

ENERGY MANAGEMENT POLICY

A Blueprint for Sustainability,
Efficiency, and Responsibility



Table of Content

Sr. No.	Description	Page No.
1.	Purpose	3
2.	Scope	3
3.	Policy Statements	3
4.	Responsibilities	4
5.	Communication and Training of the Policy	4
6.	Documentation	4
7.	Targets	4
8.	Compliance Standards	4
9.	Performance Evaluation	4
10.	Reporting	5
11.	Continual Improvement	5
12.	Review	5
13.	Distribution	6

1. Purpose

At Farmson Basic Drugs Pvt. Ltd Limited, we are committed to manage company's energy resources efficiently and responsibly, to support cost competitiveness, environmental performance, and well-being of our stakeholders. Farmson has established an Energy Management System (EnMS) in accordance with ISO 50001:2018 to drive continual improvement in energy performance.

Targets & Alignment- Enterprise level energy and climate targets (quantitative, time bound) including baselines, units, and target years, and Farmson's SBTi (Science Based Targets initiative) pathway are defined in the Corporate Sustainability Policy (CSP). This policy implements the CSP targets through our Energy Management System and site programs. Progress against these targets has been reviewed by ESG Committee. We report progress annually.

2. Scope

This policy is applicable to all operational Plants of Farmson Basic Drugs Pvt. Ltd.

3. Policy statements

We shall:

- Continually improve energy performance and reduce greenhouse gas emissions by setting, monitoring, and reviewing measurable objectives, targets and key performance indicators.
- Operate an Energy Management System aligned with ISO 50001:2018, driving systematic improvement in energy performance.
- Comply with all applicable legal and other requirements related to energy use, consumption, and efficiency.
- Apply energy-performance criteria in design and procurement of energy-using systems and services, prioritizing high-efficiency technologies and encouraging key suppliers to adopt similar energy-efficiency standards.
- Enhance energy awareness and competency among all employees through training, awareness campaigns and participation programs. We empower every employee to identify and implement energy-saving opportunities.

- Regularly monitor, measure, and report our energy performance to ensure transparency and accountability.
- Foster a culture of continuous improvement and innovation in energy management practices.
- We prioritize the use of renewable energy sources across all operational activities.

4. Responsibilities

Driven by the leadership to stay aligned with Farmson's core strategy of sustainability and responsible business conduct, through reduced carbon footprint. Our energy management team is responsible for implementing, monitoring, and continuously improving the energy management system, performance, and processes across all operations.

All employees and extended workforce are responsible for being proactive and expected to participate in energy conservation initiatives and driving energy-saving opportunities and habits in their day-to-day business operations.

5. Communication and training of the Policy

We shall communicate our Energy Management Policy internally and externally Create awareness among employees and relevant stakeholders to encourage efficient use of energy resources, focusing on reducing energy in operations.

6. Documentation

We shall maintain EnMS documents and records related to energy performance, against the set objectives/ targets, and action plans, in accordance with ISO 50001:2018 requirements and other national/ international sustainability standards.

7. Targets

- (A) Achieve 10 % reduction in energy intensity (kWh per unit of product) by FY 2030 against FY2023-24 baseline.
- (B) Achieve 100 % renewable electricity by FY 2030 by available renewable energy transitions.
- (C) Energy Audits to be conducted across all units by FY2027-28; at least 3 savings measures will be implemented per unit by FY-2028-29.

8. Compliance Standards

This Policy is in accordance with ISO 50001 :2018

9. Performance Evaluation

We will regularly monitor, measure, analyze and evaluate our energy performance, and assess the effectiveness of our EnMS, using relevant data, KPIs, and metrics.

10. Reporting

Reporting is crucial for transparency, accountability, and continuous improvement. Farmson is committed to communicating its performance and progress in implementing various ESG principles in its operations. The reporting mechanism below is developed for better understanding of current scenario and future improvement requirement. The following outlines the key components of our reporting mechanism:

- I. Energy Performance Indicators: Annual/Monthly reports for the monitoring of all aspects of energy consumption.
- II. Energy Audit Report.
- III. Report energy intensity (kWh per unit of product).

11. Continual Improvement

We are committed to continually improving our energy performance, the EnMS, and our energy-saving initiatives through regular reviews and corrective actions, as required.

12. Review

This energy management policy will be reviewed periodically or during Management review meeting to ensure its ongoing suitability, alignment with our business strategy, objective, and compliance with ISO standards, national regulations, and international sustainability frameworks.

- **Every 3 Years Review:** A comprehensive review of the policy will be conducted during a period of 3 years.
- **Ad Hoc reviews:** Ad Hoc reviews may be initiated in response to significant changes in regulations, emerging sustainability risks or feedback from stakeholders.

The review process involves the following steps to ensure a thorough evaluation and enhancement of the policy:

- I. **Data Collection:** We will compile metrics on energy conservation, compliance levels, and sustainability outcomes using internal records, audit findings, and direct feedback.
- II. **Assessment:** This data will be reviewed to measure how well the policy meets its goals, using KPIs to track our overall performance.

Energy Management Policy

- III. **Feedback:** Feedback from employees, suppliers, customers, and other stakeholders will be considered during the review process. Input will be gathered through surveys, Audits, and engagement forums.
- IV. **Legal and Regulatory Compliance:** The policy will be cross-referenced with the latest energy laws and industry benchmarks to ensure full compliance.
- V. **Identification of Gaps and Opportunities:** Any gaps in policy implementation or emerging opportunities for Improvement will be identified.
- VI. **Policy Updates:** Necessary modifications to the Energy Management Policy will be proposed to address identified gaps and regulatory updates.
- VII. **Approval:** Proposed updates will undergo an internal review by key stakeholders, including senior management and the Sustainability Committee.
- VIII. **Communication:** Following approval, the updated policy will be shared with all relevant parties, such as employees, suppliers, and partners.
- IX. **Implementation:** The revised policy will be rolled out, and stakeholders will receive guidance on any changes to ensure seamless compliance.
- X. **Monitoring:** Ongoing monitoring and assessment will continue to track the policy's progress and identify any emerging challenges.

13. Distribution

This policy will be made available to all employees and interested parties.

Next Review Date: 14/04/2029

Approved By


Director & COO