

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24200MH1989PLC050919
2. Name of the Company: Neogen Chemicals Limited
3. Registered address: Office No.1002, 10<sup>th</sup> Floor, Dev Corpora Bldg., Opp. Cadbury Co., Eastern Express Highway, Pokhran Rd. No. 2, Khopat, Thane (W) 400 601, India.
4. Website: www.neogenchem.com
5. E-mail id: investor@neogenchem.com
6. FY reported: 2019- 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :

### Manufacture of Specialty Chemicals

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product
1	Organic Chemicals	20119
2	Inorganic Chemicals	20119

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
  - i) Organic Chemicals
  - ii) Inorganic Chemicals
  - iii) Grignard Reagents
9. Total number of locations where business activity is undertaken by the Company Manufacturing Locations: 3
  - (a) Number of International Locations (Provide details of major 5)  
Not Applicable
  - (b) Number of National Locations: The location of Manufacturing Plants of the Company is as given hereunder:
    1. Plot No. 43, Trans- Thane Creek Industrial Area, TTC MIDC, Village Mahape, Navi Mumbai- 400710, Maharashtra

2. Plot No. 526A, Off Padra Jambusar Road, Village Karakhadi, Tal. Padra, Dist- Vadodara- 391450, Gujarat
3. Plot no 7/109, Dahej SEZ Village Lakhigam, Vagara Dist, Bharuch, Gujarat.
10. Markets served by the Company – Local/State/ National/International: The company's product are served nationally and several products are also exported to around 27 countries

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) Rs. 2,333.46 lakhs
2. Total Turnover (INR) Rs. 30,612.17 lakhs
3. Total profit after taxes (INR) 2, 877.24 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as % of profit after tax (%):

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was Rs. 1,952.82 lakhs. Accordingly, the Company was mandatorily required to spend 2% of the Average Net Profit which amounts to Rs. 39.06 lakhs against which the Company has spent Rs. 39.37 lakhs on its CSR activities during the FY 2019-20.

5. List of activities in which expenditure in 4 above has been incurred: - Refer Annex 6 to Board's Report (Annual Report on Corporate Social Responsibility)

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? No.
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):  
Not Applicable
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 % of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
No.

**SECTION D: BR INFORMATION****1. Details of Director/Directors responsible for BR**

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- i) DIN Number 05136947
- ii) Name: Dr. Harin Kanani
- iii) Designation: Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	05136947
2	Name	Dr. Harin Kanani
3	Designation	Managing Director
4	Telephone number	022-25497300
5	e-mail id	investor@neogenchem.com

**2. Principle-wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines ('NVGs') on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- 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 well-being of all employees.
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5** Businesses should respect and promote human rights.
- P6** Businesses 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.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Yes, The policy is embedded in the Company's Code of Ethics Policy	Yes, The policy is embedded in the Company's Quality Policy and Corporate Environment Policy which inter alia, relates to quality and safe products.	Yes	Yes	Yes.	Yes	No	Yes	Yes
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Yes	Yes	Yes						
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Neogen is always committed to adhere and comply with all the applicable national laws and international laws, wherever applicable and the same are captured in the policies of the Company.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. The Mandatory Policies are approved by the Board and is signed by Managing Director. Other Operational internal policies and approved by the Management and signed by Managing Director								

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to oversee the implementation of various policies. The Environment Committee for its respective plants and the CSR committee of the Board oversees the implementation of the CSR policy and compliance with the Environment laws, wherever applicable. Also the Board has Internal Complaints Committee for prevention of Sexual harassment at workplace.								
6	Indicate the link for the policy to be viewed online?	The mandatory policies are available at <a href="https://neogenchem.com/company-policy/">https://neogenchem.com/company-policy/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the polices are communicated to internal stakeholders and wherever required, the Polices are also communicated to our external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies.	Yes								
10	Has the company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through internal audit mechanism.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									*

\* The Business is not engaged in influencing public and regulatory policy

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Board shall assess the BR Performance of the Company at least once a year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first year of publication of the Business Responsibility Report since the company got listed on May 8, 2019 and the same forms part of this Annual Report. The Business Responsibility Report is uploaded on the company's website at the web link <https://neogenchem.com/annual-reports/>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes

The policy relating to Code of Ethics covers the company and its employees who needs to abide by the policy relating to ethics, bribery and corruption.

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others? No it does not extend to the Group/ Joint Venture/ Suppliers, etc. However, the Company encourages all the stakeholders associated with it to follow the principles envisaged in the policy.

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

During the financial year under review the company had received 16 requests from its shareholders pertaining to delivery of hard copy of Annual Report, issue of fresh DDs for Dividend declared for FY 2018-19, which were processed and resolved within the prescribed timelines. Apart from the requests there were no other stakeholders complaint received during the financial year under review.

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

"Lithium Bromide Solution" which is used in new refrigeration technologies (vapour absorption technology) to replace CFCs (Chloro Fluoro Carbons) used in traditional refrigeration technology that

were causing damage to the ozone layer. Neogen Chemicals' product was a new offering to help the environment and many other products developed by Neogen Chemicals were being developed for the first time in India with innovative / in-house developed process.

Also one of our product Lithium Bromide Anhydrous is used for manufacturing Anti- Viral / Anti- HIV drugs where we have increased our production sharply to meet our customers' need and to combat the challenges posed by COVID-19.

We also manufacture/ supply several intermediaries used for manufacturing/producing anti-cancer drugs and other medicines for rare diseases where quantity demanded is very small and does not make economic sense but we continue to make these formulations to support our society at large and to fulfill our role in supporting pharmaceutical industries.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company has undertaken various initiatives to ensure efficient and optimal use of available resources and accordingly tried to imbibe the same throughout the value chain however it is not possible to ascertain reduction achieved at each level.

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

We have in house R&D which strives to improve our processes which leads to improved final product formulations which ensures lesser consumption of water, energy and raw material resources and reduced effluent load by installing energy and water efficient equipment's thereby enabling efficient use of resources.

- 100% waste water is treated In effluent treatment plant and after getting treated norms it is discharged to CETP
- The Company also has re-cycling mechanism due to which 5%-10% of the quantity is re-cycled

- The Company also adopted various energy conservation practices such as installation of VFDs for large motors, Capacitor Banks etc. Also we have LEDs all over the plants and our air conditioning systems works without the use of compressor at Vadodara Plant
- At Mahape Plant we have shifted from Light Diesel Oil (LDO) to PNG for generating steam

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what % of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has its manufacturing plants located in Mumbai Vadodara and Dahej and majority of its manpower, raw material suppliers, transporters and other vendors are available locally and we always endeavor for sustainable sourcing by giving preference to local vendors.

The company quests for alternative domestic sources for various imported raw materials

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

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company has its manufacturing plants located in Mumbai, Vadodara and Dahej and majority of its manpower, raw material suppliers, transporters and other vendors are available locally and we always endeavor for sustainable sourcing by giving preference to local vendors.

The company quests for alternative domestic sources for various imported raw materials. The survey of vendors available locally is undertaken and the vendors are selected based on their location, delivery timeline, quality of product, cost of product, relationship with vendors and other criteria's.

5. Does the company have a mechanism to recycle products and waste? If yes what is the % of recycling

of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has re-cycling mechanism in place due to which 5%-10% of the quantity is re-cycled.

### Principle 3

1. Please indicate the Total number of employees. 247 as on March 31, 2020
2. Please indicate the Total number of employees hired on contractual. 46 (as on March 31, 2020)
3. Please indicate the Number of permanent women employees.13
4. Please indicate the Number of permanent employees with disabilities: None
5. Do you have an employee association that is recognized by management. Yes
6. What % of your permanent employees is members of this recognized employee association? 6.88%
7. 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.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

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

- (a) Permanent Employees 81.38%
- (b) Permanent Women Employees 5.26%
- (c) Casual/Temporary/Contractual Employees 18.62%
- (d) Employees with Disabilities: None

## Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders in an organized way and it carries out various engagements with its stakeholders. The Company also participates in a discussion with its stakeholders for constructive purposes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, Company has identified marginalized and disadvantaged groups through its survey, assessment and approaching various local communities and the company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities and donations.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

At Neogen, our broader objective is to contribute to the well-being of the communities and society we affect and on which we depend. The company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities around our manufacturing locations and focusing on key areas like promoting education through primary schooling programmes for out-of-school children of migrant tribal labourers and child education, contributing to a community-based public library system, Promoting plantation of Mangrove trees and spreading awareness through Mangrove awareness programs, Empowering small and medium Adivasi farmers through a Tube well project wherein 15 borewells were set up during the year after conducting surveys and identifying villages facing water scarcity, Providing seeds to small-scale farmers which assist farmers in Dangar and Bhinda regions in cultivating over 375 acres of land, Providing financial assistance for treating infants with congenital skull and facial deformities/ anomalies which involves not just the surgery but also Orthodontics, Speech Therapy and counseling and Genetic evaluation to enable these children and young adults to integrate into the society and by taking various Health and

Safety initiatives. The detailed report on the same is mentioned in Annex 6 to our Annual Report.

## Principle 5

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 Company values and respects the individual human rights and shall always remain committed for its protection. The Company's Code of Ethics, Prevention of Sexual Harassment at Workplace Policy and the Human Resource policy cover most of these aspects.

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

During the financial year under review the Company did not receive any complaints pertaining to human rights violations.

## Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

It extends only to the Company and its employees at all its head office and plant locations. As a part of our Ethos, Neogen Chemicals Limited is committed to work continuously towards ensuring a clean and sustainable environment by adhering to all the environment laws, as are applicable at all its plants locations. We have dedicated ourselves to the betterment of the communities and the environment but the said policy does not extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

2. 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.

The Company consciously conducts their activity which helps in preserving our environment and health of our society at large. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, re-cycling of products, wastewater discharges, solid and hazardous waste material handling, worker health and safety, developing required green belt around its plant and the investigation and remediation of



contamination or other environmental restoration and it takes all such steps for conservation, enhancement and restoration of Bio-Diversity within its area of operations and ensure protection of species and flora and fauna and reduce the impact on Environment, Bio-Diversity and climate change.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the company identifies and assesses the potential environmental risks and the same is covered under our Corporate Environment policy. The Company has emergency preparedness and Disaster Management Plan to mitigate the risks.

We develop green belt around the plants, to reduce air pollution. The company continuously takes efforts to reuse and recycle water at all its manufacturing sites thereby reducing fresh water consumption. The company has Effluent treatment plant with primary, secondary and tertiary treatment units at all its plants. The treated water is evaporated in MEE which will help in ensuring that there is no discharge of untreated waste water from its units thereby ensuring cleanliness of streams and wells around the plants and controlling water pollution.

4. 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?

No, currently the company does not have any such project related to clean Development Mechanism.

5. 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 consciously conducts their activity which helps in preserving our environment and health of our society at large. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, re-cycling of products, wastewater discharges, solid and hazardous waste material handling, worker health and safety, developing required green belt around its plant and the investigation and remediation of contamination or other environmental restoration. The company has installed energy efficient equipment's at its plant namely Variable Frequency

Drives (VFD) on large capacity Motors and capacitor Banks. Also we have LEDs all over the plants and our air conditioning systems works without the use of compressor at Vadodara Plant. At Mahape Plant we have shifted from Light Diesel Oil (LDO) to PNG for generating steam.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported and the details of the same are also available at the GPCB portal. The company also has the policy for solid waste management. All the air emissions and discharge of water effluents are measured on timely intervals and a continuous monitoring of the same is done to ensure that it does not exceed the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (that is not resolved to satisfaction) as on end of FY.

No show cause / legal notices were received or pending as on the end of FY 2019-20.

### Principle 7

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

Yes the Company is a member of the following chambers/ associations:

- (a) Chemexil
- (b) Indian Chemical Council (ICC)
- (c) IMC Chamber of Commerce and Industry

2. 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

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

At Neogen, our broader objective is to contribute to the well-being of the communities and society we affect and on which we depend. The company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities around our manufacturing locations and focusing on key areas like promoting education through primary schooling programmes for out-of-school children of migrant tribal labourers and child education, contributing to a community-based public library system, Promoting plantation of Mangrove trees and spreading awareness through Mangrove awareness programs, Empowering small and medium Adivasi farmers through a Tube well project wherein 15 borewells were set up during the year after conducting surveys and identifying villages facing water scarcity, Providing seeds to small-scale farmers which assist farmers in Dangar and Bhinda regions in cultivating over 375 acres of land, Providing financial assistance for treating infants with congenital skull and facial deformities/ anomalies which involves not just the surgery but also Orthodontics, Speech Therapy and counselling and Genetic evaluation to enable these children and young adults to integrate into the society and by taking various Health and Safety initiatives. The detailed report on the same is mentioned in Annex 6 to our Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The programmes are undertaken mostly through external NGOs or Trusts which are dedicated towards achieving the Company's social objective of well-being of the communities and society we affect and on which we depend and some activities are directly initiated by the company.

3. Have you done any impact assessment of your initiative?

As the programmes are undertaken through external NGOs and trusts, the company does the monitoring of the CSR activities undertaken by NGOs and reviews the CSR activities report as submitted by the NGOs.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was Rs. 1,952.82 lakhs. Accordingly, the Company was mandatorily required to spend 2%

of the Average Net Profit which amounts to Rs. 39.06 lakhs against which the Company has spent Rs. 39.37 lakhs on its CSR activities during the financial year 2019-20. For detailed information on the same please refer Annex 6 to Board's Report (Annual Report on Corporate Social Responsibility)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. : Please refer Annex 6 to Board's Report (Annual Report on Corporate Social Responsibility)

### Principle 9

1. What % of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints/ consumer cases are 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/Not Applicable/Remarks (additional information)

The Company displays product information on the product label as mandated by the law.

3. 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 such cases were filed by any stakeholder.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the company carries out the customer's survey/ customer satisfaction trends on a regular intervals and on an annual basis the report of the same is placed before the management in the first quarter of the next financial year. The feedback is taken from the customers on various norms like Quality of Product, Packaging Quality, Scheduled Delivery, Document Accuracy, promptness of response and Courtesy of Staff and the complaints are resolved in a reasonable time frame.

For Neogen Chemicals Limited

Sd/-

**Mr. Haridas Kanani**

Chairman & Managing Director

DIN: 00185487

Place: Mumbai

Date: August 8, 2020