

Business Responsibility Report

Summary of Principle

<p>Principle 01</p>  <p>Ethics, Transparency & Accountability</p>	<p>Principle 02</p>  <p>Product Life Cycle Sustainability</p>	<p>Principle 03</p>  <p>Employee Well-being</p>
<p>Principle 04</p>  <p>Stakeholder Engagement</p>	<p>Principle 05</p>  <p>Human Rights</p>	<p>Principle 06</p>  <p>Environment</p>
<p>Principle 07</p>  <p>Policy Advocacy</p>	<p>Principle 08</p>  <p>Equitable Development</p>	<p>Principle 09</p>  <p>Customer Value</p>

SECTION A

General Information about the Company

- 1. Corporate Identity Number (CIN) of the Company**
L99999MH1985PLC036685
- 2. Name of the Company**
Sequent Scientific Limited
- 3. Registered Address**
301, 3rd Floor, Dosti Pinnacle, Plot No. E7, Road No. 22, Wagle Industrial Estate, Thane West – 400604, Maharashtra, India
- 4. Website**
www.sequent.in
- 5. E-mail id**
investorrelations@sequent.in
- 6. Financial Year reported**
April 01 2021 to March 31 2022
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise)**
Pharmaceuticals 21005 (as per NIC-2008)

8. List 3 key products/services that the Company manufactures/provides (as in the balance sheet)

Albendazole
Clorsulon
Triclabendazole

9. Total number of locations where business activity is undertaken by the Company/ Subsidiaries:**9.1 Number of international locations**

Locations: USA, Spain, Turkey, Brazil, Germany, Sweden, Belgium, Netherlands, Mexico, Italy
Manufacturing Facilities: Spain, Germany, Turkey, Brazil
R&D Centres: Spain, Turkey, Brazil

9.2 Number of national locations

Registered Office: Thane, Maharashtra
Manufacturing Facilities: Ambernath, Vizag, Mahad & Tarapur
R&D Centres: Ambernath & Vizag
Analytical Facilities: Mangalore

10 Markets served by the Company Local/State/National/International

Our major markets include Europe, Turkey, India, Latin America, USA, and Emerging Markets.

Section B - Financial Details of the Company (as on 31 March 2022)**1. Paid up Capital (₹)**

496.74 Million

2. Total Consolidated Turnover from operations (₹)

14,128.16 Million

3. Total Consolidated Profit after taxes (₹)

450.60 Million

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

The Company has spent ₹2.73 Million during the financial year under review and balance ₹1.56 Million was earmarked for ongoing projects undertaken by the Company.

Note: The figures mentioned above are on standalone basis. On consolidated basis (including CSR spending of Alivira Animal Health Limited, Wholly Owned Subsidiary of the Company), the Company has spent ₹7.11 Million during the year under review and the balance ₹2.59 Million was earmarked for ongoing projects undertaken by the Company.

5. List of activities in which expenditure mentioned above was incurred:

- a. Education & Livelihood
- b. Rural Development

Refer to Principle 8 of this Report for detailed information.

SECTION C - Other Details**1. Does the Company have any Subsidiary Company/ Companies?**

Yes. Details of subsidiaries forms part of the Board's Report of the Company for FY 2021-22

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

Some of the subsidiaries take part in the business responsibility initiatives of the parent company

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

The Company has not mandated any entities e.g. suppliers, distributors etc. of the Company for participating in the BR initiatives of the Company

SECTION D - BR Information**1. Details of the director responsible for implementation of the BR policy/ policies**

Sharat Narasapur, Joint Managing Director

2. Details of the BR head

Sharat Narasapur, Joint Managing Director

3. Indicate the frequency with which the board of directors, committee of the board or CEO meets to assess the BR performance of the Company

The business responsibility performance of the Company is reviewed annually by the Management

4. Does the company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the company publishes the BR report as part of the annual report. The Business Responsibility Report forms part of the FY22 Annual Report which can be accessed through: <https://www.sequent.in/investor-relations.aspx>

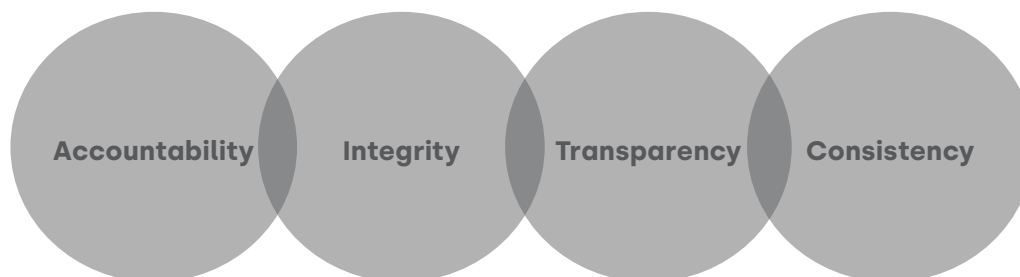
Principle-wise (as per National Voluntary Guidelines) Business Responsibility (BR) policy/policies:

Sr No	Questions	Ethics, Transparency and Accountability	Product Life Cycle and Sustainability	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment	Equitable Development	Policy Advocacy	Customer Value
1	Do you have a policy for -	Y	Y	Y	Y	Y	Y	Y	The Company	The Company
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	actively takes part to create a positive impact in sound policy decision making	ensures value to its customers through its operations
3	Does the policy conform to any national/ international standards? If yes, specify?	We abide by the laws of the land, as applicable, to conduct business in a responsible manner. The policies are broadly based on National Voluntary Guidelines on social, environmental, and economic responsibilities of business issued by the Ministry of Corporate Affairs								
4	Has the policy been approved by the board? If yes, has it been signed by MD/ owner/ CEO/ appropriate board director?	The policies are approved by the functional heads and few of them have been adopted by the respective committees								
5	Does the company have a specified committee of the board director/ official to oversee implementation of the policy?	While few of the policies mandate requirement of a Board Committee to oversee their functioning, the rest of them are monitored by the management								
6	Indicate the link for the policy to be viewed online?	All our policies are made available to all employees on the internal portal of the Company, and several of them are also available on our website at https://sequent.in/policies-financials-subsidiaries.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies for internal stakeholders have been communicated to them and are also available on the Company's internal portal. Policies applicable to external stakeholders are available on the Company's website.								
8	Does the company have an in-house structure to implement the policy/ policies?	Yes. There is an in-house structure, with clearly defined roles and responsibilities, which are reviewed periodically. In addition to this, we regularly share communication with stakeholders upon any change in our policies								
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Few of the policies are subject to internal/external audit by statutory/ regulatory authorities.								

SECTION E – Principle - Wise Performance

PRINCIPLE 1 – Ethics, Transparency and Accountability

The Company understands the significance of being regulatory compliant at all times and maintaining ethical business practices. The Company has adopted principles of Accountability, Integrity, Transparency and Consistency as part of its philosophy and these have been instrumental in establishing trust with various stakeholders of the organisation. The practice of making timely, accurate and complete disclosures of relevant information has helped the Company to gain the trust of all stakeholders and ensures that business is conducted in the most ethical manner.



As part of the efforts to put in place a compliant regulatory framework, the Company in the past implemented several policies such as **Code of Conduct, Code of Ethics, Policy on disclosure of Material Events, and Whistle Blower Policy**. In addition to these, the Company has also adopted **Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives** to create a sense of responsibility in the minds of key individuals for maintaining data confidentiality around price sensitive information and conforming to the regulatory requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Apart from the policies mandated by Indian regulatory agencies, the Company has also adopted Anti-Corruption Compliance Policy, Anti-Money Laundering and Counter Terrorist Financing Compliance Policy as mandated by local laws of the country where the Company operates.

The Company has institutionalised a strong and effective SeQuent Whistle Blower Policy, responsible for investigating complaints received from any employee/ business associate in a robust and confidential manner. The Company has a dedicated communication address to receive any concerns, which are dealt with by the Audit Committee. For the year ended 31st March 2022, we received no complaints. The Company believes that the conduct of its directors, employees and associates would instill great confidence to all stakeholders that the Company operates in a most ethical manner.

The Company also has an Ethics and Governance Committee, which was voluntarily constituted in early 2021. As on date, the Committee members are Dr. Kausalya Santhanam (Independent Director), Mr. Rahul Mukim (Non-Executive Director), Mr. Prasad Lad (VP-HR & Admin) and Mr. Phillip Trott, Associate Vice President - Legal, Secretarial and Compliance.

Terms of Reference of the Ethics and Governance Committee is as under:

- a. To monitor the functioning of the below mentioned codes/policies:
 - a. Anti-Money Laundering & Counter Terrorist Financing Policy
 - b. Anti-Corruption Compliance Policy
 - c. Prevention of Sexual Harassment Policy
 - d. Whistle Blower Policy
- b. To do a preliminary investigation and present issues with recommendation to appropriate Committees

PRINCIPLE 2 – Product Life Cycle Sustainability

The Company is committed to sustainable product development, in line with commonly accepted international safety standards at its state-of-the-art Research & Development facilities. The Company has a strong base of technical professionals working across the globe in its Research & Development facilities towards sustainable product development, which is **the cornerstone of our continued growth and portfolio expansion**.

The company is working upon several R&D programs with emphasis on sustainable design philosophy, starting from raw material selection to formulation development and manufacturing. A track record of successful regulatory audits from global authorities demonstrates our commitment to deliver quality consistently. Some of the certifications that the Company has received includes approvals from authorities like USFDA, EUGMP, TGA, Health Canada amongst others. **Amidst the ever-changing landscape, one thing that has remained constant is our steadfast commitment to sustainable development.**

During the year, we made significant efforts to address social & environmental concerns. For greater impact, additional emphasis was given towards higher volume products such as:

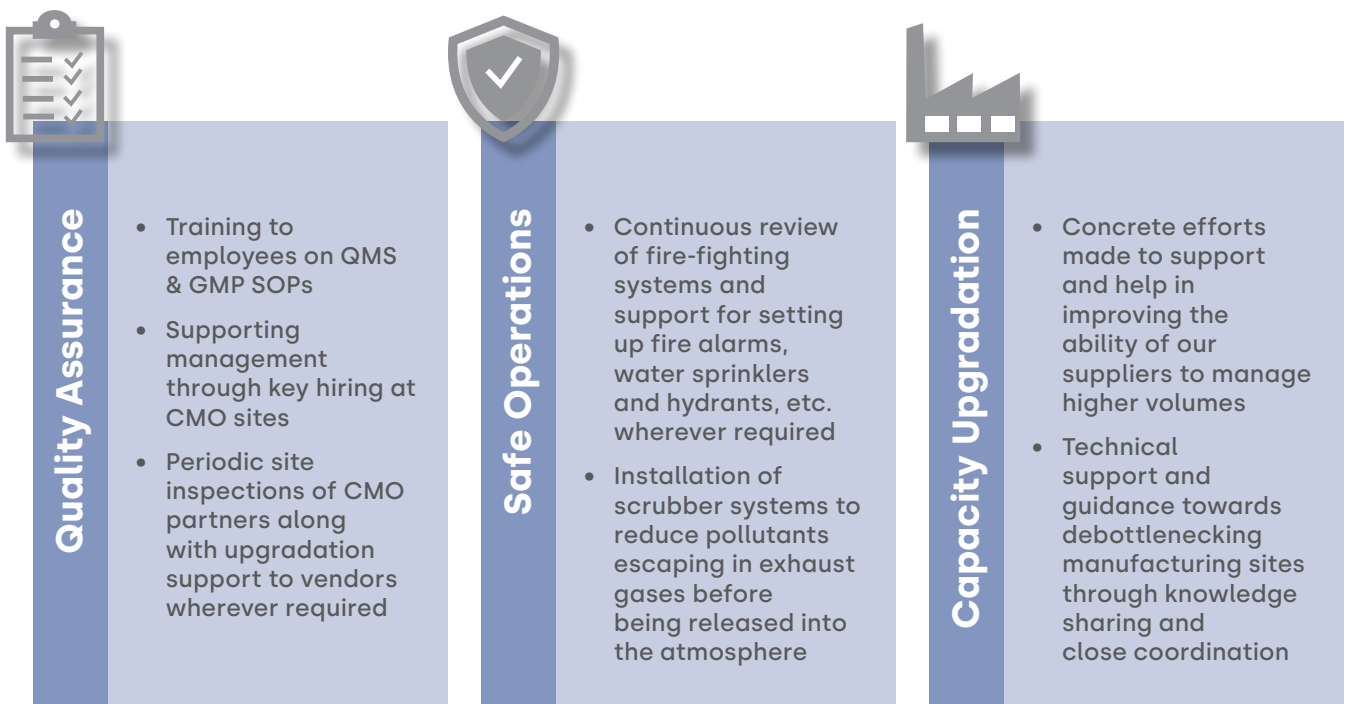
1. Albendazole
2. Fenbendazole
3. Triclabendazole

The Company has well-established standard operating procedures to identify and approve vendors. The quality assurance team conducts periodic audits and due diligence of vendors, especially those who supply key materials. Further, the Company ensures that all processes are followed, and equipment, machinery, and material used at plant are safe for the people and environment. The Company constantly works on optimising its resource utilisation without compromising on the production quality.

Over time, the Company has developed robust processes to ensure sustainable product development, which is a very important selection criteria for its vendors and suppliers. The Company prefers to engage in long-term commitments with business partners who fulfill their responsibility towards the environment and the society.

The initiatives benefit the Company in terms of resource optimisation and optimised logistics costs, as well as support the environment through lower fuel consumption and reduced carbon footprint.

Some of the initiatives focus upon:



Results of the sustainable development related initiatives carried out in FY22:

**~15% reduction
in fossil fuel
consumption**

**Water savings
of 260 kL**

**Safe disposal
of 376 MT
of solid waste**

PRINCIPLE 3 – Employee well being

Our employees are the most valuable asset of the Company, and their well-being is of utmost importance to the organisation. The practices followed across our sites ensure that the health & safety of the employees is well taken care of, and we make sure that they receive ample growth opportunities in an equitable and fair environment.

The organisation focuses on multiple areas:

1. Safe Workplace

Beyond Covid specific measures, the Company implemented several initiatives on a continual basis:

- i. Use of Personal Protective Equipments (PPEs) wherever necessary
- ii. Setting up of occupational Health Centres
- iii. Conducting regular training programs and safety audits

2. Employee Engagement

The company has developed an extensive employee engagement program which consists of multiple activities to increase the engagement of the employees at the workplace and foster an open culture, such as:

Informal Interactions

- High Tea - Informal sessions aimed at building trust and bonding among employees
- Book club at the HQ level - Employees share their learnings from different books

Feedback

- Continuous and timely feedback on trainings and engagement activities
- Open house meetings at plants and corporate

Communication

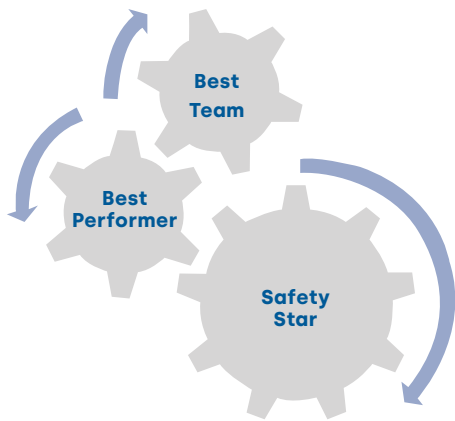
- Regular discussions on developments and new practices in the industry
- Updates about company’s performance and new initiatives

3. Continuous Improvement

Learning and development is a key focus area for the organisation. Trainings are conducted for our employees on a regular basis, which helps in improving their knowledge and strengthening the foundations of the Company. Broadly, the trainings focus on imparting learnings across the following aspects:



Along with activities focused on continuous improvement, the team is leveraging the best practices institutionalised around corrective feedback loop mechanism wherein a HR team member continuously interact with employees on rotational basis across the sites to gather their suggestions and incorporate them in the training programs henceforth. This goes a long way in promoting an inclusive workplace environment.



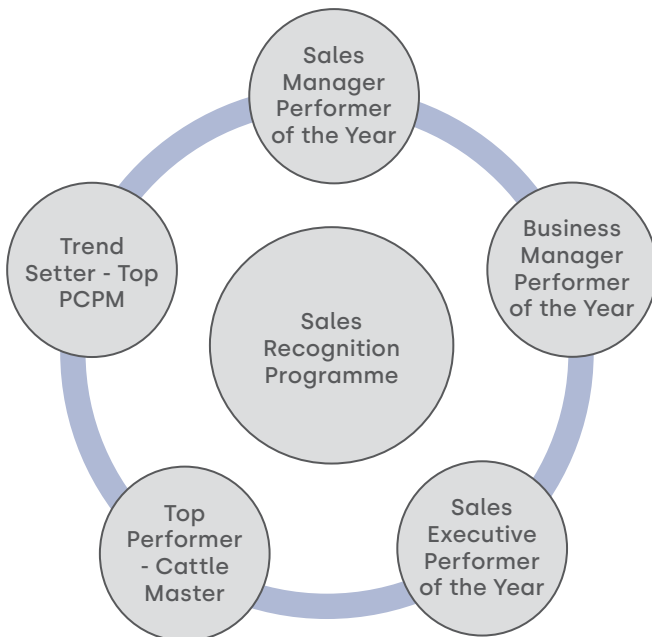
4. Rewards & Recognition

To meet the evolving workplace environment needs, a dynamic rewards & recognition program has become an inseparable part of any good workplace.

To appreciate the employees for their efforts towards the organisation's growth, the Company has created an environment wherein employees at manufacturing sites can collectively nominate individuals/ teams who did a commendable job in the areas of safety.

The sales recognition program is held in the annual sales meeting across all locations and levels. The program is aimed at motivating and imparting employee enrichment while building a high-performance culture.

As part of Company's efforts to demonstrate the appreciation for loyalty and commitment of long serving employees, the Company recognised and rewarded the eligible employees who have been with the organisation for 5, 7, 10 15 and 20+ years of continuous service.



1,958 Total Employees	270 Permanent Women Employees	5 Differently abled Employees
187 Temporary/ Contract Employees	9% Permanent Employee Association	0 Sexual harassment complaints
0 Child / forced / involuntary labor	0 Complaints against discriminatory employment	1,377 Employees underwent safety refresher & skill upgradation training

PRINCIPLE 4 – Stakeholder Engagement

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. The Company emphasises on being responsive to their needs along with being transparent and responding proactively. The Company believes in building lasting bonds with internal and external stakeholders through meaningful deliberations to review actions, rethink roadmap, redress any grievances, and recognise new avenues of growth.

The Company has done an extensive mapping of its internal and external stakeholders who directly or indirectly impact the business operations, and communicates with all, including the promoter shareholders, institutional shareholders, and retail/ minority shareholders in a uniform way, which follows the Statutory provisions. Our major stakeholders are:

Community	Employees & Contract Workers	Customers
Vendors & Suppliers	Healthcare Providers	Shareholders & Investors

The Company is accountable to stakeholder concerns and constantly endeavors to provide best of the services and information to maintain highest level of corporate governance. The Company follows various mechanisms to engage with its stakeholders. Some of the channels which the Company uses to effectively communicate with its stakeholders are:



The Company had also constituted the Stakeholders Relationship Committee in compliance with the provisions of SEBI Listing Regulations & the Companies Act 2013.

In FY22, the Committee has not identified any disadvantaged, vulnerable or marginalised shareholders.

PRINCIPLE 5 – Human Rights

As a responsible organisation, the Company respects human rights at workplace, and endeavors to adopt best practices to ensure freedom of association, and prohibition of forced, compulsory or child labor.

The Company & its subsidiaries strictly comply with the prohibition of child & forced labor along with workers' right to information and adhere to this principle in the most earnest spirit.

In the financial year, there were no human rights violation complaints relating either to child labor, forced or involuntary labor, sexual harassment/ discriminatory employment against the Company.



PRINCIPLE 6 – Environment

The Company's Environment, Health, and Safety (EHS) initiatives are designed keeping in mind long term sustainability and value for the Company, its shareholders, and other stakeholders.

Preserving the environment and promoting well-being of the community are integral aspects of the Company's DNA. The Company has adopted practices that contribute to the larger goal of sustainable development.

The Company has a well defined Environmental, Health and Safety policy which covers all the subsidiaries, key suppliers, and contractors, and is communicated to all the stakeholders. The Company keeps its stakeholders updated through an EHS newsletter on how its efforts have benefitted the environment.



As a responsible organisation, the Company over the years has undertaken several initiatives to address impact on climate. The Company through its operations emphasises on the practices that address environmental issues ranging from judicious use of natural resources to upgrading processes focused on reducing solvent usage, reducing the quantity of raw materials used, reduction in effluents generated and diversifying energy procurement to renewable sources such as solar energy

The Company identified and assessed potential environmental risks in its processes through environmental impact assessment, third party audits as well as regulatory audits. Appropriate Standard Operating Procedures / controls have been put in place to address the identified risks.

The Company took several initiatives such as:

- a. Installation of cast iron tanks to replace CSA tanks
- b. New Glass line reactors installed
- c. Installation of light sensors, switch to usage of LEDs
- d. Reduction in carbon footprint through substituting fossil fuels with solar energy for increased energy requirements
- e. Solvent emission controls strengthened for waste recovery
- f. Hazardous waste diverted for processing for reuse as alternate fuel
- g. Recycling of treated water and reuse for domestic purposes

Also, the Company continues to effectively monitor the impact of its actions on the environment through the adopted framework of 4R – "Reduce, Recover, Reuse and Recycle".

In total, the Company received 9 notices regarding pollution control, out of which 7 have been addressed and actions are already underway for closure of the balance 2.



PRINCIPLE 7 – Policy Advocacy

The Company through its representation at different industry forums plays an active role in influencing sound policy decision making, along with sharing inputs to facilitate any policy related changes that can be beneficial to the industry and society at large.

The Company is represented at various industry and trade associations such as:

- a. Pharmaceuticals Export Promotion Council of India (Pharmexcil)
- b. Indian Merchant Chamber of Commerce (IMC)
- c. Bombay Drug Manufacturer's Association
- d. Bulk Drug Manufacturing Association, Hyderabad
- e. Federation of Indian Export Organisations
- f. Mahad Manufacturer's Association (MMA)
- g. Jawaharlal Nehru Pharma City Association

Over the years, the Company has provided inputs on policies as appropriate, while advocating changes to the existing policy frameworks wherever needed towards advancement/ improvement of public good.

PRINCIPLE 8 – Equitable Development

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programs. The Company has in place a Board-approved CSR committee, which drafts the framework and strategy for the CSR Policy. The Company's vision is "to improve the quality of life for the local communities in and around the areas of plant operations". The programs aim to touch the lives of individuals belonging to socio-economically challenged and/ or marginalised backgrounds. The CSR Committee regularly reviews the commitments and implementation of these programs.

Starting FY21, the Company focused its efforts on a long-term approach (period of 3 years) to make a visible impact in the geographies it serves with a focus on key priorities of the community:

1. Education & Livelihood
2. Rural Development

Illustrated below are some of the initiatives undertaken in FY22:

Education & Livelihood

To educate and promote the livelihood of youth belonging to underprivileged sections of society, the Company contributed to the Skill Development Program in Mangalore & Ambemath. 70 students from Mangalore were trained as multi skill technicians in Electrical field and 90 students learned retail selling skills over the course of these programs.

Rural Development

Considering the large rural population of the country, the Company aims to contribute towards sustainable development of rural regions. For this, the Company continued with its contribution efforts in clean energy initiatives such as installation of solar lights, lift irrigation, water filtration, etc. in Palghar District.

These initiatives touched upon the lives of 503 beneficiaries in Sawade Village, Palghar District & helped them overcome the daily struggle for necessities, allowing them to focus on their livelihoods.

The Company engages with the community through NGOs such as Dev Loka Educational Trust and Chirag Rural Development Foundation.

The Company spent ₹2.73 Million during the FY22 for the projects identified by the Company and approved by the CSR Committee and Board of Directors.

PRINCIPLE 9 – Customer Value

As a responsible organisation, the Company believes in offering superior value to its customers through:

1. Delivering products of the highest quality standards to our global customers
2. Maintaining industry standards & processes to ensure quality, safety and efficacy of products
3. Undertaking regular customer and external safety audits through Licensed Auditors for our manufacturing sites

A continuous focus over the years led to capability enhancement, which helped in keeping pace with the industry on Quality & Safety parameters which is testified by:

1. 75+ successful customer audits
2. USFDA, EUGMP, WHO approvals for manufacturing sites
3. EHS compliance with 20+ audits

The Company is committed to safe management of the products by responsibly disclosing information during product labelling. Customers are provided with all relevant product information like product composition, dosage instructions, storage, safety, cautionary notes, etc.

Customer feedback is taken periodically, and all complaints are handled in a responsible and time-bound manner. The Company inculcates the needs and requirements of its customers at the time of product development.

There were no customer complaints and stakeholder cases against the Company for the FY22 period.