

## Business Responsibility Report

This Business Responsibility Report ("BRR") for the financial year ended March 31, 2021 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) and the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24222TN1992PLC022994
2	Name of the Company	Orchid Pharma Limited
3	Registered address	'Orchid Towers', 313, Valluvarkottam High Road, Nungambakkam, Chennai, TN – 600 034, IN
4	Website	www.orchidpharma.com
5	E-mail id	corporate@orchidpharma.com
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Manufacture of Pharmaceutical products NIC Code: 21001
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Cephalosporin API, Cephalosporin FDF and Non Penicillin Non Cephalosporin FDF
9	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	The Company has seven subsidiaries (including two step down subsidiaries) located in United Kingdom, USA, South Africa and the United States.
(b)	Number of National Locations	The Company's manufacturing facility and the Registered and corporate office are located at Chennai.
10	Markets served by the Company – Local/State/National/International	India, Europe, Brazil, Asia, Turkey, Vietnam, Africa, USA

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	4,081.64 Lakhs
2	Total Turnover (INR)	45,069.5 Lakhs
3	Total profit after taxes (INR)	(9587.22) Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Not Applicable
5	List of activities in which expenditure in 4 above has been incurred	Not Applicable

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	Yes
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	As on 31 <sup>st</sup> March 2021, the Company has 7 subsidiaries, including two step down subsidiaries and all are located overseas.
<b>2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)</b>	None of the subsidiary companies directly or indirectly, participate in Business Responsibility initiatives of the Company
<b>3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</b>	Other entities did not participate in the BR initiatives of the Company during the reporting period.

#### SECTION D: BR INFORMATION

##### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies	
DIN Number	00238798
Name	Mr. Manish Dhanuka
Designation	Managing Director

##### (b) Details of the BR head

Mr. Mridul Dhanuka, Whole Time Director oversees the Business Responsibility implementation. The Company has not appointed a Business Responsibility Head as of now.

No.	Particulars	Details
1	DIN Number (if applicable)	00199441
2	Name	Shri Mridul Dhanuka
3	Designation	Whole Time Director
4	Telephone number	044-2824 4355
5	e-mail id	Mridul @orchidpharma.com

##### Principle-wise (as per NVGs) BR Policy/policies

The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

- ✓ P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- ✓ P2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- ✓ P3- Businesses should promote the wellbeing of all employees.

- ✓ P4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- ✓ P5 Businesses should respect and promote human rights.
- ✓ P6 Business should respect, protect, and make efforts to restore the environment.
- ✓ P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- ✓ P8 Businesses should support inclusive growth and equitable development.
- ✓ P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner the principle wise responses are mentioned in the Annexure to this report

[illegible]

	Official to oversee the implementation of the policy	
6	Indicate the link to view the policy online?	View restricted to the respective Stakeholders
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal and external stakeholders and it is an ongoing process(P7 not applicable)
8	Does the Company have in-house structure to implement its policy / policies?	Yes, the Company has necessary structure in place to implement the policies.
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy / policies?	Yes, the Company has necessary grievance redressal mechanism, to address stakeholders' grievances related to the policies.
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company has already developed a process and system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

**3. Governance related to Business Responsibility a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Company's Business Responsibility performance is reviewed annually by the Board of Directors.

**Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Reporting is applicable for the year 2021. The link for viewing the reports is [www.orchidpharma.com](http://www.orchidpharma.com)

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company is committed to grow in a socially and environmentally responsible way, while meeting the interests of its major stakeholders. The Company has also implemented a Vigil Mechanism across the organisation to encourage reporting of unethical behaviour, actual or suspected fraud, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity. The above mentioned Policy (ies) also extend to the Subsidiaries.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2020-21, the Company has received 113 complaints from the shareholders which have suitably been responded during the financial year.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Sl.No.	Product	Power (Units/Kg)	Water (litres /Kg)
1	Cefuroxime acid	19	117
2	CRC Exdrier	53	200
3	Cefixime Exdrier	31	199

### Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company has implemented certain energy conservation initiatives in its manufacturing facilities (which benefited all the products manufactured at the facility, in terms of power Consumption/kg of API.

### Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy.

### Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes, Our Company have procedures to place for Sustainable Sourcing including transportation.

- Purchase Department Source the Manufacturers and organise Test Certificate.
- If the same is in line with our specification then Organise fresh Samples from the Manufacturers.
- The samples are tested in our labs.
- Once the Vendor samples are approved, Vendor Qualifying documents are organised and forwarded to the QA department for further analysis.
- Once the QA approves the documents, in case of Key Raw materials the Vendor facility is audited by team of QA & QC personal and subsequently a New Vendor for the Raw material is approved.
- Once a Vendor is approved based on the Purchase SOP material is procured [ PR, Enquiry, Negotiations then Placement of Orders ]
- Also the Procurement team ensure the transportation of materials. If the transportation is in our scope we explain the safety procedures to the transporters else the risk associated with Supply of raw materials, Safety precautions shall be

mentioned in our PO which the Vendors needs to follow.

- We insist for the Term Card, Emergency Contact Number and relevant Safety Data Sheet during Transportation of raw Materials.

Right now, the company factors only price and past performance while selecting our suppliers.

**Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Orchid Pharma Limited is a Pharmaceutical manufacturer catering to the world market. Most of the raw materials are difficult to make and hence not possible for the small and local companies to produce. However, we source those raw materials/packing materials available from local producers.

**Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.**

Yes. The Company has efficient Solvent Recovery facility consisting of thirty distillation column, also supported with extraction, washing, flashing facility. Impure Solvent/Mother liquor collected from API production, after recovery process about 95% of feed recycled back as pure/Recovered Solvent.

In solvent recovery facility, the solvent mixtures are separated from the mother liquor in distillation column of various types (atmospheric / vacuum). These distillation columns are being operated at different temperatures based on the boiling point of solvent mixtures. After distillation, the purified solvents are collected in a collection tank and it is being used in the production to minimize the requirement of fresh solvents.

The aqueous layer removed after the distillation is sent to the Effluent Treatment plant for further treatment. Solid wastes generated from the distillation process is collected and disposed suitably as per the authorization.

Solvent recovery process control is through DCS, PLC AND SCADA panel system, consisting of temperature, flow, pressure control with process and safety interlocks. Solvent storage tanks and systems are facilitated with nitrogen blanketing for safe operation.

**Principle 3: Businesses should promote the well-being of all employees**

**Please indicate the total number of employees:** The Company had 1136 employees as at March 31, 2021

**Please indicate the total number of employees hired on temporary / contractual / casual basis:** 760

**Please indicate the number of permanent women employees:** 41

**Please indicate the number of permanent employees with disabilities:** Nil

**Do you have an employee association that is recognized by management:** No

**What percentage of your permanent employees are members of this recognised employee association? :** Not applicable

**Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

As a responsible corporate citizen, Orchid Pharma Limited neither have nor encourages any form of child labour, forced labour or bonded labour. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2020-2021 no complaints relating to child labour, forced labour, involuntary labour, sexual harassment were received.

**What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Employee training is a continuous process in the Company, and all the employees are given mandatory safety training at the time of joining. Further, skill-based training is imparted to 100% of the Company's employees on a continuous basis

Permanent employees: 46%  
Permanent women employees: 39%  
Casual/temporary/contractual employees: 60%  
Employees with disabilities: NA

#### **Principle 4: Stakeholders engagement**

**Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its key internal as well as external stakeholders

**Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes.

**Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so**

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders.

#### **PRINCIPLE 5 – HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policy covers the employees of the Company and other stake holders.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No stakeholder complaints, relating to human rights, have been received in the past financial year.

#### **Principle 6: Business should respect, protect, and make efforts to restore the environment**

**Does the policy related to Principle 6 cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.**

The Company is committed towards conservation of the environment and compliance with all requirements related to Environment, Health and Safety (EHS). The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. The policy covers all the operations of the Company and the same extends to subsidiaries of the Company, wherever applicable

**Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.**

Energy conservation actions are being implemented and are also under progress to reduce carbon emission (global warming). Developing and maintaining greenery through tree plantation.

**Does the Company identify and assess potential environmental risks?**

Yes. We continually identify and assess potential environmental risks in our manufacturing process.

**Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company is committed to conserve energy at possible areas. Identification of possible areas and implementation of energy conservation is done through ENCON panel as a continuous process. Spent carbon generated from the process is being utilized as a fuel in our coal boiler. Environment Statement is filed annually to the state Pollution Control Board.

**Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc., Y / N. If yes, please give hyperlink for web page, etc.**

The Company has installed a Zero Liquid Discharge (ZLD) effluent treatment plant consisting of Primary treatment process, Biological treatment process, Ultra Filtration (UF), Reverse Osmosis (RO) process, Mechanical Evaporators (single stage & three stage) and Agitated Thin Film Dryers (ATFD) to treat and reuse the liquid trade effluent. Energy conservation actions are implemented and also under progress to reduce energy consumption. The Company has installed air pollution control equipment such as Process scrubbers, Vent Gas Condensation (VGC) system, Electrostatic Precipitator (ESP) with adequate stack height, Waste heat recovery boiler with adequate stack height to control emissions

**Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported? Yes**

**Number of show cause or legal notices received from CPCB or SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year- Nil**

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

The Company is a member of following Chambers and Associations: Madras Chamber of Commerce

**Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)- No**

**Principle 8 – Businesses should support inclusive growth and equitable development**

**Does the Company have specified programmes/ Initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereto-No**

**Are the programmes/projects undertaken through in-house team/Foundation/external NGO/government structures/any other organization-Not Applicable**

**Have you done any impact assessment of your initiative? Not Applicable**

**What is your Company's direct contribution to community development projects—Amount in Rupees and the details of the projects undertaken**

The Company was not required to undertake any CSR initiatives as the provisions of the Companies Act, 2013 relating to CSR are not attracted to the Company.

**Have you taken steps to ensure that this community development Initiative is successfully adopted by the community? Please explain in 50 words, or so -No**

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints / consumer cases are pending as at the end of financial year?**

There were no customer complaints received / consumer cases filed against the Company in the reporting period. There are no complaints or consumer cases pending as on the end of the financial year

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Yes, the Company displays all product information on the product label, which is mandatory and as may be required for the use



of the products by the consumers.

**Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No, the Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behaviour. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

**Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been set up to track, review and act on any adverse event complaints. Post marketing surveillance is also carried out by the marketing team as well as with the help of medical professionals to track and monitor the efficacy and safety of the products.

