



**Natco Pharma Limited**  
Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.  
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243  
CIN : L24230TG1981PLC003201, [www.natcopharma.co.in](http://www.natcopharma.co.in)

January 5, 2026

Corporate Relationship Department  
M/s. BSE Limited  
Mumbai 400001

**Scrip Code: 524816**

The Manager - Listing  
M/s. National Stock Exchange of India Ltd  
Mumbai 400051

**Scrip Code: NATCOPHARM**

Dear Sir/Madam,

**Sub:-** Company Update - Sustainability Report 2024-25

With reference to the above cited subject, please find enclosed herewith the Sustainability Report for 2024-25 of NATCO Pharma Limited. The same is also available at our website.

Thanking you

Yours faithfully

For NATCO Pharma Limited

Ch Venkat Ramesh  
Company Secretary &  
Compliance Officer

Encl: as above



Impacting Lives  
Sustaining Communities

# Our Journey towards Responsible Growth



At NATCO Pharma, the theme—  
Impacting Lives, Sustaining  
Communities—reflects our commitment  
to placing well-being at the core of who  
we are. While deeply rooted in our legacy  
of making medicines and products  
accessible, this commitment continues  
to evolve in response to the dynamic  
healthcare and sustainability landscape.



ESG at NATCO represents our commitment to strengthening the pharmaceutical value chain—developing therapies that are accessible, expanding our reach to underserved populations and adopting advanced technologies that enhance patient outcomes. It also reflects our alignment with global sustainability goals by reducing our environmental footprint, advancing carbon and water stewardship and building resilient supply chains that safeguard communities.

Sustaining communities remains central to our growth journey. We focus on uplifting communities, empowering employees and strengthening inclusive health systems to extend the benefits of modern medicine to the last mile. By embedding sustainability into our operations, we measure progress not only in business growth, but in the lives impacted and communities empowered.

Anchored in our value system yet agile for the future, we are investing in digital platforms and Industry 4.0 technologies that enable collaboration and foster an ecosystem promoting sustainable operations. We remain committed to shaping a healthier, more sustainable world, where science, care and responsibility come together to improve lives today while safeguarding generations to come.

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report online

# About This Report

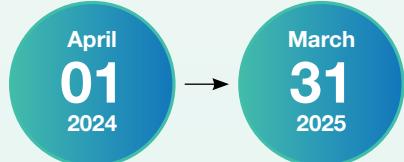
## Purpose and Scope of the Report

This Sustainability Report for the financial year 2024–2025 presents a comprehensive overview of NATCO Pharma Limited's Environmental, Social and Governance (ESG) performance. In line with our theme of Impacting Lives, Sustaining Communities this report reflects our journey towards responsible growth and long-term value creation.

It serves as a transparent communication tool for our stakeholders, including shareholders, employees, customers, suppliers, regulatory authorities and the communities in which we operate. The scope of this report encompasses all operational aspects of NATCO Pharma Limited, including our manufacturing facilities, research centres and corporate office.

## Reporting Period

This report covers our sustainability performance for the financial year 2024–2025, spanning from



## Reporting Frameworks and Benchmarks

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and is aligned with the United Nations Sustainable Development Goals (SDGs).



It also adheres to the mandatory disclosure requirements set by the Securities and Exchange Board of India (SEBI) under the Business Responsibility and Sustainability Reporting (BRSR) framework, which is based on the National Guidelines on Responsible Business Conduct (NGRBC), which comprises nine core principles.

We have identified material topics based on their relevance to our business and the priorities of our stakeholders.

## Feedback

We welcome your feedback on this report and our sustainability performance. Your insights will help us refine our approach and strengthen our commitment to sustainable development. Please share your comments or questions by contacting our team at [investors@natcopharma.co.in](mailto:investors@natcopharma.co.in)



# Message from Our Leaders



“

Sustainability as a practice and embedding ESG principles into every aspect of our operation.

**V. C. Nannapaneni**

Chairman and Managing Director

“

Shaping the Future of Health with Sustainable Innovation, Social Commitment and Global Reach

**Rajeev Nannapaneni**

Vice Chairman and Chief Executive Officer

Dear Esteemed Stakeholders,

In today's dynamic global environment, the need for resilience and responsible growth is paramount. As I reflect on NATCO Pharma's journey, I am reminded of how far we have come transforming from a domestic oncology player into a company with a global footprint across more than 50 countries, with two API manufacturing facilities, five FDF manufacturing facilities and two Crop Health Science units. Our story has always been about more than business, it is about impacting lives and sustaining communities.

As global expenditures on healthcare continue to rise, we are continuously working on innovation and making specialty medicines accessible to all, which is deeply aligned with this growth story. By combining innovation in pharmaceuticals with strategic

diversification into crop health sciences, we are creating a foundation that delivers value to shareholders while strengthening communities.

This growth was powered by our strong R&D pipeline, Para IV filings, expansion

into Tier-2 and Tier-3 cities in India and the continued strengthening of our international presence. Our investments in new frontiers, such as cell and gene therapies, Semaglutide for diabetes and weight management and sustainable agrochemical solutions, demonstrate our readiness to meet tomorrow's challenges.

## Shaping a Sustainable Future

Every era has its defining challenge and for our generation, it is the urgent need to balance growth with responsibility. Sustainability is no longer a choice; it is the very foundation of resilience, competitiveness and trust. At NATCO, we see this moment more as an opportunity than an obligation to innovate, to collaborate and to reimagine the future of our industry in harmony with the planet



**Our focus will remain on responsible innovation-bringing complex generics and transformative therapies to patients while minimising our environmental impact and uplifting the communities we serve.**

and society. Sustainability remains central to our long-term strategy and operational ethos. It gives me great pride to present our Sustainability Report for FY 24-25, which captures not only the progress we have made but also the aspirations that drive us.

We have strengthened our efforts to reduce environmental impact, enhance water stewardship, manage waste responsibly and adopt cleaner and greener technologies. Over the past few years, significant progress has been achieved, driven by the dedication and expertise of our sustainability team. In FY24-25, 25% of our electricity consumption came from renewable sources such as solar and wind, while 13% of our total energy use (including electricity and fuel) was also derived from renewables. We recycled 53% of total water consumption across our facilities, demonstrating our commitment to water stewardship. Through an integrated approach to waste management, we continued to reuse, recycle and co-process materials converting waste into alternative fuels and raw materials while reducing reliance on landfills and incineration. Our efforts also included the plantation of 6,000+ trees across all plants, further strengthening our environmental stewardship.

As a testament to these plant-level environmental initiatives, our API unit at Mekaguda was awarded the prestigious 'GreenCo - Gold Rating' by the Confederation of Indian Industry (CII). The rating, based on rigorous field assessments and expert reviews, reflects our ongoing commitment to sustainable manufacturing practices and operational excellence.

This year, we strengthened our ESG journey by implementing a digital ESG platform, enabling us to track, manage and report sustainability metrics with greater accuracy, transparency and efficiency. This digital transition marks a significant step in embedding data-driven sustainability into our decision-making and performance monitoring.

Looking ahead, we have set clear targets to increase the share of renewable energy to 35% by 2035, reach 100% carbon neutrality by 2050 and develop a roadmap for water neutrality at our API units at Mekaguda and Chennai by FY 2025-26. These milestones reflect our determination to embed environmental responsibility into every aspect of our operations.

## People and Social Commitment

With over 5,000 employees globally, including 4800+ employees in India and 10.9% women in the workforce, our people remain at the centre of NATCO's success. In FY24-25, we achieved 85.73% employee retention rate, highlighting the strength of our talent management practices. We continuously invest in engagement initiatives to ensure employees feel connected to our mission and empowered to contribute. Employee well-being is supported through comprehensive healthcare programmes, workplace safety measures and work-life balance initiatives.

## Innovation for Tomorrow

An R&D spend of ₹3,733 million demonstrates our focus on pushing the boundaries of science and

strengthening our innovation pipeline. We now hold 325 international patents and 115 Indian patents, with continued investment in capital expenditure to ensure accelerated growth. Our robust pipeline of complex generics, alongside investments in cell and gene therapies, xenotransplantation and metabolic therapies, positions us to address unmet needs responsibly across oncology, cardiology, diabetology and infectious diseases.

With our mission to 'Make Specialty Medicines Accessible', we continue to provide healthcare solutions while creating value for all stakeholders. I extend my gratitude to our employees, community partners and stakeholders for their unwavering support, which has been instrumental in advancing our sustainability goals.

## Governance and Outlook

Our risk management processes, combined with a strong balance sheet and debt-free status, enable us to invest prudently while safeguarding stakeholder trust. We recorded zero customer complaints related to data privacy and cybersecurity, reflecting our strong commitment to ethical practices and transparent governance.

As we move forward, we do so with cautious optimism, confident in our ability to balance growth with responsibility. On behalf of the leadership team, I extend my heartfelt gratitude to our employees, partners, patients and shareholders for their trust and encouragement.

Together, we will continue to impact lives, sustain communities and deliver responsible growth.

Warm regards,

### V. C. Nannapaneni

Chairman and Managing Director

### Rajeev Nannapaneni

Vice Chairman and Chief Executive Officer

# About **NATCO Pharma**

NATCO Pharma Limited has established itself as a leading pharmaceutical company with a vertically integrated business model, strong R&D capabilities and a strategic focus on developing niche, high-potential molecules. With decades of industry experience, NATCO is engaged in developing, manufacturing and marketing Finished Dosage Formulations (FDFs), Active Pharmaceutical Ingredients (APIs) and Agro chemical products.

**44+ Years**

of rich experience in the  
evolving Pharma industry



## Our Mission and Values

'Making specialty medicines accessible to all' remains the foundation of our journey. We strive to provide healthcare to patients globally while maintaining responsible corporate governance as the foundation for sustainable performance and stakeholder value.



### Our Mission

# Making specialty medicines accessible to all.



### Our Values

Our Values are the guiding principles that shape our culture and define how we work.

#### RESPECT

Valuing diversity and treating everyone with dignity



#### COLLABORATIVE

Believing in power of teamwork



#### QUALITY

Committing to excellence and global standards



### Our Core Values at NATCO

#### INTEGRITY

Conducting Business with honesty and ethics



#### OPENNESS

Encouraging transparency and communication



#### CREATIVE

Embracing innovation and out-of-the-box thinking



Our mission and values are not only integral to our business strategy but are also aligned with our broader ESG commitments. As we grow, we continue to uphold our responsibility to society, the environment and our stakeholders driving innovation with purpose and compassion.

# Our Global Imprint – **Touching Lives, Transcending Borders**



**50+**  
**Countries**

Spearheading Access

**180+**

Approved registrations  
(Excluding US)

NATCO has strategically expanded its international footprint:



Among the **Top 10** generic companies by sales in Canada

## Established presence

in the US market

## Strategic plans to **strengthen presence**

in Southeast Asia, MENA and LATAM region

## Growing operations

in Brazil and other emerging markets



Our international business continues to be a major contributor to NATCO Pharma's overall revenue and a key engine of growth. With a strong pipeline of exclusive First-to-File (FTF) and Para IV products, we are strategically positioned for sustained success in the global pharmaceutical landscape. Leveraging our expertise in complex

generics and regulatory compliance, we have expanded our footprint by exporting finished dosage formulations to several international markets. While our core regulated markets include the United States, Canada and Brazil, we now have a presence in over 50 countries worldwide.

The success of our global operations is supported by a strong in-house Research and Development, regulatory team and an expanding network of international subsidiaries, allowing us to deepen our presence in key geographies and enhance long-term market competitiveness.



## United States of America

NATCO Pharma has established a strong presence in the US market by developing complex generics involving specialised chemistry and high-barrier manufacturing processes. Our robust pipeline includes 28 Para IV applications, of which 13 have already received approval. We continue to focus on First-to-File (FTF) opportunities targeting key therapeutic areas such as diabetes, weight management, oncology (ovarian and breast cancer), multiple myeloma and leukaemia.

### Some of our notable FTF filings include:

#### \*Semaglutide

– for diabetes and weight loss

#### Olaparib

– for ovarian and breast cancer

#### \*Carfilzomib

– for multiple myeloma

Our Para IV portfolio also addresses unmet needs in treating blood clots, cancer and migraines. We further strengthen our market presence through strategic partnerships with local firms and exclusive licensing agreements.

\*FTF for few strengths



## Canada

Our Canadian subsidiary has performed well and now is the major revenue contributor among all subsidiaries with a portfolio of over 40 products, we have a solid presence across four therapeutic areas: Oncology, Antiviral, Cardiology and Central Nervous System (CNS).

### Key contributors to our market leadership include:

#### Lenalidomide

– where we hold the highest market share

#### Oseltamivir

#### Pomalidomide

#### Apixaban

#### Teriflunomide

Our growth in Canada is supported by a well-diversified portfolio and a focused strategy to maintain market share in high-demand therapeutic segments.



Brazil

Rest of the  
World (RoW)

Brazil continues to be a strong and strategic market for NATCO. We were the first to introduce a generic version of Vildagliptin for diabetes, reinforcing our reputation for launching timely, high-impact therapies. Our out-licensing partnerships and a dedicated sales team have enabled us to sustain a significant market share for Apixaban.

Noteworthy products in the last couple of years Everolimus, Gefitinib, Azacitidine and Oseltamivir, the latter of which continues to dominate its segment. Our success in Brazil is underpinned by our expertise in complex generics, strong portfolio development and active participation in the public tender system across key therapeutic areas.

NATCO is rapidly expanding across Asia and emerging global markets. Our entry into China was marked by the successful launch of Oseltamivir Capsules, followed by Abiraterone and Gefitinib in the oncology space. We currently have three additional products under review in the Chinese market.

In the Philippines, we are gaining momentum in the branded generics segment, offering cost-effective oncology treatments. In Singapore, NATCO services both government and private tenders with a growing portfolio of over 10 products. We have also secured significant tenders in Saudi Arabia, Hong Kong, Thailand, Malaysia and other Southeast Asian countries. Our proactive global filing strategy has allowed us to establish a strong market foothold in Indonesia and Vietnam.

# Our Footprint



API
<b>Mekaguda, Telangana</b>
USFDA, PDMA (Japan), COFEPRIS (Mexico), ANVISA Brazil, Korean FDA, WHO GMP (CDSCO), TGA Australia, EU GMP, ISO 14001-2015, ISO 45001- 2018

AGROCHEMICALS
<b>Athivaram, Andhra Pradesh</b>
Certifications Central Insecticide Board, Faridabad

RESEARCH CENTRES
<b>NRC Hyderabad, Research Centre Kothur, Telangana</b>
<b>Intellectual Property</b>

**325**  
International Patents filed

**215**  
International Patents granted

**289**  
India Patents filed



2

API Manufacturing Facilities



5

FDF Manufacturing Facilities



2

Crop Health Sciences Facilities



2

R&amp;D Facilities

## FDFs

### Kothur, Telangana

#### Certifications

WHO GMP (DCA), USFDA,  
EU GMP (Greece), TGA Australia,  
ANVISA (Brazil), Health Canada,  
ISO 14001: 2015,  
ISO 45001-2018

### Nagarjuna Sagar, Telangana

#### Certifications

WHO GMP, ANVISA, Kenya MOH,  
NDA Uganda, FMACA Ethiopia,  
TMDA Tanzania,  
ISO 14001-2015,  
ISO 45001-2018

### Dehradun, Uttarakhand

#### Certifications

WHO GMP, MOH Netherlands  
ISO 14001-2015,  
ISO 45001, FMHACA Ethiopia,  
MOH Netherlands

### Guwahati, Assam

#### Certifications

ISO 14001-2015,  
ISO 45001-2018,  
WHO GMP (CDSCO)

### Vishakhapatnam, Andhra Pradesh

#### Certifications

USFDA, ANVISA Brazil, Health  
Canada, TGA, Australia  
ISO 14001-2015,  
ISO 45001-2018

**Building on a legacy that began in 1981, NATCO's journey continues to be defined by purposeful growth, scientific innovation and a strong commitment to sustainability and quality. In FY 2024–25, we reinforced this legacy by upholding world-class standards across our manufacturing and research facilities, enhancing our global regulatory footprint and deepening our ESG initiatives**

Our pan-India presence, with strategically located plants and R&D centres, has been pivotal in ensuring operational excellence and timely delivery to global and domestic markets. With multiple international certifications and accreditations across our sites, we consistently meet the evolving expectations of regulators, partners and patients.

The progress made this year reflects our long-term vision to create meaningful impact through responsible operations, stakeholder value creation and innovation-driven, sustainable growth.



**The financial year 2024–25 marked a period of consolidation and forward momentum for us. We strengthened our foundation by reinforcing quality systems, securing expanded regulatory approvals and deepening our commitment to responsible operations across all facilities. This year's progress is a testament to the dedication of our people, the strength of our values and our unwavering focus on long-term value creation. As we look to the future, we remain driven by innovation, guided by purpose and inspired by the trust placed in us by all those we serve.**

# NATCO's Journey

## Crossing Milestones with Agility

Building on our rich legacy, we remain committed to delivering innovative therapies to patients.



## NATCO's Journey:

NATCO, with its strong heritage, has established itself as a major player in the pharmaceutical industry, distinguished by a vertically integrated business structure, rigorous research and development initiatives and a steady commitment to advancing specialised, high-value molecules.

Powered by decades of experience, NATCO has consistently crossed milestones with agility, bringing innovative and accessible therapies to patients and creating long-term value for our stakeholders. Our philosophy is guided by our mission of "Making specialty medicines accessible to all."

Our journey has seen us diversify our capabilities, extending our chemistry

expertise into the Crop Health Sciences segment, where we are establishing ourselves as a quality-conscious player. This diversification demonstrates our broader perspective and commitment to leveraging our strengths for sustainable impact.

In recent years, NATCO has intensified its efforts towards a low-carbon future, increasing our reliance on renewable energy sources such as solar and wind power. We have implemented water conservation systems across our facilities and are working towards minimising hazardous waste disposal, focusing on reuse and recycling. Our commitment extends to the communities we operate in through the NATCO Trust, which works towards the

education, health and development of underserved populations.

Looking ahead, NATCO has set ambitious ESG targets, including enhancing the renewable energy component in our energy mix to 35% by 2035 and achieving carbon neutrality by 2050. We are also developing roadmaps to achieve water neutrality in our API units. Our journey reflects a continuous commitment to integrating sustainability throughout our value chain, from product development to responsible manufacturing and community engagement, ensuring a more equitable and environment-conscious future.



**From humble beginnings, we have evolved into a leading global pharmaceutical Company. Our journey is a testament to consistent growth across diverse geographies and therapeutic areas, backed by manufacturing prowess, innovative approach and strategic foresight.**

Over the years, we have achieved milestones firmly, pioneering generics in oncology, entering new markets and launching differentiated products across pharmaceutical and agrochemical sectors. We have forged steady progress.

**1981 → 1983 → 1986 → 1993 → 1997**

Incorporated NATCO Pharma Limited in Hyderabad, Telangana	Commenced operations at the manufacturing facility at Kothur, Telangana	Commenced operations at the manufacturing facility at Nagarjuna Sagar, Telangana	Commenced Chemical division at Mekaguda, Telangana	Established NATCO Research Centre (NRC) at Sanathnagar, Hyderabad, Telangana
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**2010 ← 2008 ← 2007 ← 2006 ← 2003 ←**

Commenced the Organics facility for Cytotoxic API at Chennai, Tamilnadu	The first Paragraph IV filing was filed in the USA market	NATCO launched its first ever ANDA in the US market	The first finished dosage facility was set up at Dehradun, Uttarakhand	The oncology division was launched with the flagship brand VEENAT (generic Imatinib Mesylate) for treating chronic myelogenous leukaemia
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**→ 2011 → 2012 → 2013 → 2014 → 2015 →**

Established its subsidiary NATCO farma do Brasil LTDA in Brazil	Established NATCO Pharma Asia Pte Ltd in Singapore	NATCO Pharma Canada Inc. was established to facilitate sales and distribution in Canada	Established NATCO Pharma Australia Pty Ltd for sales and distribution in Australia	Launched generic Sofosbuvir for Hepatitis C in India and Nepal
				Commenced operations at manufacturing facility at Guwahati, Assam

## 2024 → 2025

Invested US\$ 1 million in Cellogen Therapeutics Pvt Ltd. Focuses on Cell and Gene Therapy solutions

Invested US\$ 8 million in eGenesis, a biotechnology company focused on xenotransplantation

Invested US\$ 1 million in Stero Therapeutics, developing novel therapeutics for rare diseases

with the strategic intent to further develop the

therapeutics for larger, more common diseases.

Invested US\$ 1 million in Cellogen Therapeutics Pvt Ltd.

## 2023 ← 2022 ←

NATCO set up its subsidiaries in Indonesia, United Kingdom and Colombia to boost international business

Established 'NATCO Reach' to expand the coverage of Cardiology and Diabetology products in India

Crop Health Sciences division launched Chlorantraniliprole (CTPR) agro products in India

NATCO launched the first generic version of Revlimid in the USA market

Invested US\$ 1 million in a cell therapy company (Eyestem) who developed a patented experimental treatment for dry AMD called Eyecyte-RPE

## 2021 ← 2020 ←

NATCO acquired Dash Pharmaceuticals LLC, now renamed as NATCO Pharma USA LLC

Visakhapatnam, Andhra Pradesh formulation facility gets US FDA approval

## 2016 → 2017 →

The first generic version of Oseltamivir Phosphate capsules was launched in the US

Launched Glatiramer Acetate injection and complex drug product Liposomal Doxorubicin in the USA

Started the Cardiology and Diabetology division with the launch of Dabigatran in India

## 2018 → 2019

Launched its first generic version of oral tablets Denoppsy (Teriflunomide) for multiple sclerosis in India

Introduced generic Posaconazole injection, made available for first time in India

NATCO Crop Health Sciences division was launched

Commercial manufacturing began at the Visakhapatnam Andhra Pradesh formulation facility

## Key Growth Drivers

NATCO Pharma Limited has emerged as a dynamic force in the global pharmaceutical landscape, backed by nearly four decades of scientific excellence, innovation and commitment to healthcare accessibility. Our growth trajectory is not only defined by its robust operational capabilities but also by its alignment with evolving global healthcare needs and sustainable development goals.

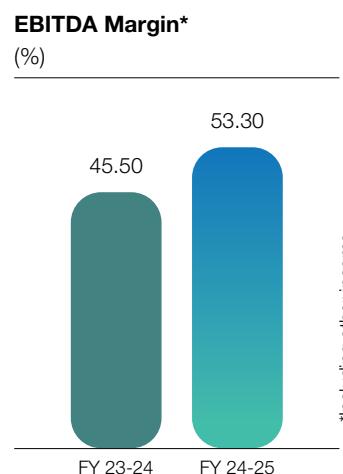
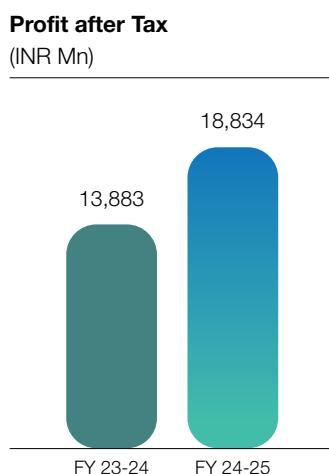
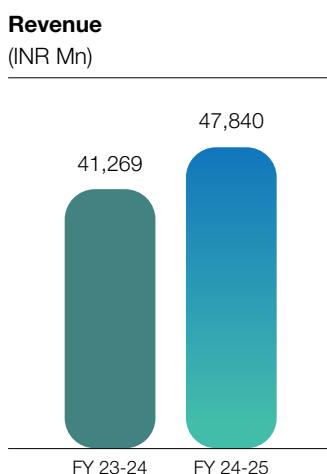
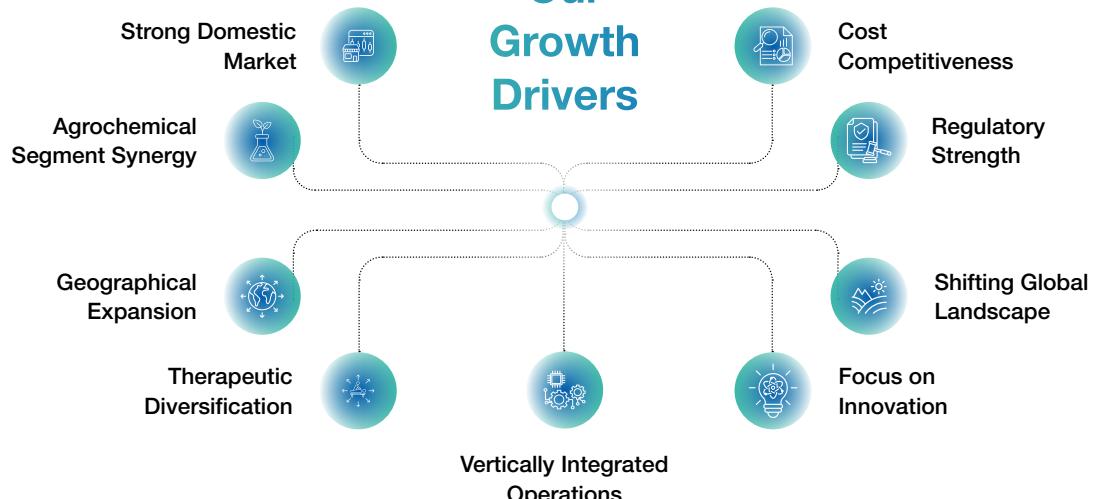
NATCO's business model is aligned with core values of resilience, adaptability with a patient-centric focus, delivering

high value to all stakeholders and society. The following key growth drivers reflect how NATCO is strategically positioned to scale both its economic

performance and its impact across Environmental, Social and Governance (ESG) dimensions.



## Our Growth Drivers



These strategic growth drivers collectively reinforce NATCO Pharma's position as a forward-looking, responsible healthcare Company. By expanding our therapeutic portfolio, embracing innovation, enhancing

cost efficiency and diversifying into agrochemical solutions.

NATCO not only strengthens our competitive advantage but also contribute to public health and

sustainability goals. As NATCO continues to scale new geographies and therapeutic areas, our ESG-aligned growth strategy serves as a foundation for delivering inclusive, sustainable and impactful health solutions for the future.

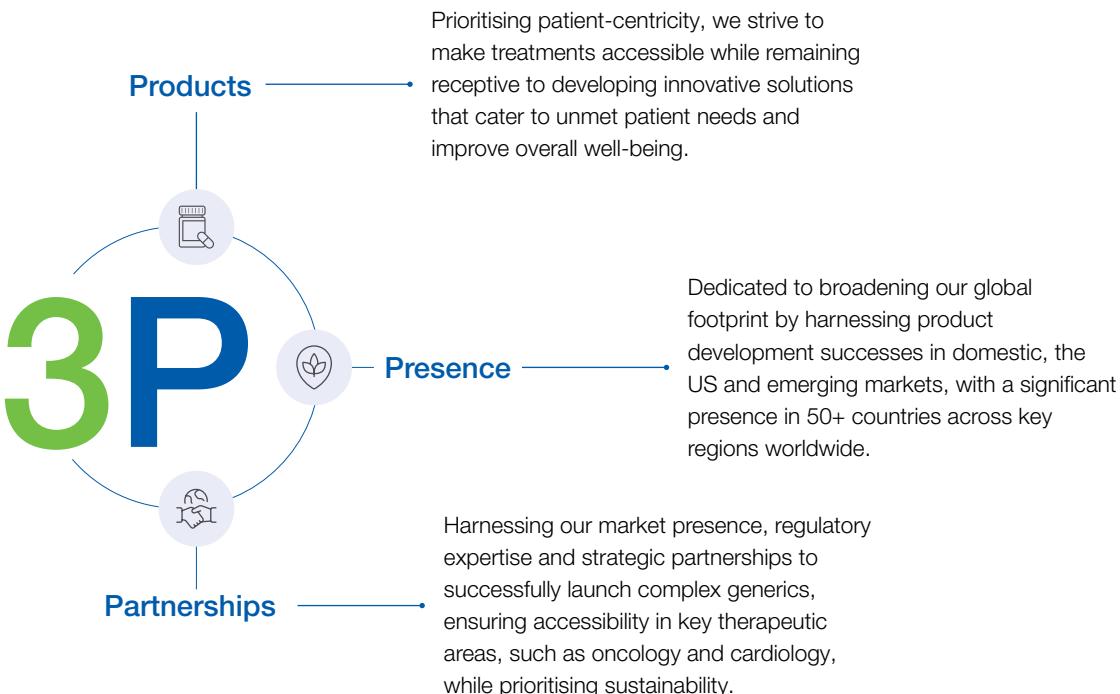
# Our Business **Ecosystem**

NATCO's vertically integrated business model and global filing strategy enables us to harness the full commercial potential of products. This approach involves utilising financial capital, regulatory compliance, human resources, manufacturing capabilities, natural capital and intellectual capital. Our value creation process centres on providing quality products to patients and farmers, while adhering to stringent quality, safety and regulatory norms, leading to growth.



Responsible Business is a cornerstone of NATCO's sustainability framework, complementing our commitment to responsible operations, employee engagement and societal actions. Our strategy for sustainable growth is anchored in three strategic pillars — Products, Presence and Partnerships — each pursued with a steadfast commitment to financial prudence, social equity and environmental stewardship.

## Our Triple Bottom Line for Responsible Business



## Our Products

1



As a R&D-focused pharmaceutical Company, we continue to focus on developing complex products — molecules that are difficult to genericise due to their intricate formulation processes, delivery methods or active ingredients. Our strategic approach of "complex products – simple" enables us to be an early entrant in bringing technically challenging products to the market, leveraging our inherent strengths in chemistry and understanding of the patent landscape.

Key Product Focus Areas:			
Niche Therapeutic Areas	Complex Generics Development	R&D Excellence	Agrochemical Innovation
We maintain a strong portfolio in oncology, gastro-hepatology, CNS-multiple sclerosis, cardiology and diabetology, while exploring opportunities in other therapy areas to build a sustainable product pipeline	We are a key player in the complex generics market, working to make treatments more accessible for patients with chronic conditions like cancer, hepatitis-C and multiple sclerosis	Our robust R&D investments focus on Para IV and Sole First-to-File (FTF) pipelines, with strategic goals including launching new products annually across segments and intensifying regulatory filing rates in RoW markets	Leveraging our expertise in organic chemistry, we focus on complex high-value products to improve crop health, establishing ourselves as a quality-conscious player

## Product Quality and Safety Excellence

Product quality remains the cornerstone of building trust with our customers. We are committed to maintaining the highest standards of quality, safety and efficacy in all our products, ensuring they meet stringent regulatory requirements. Our comprehensive approach includes rigorous cGMP compliance, robust quality control measures and strategic de-risking for business continuity.

## Diverse Business Segments

Pharmaceutical Formulations	Active Pharmaceutical Ingredients	Crop Health Sciences
<b>Domestic Formulations</b> <ul style="list-style-type: none"> <li>Oncology</li> <li>Orthopaedic/Rheumatology</li> <li>Infectious Disease/HIV</li> <li>Diabetology</li> </ul> <b>International Formulations</b> <ul style="list-style-type: none"> <li>Global Presence</li> <li>Expanding therapeutic reach worldwide</li> </ul>	<b>Active Pharmaceutical Ingredients</b> <ul style="list-style-type: none"> <li>Core chemical compounds that provide therapeutic benefits in finished dosage forms</li> <li>Manufacturing excellence in pharmaceutical raw materials</li> </ul>	<b>Crop Health Sciences</b> <ul style="list-style-type: none"> <li><b>Agro Formulations</b> Ready-to-use crop protection solutions</li> <li><b>Agro Technicals</b> Technical grade active ingredients</li> </ul>

## Pharmaceuticals

### 1. Export Formulations

Focused on high entry barriers and complex products for markets in the US, Canada, Brazil, Asia-Pacific and other regions. We have achieved a significant growth by placing emphasis on Para IV and first-to-first molecules. We look forward to achieving significant global market growth and expanding our global footprint.

### 2. Domestic Formulations

With 25 market-leading brands and 9 surpassing 100 million in sales, our strong domestic presence continues to drive year-on-year growth. Backed by 850+ sales professionals, our network spans 60,000 doctors and 1,000+ distributors.



**APIs**

We advanced our pipeline in complex oncology, CNS and CVS therapies, while strengthening exports across the US, EU, Latin America and RoW. With 45 active US DMFs and several niche products in development, our portfolio is well positioned to drive sustainable future growth.

**Agrochemicals  
(Crop Health Sciences)**

We have established our presence as a quality-conscious player in the Indian market, focusing on top-notch quality products and are poised for significant growth in the agrochemicals sector.

**Integrated Business Model****3**

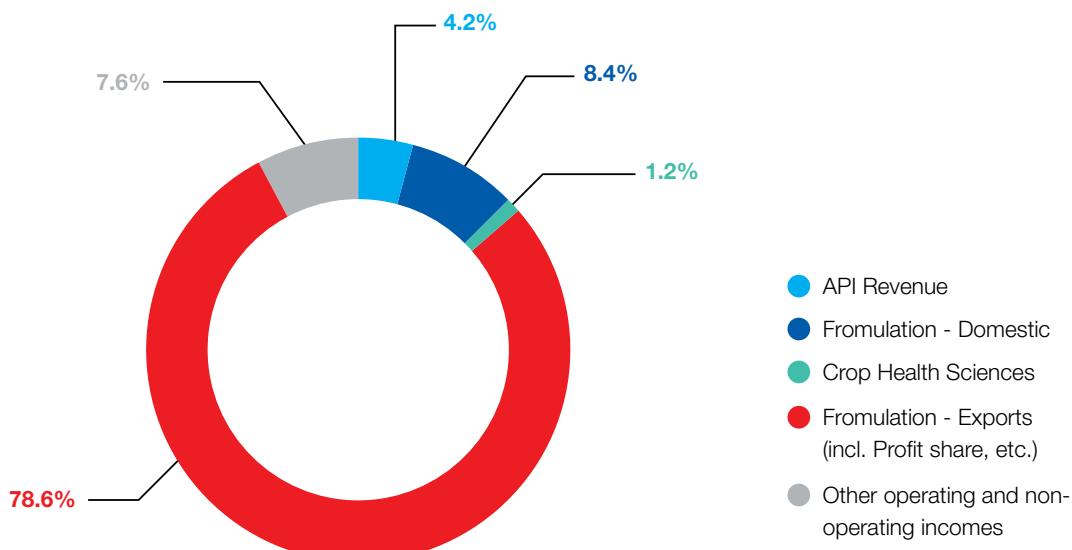
Core Business Segments

**7**

Therapeutic Specialties

**2**

Agro Product Lines

**Revenue Breakup (%) - FY24-25****₹18,834 Mn**

Profit After Tax (PAT)

**₹47,840 Mn**

Total Revenue

**₹25,505 Mn**

EBITDA

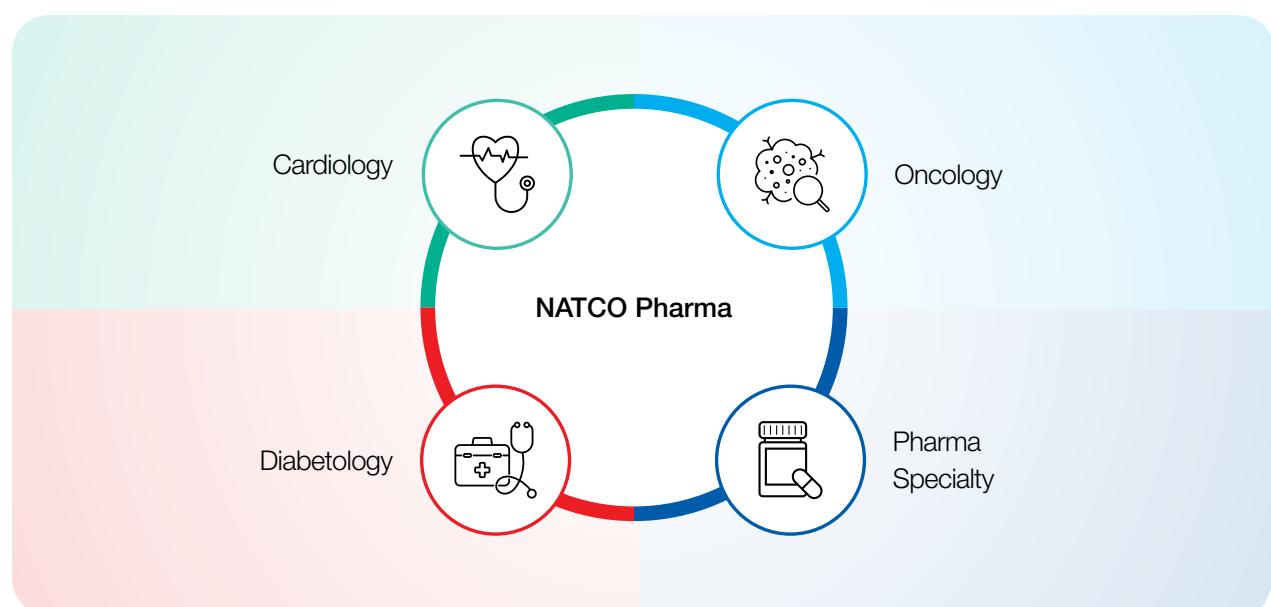
## Healing Across Horizons

At NATCO, our strategic focus continues to be on strengthening our presence across high-impact therapeutic segments. We are committed to delivering high-quality medicines that address some of the most pressing health challenges faced by patients today. Our diversified portfolio spans critical areas, including Oncology, Pharma Specialty, Diabetology and Cardiology, each supported by robust product pipelines, targeted market strategies and a patient-centric approach. Through continued innovation, deep market understanding and focused expansion, we aim to reinforce our leadership and create long-term value in these key domains.

We maintained a strong and trusted presence in oncology with our broad and evolving portfolio addressing cancers, such as leukaemia, lymphoma, multiple myeloma and lung, liver and colorectal cancers. Our Pharma Specialty division recorded significant growth, driven by an expanded portfolio covering critical care, infectious diseases and existing products in Hepatology, Gastroenterology, Neurology and Orthopaedic areas. This diversification led to higher revenue and market share. We also strengthened our sales force and market coverage, positioning for sustained growth ahead. Our diabetology strategy focuses on deeper market penetration through targeted sales and marketing, offering comprehensive solutions for diabetologists and endocrinologists nationwide. In the

Cardiology segment, we strengthened our offerings with advanced therapies in anticoagulant and anti-hypertensive categories. Our flagship product, Apigat, gained strong traction and expanded our customer base. We plan to drive growth

by expanding our product portfolio and field force, supported by awareness campaigns, education programmes, engagement drives and peer interactions to enhance visibility and outcomes.



## Crop Health Sciences



We are actively enhancing our operational capabilities through strategic investments in infrastructure and by expanding our direct and indirect workforce to support the continued growth of our Crop Health Sciences (CHS) division. These efforts aim to strengthen our market presence and deliver meaningful value to the farming community.

Our product portfolio is anchored around two core segments: pesticides

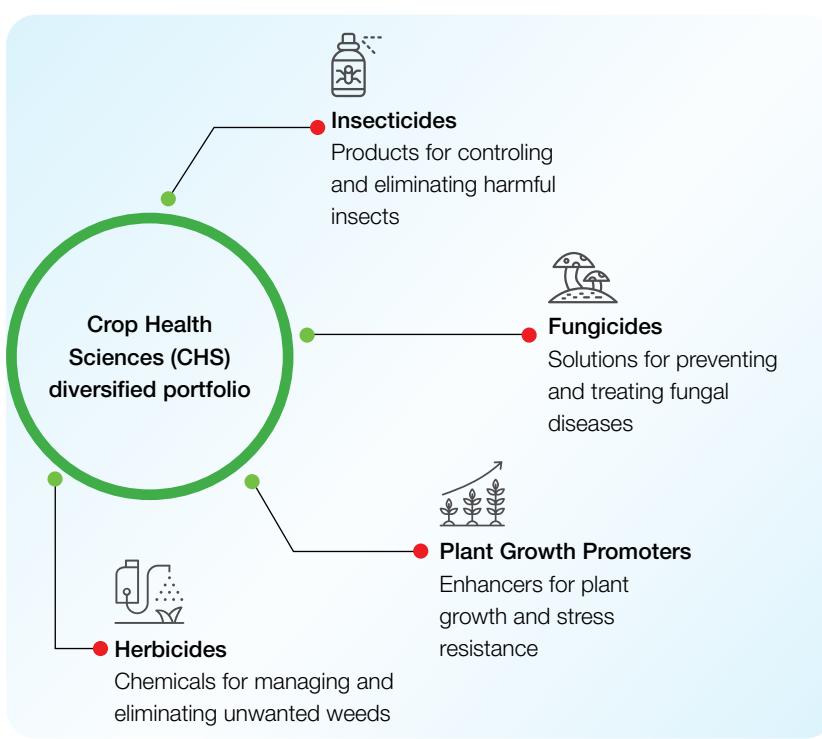
and bioproducts. We are addressing gaps in our offerings by leveraging crop phenology analysis, which enables the development of targeted agrochemical solutions tailored to the dynamic needs of Indian agriculture.

Under our integrated CHS approach, we offer a diversified and sustainable product portfolio designed to support modern, science-backed farming practices. Our offerings span four key categories.

Each category addresses the evolving challenges of agriculture and supports farmers in improving crop yield, resilience and sustainability.

Looking ahead, our strategic priorities will centre on green chemistry and portfolio optimisation. We aim to develop new, high-impact products while continuously evaluating our existing offerings based on crop growth cycles and emerging agricultural needs.

Strengthening our brand presence and deepening engagement with the farming community will be key focus areas, supported by targeted outreach and value-driven solutions. In addition, we plan to expand into international markets by launching our agrochemical products globally—unlocking new export opportunities and driving sustainable business growth.





## Our Presence

# 2

**Dedicated to broadening our global footprint by harnessing product development successes in domestic, US and emerging markets, with a significant presence in 50+ countries across key regions worldwide.**

We have expanded our geographical presence with a diverse global product portfolio, reaching patients across India, North America, Latin America, Asia Pacific, Southeast Asia and the Middle East.



### From Strategy to Impact

In FY24-25, NATCO witnessed stable performance in the domestic market, primarily driven by the strength of our oncology portfolio and the successful introduction of new products. This consistent performance is a reflection of our strategic focus on enhancing operational efficiency and capitalising on market opportunities within key therapeutic areas.

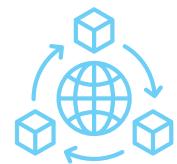
#### Key Therapeutic Areas



We placed significant emphasis on optimising our existing sales force to drive deeper market penetration and improve outreach. By equipping our field teams with targeted training, data-driven insights and product knowledge



Our marketing and distribution infrastructure across India is supported by a highly specialised and experienced field force. This team plays a critical role in ensuring timely product availability and effective customer engagement. In the oncology segment – one of our core focus areas – direct engagement with hospitals remains a key component of our distribution strategy. Hospitals serve as an essential channel for reaching patients in need of specialised therapies and for building long-term institutional relationships



Through this integrated approach of combining strong field presence, focused hospital engagement and efficient supply chain operations, we have successfully expanded our footprint in the domestic market. Our comprehensive distribution network enables us to meet growing demand, enhance patient access to high-quality medicines and reinforce our leadership across priority therapeutic segments



## Our Partnerships

# 3



**Harnessing our market presence, regulatory expertise and strategic partnerships to successfully launch complex generics, ensuring accessibility in key therapeutic areas, such as oncology and cardiology, while prioritising sustainability.**

We form strategic partnerships that leverage our expertise in complex drug development to bring products to market. Although this process involves significant scientific and regulatory challenges, we overcome them through collaborations with global pharmaceutical companies. Our approach combines backward integration of critical supplies with a focus on front-end sustainability, enabling us to accelerate the development of complex molecules.

### Industry Engagement and Associations

NATCO participates as a member of various industry associations, including:

#### National Organisations



Federation of Indian Chambers of Commerce and Industry (FICCI)



Bulk Drug Manufacturers Association of India (BDMA)



Indian Pharmaceutical Alliance (IPA)



Indian Drug Manufacturers Association (IDMA)



Indo American Chamber of Commerce (IACC)



Confederation of Indian Industry (CII)



Confederation of Indian Industry (CII)



Crop Care Federation of India (CCFI)



Agro Chem Federation of India (ACFI)



National HRD Network (NHRD)

#### International Associations



United States Food and Drug Administration



ANVISA - Brazilian Health Regulatory Agency



Health Canada



Saudi Food and Drug Authority



Federal Commission for the Protection against Sanitary Risks in Mexico



Therapeutic Goods Administration of Australia



National Organisation for Medicines, Greece

#### State-level Associations



Hyderabad Management Association (HMA)



Federation of Telangana Chambers of Commerce and Industry

## Research and Development (R&D) Capabilities



Our world-class research infrastructure plays a pivotal role in driving innovation across both pharmaceutical and agrochemical segments. With advanced operational technologies, in-house scientific expertise and streamlined manufacturing systems, we have consistently delivered niche, complex and high-impact products to the market.

In total, ₹3,733.47 million was allocated across research, infrastructure and sustainable operational capabilities to support innovation-led growth. Our team of over 450 skilled professionals continues to expand the innovation pipeline, advance technological sophistication and ensure adherence to cGMP standards and global regulatory norms.

### ₹3,733.47 Mn

Allocated across research, infrastructure and sustainable operational capabilities to support innovation-led growth

### 450

Skilled professionals

Our Key areas of R&D focus include:



#### Advancing Oligonucleotide Research

Significant investments have been made in equipment and technology to strengthen our capabilities in process development and manufacture of oligonucleotide therapeutics, an emerging class of drugs known for their precision in regulating gene expression with reduced side effects



#### Cost Optimisation and Sustainability

New methodologies are being explored to make drug production more cost-effective while lowering the environmental footprint – aligning scientific advancement with sustainability goals



#### Accelerating Drug Discovery

Our discovery team is actively developing next-generation cancer therapies, focusing on oncogenic kinases and immuno-oncology. Expertise in molecular modelling, medicinal chemistry and biophysics underpins these efforts



#### Overcoming Technical Barriers

We continue to address complex scientific and regulatory challenges through strategic infrastructure enhancements, such as investing in High-Resolution Mass Spectroscopy (HRMS), High resolution NMR, etc., to enable the development of accessible medicines

Looking ahead, R&D and capital expenditures will increasingly be directed towards technologies that improve the environmental and social performance of our products and processes. This forward-looking approach reinforces our belief that innovation must go hand-in-hand with responsibility.

# Honours and Recognition

**2016**

Golden Peacock  
Environment  
Management Award

Winner of Marketing  
Excellence Award from  
AWACS for Hepcinat as a  
'New Introduction of the Year'  
- 2016 in Acute Segment'

Winner of Marketing  
Excellence Award from  
AWACS for Gefitinat as 'Best  
Specialty Brand'

**2017**

Golden Peacock  
Occupational Health and  
Safety Award

Golden Peacock Innovation  
Management Award

NATCO's CEO, Mr. Rajeev  
Nannapaneni wins '40 Most  
Influential Indians Under 40,  
2016- 17' award from URS  
Asia One Magazine

**2018**

Business Today, India chose  
Mr. VC Nannapaneni as Best  
CEO among Pharmaceutical  
companies.

**2019**

NATCO's Chairman, Shri VC  
Nannapaneni, was awarded  
the Best CEO in the Pharma  
and Healthcare category at  
Business Today's MindRush



'Golden Peacock Innovation Management Award' in the Pharma sector

Confederation of Indian Industry (CII) awarded NATCO Trust for its participation in Haritha Haram



IPA Industry Excellence Award



Corporate Governance Award by Moneylife Foundation



Best CSR Practices Award (Mega) FY 23-24 by Department of Industries and Commerce, Telangana Government.



GreenCo - Gold Rating by CII for Environmental Sustainability awarded to Mekaguda Unit

Pharmexcil Export Performance Gold Star Award for outstanding performance in Export Formulation



## NATCO's Integrated Sustainability Framework: ESG Goals and Targets and Performance Aligned with BRSR Principles

### NATCO Sustainability Framework



#### Responsible Business



BRSR Principle	ESG Goals and Targets	Current Performance
P1	100% compliance with regulations	Reported zero incidents for non-compliance with regulations in FY 24-25
P2	ISO 14001 – 2015; Environment Management System certification for all our manufacturing facilities by 2025-26	Two API and five formulations manufacturing facilities are accredited with ISO 14001-2015 Management System standards
P9	ISO 27001; International Standard for Information Security Management Certification by 2025-26	Zero customer complaints on data privacy and cybersecurity

#### Responsible Employee Engagement



BRSR Principle	ESG Goals and Targets	Current Performance
P9	<ul style="list-style-type: none"> <li>Zero reportable incidents</li> <li>ISO 45001 – 2018; Occupational Health and Safety Management Certification for all our manufacturing facilities by 2025-26</li> <li>Imparting training to employees of 40 hours/person/year by 2025-26</li> </ul> <p><b>New ESG Goal</b></p> <ul style="list-style-type: none"> <li>Digitisation of Manual Log books (e- Log)/ Electronic Document Management System (e-DMS)</li> <li>Digitisation of learning management systems at Kothur, Nagarjuna Sagar and Vizag by 2026-27</li> </ul>	<ul style="list-style-type: none"> <li>In FY 24-25, we have recorded 0.073 Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) and total number of recordable work-related injuries are 4</li> <li>Two API units (Mekaguda and Chennai), Five Formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun and Guwahati) and one R&amp;D centre had accredited with ISO 45001-2018 OHS Management systems</li> <li>Imparted approximately 27 hours/person/year training in FY 24-25</li> </ul>

## Responsible Operations



### BRSR Principle

P6

### ESG Goals and Targets

- Enhancing the renewable energy component in energy mix to 35% by 2035
- Carbon neutrality by 2050
- Roadmap for water neutrality for our API Units located at Mekaguda and Chennai by 2025 -26
- ISO 14001 – 2015; Environment Management System certification for all our manufacturing facilities by 2025-26
- Enhancing % of RE component in fuel from 2.9% (2024-25) to 3.5% in 2025-26 and 5.7% in 2026-27

### New ESG Goal

- Planning for additional onsite solar facilities at Dehradun Site (65 KW); Chennai Site (200 KW); Vizag Site (520 KW); Mekaguda (2000 KW with Battery Storage Facility 2000 KWH); Kotur Site (600 KW) by 2026-27
- CII GreenCo Certification 50% of our manufacturing facilities by 2027-28

### Current Performance

- In FY 24-25, 25.05% of our overall electricity consumption and 12.98% of our entire energy (electricity + fuel) consumption was derived from renewable sources
- In FY 24-25, total water recycled with respect to consumption is 53.11%. Moreover, reduction in water withdrawal and water consumption compared to last year is respectively 5.21% and 8.16%
- Two API units (Mekaguda and Chennai), five Formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun and Guwahati) had accredited with ISO 14001-2015 EMS

## Responsible Societal Actions



### BRSR Principle

P8

### ESG Goals and Targets

- Aiming to enhance early childhood education outcomes by deploying an additional educators across Anganwadi Centres (AWCs), directly benefiting 500 children in the 3–6 year age group. The intervention will focus on delivering structured, highquality, play-based learning using the RIVER Multi-Grade Multi-Level (MGML) pedagogy
- Improve FLN (Foundational Literacy and Numeracy) outcomes with a partner organisation in 1356 schools in 2 districts of Telangana
- Construction of Secondary Eye Care Centre at Munipalli, Guntur, in collaboration with LVPEI (FY 25) and Extension Block at NATCO Cancer Centre in Guntur General Hospital (FY27)

### Current Performance

- NATCO Trust (CSR arm) started the implementation of the pilot initiative in 35 Anganwadi Centres in Kothur, Hyderabad Nagarjuna Sagar and Guntur benefiting 713 children
- As part of the Foundational Literacy and Numeracy (FLN) initiative, classroom practices were enhanced, mentor effectiveness improved, teacher trainings were conducted with data informed review practices in Medchal, Malkajgiri, Bhadrak and Kothagudem districts of Telangana
- Our Secondary Eye Care Centre in collaboration with LVPEI in Andhra Pradesh was inaugurated on 13<sup>th</sup> January 2025 at Munipalli Village, Ponnur Mandal, Guntur District, with an estimated 1689 people benefiting from this project
- NATCO Trust signed an MoU with the Government of Andhra Pradesh to build an extension block to the existing NATCO Cancer Centre to add more beds to the existing facility. As part of the initiative, NATCO Trust will facilitate the construction of a new 100-bed block alongside the existing 100-bed facility at the Cancer Centre

# Stakeholder Engagement and Materiality Assessment

At NATCO Pharma, we are committed to achieving excellence by nurturing meaningful collaboration with a diverse range of stakeholders. Stakeholder engagement is a fundamental element of our ESG approach, reflecting our dedication to transparency, accountability and sustainable growth. We place strong emphasis on identifying and addressing the evolving needs and expectations of our stakeholders, while continually assessing the impact of our operations and performance on them, including the effects related to our identified material topics. This inclusive and responsive engagement strategy enables us to align our business objectives with long-term environmental and social value.



## Stakeholder Engagement

Effective stakeholder engagement begins with a thorough identification and assessment of key factors such as impact, interest, legitimacy, influence and criticality. Recognising that each stakeholder group possesses distinct concerns, expectations and priorities, we adopt a structured approach

to ensure their perspectives are understood and meaningfully integrated into our decision-making processes.

## Stakeholder Engagement Process

Stakeholder engagement is a critical component of our sustainability strategy. It enables us to build meaningful

relationships, understand stakeholder expectations and integrate their perspectives into our decision-making processes. Through a structured and transparent approach, we aim to ensure that our sustainability initiatives are responsive, inclusive and aligned with the interests of those who are impacted by, or have the ability to influence our operations.

### Stakeholder Identification

This step involves identifying individuals or groups who are involved in or affected by our sustainability efforts. Recognising their roles enables us to engage more efficiently and align our initiatives with their expectations and interests.

### Stakeholder Engagement

We select appropriate and effective engagement methods, implement the strategy and gather feedback from stakeholders on relevant sustainability matters to inform our actions.

### Communicating Outcomes

We provide stakeholders with updates on how their feedback has been acknowledged and addressed.

This reinforces transparency, strengthens accountability and builds trust in the engagement process.



### Stakeholder Interest Prioritisation

Each stakeholder group's interests and influence are evaluated to prioritise engagement based on their relevance to key sustainability issues. This ensures focused and effective interactions.

### Feedback Analysis

The feedback received is analysed to identify key sustainability concerns and to assess the significance of each issue, taking into account both stakeholder perspectives and its potential impact on the organisation.

Through this structured stakeholder engagement process, we aim to build trust, ensure inclusivity and align our sustainability efforts with the expectations of our key stakeholders. By continuously refining our approach based on the feedback we receive, we enhance both the effectiveness of our actions and the long-term impact of our sustainability strategy.

## Materiality Approach

We employ a systematic materiality assessment approach that integrates stakeholder concerns and expectations into strategic decision-making. This process informs the identification of our material topics and supports the development of a strong, organisation-wide culture of sustainability across NATCO Pharma.

### NATCO's Materiality Approach – Key Steps



The identification of material topics is driven by a holistic methodology that integrates market trend analysis, risk-opportunity evaluation and active stakeholder dialogue. It also incorporates alignment with globally recognised sustainability standards and a thorough benchmarking exercise against peer practices across domestic and international landscapes.

**Table 1:** Stakeholders Groups - Significance and Mode of Engagement

	Stakeholder Groups	Importance to NATCO Pharma	Mode of Engagement	Values Delivered
External	 <b>Investors and Shareholders</b>	Provide financial capital as well as help maintain oversight over organisation's activities, ensuring good governance practices	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Annual Report</li> <li>• Investor Conferences</li> <li>• Quarterly Investor Calls</li> <li>• Investor/Analyst Meet</li> <li>• Company Website</li> <li>• Emails</li> <li>• Announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Improved returns on investment</li> <li>• Trust in ethical and transparent business practices</li> </ul>
	 <b>Government and Regulatory Bodies</b>	Regulatory shifts and policy developments not only influence operational dynamics but also unlock strategic opportunities. Sustained business viability hinges on strict compliance with legal frameworks and a steadfast commitment to ethical conduct	<ul style="list-style-type: none"> <li>• Official Communications</li> <li>• Statutory Publications</li> <li>• Audits</li> <li>• Mandatory Submissions</li> <li>• Facility Visits</li> </ul>	<ul style="list-style-type: none"> <li>• Full regulatory compliance</li> <li>• Responsible and ethical operations</li> </ul>
	 <b>Suppliers</b>	Suppliers of essential raw materials, finished goods and critical services serve as vital enablers, underpinning the seamless continuity and resilience of business operations	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits</li> <li>• Communication Media (Emails, Calls)</li> <li>• Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Timely payments and business continuity</li> <li>• Strengthened partnerships</li> <li>• Opportunities for mutual growth</li> </ul>
	 <b>Patients</b>	Patients represent the end beneficiaries of NATCO Pharma's offerings, making them the cornerstone of its value delivery. The organisation's success is intrinsically tied to its ability to consistently meet patient expectations through the timely provision of high-quality, medications	<ul style="list-style-type: none"> <li>• NATREACH</li> <li>• Patient Assistance Programme (PAP)</li> <li>• Pharmacovigilance</li> </ul>	<ul style="list-style-type: none"> <li>• Access to high-quality medicines</li> <li>• Improved health outcomes and well-being</li> <li>• Timely medical assistance through programmes like NATREACH</li> </ul>
	 <b>Farmers</b>	Farmers form the foundation of the agro-pharma value chain, playing a pivotal role in ensuring the availability of quality raw materials. The industry's progress and sustainability are closely linked to empowering farmers and addressing their needs through reliable support, innovative solutions and fair market access	<ul style="list-style-type: none"> <li>• Field Meetings</li> <li>• Media Advertisements</li> <li>• Product Demonstrations</li> <li>• Social Media</li> </ul>	<ul style="list-style-type: none"> <li>• Growth and economic Stability</li> <li>• Reliable market access and support</li> <li>• Knowledge-sharing for improved practices</li> </ul>
	 <b>Dealers and Distributors</b>	Dealers and distributors serve a vital role in facilitating the global distribution of products, ensuring their timely availability and accessibility to patients across diverse markets	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Communication Media (Emails, Calls)</li> </ul>	<ul style="list-style-type: none"> <li>• Strong distribution partnerships</li> <li>• Business expansion and growth opportunities</li> </ul>

	Stakeholder Groups	Importance to NATCO Pharma	Mode of Engagement	Values Delivered
External	 <b>Local Communities</b>	NATCO is committed to fostering meaningful, positive change within the communities it serves, embedding social responsibility at the heart of its operational footprint	<ul style="list-style-type: none"> <li>CSR Initiatives</li> <li>Interaction through NATCO trust team</li> <li>Personal Interactions</li> </ul>	<ul style="list-style-type: none"> <li>Socio-economic upliftment</li> <li>Skill development and job creation</li> </ul>
	 <b>Doctors</b>	Doctors play a vital role in bridging the gap between patient needs and therapeutic solutions, serving as trusted advisors in ensuring the appropriate and effective use of medicines	<ul style="list-style-type: none"> <li>Meetings</li> <li>Doctor Visits</li> <li>Patient Education through Doctors</li> <li>Public Awareness through Doctors</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Access to effective and timely treatments for patients</li> <li>Continuous support and medical information</li> <li>Reinforced trust in NATCO products</li> </ul>
	 <b>Media</b>	Media platforms provide a clear communication pathway to general public masses	<ul style="list-style-type: none"> <li>Press releases</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Timely and transparent updates</li> <li>Access to accurate information on company developments</li> </ul>
Internal	 <b>Trade Unions</b>	Trade Unions play a pivotal role in protecting workers' rights, maintaining industrial harmony and fostering responsible growth	<ul style="list-style-type: none"> <li>Updating New Policies, Regulations, Benefits or Addressing Grievances</li> </ul>	<ul style="list-style-type: none"> <li>Equitable work environment and fair wages</li> <li>Protection of workers' rights</li> </ul>
	 <b>Employees and Workers</b>	Employees and workers are pivotal stakeholders, acting as driving force behind NATCOs operations, innovations and long-term success	<ul style="list-style-type: none"> <li>Leadership Message And Company Activities Via Intranet Portal</li> <li>Learning and Development Programmes</li> <li>Functional and Cross-functional Committees</li> <li>Personal and Group Interactions (Safety Meetings, Cultural Events)</li> <li>Performance Management System</li> </ul>	<ul style="list-style-type: none"> <li>Career advancement and upskilling</li> <li>Safe, inclusive and engaging work culture</li> <li>Well-being support</li> <li>Job satisfaction and inclusive culture</li> </ul>

## Material ESG Topics

Undertaking a comprehensive materiality assessment is fundamental to shaping a resilient sustainability strategy and ensuring meaningful ESG disclosures. This process allows us to systematically identify, evaluate and prioritise the Environmental, Social and Governance issues that are most significant to our business and stakeholders. Through this

focused approach, we are positioned to address the most impactful challenges with clarity and purpose. Our assessment has highlighted a set of key ESG topics integral to our operations, which we are committed to advancing through a targeted sustainability roadmap and action plan.

## Material Topics Identified by NATCO

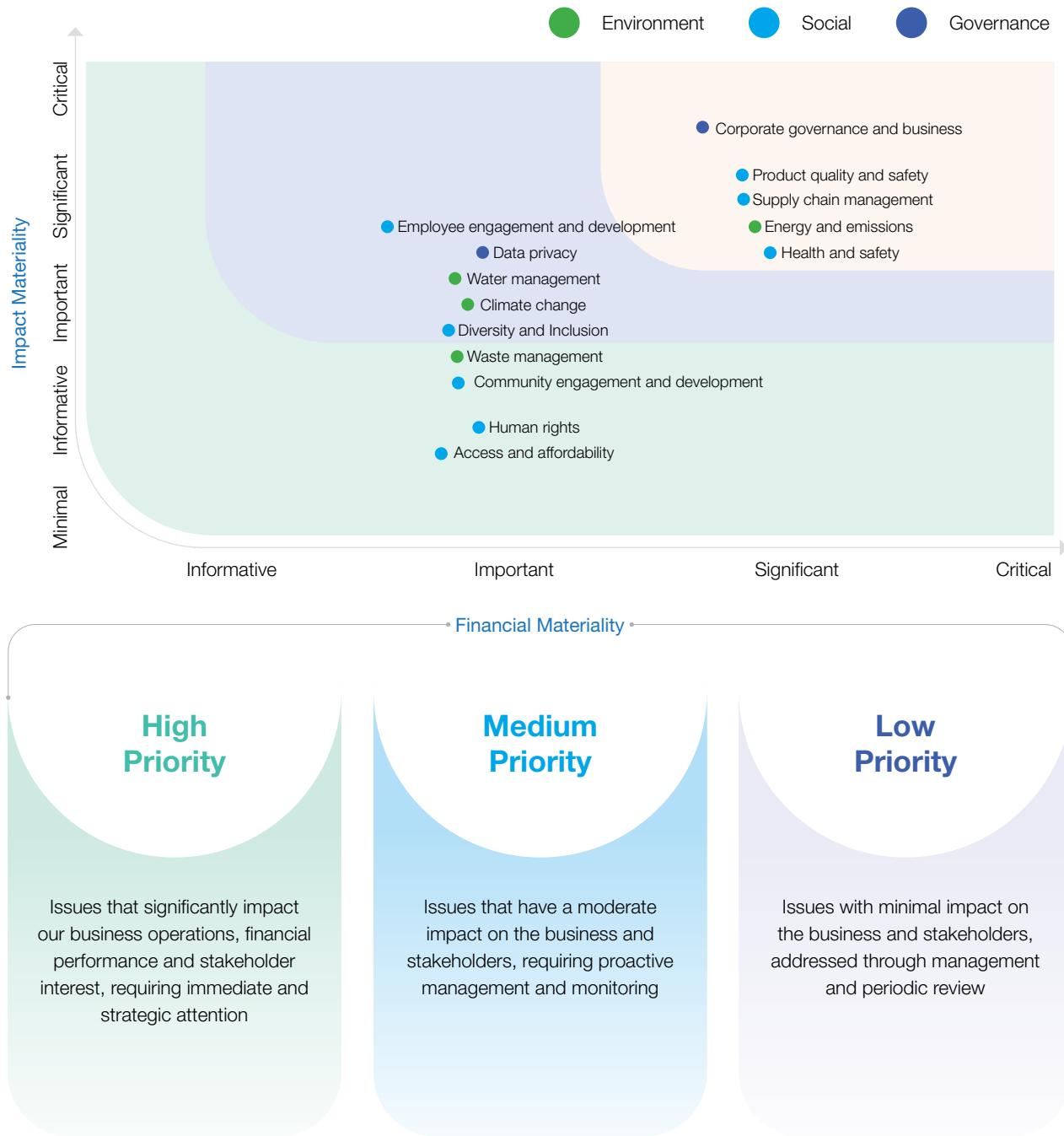
Our approach towards material topics identification ensures that our sustainability priorities are both forward-looking and contextually relevant, reflecting the evolving expectations of stakeholders. By grounding our strategy in this robust assessment, we are better equipped to address emerging challenges and create long-term value across our operations.

**Figure 1:** Material Topics Identified by NATCO



## Materiality Matrix

The Materiality Matrix offers a clear and structured visualisation of key topics, mapping their broader impact on the Company and its stakeholders and their potential financial implications. We have identified 14 such material topics which impact NATCO as well as its stakeholders – both internal and external. Each material issue is further categorised as a risk or opportunity, supported by a well-defined rationale. Where risks are identified, NATCO employs a strategic and adaptive approach—tailored to the nature of the issue—to either mitigate the threat or offset its impact through proactive measures, thereby safeguarding long-term business resilience.

**Figure 2:** Materiality Matrix

### Assessing Materiality – Evaluating Impact and Importance

Final step in Materiality assessment is the conclusive statement which defines the organisational baseline and highlights key areas for improvement in different material areas identified through the assessment. Areas where rationale instigates the idea of a positive impact generally translates to an Opportunity where a positive impact is stipulated. Risks are assigned by the topics where the standpoint of Improvement is introduced and hence, need for mitigation measures or appropriate alternatives arise. In a nutshell, A sustainable, more feasible future steps with context to sustainability become established.

**Table 2:** Environmental Material Topics

Material Issue Identified	Indicate Whether Risk or Opportunity	Rationale for Identifying the Risk/Opportunity	Implication on NATCO's Business	Financial Implications of the Risk or Opportunity	Alignment with UN SDGs
 <b>Energy and Emissions</b>	Opportunity	We have established goals to reduce GHG emissions across our facilities, with key initiatives such as sourcing renewable electricity, implementing captive solar, operating our own windmills and utilising biofuel-fired boilers to drive these reductions.	Our objective is to increase the share of renewable energy to 35% by the end of 2035. Along with that, our goal is to become carbon neutral by 2050.	<b>Positive:</b> Built-in advantages include lower overall energy costs and decreased emissions.	 
 <b>Water Management</b>	Risk and Opportunity	<p><b>Opportunity:</b> We are committed to responsible water management across all our operations. By actively monitoring and reducing water usage, we are addressing risks related to scarcity, pollution and regulatory compliance, while also securing a sustainable future for both our business and the communities we serve.</p> <p><b>Risk:</b> Water plays an essential role in pharmaceutical manufacturing, serving as a key input in the production, formulation and processing of APIs, intermediates and finished products. It is widely used in the manufacturing and cleaning activities. Therefore, water management becomes crucial for the Company's operations.</p>	<p>In FY 2024-25, we successfully recycled 53.11% of our water. Our initiatives include adopting water-saving technologies, monitoring water consumption, treating and recycling wastewater, rainwater harvesting and reuse and ensuring full compliance with water regulations.</p>	<b>Positive:</b> A strong financial outlook driven by our efforts to reduce costs and optimise water usage.  <b>Negative:</b> Costs associated with water scarcity, water pollution and fines for non-compliance.	
 <b>Climate Change</b>	Risk and Opportunity	<p><b>Risk:</b> Climate change impacts, such as extreme weather events, rising sea levels, pose risks to operations, supply chains and infrastructure.</p> <p><b>Opportunity:</b> It also presents opportunities, energy efficiency improvements and increased use of renewable energy.</p>	<p>We are conducting energy and water audits, investing in renewable energy and adapting infrastructure to mitigate the impacts of climate change.</p> <p>Our target is to increase the share of RE in our energy mix to 35% by 2035 and achieve carbon neutrality by 2050.</p>	<b>Positive:</b> Mitigation of climate-related risks and associated financial losses.  <b>Negative:</b> Costs associated with climate-related damages and regulatory compliance.	 
 <b>Waste Management</b>	Risk	Improper waste management, environmental contamination and failure to adhere to regulations can result in financial penalties, legal repercussions and harm to an organisation's reputation.	<p>We ensure adherence to best practices, keeping our production facilities operate in compliance with the standards.</p> <p>Our efforts focus on minimising organic and inorganic waste throughout all operational phases, promoting recycling and reuse while striving to limit landfill disposal.</p>	<b>Negative:</b> Costs associated with waste disposal, fines for non-compliance and remediation expenses.	

**Note:** The background colors represent priority of the material issues as below

● High   ● Medium   ● Low

**Table 3:** Social Material Topics

Material Issue Identified	Indicate Whether Risk or Opportunity	Rationale for Identifying the Risk/Opportunity	Implication on NATCO's Business	Financial Implications of the Risk or Opportunity	Alignment with UN SDGs
 <b>Product Quality and Safety</b>	Risk and Opportunity	<p><b>Opportunity:</b> Superior product quality forms the foundation of customer trust. We are committed to uncompromising standards of quality, safety and effectiveness in our products, ensuring strict regulatory compliance while exceeding customer expectations.</p> <p>Through substantial investments in rigorous quality assurance practices, we aim to reduce the likelihood of product recalls and regulatory infractions.</p> <p><b>Risk:</b> However, compromising on pharmaceutical product quality would imply a compromise on patients' overall health and wellbeing. This will also entail failure to comply with GxP (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices).</p>	<p>We follow stringent Good Manufacturing Practices (GMP) by conducting thorough testing of both raw materials and final products, ensuring validated manufacturing processes and frequent facility inspections.</p> <p>Furthermore, we maintain strong quality control measures and implement comprehensive pharmacovigilance systems to uphold safety and compliance.</p>	<p><b>Positive:</b> Ensuring superior product quality builds customer confidence, driving business growth and increased revenue.</p> <p><b>Negative:</b> Market share decline, financial setbacks and product withdrawals.</p>	 
 <b>Supply Chain Management</b>	Risk and Opportunity	<p><b>Opportunity:</b> We take a proactive approach to supply chain management, allowing us to streamline resource allocation, enhance efficiency and ensure continuous supply.</p> <p><b>Risk:</b> Despite these measures, we are still susceptible to supply chain disruptions that may affect operations.</p>	<p>Implementing supply chain transparency, diversifying suppliers, conducting risk assessments and establishing contingency plans.</p>	<p><b>Positive:</b> A robust supply chain helps prevent disruptions, enhancing overall efficiency and performance.</p> <p><b>Negative:</b> Delays in production could lead to revenue loss and failure to meet delivery timelines.</p>	

**Note:** The background colors represent priority of the material issues as below

● High   ● Medium   ● Low

Material Issue Identified	Indicate Whether Risk or Opportunity	Rationale for Identifying the Risk/Opportunity	Implication on NATCO's Business	Financial Implications of the Risk or Opportunity	Alignment with UN SDGs
 <b>Health and Safety</b>	Risk and Opportunity	<p><b>Opportunity:</b> Our employees are the foundation of our operations and we are committed to ensuring their health, safety and well-being. Minimising incidents and accidents enhances productivity and efficiency, ensuring a seamless supply of products.</p> <p><b>Risk:</b> Health and safety incidents may disrupt the production activity and impact the wellbeing of the employees and workers.</p>	<p>We have established a comprehensive EHS policy that outlines our commitment to ensuring the health and safety of all employees across our operations.</p> <p>Two API units (Mekaguda and Chennai), five formulation units (Kothur, Nagarjuna Sagar, Vizag, Dehradun and Guwahati) and one R&amp;D centre had accredited with ISO 14001- 2015 EMS and ISO45001-2018 OHS Management systems.</p>	<p><b>Positive:</b> Saved time with efficient systems in place.</p> <p><b>Negative:</b> Expenses related to workplace incidents, including medical costs, legal charges and regulatory penalties. It also leads to loss of productivity.</p>	
 <b>Employee Engagement and Development</b>	Opportunity	Skilled and well-trained employees are more efficient, creative and committed. Investing in their growth promotes talent retention and strengthens overall organisational performance.	Facilitating continuous training and development, encouraging transparent communication, acknowledging and rewarding accomplishments as well as supporting a healthy work-life balance.	<b>Positive:</b> Higher employee productivity results in higher output and efficiency, stronger talent retention, increased innovation and a positive work environment.	
 <b>Diversity and Inclusion</b>	Opportunity	Diverse and inclusive work environment drive creativity, innovation and employee satisfaction. Embracing diversity improves decision-making and nurtures a culture of belonging.	Driving diversity and inclusion initiatives, promoting equality, providing training on inclusive practices and fostering a workplace culture built on respect and acceptance.	<b>Positive:</b> Enhanced employee morale and retention, boosted productivity and strengthen our reputation as an inclusive employer.	

**Note:** The background colors represent priority of the material issues as below

● High   ● Medium   ● Low

**Table 3:** Social Material Topics (Contd.)

Material Issue Identified	Indicate Whether Risk or Opportunity	Rationale for Identifying the Risk/Opportunity	Implication on NATCO's Business	Financial Implications of the Risk or Opportunity	Alignment with UN SDGs
 <b>Community Engagement and Development</b>	Opportunity	Engaging with local communities and investing in community development initiatives cultivate strong relationships, enhance brand image and demonstrate a commitment to corporate social responsibility and community development.	Engaging in community outreach programmes, supporting local initiatives, valuing community feedback and proactively addressing local needs and concerns.	<b>Positive:</b> Positive societal impact, enhanced community relations and improved brand reputation.	
 <b>Human Rights</b>	Risk	Violations of human rights in operations or supply chain can lead to legal liabilities, reputational damage and loss of customer trust.	Implementing human rights due diligence, defining clear processes for human rights related grievances, addressing human rights issues in operations of the supply chain and collaborating with stakeholders.	<b>Negative:</b> Costs associated with legal fees, regulatory fines and loss of market share.	
 <b>Access and Affordability</b>	Opportunity	Providing access to healthcare solutions enhances patient care, advances public health initiatives and supports overall social well-being.	Implementing access programmes, adopting equitable pricing strategies and building partnerships to enhance the availability of medicines.	<b>Positive:</b> Larger market share, strengthened brand reputation, positive societal impact and increased customer loyalty.	 

**Note:** The background colors represent priority of the material issues as below:

 High
  Medium
  Low

**Table 4:** Governance Material Topics

Material Issue Identified	Indicate Whether Risk or Opportunity	Rationale for Identifying the Risk/Opportunity	Implication on NATCO's Business	Financial Implications of the Risk or Opportunity	Alignment with UN SDGs
 <b>Corporate Governance and Business Ethics</b>	Risk and Opportunity	<p><b>Risk:</b> Inadequate adherence to the highest standards of corporate governance and business ethics may lead to regulatory and reputational issues.</p> <p><b>Opportunity:</b> Corporate Governance and Business Ethics are not just about "doing the right thing" — they create real business opportunities by building trust, attracting capital, reducing risks and ensuring long-term growth.</p> <p>Our commitment to excellence enables us to foster a culture of ethics, earning the respect and loyalty of our stakeholders.</p>	<p>Code of conduct to regulate, monitor and report trading by designated persons.</p> <p>Code of practices and procedures for fair disclosure of unpublished price sensitive information</p> <p>Code of conduct for board members, senior management, personnel and employees.</p>	<p><b>Positive:</b> Establishing clear policies and processes that uphold effective corporate governance contributes significantly to ensuring long-term business sustainability.</p> <p><b>Negative:</b> Non-compliance with applicable regulatory standards can negatively impact the Company's reputation and pose risks to its long-term operational continuity.</p>	
 <b>Data Privacy</b>	Risk	The threat of trade secret loss or unauthorised disclosure of confidential information, along with potential external cyberattacks.	<p>Enforcing strong data security protocols, adhering to privacy regulations, encrypting confidential data and training employees on data protection practices. We utilize advanced firewalls, the latest anti-virus and anti-malware software and other security measures to safeguard data against both internal and external threats.</p>	<p><b>Negative:</b> Costs associated with data breaches. Failure to protect data privacy requirements can undermine the Company's reputation and threaten its long-term operational resilience. In addition, the reputational costs associated with data breaches further highlight the critical importance of safeguarding sensitive information.</p>	

**Note:** The background colors represent priority of the material issues as below

● High   ● Medium   ● Low

# Corporate Governance **Strengthening Sustainability**

**“Our commitment to strong corporate governance ensures that sustainability is deeply embedded in our business practices. By promoting transparency, ethical decision-making and accountability, we drive long-term success and value creation for all stakeholders.”**

At NATCO Pharma, we believe that effective corporate governance is essential to achieving our sustainability objectives and ensuring the enduring success of our business. As a leading player in the pharmaceutical industry, we recognise the critical role we play in advancing global healthcare while simultaneously addressing environmental, social and governance (ESG) challenges. Our governance practices are tailored to align with the evolving regulatory landscape and meet the expectations of our stakeholders, helping us build trust, uphold accountability and maintain transparency throughout our operations.

Our governance framework is centred on ethical decision-making and clear accountability, which are vital for maintaining the integrity of our business within the highly regulated pharmaceutical industry. By adhering to rigorous compliance standards and prioritising transparency, we ensure that our actions contribute to sustainable business growth while mitigating risks that may affect our patients, employees and the environment.

**“Our governance principles go beyond meeting legal requirements and are fundamental to creating long-term value for society through the provision of quality medicines.”**

We focus that financial performance shall be complied with social and environmental well-being. Our strategic decisions are made with the aim of reducing the environmental impact of our operations, safeguarding the health and safety of our employees and addressing the evolving healthcare needs of communities worldwide.

### Reinforcing Good Governance Practices

**“We are committed to leadership that drives value and responsible growth. Through clear decision-making and strong oversight at every level, we build a resilient, forward-looking organisation that earns the confidence of all our stakeholders.”**

We are deeply committed to maintaining a strong governance framework that drives sustainable performance, long-term growth and value creation for all stakeholders.

### Our Approach

At NATCO, corporate governance forms the substratum of our steadfast commitment to transparency, accountability and ethical integrity across all spheres of operation. It serves as a vital enabler that ensures our business practices not only comply with applicable legal and regulatory frameworks but also actively safeguard and enhance long-term stakeholder value. Our governance architecture is purposefully structured to cultivate a culture of responsible corporate citizenship, operational discipline and sustainable growth.

Our governance framework is both resilient and purpose-driven, ensuring strategic oversight and alignment with our long-term vision. Anchored by our Board of Directors and its specialised committees, this structure enables rigorous monitoring across key operational domains, reinforcing stakeholder confidence and upholding the highest standards of governance.

### Factors Governing NATCO Pharma's Success



#### Sustainable Growth

Promotes long-term value creation



#### Strong Governance Framework

Ensures compliance and ethical practices



#### Ethical Practices

Upholds trust and confidence among stakeholders



#### Diverse Board Expertise

Provides strategic direction and informed decisions

NATCO Pharma consistently upholds the highest standards of compliance and ethics, ensuring that all business activities reflect the Company's core values and principles. Stakeholder confidence is strengthened through ethical practices and a robust governance framework that fosters trust and promotes responsible growth. With a steadfast commitment to good governance, NATCO Pharma continues to build a forward-looking, sustainable enterprise aligned with stakeholder interests and the highest standards of corporate responsibility.

## Our Board Structure

**“As part of our ESG governance commitment, our leadership team brings continuity, strategic foresight and deep professional experience. This collective expertise underpins stable governance structures, supports ethical leadership and ensures effective oversight of our environmental and social performance.”**

### Board of Directors



M  
C  
C  
C  
M  
M

**Sri V. C. Nannapaneni**

Chairman and Managing Director



M  
M  
M  
M  
M  
M

**Sri Rajeev Nannapaneni**

Vice Chairman and CEO



C  
M  
M

**Sri P.S.R.K Prasad**

Director and Executive Vice President (Corporate Engineering Services)



M  
M

**Dr. D. Linga Rao**

Director and President (Technical Affairs)



C  
C  
M  
M  
M  
M

**Sri D. Vijaya Bhaskar**

Independent Director



M  
M

**Sri A.D.M. Chavali**

Independent Director



C  
M  
C

**Sri Lakshminarayana Bolisetty**

Independent Director



M  
M

**Dr. Kantipudi Suma**

Independent Director



M  
M

**Sri Nitin Jain**

Independent Director

● Stakeholders Relationship Committee

● Compensation Committee

● Risk Management Committee

● C Chairman

● Nomination and Remuneration Committee

● Corporate Social Responsibility Committee

● Committee dealing with Land Property

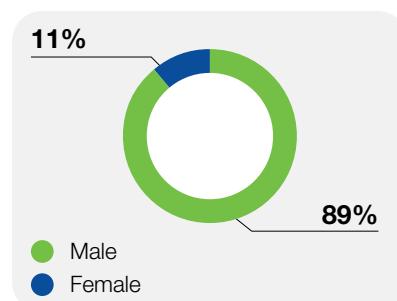
● M Member

● Audit Committee

● Buyback Committee

● ESG Committee

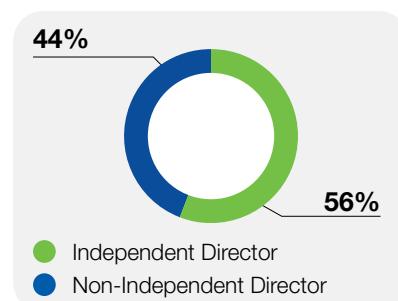
## Board Diversity



## Board Meeting Attendance



## Board Composition



## Board of Directors - Age Profile

**47 years**

Minimum Age

**66 years**

Average Age

**79 years**

Maximum Age

## Management Team

<b>Appa Rao S V V N</b> Chief Financial Officer	<b>Dr. Pulla Reddy M</b> Executive Vice President - R&D (Superannuated w.e.f. 30 <sup>th</sup> June, 2025)	<b>Dr. Ramesh Dandala</b> Executive Vice President – Technology Transfer, Intellectual Property Rights and Regulatory Affairs (API) (Superannuated w.e.f. 3 <sup>rd</sup> April, 2025)	<b>Sadasiva Rao N</b> Executive Vice President - Corporate Affairs, Legal and Secretarial, Estate Management
<b>Rajesh Chebiyam</b> Executive Vice President, Crop Health Sciences	<b>Dr. Gopalakrishnan Vaidyanathan</b> Senior Vice President - Analytical R&D	<b>Lakshminarayana A</b> Senior Vice President - HR and OD	<b>Ramakrishna Sridhar Reddy</b> Senior Vice President - Corporate Q.A (Resigned w.e.f. 30 <sup>th</sup> June, 2025)
<b>Srinivas Ch</b> Senior Vice President – Demand and Supply Planning (Superannuated w.e.f. 30 <sup>th</sup> June, 2025)	<b>Sunil Kotaru</b> Senior Vice President – Supply Chain Management	<b>Suryanarayana Reddy Malti</b> Senior Vice President - Quality Assurance	<b>Imtiyaz Basade</b> Senior Vice President-RAD (Appointed w.e.f. 4 <sup>th</sup> November, 2025)
<b>Bhimrao Dattu Jadhav</b> Senior Vice President -Operations (Appointed from w.e.f. 3 <sup>rd</sup> March, 2025)	<b>Yaramshetty Krishna Rao</b> Senior Vice President-Operations (Appointed w.e.f. 16 <sup>th</sup> June, 2025)	<b>Venkat Rao Tummala</b> Vice President - Production (Superannuated w.e.f. 31 <sup>st</sup> March 2025)	<b>Dr. Rampalli Sriram</b> Senior Vice President - CRD
<b>Sandeep Kumar</b> Senior Vice President -QA	<b>G. Vasan</b> Vice President - Operations (w.e.f. 27 <sup>th</sup> February, 2025)	<b>James Rajakumar</b> Vice President - Marketing and Sales, Domestic	<b>Nadella Malleswara Rao</b> Vice President – Head Operations
<b>Kurra Venkata Sreenivasa Babu</b> Vice President - Operations	<b>Gnanadeva Chalapathy Gudipati</b> Vice President - Analytical Research and Development	<b>Dr. Gogula Venkata Ramana</b> Vice President - Drug Development and CR	<b>Dr. Praveen Chowdary Myneni</b> Vice President - Medical Affairs and CR
<b>Dr. Pratima Jain</b> Vice President - IPR	<b>Barur Praveen Kumar</b> Vice President - IBD	<b>Dr. K.M.V. Narayana Rao</b> Vice President – ARD	<b>Dr. Dilip Manikchand Dhore</b> Vice President-CQA (w.e.f. 1 <sup>st</sup> June, 2025)
<b>T.C. Mallikarjuna</b> Vice President - QC (Appointed w.e.f. 30 <sup>th</sup> July, 2025)	<b>M.Prabhakar Rao</b> Vice President - IT and IS (w.e.f. 18 <sup>th</sup> July, 2025)	<b>M Vamsi Krishna</b> Associate Vice President - CSR	<b>Amresh Kumar Trivedi</b> General Manager - Legal
<b>Venkat Ramesh Ch</b> Company Secretary and Compliance Officer			

At NATCO Pharma, our governance structure ensures that every business decision aligns with our commitment to ethical practices, environmental responsibility and social engagement. By embedding these principles into our governance framework, we are better equipped to address the challenges of the pharmaceutical industry while making a positive contribution to global health outcomes.

In FY 2024-25, our Board comprised nine members — one female Independent Director and eight male Directors, of whom five were Independent and four were non-independent. The average age of the Board members was 66 years, with ages ranging from 47 years to 79 years. This balanced composition strengthens the Board's ability to provide diverse perspectives and informed decision-making.

Our Board plays a pivotal role in guiding the Company with independent and objective judgment. Their collective expertise provides valuable strategic direction, enabling us to navigate the complexities of the pharmaceutical sector. The diversity within the Board enhances our ability to address both opportunities and challenges, ensuring the consistent creation of long-term value for all stakeholders.

NATCO Pharma complies with SEBI (LODR) Regulations, 2015 ("Listing Regulations") and is listed on both the National Stock Exchange of India Limited and BSE Limited. In addition, we adhere to several other applicable Indian acts and regulations. Our Independent Directors meet all requirements outlined in the Companies Act, 2013 and applicable Listing Regulations, remaining fully independent of the Company's

management. They provide impartial and objective oversight, safeguarding the interests of stakeholders and ensuring adherence to the highest standards of corporate governance. The Independent Directors also convene regularly to deliberate on key matters and share their insights with the Board.

The leadership of our Board ensures that NATCO Pharma remains firmly aligned with its vision and values. Through robust governance and strategic oversight, the Board promotes ethical practices and sustainable growth, supporting responsible and profitable expansion while addressing current needs and preparing for the future.

## Expertise of the Board

NATCO's Board of Directors comprises a diverse mix of skills, educational backgrounds and professional experiences. Each member brings substantial expertise in sustainability and ESG, developed through their professional journeys. The board's collective strengths are demonstrated

through competency mapping, which outlines the specific areas of proficiency of each director. Together, the Board offers strong leadership, guiding the organisation's strategic direction, monitoring performance and shaping key policies. Their combined qualifications and experience support

informed decision making, with a focus on long-term goals and effective oversight. The competency mapping highlights the distinct expertise each board member brings to the organisation.



**Table 1: Area of Expertise of Board Members**

Name of Board Member	Focus Areas	Area of Expertise
Sri V. C. Nannapaneni	Leading strategic direction, overseeing the new drug discovery programme and driving sustainability initiatives in the pharmaceutical sector.	    
Sri Rajeev Nannapaneni	Driving new business and product development, expanding markets and ensuring sustainable growth across international markets.	    
Dr. D Linga Rao	Spearheading R&D, quality control and regulatory affairs, ensuring compliance with sustainable practices in pharmaceutical development.	  
Sri P.S.R.K. Prasad	Overseeing engineering, safety, environmental sustainability and resource optimisation, focusing on production efficiency and safety.	    
Sri A.D.M. Chavali	Spearheading corporate finance, risk management and financial governance, focusing on transparency and sustainable growth.	 
Sri D. Vijaya Bhaskar	Guiding legal expertise in corporate governance, M&A and championing sustainable business practices within complex legal frameworks.	 
Sri Lakshminarayana Bolisetty	Managing strategic financial operations, asset management and ensuring compliance with sustainability-focused financial practices.	 
Dr. Kantipudi Suma	Championing advances in reproductive health research, infertility treatments and sustainable genetic therapies.	 
Sri Nitin Jain	Leading strategic advisory services on capital raising, M&A and driving growth initiatives aligned with sustainable corporate goals.	  

## Board Evaluation

A formal annual evaluation has been made by the Board of its own performance, Chairman of the Board, its Committee(s) and individual Director(s). The performance evaluation has been done by the entire Board of Directors, excluding the Director being evaluated. Various evaluation techniques are

used to assess the performance of the Directors. The Directors have participated in this evaluation process. The Independent Directors in their separate meeting have also evaluated the performance of the Chairman of the Company, Non-Independent Directors and the Board as a whole.

In alignment with good governance practices, the Company has established a clearly articulated Remuneration Policy, which is publicly available on its website (<https://admin.natcopharma.co.in/wp-content/uploads/2025/05/Remuneration-Policy.pdf>). This policy defines the

compensation structure for Directors, Key Managerial Personnel (KMP) and Senior Management. It is formulated and periodically reviewed by the Nomination and Remuneration Committee in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Empowering Decisions- NATCO Committees

Our committees play a crucial role in empowering decision-making processes, ensuring strategic alignment and cultivating a culture of accountability and transparency. For FY 2024-25, NATCO continues to strengthen its committee structure to drive operational excellence, compliance and stakeholder value creation. The composition, roles and responsibilities of the board committees are approved by the board.

Governance committees are an essential part of how an organisation stays on track. They help ensure that important areas like compliance, risk management and strategic planning

are closely monitored and managed. Each committee has a specific focus, but together, they provide structure, accountability and guidance to support good decision-making. Their role is to make sure the organisation operates responsibly, stays aligned with its goals and maintains trust with its stakeholders.

## Independent Directors as Per Compliance

NATCO is always of the belief that an independent eye makes a difference to the way the Board functions. The presence of Independent Directors on the Board ensures that decision making of the Board is unbiased and the interests of the stakeholders are best safeguarded. There is no instance of resignation of Independent Director(s) during the financial year before the expiry of their term. The Company is in strict compliance of the several conditions in respect of Independent Directors prescribed under the Companies Act (2013) and SEBI Listing Regulations.

As of March 2025, the Board comprised 56% Independent Directors, in compliance with the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate meeting of the Independent Directors was held on 12<sup>th</sup> February, 2025, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

Our committees are designed to enhance resilience, improve strategic oversight and ensure adherence to global best practices. These committees function as independent yet collaborative units, facilitating seamless coordination across different areas of business operations. By leveraging expertise from diverse fields, we ensure that our corporate decisions are well-informed, ethically sound and aligned with long-term growth objectives.

## Roles and Functions of Committees

NATCO Pharma's Board of Directors has established key committees to oversee various aspects of corporate governance, ensuring ethical decision-making and regulatory adherence. These committees actively contribute to our goal of maintaining the highest levels of transparency, accountability and operational excellence.

### Board Level Committees

 Audit Committee	 Stakeholders Relationship Committee	 Nomination and Remuneration Committee	 Compensation Committee
 Corporate Social Responsibility Committee	 Risk Management Committee	 Buyback Committee	 Committee Dealing with Land Property
 ESG Committee			

### Other Committees

 Share Transfer Committee	 Internal Complaints Committee
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**In compliance with statutory requirements and to ensure robust corporate governance, the Company has established various Board committees.**

The following table shows the major roles and functions of the board committees. It also explains the operating mode of each committee.

Board Committees	Role and Functions	Operating Mode
 <b>Audit Committee</b>	Committee is vested with the responsibility to review, inter alia, financial reporting, internal control systems, risk management systems and the internal and external audit functions.	Meet on quarterly basis with additional meetings as needed
 <b>Stakeholders Relationship Committee</b>	Consider and resolve the grievances of security holders of the Company	Meet twice in a year
 <b>Nomination and Remuneration Committee</b>	Committee is empowered to oversee the Company's Policies relating to the Nomination and evaluation of every Director's performance and to determine the Company's Policies relating to Remuneration of the Directors, Senior Management of the Company	Meet at least once a year, with additional meetings as needed
 <b>Compensation Committee</b>	Monitors the Company's compensation policies related to ESOPs.	Meet as and when there is a requirement
 <b>Corporate Social Responsibility Committee</b>	Guiding in the creation and implementation of the Corporate Social Responsibility (CSR) vision, strategy and policies, ensuring that the Company's efforts contribute to society.	Meet at least twice a year, with additional meetings as needed
 <b>Risk Management Committee</b>	To review the effectiveness of the NATCO's risk mitigation tools and risk management functions	Meet twice in a year with additional meetings as needed
 <b>ESG Committee</b>	Oversee implementation of ESG strategy and policies, monitor progress against ESG goals, review sustainability risks and opportunities, ensure integration of ESG into business decisions and operations, guide ESG disclosures, reporting and stakeholder communication	Meet as and when there is a requirement
 <b>Buyback Committee</b>	Manage the share buyback process, overseeing and approving repurchases.	Meet as and when there is a requirement
 <b>Committee Dealing with Land Property</b>	Handle the acquisition, sale, leasing or development of land and property assets to align with the Company's strategic goals.	Meet as and when there is a requirement

**Other Committees**

 <b>Share Transfer Committee</b>	Approve Share transfers, transmissions, transpositions, etc., Delegate execution to registrars, ensure regulatory compliance, special-case physical transfers.	Meet as and when there is a requirement
 <b>Internal Complaints Committee</b>	Overlook and resolve any issues related to sexual harassment of women at workplace	Meet as and when there is a requirement

## Composition of Committees of Board

### Audit Committee

Name of the Personnel	Position
<b>Sri Lakshminarayana Bolisetty</b> Independent Director	 Chairman
<b>Sri A.D.M. Chavali</b> Independent Director	 Member
<b>Sri D. Vijaya Bhaskar</b> Independent Director	 Member
<b>Sri Nitin Jain</b> Independent Director	 Member

### Corporate Social Responsibility Committee

Name of the Personnel	Position
<b>Sri V.C. Nannapaneni</b> Chairman and Managing Director	 Chairman
<b>Sri Rajeev Nannapaneni</b> Vice Chairman and Chief Executive Officer	 Member
<b>Sri D. Vijaya Bhaskar</b> Independent Director	 Member
<b>Dr. Kantipudi Suma</b> Independent Director	 Member

### Stakeholders Relationship Committee

Name of the Personnel	Position
<b>Sri D. Vijaya Bhaskar</b> Independent Director	 Chairman
<b>Sri V.C. Nannapaneni</b> Managing Director	 Member
<b>Sri Rajeev Nannapaneni</b> Vice Chairman and Chief Executive Officer	 Member
<b>Sri Nitin Jain</b> Independent Director	 Member

### Risk Management Committee

Name of the Personnel	Position
<b>Sri V.C. Nannapaneni</b> Chairman and Managing Director	 Chairman
<b>Sri Rajeev Nannapaneni</b> Vice Chairman and Chief Executive Officer	 Member
<b>Sri P.S.R.K. Prasad</b> Director and Executive Vice President (Corporate Engineering Services)	 Member
<b>Dr. D. Linga Rao</b> Director and President (Technical Affairs)	 Member
<b>Sri Lakshminarayana Bolisetty</b> Independent Director	 Member
<b>Sri A. Lakshminarayana</b> Senior Vice President – HR and OD	 Member
<b>Sri S.V.V.N. Appa Rao</b> Chief Financial Officer	 Member
<b>Dr. Rampalli Sriram</b> Senior Vice President – CRD	 Member
<b>Sri Bhimrao Dattu Jadhav</b> Senior Vice President – Operations (Formulations)	 Member

### Nomination and Remuneration Committee

Name of the Personnel	Position
<b>Sri D. Vijaya Bhaskar</b> Independent Director	 Chairman
<b>Sri A.D.M. Chavali</b> Independent Director	 Member
<b>Sri Lakshminarayana Bolisetty</b> Independent Director	 Member
<b>Dr. Kantipudi Suma</b> Independent Director	 Member

### Compensation Committee

Name of the Personnel	Position
<b>Sri P.S.R.K. Prasad</b> Director and Executive Vice President (Corporate Engineering Services)	 Chairman
<b>Dr D. Linga Rao</b> Director and President (Technical Affairs)	 Member
<b>Sri S.V.V.N. Appa Rao</b> Chief Financial Officer	 Member
<b>Sri Rajesh Chebiyam</b> Executive Vice President – CHS	 Member
<b>Sri A. Lakshminarayana</b> Senior Vice President – HR and OD	 Member
<b>Sri Sunil Kotaru</b> Senior Vice President – Supply Chain Management	 Member

### Buyback Committee

Name of the Personnel	Position
<b>Sri V.C. Nannapaneni</b> Chairman and Managing Director	 Chairman
<b>Sri Rajeev Nannapaneni</b> Vice Chairman and Chief Executive Officer	 Member
<b>Sri P.S.R.K. Prasad</b> Director and Executive Vice President (Corporate Engineering Services)	 Member

### Committee dealing with Land Property

Name of the Personnel	Position
<b>Sri V.C. Nannapaneni</b> Chairman and Managing Director	 Chairman
<b>Sri Rajeev Nannapaneni</b> Vice Chairman and Chief Executive Officer	 Member
<b>Sri D. Vijaya Bhaskar</b> Independent Director	 Member

### Other Committee

**Internal Complaints Committee - Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Name of the Personnel	Position
<b>Dr. Pratima Jain</b>	 Presiding Officer
<b>Sri A. Lakshminarayana</b>	 Co-ordinator
<b>Sri P. Purna Chandra Rao</b>	 NGO Member
<b>Mrs. K. Kalyani</b>	 Member
<b>Mrs. G. Aarthi</b>	 Member

### Share Transfer Committee

The transfer or transmission of equity shares of the Company are approved by the Share Transfer Committee, the power of which has been delegated to the Share Transfer Agents/ Registrars of the Company.

### Sustainability Governance – Driving Long-term Impact

Environmental, Social and Governance (ESG) governance continues to be a cornerstone of our sustainable business vision. In FY 2024–25, we strengthened our ESG governance practices to ensure that sustainability is embedded not only in our strategy but also across day-to-day operations.

Our approach to ESG is based on the principles of transparency, accountability, inclusiveness and continuous improvement. We recognise that robust ESG governance enables better decision-making, risk mitigation, stakeholder trust and long-term value creation.

### ESG Oversight and Structure

Our ESG is driven by a structured and participatory approach that brings together key leadership and functional expertise. The governance structure ensures strategic alignment and supports effective execution of sustainability-related actions across the organisation.

Our ESG consists of the following key layers:

#### NATCO ESG Committee

Comprise 6 member and is chaired by the Director and Executive Vice President

 <b>Board of Directors</b> Strategic guidance and oversight on initiatives
 <b>Key Management Personal</b> Offer expertise for informed decision-making
 <b>Functional Heads</b> Provide departmental input on sustainability

#### Board of Directors

- Provides strategic oversight on ESG-related matters
- Reviews alignment of sustainability efforts with the organisation's vision and long-term objectives

#### Core ESG Committee

- Serves as the apex decision-making body for ESG and sustainability initiatives
- Comprises Key Management Personnel (KMPs) and heads of key departments such as Environment, Health and Safety (EHS), Procurement and chaired by a director, Operations, Human Resources and Compliance

#### Functional and Site-Level Teams

- Responsible for implementing ESG programmes and initiatives within their areas of operation
- Provide feedback and report performance to the central committee

### Key Responsibilities and Functions

-  **1** Goal Setting and Strategy Development
-  **2** Policy Formulation and Review
-  **3** Programme Implementation
-  **4** Performance Monitoring and Reporting
-  **5** Capacity Building and Awareness

#### **1** Goal Setting and Strategy Development

Establishing short, medium and long-term sustainability goals, aligned with industry standards and stakeholder expectations.

#### **2** Policy Formulation and Review

Developing, updating and enforcing policies related to environmental management, social performance, ethical conduct and governance.

#### **3** Programme Implementation

Ensuring the effective roll-out of ESG initiatives across locations and business units.

#### **4** Performance Monitoring and Reporting

Tracking progress through defined KPIs, reviewing sustainability metrics and supporting transparent disclosures through various reporting frameworks.

#### **5** Capacity Building and Awareness

Promoting sustainability awareness, cross-functional collaboration and employee engagement through training, workshops and knowledge-sharing sessions.

## Integration with Business Functions

To ensure ESG is fully integrated into business operations, representatives from various departments actively participate in ESG planning and implementation. This includes aligning sustainability initiatives with:

- Procurement and supply chain practices
- Resource efficiency and emissions reduction in manufacturing
- Employee health, safety and well-being
- Community engagement and social development
- Compliance and ethical governance standards

## Continuous Improvement and Future Outlook

We recognise that ESG governance is an evolving area. We are committed to periodically reviewing and refining our ESG governance framework in response to stakeholder feedback, regulatory developments and emerging sustainability risks and opportunities.

As we move forward, we aim to further institutionalise ESG considerations into all levels of decision-making, driving positive outcomes for business, people and the environment.

## Our Commitment to Sustainability

NATCO is committed to sustainable growth through

- Increased investments in clean energy, particularly solar and wind
- Implementation of water conservation and wastewater treatment practices
- Focus on employee wellbeing and community development through NATCO Trust
- Adherence to responsible corporate governance practices

As we move forward, NATCO continues to balance growth aspirations with responsible emphasis on environmental, social and governance factors as an integral part of our business strategy.

## Upholding Integrity- Commitment to Business Ethics, Compliance and Integrity

At NATCO Pharma, we uphold the highest standards of ethical conduct, transparency and integrity in all aspects of our operations. We believe that sustained business performance can only be achieved by embedding strong governance and ethical values across our value chain. Our commitment to ethical business practices is reflected in the robust systems and policies we have institutionalised, ensuring that every stakeholder – from executive leadership to frontline operations – acts with honesty, fairness and accountability.

Our senior leadership sets the tone from the top, consistently reinforcing the importance of ethical conduct.



## Embedding Ethical Conduct Across the Organisation

NATCO's Code of Conduct for the Board, Senior Management Personnel and Employees sets the tone at the top and ensures that integrity and professionalism guide our actions at every level. It outlines principles related to

- Anti-bribery and anti-corruption
- Prevention of harassment and discrimination
- Avoidance of conflict of interest
- Respect for confidentiality and intellectual property
- Fair competition and responsible marketing

All employees, including contractual staff, are required to complete periodic training related to the Code.

## Core Elements of Ethical Business



## Insider Trading Controls and Fair Disclosure

To promote market integrity and investor confidence, we have adopted

- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, which governs trading in company securities by insiders and
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, which ensures timely, uniform and accurate disclosure to all stakeholders.

These policies are implemented under the guidance of the Compliance Officer and are strictly enforced, with penalties for violations.



## Speak-Up Culture and Whistleblower Safeguards

Our Whistleblower Policy reflects our commitment to transparency and non-retaliation. It enables employees, vendors and stakeholders to report unethical behaviour or compliance violations in a confidential and secure manner. Key features include:

- Anonymous reporting through secure digital and physical channels
- Independent committee-led investigations
- Escalation of critical matters to the Audit Committee
- Assurance of protection against retaliation

We actively encourage employees to speak up and awareness campaigns are conducted periodically to reinforce trust in the system.



## Commitment to Compliance and Accountability

Our internal compliance framework aligns with applicable laws such as the Companies Act, SEBI LODR Regulations and global anti-bribery standards including the Foreign Corrupt Practices Act (FCPA). Oversight is ensured through:

- Periodic internal audits and compliance reviews
- Training for high-risk roles (e.g., procurement, regulatory, finance)
- Risk-based due diligence of vendors
- Board and committee-level monitoring of ethics and compliance risks

The Board of Directors, along with key sub-committees such as the Audit Committee, plays a critical role in driving governance excellence, monitoring breaches and guiding corrective action.

## Complaints Overview – FY 2024–25

We maintain a transparent system to record and resolve complaints across key compliance and operational areas. A summary is provided below:

Types of Complaints	Received During the Year
Data privacy	NIL
Advertising	NIL
Cyber-security	NIL
Delivery of essential services	NIL
Restrictive Trade Practices	NIL
Unfair Trade Practices	NIL
Others (Specifications, Labelling and Packaging, Product)	NIL

Note: Complaints if any, are reviewed and investigated as per internal protocols, with timely escalations to relevant authorities where required.



## Regulatory Compliance

NATCO Pharma remains steadfast in its commitment to full regulatory compliance and timely disclosures to relevant authorities, thereby upholding the highest standards of legal and professional business conduct. Transparency is a core value that is strongly embedded in the Company's culture. The Board is fully cognizant of its responsibilities to the nation and remains dedicated to follow its enduring core values.



## Ethical Decision Making

Our Board is committed to following the Company's Code of Conduct, thereby establishing a clear foundation for ethical business practices that are fully integrated into the decision-making process.



## Accountability

Our commitment to accountability is reflected in our robust ESG governance framework, where clearly defined responsibilities and regular performance reviews. Through transparent reporting and data-driven evaluation, we ensure that our efforts to impact lives and sustain communities remain measurable, auditable and consistently aligned with our long-term purpose.



## Safety and Quality – Pharmacovigilance

At NATCO, patient health and safety form the cornerstone of our operations. We uphold rigorous standards of product quality and safety through proactive, transparent systems and processes, complemented by clear and responsible communication with patients, healthcare professionals and stakeholders regarding the benefits and potential risks of our products. These guiding principles are embedded within our core values.

## Our Commitment Moving Forward

**“By institutionalising integrity across all business operations, NATCO Pharma ensures that ethics remain a cornerstone of corporate governance, stakeholder trust and sustainable growth. We remain committed to periodic review and improvement of our ethical systems in response to emerging risks, stakeholder expectations and regulatory developments.”**

## Policies and Procedures

At NATCO Pharma, our commitment to ethical governance and regulatory compliance is operationalised through a comprehensive suite of policies and procedures. These frameworks are meticulously designed to guide conduct, mitigate risks and ensure transparency, accountability and integrity in all facets of our operations.

Policies serve as the guiding principles that define how we operate, while procedures translate those policies into structured actions and workflows, ensuring consistent implementation across departments and locations. Together, they shape a resilient governance framework that safeguards the interests of all stakeholders—employees, investors, regulators, communities and customers.

## Governance Through Policy Integration

We maintain a robust portfolio of policies that cover a wide spectrum of business areas including ethics, compliance, board functioning, employee conduct, information security, stakeholder engagement and financial transparency. These policies are not static documents but are reviewed periodically by the Board and relevant committees to reflect evolving regulatory landscapes, ESG imperatives and industry best practices.

Some policies are driven by statutory requirements, while others are voluntary yet strategic in nature, reinforcing our leadership in ethical and sustainable corporate governance.

## NATCO Pharma Limited – Policy Disclosure

Policy Name	Objective
Risk Management Policy	To identify, assess and mitigate strategic and operational risks.
Code of Conduct for the Board, Senior Management Personnel and Employees	To define expected ethical behavior and uphold an integrity-driven culture.
Whistleblower Policy	To provide a safe channel for reporting concerns without fear of retaliation.
Nomination and Remuneration Policy	To ensure fair, transparent and merit-based recruitment and compensation practices.
Dividend Distribution Policy	To outline a consistent and sustainable approach to returning value to shareholders.
Related Party Transactions Policy	To regulate and disclose transactions involving related parties to avoid conflicts of interest.
Materiality Policy	To identify and disclose material financial and non-financial information transparently.
Policy on Preservation and Archival of Documents	To ensure systematic retention and retrieval of important company documents.
Determination of Material Subsidiaries Policy	To define criteria for identifying significant subsidiaries for disclosure and compliance.
Code for Fair Disclosure of Unpublished Price Sensitive Information	To regulate and facilitate fair public disclosure of Unpublished Price Sensitive Information.
Code for Trading by Designated Persons	To ensure that insider trading regulations are strictly followed by employees and insiders.
Stakeholder Grievance Redressal Policy	To address stakeholder concerns effectively and enhance trust and transparency.

## Procedural Implementation and Oversight

Each policy is accompanied by defined procedures that lay out operational steps, roles, responsibilities, timelines and escalation protocols. This ensures:

- Uniform implementation across all business units and subsidiaries
- Measurable compliance through internal audits and management reviews
- Training and awareness sessions.
- Documentation and reporting mechanisms to enhance traceability and accountability

## Policy Accessibility and Awareness

All policies and procedures are

- Digitally accessible via the NATCO website
- Regularly communicated through employee training, emails and compliance campaigns
- Monitored through internal controls, with deviations flagged for corrective action



### Data Protection Commitment

Maintained 100% compliance with global privacy and security standards.

## Trust in the Digital Age - Our Commitment to Privacy and Security

At NATCO Pharma, trust is at the core of everything we do. In today's connected digital environment, the need to safeguard sensitive information - whether of our patients, customers, employees or business partners - has never been more critical. We understand the significance of data privacy and are deeply committed to maintaining the highest standards of security across our digital operations.

To strengthen our digital infrastructure, we have implemented robust data protection policies, advanced cybersecurity protocols and proactive risk management practices. Our systems are aligned with applicable global and national data protection laws and regulatory frameworks, ensuring compliance, transparency and the ethical handling of information.

Cybersecurity awareness and engagement are key to our approach. Employees and relevant partners are provided regular training to stay informed about cyber risks, safe data handling practices and the importance of vigilance. Through periodic assessments and audits, we stay ahead of evolving threats while building a culture rooted in accountability and preparedness.

## Cybersecurity and Data Privacy Mechanisms

In an increasingly interconnected digital environment, NATCO Pharma recognises the critical importance of cybersecurity and data privacy as foundational to building stakeholder trust, ensuring operational continuity and upholding regulatory compliance. Our Data Privacy and Cyber Security Policy is a comprehensive framework that lays out responsibilities, acceptable practices and response protocols to manage digital risks and maintain robust information governance.

As part of this policy, we have instituted well-defined mechanisms designed to ensure operational discipline, mitigate cyber threats and enhance our organisation's overall digital resilience.



1 Access Control	2 Responsible Use of Information	3 Data Protection Measures	4 Data Leakage Prevention (DLP)	5 Awareness and Training Programmes
<p>Access to systems and data is strictly controlled and granted only to authorised personnel based on their functional responsibilities. Role-based access controls ensure that individuals access only the information necessary for their job functions, thereby minimising exposure to unnecessary or sensitive data. This is enforced through user authentication, password protection and periodic access audits.</p>	<p>All employees, contract staff and vendors are required to handle data responsibly. As per policy, no individual is permitted to disclose, share or distribute confidential information—including personal or business-sensitive data—in a manner that could lead to reputational, legal, operational or ethical consequences. Misuse of data is subject to disciplinary action and may lead to formal investigations.</p>	<p>We employ a multi-layered approach to cybersecurity that includes both preventive and detective controls. Firewalls, intrusion detection systems, secure endpoints, antivirus software and encryption protocols help defend against external threats.</p>	<p>To prevent the unauthorised transmission of sensitive information, we implement Data Leakage Prevention tools and configure our systems to restrict high-risk behaviours such as uploading files to unapproved cloud platforms or sending sensitive files via unsecured channels. These controls help ensure data integrity and confidentiality across our digital infrastructure.</p>	<p>We recognise that people are often the first line of defense in cybersecurity. Regular awareness sessions, workshops and training modules are conducted to sensitise employees and all our stakeholders about phishing attacks, password hygiene, regulatory obligations and ethical handling of information.</p>

## Safeguarding Information

At NATCO Pharma, we believe that strong governance and accountability are key to protecting our data and staying ahead in cybersecurity. Our Senior Leadership Team takes this responsibility seriously, ensuring we have the right systems, policies and resources in place to keep sensitive information secure, maintain compliance and earn the trust of our stakeholders.

Our Data Privacy and Cybersecurity Policy applies to everyone—employees, contractors and suppliers/vendors—who accesses our IT systems or handles important information. Everyone's roles and responsibilities are clearly set out and following these guidelines is mandatory. We conduct internal audits, management reviews and risk assessments to promptly identify and resolve gaps.

Violations or deviations from the policy trigger formal investigations and, where necessary, disciplinary actions in accordance with internal codes of conduct. Furthermore,

By making accountability a priority at every level—from individual employees to executive management—NATCO creates a digital environment that is secure, transparent and trustworthy.

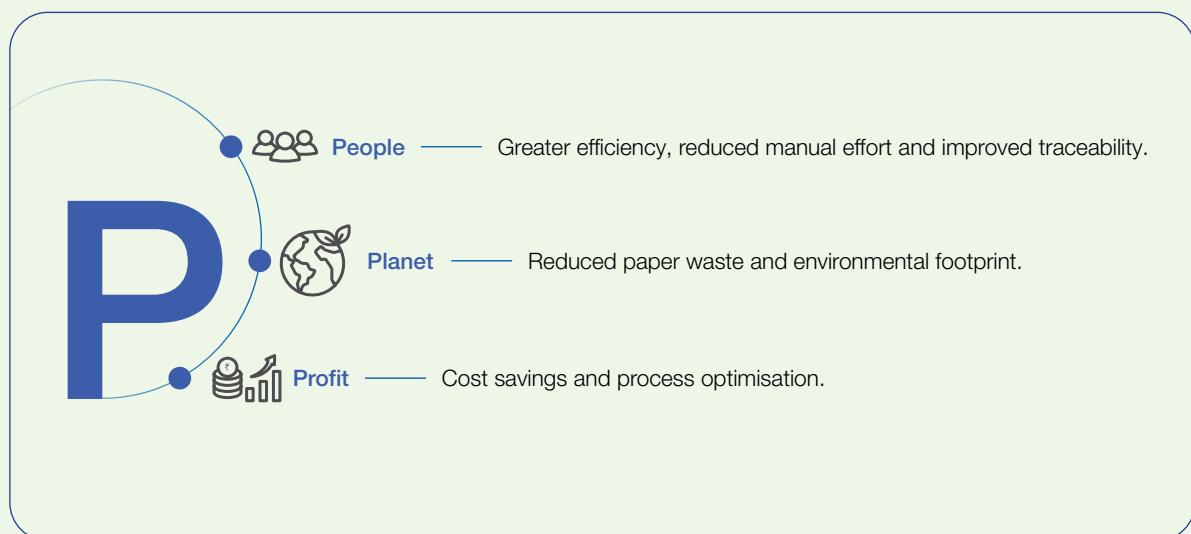
## Snapshot of Digital Initiative at Kothur

As part of our ESG initiatives, a dedicated sustainability workshop was conducted at our Kothur (Formulation) facility. The cross-functional team identified a series of digitalisation initiatives aimed at advancing our sustainability goals under the Planet, Profit and People pillars.

### Highlights of the Initiatives

- Document E-Signature (NATCO-DocX): Secure e-signatures replacing physical approvals (Target: July 2025).
- User Access Management: Digital requests and traceable approvals (Target: November 2025).
- Electronic Logbooks (e-Logs): Complete digitalisation of logbooks (Target: December 2025).
- Electronic Document Management System (e-DMS): End-to-end digital workflow (Target: March 2026).
- SAP Plant Maintenance Module: Digital integration of maintenance systems (Target: October 2025).

### Impact Across ESG Pillars



## Scope of Responsibility



### Zero Breaches

Zero major or material cybersecurity breaches reported.



### Employee Training

Cybersecurity awareness for employees



### Zero Tolerance

Strict Zero Tolerance policy for internal or external data leaks



### 24 x 7 Monitoring

Continuous monitoring of IT systems for Threat detection



### New Joinee Training

100% of new employees trained on data confidentiality protocols during induction



### No External Complaints

Zero Data privacy violation complaints received from vendors/suppliers



### Grievance Redressal

100% cyber/data grievance cases resolved within Turnaround Time (TAT)

All individuals accessing or using the Company's IT resources—whether internally or through third-party relationships—are obligated to follow the Data Privacy and Cyber Security Policy. This includes protecting data confidentiality, preventing unauthorised access and ensuring responsible usage.

## Leadership Oversight

Senior personnel are entrusted with ensuring that appropriate technical and organisational safeguards are in place. This includes:

Maintaining a secure digital infrastructure

Overseeing threat assessments and mitigation actions

Ensuring compliance with relevant legal, regulatory and contractual standards

Championing a culture of responsible digital behavior and ethics

To uphold transparency and responsiveness, NATCO has instituted a robust reporting and escalation mechanism. Employees and stakeholders are encouraged to report any suspected data breaches, unauthorised access or misuse of information through designated channels such as their reporting managers, the IT department, functional heads or the grievance redressal officer. All reports are handled with strict confidentiality and addressed promptly.

Any breach of cybersecurity protocols—whether intentional or accidental—is treated with utmost seriousness. Disciplinary actions are enforced based on the severity and impact of the violation and may include restricted system access, formal warnings, termination of employment or contract or legal proceedings. Importantly, cybersecurity at NATCO is viewed not merely as an IT function but as a shared responsibility. While NATCO provides the necessary tools, systems and policies, it is the ethical conduct, awareness and vigilance of each individual that collectively ensure the resilience, security and compliance of our digital ecosystem.

**“Ensuring accountability and resilience in cybersecurity is not just a regulatory obligation, but a business imperative. With clearly defined responsibilities, proactive oversight and a strong culture of awareness. This collective vigilance, supported by robust systems and timely interventions, helps safeguard sensitive information and uphold stakeholder trust in today’s digital age.”**

## NATCO – Initiatives Planned for FY 2025–26

- **Salesforce Customer Relations Management** – further enhancing and increasing adoption to ensure faster information and reduce paper-based transactions from the field.
- **Digitisation of documents/log books** to reduce paper-based transactions across the Company.
- **Minimalist Approach** - Reduction of printers across the Company.
- **IT Infrastructure Development** - Virtualisation of servers.

# Risk Management

## Strategic Risk Management: Proactively Safeguarding Our Interests

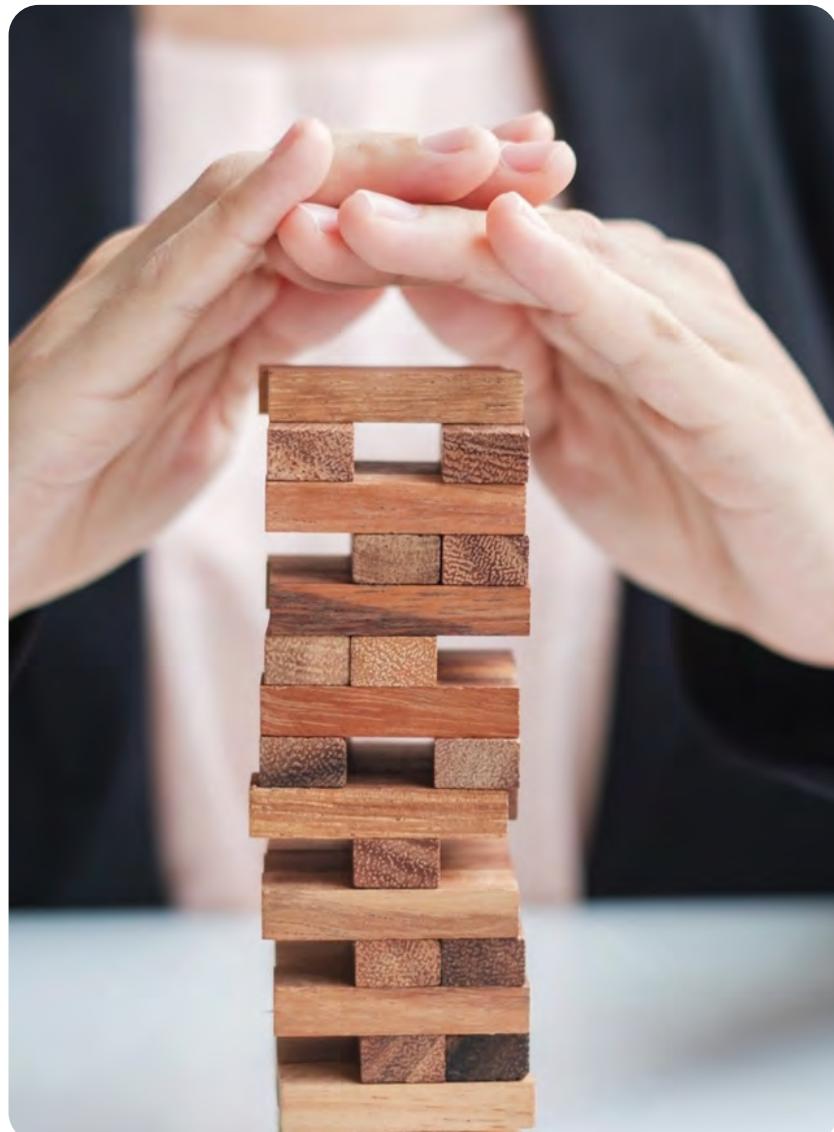
At NATCO Pharma Limited, strategic risk management is foundational to our mission of long-term business resilience, stakeholder trust and sustainable growth. We recognise that the pharmaceutical landscape is complex and rapidly evolving, with multifaceted risks that can impact every facet of our operations-from supply chain logistics and regulatory compliance to innovation and market dynamics. A rigorous, multi-layered risk management approach enables us to anticipate challenges, safeguard opportunities and fulfil our commitments to patients, investors and society at large.



## Key Enablers of NATCO's Risk Management System

NATCO Pharma Limited's risk management system is built on a clearly defined policy, robust governance structure and an organisation-wide framework. The Risk Management Policy, aligned with the Companies Act, 2013 and SEBI (LODR) Regulations, enables systematic identification, assessment, mitigation and monitoring of risks across all levels—enterprise, division, unit, subsidiary and joint venture. The Risk Management Committee, constituted by the Board, includes senior leaders such as the Chairman, CEO, CFO (also designated as the Chief Risk Officer) and other key executives.

The committee is responsible for overseeing risk processes, evaluating key exposures, reviewing internal controls and recommending mitigation strategies to the Board. NATCO's Risk Management Framework allows for multi-level risk assessment and applies structured responses including risk transfer, avoidance, retention and sharing. Senior Management is accountable for implementing risk controls across departments. The policy is reviewed regularly to ensure it remains relevant and effective, supporting responsible decision-making and long-term business continuity.



### Key Enablers of NATCO's Risk Management System



#### Policy

NATCO's Risk Management Policy, aligned with Companies Act 2013 and SEBI (LODR), Regulations, 2015, ensures systematic identification, assessment and mitigation of risks across all business levels. It promotes a proactive approach to manage financial, operational, environmental and compliance risks.



#### Committee

The Risk Management Committee, comprising Board of Directors, Senior executives and the Company Secretary, oversees the risk framework. It regularly reviews key risks, monitors mitigation plans and reports to the Board for strategic decision-making.



#### Framework

NATCO's multi-tiered framework enables enterprise-wide risk assessment and control. It focuses on risk identification, prioritisation and action planning across departments. The framework supports resilience, compliance and informed responses to emerging risks.

## Strategic Risk Management

### NATCO Risk Management Framework

A structured and organisation-wide framework ensures that risks are systematically identified, assessed, mitigated and monitored. It aligns with regulatory requirements and best practices, covering all levels—enterprise, business units, as well as project- and

process-specific exposures. At NATCO Pharma Limited, risk management is embedded as a core organisational discipline that enables strategic foresight, operational continuity and sustainability alignment.

Our Risk Management Framework is structured around four interconnected steps: risk identification, assessment, mitigation and monitoring. This four-step framework ensures that risks are managed systematically and proactively across all levels of the enterprise.

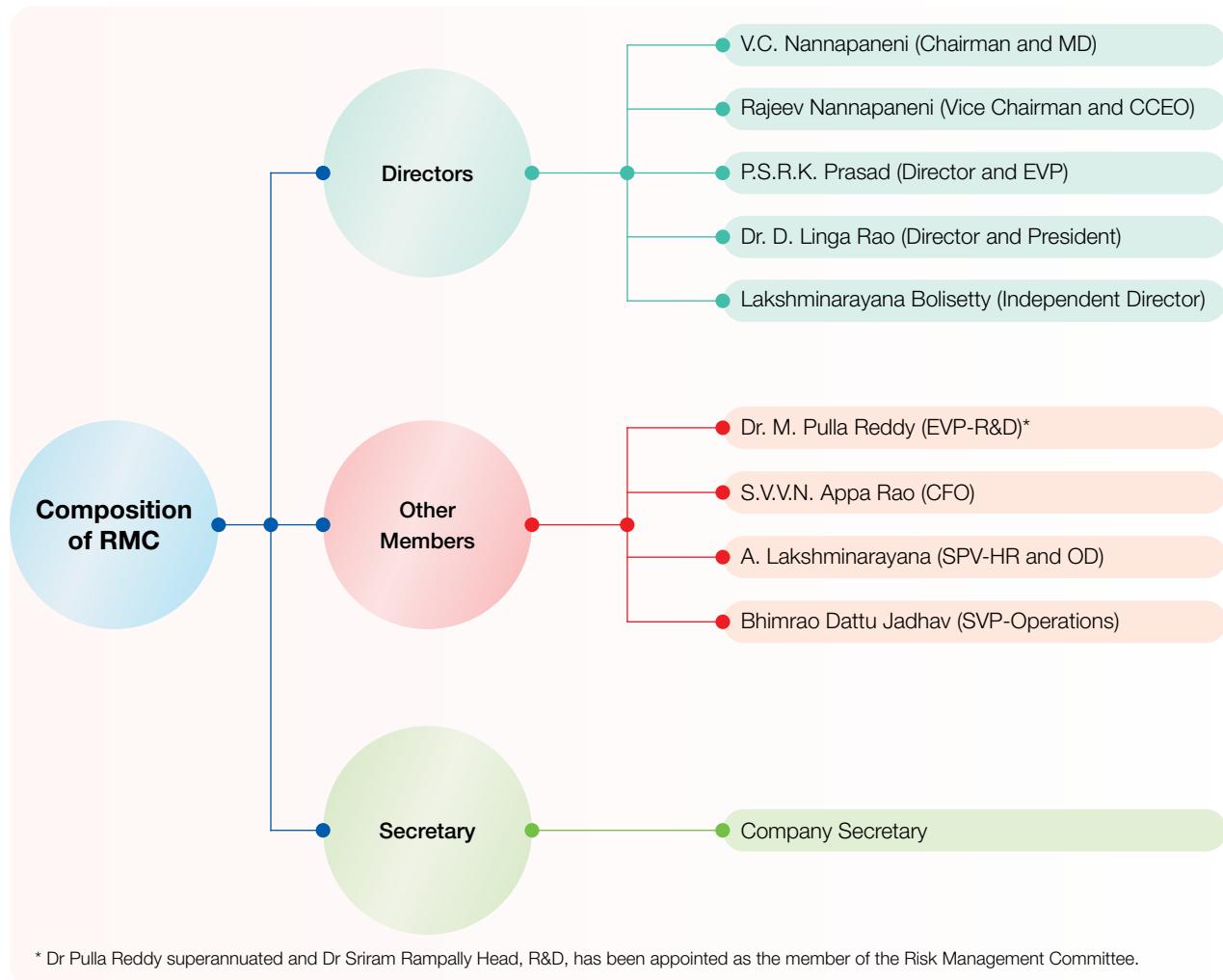


## Risk Management Committee (RMC)

The Risk Management Committee (RMC) plays a critical role in overseeing the Company's risk management framework and ensuring that potential risks are identified, assessed and mitigated effectively. The composition of the Committee is structured to include key members of the Board and senior executives, ensuring a comprehensive and strategic approach to risk oversight.

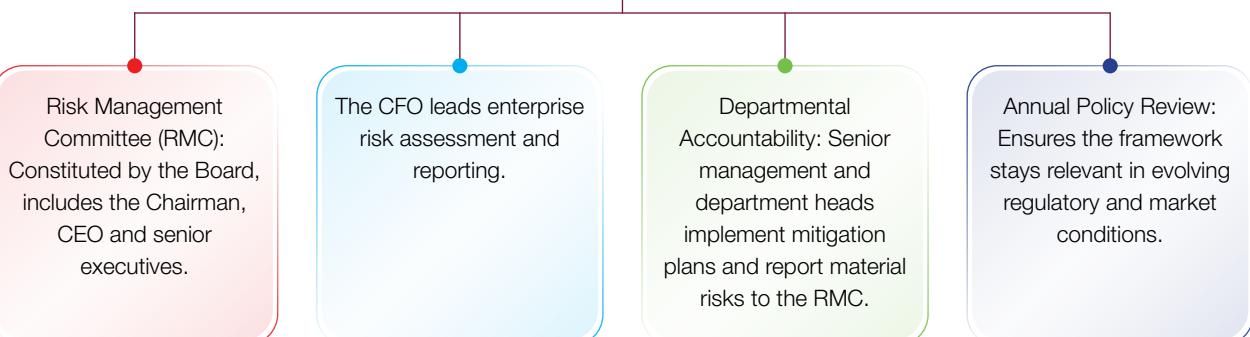
### RMC Composition

At present, the Risk Management Committee comprises the following directors, members and Company Secretary.



We have established a structured risk governance framework led by a dedicated Risk Management Committee. This committee ensures enterprise-wide oversight with clearly defined roles, accountability mechanisms and regular policy reviews to stay aligned with evolving risks.

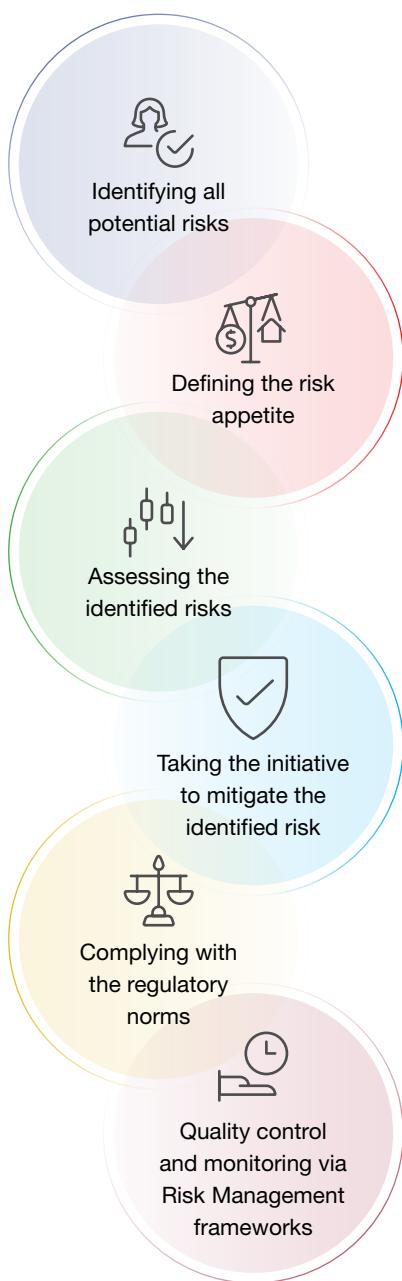
### Strategic Elements



## Risk Identification and Management Process

Risk management is a proactive and integral part of our strategic and operational planning. Our Risk Management Process is designed to systematically identify, assess, mitigate and monitor potential risks across all areas of the organisation. This structured approach ensures resilience, regulatory compliance and sustained stakeholder confidence—especially vital in the dynamic and highly regulated pharmaceutical industry.

## Risk Management Process



### Identifying all potential risks

We begin by identifying a comprehensive set of risks—both internal and external—that may affect our business. These include operational risks (manufacturing disruptions, supply chain issues), financial risks (currency fluctuations, credit risks), compliance risks (changing regulatory frameworks), environmental and ESG-related risks and reputational risks. This step involves regular inputs from department heads, market intelligence, audits and incident reporting systems.



### Taking the initiative to mitigate the identified risk

For every significant risk, targeted mitigation strategies are developed and implemented. This may include business continuity planning, diversifying suppliers, cyber-security upgrades, product quality assurance, compliance training or securing insurance coverage. Risk ownership is clearly defined, with senior leadership and functional heads responsible for executing and monitoring these plans.



### Complying with the regulatory norms

Given the pharmaceutical industry's highly regulated nature, NATCO places strong emphasis on compliance with all applicable local and international regulations—such as those set by the CDSCO, USFDA, EMA and other global bodies. Regulatory compliance is embedded within our risk mitigation strategies, ensuring uninterrupted operations, product approvals and market access.



### Defining the risk appetite

NATCO defines its risk appetite based on strategic goals, stakeholder expectations and regulatory thresholds. This involves determining the degree of uncertainty the Company is willing to accept while pursuing growth, innovation and expansion—especially in high-stakes markets like oncology and generics. Clear boundaries are established for acceptable versus intolerable risk levels, guiding our decision-making process.



### Assessing the identified risks

Each identified risk is systematically assessed based on its probability of occurrence and potential impact on the business—financially, operationally, legally or reputationally. This involves both qualitative and quantitative methods, ensuring prioritisation of high-impact risks. Risk matrices and scoring tools help in categorising risks into critical, moderate or low levels.



### Quality control and monitoring via Risk Management frameworks

NATCO employs a structured Risk Management Framework to continuously monitor risks and ensure the effectiveness of controls. The framework involves regular internal audits, real-time dashboards, risk registers and periodic reviews by the Risk Management Committee. This helps in adapting to emerging risks, updating mitigation strategies and maintaining a culture of accountability and resilience.

## Navigating Uncertainties with Agile Risk Strategies

The global pharmaceutical landscape faces intense regulatory scrutiny, rising competition, cost challenges and complex manufacturing dynamics. At NATCO, we recognise the critical role of risk mitigation and adopt proactive, structured measures to minimise potential impacts. Our risk management approach is driven by a systematic process tailored to address significant and unique business risks.

## Outlining NATCO's Most Significant Risks and Their Mitigation Strategies

At NATCO Pharma Limited, we recognise that an effective risk management system is vital to ensuring business continuity, sustainability and stakeholder confidence. The following table outlines our most material business risks and the strategic measures adopted to mitigate risks.

Type of Risk	Risk Involved	Nature of Risk	Mitigating Strategies / Future Preparedness
Financial Risk	Price Control Risk	Government-mandated pricing regulations and adoption of tender-based procurement systems may limit the profitability.	We maintain competitive pricing. In cases of strict cost-control policies, the impact is industry-wide, helping us retain market share.
	Currency Volatility Risk	Fluctuations in foreign exchange rates may affect financial performance and profitability.	As a net exporter, we benefit from a natural hedge, mitigating the adverse impact of currency fluctuations.
Operational Risk	Geographic Risk	Heavy reliance on a single geography can threaten business continuity and growth due to regional economic, political or regulatory changes.	We have expanded operations across multiple global markets, thereby minimising reliance on any single country or region.
	Supply Chain Risk	Political instability, natural disasters or logistic disruptions may hamper procurement and distribution.	We maintain adequate inventory levels, have contingency plans and optimise logistics through forward planning to ensure continuity.
	Human Capital Risk	Inability to attract or retain skilled talent could adversely affect innovation and execution.	Our people-centric policies, competitive compensation and inclusive work environment enhance talent retention and satisfaction across all locations.
Compliance Risk	Business Portfolio Risk	Dependence on a limited number of products or therapeutic areas may limit revenue diversification and resilience.	We have diversified our portfolio and continue exploring new therapeutic areas to ensure business sustainability.
	Health, Safety and Environmental Risk	Non-compliance with safety protocols or environmental regulations can lead to operational, legal and reputational risks.	We have robust HSE policies in place, ensuring a safe, compliant work environment and minimising our environmental impact.
	Patent Risk	Legal challenges around patents can delay product launches and affect commercial timelines.	Our IP team applies deep knowledge of the patent landscape to proactively address potential litigation risks through due diligence and strategic planning.
Regulatory Risk	Regulatory Risk	Unfavourable inspections from regulatory authorities (e.g., USFDA) may disrupt manufacturing operations or product approvals.	We implement stringent quality control systems and maintain full compliance with all applicable regulatory norms to ensure readiness for audits.

Type of Risk	Risk Involved	Nature of Risk	Mitigating Strategies / Future Preparedness
Climate-Related Risk	Physical Risks	Exposure to regions prone to climate events (e.g., floods, heatwaves, droughts) may disrupt operations and logistics.	We have established a robust incident response system and early-warning mechanisms to manage such climate risks and enhance operational resilience.
	Transition Risks	Changes in environmental regulations, carbon pricing or market expectations may impact our operational costs and compliance requirements.	We continuously monitors regulatory developments and are actively working to reduce emissions through energy efficiency, cleaner technologies and sustainable sourcing.

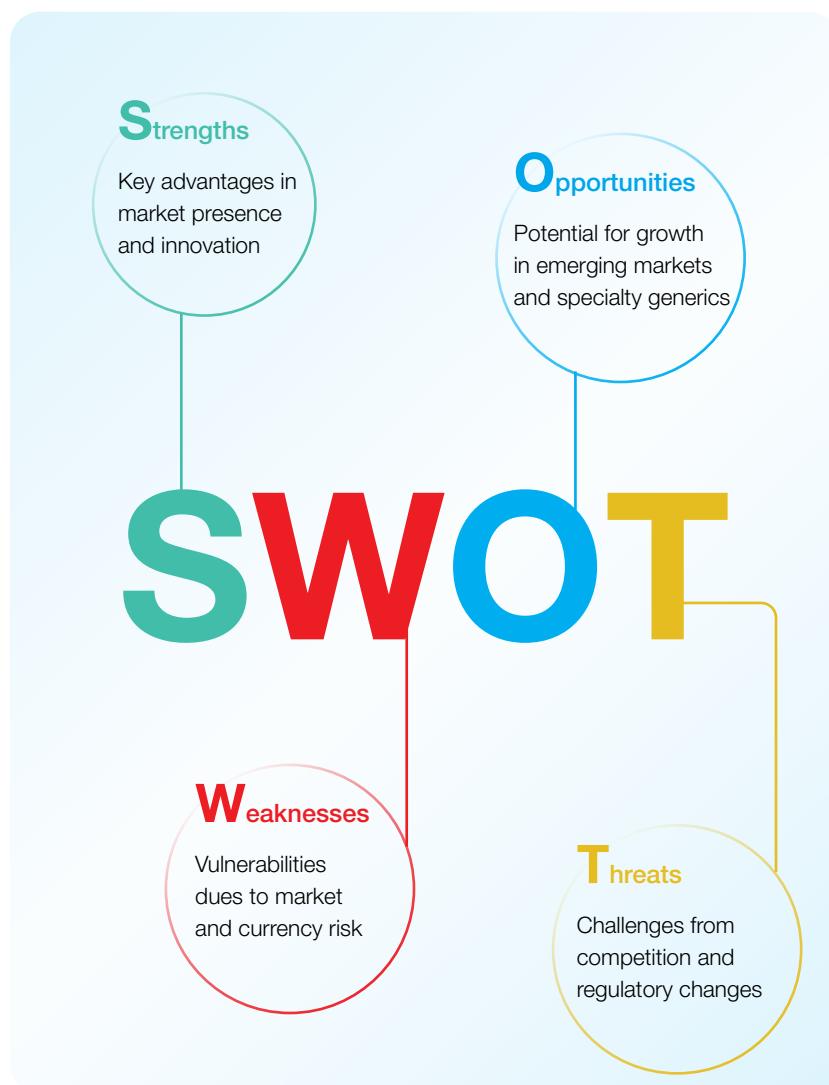
### SWOT Analysis: Assessing Strategic Position Amidst Evolving Risks

As part of NATCO Pharma Limited's strategic risk management approach, a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis provides a comprehensive view of the Company's current positioning in the global pharmaceutical landscape. With over four decades of experience in developing, manufacturing and marketing generic pharmaceuticals, NATCO has transitioned from a domestic-focused enterprise to a globally recognised manufacturer, with strong competencies in oncology, chronic therapies and crop protection.

Amid evolving post-pandemic realities, regulatory uncertainties and shifting market dynamics, the Company stands at a strategic inflection point. This SWOT analysis evaluates NATCO's internal capabilities and external risks and opportunities for FY 2024-25. It supports proactive planning by identifying areas of competitive strength, potential vulnerabilities, growth prospects and industry-wide challenges that could influence the Company's future direction and ESG commitments.

In continuation of our strategic risk review, we have conducted a comprehensive SWOT analysis to assess NATCO Pharma's current positioning in the global pharmaceutical landscape. This evaluation highlights key internal strengths and weaknesses, as well as external opportunities and threats, offering strategic insights to support informed decision-making and business continuity.

#### NATCO's Strategic Overview



## Strengths

### Market Leadership

Robust market standing in oncology with nine products with sales in excess of ₹100 million and twenty-five brands holding leading positions across therapeutic classes.

### Financial Performance

Robust financial performance demonstrating revenue CAGR of 15%, EBITDA CAGR of 25% and PAT CAGR of 28% over the past decade.

Impressive growth trajectory with consolidated revenue of ₹ 47,840 million in FY 2024-25, marking a 16% increase from the previous year.

### Product Portfolio and Capabilities

Strategic concentration on niche and complex molecules with low competition, building sustainable competitive advantages in differentiated markets.

Vertically integrated business model enabling manufacturing excellence across state-of-the-art plants adhering to strict regulatory compliances.

Penetrative outreach to 60,000 doctors and 1,000+ distributors serviced by a team of 850+ sales professionals, maintaining strong market coverage.

### Global Market Presence

Ranked among the top 10 generic companies in sales in Canada with a strong international presence.

Strategic plans for expansion based on consolidating positions in Southeast Asia, MENA and LATAM regions to broaden revenue base.

US Biosecure Act provides opportunity to expand revenue from the nation.

## Opportunities

### Government Initiatives driving industry growth

India's pharma market expected to grow to US\$450 billion by 2047, with vast growth opportunities in the domestic market.

Production Linked Incentive (PLI) scheme favouring financial investment in pharma production and innovation.

Vision of Viksit Bharat 2047 offering a holistic framework for pharma sector growth and international competitiveness.

Government setting up Bulk Drug Parks with ₹3,000 crores financial aid enhancing pharma production infrastructure.

### Technological Innovation

Digitalisation and AI/ML implementation providing ways to improve the efficiency of drug discovery and clinical development operations.

Opportunities for growth in emerging markets presenting ways to diversify revenues outside of traditional stronghold areas.

### Healthcare Trends

Growing healthcare expenditures worldwide and locally driving demand for pharmaceutical products in all therapeutic categories.

Emerging emphasis on sophisticated treatments driving market opportunity consistent with NATCO's capability in intricate generics.

## Weaknesses

### Market Concentration and External Factors

Reliance on major markets exposing vulnerabilities to regional regulatory shifts and market forces.

Pressure on prices due to government measures to contain drug costs potentially affecting profitability margins.

### Competitive Landscape Challenges

High competitiveness in the generic pharma business demanding relentless innovation to stay ahead in the market.

Regulatory needs to comply across several jurisdictions introducing operational complexity and cost pressures.

## Threats

### Operational and Market Risks

Geopolitical unrest and supply chain disruptions that could impact worldwide operations and production capabilities.

Regulatory complexities across markets with ongoing need for flexibility to adjust to changing compliance needs.

Exchange rate fluctuations affecting bottom line for export-based operations.

### Competitive Pressures

High level of competition requiring frequent innovation and flexibility to keep up with shifting market trends.

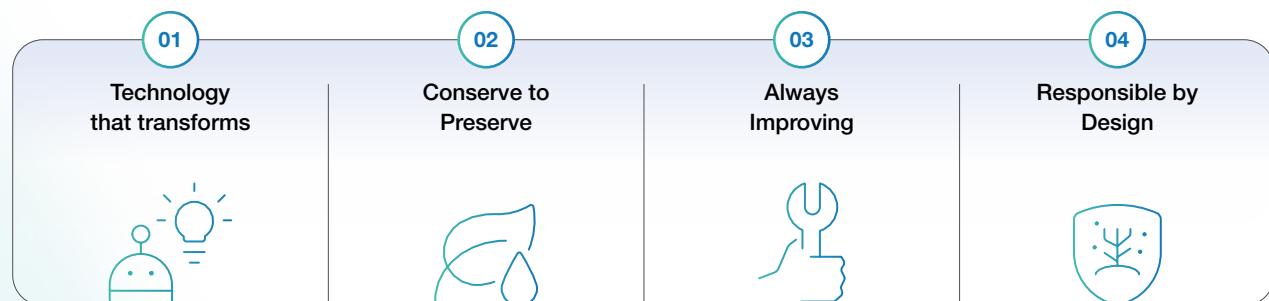
Government policy-driven pricing pressures on profitability in pharmaceutical markets.

# Planet at the Core

At NATCO Pharma, we believe that advancing human health must go hand-in-hand with protecting the health of our planet. As a responsible pharmaceutical company, we are committed to embedding environmental sustainability across our operations, from green chemistry and energy efficiency to responsible waste management and water conservation. With the planet at the core of operations, we aim to minimise our ecological footprint, promote circular practices and contribute to global climate goals. Our approach aligns scientific innovation with environmental responsibility, ensuring that the therapies we develop today do not compromise the well-being of future generations.



Our approach to planetary prosperity is built on four core principles outlined below.



These principles shape our transition toward sustainable operations through renewable energy adoption, resource conservation and continuous process enhancement. We have implemented energy-efficient solutions and optimized manufacturing practices to reduce overall consumption and emissions.

**14,583 Tons**

of CO<sub>2</sub>e Avoided Emissions

**4**

'Zero Liquid Discharge' Plants

**6000+**

Plants Planted

As an eco-conscious organisation, NATCO Pharma integrates environmental sustainability into every aspect of its operations. We are driven by measurable targets and operational accountability, focusing on reducing greenhouse gas (GHG) emissions, enhancing climate resilience and embedding sustainable practices across our facilities and supply chain.



## Energy and Emissions

Our climate action strategy, focused on clean energy transition and emissions reduction, is aligned with India's Nationally Determined Contributions (NDCs). Through this alignment, we contribute meaningfully to global climate goals.

During FY 24–25, we made significant progress in our transition toward cleaner energy sources by increasing the procurement of renewable electricity and adopting biomass as an alternative fuel. These measures have helped reduce our reliance on fossil fuels and enhanced the overall sustainability of our energy portfolio.



## Carbon Neutrality

by 2050



35%

Renewable energy mix by 2035

10.38%

Reduction in GHG Emission Intensity per million rupees of turnover compared to last year

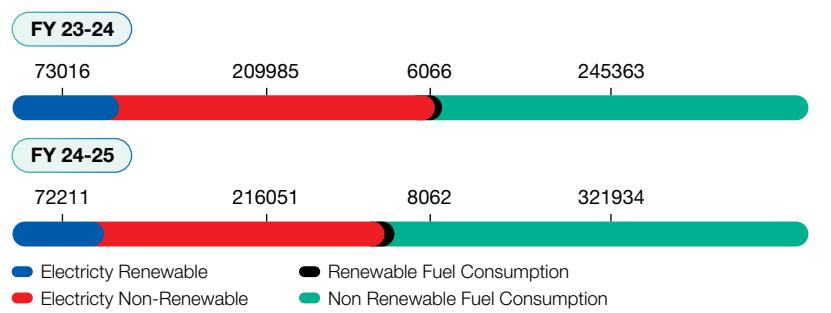
9,28,902 kWh

Energy savings through initiatives in FY 24-25

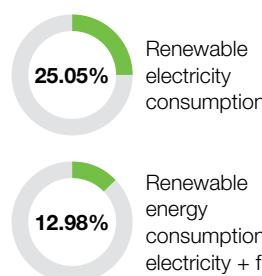
## Energy Consumption

Monitoring energy consumption enables the identification of usage patterns, validates energy savings and supports informed decision-making. It also helps analyse trends, forecast future demand, set reduction targets and assess the effectiveness of energy-saving measures.

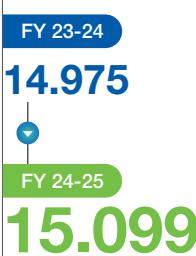
### Electricity and Fuel Consumption (in GJ)



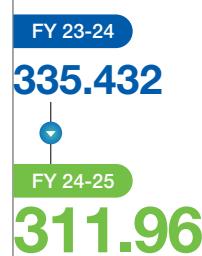
### Percentage of Renewable Energy Consumption in FY 24-25



### Energy intensity (GJ/turnover in ₹ Million)



### Energy intensity (GJ/turnover in ₹ Million adjusted to PPP)

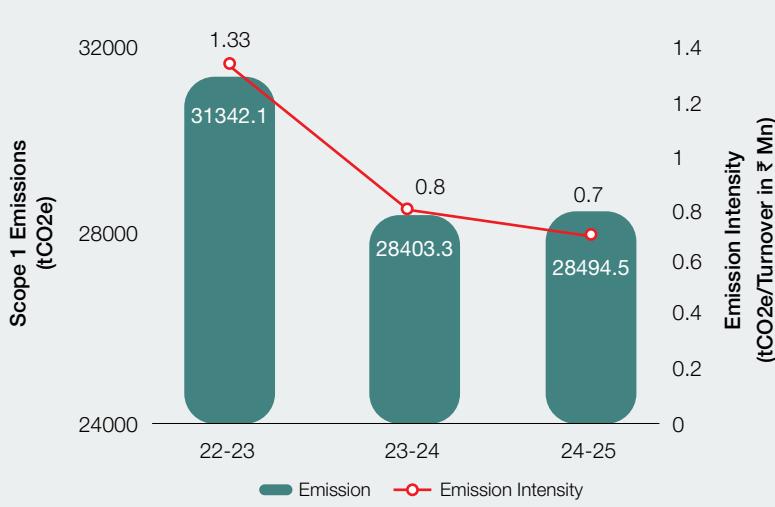


## GHG Emissions

At NATCO Pharma, we recognise our critical responsibility to minimise the environmental footprint of our operations. Effective emissions management is key to reducing our carbon footprint and safeguarding ecosystems.

To ensure accuracy and transparency in our climate reporting, we calculate greenhouse gas (GHG) emissions using scientifically validated emission factors from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). This methodology strengthens the credibility of our disclosures and supports our commitment to global climate action.

### Scope1 Emission (tCO2e) and Intensity



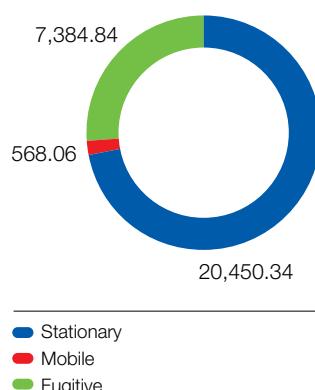
## Scope 1 GHG Emissions

At NATCO Pharma, we consistently monitor and report emissions arising from the use of various fuels such as furnace oil, petrol, diesel, CNG, LPG, LDO, briquettes and coal, across all our operational sites.

We have instituted a robust tracking mechanism that allows us to pinpoint high-emission areas, assess trends and implement focused mitigation strategies. By doing so, we not only drive operational efficiency but also uphold our commitment to transparency, regulatory compliance and environmental responsibility.

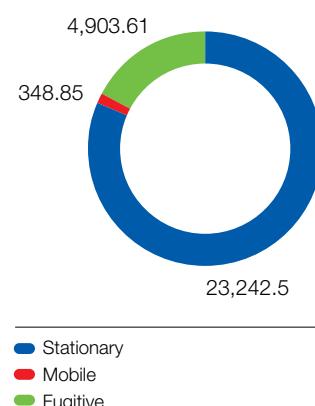
## Scope 1 Emission by Sources

(tCO<sub>2</sub>e) for FY 23-24



## Scope 1 Emission by Sources

(tCO<sub>2</sub>e) for FY 24-25

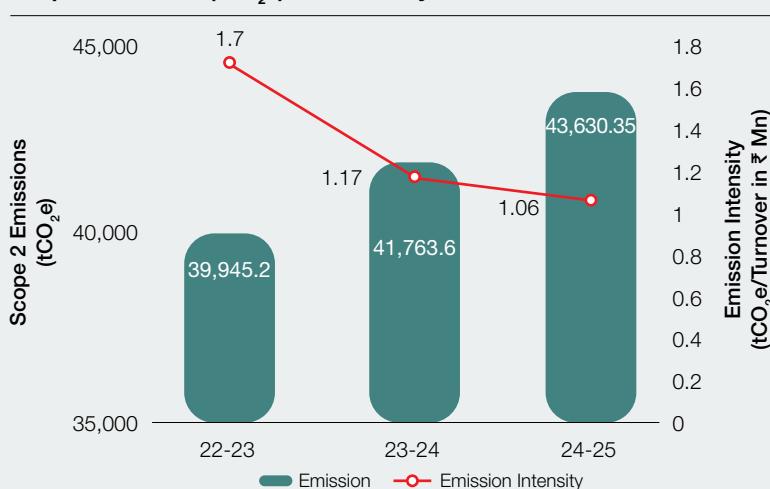


## Scope 2 GHG Emissions

We actively track and report our Scope 2 greenhouse gas (GHG) emissions, which result from the consumption of grid-supplied electricity at all operational sites. Over the reporting period, absolute Scope 2 emissions have shown a slight increase, primarily driven by higher operational demand and an overall rise in production activity.

However, our emission intensity, calculated as tCO<sub>2</sub>e per ₹ million of turnover, has declined over the last three years. We have achieved this through the adoption of advanced technologies, energy-efficient equipment, regular energy audits and continuous process optimisation across operations.

## Scope 2 Emission (tCO<sub>2</sub>e) and Intensity



### FY 23-24

62,661.71 tCO<sub>2</sub> | 43.56 tCH<sub>4</sub> | 74.02 tN<sub>2</sub>O | 7,387.57 tHFCs

#### Scope 1



**28,403.25**  
tCO<sub>2</sub>e

#### Scope 2



**41,763.62**  
tCO<sub>2</sub>e

#### Biogenic Emissions



**167.04**  
tCO<sub>2</sub>e

### FY 24-25

67,025.45 tCO<sub>2</sub> | 130.78 tCH<sub>4</sub> | 65.45 tN<sub>2</sub>O | 4,903.61 tHFCs

#### Scope 1



**28,494.5**  
tCO<sub>2</sub>e

#### Scope 2



**43,630.35**  
tCO<sub>2</sub>e

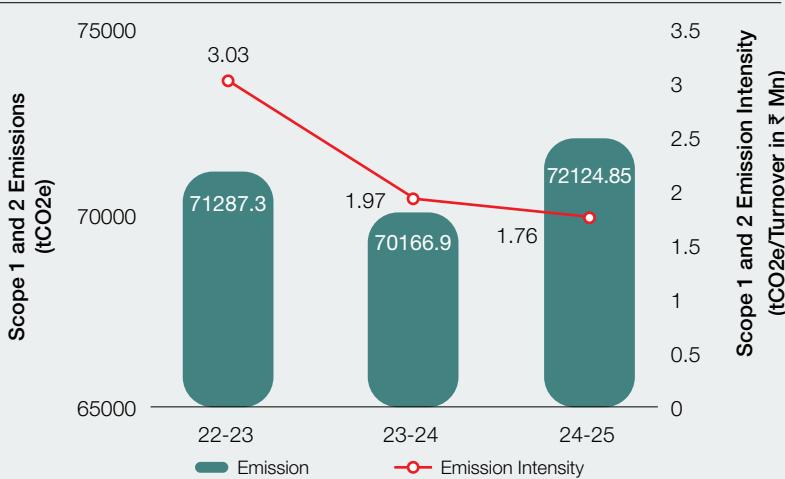
#### Biogenic Emissions



**902.90**  
tCO<sub>2</sub>e

## Scope 1 + 2 GHG Emissions

## Scope 1 and 2 Emissions (tCO2e) and Intensity Metrics



We aim to achieve **100%** renewable energy components of electrical energy in energy mix by 2050.



## Levers for achieving decarbonisation:

## Lever 1: Increasing Renewable Energy

NATCO Pharma has commissioned a 751-kW ground-mounted solar system at its Chennai plant and a 0.4 MW solar PV system at its Attivaram plant. Together, these systems generated 1,416,398 kWh of clean energy in FY 24-25 and avoided 1,029.72 tCO2e emissions.

## Lever 2: Transition to cleaner fuels

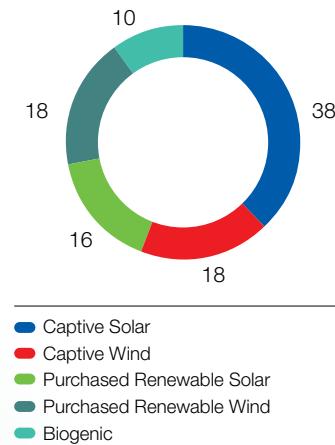
The Vizag plant has switched boiler fuel from diesel to PNG, improving efficiency and reducing annual CO2 emissions by approximately 240 tCO2e.

## Our Energy Efficiency and Emissions Reduction Measures:

We acknowledge climate change as a critical global issue that presents both significant risks to our business and opportunities for innovation and long-term value creation. In line with the global momentum for climate action and greater accountability, we have embedded climate considerations into our long-term corporate strategy and decision-making processes.

We are firmly aimed at achieving carbon neutrality by 2050 and are actively taking steps today to make this vision a reality. In order to pursue this commitment, we have undertaken key initiatives across four strategic levers that will drive our emissions reduction efforts and contribute to achieving our interim 2035 climate targets.

## Composition of Renewable Energy Mix FY 24-25 (%)



**Lever 3: Improving energy and process efficiency of our operations**
**Hot Oil Generator Upgradation**

Installation of a PLC-based Thyristor Control Panel in the Hot Oil Generator has improved power regulation, resulting in annual energy savings of 72,916 kWh and a reduction of 53.01 tCO<sub>2</sub>e.

**Cooling Tower Fan Upgradation**

Replacing traditional fans with E-Glass Epoxy FRP fans has improved efficiency, reduced energy consumption by 13,664 kWh annually and lowered emissions by 9.93 tCO<sub>2</sub>e.

**Energy-Efficient Refrigeration**

Switching from R-22 to R-290 refrigerant has eliminated Ozone Depletion Potential and reduced annual emissions by 16.42 tCO<sub>2</sub>e.

**Efficient Blowers**

We have replaced the AC fan with an EC fan, improving efficiency by 55% and reducing emissions by 6.48 tCO<sub>2</sub>e annually.

**Optimisation of Chilled Water System**

By optimising the chiller pump frequency and chilled water set point, the facility reduced electricity consumption and achieved an annual emission reduction of approximately 604 tCO<sub>2</sub>e. Additionally, the interconnection of chilled water pipelines between two chillers enabled centralized distribution, resulting in a 15- 35% reduction in power consumption.

**Energy Efficient Lighting Upgradation**

Through the replacement of sodium vapor lamps with LED lamps and the installation of solar streetlights, the facility achieved annual energy savings of 33,785 kWh and avoided 24.57 tCO<sub>2</sub>e emissions.

**Sludge De-watering Machine**

A high-efficiency sludge de-watering machine has been installed, reducing annual energy consumption by 4861 kWh and emission by 3.53 tCO<sub>2</sub>e.

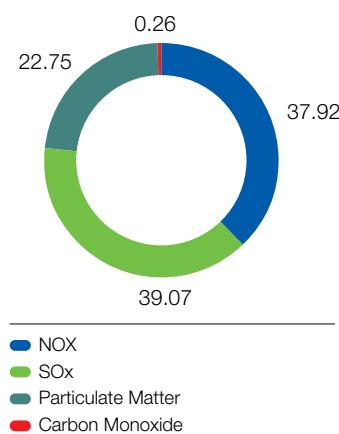
**Energy Management Software**

Energy meters have been installed on all critical equipment and integrated with a PLC for digital communication, enabling continuous online monitoring of power consumption through centralized SCADA software.

## Air Quality Management

At NATCO Pharma, we recognise air quality as a critical aspect of environmental stewardship and public health, particularly due to the nature of pharmaceutical manufacturing, which involves processes that may release sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOCs), particulate matter and other emissions. In alignment with national and international standards, our operations are designed not only to comply with statutory air emission norms but also to actively monitor, control and reduce emissions that may affect surrounding communities and ecosystems.

### Composition of Non-GHG Air Emissions (%)



### Robust Air Emission Monitoring Systems

We have established a comprehensive air monitoring system to ensure continuous compliance with environmental regulations. In accordance with the consent conditions issued by regulatory bodies, we have installed 24x7 Continuous Emission Monitoring Systems (CEMS) on all applicable process stacks. These systems are:

- Calibrated periodically through NABL-accredited laboratories (National Accreditation Board for Testing and Calibration Laboratories).
- Integrated with the online servers of the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB) for real-time data reporting.

Our monitoring approach is in strict adherence to the National Ambient Air Quality Standards (NAAQS), 2009 and the Emission Standards for the Organic Chemicals Manufacturing Industry (G.S.R. 608E, 2010), ensuring that all emissions remain within permissible limits.

### Fugitive and Ambient Air Quality Monitoring

We conduct periodic monitoring of fugitive emissions within the plant premises through NABL-accredited laboratories to ensure that emission levels remain well below the permissible thresholds. In addition to this, ambient air quality is regularly monitored for key pollutants such as PM<sub>10</sub>, PM<sub>2.5</sub>, SO<sub>2</sub> and NO<sub>x</sub>. The collected data is publicly displayed at the plant gate. At our Chennai plant emissions are measured using a combination of a mobile Ambient Air Quality (AAQ) monitoring van (real time monitoring) and fixed monitoring stations at periodic intervals.

### Advanced Pollution Control Infrastructure

To mitigate source and fugitive emissions:

- All process emissions are routed through scrubbers.
- We are shifting towards cleaner technologies such as gaseous fuel boilers and other sustainable measures to minimise adverse effects on the environment.
- Raw material storage is done in covered and well-maintained areas to prevent dust and particulate escape.



## Water Conservation and Stewardship

At NATCO Pharma, we understand that access to high-quality water sourced from various channels like surface, ground and third-party is essential for ensuring the efficiency and integrity of our production processes. Recognising the significance of water as a vital resource, we take our responsibility as a corporate citizen seriously by actively engaging in water stewardship and promoting sustainable water management practices.

Our commitment extends to mitigating potential risks associated with water supply disruptions, which could impact not only our operations but also the broader community and environment. Through proactive measures, including conservation initiatives, resource optimisation and infrastructure improvements, we aim to safeguard the availability and quality of water while minimising our ecological footprint.

By integrating water sustainability into our core operational strategies, NATCO Pharma reinforces its dedication to protecting this invaluable resource for the benefit of present and future generations.

### Ensuring Efficient Water Utilisation

We have established a comprehensive and resilient water conservation framework spanning all our manufacturing sites, R&D centres and corporate offices. This initiative is designed to significantly reduce dependency on freshwater sources while maximising water reclamation and reuse. In FY 24-25, we achieved a reduction of 5.21% in water withdrawal and a notable 8.16% decrease in fresh water consumption compared to FY 23-24. We successfully recycled 53.11% of the water consumed within our premises and reused it for gardening and other plant operations such as cooling tower, boiler, etc.

Advanced digital flow meters are strategically installed at every water intake and consumption point, enabling real-time tracking and detailed analytics of water usage patterns. Additionally, our state-of-the-art wastewater recycling systems employ multi-stage treatment processes to ensure that reclaimed water meets stringent quality standards for safe reuse and eco-friendly discharge.

During the reporting period, Zero Liquid Discharge (ZLD) systems have been successfully operated at four manufacturing facilities, ensuring complete recycling of treated wastewater and eliminating liquid effluent discharge. At locations where ZLD infrastructure is not in place, we maintain rigorous effluent treatment protocols that fully align with local environmental regulations. Treated water quality is consistently monitored to prevent contamination and safeguard surrounding ecosystems.

4

Plants are accounted for Zero Liquid Discharge (ZLD)

**53.11%**

Water recycled in FY 24-25

**19.93%**

Reduction in water consumption intensity per ₹ Mn of turnover compared to FY 23-24

**26.17%**

Reduction in water consumption intensity per ₹ Mn of turnover adjusted to PPP compared to FY 23-24

#### Water Intensity per ₹ Mn of turnover

FY 23-24

**9.13**

FY 24-25

**7.31**

#### Water Intensity per ₹ Mn of turnover adjusted to PPP

FY 23-24

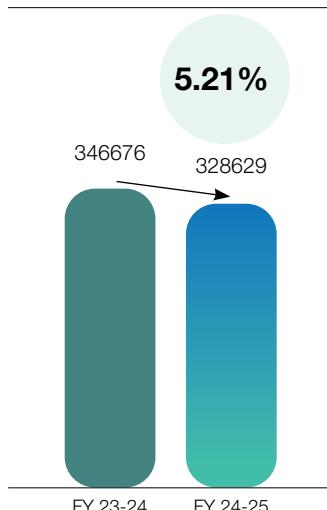
**204.60**

FY 24-25

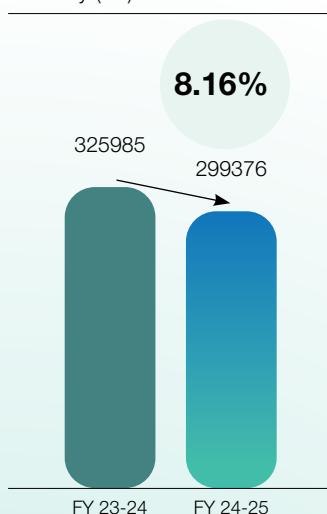
**151.06**



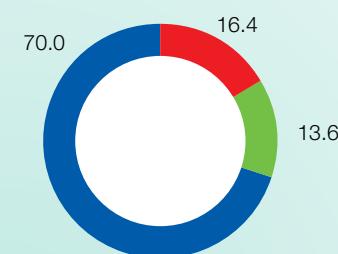
**Reduction in Fresh Water Withdrawal**  
Quantity (KL)



**Reduction in Fresh Water Consumption**  
Quantity (KL)



**Water Withdrawal in FY 24-25 (%)**



■ Surface Water  
■ Ground Water  
■ Third-party Water

**Water Withdrawal (in kL)**

	FY 24-25	FY 23-24
Surface Water	53911	67732
Ground Water	44545	45287
Third-party Water	230173	233657
<b>Total</b>	<b>328629</b>	<b>346676</b>

**Initiatives for Water Conservation**

**Lever 1: Reuse of Water**

- Reused 6 kL/day of treated ETP water as boiler feed, saving approximately 1,825 kL/year and reducing freshwater dependency
- Redirected ozone-treated wastewater for utility and cleaning purposes, achieving 5 kL/day water savings
- Implemented systems to recover RO reject water for use in landscaping, wash areas and air scrubbers, saving up to 5 kL/day
- Condensate water from AC units is collected and reused, saving approximately 8 liters per day

**Lever 2: Process and Resource Efficiency**

- Retrofitted 28 taps with water-efficient models, resulting in annual water savings of 548 kL without compromising functionality
- Installed 20 waterless urinals, saving approximately 460 kL of water annually by eliminating the need for flushing
- Installed water flow meters in process laboratories to monitor and control consumption, enabling identification of usage patterns and reduction opportunities
- Installed softener systems to treat raw water, improving filtration efficiency and extending RO cartridge life, thereby reducing maintenance and enhancing longevity

**Lever 3: Circular Water Utilisation through Zero Liquid Discharge (ZLD) systems**

Approximately 53.11% of the total water consumed across our operational sites. The reclaimed water has been efficiently repurposed for non-potable applications such as gardening, cooling tower operations and utility maintenance, significantly reducing freshwater consumption and strengthening our commitment to circular and sustainable water management.

## Advancing Water Stewardship

### Rainwater Harvesting System at Chennai



At our Chennai facility, a new Rainwater Harvesting and Reuse (RWH) station has been installed at Block-C with a roof catchment area of 850 square meters and a storage tank capacity of 20 KL. During FY 24-25, this station harvested approximately 244 KL of rainwater, which is utilized for cooling tower operations. In addition, the previously installed RWH systems at the Admin Block and Power House Block collected 110 KL and 490 KL of rainwater, respectively. The rainwater harvested from the Admin Block is used for gardening, while that from the Power House Block is utilized in the cooling tower. The total annual rainwater collected in FY is approximately 844 KL.

### Rainwater Harvesting facility at Vizag



At Natco Pharma Limited, Visakhapatnam, the Surface Rainwater Harvesting System in FY 24-25 marked a significant step forward in advancing water sustainability. The system facilitated the collection of 1,200 kl of rainwater, which is reused within the facility to support operational needs. This initiative has effectively reduced dependence on freshwater sourced from the Ramky River, contributing to water conservation and promoting sustainable resource management at the site.

### Rainwater Harvesting facility at Mekaguda



At our Mekaguda facility, continued progress was made in water conservation during FY 24-25. The rooftop rainwater harvesting system collected approximately 3,500 kl of rainwater, which is reused for boiler operations, thereby reducing freshwater consumption during the year. In addition, about 10,000 kl of rainwater collected from the surface runoff catchment area was reused for maintaining the greenbelt within the premises.

## Wastewater Management

NATCO Pharma adopts a site-specific and compliant approach to wastewater management, integrating advanced treatment strategies tailored to each facility's infrastructure and regulatory context. At select manufacturing locations, Zero Liquid Discharge (ZLD) systems are in place, enabling complete recovery and reuse of treated effluent within plant operations. These systems ensure that no wastewater is discharged externally, reinforcing the Company's commitment to circular water usage and environmental stewardship.

In facilities where there are no ZLD systems wastewater undergoes rigorous primary and secondary treatment processes meeting the PCB standards

to be used for gardening etc. is safely routed to authorised Common Effluent Treatment Plants (CETPs) or licensed third-party agencies for

further processing and safe disposal, in full compliance with applicable environmental standards.

### Water Discharge (in kl)

	FY 24-25	FY 23-24
Surface Water	3579	8097
Third-party Water	18303	12594
<b>Total</b>	<b>21882</b>	<b>20691</b>

## Handling Waste Responsibly

### Commitment to Effective Waste Management

At NATCO Pharma, we recognise that effective waste management is essential for maintaining regulatory compliance, reducing our environmental footprint, improving operational efficiency and optimising cost savings. As a responsible pharmaceutical company, we prioritise sustainable waste management practices to protect public health, ensure environmental safety and support long-term sustainability goals. Our waste management strategy is designed to minimise waste generation, enhance resource efficiency and ensure responsible disposal.

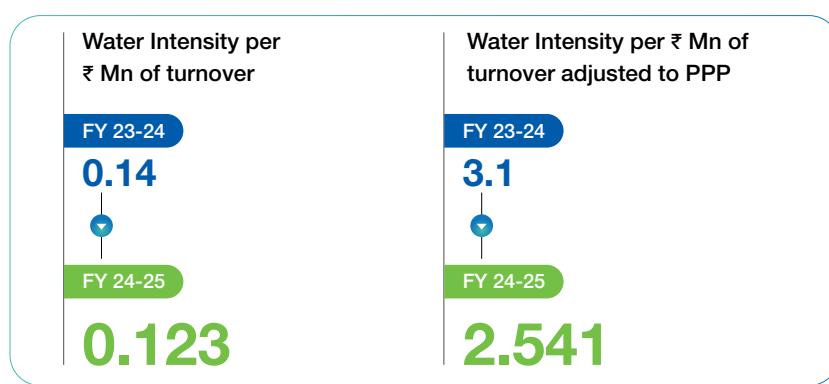
At NATCO Pharma Limited, we implement a structured waste segregation and disposal system to ensure responsible waste management. We categorize the waste into hazardous, non-hazardous, recyclable and biodegradable, preventing contamination and enabling efficient disposal. Employees are trained to segregate waste at the source, while we partner with authorised agencies for safe disposal, adhering to biohazard regulations and utilising incineration or advanced treatment methods. The hazardous waste is diverted to cement industries and recyclers for co-processing, while 100% e-waste generated is sent for recycling purpose.

**12.14%**

Reduction in waste intensity per ₹ Mn of turnover compared to FY 23-24

**18.03%**

Reduction in waste intensity per ₹ Mn of turnover adjusted to PPP compared to FY 23-24



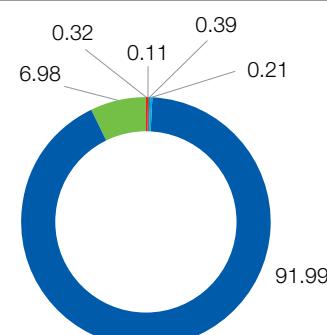
#### Waste Generated (in MT)

	FY 24-25	FY 23-24
Plastic waste	16.359	42.8
E-waste	5.629	6.52
Bio-medical waste	19.591	21.35
Construction and demolition waste	0	5
Battery waste	10.369	520 Nos
Other Hazardous waste	4635.149	4623.3
Other Non-hazardous waste generated	351.698	241.67
<b>Total</b>	<b>5038.795</b>	<b>4940.6 + 520 Nos</b>

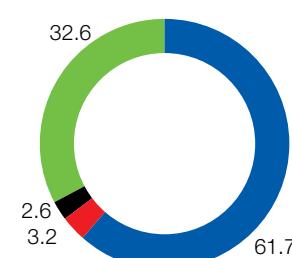
#### Waste Disposal (in MT)

	FY 24-25
Waste Diverted to Disposal	
Incineration	126.996
Landfill	158.02
<b>Total</b>	<b>285.016</b>
Waste Diverted from Disposal	
Recycling	3072.461
Waste to Energy Recovery	1621.266
<b>Total</b>	<b>4693.727</b>

#### Type of Waste Generated (%)



#### Disposal Method (%)



- Plastic Waste
- E-waste
- Bio-medical waste
- Battery waste
- Other Hazardous waste
- Other Non-Hazardous waste

- Recycled
- Landfill
- Incineration
- Waste with Energy Recovery

## Driving Zero Waste to Landfill Through the 4R Approach

At NATCO Pharma, we continuously strive to enhance our waste management practices by integrating the principles of Reduce, Reuse, Recover and Recycle into our operational processes. Aligned with the circular economy approach, we follow a structured waste hierarchy that emphasises sustainable alternatives over conventional disposal methods such as landfilling or incineration.

Our operations are supported by strict waste segregation protocols and collaborations with authorised recyclers and cement industries for responsible recycling and co-processing. We fulfil 100% of Extended Producer Responsibility (EPR) obligation for post-consumer plastic packaging waste through authorised agencies, in accordance with CPCB guidelines. We prioritise reuse and recycling of

packaging materials and have adopted measures like bulk packing to optimise usage, minimise waste and enhance resource efficiency.

Supporting Circular Economy with  
**4R** Principle

**100%**  
of EPR obligation for post-consumer plastic packaging waste

## Waste Minimization and Resource Recovery Initiatives:

### Accelerating Paper Reduction

#### NATCO Research Centre Hyderabad

The Plant reduce the use of approximately **6,00,000 sheets** of paper by digitising record and replacing paper cups in the canteen with steel cups

#### NATCO Formulation Unit Visakhapatnam

By digitising reports and systems, the plants saves over **28,000 sheets** of paper annually.

#### NATCO Formulation Unit Nagarjuna Sagar

Implementing duplex printing, digital payslips, electronic SOP access, SAP-integrated approvals and network-based sharing saved **20% A4 sheet** paper as compared to FY 23-24.

## Composting of Garden and Canteen Waste at Mekaguda

At the Mekaguda facility, organic residues from in-house food services and landscape maintenance, such as fruit and vegetable trimmings, meal leftovers, fallen leaves and clippings, have been systematically diverted from traditional disposal methods. By utilising an aerobic Organic Waste Converter, nitrogen-rich and carbon-based materials have been blended to support efficient microbial decomposition.



This initiative has eliminated the need for landfill disposal, aligns with circular economy principles and produces

compost that meets IS 16556:2016 standards for manure-grade quality. Over the reporting period, 45.76 metric tons of canteen waste and 50 metric tons of green waste have been converted into 20 metric tons of nutrient-rich compost.

The programme has demonstrated responsible waste management practices, regulatory compliance and efficient resource utilisation.

## Biodiversity

In FY 24-25, NATCO Pharma continued to reinforce its commitment to ecological sustainability by undertaking extensive green belt development and plantation initiatives across its operations. Our efforts aimed to enhance local biodiversity, create green buffers and strengthen climate resilience through increased vegetation cover.

Across facilities, approx. 1000 new saplings have been planted, including fruit-bearing and ornamental species such as mango, amla, peepal, banyan,

guava, Indian gooseberry, tulip, custard apple etc. within the premises. In addition, approximately 5100 saplings and avenue plants have been planted outside the facility boundaries, strengthening the green interface with surrounding communities. These efforts have further amplified through public engagement activities, such as the plantation drive during the Harela Festival in July 2024, at Dehradun plant emphasizing seasonal relevance and community participation.

"Freedom Tree Park" featuring around 400 avenue trees has been established at our Nagarjuna Sagar site.



# Cultivating a Diverse and Inclusive Workforce

At NATCO, we believe that a diverse workforce and an inclusive workplace culture enable every individual to reach their full potential. We are committed to creating an environment where everyone feels valued, respected and supported, regardless of race, ethnicity, gender identity, sexual orientation, religion, age or ability. We empower our employees to grow and excel in their careers by investing in continuous learning, skill enhancement and professional development opportunities.



## 01 Promoting Diversity, Equity and Inclusion

Creating an inclusive and diverse workplace is essential for cultivating innovation, boosting employee morale and inspiring new ideas. Welcoming individuals from varied backgrounds enriches our thinking, improves the quality of our decisions and nurtures a sense of unity and respect. We understand that the strength of our organisation lies in the wide range of perspectives our people bring. Over the past year, we have implemented various initiatives to promote diversity and inclusion.

### Our Diversity, Equity and Inclusion Initiatives

#### 01

Targeted hiring process

#### 02

Effective communication

#### 03

Sensitisation programmes

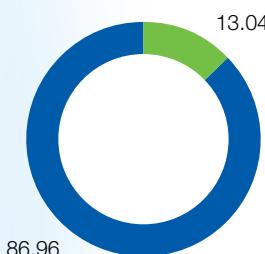
#### 04

Policy reforms

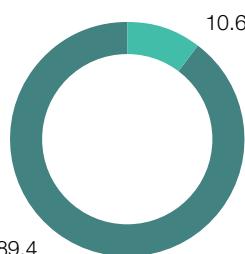
### Female Employees in Workforce

We are deeply committed to promote the career growth and professional ambitions of our female employees by creating a secure and empowering work environment. Our efforts are focused on enabling women to thrive in key functions and roles across the organisation.

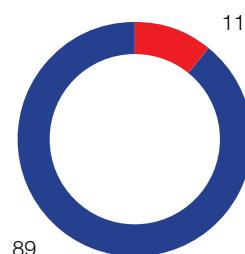
#### Percentage of Female Workers FY 24-25 (%)



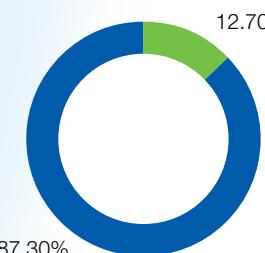
#### Percentage of Female Employees FY 24-25 (%)



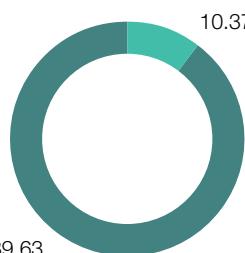
#### Women in overall workforce FY 24-25 (%)



#### Percentage of Female Workers FY 23-24 (%)



#### Percentage of Female Employees FY 23-24 (%)



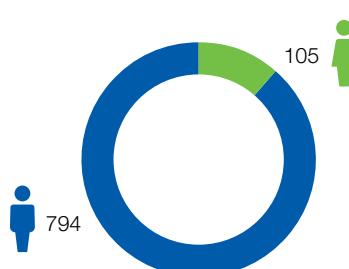
#### Women in overall workforce FY 23-24 (%)



In FY 24-25,

**899**

New Colleagues Joined,  
Including **105** Women

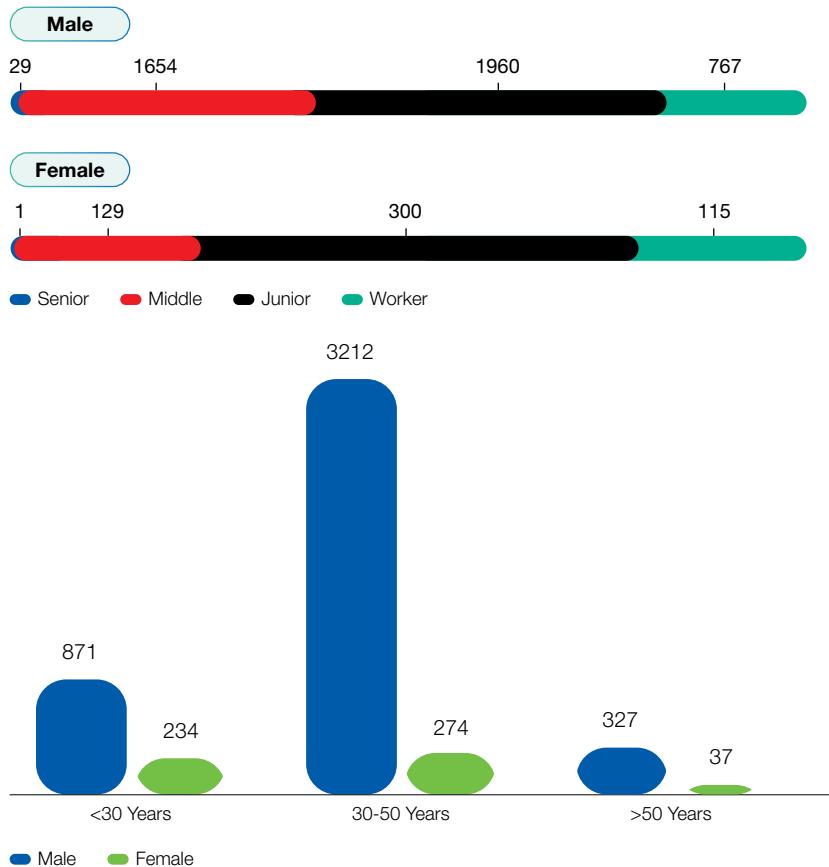


**11.68%**

Female Hires in  
FY 24-25

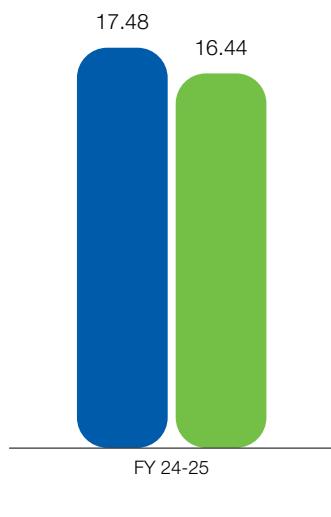
We are committed to strengthening women's participation in functions such as manufacturing and sales, where representation has traditionally been limited. In pursuit of this goal, we have introduced realistic job previews, inclusive workplace policies and gender sensitisation programmes with an emphasis on allyship. Collectively, these measures aim to create a more equitable, supportive and growth-oriented environment for women employees.

### Age and Position-Based Workforce Analysis

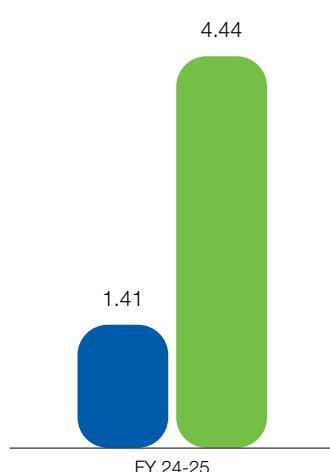


### Turnover Rate of Employees and Workers

#### Turnover rate of permanent employees (%)



#### Turnover rate of permanent workers (%)



### Annual Compensation

Maintaining fair compensation practices across all roles and levels, irrespective of gender differentiation, demonstrate our commitment to building an inclusive and equitable workplace. We strive to ensure that all employees are paid equally. Wage structures are developed in alignment with the local industrial landscape and are formalised through negotiated agreements under Section 12(III) or Section 18(I) of the Industrial Disputes Act.

As part of our broader commitment to equity and inclusion, the Nomination and Remuneration Committee plays a vital role in ensuring that compensation practices are fair, transparent and performance-driven. It is entrusted with overseeing and implementing the Remuneration Policy, particularly in relation to senior management, to support a culture where talent is recognised and rewarded without bias. Through its governance, the committee helps promoting an environment of equal opportunity and merit-based growth.



**7.36%**

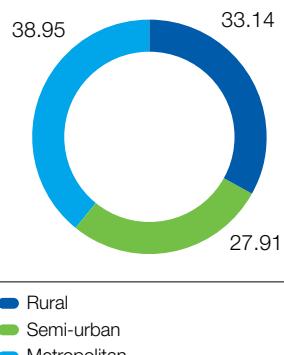
Gross wages paid to females as a percent of total wages paid



**100%**

Employees and workers paid more than minimum wages

### Region-wise wage distribution in FY 24-25 (%)

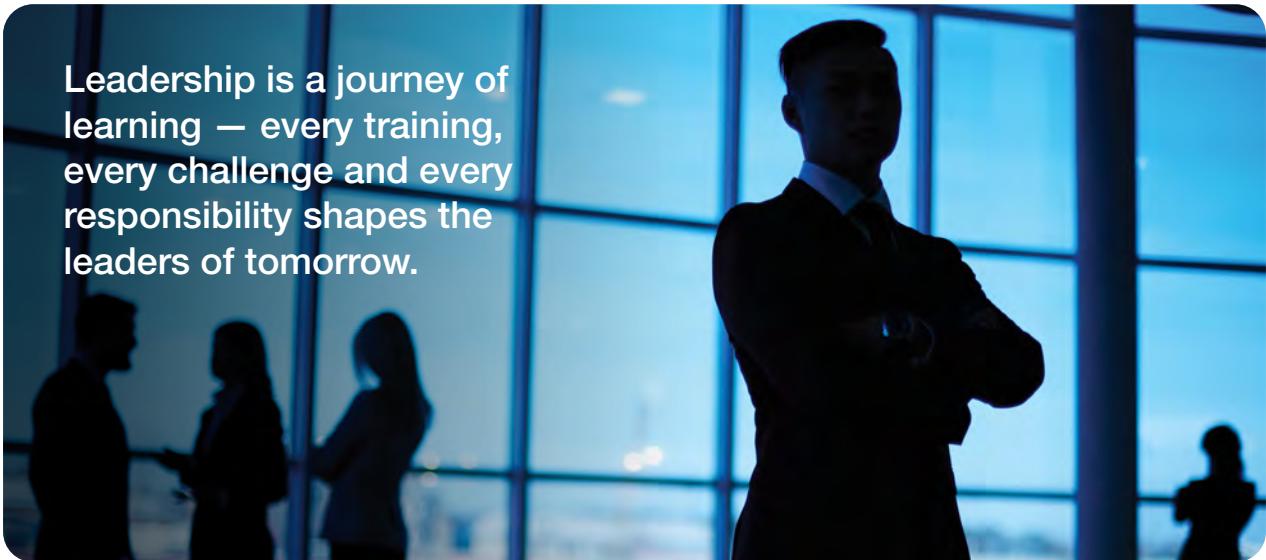


### Category wise median remuneration

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	6,72,15,276	1	0
Key Managerial Personnel	2	81,73,991	0	0
Employees other than BoD and KMP	3543	7,01,124	422	4,58,256
Workers	474	7,04,034	48	6,23,220

## Shaping Tomorrow's Leaders

**Leadership is a journey of learning — every training, every challenge and every responsibility shapes the leaders of tomorrow.**



At NATCO, we recognise that nurturing future leaders is critical to building an agile, innovative and sustainable organisation. We believe that the leadership goes beyond designation, representing the ability to inspire, influence and create meaningful impact. As our business expands across geographies and therapeutic areas, it is essential that our people are equipped with both technical expertise and the vision, resilience and adaptability to guide teams in a complex global environment.

Our leadership development agenda is structured across multiple dimensions — from early talent development and continuous learning opportunities to focused programmes for middle and senior management. We emphasise creating pathways where employees can apply their knowledge in practice, take on challenging responsibilities and develop a mindset rooted in innovation, inclusivity and responsibility.

Future leaders must navigate an environment shaped by rapid technological advancements, evolving regulations and the growing importance of sustainability. Our initiatives therefore strengthen professional capabilities while also enhancing decision-making, ethical governance and environmental stewardship.

By combining structured training, mentorship, performance management and exposure to cross-functional and global assignments, NATCO provides employees with a strong platform to realise their potential and progress into roles of higher responsibility. These efforts help us create a leadership pipeline that is diverse, future-ready and aligned with our mission of making specialty medicines accessible to all.

# 850+

New Hires

Fresh talent joined NATCO in FY 2024-25, bringing diverse perspectives and innovative thinking to drive our leadership pipeline



## 01 Leadership Development Pathways

We view leadership development as a continuous journey of growth and transformation. Our approach combines early career training, structured pathways for middle and senior management, mentorship and exposure to cross-functional and global assignments. By doing so, we enable employees to realise their potential, assume greater responsibility and align with our mission of making specialty medicines accessible to all.

NATCO's training programmes are designed to equip employees with skills that extend well beyond the immediate needs of the business. Our initiatives focus on enhancing technical expertise, strengthening leadership skills and embedding a culture of quality and compliance across the organisation.



We place a strong emphasis on building awareness of ethical conduct, safety and compliance across all employee levels. In FY 24-25:

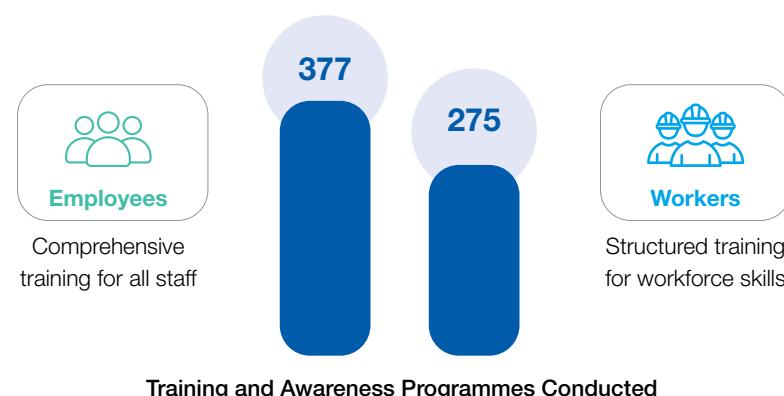
**Employees** A total of 377 training and awareness programmes were conducted, covering topics such as Code of Conduct, Policy on Sexual Harassment (POSH), cGMP/GMP, workplace safety, first-aid, fire safety, emergency preparedness and physical well-being. These initiatives ensured 100% coverage of employees.

**Workers** We conducted 275 training sessions, including POSH awareness, skill upgradation, health and safety and emergency preparedness. Through a structured annual training calendar, we achieved 100% coverage of our workforce.

This commitment reflects our belief that every individual, regardless of role, must be equipped with knowledge and skills to uphold workplace ethics, safety and regulatory standards.

Our training efforts span technical development, behavioural aspects, compliance and leadership readiness. These programmes not only enable individual career progression but also contribute to the organisation's long-term growth and resilience. By creating a culture of continuous learning, we ensure that employees are empowered to adapt, innovate and excel in a dynamic business environment.

### 100% Coverage of Employees and Workers



These programmes are designed to nurture leadership qualities, strengthen workplace behaviour and build critical supervisory and team development capabilities. They enable individuals to lead with purpose, inspire others and create a culture of responsibility, inclusiveness and high performance.

## 02 Leadership Aligned with ESG Priorities

Leadership at NATCO is closely aligned with ESG priorities, ensuring that future leaders are equipped to balance business excellence with sustainability. Our programmes prepare leaders to integrate environmental stewardship into decision-making, uphold human rights and ethical governance and champion inclusive growth and diversity across teams. At the same time, they

are encouraged to drive innovation while maintaining responsibility toward communities and the environment. This integrated approach builds a leadership pipeline that reflects both operational excellence and sustainability principles, enabling NATCO to thrive responsibly and deliver long-term value for all stakeholders.

**Future-ready leaders are those who innovate with purpose and lead with responsibility, driving positive change for society and the environment.**

## Employee Well-being Programmes

The health, safety and overall well-being of our people lie at the heart of our sustainable growth strategy. We recognise that our employees and workers are our most valuable assets and their physical, emotional and professional wellness directly contributes to the strength and resilience of our organisation. Our commitment to nurturing a healthy and balanced life is reflected in a comprehensive suite of employee well-being initiatives, workplace safety protocols and wellness-focused infrastructure.

Through inclusive policies, structured wellness programmes and a culture that values work-life balance, we aim to create an environment where every individual feels safe, supported and empowered to thrive. Our approach goes beyond compliance as it is about building a workplace where health and dignity are safeguarded, opportunities for growth are encouraged and a sense of belonging is created.

### Employee Benefits



#### Compensated absences (EL)

The Company determines the accrual for unused leave by calculating each employee's total available leave balance at the end of the year. The carry-forward portion of these leave balances is then actuarially valued as of year-end and recognised as an expense in the profit and loss statement.



#### Gratuity

The Company has subscribed to a group gratuity scheme with the Life Insurance Corporation of India (LIC), offering eligible employees a lump-sum gratuity benefit (in accordance with the Act) upon resignation, retirement or death, subject to applicable taxes, up to a maximum limit of ₹20 lakh.



#### Provident Fund

The Company contributes a predetermined percentage of employee salaries to provident fund and employee state insurance schemes, which are defined contribution plans, on behalf of eligible employees.



#### Transition Assistance

Alongside our standard retirement benefits, we offer transition assistance to support a smooth and financially secure shift into retirement.



#### Incentives

Bonuses and rewards are provided based on performance to acknowledge and celebrate employee achievements.

## 02 Employee Well-being Practices

NATCO places a strong emphasis on employee well-being by offering a wide range of benefits, including health insurance, accident coverage and maternity support. The Company also cultivates a positive and inclusive work environment by actively encouraging

employee feedback and suggestions. This approach encourages a culture where individuals can thrive, realise their full potential and enjoy a connected, productive and fulfilling work experience.

We invest meaningfully in the physical and mental well-being of both employees and workers. In FY 24-25, the company spent ₹20.85 Cr, accounting for 0.4% of its revenue, on well-being initiatives. These programmes include:

### Medical Infrastructure

All operational sites are equipped with Occupational Health Centres (OHCs), staffed 24/7 by qualified doctors and nurses, offering both occupational and non-occupational medical support.

### Parental Support

Maternity leave provisions support new parents and 50% of female employees who took parental leave returned to work, with a 100% retention rate.

### Daycare Facilities

Day care (Creche) facilities are available at the formulation facilities in Kothur, Nagarjuna Sagar, Vizag and the R&D Center.

### Insurance Coverage

89.84% of permanent employees and 98.10% of permanent workers are covered under health insurance schemes while 100% of permanent employee and workers are covered under accident insurance schemes. Maternity benefits reach 100% of eligible female employees and workers.

### Inclusivity Measures

Offices are accessible to differently abled individuals with required features.

### Group Life Term Policy

Applies to all category employees who are working in our Company irrespective of grade and category. In addition, workers follow donation scheme according to their respective unit. If an employee passes away during his service in the company, their colleagues in the same unit will donate one day's salary and the company will contribute twice the collected amount.

## 03 Holistic Health and Wellness Strategies

A multi-dimensional wellness approach is integrated across operational practices

### Occupational Health Centre

Equipped with a fully functional Occupational Health Centre, staffed by qualified doctors and trained nurses who are available 24/7 to safeguard and monitor employee health and well-being.

**Health Camps** We organise specialised medical services and wellness camps to proactively support the health and well-being of our employees.

### Health Checkups

We conduct comprehensive medical health check-ups. In partnership with Nano Health Care as a pilot initiative in partnership with Nano healthcare, was conducted at NRC.

**Environmental Controls** Usage of scrubbers and emission control technologies ensures low exposure to pollutants, supporting both worker health and environmental compliance.

**Mental Well-being and Safety Culture** Toolbox talks, safety

briefings and behaviour-based safety programmes instill a culture of mindfulness and proactive well-being. Toolbox talks, safety briefings and behaviour-based safety programmes instill a culture of mindfulness and proactive well-being.

## Employee Engagement

True organisational excellence is rooted in the engagement, motivation and well-being of our people. Employee engagement is not merely a metric; it is a reflection of our commitment to building a workplace where individuals feel valued, heard and empowered to contribute meaningfully. By nurturing a culture of collaboration, continuous learning and inclusive growth, we strive to enhance job satisfaction and strengthen the emotional and professional connection between our employees and the organisation.

Our engagement strategies are thoughtfully designed to align personal aspirations with organisational goals. From robust learning and development programmes to transparent performance management system and a strong commitment to human rights, every initiative is guided by our core values and sustainability ethos. Through these efforts, we aim to nurture a resilient, purpose-driven workforce that is equipped to drive long-term value creation for our business, stakeholders and the communities we serve.

### 01 Strategic Approach to Employee Engagement

Our strategic approach to employee engagement is anchored in creating a workplace that inspires purpose, promotes growth and supports holistic well-being. We recognise that engaged employees are more productive, innovative and aligned with our mission making them key contributors to our sustainability journey.

Our engagement strategy is built upon four foundational pillars, namely



#### Empowerment and Inclusion

We cultivate a culture where employees are encouraged to take ownership, share ideas and participate in decision-making processes. This inclusive environment promotes trust, collaboration and mutual respect across all levels of the organisation.



#### Learning and Development

Continuous learning is central to our engagement model. Through tailored training programmes, leadership development initiatives and skill-building opportunities, we enable our workforce to grow alongside the evolving needs of the business.



#### Recognition, Performance and Career Growth

Our performance management system ensures transparency, timely feedback and merit-based recognition. By aligning individual performance with career progression opportunities, we reinforce motivation and retain top talent.



#### Work-Life Balance and Wellbeing

We understand that employee satisfaction is closely linked to the ability to maintain a healthy work-life balance. Our policies and practices are designed to support flexibility, mental wellbeing and a positive work environment—enabling employees to thrive both professionally and personally.

02

## Building a Culture of Connection and Commitment

We recognise that employee engagement plays a vital role in strengthening retention and fostering a sense of belonging within the organisation. To support this, we have implemented structured rewards and recognition programmes designed to enhance employee motivation and productivity. In addition, we plan to introduce a retention bonus scheme in the upcoming financial year as part of our long-term engagement strategy. Our open-door policy further facilitates transparent communication and meaningful interaction between employees and senior leadership, thereby promoting an inclusive and collaborative work environment.

### Key Initiatives to Foster Employee Engagement

- Recognising talent and engagement in the right projects
- Competitive awards for higher achievers
- Incentivisation of regularity
- Long service awards
- Festival celebration at each plant
- Women's day celebration
- Driving CSR engagement
- Blood donation drives
- Sports events at factories

03

## Human Capital Development

Human capital development is regarded as a vital strategic investment in our workforce, serving as a key driver of our organisation's success. It plays a crucial role in enhancing productivity, retention and overall organisational performance. Our human capital development initiatives encompass a range of practices and policies designed to upgrade the skills, knowledge and abilities of our employees, ensuring they are aligned with our business values and goals. By prioritising human capital development, we aim to cultivate a culture of continuous learning, innovation and high performance, which is essential for our long-term growth, sustainability and mission fulfilment.

**Emotional Quotient (EQ)** We prioritise EQ training to empower managers to build high-performing teams, foster trust and cultivate self-awareness, empathy and effective communication.

**Management Development Programme (MDP)** Develops managerial excellence, focusing on stakeholder relationships, collaboration and long-term success through effective leadership skills.

**Field Force Training** Comprehensive training, including field coaching, self-study and refresher training to enhance selling skills and product knowledge.

**Training Framework** Our training approach begins with a thorough need analysis, which informs the development of our annual training calendar.

Our training programmes cover a range of topics, including:

- **Quality and Compliance:** Current good manufacturing process, good laboratory practices and good documentation practices
- **Safety:** Behaviour-based safety training, EHS competency development for line managers and specialised training in areas such as fire safety, first aid and electrical safety
- **Behavioural:** Business communication, technical writing, conflict management and leadership development

**Leadership Retreat** Senior leaders gathered for a strategic workshop, the Leadership Retreat, to exchange ideas, enhance leadership skills and drive organisational growth.

**Induction Programme for New Joiners** A comprehensive induction programme encompassing technical, safety, job-specific and behavioural training, along with detailed orientation sessions.

**Performance Improvement Plan for Non-Performers** A structured Performance Improvement Plan (PIP) is implemented for underperforming employees, providing them with clear goals, guidance and support to enhance their performance and align with organisational expectations.

**Training Programmes for Security Personnel** During the reporting period, a total of 214 security personnel participated in structured training programmes, collectively completing 400+ training hours. The sessions covered a comprehensive range of topics, including fire extinguisher and fire hydrant operations, SCBA (Self-Contained Breathing Apparatus) handling, OSEP (On-Site Emergency Plan) procedures, fire alarm system operations, mock drills, first aid and Emergency Response Team (ERT) readiness. In addition, training was provided on vehicle entry protocols to strengthen perimeter control measures. These initiatives were aimed at enhancing the competencies and emergency preparedness of the security team, thereby reinforcing a safe and secure workplace environment.

## 04 Driving Excellence Through Performance Management

We cultivate a culture of empowerment by setting goals, performance conversations as well as learning and development opportunities. At the heart of our commitment lies the pursuit of excellence through consistent and exceptional performance. Our Performance Management System emphasises clarity, ongoing coaching and the necessary support to help employees thrive and advance in their careers. We believe that a strong performance management framework is essential to nurturing a culture of high achievement, sustained growth and meaningful employee engagement. Our approach is built on three principles: clear expectations, regular feedback and development opportunities.

Performance Management		
<b>Ongoing Feedback</b>	<b>Collaborative Goal Setting</b>	<b>Comprehensive Performance Reviews</b>
Robust feedback mechanisms are in place to consistently recognise and reward exceptional performance, while also identifying areas for improvement to support continuous employee development.	Employees and managers collaborate to establish clear and achievable goals that align with and drive the Company's overall vision and strategic objectives.	Annual or bi-annual performance reviews offer a comprehensive evaluation of employee progress, deliver constructive feedback and provide direction for future goals and development.

Promotion and Growth Opportunities	Personalized Career Development Plans
Promotions are based on merit, taking into account individual capabilities, performance and alignment with the organisation's evolving needs.	We are committed to our employees' personalized career growth by designing tailored development plans that empower them to enhance their skills and progress in their professional journey.

## Celebrating Success and Growth

Every milestone we reach is built on the innovation, resilience and commitment of our teams, who continue to advance our shared vision of making specialty medicines accessible to all. The progress we achieve as an organisation is deeply connected to the determination and achievements of our people.

For us, celebrating success is more than marking a moment. It is about building a culture where every contribution, whether large or small, is valued and appreciated. By acknowledging individual efforts as well as collective achievements, we strengthen the sense of purpose that binds our workforce together.

Through structured recognition programmes, opportunities for learning and development and vibrant cultural celebrations, we have created an environment where appreciation and growth complement one another. These practices have helped nurture collaboration, encouraged continuous improvement and a deep sense of belonging among employees across all functions and locations.

### 01 Recognising Achievements Across Levels

Recognition at NATCO is designed to reach employees at every stage of their journey. Whether through structured performance reviews or annual awards, each initiative ensures that employees feel their efforts are noticed and valued.

01

Performance Management System

02

Competitive Awards

03

Long Service Awards

04

Incentive Programmes

#### Performance Management System:

Structured goal setting and regular evaluations facilitate alignment with organisational objectives, while recognition of high performance ensures that accomplishments are duly acknowledged and communicated.

#### Long Service Awards:

Employees who have dedicated several years of service to NATCO are celebrated with formal recognition ceremonies, instilling pride and loyalty.

#### Incentive Programmes:

Performance-based incentives continue to encourage employees to achieve beyond their targets.

These initiatives not only reward results but also highlight the importance of persistence, discipline and teamwork in shaping NATCO's growth.

## 02 Learning, Growth and Career Progression

Celebrating success goes hand in hand with creating pathways for growth. Recognition gains depth when it is coupled with opportunities for employees to build new skills, take on greater responsibilities and prepare for future challenges. Every achievement, whether individual or collective, becomes a stepping stone that leads to broader horizons.

We are continuing to invest in learning and development programmes that blend technical expertise, leadership capability and hands-on exposure. These initiatives help employees strengthen their confidence, enhance performance and prepare to excel in a rapidly evolving industry.



**Leadership and supervisory programmes** equipped employees to take on expanded responsibilities across plants and business divisions.



**Structured induction and training** ensured that new technical recruits quickly gained the knowledge and support they needed to perform with confidence.



**Specialised development programmes** enhanced both functional depth and cross-functional collaboration, enabling employees to contribute more effectively to the organisation's goals.

Through this approach, recognition becomes forward-looking. Success is celebrated as both a reflection of individual effort and a foundation for future progress, ensuring that employees feel encouraged to keep advancing in their careers.

## 03 Building Bonds, Celebrating Together

Achievements at NATCO extend beyond individual performance to include the shared experiences that bring people together and create a sense of pride across the organisation. Milestones, whether personal or professional, are valued as opportunities to pause, reflect and celebrate the journey. By Recognising these moments, the Company nurtures bonds among colleagues and builds a workplace where success is experienced collectively.



**Women's Day and Diversity Events** celebrate the contributions of women in the workforce and highlight NATCO's commitment to equality.



**Promotions and Career Milestones** are acknowledged across business divisions, shining a light on the growth journeys of employees and inspiring others to pursue their aspirations.



**Festivals and Cultural Programmes** bring employees together across plants and offices, creating an atmosphere of inclusivity and joy.



**Sports and Team-Building Activities** strengthen connections among colleagues, encourage healthy participation and build team spirit.

These celebrations create lasting memories and reinforce the message that every achievement—whether a professional accomplishment, a cultural gathering or a shared success—is part of NATCO's collective story. By embracing both personal milestones and group events, the Company creates an environment where appreciation extends into every aspect of employee life.

## Occupational Health and Safety

Employee well-being remains our utmost priority, as our workforce forms the backbone of our operations. As a responsible pharmaceutical company, we are fully committed to maintaining a safe, healthy and secure work environment for all employees. Currently our two API units (Mekaguda and Chennai), five formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun and Guwahati) and one R&D centre have been accredited with ISO 45001: 2018 OHS Management Systems and ISO 14001: 2015 Environment Management System, demonstrating our adherence to globally recognised benchmarks for environmental and occupational health and safety practices.

Our Employee Health and Safety Policy outline a comprehensive approach to establish and maintain a safe and healthy work environment for our employees and a clean environment for the surrounding community. Central to this policy is our unwavering commitment of achieving a state of 'Zero Injury' that drives us to prevent all workplace incidents through proactive risk management, employee engagement and continuous improvement.

To support the effective execution of this policy, we have built a robust EHS Management System, underpinned by a clearly defined organisational structure that promotes proactive risk management and encourages a culture of continuous improvement in safety and sustainability across all operations.

### 01 Hazard Identification, Risk Assessment and Incident Investigation

At NATCO, we routinely carry out thorough health and safety risk assessments to review current practices and implement targeted measures that proactively address and reduce potential hazards. Our commitment to safety is anchored in a robust Process Safety Management framework, which forms the foundation of our risk assessment approach and drives continuous improvement in our safety practices. This structured methodology enables us to deepen our insight into workplace hazards and conditions, while cultivating a dynamic safety culture that grows in tandem with our operational advancements.

### Key Elements of Process Safety Management Reflected at NATCO

#### Process Hazard Analysis (PHA)

To ensure safe operations, we utilize a range of risk analysis tools, including EHS by design checklists, risk-based exposure assessments, HAZOPs, HIRA, QRA, walkthrough observations.

#### Work Permit Systems (Safe Work Practices)

Robust Work Permit System is in place for high-risk activities like confined space entry, hot work, working at heights, etc., to ensure strict controls.

#### Management of Change (MOC)

Formal Change Management System to evaluate safety implications before implementing any process or equipment changes.

#### Employee Participation and Training

Workers are engaged through training, toolbox talks and safety briefings; empowered to report hazards and refuse unsafe work.

#### Operating Procedures

Comprehensive SOPs are developed and enforced for all critical operations to ensure consistent safety practices.

#### Emergency Response Planning

Mock drills and awareness campaigns are conducted to prepare for emergency scenarios.

#### Work-related Hazard Identification

We have a systematic process in place to identify and assess work-related hazards on a regular and ad-hoc basis. Routine activities are covered under HIRA.

### Training Programme on Emergency Preparedness and Response at NRC

NATCO Research Centre (NRC), Hyderabad conducted an external training programme on Emergency Preparedness and Response on 12<sup>th</sup> February 2025 for Emergency Response team members, facilitated by Usha Fire Safety. Participants learned essential lifesaving skills such as fire safety measures, SCBA operation, emergency evacuation and rescue operations followed by a firefighting practical demonstration.



## 02 Employee Health Management System

### Occupational and Non-Occupational Health Services

Each operational site is equipped with a fully functional Occupational Health Centre (OHC), staffed with qualified doctors and nurses available round-the-clock. These centres are responsible for:

- Reviewing pre-employment and periodic health check-ups
- Monitoring occupational exposures
- Providing immediate medical support in case of workplace injuries or illnesses

Additionally, employees are covered under:

- Group Medical Insurance
- Employee State Insurance Scheme (ESIC)

These provisions ensure comprehensive access to non-occupational healthcare services, promoting holistic employee well-being.

### Health Improvement Talk at Nagarjuna Sagar Unit

A health awareness session titled 'Basics of Body Parts and Chronic Diseases' was organised on 18<sup>th</sup> October 2024 for staff at NATCO Pharma's Nagarjuna Sagar unit. The session was led by Dr. Muralidhar, Site Medical Officer, who provided an in-depth overview of human anatomy, elaborating on the functions and importance of various organs and bodily systems. The talk also addressed prevalent chronic diseases, exploring associated risk factors, common symptoms and preventative strategies. The event concluded with an interactive question and answer segment, facilitating further engagement and knowledge sharing among participants.



## 03 Instilling Culture and Mindset of Safety

As part of our continued dedication to building a safety-focused culture, we have designed and put into action a holistic strategy that integrates a safety-first mindset into every facet of our operations. We are committed to maintaining a safe and healthy workplace by proactively identifying and addressing hazards, minimising unsafe behaviours and fostering overall well-being through a comprehensive occupational health and safety risk management approach.

# 100%

Training on Health and Safety Measures

To support this, we place strong emphasis on employee involvement and collaboration in building a resilient safety culture. In addition, we implement a range of initiatives across all our sites to install and reinforce safe practices among our workforce. The initiatives are discussed below-

- Combining informal initiatives, such as toolbox talks, with formal procedures to ensure a comprehensive safety strategy.
- Educating our employees about the significance of incorporating proactive safety practices into their everyday tasks. Additionally, we actively encourage them to report safety concerns, near-miss incidents and share ideas

for improvement. By fostering a supportive work environment, we empower our workforce to innovate and contribute to enhancing overall safety standards.

- Enhancing awareness and strengthening competencies among employees, contractors and business partners by delivering focused training programmes that address key safety, health and environmental concerns.
- Fostering collaboration among diverse teams and encouraging employee input on EHS matters to promote a culture of collective decision-making and shared responsibility.

### Basic Life Support and First Aid Training at Nagarjuna Sagar Unit

On 11<sup>th</sup> September 2024, an external certification training programme focusing on Basic Life Support (BLS) and First Aid was conducted at the Nagarjuna Sagar Unit of NATCO Pharma. The session was facilitated by St. John Ambulance, providing participants with comprehensive instruction in essential life-saving techniques including cardiopulmonary resuscitation (CPR), emergency response procedures and first aid management for common injuries. The training incorporated hands-on practice sessions to reinforce practical skills and ensure competence in real-life emergency situations.



### Fire Safety Mock drill conducted at NRC

A fire safety mock drill was conducted on 21<sup>st</sup> August 2024 at the NATCO Research Centre, NATCO Pharma. The exercise simulated a fire scenario in CRD Lab-3 and enabled the effective testing of the facility's emergency response protocols. The drill involved the full evacuation of the facility, with all employees assembling at the designated assembly point where a headcount was conducted to ensure accountability. The Emergency Response Team (ERT) executed a prompt and efficient evacuation, maintaining order and safety throughout the process. Senior officials subsequently led a debriefing session, commending the overall performance while identifying opportunities for improvement to enhance future preparedness. The mock drill reinforced organisational readiness and provided actionable insights to further strengthen emergency management procedures.

### National Safety Week Celebrations

54<sup>th</sup> National Safety Week Celebrations were conducted at various NATCO Pharma plant locations including Mekaguda, Kothur, NRC, Nagarjuna Sagar, Dehradun, Guwahati. The celebrations were held during 4<sup>th</sup> to 10<sup>th</sup> March 2025. As part of the celebrations, they organised various activities including fire safety mock drill, safety exhibition, safety slogans, safety posters, essay writing, safety quiz, safety march and games. Personnel from Senior Management re-iterated the importance of safety at work. Prizes were distributed to employees, who won in various competitions held.



## 04 Ensuring Safety, Hygiene and Regulatory Compliance

In the pharmaceutical sector, maintaining a clean and hygienic environment is essential to safeguard product quality and safety. Employee hygiene is a critical factor in preventing contamination and ensuring adherence to Good Manufacturing Practices (GMPs).

At NATCO, we uphold a safe and healthy workplace through a range of strategic measures, including strong leadership commitment, active line management accountability and high levels of employee awareness and participation. Our facilities are equipped with comprehensive safety infrastructure such as fire hydrant systems, smoke detectors, alarm and sprinkler systems and nitrogen-based suppression systems.

We also carry out pre-start safety reviews to proactively identify potential hazards and confirm that appropriate control measures are in place. In addition, disciplined housekeeping practices are emphasised across all sites, reinforcing the application of safety learnings in day-to-day operations.

## 05 Safety Performance in FY 24-25

Safety Incident/Number	Category	FY 24-25 Current Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0
	Workers	0.073
Total recordable work-related injuries	Employees	2
	Workers	3*
No. of fatalities	Employees	0
	Workers	1*
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0
	Workers	0

\*Note: Data reconsidered and updated from the BRSR report (2024-25) and shall be restated in the next BRSR (2025-26).

## 06 Complaints and Grievances

We maintain a robust grievance redressal mechanism:

	FY 24-25	
	Filed during the year	Pending resolution at the end of year
Working Conditions	5	0
Health and Safety	24	0

Our Occupational Health and Safety framework exemplifies our commitment to nurture a safe, compliant and employee-centric work environment. By integrating risk management systems, process safety mechanisms and employee engagement programmes, the Company continues to uphold best-in-class OHS performance, reinforcing safety as a non-negotiable pillar of sustainable growth.

## Upholding Human Rights: Ensuring Dignity and Respect for All

True progress is built on the foundation of respect, fairness and ethical responsibility. We believe that safeguarding and promoting human rights is both a legal obligation and a moral responsibility that reflects our core values. Our approach is guided by ethical principles and global best practices to ensure that every individual connected to our organisation is treated with respect.

### 01 Our Commitments to Human Rights

Our Code of Conduct integrates human rights principles, labour law compliance and environmental responsibility, cultivating a culture of transparency and accountability. We maintain a

robust Human Rights Policy supported by a dedicated Grievance Redressal Committee, which ensures that any concerns are addressed promptly and fairly. With 100% of our employees and

workers trained on human rights issues in FY 24-25, we continue to build awareness and empower individuals to stand against discrimination and unethical practices.

#### Governance and Leadership Oversight

Our Board of Directors provides strategic oversight on human rights matters to ensure our policies and practices align with relevant laws, standards and evolving stakeholder expectations. This leadership accountability reinforces our commitment to ethical business conduct and responsible decision-making.

#### Fair Labour Practices

We uphold fair labour standards across our workforce, ensuring that 100% of employees and workers receive wages above the minimum wage requirements. This includes both permanent and contractual staff, reflecting our dedication to equity and respect in the workplace. Moreover, NATCO ensures inclusivity by equipping premises with ramps and wheelchair-accessible restrooms, in compliance with the Rights of Persons with Disabilities Act, 2016.

Gender equity remains a key focus at NATCO. Transparent audits and due diligence further ensure the elimination of child labour, forced labour and workplace discrimination across our operations and value chain.

#### Training Programme on Human Rights at NRC

A workshop on sustainability was conducted for the employees of the Nagarjuna Sagar Plant on the 20<sup>th</sup>. The session engaged participants through discussions on their commitments to sustainability, potential areas for improvement and key takeaways from the latest NATCO Sustainability Report



## Ethical Workplace and Employee Protection

### Zero

Complaints were filed regarding sexual harassment, child labour, forced labour or discrimination.

NATCO has zero tolerance for harassment, discrimination or exploitation. In the reporting period, no complaints were filed regarding sexual harassment, child labour, forced labour or discrimination, reflecting the effectiveness of our ethical framework. Our Whistleblower and Grievance Redressal Policies safeguard individuals against retaliation, ensuring confidentiality and fair resolution for all.

We provide multiple reporting channels-including secure email, suggestion boxes and direct access to the Grievance Committee so every voice is heard and protected. Furthermore, our contracts and business agreements with value chain partners explicitly include human rights clauses, reinforcing our ethical stance throughout our ecosystem.

#### Awareness session on Prevention of Sexual Harassment at Vizag Unit

An awareness session on the Prevention of Sexual Harassment (POSH) was conducted at our Visakhapatnam facility on 9 August 2024. The session aimed to enhance employees' understanding of what constitutes sexual harassment, its various forms and the associated legal implications. The programme was facilitated by Ms. Usha Pantula, an external trainer, who equipped participants with the knowledge and skills required to recognise, prevent and appropriately report instances of sexual harassment.



### Driving Accountability and Continuous Improvement

Every NATCO facility undergoes 100% compliance assessments on human rights parameters including wages, workplace discrimination, sexual harassment and forced labour. This rigorous approach ensures that corrective measures, where necessary, are implemented swiftly. While no complaints were reported in the latest year, our commitment to proactive awareness and training ensures that dignity, fairness and respect remain central to our operations.

02

### Key Pillars of Our Human Rights Approach

To support our human rights vision, we focus on the following five strategic pillars:

Business Integration	Awareness and Training	Resolution and Support	Continuous Monitoring and Disclosure	Open Reporting Channels
<p>We embed human rights thinking into our daily operations, policies and decision-making processes to ensure that these values guide our conduct across the organisation.</p>	<p>Regular sensitisation and training sessions are conducted to strengthen understanding of human rights among employees and stakeholders, enabling them to act as responsible and informed individuals.</p>	<p>Our grievance mechanisms are structured to address concerns effectively. We take corrective actions to mitigate negative impacts and uphold justice through our designated redressal committees.</p>	<p>We consistently review our human rights performance and share updates transparently in our sustainability disclosures, reinforcing accountability and continuous improvement.</p>	<p>We provide open and confidential avenues for individuals to report instances of unfair treatment, discrimination or violations of human dignity. These channels are accessible and managed with a focus on impartiality and resolution.</p>

# Partnership, Power, Progress

In today's rapidly evolving healthcare landscape, transparency is more than a regulatory requirement; it is a core expectation of consumers who seek clarity and accountability in the products they use. At NATCO Pharma Limited, we view this expectation as both an ethical responsibility and a strategic way to build trust. By openly sharing accurate, accessible and relevant information about our products, including responsible usage and the environmental and social standards we uphold, we empower consumers to make informed choices.

As a patient-centric organisation, NATCO's engagement with customers goes beyond transactional interactions. It is rooted in open dialogue, evidence-based communication and a proactive approach to addressing concerns. From labelling and product education to grievance redressal and data protection, every touchpoint is designed to reinforce our pledge to transparency, safety and ethical responsibility.



## 1. Product Safety

Safeguarding patient health through uncompromised product safety is at the core of our operations. Our commitment to consumer well-being begins with stringent quality assurance processes and extends across the entire product lifecycle. Every pharmaceutical product undergoes rigorous safety testing, quality control and regulatory validation before reaching the end user.



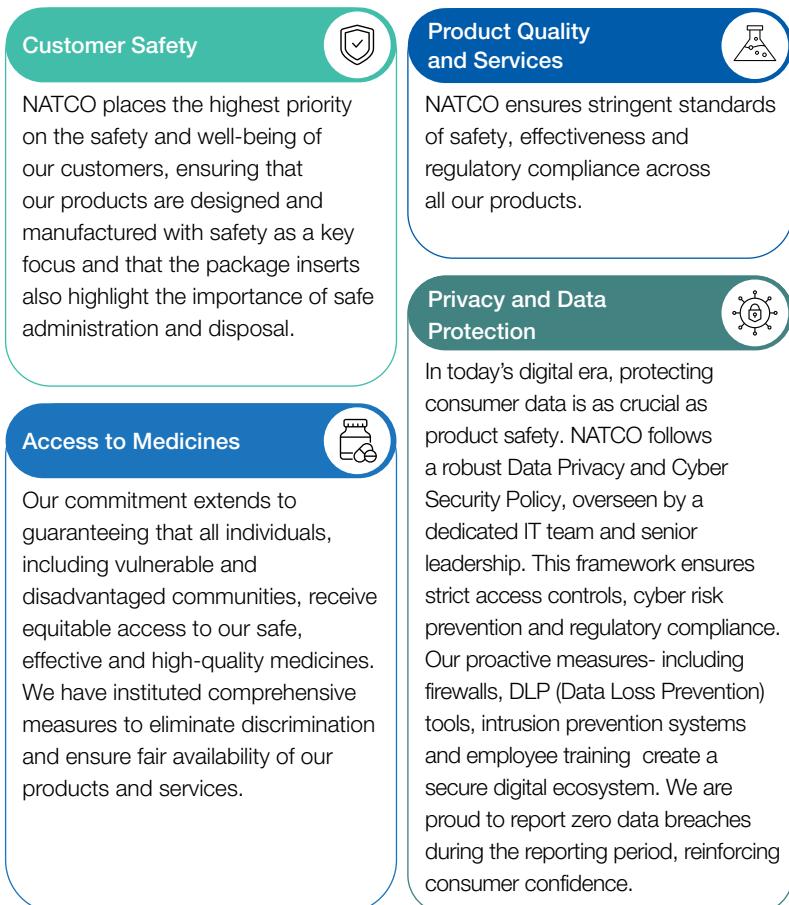
## 2. Upholding Ethical Engagement and Consumer Rights

NATCO's ethical framework ensures that all product marketing communications to customers, education to patients and awareness to public are grounded in facts and scientific accuracy. During the reporting year, we received **no complaints related to promotional/education content, product quality or delivery of essential services**, reaffirming our adherence to ethical/regulatory standards and social commitment.

To facilitate transparency and responsiveness, we have established a structured mechanism to address the concerns and feedback. Healthcare professionals and other stakeholders can report adverse drug reactions (ADRs) or concerns through multiple accessible channels, including a dedicated email ID: [grievancedressal@natcopharma.co.in](mailto:grievancedressal@natcopharma.co.in) and postal address. Upon receipt, all reports are logged by our Marketing Department and routed to the GCQA team for detailed investigation. Where necessary, cross-functional teams including Regulatory Affairs and Product

Development, are engaged to evaluate if there are any concerns related to root causes and to implement **Corrective and Preventive Actions (CAPA)**.

At NATCO, we are fully committed to protecting the interests and rights of our customers through the following pillars:



### 3. Empowering Patients through Education/Awareness and Responsible Product Use

At NATCO Pharma Limited, we recognise that empowering patients with the right information is essential to ensuring the safe, effective and responsible use of our medicines. Transparent communication is not only a compliance requirement but a strategic driver of public health outcomes and doctors/patients trust.

To achieve this, we collaborate with partners and stakeholders to continually develop and refine educational approaches that enhance awareness around product safety, usage guidelines and potential health interactions.

Our efforts focus on the following:

#### Clear and Informative Packaging

All product labels and packaging are designed to include clear instructions, usage warnings, dosage details and safety precautions—empowering consumers to use the product correctly.

#### Patient Information Leaflets (PILs)

Every product is accompanied by a comprehensive Patient Information Leaflet that outlines the intended use, benefits, potential side effects, contraindications and safe handling practices of the medication.

#### Digital Access to Reliable Information

Our corporate website provides consumers with up-to-date, product-specific information, including dosage guidance and medical advisories. This enables both patients and healthcare providers to access essential details at their convenience.

#### Dedicated Customer Support

NATCO has established responsive customer support systems to address queries related to product use, safety and availability. This ensures direct access to reliable assistance and encourages responsible usage practices.

### 4. Ensuring Continuity and Ethical Conduct

To ensure the continuous availability of essential/lifesaving medicines, NATCO has implemented contingency protocols and standard operating procedures to manage potential service disruptions. During the reporting year, no disruptions were recorded.

Additionally, NATCO did not face any regulatory penalties or product recalls, either voluntary or enforced, indicating compliance with applicable regulations and consistent delivery of pharmaceuticals.

### Sustainable Product Design

Sustainable product design is positioned as a strategic imperative within the overall innovation framework. Recognising that the environmental and social impacts of pharmaceutical products extend beyond their immediate therapeutic function, a forward-looking, lifecycle-based approach has been adopted.

Sustainability principles are integrated across all stages of the product lifecycle from the responsible sourcing of raw materials and optimisation of production processes to sustainable packaging solutions and end-of-life product stewardship. This approach not only ensures alignment with regulatory requirements but also reflects a broader commitment to environmental responsibility and social impact.

#### Life Cycle Assessments (LCA) of Apixaban



The optimized pathway has shown the potential to reduce the overall environmental impact by approximately 50%

From a point of marketing and product pipeline development, we keep the lifecycle of the product in perspective while constantly looking out for better and newer treatment options benefiting doctors/patients. Additionally, we continuously explore new indications for existing molecules, as well as drug repurposing, to extend the product lifecycle.

## 1. Life Cycle Assessment (LCA)

The cornerstone of our sustainable design philosophy is the use of Life Cycle Assessment (LCA) to evaluate and reduce environmental impacts. This year, we conducted an LCA for Apixaban, covering the full cradle-to-gate production process. The study provided insights into emissions, resource use and energy consumption across the value chain. While the assessment did not identify major environmental concerns, it enabled us to take

proactive steps for further improvement. As a result, our R&D team developed an alternative process for the intermediates stages of Apixaban production and an LCA of this revised process shows a potential reduction in environmental impacts by about 50%.

## 2. Sustainable Procurement

NATCO Pharma's Sustainable Procurement Policy is a key enabler of environmentally responsible product design. The policy ensures that sustainability considerations are integrated across the supply chain from raw material sourcing to final packaging.

We work closely with suppliers to promote environmental stewardship and responsible operations. By embedding these principles into procurement activities, the Company ensures that its product design processes are not only efficient and compliant but also aligned with its long-term environmental responsibility goals.



### Integration of Sustainability Principles



### Reduction of Energy and Resource Use



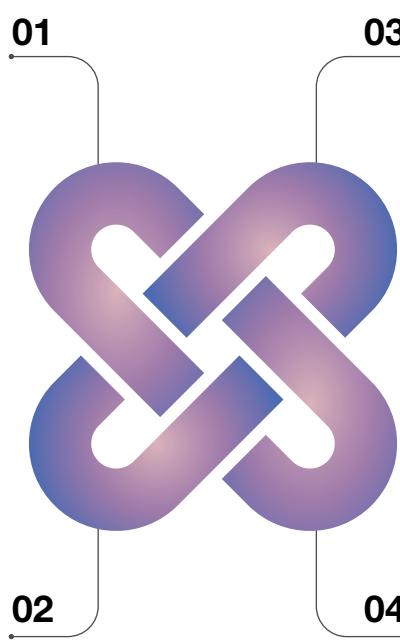
### Compliance with Environmental Standards

From project initiation, NATCO's R&D teams are guided by the "Safe-by-Design" and "Green-by-Design" principles:



#### Raw Material Selection

We prioritise renewable, low-toxicity and locally sourced materials to reduce environmental impact and supply risks.



#### Green Chemistry Approaches

Implementation of solvent recycling, atom economy strategies and catalysis to eliminate or significantly reduce the use of ecologically harmful substances.



#### Synthetic Route Optimisation

Considerable R&D resources are invested in developing shorter, cleaner synthetic pathways for active ingredients (APIs), maximising yield and minimising hazardous reagents (check with team).



#### Solvent and Water Management

Wherever possible, processes are designed for closed-loop solvent recovery and minimal water consumption, with advanced purification before release.

## 2. Rigorous Quality and Patient Safety at Every Stage

Safety and quality are built into the product from concept to commercial launch:



### Lifecycle Safety Management:

At NATCO Pharma Limited, ensuring the safety of our pharmaceutical products is a continuous, end-to-end process that extends far beyond initial development. We embed patient safety and risk mitigation at every stage of the product lifecycle—beginning with rigorous pre-market testing, upheld by global standards and continuing with vigilant monitoring aftermarket launch. Our commitment to lifecycle safety means constantly evolving our approaches, learning from real-world insights and global best practices to further strengthen our safety framework and enhance patient outcomes.



### 1. Environmental Impact Minimization

Minimising the environmental impact of pharmaceutical products demands a continuous and integrated approach throughout the entire product lifecycle. By embedding strong sustainability strategies into the design, manufacturing and end-of-life stages, we proactively mitigate ecological risks before they emerge.

Leveraging advanced technologies and innovative processes, we enhance resource efficiency, reduce waste and maintain compliance with environmental regulations—ultimately contributing to a healthier planet for future generations.

As part of this commitment, two API units (Mekaguda and Chennai), five

formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun and Guwahati) and one R&D centre have been accredited with ISO 14001:2015 Environmental Management System (EMS), reinforcing our dedication to systematic environmental stewardship across operations.

NATCO systematically works to minimise the ecological footprint of its products, with focus on-



Design of processes for maximum material utilisation, reduced by-products and simple, non-toxic disposal wherever possible.



Installation of multi-stage effluent treatment plants (ETPs) and air emission scrubbers ensure compliance with national and international environmental benchmarks.

**Our R&D Centre is accredited with the ISO 45001:2015 Occupational Health and Safety Management Systems, reflecting our dedication to maintaining a safe and healthy work environment.**

## 2. Cross-Functional and Supplier Collaboration

Driving responsible product development relies on seamless collaboration both within the organisation and across the broader supply chain. Cross-functional teams production spanning R&D, Quality Assurance, Environmental Health and Safety, Regulatory Affairs and Procurement—work in concert to embed sustainability, quality and safety considerations at every stage from concept to commercialization. This integrated approach ensures that diverse expertise informs key decisions, risk assessments are holistic and best practices are shared across departments.

Building robust partnerships with suppliers is equally critical to achieving high standards of environmental and social responsibility. Suppliers are selected and regularly evaluated based on their adherence to strict sustainability, ethical and quality criteria.

Ongoing engagement, including capacity-building initiatives and transparent communication channels, strengthens supplier performance and alignment with the company's ESG goals. Through a culture rooted in collaboration and shared accountability, the organisation ensures that all stakeholders contribute actively to delivering, high-quality and effective pharmaceutical products.

**“Through this unwavering dedication to continuous improvement and innovation (rephrase), NATCO Pharma Limited positions itself as a leader in advancing safe, sustainable and high-quality therapies for patients worldwide, while supporting a robust foundation for future growth and industry leadership.”**

Responsible product development is advanced through integrated action:

### Collaboration

R&D, EHS (Environment, Health, and Safety), QA, production Regulatory and Procurement work as a unified team to ensure all aspects, technical, regulatory, social and environmental, are addressed.

### Stakeholder Involvement

Ongoing dialogue with healthcare professionals, regulators and patients ensures the company is responsive to changing expectations and emerging risks.

### Supplier Engagement

Suppliers must comply with NATCO's sustainability and quality codes, with regular audits and capacity-building programmes to enhance their performance.

## 3. Regulatory Leadership and Industry Benchmarking

Excellence in regulatory compliance and industry benchmarking is fundamental to upholding trust, quality and innovation in pharmaceutical development. A proactive stance on regulatory leadership ensures products not only meet but anticipate evolving standards set by global authorities such as ICH, USFDA, EMA, PICs, WHO and CDSCO. Continuous monitoring of regulatory developments guides timely updates to internal practices, enabling swift adaptation to new requirements and risk landscapes.

To reinforce this commitment, regular internal and assessments are conducted to identify areas for improvement, while best practices are systematically adopted from international guidelines and peer organisations. Active participation in industry forums and stewardship

initiatives knowledge exchange, allowing for benchmarking of performance against top industry peers and enabling the company to remain ahead on critical ESG issues. This culture of regulatory excellence and industry alignment ensures that all products meet the highest standards of safety, efficacy and environmental stewardship, strengthening credibility with regulators, healthcare professionals and patients worldwide.

### Adherence to Global Standards

Adherence to Global Standards: Products are developed and manufactured per stringent international guidelines (ICH, USFDA, EMA, PICs and WHO), ensuring acceptability and trust in major markets.

### Proactive Compliance

Constant scanning for regulatory updates, coupled with internal audits, keeps NATCO ahead of evolving safety, quality and environmental mandates.

### Industry Recognition

Participation in industry-wide forums to share best practices and benchmark performance, aiming to exceed statutory requirements.

A culture of continuous improvement and innovation drives sustained excellence and responsible growth in NATCO Pharma Limited's product development practices. Recognising the dynamic nature of the pharmaceutical landscape, the company adopts a proactive approach to challenging the status quo—constantly seeking out new scientific advancements, process optimisations and sustainability solutions that propel both patient care and environmental stewardship to new heights.

# Health, Hope and Education

## Our CSR Pathway

Driving positive change through scalable initiatives and proactive community engagement, ensuring a lasting impact.

At the heart of our CSR initiatives is a commitment to enhancing the lives of communities by promoting better health and quality education

**₹144.60  
million**

Total CSR Spend



## Our Journey of Impact

NATCO Trust, established in 1995 as the Corporate Social Responsibility (CSR) arm of NATCO Pharma Limited, is a non-profit organisation based in Hyderabad. We believe that true development can only be achieved when living and learning go hand in hand. The Trust focuses on implementing impactful programmes that promote education and healthcare for the community.

Focusing primarily on rural communities surrounding NATCO's manufacturing sites, NATCO Trust undertakes initiatives in education, healthcare and need-based community infrastructure. NATCO Trust has grown into a platform leading community-based initiatives focused on education, health and inclusive development. It employs local women in creating lasting impact through sustainable rural initiatives.

At present, the Trust has a strong presence across Telangana, including Hyderabad, Nalgonda, Mahabubnagar, Siddipet and Rangareddy districts, as well as in Guntur, Visakhapatnam and Kurnool districts of Andhra Pradesh. It also conducts various activities in the metropolitan city of Chennai, aiming to promote sustainable development and improve quality of life wherever it works.

We strive to address critical social needs while creating long-term community empowerment.

### Our CSR focus



#### Community Infrastructure

We work towards improving community living standards by installing RO water plants for safe drinking water and supports in developing rural infrastructure



#### Education

We work towards enhancing education in rural and underserved areas through programmatic intervention in Anganwadis and primary schools for children and infrastructure upgradation work in these centers



#### Health and Well-being

Strengthening healthcare access through initiatives like the NATCO Cancer Centre in Guntur, the NATCO Eye Centre in Kothur with LV Prasad Eye Institute, the OPD block at Niloufer Hospital, mobile health clinics and counselling services in government hospitals



#### Livelihood

Providing employment opportunity to women from rural backgrounds



## CSR Projects in FY24–25

During the financial year 24–25, our CSR contributions were primarily directed towards the following key projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects
1	Early Childhood Education (ECE) Anganwadi Centres (AWC)	<b>713</b> 47.99% (% of beneficiaries from vulnerable and marginalised groups)
2	Bala Vikasa Kendra (BVK)	<b>24</b> 96% (% of beneficiaries from vulnerable and marginalised groups)
3	Post School Tuitions for Govt School Children (Grade 1 to 5)	<b>632</b> 50% (% of beneficiaries from vulnerable and marginalised groups)
4	Additional Full Time Teaching Volunteer- Govt Primary Schools	<b>309</b> 30.40% (% of beneficiaries from vulnerable and marginalised groups)
5	Additional Full Time Teaching Volunteer- Paropakarini Balika Primary School	<b>109</b> 34.5% (% of beneficiaries from vulnerable and marginalised groups)
6	Government Primary School Prabhat Nagar, Telangana- Educational Interventions and Maintenance	<b>615</b>
7	Additional Teaching Volunteers for NATCO Govt High School, Borabanda, Hyderabad, Telangana- Educational and Infrastructural Interventions and Maintenance	<b>1455</b> 60.77% (% of beneficiaries from vulnerable and marginalised groups)
8	NATCO Zilla Parishad High School, Kothur, Rangareddy District, Telangana- Infrastructure Intervention: Construction of New School Building and Maintenance	<b>567</b>
9	Additional Full Time Teaching Volunteer- Paropakarini Balika High School	25.64% (% of beneficiaries from vulnerable and marginalised groups)
10	Coaching for Gurukul Entrance Examinations for Govt School Children, Telangana	<b>128</b> children attendant with 88 children selected 52.27% (% of beneficiaries from vulnerable and marginalised groups)
11	Coaching for Navodaya Entrance Examinations for Govt School Children, Andhra Pradesh	<b>24</b> 79.16% (% of beneficiaries from vulnerable and marginalised groups)
12	Hippocampus School, Rangapur, Rangareddy District, Telangana	<b>1258</b> 65% (% of beneficiaries from vulnerable and marginalised groups)
13	NATCO School of Learning, Gollamudipadu, Guntur District, Andhra Pradesh	<b>462</b> 27.48% (% of beneficiaries from vulnerable and marginalised groups)
14	Education Project - Telangana (Bhadradri Kothagudem and Medchal Malkajgiri) in Collaboration with Central Square Foundation (CSF)	<b>69700</b>

S. No.	CSR Project	No. of persons benefited from CSR Projects
15	NATCO Mobile Health Clinics- Sanjeevini	<b>7439</b> beneficiaries with <b>29030</b> consultations
16	NATCO Primary Health Center Mekaguda	<b>4920</b>
17	Counsellors Support to Government Hospitals in Hyderabad (Gandhi Hospital, Osmania Hospital, Niloufer Hospital and MNJ Cancer Hospital) - Footfall	<b>349255</b>
18	NATCO Eye Center in collaboration with LVPEI-Kothur Telangana - Footfall	<b>28287</b>
19	NATCO Eye Center in collaboration with LVPEI-Guntur - Munipalli Andhra Pradesh from Jan to March	<b>1689</b>
20	NATCO Cancer Center, Guntur Government General Hospital	<b>2100</b> beneficiaries with 13354 consultations
21	Oncology Medicines support to NATCO Cancer Centre MNJ Cancer Hospital (Hyderabad) – Number of distributions (Not beneficiaries)	<b>7369</b>
22	Oncology Medicines support to NATCO Cancer Centre, Guntur Government General Hospital - Number of distributions (Not beneficiaries)	<b>1381</b>
23	Veterinary Interventions	<b>73</b> farmers with <b>98</b> sheds and <b>1500</b> cattle, <b>6170</b> cattle cases, supplied <b>5000</b> liters of oral calcium
24	Specialised Health Camps - Cancer Screening Camps in collaboration with MNJ Cancer Hospital and Basavataram Cancer	<b>389</b>
25	Specialised Health Camps - Orthopedic camp in collaboration with Srajeana Foundation at Nagarjuna Sagar location	<b>278</b>
26	Specialised Health Camps - Eye screening Camps in collaboration with LVPEI-Nagarjuna Sagar	<b>311</b>
27	Specialised Health Camps - Founder's Day at Gollamudipadu-Free Health Screening Camps Dental, Eye, Orthopaedic	<b>431</b>
28	Distribution of Nutrition kits to Treatment TB Patients Wanaparthy and Nagarkurnool Districts	<b>1203</b>
28	Construction of new Toilet blocks along with upgradation of existing toilets at MJPTBCWREIS (Mahatma Jyothiba Phule Telangana Backward Classes Welfare Residential Educational Institutions Society) Nagarjuna Sagar	<b>1600</b>

## Transforming Education for All

### Our Education Support During 2024-25

At NATCO Pharma Limited, we believe that education is not just a fundamental right—it is a transformative force that empowers individuals, strengthens communities and drives sustainable development. Our CSR initiatives in education are designed to reach the most vulnerable population with inclusive, scalable and impactful programmes that foster lifelong learning and holistic development. In the financial year 2024–25, our educational efforts spanned early childhood education, primary learning support, infrastructure development and strategic partnerships, all aimed at creating meaningful and lasting change.

One of our key initiatives this year was the Anganwadi Additional Educator Programme, which focused on enhancing early childhood education in government-run Anganwadi centres. Through this programme, we supported 713 children across 31 Anganwadis in three regions of Telangana. By placing trained volunteers in these centres, we strengthened foundational learning during the most critical years of a child's development. To ensure quality and consistency, we also invested in capacity building for these volunteers, equipping them with pedagogical tools, child engagement techniques and regular training sessions to improve learning outcomes.

In parallel, we implemented a Post-School Tuition Programme for government school children from Grades 1 to 5, reaching 632 children across Telangana and Andhra Pradesh. This initiative provided structured academic support beyond school hours, helping children reinforce classroom learning and build confidence. As with our Anganwadi programme, we placed strong emphasis on training and capacity building for post-school educators, ensuring they were well-prepared to deliver effective and engaging instructions tailored to the needs of each child.

Our commitment to early learning also includes the operation of Bala Vikasa Kendras, NATCO's own pre-primary centers that offer high-quality early education environments. These centres are designed to promote school readiness and foundational literacy and numeracy, especially for children from underserved communities.

Beyond direct learning interventions, we supported full-time teaching volunteers in select government schools in Hyderabad, Kothur and Prabhat Nagar, helping to address teacher shortages and improve classroom engagement. At the NATCO Government High School in Prabhat Nagar, we not only provided teaching support but also took responsibility for school maintenance and infrastructure upgrades, ensuring a safe and conducive learning environment. Our infrastructure support extended to other government schools as well, where we facilitated small repairs, improved centres hygiene and ensured the availability of clean washrooms, recognising that a healthy learning environment is essential for student well-being and attendance.

A special focus was placed on girl child performance across our direct implementation programmes. We monitored academic progress, attendance and participation of girls and worked closely with educators and families to address barriers to learning. This gender-sensitive approach is central to our vision of inclusive education.

Recognising the importance of competitive exam preparation, we offered coaching for Gurukula entrance exams in our post-school tuition centres and supported Navodaya coaching programmes in Guntur district. These efforts were aimed at helping bright students from disadvantaged backgrounds gain access to high-quality residential education opportunities.

We also partnered with the Central Square Foundation to support their education project in Telangana, aligning with our goal of strengthening systemic educational reforms through collaboration and evidence-based practices.

Furthering our commitment to holistic education, NATCO continues to operate two full-fledged schools, one in Rangapur Village (Kothur) and another in Gollamudipadu Village (Guntur). These schools are managed in partnership with Hippocampus, an organisation known for its innovative and child-centric learning models. Through these institutions, we provide comprehensive education that emphasises literacy, numeracy, life skills and character development.

Together, these initiatives reflect NATCO Pharma's strategic and compassionate approach to educational transformation. By addressing multiple layers of the education ecosystem—from early childhood to competitive exam coaching and from infrastructure to educator development—we aim to build resilient, self-reliant communities equipped to thrive in an increasingly dynamic world.



## NATCO's Primary Focus Areas in Education

### 01 Access and Inclusion-

We prioritise educational access for children from vulnerable and marginalised communities, with special emphasis on:

- Rural and remote area students
- Children from economically disadvantaged families
- Girl child education and women's empowerment through education

## Focus on Girl Child Education and Marginalised and Vulnerable Groups

### 02 Quality Enhancement

Our programmes focus on improving educational outcomes through:

- Teacher training and capacity building

### 03 Holistic Development

Beyond academic excellence, we support:

- Leadership development
- Community engagement skills



## Transforming Education: Local Empowerment, Strategic Solutions

Our approach focuses on improving educational outcomes in remote communities through local empowerment, strategic implementation. We prioritise building the capacity of local volunteers, enabling community ownership and developing solutions tailored to the specific challenges of each context. These efforts aim to ensure that our education initiatives are both scalable and sustainable.

The following infographic illustrates our comprehensive approach to transforming education in local communities. It highlights three key areas:



**Capacity Building** — Empowering local volunteers and communities to sustain educational programmes

**Challenges and Solutions** — Addressing real-world obstacles with tailored, strategic actions

### Capacity Building Focus

We emphasise training local volunteers and enabling community ownership of educational programmes. By equipping volunteers, building reliable infrastructure and encouraging active participation, we help ensure continuity and local engagement in education.

- Training local volunteers to lead and sustain educational efforts
- Establishing infrastructure that supports long-term learning
- Creating community participation and ownership models
- Developing local leadership to guide ongoing programme efforts

### Challenges and Solutions

We recognise the challenges of working in diverse, often underserved environments—ranging from logistical constraints to complexities. Our strategic approach addresses these obstacles to ensure that our programmes are both impactful and sustainable.

### Implementation Challenges

- Difficult terrain and limited access to remote communities
- Infrastructure gaps and resource limitations
- Coordination among multiple stakeholders

### Strategic Solutions

- Partnering with local communities to improve community access
- Designing culturally appropriate and inclusive programmes
- Using a phased approach to scale initiatives sustainably
- Establishing ongoing communication and feedback channels with stakeholders

**Case Study**

# Empowering Education in Aspirational Districts – Telangana

## Background

In alignment with the Government of India's vision to uplift Aspirational Districts, NATCO Pharma partnered with the Central Square Foundation (CSF) to implement a transformative education-focused CSR initiative. This project was strategically designed to enhance foundational learning outcomes and strengthen the overall education ecosystem in underserved regions of Telangana.

## Project Overview

**Project Name**

Education Empowerment in Telangana

**Collaborating Partner**

Central Square Foundation (CSF)

**Geographical Focus****Primary Aspirational District**

Bhadradri Kothagudem

**Extended Implementation**

Kodangal Region

(Vikarabad and Narayanpet)

## Objectives

- Improve foundational literacy and numeracy (FLN) skills among students
- Support teacher capacity building and digital learning integration
- Strengthen school-level governance and data-driven monitoring
- Engage communities to drive demand for quality education

## Key Achievements

**No. of Beneficiaries:****69,700**

individuals (students, teachers, mentors and community stakeholders)

**CSR Spend:****₹31,95,038****Districts Covered:**

Bhadradri Kothagudem, Vikarabad, Narayanpet



## Conclusion

This CSR initiative demonstrates the transformative potential of public-private collaboration in education. By addressing systemic challenges and focusing on underserved regions, the project not only met its core objectives but also laid the groundwork for long-term sustainable impact in Telangana's education landscape.

## Impact Highlights

- Marked improvement in classroom engagement and attendance
- Enhanced mentor effectiveness and teacher support
- Strengthened data-driven governance and monitoring
- Fostered community participation in education

## District Spotlight: Bhadradi Kothagudem

As an Aspirational District, Bhadradi Kothagudem was the core focus area. The initiative directly contributed to the district's development indicators in education by:

- Introducing scalable learning interventions
- Strengthening collaboration between local education bodies and the community
- Supporting the state government's efforts in narrowing the learning gap

## Detailed Intervention Description

### 01 Governance and Salience

- Conducted 4 district review meetings in Bhadradi (1 chaired by the District Collector).
- Facilitated stakeholder meetings in Vikarabad and Narayanpet to present FLN progress and assessment insights
- Established systems for monthly automated reports and agenda-led, data-driven decision-making

### 02 Strengthening Data Systems

- Conducted FLN assessments across six districts
- Shared insights with district education stakeholders
- Developed action plans based on assessment results

### 03 Strengthening Middle Management

- Launched the Mentor Capacity Building Programme (MCBP):
  - Trained mentors on app usage, mentoring protocols and classroom observation
  - Created and disseminated video modules for pre-, during- and post-classroom observation
  - Conducted joint school visits (40 schools, 25 mentors in Bhadradi)
  - Resulted in mentor school visit compliance improving from: 18% to 88% in Bhadradi, 17% to 34% in Vikarabad, 30% to 66% in Narayanpet

### 04 Academic Inputs

- Supported complex meetings to promote peer learning and teacher capacity building
- Facilitated a DRP workshop in Narayanpet to create a 45–50 day instructional action plan

### 05 Community Action

- Designed and piloted a Community Engagement Plan:
  - Conducted FGDs and pilot testing in 5 schools
- Developed and launched training videos for mentors
- Introduced home learning worksheets in Bhadradi
  - Distributed in 26 experimental and 22 control schools.
  - Baseline and endline assessments conducted to measure impact.

## Empowering Communities Through Accessible Healthcare

### NATCO Pharma Limited – CSR Healthcare Initiatives (FY 2024–25)

In the financial year 2024–25, NATCO Pharma continued to strengthen its commitment to community health through a multi-pronged approach that prioritises accessibility and dignity in healthcare delivery. Our CSR healthcare initiatives are designed to reach underserved population, especially in rural and semi-urban regions, by eliminating barriers such as geographic isolation, financial constraints and lack of awareness. Through direct service delivery, strategic partnerships, infrastructure support and patient-centric interventions, we have worked to build healthier and more resilient communities across Telangana and Andhra Pradesh.



### Mobile Health Clinics: A Gateway to Primary and Preventive Care

Our mobile health clinics operated across 30 villages in the Kothur and Nagarjuna Sagar regions, covering 2 districts and 4 mandals in Telangana. These clinics provided 29,030 consultations to 7,439 beneficiaries, with a significant number of elderly patients who often face mobility and financial challenges.

The clinics offer free consultations and medicines for a wide range of communicable and non-communicable diseases, including respiratory infections, diabetes, hypertension and skin conditions. For cases requiring specialised care, patients are referred to government hospitals in Hyderabad—such as MNJ, Gandhi, Osmania and Niloufer—where NATCO's health counsellors provide ongoing support, guiding patients through registration, treatment protocols and follow-up visits.

For eye-related issues, patients are referred to the nearest LV Prasad Eye Institute (LVPEI) secondary centres and travel assistance is facilitated when needed. In the Nagarjuna Sagar region, free spectacles are provided to patients

identified with vision impairments during screenings, with NATCO bearing the financial cost. This integrated model ensures continuity of care and reduces the financial burden on families.



## Cancer Care Facility – Guntur

Our comprehensive cancer care facility in Guntur, constructed and maintained by NATCO, treated 2,100 patients in FY 2024-25, having a daily footfall of 100 patients. The facility offers free cancer treatment to patients from Guntur and surrounding districts. In addition to maintaining the existing block, NATCO is currently constructing a new inpatient block to expand capacity and enhance service delivery. This initiative reflects our deep commitment to making specialised care accessible to those who need it most.



## Patient Counsellor Programme

To improve patient engagement and adherence, we deployed patient counsellors at four major government hospitals in Hyderabad—MNJ Hospital, Gandhi Hospital, Osmania Hospital and Niloufer Hospital. These counsellors provided 349,255 instances of guidance support during the year. Their responsibilities include ensuring medication adherence, guiding patients through hospital procedures, conducting health awareness sessions and offering emotional support. Monthly capacity-building sessions are conducted to enhance their medical knowledge and communication skills, ensuring they remain effective and empathetic in their roles.

## Eye Care Services

Eye health was a major focus area this year, with two dedicated centres operating in collaboration with LVPEI:

The NATCO Eye Center at Kothur, constructed by NATCO in 2018, provided

**28,287** instances of service during FY 2024-25.

A new NATCO Eye Center in Munipalli, Andhra Pradesh, launched in January 2025 in partnership with LVPEI-Guntur, treated

**1,689** eye cases since its inauguration.

These centres offer comprehensive eye care services, including screenings, treatments and surgeries.



## Specialised Health Camps

As part of its commitment to improving community health outcomes, NATCO Pharma organised a series of targeted medical camps during the year. These camps were conducted in collaboration with leading healthcare institutions to address specific medical needs and enhance access to specialised care:



These camps provided free consultations and diagnostic screenings, enabling early detection and timely intervention for various health conditions. The initiative underscores NATCO's ongoing efforts to deliver accessible, quality healthcare to underserved communities.

Orthopaedic Camp at Nagarjuna Sagar, in partnership with Sarvejana Foundation —

**278** participants

Eye Screening Camps at Nagarjuna Sagar, in collaboration with LV Prasad Eye Institute (LVPEI) —

**311** beneficiaries

Cancer Screening Camps in association with MNJ Cancer Hospital and Basavataram Indo-American Cancer Hospital —

**389** benefitted from the screening camps

Founder's Day Multi-Specialty Health Camp at Gollamudipadu (Dental, Eye, Orthopaedic services) —

**431** participants

## Nutrition Support for TB Patients

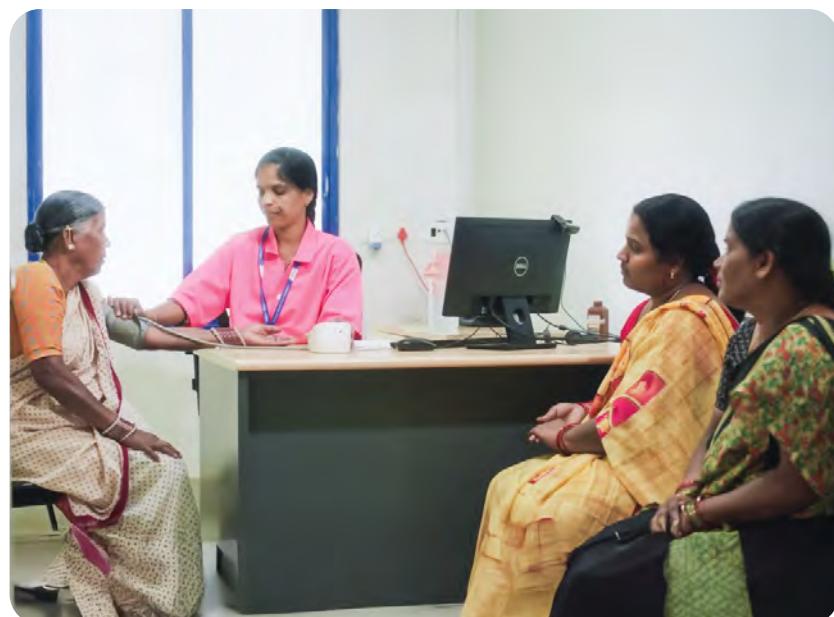
In a focused effort to support patients undergoing Tuberculosis treatment, NATCO distributed nutrition kits to 297 TB patients across Wanaparthy and Nagarkurnool districts. These

kits contained nutrient-rich food items designed to strengthen patients' immune systems and support their recovery journey. This initiative reflects our holistic approach to healthcare —

addressing not just medical treatment but also the nutritional needs of vulnerable populations.

## Primary Health Care Center – Mekaguda

The NATCO Primary Health Care Center in Mekaguda continues to serve as a vital healthcare facility. Between April and September 2024, the center recorded 9,600 consultations and served 4,920 beneficiaries throughout the year, offering diagnostic and outpatient services to the local population. The presence of a diagnostic lab enhances the clinic's ability to provide timely and accurate care.



## Infrastructure Support

In FY 2024–25, NATCO Pharma continued to invest in strengthening healthcare infrastructure as a critical enabler of hygiene, accessibility and service delivery across its intervention regions. Recognising that physical infrastructure plays a foundational role in ensuring dignified and effective healthcare experiences, we undertook targeted upgrades and maintenance efforts to support both institutional and community health settings.

One of the key infrastructure initiatives was the construction and upgradation of toilet blocks at the Mahatma Jyothiba Phule Telangana Backward Classes Welfare Residential Educational Institution Society (MJPTBCWREIS) campus in Nagarjuna Sagar. This intervention significantly improved sanitation facilities for both

students and staff, contributing to better hygiene, reduced absenteeism and a healthier learning environment. Clean and accessible sanitation is especially vital in residential educational institutions, where students spend extended periods on campus.

In addition to educational infrastructure, NATCO also ensured the ongoing maintenance and operational support of its specialised healthcare facilities, including the cancer care block in Guntur and the eye care centers in Kothur and Munipalle. Our support includes structural maintenance, utilities and minor repairs, ensuring that these centers remain fully functional and welcoming to all who seek care.

NATCO Pharma's healthcare initiatives reached thousands across Telangana

and Andhra Pradesh through mobile clinics, specialised facilities and strategic partnerships. NATCO provided free consultations, medicines and referrals, ensuring continuity of care for vulnerable populations. NATCO's cancer and eye care centres delivered critical services at no cost, while health counsellors supported patients in government hospitals. Specialised camps and nutrition aid addressed preventive and supportive care needs. Infrastructure upgrades improved hygiene and access in schools and clinics. Every intervention was designed to reduce barriers and promote dignity in healthcare. NATCO remains committed to building healthier, more resilient communities.



## Our Key Initiatives

Intervention	Brief Description	Numbers of beneficiaries in FY24-25
 <b>Veterinary Support</b>	<ul style="list-style-type: none"> <li>NATCO organises veterinary health camps in rural areas like Mekaguda to provide free check-ups, vaccinations</li> <li>Subsidises veterinary medicines and vaccines to support animal health</li> <li>Supported 73 farmers and 98 cattle sheds, housing a total of 1500 cattle. A total of 6,170 cases were treated in FY 2024–25 through regular interventions such as animal welfare camps and the distribution of essential minerals and calcium supplements. Additionally, 5,000 litres of oral calcium were provided during FY 2024–25</li> <li>Provides support through animal treatments for cattle, including diarrhoea, mastitis, anaemia, inappetence, milk fever, pyometra, endometritis and other common conditions</li> </ul>	   <b>6170</b>  <b>73</b> Dairy cases treated      Farmers benefitted
 <b>NATCO Mobile Health Clinic - Sanjeevini</b>	<ul style="list-style-type: none"> <li>In FY 2024–25, 7,439 people in remote villages were directly reached and provided with access to affordable medicines</li> <li>Provided medical consultations in underprivileged areas at Nagarjuna Sagar and Kothur regions in Telangana</li> <li>Bringing healthcare directly to the community through their involvement by way of organising frequent health camps, community health check-ups, etc</li> </ul>	  <b>7439</b> People benefited
 <b>NATCO Primary Health Center</b>	<ul style="list-style-type: none"> <li>In Mekaguda, NATCO constructed a primary health care centre to provide basic medical facilities around the area</li> <li>In FY 2024–25, 4,920 beneficiaries received medical services, diagnoses and medication at Mekaguda NPHC</li> </ul>	  <b>4920</b> Patients benefited
 <b>Specialised Health Camps</b>	<ul style="list-style-type: none"> <li>Various camps organised by NATCO collectively engaged 1,409 individuals at Guntur, Kothur, Nagarjuna Sagar and Hyderabad locations in FY24-25</li> <li>Camps are organised for screening of eyes, orthopedic health, cancer, teeth, blood donation, etc</li> </ul>	  <b>1409</b> Cumulative engagement
 <b>Distribution of Nutrition Kits</b>	<ul style="list-style-type: none"> <li>NATCO distributed nutrition kits to Tuberculosis patients of Wanaparthy and Nagarkurnool districts in Telangana</li> <li>A total of 597 kits were distributed in both the districts benefiting the patients</li> </ul>	  <b>597</b> People benefitted

Intervention	Brief Description	Numbers of beneficiaries in FY24-25
 <b>NATCO Eye Center with LVPEI</b>	<ul style="list-style-type: none"> <li>NATCO, in collaboration with L.V. Prasad Eye Institute, served a total of 29,976 eye related cases at Kothur in Telangana and Guntur in Andhra Pradesh during FY24-25 through this centre</li> <li>Regular screenings are conducted to identify any eye ailments</li> <li>Consultations, treatments, OPD services, cataract care, eye surgeries and other related services are provided free of charge</li> </ul>	  <b>29,976</b> Cases treated

### Voices of Healing: Inspiring Patient Narratives



#### Restoring Hearing

Ameer, a 30-year-old from Immulharwa, had suffered from severe hearing loss since childhood with no improvement despite multiple private consultations. With the help of counsellors' support, he was referred to Gandhi Hospital ENT department, with support of Arogyasree card, he underwent a surgery on both ears. Post-operative care and follow-ups were ensured and Ameer has now regained normal hearing. This case highlights NMHC's role in facilitating access to specialised care and enhancing quality of life for underserved patients.



#### Timely Surgical Intervention at Niloufer Hospital

Jagadishwar, a 10-year-old boy from Munganuvuru, Hyderabad, was suffering from severe abdominal pain for over a week. After multiple visits to private clinics and a confirmed ultrasound showing signs of appendicitis, his family was unable to afford the surgery cost of ₹50,000. Through the counsellors' support to Government hospitals, he was referred to Niloufer Hospital, where doctors diagnosed Acute Appendicitis and admitted him to the paediatric ward. The surgery was successfully completed and the patient was discharged within three days. The patient is now stable.

### Community Infrastructure for Growth: Building Strong Communities

Community infrastructure plays a vital role in NATCO Trust's CSR journey, enabling inclusive growth and empowering people to lead healthier, more fulfilling lives. Strong foundations in healthcare, education, sanitation create opportunities for individuals and families to thrive. By investing in these essential systems, we help build resilient, self-reliant communities that contribute meaningfully to social and economic progress. Building strong communities begins with creating access, ensuring equity and providing the right support where it matters most.

Through wide-ranging initiatives in education, skill development, healthcare and essential infrastructure, NATCO strives to uplift communities, strengthen local economies and promote sustainable growth. Every project, from grassroots programmes to large-scale infrastructure development, is a step towards building a healthier, more equitable future for all.



## GRI Index

GRI Standard Number	GRI Disclosure Code	Disclosure Topics	Report Reference Title Section/Subsection	Page Number
<b>GRI 2: General Disclosures</b>	2-1	Organisational details	<ul style="list-style-type: none"> <li>• About the Report</li> <li>• Company Profile</li> <li>• NATCO's Journey</li> </ul>	03 06-13 16,17
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>• About the Report</li> <li>• Reporting Boundary and Period</li> </ul>	03 03
	2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>• Governance and Operations</li> <li>• Partnership, Power, Progress</li> </ul>	19-27 98
<b>GRI 3: Material Topics 2021</b>				
<b>GRI 3: Material Topics</b>	3-1	Process to determine material topics	<ul style="list-style-type: none"> <li>• Stakeholder Engagement and Materiality Approach</li> </ul>	33-36
	3-2	List of material topics	<ul style="list-style-type: none"> <li>• Materiality Matrix</li> <li>• Key Material ESG Topics</li> </ul>	37, 39 37
	3-3	Management of material topics	<ul style="list-style-type: none"> <li>• Material Topics Management Approach</li> </ul>	39-43
<b>GRI 200 Series – Economic Topics</b>				
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>• Financial Highlights</li> <li>• Governance and Outlook</li> </ul>	18 5
<b>GRI 203: Indirect economic</b>	203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> <li>• NATCO Trust</li> <li>• CSR Initiatives</li> </ul>	105 106, 107
<b>GRI 205: Anti-corruption</b>	205-2	Communication and training on anti-corruption	<ul style="list-style-type: none"> <li>• Upholding Integrity</li> <li>• Code of Conduct</li> </ul>	54 54,55,56
	206-1	Legal actions for anti-competitive behaviour	<ul style="list-style-type: none"> <li>• Policies and Procedures</li> </ul>	55,56
<b>GRI 300 Series – Environmental Topics</b>				
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	302-4	Reduction of energy consumption	<ul style="list-style-type: none"> <li>• Energy Efficiency Initiatives</li> </ul>	72, 73
<b>GRI 303: Water and Effluents</b>	303-1	Interaction with water as a shared resource	<ul style="list-style-type: none"> <li>• Water Stewardship</li> <li>• ZLD Initiatives</li> </ul>	75-77 76
	303-3	Water withdrawal	<ul style="list-style-type: none"> <li>• Water Stewardship</li> <li>• Performance Metrics</li> </ul>	75-77 76
	303-4	Water discharge and quality	<ul style="list-style-type: none"> <li>• Effluent Treatment</li> <li>• Zero Liquid Discharge</li> </ul>	77 75, 76
<b>GRI 305: Emissions</b>	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>• Energy and Emissions / GHG Inventory</li> </ul>	70-71
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<b>GRI 306: Waste</b>	306-1	Waste generation and significant impacts	<ul style="list-style-type: none"> <li>• Planet at the Core</li> </ul>	68
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## Abbreviations

Abbreviation	Full form
<b>AHU</b>	Air Handling Unit
<b>ANVISA (Brazil)</b>	Agência Nacional de Vigilância Sanitária (National Health Surveillance Agency)
<b>API</b>	Active Pharmaceutical Ingredients
<b>ATFD</b>	Acceptance Test Functional Design
<b>AWACS</b>	Advanced Working, Action and Correction System
<b>AWC</b>	Anganwadi Center
<b>BEE</b>	Bureau of Energy Efficiency
<b>BRSR</b>	Business Responsibility and Sustainability Reporting
<b>BVK</b>	Bal Vikas Kendra
<b>CEO</b>	Chief Executive Officer
<b>cGMP</b>	current Good Manufacturing Practice
<b>CH4</b>	Methane
<b>CHS</b>	Crop Health Sciences
<b>CII</b>	Confederation of Indian Industry
<b>CPCB</b>	Central Pollution Control Board
<b>CSR</b>	Corporate Social Responsibility
<b>EHS</b>	Environment Health and Safety
<b>EPR</b>	Extended Producer Responsibility
<b>ESG</b>	Environmental, Social, Governance
<b>ETP</b>	Effluent Treatment plant
<b>EU GMP</b>	European Union Good Manufacturing Practice
<b>FDF</b>	Finished Dosage Formulations
<b>FLN</b>	Foundation Literacy and Numeracy
<b>FMHACA Ethiopia</b>	Food, Medicine and Healthcare Administration and Control Authority of Ethiopia
<b>FTF</b>	First-to-File
<b>GGH</b>	Guntur General Hospital
<b>GMP</b>	Good Manufacturing Practices
<b>GRI</b>	Global Reporting Initiative
<b>HDPE</b>	High Density Polyethylene
<b>HFC</b>	Hydrofluorocarbons
<b>ICDS</b>	Integrated Child Development Services
<b>INR</b>	Indian Rupees
<b>IPA</b>	Indian Pharmaceutical Association
<b>ISO</b>	International Organisation for Standardization

Abbreviation	Full form
<b>Kenya MOH</b>	Ministry of Health of Kenya
<b>kWh</b>	Kilo watt hour
<b>LCA</b>	Life Cycle Assessment
<b>MDP</b>	Management Development Programme
<b>MOH Belarus</b>	Ministry of Health of Belarus
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>NCC</b>	NATCO Cancer Center
<b>NDA Uganda</b>	National Drug Authority of Uganda
<b>NDPHC</b>	NATCO Digital Primary Health Centre
<b>NLVPEI</b>	NATCO L.V. Prasad Eye Institute
<b>NMHC</b>	NATCO Mobile Health Clinics
<b>NOx</b>	Nitrogen Oxides
<b>NVTC</b>	NATCO Vocational Training Center
<b>OHS</b>	Occupational Health and Safety
<b>PDMA</b>	Pharmacy and Drug Management Agency
<b>PPA</b>	Power Purchase Agreement
<b>QC</b>	Quality Control
<b>R&amp;D</b>	Research and Development
<b>RO</b>	Reverse Osmosis
<b>RoW</b>	Rest of World
<b>SEBI</b>	Securities and Exchange Board of India
<b>SOx</b>	Sulphur Oxides
<b>tCO<sub>2</sub></b>	Metric Tons of Carbon Dioxide
<b>TJ</b>	Terajoule
<b>TMDA Tanzania</b>	Tanzania Medicines and Medical Devices Authority
<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>USFDA</b>	United States Food and Drug Administration
<b>VFD</b>	Variable Frequency Drives
<b>VOC</b>	Volatile Organic Compounds
<b>WHO</b>	World Health Organisation
<b>Y-o-Y</b>	Year on year
<b>ZLD</b>	Zero Liquid Discharge
<b>ZPHS</b>	Zila Parishad High School

## Notes

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**NATCO PHARMA LIMITED**

NATCO House, Road No. 2, Banjara Hills,  
Hyderabad – 500 034, Telangana, India  
[www.natcopharma.co.in](http://www.natcopharma.co.in)  
CIN: L24230TG1981PLC003201

