that all regulatory requirements are met precisely and diligently.

During the FY 23-24 reporting period, MSN Group recorded zero instances of significant regulatory non-compliance, demonstrating our unwavering commitment to ethical business practices and regulatory adherence.

Supporting policy and procedure

A range of other policies, procedures, and communications bolsters our ethical programs. Detailed information about our policies is available on our website.

We have developed a Sustainability charter as the guiding document for sustainability governance and a formal commitment of our goals and targets.

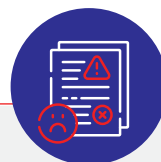




Whistleblowing Mechanism: Speak Up with Confidence

MSN Group's whistleblowing policy is designed to foster an environment of trust and transparency. Applicable to all employees, board members, and contractors, it offers secure channels to report concerns to ethics committee members. New joiners are informed about the policy at the time of joining, and updates are communicated continuously through electronic systems.

- **Ethics Committee:** This committee, which comprises the Chairman, heads of functions, and operation clusters, is appointed by the Audit Committee and can engage third-party investigators if necessary.
- **Reporting Channels:** Email at ethics@msnlabs.com or directly to the Chairman of the Ethics Committee or Chief Internal Auditor.
- **Confidentiality:** Whistleblower identity is always protected, ensuring unbiased and non-discriminatory investigations.
- **Policy Monitoring:** Regular reviews by the Ethics Committee ensure the effectiveness of the whistleblower policy.



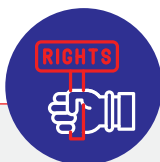
Grievance Redressal System

We are dedicated to continuously enhancing our workplace culture for all employees. To this end, we have implemented a structured grievance redressal system that caters to all employee levels, from staff to executives. This system is designed to address issues related to employee relations, benefits, work-related matters, welfare, and overall well-being.

Our grievance resolution process starts with the submission of a written grievance, which is then managed through a well-documented procedure. To ensure fair and efficient resolution, we have established a three-tier grievance handling framework:

- **Unit Level Grievance Handling Committee:** Addresses grievances at the operational level.
- **Division Level Grievance Handling Committee:** Handles unresolved issues from the unit level and ensures a thorough review.
- **Apex Level Grievance Handling Committee:** Deals with complex cases and provides final resolutions to ensure fairness and adherence to company values.

This robust framework ensures that grievances are addressed promptly and impartially, contributing to a positive and supportive work environment across MSN Group. Additionally, our grievance system is designed to accommodate concerns related to human rights raised by external stakeholders, reflecting our commitment to ethical practices and respect for human rights in all aspects of our operations. As for the suppliers, they can raise grievances through mail communication; the procedure is mentioned in the supplier code of conduct.

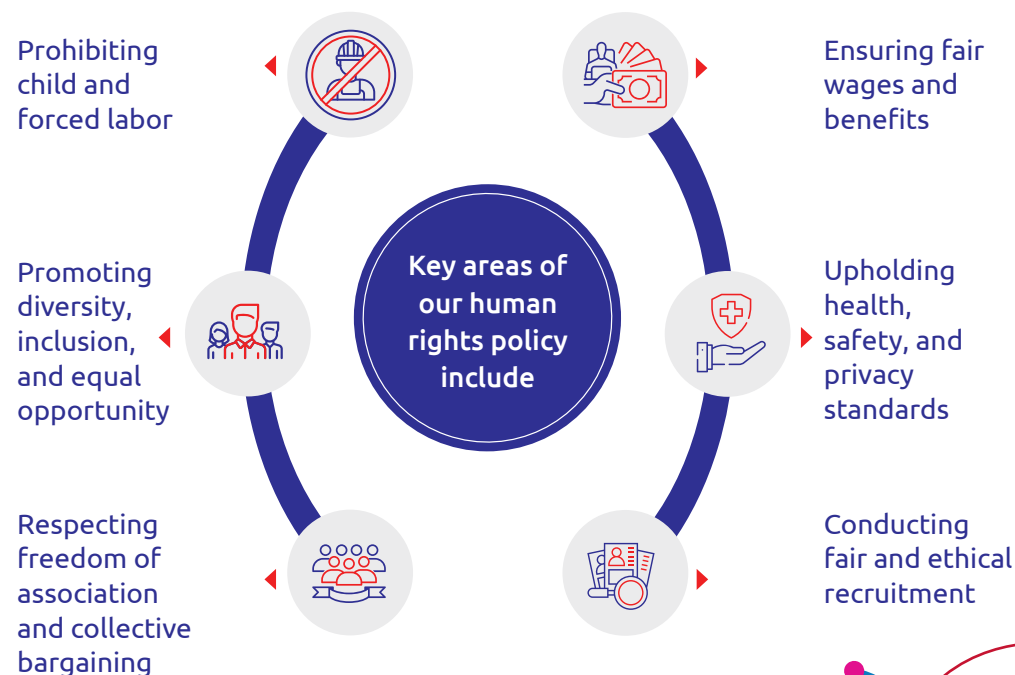


Respecting Human Rights

As a proud member of the United Nations Global Compact (UNGC), MSN is deeply committed to aligning with the UNGC's principles on human rights. Our approach is rooted in the International Labour Organization's (ILO) principles, identifying key human rights areas such as non-discrimination, the prohibition of child labor, and addressing external stakeholder human rights concerns. To safeguard these rights, we have implemented a comprehensive Human Rights Policy that outlines our commitment and approach to ensuring ethical practices across all operations. We also conduct training on human rights issues as and when required, and all employees undergo human rights policy training.

Furthermore, human rights are not treated as a standalone topic at MSN. Instead, they are embedded into all our sustainability initiatives, ensuring that every action we take to pursue environmental and social goals is aligned with human rights principles. This integration extends across functions, allowing us to safeguard rights while consistently pursuing our broader sustainability objectives.

Our commitment to human rights extends throughout our value chain. Our Supplier Code of Conduct emphasizes the same principles, ensuring that our partners also adhere to high ethical standards. In addition, our Code of Ethics, publicly available on our website, reflects our dedication to upholding human rights in every aspect of our operations.



MSN Group absolutely condemns child and forced labour. We maintain a strict monitoring system across all our plants to ensure compliance. Age verification of all contract employees is conducted daily, and rigorous due diligence is performed during recruitment to prevent any instances of child labor. We

are also undergoing an ethics audit to reinforce our commitment further.

We are committed to fostering a diverse and inclusive work environment. All employees are trained in our zero-tolerance policy toward discrimination, which promotes an equitable workplace.

Preserving Ethics: Anti-Corruption and anti-bribery practices

In an increasingly dynamic world, MSN remains unwavering in its commitment to maintaining stringent anti-bribery and anti-corruption practices. Our comprehensive policy addresses all aspects of corruption prevention within our operations and is communicated to all employees and governing body members during their induction. Any policy updates are swiftly shared via email to ensure continuous alignment.

A digital system is being implemented to enhance policy dissemination. This system will streamline the dissemination of policies and procedures and allow us to efficiently track and monitor the completion of anti-corruption training by employees and board members.

The supply chain is also expected to adhere to MSN's anti-corruption and bribery policy, which is communicated

through the Supplier Code of Conduct and emphasizes MSN's zero-tolerance stance on corruption.

**In FY 23-24, there
were zero confirmed
cases of corruption.**

Inclusive and fair compensation

All employees and workers are compensated, with 100% receiving wages that meet or exceed minimum wage requirements. Given that a large portion of our workforce is based in India, where most of our operations are located, we maintain these standards across our operations for all employee categories.

We are committed to promoting gender equality and ensuring fair compensation for all employees. The ratio of basic salary and remuneration between women and men is 1:1, reflecting our dedication to equal pay for equal work across all levels of the organization. This reinforces our commitment to fostering an inclusive and equitable workplace.

Economic Performance

Over the years, we have achieved excellence in financial performance, fueling our confidence to invest in new technologies, community development, and our sustainability and ESG journey. By creating value for the company, we generate direct and indirect benefits for others. Our consistent performance enables us to invest more in innovation and contribute significantly to society. Our employees are pivotal in this value creation, and our supply chain partners are among the most impacted stakeholders.

Particulars (INR/Millions)	FY22-23	FY23-24
Revenue	-	94618
Direct Economic Value Generated		94618
Economic Value Distributed		25982.76
Economic Value Retained (Direct economic value generated 'less' economic value distributed)		68635.24
Operating Costs		12396.4
Employee Wages and Benefits	-	12110.9
Payments to Government	-	1,475.46
Community Investments (CSR)	-	7.02



Building a legacy of success

Our journey in the pharmaceutical industry began in 2003 with a vision to deliver world-class medicines globally. Today, we have served the industry for over two decades, balancing “Affordability” and “Quality”. Looking back, we are proud of the lives we could impact with our offers of about 470+ APIs and 300+ FDFs. As a company, we believe in sustainable growth. This is reflected in our focus on honoring social and environmental responsibilities. We are putting dedicated efforts into using renewable energy to meet our power needs. Our upcoming solar power generation project will generate about 50 MW of renewable energy. This is in addition to our existing Solar Power generation capacities.

For over twenty years, MSN has enjoyed the trust and goodwill of our customers as a reliable partner of choice. With our uncompromising attitude towards quality and compliance, we have ensured adherence to all Global Regulatory Standards. Our unblemished regulatory track record spanning twenty years is a testament to this.

All our success can be attributed to our passionate employees. We are happy to have nurtured many industry leaders within our organization. With about 20000 employees, we are at the forefront of generating employment globally. Our efforts towards creating an ideal workplace have recently been accredited by the certification of “Great Place to Work.”

The billion-dollar mark is a milestone for any organization. We are proud to have crossed this milestone within just 20 years of inception. We attribute this achievement to the collective efforts of our personnel. It is also a replica of the value we generated for humanity by delivering affordable medicines to those in need.

We are formulating our Long-term Strategy, which will lead us to the future and achieve a magical mark of USD 3 billion by FY29-30. We will work towards this goal, holding close to our hearts the values of Sustainable Development.



Outlook

Strong ethics and an effective and progressive governance system will remain indispensable as we aim to become USD 3 billion in revenue by FY 29-30. We are reflecting on the needs and taking action to strengthen support for the Board's compelling performance. One of the immediate actions is restructuring and forming new committees like the Enterprize risk committee and audit committee. External audits and certifications like ISO 26000-based Ethics Audits are planned to cover all operations.

Strong ethics and an effective and progressive governance system will remain indispensable as we aim to become USD 3 billion in revenue by FY 29-30





Preserving our planet:

Innovating for environmental sustainability



Approach

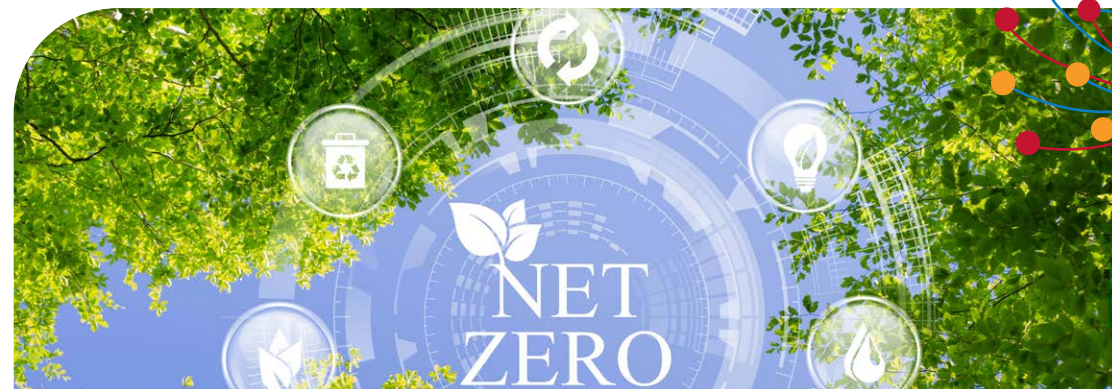
Our planet's ecosystems are the bedrock of life, and the pharmaceutical industry, just like many others, shares a significant, mutually influential relationship with the environment—it depends on and influences the natural world. At MSN Group, we understand that sustainable business practices are vital for safeguarding the environment and fundamental to the long-term success of our operations and the well-being of the communities we are dedicated to serving.

Climate change poses an undeniable risk to every industry, including pharmaceuticals. Rising temperatures, extreme weather events, and unpredictable climatic patterns threaten physical infrastructure and the ability to conduct business in the long term. The pharmaceutical industry contributes significantly to this challenge, responsible for 4.4% of global emissions. If left unchecked, its CO2 footprint is projected to triple by 2050. At MSN, we are committed to mitigating our

At MSN, we are committed to mitigating our environmental impact by focusing on reducing emissions and integrating clean energy solutions into our processes.

environmental impact by focusing on reducing emissions and integrating clean energy solutions into our processes. As we progress towards the Net Zero goal, the company stands to benefit significantly from ongoing decarbonization efforts. Our strategy includes significant efforts to reduce Scope 1 and 2 emissions, including addressing Scope 3 emissions.

Energy use in pharmaceutical manufacturing is another key contributor to environmental impact, with significant energy required for processes like steam and power generation. MSN is focused on reducing the energy intensity of our operations, recognizing the role that energy consumption plays in driving climate change.



Water is fundamental to pharmaceutical production, and its quality is pivotal to our success. According to World Bank figures, approximately 80% of wastewater is being released into the environment without treatment, highlighting the urgency of addressing this issue. While our industry may not be as water-intensive, we recognize the critical importance of responsible water management, especially in water-stressed areas. We are committed to comprehensive waste management across our value chain, starting from material sourcing. Throughout our operations, we diligently work to reduce waste generation by responsibly utilizing resources and expanding our recycling and reuse initiatives. Our implementation of

various strategies is aimed at minimizing waste and decreasing the volume sent to landfills, demonstrating our sincere commitment to environmental stewardship.

Biodiversity conservation lies at the heart of our environmental stewardship, recognizing that protecting ecosystems is essential for maintaining the ecological balance that sustains the resources crucial to our operations. This effort goes hand in hand with our broader environmental strategy, where we address climate change, manage water responsibly, reduce waste, and conserve biodiversity. Together, these focused actions reflect MSN's comprehensive approach to ensuring both the sustainability of our planet and the resilience of our business.

Climate change and GHG Emissions

To reduce greenhouse gas (GHG) emissions, we have identified and categorized our emissions sources into Scope 1 and Scope 2 emissions. Scope 1 includes direct emissions from the combustion of fuels such as Coal, High-speed diesel (HSD), and Compressed Natural Gas (CNG) at our sites, while Scope 2 encompasses indirect emissions from the consumption of electricity for heating, cooling, and steam generation.

Our shift toward cleaner energy alternatives includes the use of Compressed Natural Gas (CNG) in one unit and the adoption of climate-friendly refrigerants like R-134a, which has a lower global warming potential (GWP).

In FY 23-24, MSN experienced a 17% increase in total GHG emissions (Scope 1 & scope 2) compared to FY22- 23, driven primarily by the growth in Scope 1 emissions. This increase reflects our expanding operations and the associated energy demands. While coal consumption saw a rise of approximately 29%, our use of high-speed diesel (HSD) remained stable, with only a slight reduction in consumption.

Additionally, we continue to explore cleaner energy alternatives, such as the use of CNG in one of our units, marking a positive shift toward reducing our carbon footprint in future operations. We are transitioning to more climate-friendly refrigerants. R-134a has a lower global warming potential (GWP) and accounted for 309 kg of our usage in FY 23-24. By phasing out higher-GWP refrigerants

and integrating energy-efficient alternatives, we aim to optimize cooling systems for reduced environmental impact.

The Scope 2 emissions increased by 8%. The overall increase in GHG emissions highlights the need for focused efforts in optimizing energy use and transitioning away from carbon-intensive fuel sources as part of our long-term decarbonization roadmap.



Scope 3 Emissions

Our objective is clear: we are dedicated to achieving zero environmental impact. This goal requires us to manage our business growth thoughtfully while maintaining our commitment to reducing carbon emissions. As we continue to serve an increasing number of customers, we are taking intentional steps to dissociate business growth from environmental damage.

A crucial aspect of our sustainability journey involves comprehending and minimizing our Scope 3 emissions across our value chain,

from raw material source to product distribution, use, and disposal. Scope 3 emissions typically constitute most of a company's total carbon footprint, especially in industries like pharmaceuticals, where the supply chain is extensive and intricate.

We have commenced measuring our Scope 3 emissions, marking a pivotal step toward understanding our environmental impact throughout our value chain. The initial step in calculating the Scope 3 emissions involves identifying and evaluating all

relevant emissions categories as per the Greenhouse Gas (GHG) Protocol. We have gathered data for all relevant emissions categories, and the calculations were conducted using appropriate emission factors.

Our total Scope 3 emissions for this reporting period amount to 66735.71 tCO₂e, with the largest contributor being fuel and energy-related activities not included in Scope 1 & 2, accounting for 64% of emissions. Purchased goods and energy contribute most to the Scope 3 emissions, as observed in most pharmaceutical industries.

Scope 3 Categories	Emissions (tCO ₂ e)	Category contribution
Category 1: Purchased Goods and Services	12726.04	19%
Category 2: Capital Goods	971.36	1%
Category 3: Fuel and energy-related not included in Scope 1&2	42445	64%
Category 4: Upstream transportation and distribution	2581.94	4%
Category 5: Waste generated in operations	303.16	0.4%
Category 6: Business Travel	5835.35	9%
Category 7:Employee commute	1872.86	3%
Total	66735.71	



Other Emissions

We actively monitor and control air pollutants to ensure that our emissions are as low as practically possible. The relevant air emissions at MSN include Nitrous Oxide (NO_x), Sulfur Oxides (SO_x), Particulate Matter (PM), and other hazardous air pollutants. We conduct monthly third-party ambient air quality monitoring, coupled with trend analysis, to identify risk areas and devise action plans. Additionally, stack monitoring for boilers and DG sets is performed regularly across all MSN units to monitor significant emissions such as PM, NO_x, and SO_x, ensuring compliance with environmental standards and regulations prescribed by the local regulatory agencies. We plan to continue the monthly monitoring of the air pollution and limit the atmospheric emissions.



Emission Quantity (in kg)	NO _x Emissions	SO _x Emissions	Volatile Organic Compounds (VOC)	Particulate Matter (PM)	Persistent organic pollutants (POP)
FY 22-23	1.69	0.84	815.79	7.27	0.84
FY 23-24	1.64	0.83	748.25	7.35	0

Energy Management

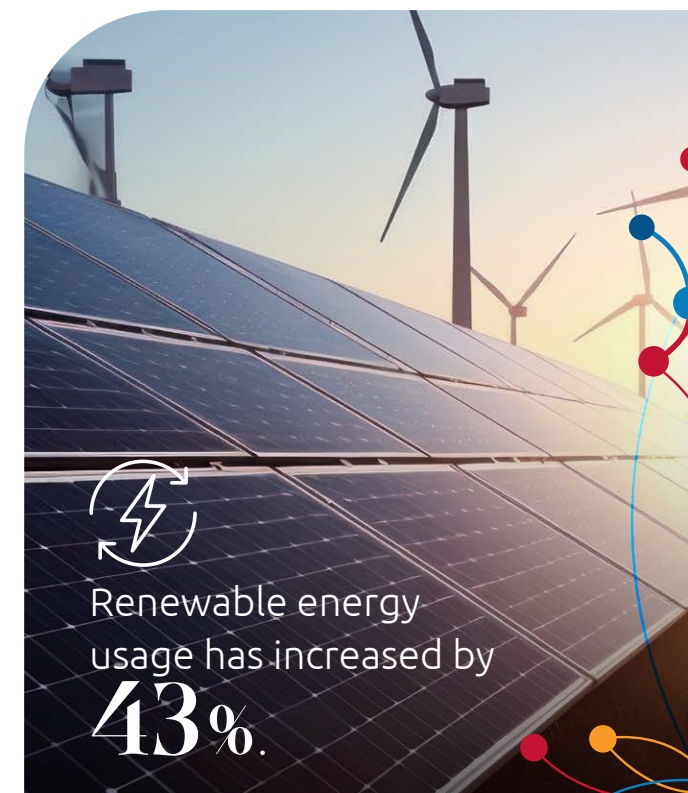
Our Climate and Energy Policy provides a comprehensive framework for achieving energy efficiency across all our sites. This policy supports our ongoing commitment to optimizing energy consumption through continuous improvements in our operations, equipment, and systems. Regular energy audits are conducted to analyze consumption patterns, identify energy-intensive areas, set reduction targets, and implement effective energy-saving measures.

In alignment with our policy, we have made significant strides this year, including receiving ISO 14001 certification for all our

sites, which underscores our dedication to environmental management standards. Despite our current reliance on non-renewable energy sources, we are actively pursuing renewable energy solutions to accelerate our transition.

We prioritize the meticulous tracking of energy consumption across all our operations and units. Our energy consumption is derived from two primary sources: grid power and dedicated power purchase agreements with individual power plants. We do not utilize furnace oil in any of our operations, aligning with our commitment to environmental sustainability.

We are taking essential steps to enhance energy efficiency and sustainability across our operations. These initiatives include the adoption of solar power, the installation of sensor-based lighting systems, and the implementation of timers to minimize energy consumption. In addition, we are upgrading equipment by replacing conventional systems with more energy-efficient alternatives, such as heat pumps, variable frequency drives (VFDs), and EC blowers. These measures, combined with ongoing process optimizations, underscore our commitment to energy conservation.



Energy Consumption (in TJ)	Total electricity consumption from non-renewable sources	Total electricity consumed from renewable sources	Total electricity consumption (renewable and non-renewable)	Total fuel consumption	Total energy consumed	Energy intensity per rupee of turnover
FY 22-23	560.37	15.79	546.16	855.31	1431.43	-
FY 23-24	682.63	22.62	705.25	1,103.03	1,808.28	0.019

Case Study

Shifting to Continuous Processes for emission reduction

Continuous process improvement plays a pivotal role in sustainable development by reducing process cycle times, leading to significant energy savings and enhanced operational efficiency.

We simplified the process by transitioning from conventional methods to a continuous process. This involved minimizing process lead times through operational improvements, thereby reducing emissions and improving energy efficiency.

- Implementing continuous extraction technology using a static mixer with decanter technology, eliminating the need for back charging of the organic phase under vacuum, which in turn minimized solvent losses.
- Expanding the heat transfer area to optimize distillation operations, further improving process efficiency.

Challenges Faced

Several challenges were encountered during the implementation

- Higher process leads to limited heat transfer during distillation.
- Significant vapour losses from the conventional extraction and handling processes.
- Increased energy consumption, impacting overall productivity and sustainability goals.

Steps taken to overcome challenges

- Introduced continuous extraction technology, eliminating solvent loss by preventing the need for backcharging the organic phase under vacuum.
- Increased the heat transfer area, allowing for more efficient distillation operations and reducing lead times.

Impact



Process lead time was reduced by approximately

45%



Productivity increased by

75%



Solvent loss was reduced by

5%, contributing to lower emissions and a more sustainable manufacturing process.

Future steps

This approach will be extended to other stages, and the same methodology will be applied to the production processes of Duloxetine and Ezetimibe to further enhance productivity and sustainability across our operations.

Water and Effluent

As part of our commitment to responsible water management, we diligently track our water withdrawal to ensure sustainable resource use. Our water supply is sourced from groundwater and third-party water providers, enabling us to meet operational needs. We do not withdraw ground or surface water for our consumption needs. Through ongoing monitoring, conservation efforts, and efficient water use, we aim to reduce our overall water consumption and contribute to long-term water sustainability for both our operations and the surrounding communities.

Our focus on effluent management is crucial in achieving our goal of minimizing environmental impact and promoting circularity in our operations. Our plants operate on the Zero Liquid Discharge principle, which means that no wastewater is released into the environment. By treating and reusing our wastewater, we effectively decrease water consumption and encourage sustainable water use within our operations. To reduce the impact of API discharge in the environment we undertake treatment measures. The effluent generated undergoes Zero liquid discharge, and the waste is disposed to AFRF which leads to safe disposal of API content. We also do regular monitoring of the

API content in treated water and waste generated, by an authorized laboratory. Our target is to sustain the treated water quality below the prescribed limits.

MSN is dedicated to improving water conservation and has undertaken various initiatives to reduce consumption and enhance efficiency. We have replaced RO membranes in our ETP RO plants, leading to better performance and reduced water usage. Further optimizations have been made in the ZLD operations, including process cleanings, to minimize water wastage. In our canteen areas, the implementation of an

R-Phase system has contributed to significant water conservation and a sprinkling system has been arranged in gardening areas to ensure efficient water usage.

Furthermore, we have established and circulated procedures for the operation and installation qualification of reverse osmosis (RO) plants and effluent treatment plants at MSN.

Water withdrawal (Mega Litres) ³	Groundwater	Third-party	Total Water Withdrawal	Water Intensity (Water withdrawal/ Revenue in INR Mn)
FY 22-23	47.47	170.03	217.5	-
FY 23-24	116.52	196.39	312.91	0.00331

³Water consumption does not include drinking water, we are in the process of calculating the consumption.



These efforts are in line with our strict adherence to guidelines from the Central Pollution Control Board (CPCB), ensuring that all our units meet regulatory requirements for effluent treatment and discharge. To promote conscious water management, we plan to conduct a comprehensive water risk assessment by FY 25-26.

Parameters (in Mega Litres)	Water consumption	Wastewater generated	Rainwater recycled	Water discharge to third-party	Wastewater sent to ZLD
FY 22-23	112.4	-	-	-	91.3
FY 23-24	111.13	201.78	29.41	20.07	210.93

Case Study

Minimizing Solvent Use and COD

To reduce the consumption of solvents such as Methanol, MDC, Cyclohexane, IPA, and Ammonia in manufacturing processes while also lowering the COD load in effluent treatment and minimizing the use of toxic materials like Ammonia in Atorvastatin Calcium Stage 1, thereby reducing environmental impact.

The process was modified for stages with high solvent consumption in key products. This involved optimizing solvent use and refining procedures to reduce the environmental burden of solvent emissions and COD levels in effluent treatment.

Challenges

- High COD load on the Effluent Treatment Plant (ETP)
- Significant emissions affecting the workplace environment

Impact



Sustainable
environmental
growth



Significant
reduction
in solvent consumption
and COD load discharge,
contributing to a cleaner
manufacturing process.

Steps taken to overcome challenges

- Teams from production, R&D, and technical services collaborated on process modifications, achieving substantial reductions in solvent consumption: This improvement resulted in estimated monthly savings of Rs. 11.52 million and a significant reduction in COD load, improving the workplace environment.

Future steps

We will continue reducing COD load and solvent consumption through further process modifications in higher tonnage and regular products, ensuring ongoing environmental impact reduction.

Waste

Our waste management strategy is centered on minimizing waste generation, maximizing recycling and reuse, and reducing landfill contributions. Across our operations, we generate various types of waste, including hazardous and non-hazardous waste, e-waste, and bio-medical waste. To address these challenges, we have implemented a robust waste management system that focuses on the collection, segregation, and responsible disposal of waste.

Recognizing the environmental risks associated with hazardous waste, the company has implemented strategic measures to manage and divert waste responsibly. Significant hazardous waste is directed towards co-processing-a cost-effective, safe, and environmentally preferred treatment option.



Waste Generation (MT)	Hazardous Waste	Non-hazardous Waste	Bio-medical Waste	E-Waste	Total Waste Generated	Waste Intensity (MT/INR Million)
FY 22-23	1669.38	9493.04	7.17	-	7.17	-
FY 23-24	3,335.61	21019.2	37.04	3.25	24391.87	0.025

⁴ Non-hazardous waste generated does not cover all waste types, we are in the process of calculating for all categories.

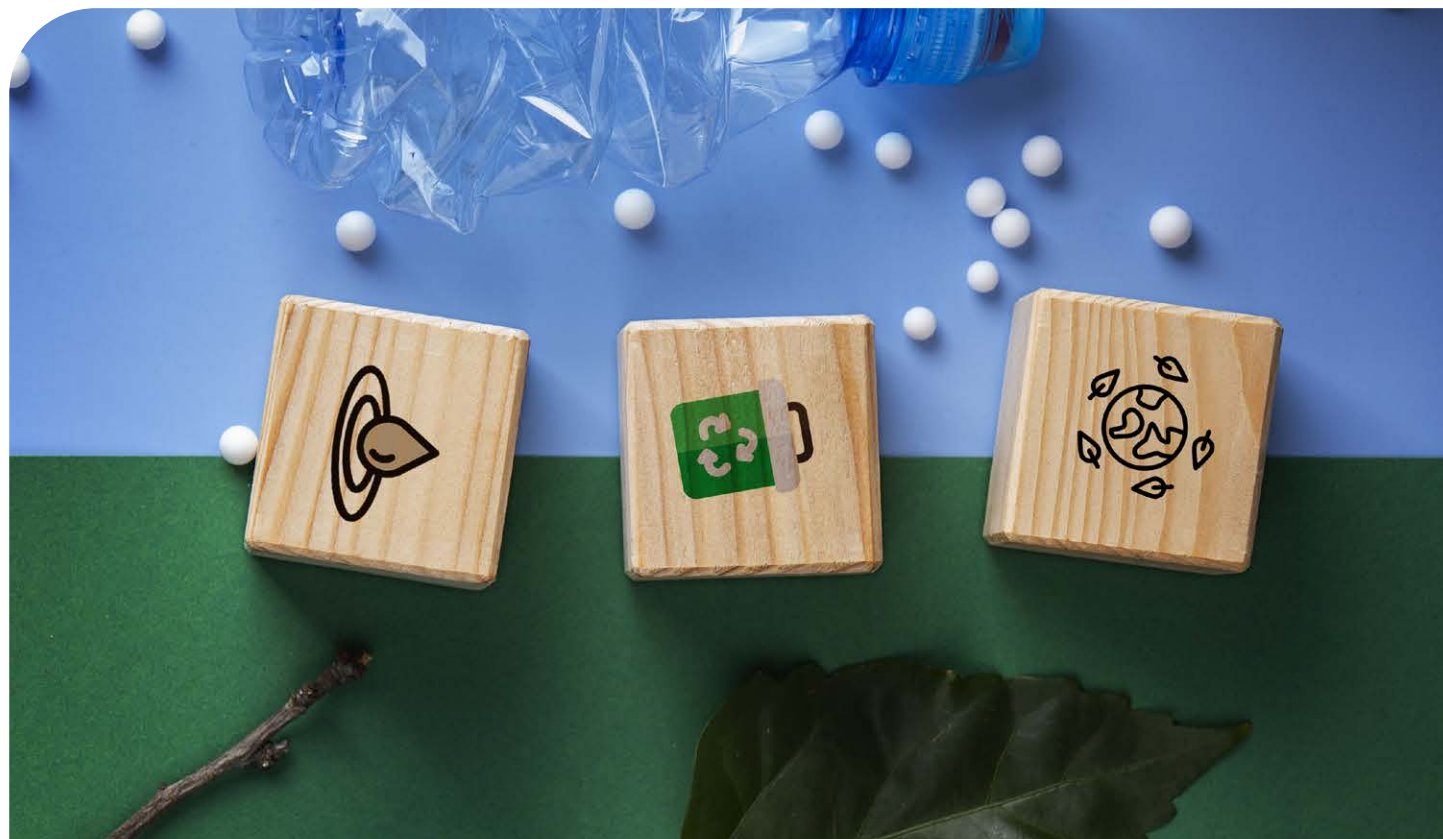
⁵ In FY 22-23 data glass scrap, used PPE/Insulation Wool/Used Thermocol/Used CT fills is not included, this was calculated in FY23-24

MSN has bolstered its hazardous waste management system through strategic collaborations with cement industries and authorized Alternate Fuel Resource Facility (AFRF) sites. This partnership enables the company to adopt a more sustainable approach to waste disposal, further reinforcing its commitment to responsible and eco-friendly waste management practices. By diverting organic and inorganic waste to AFRF, MSN has significantly reduced the volume of waste sent to landfills at Treatment, Storage, and Disposal Facilities (TSDF).

MSN registered with the Central Pollution Control Board (CPCB) to be responsible for the disposal of plastic waste generated from the plastic packaging it introduced into the market.

Disposal Methods (MT)	TSDF/ Landfill	Recycling	Co- Processing	Incineration
FY 22-23	807.46	-	829.68	7.17
FY 23-24	637.5	21016.02	2698.08	37.04

*For FY22-23 the data was not available



Case Study

Driving innovation for a sustainable future

In response to the growing environmental and societal concern for sustainable practices, MSN took decisive action by adopting Green Chemistry as a key part of its operations. Through green chemistry, MSN integrated innovative strategies to drive sustainability throughout its production lifecycle.

This significant shift towards Green Chemistry is designed to improve sustainability, minimize pollution, and create a safer working environment for our employees while also enhancing operational efficiencies.

The primary goal of MSN's Green Chemistry adoption is to minimize its environmental footprint by transforming its chemical processes into more sustainable and less hazardous operations. By adopting these principles, we aim to enhance sustainability, reduce pollution, and create a safer working environment for employees while achieving operational efficiencies.

By adopting these principles, we aim to enhance sustainability, reduce pollution, and create a safer working environment for employees while achieving operational efficiencies.

MSN adopted a Solvent Recovery System to minimize 29% solvent losses, employing a structured approach



Control and Measure
Implementing tools to monitor and measure solvent use and losses in real-time.

Actions and Implementation
Introducing corrective measures, optimizing recovery processes, and integrating efficient technologies for solvent recycling.



Realization and Sustaining
Achieving tangible reductions in solvent losses and establishing long-term practices to sustain these improvements.

Impact



Environmental
Reduces pollution, conserves resources, and minimizes waste.



Economic
Lowers costs through energy savings, waste reduction, and efficient use of materials.



Human Health
Reduces exposure to harmful chemicals and promotes safer products.



Societal
Encourages sustainable industrial practices and supports regulatory compliance.

Biodiversity

Currently, none of our operational sites are owned, leased, or managed in or adjacent to protected areas or areas of high biodiversity value outside protected regions. By adhering to these strict criteria, we demonstrate our unwavering dedication to preserving biodiversity. We continuously evaluate and refine our operations to minimize any potential impact on biodiversity. As of now, our activities and products do not significantly affect biodiversity, underscoring our commitment to sustainable practices.

As part of our broader commitment to biodiversity, we have undertaken significant afforestation efforts, planting over 2000 saplings across our sites. This initiative not only contributes to carbon sequestration but also helps restore habitats and support local wildlife, reinforcing our role as stewards of the environment.

Planting over **2000** saplings across our sites. This initiative not only contributes to carbon sequestration but also helps restore habitats and support local wildlife, reinforcing our role as stewards of the environment.

To further ensure that our production units do not result in any loss of biodiversity, we are in the process of developing site-specific management plans. These plans will be tailored to the unique ecological characteristics of each site, incorporating best practices to safeguard local biodiversity. This proactive approach will help us identify potential risks early on and implement measures to mitigate any negative impacts.



Outlook

We are fully committed to achieving net zero emissions by 2045, and this is the driving force behind all our strategic initiatives and operational improvements. Our dedicated team is currently developing a detailed decarbonization roadmap, which will include plant-level strategies and measures to reduce supply chain emissions. We are excited to announce that we will be investing significantly in renewable energy sources and enhancing our energy efficiency practices to further this goal. Furthermore, our commitment to effective energy management will be reinforced through an ISO 30001 audit.

In addition to our focus on decarbonization, we are placing a high priority on water sustainability. To strengthen our water management efforts, we are increasing recycled water and conducting a thorough water risk assessment.

Based on our recent ESG risk assessment insights, we are taking systematic actions to minimize these risks. Our focus is not only on climate change but also on waste management and biodiversity conservation. This involves investing in recyclable packaging and sharing our climate data with CDP to demonstrate our dedication to transparency and improvement.

Looking ahead, FY24-25 marks the start of our journey into Life Cycle Assessment (LCA) for our first key molecules, with plans to extend this practice across our product spectrum. This step is a part of our broader strategy to forge a path toward our net zero emissions goal. We're energized by the significant, positive impact our efforts will have on the environment and our community, signifying a major leap forward in our sustainability journey.





Connecting with people:

Fostering meaningful relationships

Approach

In the dynamic and rapidly evolving landscape of India's pharmaceutical industry, MSN recognizes that a solid and motivated workforce is crucial to driving both company success and societal well-being. The company prioritizes its employees by safeguarding their interests and ensuring they feel connected to the positive impact their work has on society. This commitment is fundamental to MSN's ethos and operational strategy.

MSN strives to cultivate a culture of trust, engagement, and continuous growth. The company understands that its success is deeply rooted in the contributions of its people. By prioritizing employee well-being, MSN ensures its ongoing progress in the pharmaceutical industry and maintains a competitive edge. MSN provides competitive wages and fostering labor-management relations

By cultivating a culture of trust, engagement, and growth, MSN ensures its continued progress and competitive edge in the pharmaceutical industry.

that encourage open dialogue and mutual respect. Comprehensive employee benefits, including parental leave, reflect the company's commitment to maintaining a motivated and engaged workforce. Recognizing the importance of fairness and inclusiveness, MSN embraces diversity, equity, and inclusion (DEI) across the organization, starting from the board level and permeating all levels of the company.



To support its employees' career evolution, MSN invests in robust training and education initiatives. These programs not only contribute to individual success but also enhance the company's overall performance. Additionally, MSN has adopted digital solutions to improve employee experience and engagement further.

The company continues to uphold stringent occupational health and safety standards, ensuring a safe working environment. By aligning with broader industry trends, MSN builds a sustainable competitive advantage in an increasingly demanding market, reinforcing its position as a leader in the pharmaceutical sector.

⁶ The average method is used to determine the number of employees and contract workers at MSN during this fiscal year.

Employment

In FY 23-24, our workforce consisted of 12550 full-time permanent employees and 4236 contract workers. We do not employ part-time employees or those on non-guaranteed hours contracts. We prioritize merit-based recruitment and ensure fair compensation in line with local minimum salary standards. In FY23-24, we welcomed 6,037 new hires, of which 14 % are female, reinforcing our commitment to expanding and strengthening our diverse workforce. With a turnover rate of 15%, which is lower than the industry standard, we are proud of our efforts to retain talent while continuing to grow. This lower turnover reflects our ongoing work to create a positive and supportive workforce culture.

To drive this growth, we have strengthened our campus recruitment program, targeting leading institutions to attract top-tier talent. By

offering opportunities across various functions, we continue to bring in fresh perspectives that enhance our organizational capabilities. Additionally, we provide career opportunities on our website, ensuring accessibility for candidates seeking roles that match their skills and aspirations. These initiatives are integral to building a dynamic, skilled, and engaged workforce that can meet the demands of our evolving industry.

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Total Employee Hires

Age Group	Male	Female	Total
Employees <30 years old	3308	726	4034
Employees 30-50 years old	1814	156	1970
Employees >50 years old	32	1	33
Total	5154	883	6037

Total Employee Turnover

Age Group	Male	Female	Total
Employees <30 years old	1079	209	1288
Employees 30-50 years old	578	54	632
Employees >50 years old	7	1	8
Total	1664	264	1928



Employee Benefits and Wellness

We focus on supporting the well-being of our employees by providing a comprehensive range of benefits designed to meet their diverse needs. These benefits include Leave Travel Allowance (LTA), Voluntary Provident Fund (VPF) contributions, Employee State Insurance (ESI), and a Marriage Gift scheme and are provided to 100% of the employees. The workers are provided with ESI and accidental insurance. To further enhance financial security, we offer provisions for Provident Fund (EPF) contributions, bonus payouts, and leave encashment. Our commitment to long-term employee welfare is also reflected in gratuity and healthcare benefits, though these are not applicable to workers.

We are dedicated to supporting our employees through key life moments, and parental leave is a critical aspect of this commitment. During the



In FY23-24,
We spent a total of
582.03
million INR
on employee
benefits

reporting period, 91 female employees took parental leave, with 79 successfully returning to work after their leave. This reflects our focus on creating a supportive environment where employees can balance family responsibilities with their careers. Furthermore, we are expanding this support by introducing paternity leave next year, ensuring that both parents have the opportunity to care for their families during these important times.



VConnect: Revolutionizing employee engagement and management

MSN Group has launched VConnect, an advanced platform designed to enhance employee engagement and streamline management processes. VConnect provides comprehensive tracking of daily employee activities and detailed information about each team member.

VConnect offers seamless access to payslip details and benefits information and facilitates direct communication with HR. It enables employees to raise tickets for any issues, track their personal goals and targets, and offer feedback. The platform also supports informal interactions and daily updates, fostering a connected and engaged workforce.

Diversity and equal opportunities

Women currently make up 12.23% of our workforce, and we are working to increase this representation. Our commitment to diversity is reflected in our Code of Business Conduct, and we set a strong example by having 25% of our board members be women.

At our core, a diverse and inclusive workforce strengthens our capabilities and fuels innovation. Our team comprises individuals from various age groups, nationalities, genders, and skill sets, bringing fresh perspectives that enhance our ability to meet the diverse needs of patients efficiently and effectively.

We set a strong
example by having
25%
of our board
members be women.

In FY23-24, our total workforce stood at 12,550 employees, of which 12.2% were female. This represents a notable increase from FY22-23. This 54% overall increase in headcount demonstrates our sustained growth and commitment to attracting talent from various backgrounds.

While the majority of our workforce is male, we are actively working on increasing

female representation, especially in technical and leadership roles. We have faced a 73% increase in female hiring in the age group of 30-50. This is reflected in the higher growth. Additionally, we employ temporary workers for on-site roles in packaging, operational line work, and logistics. In FY23-24, we had 4,236 contract workers, 15% of whom were female.



Employee Breakup by Age

Year	Age group (< 30 years)			Age Group (30 to 50 years)			Age group (> 50 years)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
FY 22-23	3458	2757	701	4550	4196	354	152	147	5
FY 23-24	4323	3416	907	7865	7253	612	352	346	6

Employee Breakup by Gender

Year	Total Employees	Male employees	Female employees	Male employees (%)	Female employees (%)
FY22-23	8160	7100	1060	87.01	12.99
FY23-24	12540	11015	1525	87.84	12.16

Workers Breakup by Gender

Year	Total Workers	Male Workers	Female workers	Male workers (%)	Female workers (%)
FY22-23	-	-	-	-	-
FY23-24	4288	3738	550	85.17%	12.83%

Our diverse workforce, bolstered by these efforts, allows us to adapt to the changing landscape and serve our patients' needs more effectively while driving inclusive growth within the organization.

We are committed to fostering a safe and inclusive workplace by engaging an external expert under the POSH Act. This expert provides regular training during induction and annual sessions in local languages to ensure all employees understand the guidelines and their rights. Additionally, the external member supports case redressal, providing timely and fair resolution of any incident. These efforts reinforce our dedication to maintaining a respectful and supportive work environment for everyone.

We are committed to fostering a safe and inclusive workplace by engaging an external expert under the POSH Act.

SHEROES: Activities planned for the Women's Day celebration

In March, during Women's Day month, we conducted a series of programs to promote and empower women within our organization. One key initiative, "SHERoes," featured female leadership members engaging in interactive sessions with employees, addressing various concerns faced by women in the workplace. Additionally, we organized a gynecological teleconsultation campaign to support the health and well-being of all employees. The celebrations culminated in Women's Day events across all our plants.

Zero cases of sexual harassment were recorded in FY23-24, demonstrating our efforts to maintain a safe and respectful workplace.



One-One Gynecologist
Tele- Consultation



Joy of Giving Donation of
Clothes/Toys/ Books



Sheroes Inspiring
Thoughts by Women of
MSN Group



Talk on Financial
Wellness for Women

Female leadership speak



Sindhuja Reddy
Director,
MSN Group

“ Women possess the extraordinary ability to manage with empathy, multitask with precision, and lead with determination. Let this be a call to action for women everywhere to step into leadership roles with confidence; To break the ceilings that have been for too long and to reshape the future of leadership. Let's build a legacy of empowerment and transformation, proving that the future is ours to define.”



M. Ramya Priya
Deputy Manager,
SCM

“ The Field of procurement has been undergoing a significant transformation, with women emerging as influential leaders in the industry. Women do have a different perspective on things like negotiation and building relationships. I would encourage more women to get into this space, educate themselves and be vocal about the value they can add to the organization.”



Ms. Onteddu Lalitha
General Manager - QA

“ Every woman's achievement should serve as a beacon for others, inspiring mutual encouragement and support. It requires great courage to be strong, kind, and, above all, humble. As a unit head of Quality-API, I deal with complex concepts, procedures, and technical details daily. What motivates me is the potential of pharmaceutical sciences to save and enhance lives, improving our quality of life.

Showing that women belong at the table is crucial, signalling growth opportunities that resonate with young professionals starting their careers.”



Praveena Reddy PV
Manager-Sales and
Marketing

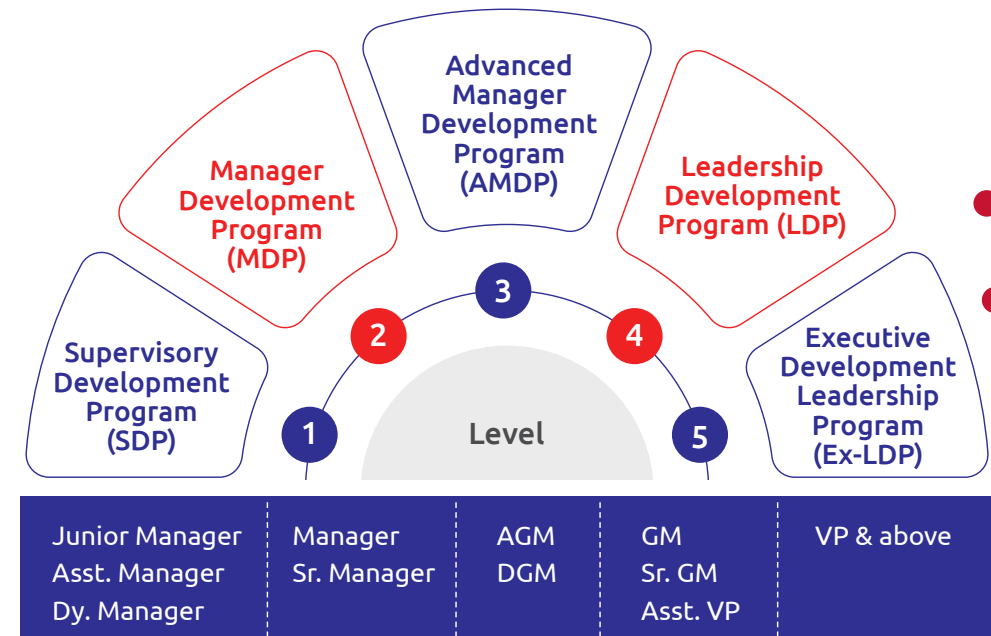
“ Strong women are the architects of their destinies, weaving dreams into reality and turning obstacles into stepping stones. With unwavering determination, they champion their role as homemakers, moms, wives and fearlessly tackle the competition. Their ability to motivate their families and their team is unparalleled. They ignite sparks of ambition and perseverance in everyone they touch. So, to all the women out there, keep pushing boundaries, chase dreams, and inspire greatness. The world is yours to take!”

Nurturing talent through training and education

At MSN, we offer an extensive range of training programs designed to support the growth and development of our employees at every level. These include mandatory training on various company policies, comprehensive induction programs for new joiners, and a variety of behavioral competency programs on topics such as communication, email writing skills, emotional intelligence, decision-making, and conflict management. These programs are instrumental in shaping our employees fostering both their personal and professional growth.

In addition to these initiatives, MSN has partnered with industry experts to provide mentorship and specialized coaching. As part of our commitment to employee welfare, we also offer English language training to employees at our corporate office and various manufacturing units throughout Telangana.

We perform a thorough needs assessment covering all functions to identify training requirements. This ensures that mandatory training hours are allocated efficiently across all departments and employees based on their grade and responsibilities. We categorize training based on each department's specific needs and determine the number of employees requiring each type of training. Additionally, we conduct awareness sessions on ESG and sustainability for the sustainability committees.



Enhancing learning and development with VGrow

Our employees benefit from VGrow, an advanced learning experience platform supported by a comprehensive user manual that guides them through its features. This portal streamlines access to essential training and allows employees to track their learning journey, significantly enhancing their skill sets. The platform supports various training formats, including policy and procedure training, department-specific sessions, and more. Employees receive timely notifications through multiple channels, including email, in-app, push notifications, and SMS to stay informed about new training opportunities.

VGrow also features contests with customized rewards to motivate learners and foster

engagement. The platform supports diverse training methods, such as micro-learning modules, live sessions, and classroom training, allowing flexible and interactive learning experiences. Learners can utilize a calendar function to keep track of their activities and enrolled programs, while their dashboards provide insights into learning progress, ranks, time spent, team interactions, and certification achievements. Additionally, learners can engage with the community by posting and viewing updates on their learning experiences through a social feed. We are committed to continually enhancing our training modules by incorporating feedback, ensuring that the content remains relevant and valuable.

Paramete	FY 22-23	FY 23-24
Total Training Hours (Employees)	75170	185056
Total Training Hours (Workers)	13629	42729
Average training hours(Employees)	9.2	14.76
Average training hours(Workers)	3.7	9.96

Type of training provided (in hours)	FY 23-24			
	Employees		Workers	
	Male	Female	Male	Female
GMP Trainings	121567	13709	179	245
Safety Training	29008	2440	37646	1556
L&D	16566	1257	NA	NA
Other training	425	86	2724	380
Total	167565	17491	40549	2181



Performance Management

At MSN Group, we have implemented a dedicated performance improvement policy that guides our approach to employee performance assessment and management. Our VConnect platform monitors all performance metrics, while VGrow oversees training and development.

Our performance management process is a comprehensive 360-degree system. It includes setting clear objectives and performance standards, regularly reviewing progress against these

goals, and providing actionable feedback. This system not only helps in objectively identifying high performers but also specifies areas where employees need additional support, facilitating targeted performance improvement and career management.

In the reporting period, 64.2% of male employees and 61.6% of female employees received positive performance reviews. This structured approach ensures that all employees receive the support they need to succeed and grow within the organization.

Category	Employees	
	Male	Female
Number of employees	11015	1535
Number of employees receiving performance and career development reviews	7075	946
Percentage of employees receiving performance and career development reviews	64.20	61.63

Respecting Employee Rights

We fully recognize and uphold the fundamental right of freedom of association for our employees and workers, empowering them to express their collective voice. While no trade unions have been formed to date, we do not place any restrictions on employees or workers wishing to establish unions or associations.

To maintain trust, we provide a minimum notice period of four weeks to employees and their representatives before implementing any significant operational changes that could substantially affect them.

This notice period allows adequate time for preparation and adjustment, reflecting our dedication to considering the welfare and rights of our workforce in all our operational decisions.



Case Study

Empowering communities and enhancing workforce agility through Self-Directed Teams at MSN

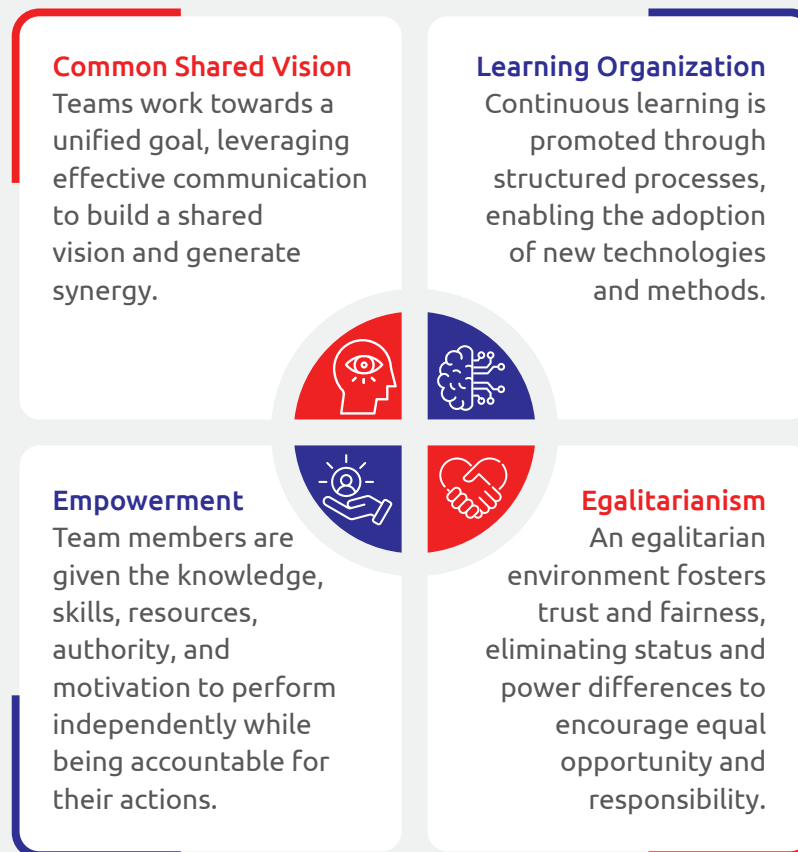
MSN has embraced the concept of Self-Directed Teams (SDTs) as a means to foster a dynamic and agile workforce. This approach involves creating autonomous teams composed of empowered, self-managed individuals with complementary skills who manage their own day-to-day activities. The goal is to streamline operations related to machine setting, safety, quality, documentation, yield, and Corrective and Preventive Actions (CAPA).

Talent Recruitment and Development for Underserved Communities

The Need

We identified a significant gap in talent acquisition from socio-economically disadvantaged backgrounds, particularly young science undergraduates from remote villages in Telangana and Andhra Pradesh. The pandemic highlighted these disparities, making it clear that there was a need to offer these individuals opportunities for advancement.

Guiding Principles of Self-Directed Teams The success of SDTs hinges on four core principles



Key Objectives



Actions Taken



Recruitment Strategy: An intensive hiring drive was launched targeting young science undergraduates from remote villages. The recruitment focused on inclusivity and equal opportunity.



Training and Development:

First Year: Technical training with benefits including subsidized accommodation, food, free transportation, ESI benefits for family, and LSSDC certification.

Second Year: During probation, recruits are enrolled in higher education programs and receive additional benefits such as PF. This phase aims to prepare them for independent work.

Third Year: Recruits become confirmed employees, continue higher education, and develop independence in their roles, progressing towards technical expertise and degree attainment.



Post-Pandemic Adjustments: Sustainable employment opportunities were offered within rural communities to address the immediate and long-term impacts of the pandemic.



Continuous Learning and Evaluation: SDT members undergo continuous learning, starting with basic functional concepts, behavioral aspects, business communication, and technical training, followed by evaluations.



Achievements to Date

Geographical Reach

- Recruitment efforts have covered over **10** locations in Telangana and Andhra Pradesh.

Recruitment Numbers

- Over **500** SDT team members hired, with plans for further expansion.

Community Impact

- **Positive** feedback from parents and local communities, increased interest in education and job opportunities due to secure income and sponsored education.



Future Plans

Empowering growth

- Enrolled SDTs receive comprehensive support for pursuing **higher education** at prestigious institutions.

Recruitment Drives

- Conducting **regular drives** in rural areas in collaboration with community channels and government agencies.

Economic Development

- **Contributing** to economic growth and improving living standards in rural communities.

Future of Work

- **Promoting** an agile and productive workforce to enable managers to focus on strategic planning and quick decision-making.



Workplace Health and Safety

At MSN, we are dedicated to upholding high standards of Occupational Health and Safety (OHS) through our management system, which is certified under ISO 45001 standards. This system ensures a safe and healthy work environment for all employees and workers. We actively facilitate effective consultation and participation in health and safety matters by addressing language and literacy barriers and ensuring there are no reprisals. This approach encourages everyone to engage in identifying and managing hazards.

We rigorously identify hazards and assess risks through activity-based evaluations, routine observations, and Hazard and Operability Studies (HAZOP). These assessments are reviewed every three years or when processes change. Our safety facilities include



Our efforts were recognized with the Silver level in the Healthy Workplace Award 2023, conferred by Arogya World India Trust in partnership with the Public Health Foundation of India.

fire extinguishers, fire hydrant systems, water sprinklers, nitrogen blanketing systems, and measures to dissipate electrostatic charges.

We also employ a work permit system and monitor construction activities to prevent accidents. Changes in procedures or

equipment are communicated through a Change Control Management procedure, and we maintain an Annual Trainer Calendar.

Our compliance is ensured through regular audits — 36 internal and 18 third-party reviews have been conducted in FY23-24—and a safety committee that oversees functions according to the Factories Act. Quarterly meetings, chaired by unit heads, help track progress, and our Safety, Health, and Environment (SHE) policy is communicated throughout the company to promote safety awareness.

Our advanced equipment, such as gas detectors and a dedicated team of paramedical staff, ensure 24/7 medical support, overseen by a Factory Medical Officer. Our goal is a zero-incident workplace where unsafe acts and conditions are promptly addressed, and we fully comply with Environmental, Health, and Safety (EHS) regulations.

The total number of hours worked by full-time employees is 17,899,413, and by contract workers, it is 9,546,672. This careful monitoring aids in our detailed safety performance analysis.

Our strong safety measures have led to impressive performance metrics. We have a procedure for incident reporting for which management takes immediate action. We have revised the emergency preparedness plan and conducted a mock drill to review its efficiency.

The most common injuries reported are cuts, chemical splashes, slips, trips, and falls. However, our stringent safety protocols and immediate response measures have effectively minimized the severity of these incidents.

Incident Category	FY 22-23		FY 23-24	
	Employees	Contract Workers	Employees	Contract Workers
High-consequence work related injuries (excluding fatalities)	0	0	0	0
First-aid cases	8	18	18	51
Lost Time injuries <48 hours	0	0	0	0
Reportable Accidents >48 hours	0	0	0	0
Man-days lost due to accidents	0	0	0	0
Recordable work-related injuries	-	0	0	0
Recordable work-related ill health that affected the employees and workers	0	0	0	0
Rate of fatalities	0	0	0	0
Rate of high-consequence work-related injuries	0	0	0	0

Employee Wellness

We prioritize the health and well-being of our employees through a holistic wellness program vCare. Our care initiative anchors their progress. This program is designed to nurture employees and promote their physical and mental wellness. Our health surveillance system meticulously monitors potential health risks associated with chemical exposures and work conditions, and we address not only work-related injuries but also broader ill health issues. Regular medical check-ups, as outlined in our procedures, include annual evaluations and specialized screenings for employees in high-noise areas, addressing any related health concerns. The vCare program enhances our wellness efforts by offering comprehensive support and preventive care, and our Occupational Health Centers (OHCs) at all sites ensure accessible medical services.

Beyond routine check-ups, our wellness initiatives involve specialized health assessments, such as treadmill tests for employees over 40 to evaluate cardiac risk and thorough pre-employment health screenings. We systematically collect and review documentation of health check-ups, including eye and ECG reports. Additionally, our family wellness programs extend preventive health check-ups to employees' dependents, ensuring a thorough approach to health management.

Our wellness strategy also includes an Annual Wellness Calendar and stress management programs, which we plan to expand across all units. We address heat stress, provide counseling sessions for contract workers and outdoor employees, and implement other health measures like typhoid vaccinations for food handlers and BP check-ups for high-risk groups. These initiatives reflect our dedication to fostering a supportive and health-conscious work environment for all employees.

Our health surveillance system meticulously monitors potential health risks associated with chemical exposures and work conditions



Safety Training Programs Overview

Our training strategy is designed to address various aspects of occupational health and safety, ensuring that employees and workers are well-prepared to manage risks and respond effectively to emergencies.

On-the-Job Training: Practical, hands-on training directly related to employees' specific job functions.

Classroom Training: Structured sessions covering fundamental safety principles and procedures.

Toolbox Talks: Short, focused discussions on specific safety topics, conducted regularly to reinforce safety practices.

Pep Talks: Informal, motivational sessions aimed at raising awareness and reinforcing safety culture.

Our employee training programs encompass a broad spectrum of occupational health and safety topics. Employees receive training in safety induction and emergency management to familiarize them with safety protocols and response procedures. They are also trained in the operation of fire extinguishers and the handling of fire hydrant systems, ensuring practical knowledge of fire safety equipment. Additionally, employees are educated on ergonomics and electrical safety, including static electricity control measures and the safe operation of process equipment with interlock systems.

We provide workers with specialized safety training and Good Manufacturing Practices (GMP) training. The safety training includes regular refresher courses on emergency management and safety working practices to maintain ongoing awareness and competence. The GMP training covers essential practices such as cleaning and sanitization, plant and personnel hygiene, gowning procedures, entry and exit protocols, and handling of materials and rejects.

In the past period, we have conducted a total of 13 specialized training sessions on occupational health and safety for our workers. These sessions are part of our ongoing efforts to enhance safety awareness and adherence to best practices across all levels of our organization.



Outlook

Going forward, we aim to achieve a Great Place to Work certification by FY 24-25, starting with a review of 5,000 employees in the first phase. To support this goal, we are advancing our sustainability training and improving safety training across all units. We are also working to increase the frequency and quality of performance reviews, providing employees with regular, constructive feedback to support their professional development. As part of our ongoing efforts, we will conduct an ethics audit and offer training to strengthen our commitment to ethical practices in the workplace.

Our diversity and inclusion strategy includes increasing the representation of women in managerial roles. We are enhancing career development opportunities for female employees and striving to create a more inclusive environment. We are also making our units more accessible and inclusive for

employees with disabilities. These steps are integral to fostering a diverse workplace where everyone has the opportunity to succeed.

Creating a safe work environment is a priority at MSN. We are improving our safety training programs to address potential hazards better and promote a culture of safety. We are also developing strategies to reduce workplace stress, aiming to cultivate a more supportive and less stressful work environment. Our safety initiatives include regular reviews and updates to protocols and training programs.

We will continue to expand and refine our wellness programs, including regular health check-ups and initiatives that support overall well-being. Feedback mechanisms will be used to ensure our programs are effective and meet employees' needs. By maintaining a strong emphasis on wellness, we aim to create a healthier and more productive workforce.





Steering Sustainable Progress:

Impact across our value chain



Approach

At MSN, our sustainability efforts extend beyond the production of medicines. We understand that long-term success in healthcare requires a well-rounded approach that considers environmental, social, and governance (ESG) factors throughout our operations and supply chain.

Our supply chain is built for efficiency, sustainability, and resilience. Through our Supplier Code of Conduct (CoC), we ensure that our suppliers adhere to stringent environmental and social standards. By leveraging digital tools and focusing on increasing partnerships with local suppliers, we aim to reduce our environmental footprint while fostering responsible business practices.

In terms of data security, we take customer privacy seriously. Our IT team implements strong security measures and conducts regular risk assessments to

By embedding sustainability across our business—from supply chain management to healthcare access—we aim to make a lasting impact on communities and the world at large.

protect sensitive information, ensuring trust and transparency in our operations.

A key part of our mission is improving access to healthcare. Through the development of innovative Active Pharmaceutical Ingredients (APIs) and Finished Dosage Formulations (FDFs), we are continuously expanding our product portfolio to meet the growing demand for essential medicines. Our digital health solutions further help bridge healthcare gaps, ensuring that more people have access to the care they need.

By embedding sustainability into every facet of our business—from supply chain management to healthcare access—we strive to make a positive and lasting impact not just in manufacturing but also in the communities we serve and the world at large.



Sustainable Supply Chain

Our supply chain is structured to meet market demands efficiently. The planning and inventory department, managed by our operations teams, identifies product requirements, while the procurement team sources the necessary raw materials and packaging to fulfill these needs. To ensure continuous product delivery, a dedicated distribution and logistics team handles the final supply of APIs and finished products, providing timely and secure deliveries.

We have integrated digital tools into our supply chain management by implementing an Enterprise Resource Planning (ERP) system. This has helped improve the efficiency of our logistics, procurement, and inventory management teams.

Our procurement policy ensures that sustainability is embedded in our supplier relationships.

A significant portion of our supply chain is local, with

94.33% of suppliers being local and **94.71%** of our total procurement spend directed toward them. This approach helps reduce reliance on global suppliers and strengthens local partnerships.

To address risks related to delivery, quality, and environmental and social performance, we use a supplier assessment matrix that covers 100% of our key suppliers. In FY 23-24, we shared supplier assessments and our Code of Conduct with all key suppliers to ensure clear expectations and alignment with our standards.

Parameter	FY22-23	FY23-24
Local Suppliers	1585	1567
Global Supplier	271	195
Total Suppliers	1856	1762
% Local suppliers	85.4	89%
% Global suppliers	14.6	11%
Total Suppliers Percentage	100	100%
% Monetary value of spent on local suppliers	*	94.71
% Monetary value of spent on global suppliers	NA	5.59



* The data was not available for the previous year

Safeguarding Customer Data



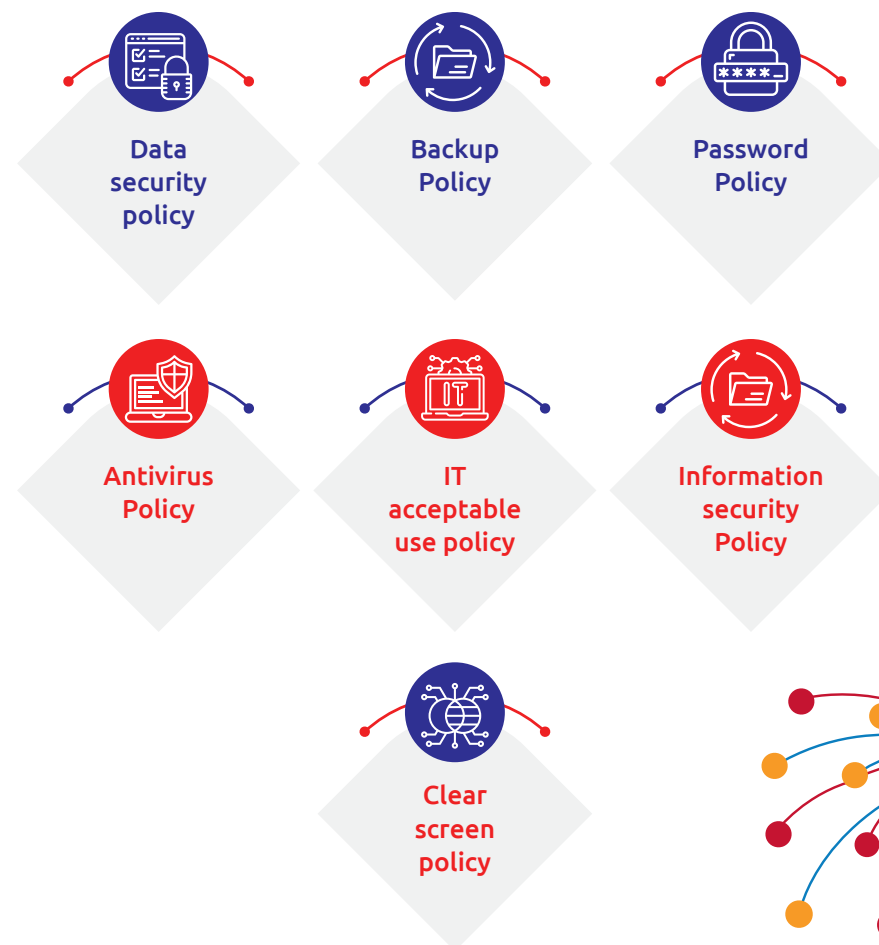
Mr. Nikhil Reddy
Executive Director

“Our commitment to innovation extends beyond our research and development initiatives. In today's fast-paced digital landscape, the role of technology in shaping the future of healthcare is more critical than ever. Our strategic focus is on leveraging digitization to drive business development and operational efficiency. This year, our focus has been on harnessing technology to enhance our operations across sustainability, human resources, procurement, training and development, and

employee health. Achieving ISO 27001 certification further underscores our commitment to maintaining the highest standards of information security and data management. In the pharmaceutical industry, where safeguarding confidentiality and cybersecurity is critical, these advancements ensure that our operations remain secure and efficient while also supporting our broader sustainability goals.

Technology supports our product launches and international expansions by accelerating research and development, optimizing global supply chains, and enabling us to adapt to market demands swiftly. This digital focus not only drives innovation and efficiency but also plays a crucial role in deepening our connections with stakeholders. By leveraging technology, we enhance our ability to build stronger relationships and ensure sustained success and a competitive edge in the global market.”

Our IT team is dedicated to managing all aspects of data and information security to ensure the highest level of customer satisfaction. We have implemented detailed policies and procedures to prevent data breaches and safeguard sensitive information.



We are proud to report that on FY 23-24, we received zero complaints from customers or consumers regarding data loss or breaches.

Key components of our data protection efforts include the annual communication of our data protection policies to all employees, with each policy being reviewed and approved by the board of directors. We also conduct regular internal functional risk assessments for applications, classifying risks as low, medium, or high and taking appropriate measures to address and mitigate any potential risks. For every new application, we provide comprehensive training and awareness sessions to ensure that employees are well-versed in maintaining the confidentiality of sensitive information. Additionally, we are in the process of achieving ISO 27001 certification to strengthen our information security framework further.



Customer health and safety

To track our progress and achieve our objectives, we have established key performance indicators that effectively measure our success. Our products include a Material Safety Data Sheet (MSDS) that offers detailed information and guidelines for their safe handling, storage, and usage.

We are committed to ensuring product safety throughout the entire lifecycle. This involves rigorous safety assessments during the development stages and ongoing risk evaluations. Should any adverse market effects arise, we implement appropriate Corrective and Preventive Actions (CAPA) to resolve the issues and maintain the highest level of efficacy in our Finished Dosage Form (FDF) products.

We are committed to ensuring product safety throughout the entire lifecycle, with rigorous safety assessments during the development stages and ongoing risk evaluations.

For FY23-24, our robust tracking and evaluation processes managed by the quality assurance department have resulted in zero regulatory non-compliance incidents.

Looking ahead, we plan to conduct comprehensive Product Life Cycle Assessments to enhance safety standards further and uphold a sustainable and responsible operational approach.



Access to Healthcare



Mr. Bharat Reddy
Executive Director
MSN Group

“MSN’s global presence is driven by our strategic focus on market-specific business strategies and building a solid brand identity. This approach has facilitated our expansion into key geographies, including Brazil, Mexico, the U.S., and Indonesia. Our formulation business operations are bolstered by cutting-edge Information

Technology, which drives our ability to innovate and maintain efficiency across a wide range of international markets.

Sustainability is integral to our expansion and business development, ensuring we align with global expectations while advancing responsible practices. Additionally, our targeted programs with doctors and pharmacists are designed to deepen our connections within the healthcare community. By integrating sustainability into our strategies and leveraging technology, we are not only enhancing our operational capabilities but also reinforcing our commitment to building meaningful relationships and driving global success.”

At the core MSN's mission is a commitment to making healthcare both affordable and accessible. In FY23-24, we made significant strides toward this goal by successfully developing new Active Pharmaceutical Ingredient (API) products and Finished Dosage Formulation (FDF) products. This expansion of our product portfolio is a strategic response to the challenge of limited market players aimed at meeting the increasing demand for life saving medications.

MSN has introduced four WHO-recommended medicines—Oseltamivir, Levofloxacin, Moxifloxacin, and Bedaquiline—in the areas of oncology, cardiology, and pain management. By making these essential treatments more widely available, we are helping to improve access to healthcare for patients with critical medical needs, ensuring that they receive timely and effective treatment. Our Unmet Diseases Initiative further addresses treatment gaps for underserved medical conditions. We provide innovative digital tools that empower both healthcare professionals and patients, enhancing the overall healthcare experience.

The "MSN Canfi App" enhances cancer care by providing easily accessible, evidence-based guidelines, scientific updates, clinical case studies, and conference abstracts. The app fosters informed decision-making, enabling healthcare providers to offer advanced care to patients.

Additionally, MSN promotes public health awareness through its Health Intelligence platform, which disseminates vital knowledge about emerging diseases, symptoms, and prevention strategies. By facilitating access to critical health information, MSN plays a key role in improving healthcare outcomes and bridging gaps in medical knowledge.

Outlook

MSN Group is committed to recognizing and rewarding top-performing suppliers. By FY 25-26, the company plans to introduce a certification program to acknowledge suppliers who excel in their performance and obtain ISO 20400 certification for sustainable procurement.

In support of healthcare in underdeveloped areas, MSN aims to host events such as Pharma Day and Rhythm to provide doctors with valuable medical knowledge and updates. The company is also focusing on Green Chemistry to enhance sustainability in its manufacturing processes. This effort aims to reduce environmental impact through more eco-friendly practices.

To ensure the health and safety of its customers, MSN's quality and marketing teams work together to address product-related complaints promptly. A dedicated platform has been implemented to serve as a database for tracking and resolving issues swiftly, improving response times, and ensuring quick resolutions.

With these initiatives, MSN Group is extending its impact beyond manufacturing, focusing on a sustainable supply chain, healthcare advancement, protecting customer privacy and enhanced customer care.





Community Development:

Collaborative development efforts

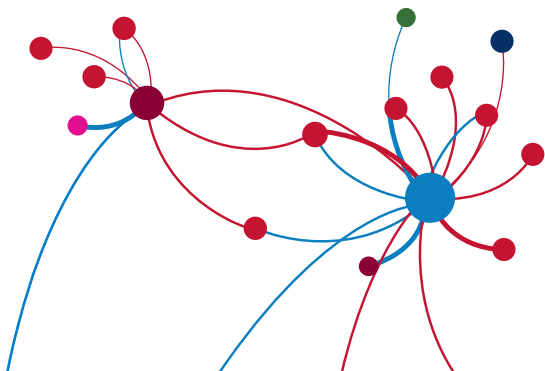
A deep commitment to uplift drives our community development efforts and supports the communities we operate in. Through the MSN Foundation, we focus on identifying local needs by actively engaging with the local population and Panchayats. This approach ensures that our projects address real, on-the-ground requirements, bringing about meaningful and sustainable change.

This collaborative approach helps us understand the immediate needs of the community. Whenever a project is considered, formal documents are received from the locals or Panchayats outlining the necessity of the initiative, ensuring that our resources are directed towards impactful, well-identified goals.

As the company's operations have expanded, so has its impact on society. Through the MSN Foundation, the company supports various initiatives aimed at improving the

well-being of the local community and vulnerable groups. The CSR activities are aligned with the company's CSR Policy, approved by the Board, which guides the programs and projects undertaken by the organization. Our initiatives focus on key pillars such as healthcare, education, infrastructure, and rural transformation, ensuring meaningful contributions to society.

In FY23-24,
Our CSR spend was
70,18,702
INR.





Healthcare

Healthcare is a fundamental right, and our initiatives are focused on ensuring access to essential medical services for those in need. We provided financial assistance for medical treatment at Yashoda Hospital, Hyderabad, enabling timely and necessary care for critical health conditions. Additionally, support was extended to Nandamuri Basava Taraka Memorial Hospital, Hyderabad, reaffirming our commitment to making healthcare more accessible. Furthermore, we contributed to the Telangana Life Sciences Foundation for the establishment of the Centre for the Fourth Industrial Revolution (C4IR), an initiative aimed at advancing healthcare technologies and innovations that can shape the future of medical care.

In addition to direct healthcare support, we contributed financial assistance towards the BIO-ASIA event, which fosters innovation and collaboration in the life sciences sector.



Education

We actively support initiatives that help students pursue their academic dreams. Financial assistance was provided to students pursuing higher education, such as B-Pharmacy at Global College of Pharmacy, Chilkur, and B.Tech at ICFAI Foundation for Higher Education, Hyderabad. Through these efforts, we aim to foster the next generation of skilled professionals who can contribute to the future workforce.



Infrastructure

We recognize that robust infrastructure is essential for building strong communities, especially in underserved areas. As part of our community development efforts, we contributed resources to Tribal Welfare Hostels in Medak district, enhancing the living and learning environments for tribal children. By providing essential provisions, we support the creation of spaces conducive to education and overall development.

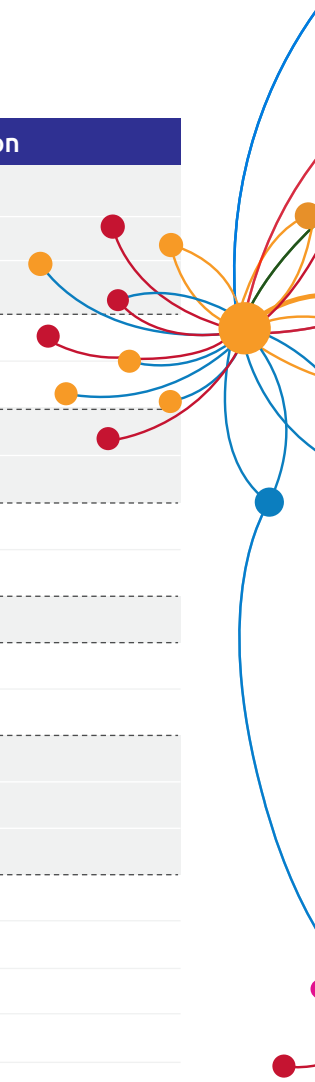
GRI Index

Statement of use	MSN Group has reported the information cited in this GRI content index for the period 1st April 2023- 31st March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

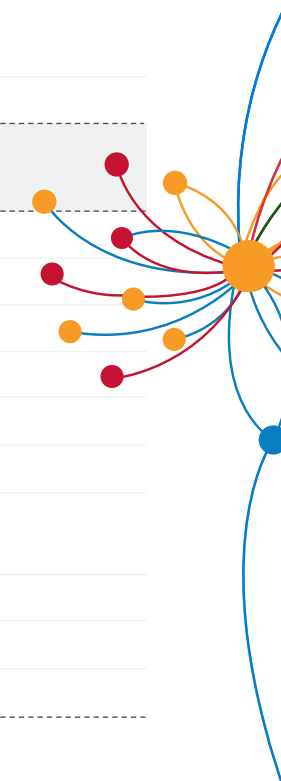
GRI Standard	Disclosure	Location
GRI 2 General Disclosures 2021	2-1 Organizational details	3-4
	2-2 Entities included in the organisation's sustainability reporting	4
	2-3 Reporting period, frequency and contact point	4
	2-4 Restatements of information	4
	2-5 External assurance	4
	2-6 Activities, value chain and other business relationships	9-13
	2-7 Employees	56-57
	2-8 Workers who are not employees	56-57
	2-9 Governance structure and composition	19,31
	2-11 Chair of the highest governing body	31
	2-12 Role of the highest governance body in overseeing the management of impacts	19-20
	2-13 Delegation of responsibility for managing impacts	19-20
	2-14 Role of the highest governance body in sustainability reporting	19-20
	2-17 Collective knowledge of the highest governance body	31
	2-22 Statement on sustainable development strategy	5-7
	2-23 Policy commitments	32
	2-24 Embedding policy commitments	32
	2-25 Processes to remediate negative impacts	33
	2-26 Mechanisms for seeking advice and raising concerns	33



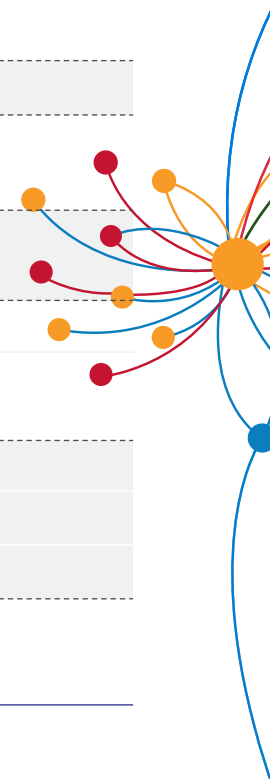
GRI Standard	Disclosure	Location
	2-27 Compliance with laws and regulations	32
	2-28 Membership associations	14
	2-29 Approach to stakeholder engagement	21
GRI 3 Material Topics 2021	3-1 Process to determine material topics	24
	3-2 List of material topics	24
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	35
	201-2 Financial implications and other risks and opportunities due to climate change	27-28
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	35
	202-2 Proportion of senior management hired from the local community	35
GRI 204 Procurement Practices	204-1 Proportion of spending on local suppliers	73
GRI 205 Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	35
	205-3 Confirmed incidents of corruption and actions taken	35
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	43-44
	302-3 Energy intensity	43-44
	302-4 Reduction of energy consumption	43-44
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	45-46
	303-2 Management of water discharge-related impacts	45-46
	303-3 Water withdrawal	45-46
	303-4 Water discharge	45-46
	303-5 Water consumption	45-46
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	50
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40-42
	305-2 Energy indirect (Scope 2) GHG emissions	40-42
	305-3 Other indirect (Scope 3) GHG emissions	40-42



GRI Standard	Disclosure	Location
GRI 306 Waste 2020	305-4 GHG emissions intensity	40-42
	305-5 Reduction of GHG emissions	40-42
	306-1 Waste generation and significant waste-related impacts	47-49
	306-2 Management of significant waste-related impacts	47-49
	306-3 Waste generated	47-49
	306-4 Waste diverted from disposal	47-49
	306-5 Waste directed to disposal	47-49
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	54
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	55
	401-3 Parental leave	55
GRI 402 Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	62
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	66-69
	403-2 Hazard identification, risk assessment, and incident investigation	66-69
	403-3 Occupational health services	66-69
	403-4 Worker participation, consultation, and communication on occupational health and safety	66-69
	403-5 Worker training on occupational health and safety	66-69
	403-6 Promotion of worker health	66-69
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66-69
	403-8 Workers covered by an occupational health and safety management system	66-69
	403-9 Work-related injuries	66-69
	403-10 Work-related ill health	66-69



GRI Standard	Disclosure	Location
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	60-61
	404-2 Programs for upgrading employee skills and transition assistance programs	60-61
	404-3 Percentage of employees receiving regular performance and career development reviews	62
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	56-57
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	34
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	62
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	34
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	34
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	80-81
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	76
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	76
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	76
	417-2 Incidents of non-compliance concerning product and service information and labelling	76
	417-3 Incidents of non-compliance concerning marketing communications	76
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	74-75



SASB Index

Indicator	Page no.	Remarks
The entity shall disclose a list of its products authorised for sale and available during the reporting period that are on the World Health Organization (WHO) List of Prequalified Medicinal Products.	77	No products listed under suspended
1.1 Multiple listings of the same active pharmaceutical ingredient (API) in different strengths (e.g., 30 mg and 20 mg) or in different formulations (e.g., tablet and capsule) shall be counted once.		
1.2 Listings of single APIs (e.g., Lamivudine) and combinations of the same API with one or more additional APIs (e.g., Lamivudine + Stavudine) shall be counted separately but follow guidance for multiple strengths and formulations.		
1.3 Products listed under the status "Suspended" shall not be counted.		

UNGC Index

Area	Principle	Statement	Page no.
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	34
	Principle 2	Businesses should make sure that they are not complicit in Human Rights abuses.	34
	Principle 3	Businesses should uphold the freedom of association and effectively recognise the right to collective bargaining.	62
Labour	Principle 4	The elimination of all forms of forced and compulsory labour	34
	Principle 5	The effective abolition of child labour	34
	Principle 6	The elimination of discrimination in respect of employment and occupation.	34
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	39-44
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	39-44
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	39-44
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	35

Annexure 1

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 MSN. Only three types of emissions have been considered:

- Due to the consumption of fuel at the site for Stationary Combustion,
- Due to the purchase of electricity from the grid
- Due to the emissions from the Supply chain (Scope 3 emissions)

Due to the consumption of fuel at site for Stationary Combustion

Emission factors are provided in the DEFRA. (Source: DEFRA Conversion factor guidelines is used for calculating the emissions due to refrigerants used.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083855/ghgconversion-factors-2023-full-set.xls).

The calorific value of coal is based on the GCV is determined based on the data published by Bureau of energy efficiency (BEE, latest updated on 2019) 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 being multiplied by the emission factor.

Fugitive Emissions (Scope 1 Direct emission)

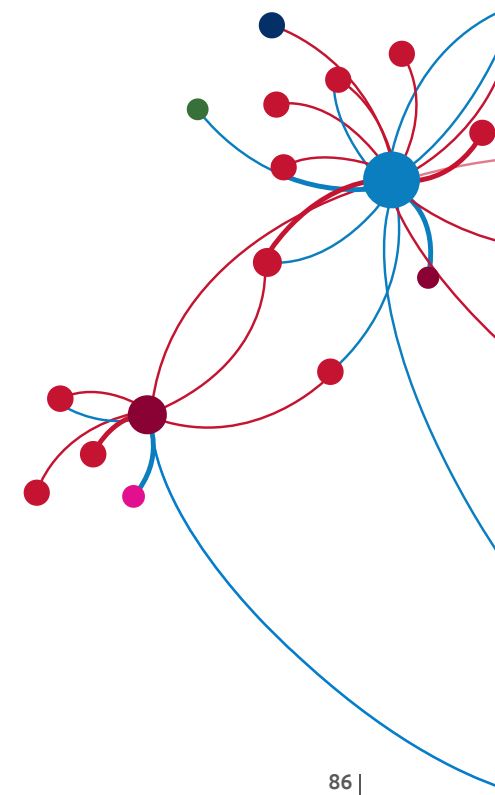
The emission factors provided for each gases in the DEFRA Conversion factor guidelines is used for calculating the emissions due to refrigerants used. <https://assets.publishing.service.gov.uk/media/649c5340bb13dc0012b2e2b6/ghg-conversion-factors-2023-condensed-set-update.xlsx> . The quantity of refrigerants

refilled (in kg) in each of our unit is multiplied by the emission factor associated with each of the gases used for calculating the emissions. The emission factor for Fugitive Emissions was based on the IPCC AR6 WGI Report(https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf)

To be on the conservative side, the refrigerant with the highest emission factor in the list of refrigerants used is taken into consideration for calculating emissions. 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 year's calculation, emission factors specified in the (https://cea.nic.in/wp-content/uploads/baseline/2024/01/User_Guide_Version_19.0.pdf)

Scope 3 Emissions (Indirect Emissions)

We report Greenhouse Gas (GHG) emissions according to the "Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition" by the Greenhouse Gas Protocol Initiative, a partnership between the World Resources Institute and the World Business Council for Sustainable Development.



The table below provides the applicable scope 3 categories to be considered for reporting MSN's scope 3 GHG Emissions.

Scope 3 Categories	Applicability	Remarks
Category 1: Purchased Goods and Services	Applicable	Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the extraction, production, and transportation of goods/services purchased or acquired by MSN in the reporting year.
Category 2: Capital goods	Applicable	Category 2 includes all upstream (i.e., cradle-to-gate) emissions from the extraction, production, and transportation of capital goods purchased or acquired by MSN in the reporting year.
Category 3: Fuel- and energy-related activities not included in Scope 1 & 2)	Applicable	Category 3 includes emissions related to fuel and energy production (including T&D) purchased and consumed by the reporting company in the reporting year that is not included in Scope 1 or 2.
Category 4: Upstream transportation and distribution	Applicable	Category 4 covers the transportation and distribution of products purchased by MSN in the reporting year.
Category 5: Waste generated in operations	Applicable	Category 5 includes emissions from third-party disposal and treatment of waste generated in facilities owned by MSN.
Category 6: Business travel	Applicable	Category 6 includes emissions from business travels by MSN.
Category 7: Employee commuting	Applicable	Category 7 includes emissions from the transportation of employees between their homes and work.
Category 8: Upstream leased assets	Not Applicable	This category is not applicable since MSN has no assets leased
	Applicable	Category 9 covers the transportation and distribution of products sold by MSN in the reporting year between MSN's operations and the end consumer.

Scope 3 Categories	Applicability	Remarks
Category 10: Processing of sold products	Not Applicable	At MSN, we produce a wide range of intermediate products for different uses. Because of the variety of applications and our diverse customers, tracking related greenhouse gas (GHG) emissions is challenging, and reliable data is hard to come by. We follow the guidance from the WBCSD, which notes that pharma companies are not required to report Scope 3, category 10 emissions due to these difficulties.
Category 11: Use of sold products	Not Applicable	MSN's products are sold to pharmaceutical manufacturers; MSN has no control over how the final products are formulated, marketed, or used, making it challenging to track emissions from their use.
Category 12: End-of-life treatment of sold products	Not Applicable	Except for the treatment of rejected material sent by the customer or expired material, there is no other end-of-life treatment for sold products. Most of the material is disposed of scientifically through approved methodology. As the rejected material quantity is less, it does not contribute significantly, so it is not tracked.
Category 13: Downstream leased assets	Not Applicable	This category is not applicable since MSN has no leased assets
Category 14: Franchises	Not Applicable	This category is not relevant for us as we do not operate franchises.
Category 15: Investments	Not Applicable	This category is not applicable since MSN has no investment in other businesses.



Scope 3 Calculation Methodology

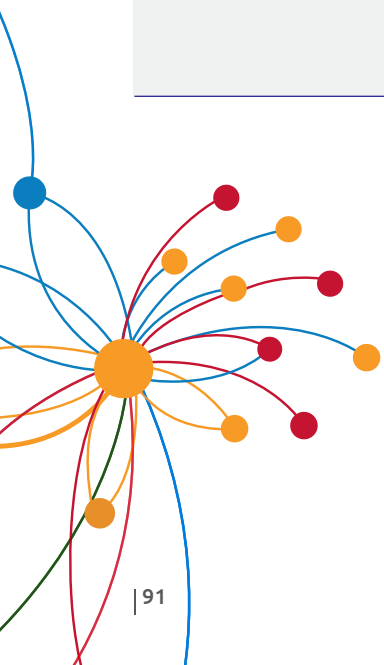
The methodology and emission sources that have been used for calculating the Scope 3 emissions are listed below:

Scope 3 categories	Methodology	Sources of emission factors
Category 1: Purchased goods and services	<p>Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the extraction, production, and transportation of goods/services purchased or acquired by MSN in the reporting year.</p> <p>Emissions from products are calculated with a spend-based approach based on procurement data and environmentally extended input-output (EEIO) data (source: US Environmentally Extended Input-Output (USEEIO) Technical Content, United States Environmental Protection Agency, 2021).</p> <p>Service emissions are calculated with a spend-based approach based on the same procurement data.</p> <p>USEEIO provides emission factors on spend basis for different industrial sectors; regional variations are not considered.</p>	SupplyChainGHGEmissionFactors_v1.2_NICS_CO2e_USD_2021
Category 2: Capital Goods	<p>Category 2 includes all upstream (i.e., cradle-to-gate) emissions from the extraction, production, and transportation of capital goods purchased or acquired by MSN in the reporting year.</p> <p>Emissions from products are calculated with a spend-based approach based on procurement data and environmentally extended input-output (EEIO) data (source: US Environmentally Extended Input-Output (USEEIO) Technical Content, United States Environmental Protection Agency, 2021).</p>	SupplyChainGHGEmissionFactors_v1.2_NICS_CO2e_USD_2021
Category 3: Fuel and energy related activities not included in Scope 1 and 2	<p>Category 3 includes emissions related to fuel and energy production (including T&D) purchased and consumed by the reporting company in the reporting year that is not included in Scope 1 or 2.</p> <p>To determine upstream emissions of purchased fuels, the quantities are multiplied with well-to-tank emission factors (source: DEFRA, 2023, WTT – fuels).</p> <p>Upstream emissions, including transportation and distribution (T&D) losses of purchased electricity, are calculated using the IEA Emission factors, India T&D losses.</p>	https://assets.publishing.service.gov.uk/media/649c5340bb13dc0012b2e2b6/ghg-conversion-factors-2023-condensed-set-update.xlsx

Scope 3 categories	Methodology	Sources of emission factors
Category 4: Upstream Transportation and Distribution	<p>Category 4 covers the transportation and distribution of products purchased by MSN in the reporting year.</p> <p>The Emissions are calculated based on the amount spent by MSN to transport goods multiplied by the emission factor. (The scope of transportation of goods starts from the port of delivery for MSN).</p>	<p>SupplyChainGHGEmissionFactors_v1.2_NICS_CO2e_USD_2021</p>
Category 5: Waste generated in operations	<p>Category 5 includes emissions from third-party disposal and treatment of waste generated in facilities owned by MSN.</p> <p>The calculation of emissions from waste generated in operations and disposed of by third parties is based on primary data collected from our manufacturing sites multiplied by the emission factors for the respective disposal method.</p>	<p>Landfilling- Mehta YD, Shastri Y, Joseph B. Economic analysis and life cycle impact assessment of municipal solid waste (MSW) disposal: A Mumbai, India case study. Waste Management & Research. 2018;36(12):1177-1189. doi:10.1177/0734242X18790354</p> <p>Incineration - EcoInvent - GWP100 - Treatment of hazardous waste, hazardous waste incineration (RoW)</p> <p>Co-processing - Case Study Manual on Alternative Fuels and Raw Materials Utilization in Indian Cement Industry, CII / Shakti Foundation, May 2011. https://shaktifoundation.in/wp-content/uploads/2017/09/AFR_Utilisation-in-Cement-Industry.pdf</p> <p>Recycling - Emission Factors for Greenhouse Gas Inventories (epa.gov)</p>



Scope 3 categories	Methodology	Sources of emission factors
Category 6: Business Travel	<p>Category 6 includes emissions from the transportation for business requirements.</p> <p>The emissions are calculated based on the data (Distance travelled and Mode of Transport) collected from each business travel multiplied by the emission factor for the respective mode of travel.</p>	https://assets.publishing.service.gov.uk/media/649c5340bb13dc0012b2e2b6/ghg-conversion-factors-2023-condensed-set-update.xlsx
Category 7: Employee commuting	<p>Category 7 includes emissions from the transportation of employees between their homes and work.</p> <p>The emissions are calculated based on the data (Distance travelled and Mode of Transport) collected from each employee multiplied by the emission factor for the respective mode of travel.</p>	https://assets.publishing.service.gov.uk/media/649c5340bb13dc0012b2e2b6/ghg-conversion-factors-2023-condensed-set-update.xlsx
Category 9: Downstream transportation & distribution	<p>Category 9 covers the transportation and distribution of products sold by MSN in the reporting year between MSN's operations and the end consumer.</p> <p>This category includes emissions due to the transportation of Sold products, which are outside MSN's scope and are paid for by its customers.</p> <p>The emissions are calculated using the Distance travelled and multiplied by the emission factor for the respective mode of transportation.</p>	https://assets.publishing.service.gov.uk/media/649c5340bb13dc0012b2e2b6/ghg-conversion-factors-2023-condensed-set-update.xlsx



Annexure 2

Manufacturing Sites	Address
MSN Laboratories Pvt. Ltd Unit – 1 (API)	Sy no.:317,320,321,322,323,604 & 605, Rudraram (Village), Patancheru (Mandal), Sangareddy (Dist.), Telangana, Pin Code -502329
MSN Laboratories Pvt. Ltd Unit – II (API)	Sy No.:36/A, Kardanur (V), Patancheru (M), Sangareddy District. Telangana, Pin Code: 502 300
MSN Research & Development	Plot No.12, Phase-IV, IDA Pashamylaram, Patancheru (Mandal), Sangareddy (DIST), Telangana, Pin Code: 502 307
MSN Laboratories Pvt. Ltd Formulations I	Plot No. 42, Anrich Industrial Estate, Bollaram (Village), Jinnaram (Mandal), Sangareddy District, 502 325
MSN Laboratories Pvt. Ltd Formulations II	Sy. No. 1277 & 1319, 1320, 1321, 1322, 1323, 1324 Nandigama Village & Nandigama Mandal, Rangareddy District, Telangana State-509216
MSN Pharma Chem Pvt. Ltd Unit I(API)	Phase-II, IDA Pashamylaram, Pashamylaram (Village), Patancheru (Mandal), Sangareddy District, Telangana, 502307
MSN Life Sciences Pvt. Ltd Unit –II(API)	Sy No: Sy. No. 453/AA, 453/EE, 453/0, 453/E, 453/A, 454/A,454/E, 454/EE, 454/AA/1, 455/A, 455/AA, 455/E, 455/EE., Chandampet (V), Shankarampet (M), Medak District. Pin Code: 502 255
MSN Life Sciences Pvt. Ltd, Unit –III(API)	Sy No:536,538 to 542, 544 to 550, 552 to 554, 574 & 559, Bhiknoor (Village & Mandal), Kama Reddy (District), Telangana.-503101
MSN Organics Pvt. Ltd.,(API)	Sy. No: 224/A, Bibinagar (Village & Mandal)Yadadri (Dist.), Pin Code – 508126, Telangana
Corporate Office	MSN Laboratories Pvt Ltd, MSN House - Global Headquarters H No.2-91 / 10 & 11,White fields, Kondapur, Hyderabad - 500084

Assurance Statement

TUVINDIA

Independent Assurance Statement

To,
The Directors and Management,
MSN Laboratories Pvt. Limited,
H.No.2-91/10&11, MSN Corporate,
White Fields, Kondapur, Hyderabad,
Telangana-500084.

MSN Laboratories Pvt. Limited, referred to as 'MSN' or 'the company,' has commissioned TUV INDIA Private Limited (TUVI) to conduct independent external assurance of the Non-Financial Information disclosed in their Sustainability Report (hereinafter 'the Report') based on the principles of Global Reporting Initiative (GRI) and ISAF 3000 (revised) standards, which includes 'limited' level of assurance of MSN sustainability disclosures for the applied period from 01st April 2023 to 31st March 2024.

Management's Responsibility

MSN is responsible for identification of materiality, corresponding sustainability issues, identifying, establishing, reporting performance management, data management, and quality. The management team at MSN is accountable for the accuracy of the information provided and the process of collecting, analyzing, and reporting the information. This includes the maintenance and integrity of the company's website. Furthermore, MSN's management team takes responsibility for the accurate preparation of the information in reference with the applied criteria. They ensure that the reported data is free of any intended or unintended material misstatements, so stakeholders can trust the information provided. MSN will be responsible for archiving and reproducing the disclosed data to the stakeholders upon request.

Scope and Boundary

The scope of work for the assurance engagement conducted by TUVI includes assurance of non-financial disclosure. The assurance engagement encompasses a thorough review of the quality of the information, as well as a review of evidence (on a sample basis) for identified non-financial indicators. Additionally, verification team performed

- 1) Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information over the reporting period;
- 2) Review of the policies, initiatives, practices and performance described in the Report;
- 3) Review of the non-financial disclosures made in the Report against the requirements of the applied Standards
- 4) Verification of the reliability of the GRI Standards Disclosure on environmental and social topics
- 5) Specific information was selected based on the materiality determination and needs to be meaningful to the intended users;
- 6) Confirmation of the fulfilment of the GRI Standards.

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

GRI 302: Energy	302-1
GRI 303: Water and effluents	303-3 to 303-5
GRI 305: Emissions	305-1 to 305-2
GRI 306: Waste	306-3, 306-5,
GRI 401: Employment	401-1 to 401-3
GRI 402: Labor/Management Relations	402-1
GRI 403: Occupational health and safety	403-1 to 403-10
GRI 404: Training and Education	404-1 to 404-3
GRI 413: Local Communities	413-1

The reporting boundaries for the above attributes includes manufacturing plants, R&D center and corporate office. MSN has reported 8 nos. of manufacturing plants, R&D center and Corporate office in Hyderabad, India. An on-site verification was conducted at two manufacturing plants and corporate office between 16th September to 18th September 2024.

Onsite Verification

1. MSN Laboratories Pvt. Limited (Formulation Div. II), Survey Nos.1277 & 1319 to 1324, Nandigama (Village), Kothur (Mandal), Rangareddy (District) - 500216, Telangana, India: 16th September 2024.
2. MSN Laboratories Pvt. Limited, H.No.2-91/10&11, MSN Corporate, White Fields, Kondapur, Hyderabad-500084, Telangana, India: 17th September 2024.
3. MSN Laboratories Pvt. Limited, Sy No- 317& 320 to 323, 604 & 605, Rudriaram (Village), Patancheru (Mandal), Sangareddy (District) -502329, Telangana, India :18th September 2024.

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The assurance activities were carried out together with a desk review as per reporting boundary.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion from the prospective information. During the assurance process, TUVI did not come across any limitations to the agreed scope of the assurance engagement. TUVI did not verify any ESG goals and claims through this assignment. TUVI verified the data on a sample basis; the responsibility for the authenticity of the data entirely lies with MSN. TUVI expressly disclaims any liability or co-responsibility in the case of erroneous data reported or for any decision a person or entity would make based on this assurance statement.

Water: For Corporate Office: Water consumption in corporate office was not being monitored during the reporting period as flowmeters were found to be defective. For manufacturing plants: The drinking water consumption was not reported for Kothur plant, which is procured from third party/suppliers as packaged cans. A conservative approach should be taken to estimate/report the water consumption considering highest consumption from historic data or estimation should be done in reference to the available standards.

Waste: For Corporate Office: Waste generation/disposal at corporate office was not being monitored. Hazardous waste like waste oil from DGs or oil soaked cotton and non-hazardous waste like paper cups, plastic and other domestic waste is reported zero. For manufacturing plants: Non-hazardous waste generation/disposal was not being monitored diligently, only one or two categories of waste are reported whereas evidences were found for other waste types also.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of MSN's strategy, management or sustainability-related issues or the sufficiency of the Report against principles of GRI Standards: Core option, and ISAF 3000 (revised), other than those mentioned in the scope of the 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 MSN. This assurance engagement assumes that the data and information provided to us by MSN are complete and true.

Verification Methodology

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

- 1) TUVI examined and reviewed the documents, data, and other information made available by MSN for non-financial KPIs (non-financial disclosures);
- 2) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of the MSN during the verification;
- 3) TUVI performed sample-based reviews of the mechanisms for implementing the sustainability (ESG)-related policies and data management (qualitative and quantitative);
- 4) Review the level of adherence to principles of GRI standards.

Opportunities for Improvement

The following are the opportunities for improvement reported to MSN. However, they are generally consistent with MSN management's objectives and programs.

- 1) MSN may develop internal audit procedures for monitoring and verification of sustainability data records and methodology to ensure data reliability.
- 2) MSN may strengthen its internal reporting by opting a smart cloud-based data management system and complement the same with periodic internal data and performance reviews.
- 3) MSN may provide ESG/sustainability trainings to the team members involved in the data management/reporting process to raise awareness for acuteness of data being reported.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on ESG performance and reference information provide a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. MSN refers to general disclosure to Report contextual information about MSN, while the 'Management Approach' is discussed to Report the management approach for each material topic.

Universal Standard: MSN 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.

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TÜV is of the opinion that MSN has prepared the non-financial information in reference with the GRI Standards.

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. TÜV is of the opinion that the reported material topics and Topic-specific Standards that MSN used to prepare the non-financial information 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. TÜV found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards.

In the context of assurance, the following contemporary principles have been observed:

Evaluation of the adherence to other contemporary principles

Inclusivity: Stakeholder identification and engagement is carried out by MSN 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 MSN range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of MSN. In our view, the Report meets the requirements.

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

Impact: MSN communicates its sustainability (ESG) 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. MSN reports on sustainability (ESG) 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 (ESG)-related issues.

This assurance statement has been prepared in reference with the terms of our engagement and ISAF 3000 (revised) requirements.

Independence: TÜV follows IFSSA (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 IFSSA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In reference with International Standard on Quality Control, TÜV maintains a Core system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

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

For and on behalf of TÜV India Private Limited

M. Borekar

Manojkumar Borekar
Product Head - Sustainability Assurance Service
TÜV India Private Limited



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MSN Laboratories Pvt Ltd,
MSN House - Global Headquarters H No.2-91 / 10 & 11,
White fields, Kondapur, Hyderabad - 500084