farmson®
Basic Drugs Private Limited

Sustainability Today. Stronger Tomorrow.

Building a healthier tomorrow.
For people. For planet. For future.

Farmson Basic Drugs Private Limited

Sustainability Report FY 2025-26

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Building a healthier tomorrow.
For people. For planet. For future.

About This Report

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5)

Farmson Basic Drugs Private Limited ("Farmson", "we", "our") presents this Sustainability Report for FY 2025-26 (1 April 2025 to 31 March 2026). This report outlines our material environmental, social and governance (ESG) priorities, performance and management approach across our manufacturing operations in India.

As a global manufacturer of Paracetamol API (Active Pharmaceutical Ingredient) with an expanding portfolio of APIs and integrated manufacturing capabilities, we remain focused on embedding sustainability into operational excellence, responsible growth and long-term value creation.

Reporting Framework

This Sustainability Report has been developed as per the **Global Reporting Initiative (GRI) Standards 2021.** The disclosures included herein have been informed by the relevant Universal and Topic Standards identified through Farmson's materiality assessment. Any financial information presented in the report is drawn from the Company's applicable statutory reporting records and frameworks.

Reporting Boundary

This report covers Farmson's financial and non-financial sustainability disclosures for the period from 1 April 2025 to 31 March 2026, with comparative information included where available. Unless stated otherwise, the reporting boundary covers Farmson's manufacturing operations in India, comprising Unit 1, Unit 2, Unit 3, Unit 4, and Unit 6, with Unit 5 excluded from the reporting scope as it was under commissioning during the reporting period.

Report Audience

This report is designed to inform our key stakeholders, including employees, customers, suppliers, business partners, regulators, investors and local communities, about the sustainability matters that are most relevant to our business and those connected to it.

External Assurance

Selected sustainability disclosures in this report have been independently assured on **a limited assurance basis by Bureau Veritas India Private Limited (External assurance provider) in accordance with ISAE 3000 (Revised).** The scope of assurance, applicable criteria and the assurance conclusion are presented in the **Independent Assurance Statement** included in this report.
Restatements of Information: None, as this is Farmson's first Sustainability Report.

Feedback

For queries regarding this report, please contact:
Email: sustainability@farmson.com

Leadership Message

GRI 2-1, GRI 2-17, GRI 3-3, GRI 2-22

Dr. Apurva Patel
Chairman

Dr. Apurva Patel serves as Chairman of Farmson, providing strategic oversight and long-term direction to the Company. He holds an MD, an MBA, and is a Fellow of the American College of Cardiology (FACC), a rare combination of clinical medicine, healthcare insight, and corporate leadership. Beyond Farmson, he is associated with Viju Enterprises Private Limited, adding to his broad experience across business and governance.

Guided by this multidisciplinary background, Dr. Apurva Patel anchors Farmson's commitment to quality excellence, customer-centric, ethical business conduct, and sustainable growth. Under his leadership, the Company has grown into a leading global manufacturer of Paracetamol APIs while building a culture that values responsible decision-making, employee well-being, and long-term stakeholder value.

He continues to champion strong governance and the integration of sustainability into Farmson's strategic agenda, ensuring that the Company's growth remains responsible, resilient, and aligned with the interests of the communities and stakeholders it serves.

Building on Our Legacy, Advancing with Purpose

For more than five decades, Farmson has grown with a steadfast commitment to quality, integrity and responsible enterprise. From our beginnings as an Indian manufacturer of Paracetamol, we have built a globally respected pharmaceutical business serving customers in more than 65 countries. This journey reflects the strength of our people, the trust of our stakeholders and our enduring belief in creating value for the long term.

The publication of Farmson's first Sustainability Report is an important milestone in this journey. It brings greater transparency to the environmental, social and governance dimensions of our business and establishes a disciplined framework through which we will measure progress, sharpen our priorities and strengthen accountability across the organisation.

During the year, the validation of our greenhouse gas reduction targets by the Science Based Targets initiative marked a significant step forward. It affirms our conviction that business growth and environmental stewardship must progress together. Our responsibilities extend beyond our operations, and we remain committed to contributing meaningfully to healthcare, education, livelihoods and the development of the communities around us.

- Dr. Apurva Patel
Chairman

Mr. Vinit Menon
Chief Executive Officer

Vinit Menon is the Chief Executive Officer and Director of Farmson and has been part of the Company's leadership team for more than two decades. He holds a master's degree in Biochemistry and an MBA in Marketing, pairing a strong scientific grounding with commercial and strategic depth. Over the years, his work across pharmaceutical manufacturing, global business development, customer engagement and market expansion has played a major part in Farmson's growth and its presence in international markets.

Under his leadership, Farmson has strengthened its standing in the global API market through capacity expansion, backward integration and a move into new product opportunities. He has been central to building customer confidence, improving supply chain reliability and scaling operations, while carrying the Company's sustainability agenda forward. His focus on green chemistry, energy efficiency, renewable energy and responsible business practices has helped bring Farmson's growth plans in line with what stakeholders and the wider market now expect.

Strengthening Our Foundation for Sustainable Growth

Farmson's growth is built on delivering high-quality pharmaceutical ingredients through manufacturing excellence, technical expertise and dependable partnerships. While Paracetamol remains at our core, our investments in integration, infrastructure and research are building a broader platform for growth.

FY 2025-26 represented a significant year for Farmson. Our integrated manufacturing model continued to strengthen our control over quality, supply reliability and operational performance.
This first Sustainability Report, covering FY 2025-26, brings greater structure, transparency and accountability to responsible practices that have long been integral to the way we operate.

This year, we strengthened our manufacturing and technical capabilities through investments in product diversification, new molecule development and research. Particularly encouraging is the closer alignment between operational and sustainability performance, with efficiency and resource-use improvements enhancing competitiveness while reducing environmental impact.

Our customers remain central to everything we do. As their expectations evolve to include climate performance and responsible sourcing, we continue building these capabilities while staying focused on quality and reliability.

Looking ahead, we will strengthen our core businesses, expand into new products and technologies, increase renewable energy use and further integrate sustainability into our operations.
Our progress is underpinned by the dedication of our employees, the trust of our customers and the continued support of our partners. Together, they will remain central to shaping the next phase of Farmson's growth.

- Mr. Vinit Menon
Chief Executive Officer

Mr. Sudhesh Mishra

Chief Operating Officer & Director

Mr. Sudhesh Mishra has been with the Farmson Group for more than 25 years and currently serves as Chief Operating Officer and Director. His academic background includes a Bachelor of Laws (LLB), a Post Graduate Diploma in Industrial Relations and Personnel Management, and a Bachelor's degree in Economics and English Literature. This mix of legal, human resources and industrial relations expertise has enabled him to develop real depth in workforce management, compliance, employee engagement and manufacturing operations.

Across his years with the Company, Mr. Sudhesh Mishra has played a pivotal role in strengthening operational excellence, maintaining sound industrial relations and building a culture of safety and accountability throughout Farmson's manufacturing facilities. As COO, he oversees operational execution, workforce development and coordination across functions, ensuring the Company's performance rests on solid compliance and people practices. His leadership has also carried forward a range of sustainability initiatives across operations, from workplace safety to resource efficiency and better environmental performance, helping turn Farmson's sustainability goals into practical results on the ground.

Excellence in Operations, Every Day

Operational excellence isn't built in a single year. It comes through continuous improvement, disciplined execution and doing things better every day. At Farmson, this mindset guides how we manage manufacturing, support customers and drive sustainable performance.

This Sustainability Report is Farmson's first formal sustainability disclosure. From an operational perspective, it provides an opportunity to demonstrate the improvements we pursue every day, whether in efficiency, safety, quality or resource management, contribute to broader environmental and social outcomes.

This year, we strengthened our manufacturing and technical capabilities through investments in product diversification, new molecule development and research. Particularly encouraging is the closer alignment between operational and sustainability performance, with efficiency and resource-use improvements enhancing competitiveness while reducing environmental impact.

Our manufacturing network is built on integration and deep process expertise. By producing key intermediates and APIs in-house, we strengthen quality oversight, improve supply reliability and optimise performance across the value chain.

During FY 2025-26, we improved energy efficiency while maintaining high standards of quality and compliance. Energy intensity declined from 17.56 to 16.54 GJ/t, while water recovery and reuse expanded across our facilities, reflecting our focus on maximising the value of every resource we consume.

Safe and reliable operations remain non-negotiable across every facility and shift. During the year, we maintained zero fatalities and zero lost-time injuries, supported by disciplined execution, regular training, rigorous risk assessments and strengthened emergency preparedness. We will continue reinforcing these practices to ensure that safety remains embedded in every operational decision and activity.

Going ahead, our priorities are clear: improve efficiency, strengthen process reliability, advance resource recovery and maintain the highest standards of safety and quality, supporting Farmson's long-term climate and resource-efficiency goals.

These achievements are the result of teamwork across every facility, function and shift. I thank our employees for their dedication and commitment, which continue to drive Farmson's operational success.

- Mr. Sudhesh Mishra
Chief Operating Officer & Director

Committee Overview

Committee	Members	Meeting Frequency	Roles and Responsibilities
ESG Committee	Mr. Vinit Menon and Mr. Sudhesh Mishra	Periodically	Reviews ESG performance, monitors progress against sustainability goals, discusses key environmental, social and governance matters, and recommends actions for continuous improvement.
Grievance Committee	Mr. Sudhesh Mishra	As required / Periodic	Reviews employee grievances, facilitates resolution of concerns, ensures fair treatment of employees and tracks closure of reported issues.
POSH Committee	Mr. Sudhesh Mishra	As required	Addresses complaints related to sexual harassment, ensures compliance with the POSH Act, conducts inquiries where required and promotes awareness of workplace conduct expectations.

Governance Structure and Composition

GRI 2-9

The Company operates through a structured governance framework led by the Chief Executive Officer, who is supported by the executive leadership team comprising key functional heads. This leadership structure enables effective decision-making, strategic oversight, and alignment of business priorities across the organisation. Functional teams are responsible for translating strategic objectives into operational execution across key business areas. The structure fosters clear accountability, cross-functional collaboration, and efficient implementation of business and sustainability initiatives throughout the Company.

Chief Executive Officer

↓

Executive Leadership Team
(COO, Director, President - Business Development, Sales & Marketing, Head - Corporate EHS & Sustainability, Head - Human Resources, Head - Quality, Head - Regulatory Affairs, and Head - Engineering)

↓

Functional Teams
(Operational and support functions)

Our Founder

Late Mr. K. K. Vithani

Our Visionary

Founder | Mentor | Guide

Truly a great mentor who inspired us to practice

"Quality extends well beyond our product. It is ingrained in everything we do and reflects our total commitment to our customers."

Company Overview

GRI 2-1, GRI 2-6, GRI 2-28

Farmson Basic Drugs Pvt. Ltd., founded in the year 1969, pioneered the production of Paracetamol in India and is now a global leader with a capacity of 52,000 MT/year and a 23% global share. Farmson is the only pharmaceutical company in the world with end-to-end integration in Paracetamol, running from Para Amino Phenol and Acetic Anhydride through API to Directly Compressible granules, and its portfolio now extends into Caffeine, Theobromine, Rivaroxaban, Levosalbutamol, and Mirabegron.

Our vision is to be the pre-eminent global manufacturer of Paracetamol and new APIs, driven by integrated green technology, a passion for innovation, and a strong legacy of sustainable value. For us, sustainability is not a choice but a commitment, built on the three pillars of environmental conservation, social responsibility, and economic viability. We are dedicated to sustainable manufacturing that continuously reduces our environmental footprint, and to advancing renewable energy and expanding green cover across our operations. As a responsible corporate citizen, Farmson's CSR initiatives reach directly into the communities we serve, creating lasting value for society.

Vision

To be the pre-eminent API manufacturer of Acetaminophen/Paracetamol and emerging APIs through integrated green technology, scientific excellence, and continuous innovation, while building on our legacy of trust and transparency to deliver sustainable value that touches lives worldwide.

Mission

At Farmson, our mission is to deliver high-quality, affordable, and accessible APIs through a commitment to sustainable practices and continuous innovation. We aim to meet global healthcare needs while minimizing our environmental footprint and nurturing long-term value for all stakeholders.

Values

At the heart of Farmson lies a commitment to ethics, quality excellence, and sustainable practices with environmental responsibility. These core values guide every decision and ensure that we continue to make a meaningful impact in the world of healthcare.

Manufacturing Facilities

Unit I

Product: Paracetamol API

Location: Nandesari, District Vadodara, Gujarat

Capacity: 28,000 MTPA

Unit II

Product: Paracetamol API & DC Grade

Location: Nandesari, District Vadodara, Gujarat

Capacity: 24,000 MTPA (API), 3,600 MTPA (DC Grade)

Unit IV

Product: Multiple API Plant, R&D Centre and Dedicated Analytical Development Lab

Location: Nandesari, District Vadodara, Gujarat

Facility: R&D facility

Unit VI

Product: Acetic Anhydride

Location: Nandesari, District Vadodara, Gujarat

Capacity: 43,200 MTPA

Unit III

Product: Para Aminophenol (PAP)

Location: Jhagadia, District Bharuch, Gujarat

Capacity: 45,000 MTPA

Unit V

Product: Caffeine API

Location: Saykha, Bharuch, Gujarat

Capacity: 3,600 MTPA

Six Manufacturing Units. One Integrated Supply Chain.

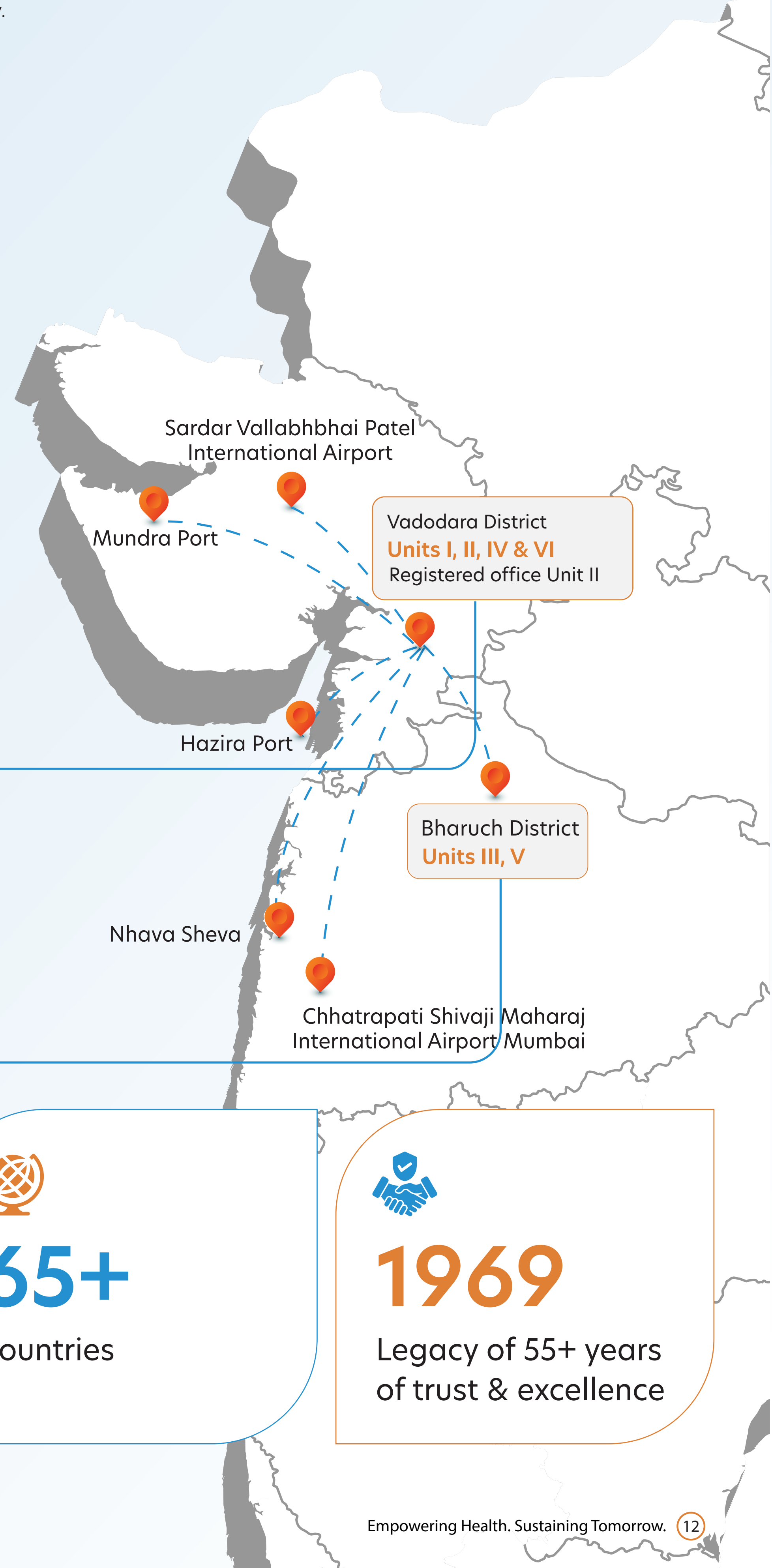
Strategically located across Vadodara and Bharuch, our integrated manufacturing network enables faster production, seamless logistics, and dependable global supply.

6
Manufacturing Units

2
Strategic Districts

3
Major Ports

2
International Airports



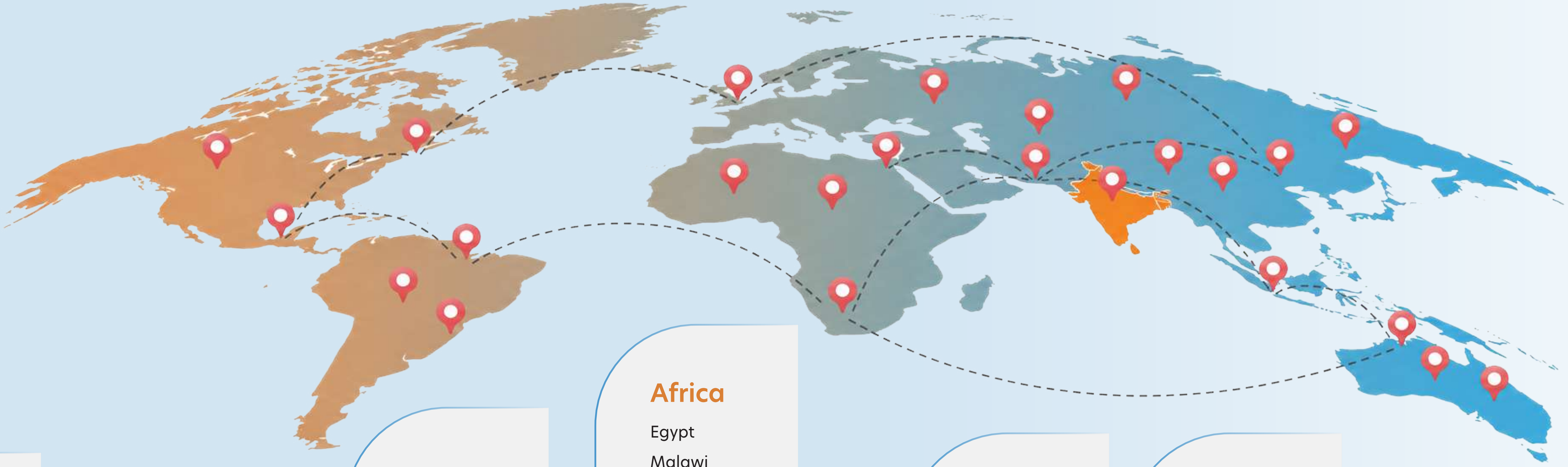
400+
Global partners

65+
Countries

1969
Legacy of 55+ years of trust & excellence

Our Global Presence and Accreditations

Our value chain spans the sourcing of raw materials and intermediates, followed by the in-house production of Para Aminophenol (PAP), Acetic Anhydride, Paracetamol API and Paracetamol Directly Compressible (DC) Granules through our integrated manufacturing network. These products are supplied to pharmaceutical manufacturers worldwide, where they are used in the production of medicines distributed across more than 65 countries.



North America

USA
Mexico
Canada
Costa Rica
Dominican Republic
Guatemala

South America

Brazil
Peru
Chile
Venezuela
Argentina
Ecuador

Europe

Italy
Belgium
Ukraine
Ireland
UK
Switzerland
Germany
Spain
France
Netherlands
Poland
Hungary
Czechia
Slovenia
Norway
Portugal

Africa

Egypt
Malawi
Algeria
South Africa
Ivory Coast
Tanzania
Kenya
Tunisia
Nigeria
Ghana
Ethiopia
Morocco
Uganda
Mauritius
Zimbabwe
Mozambique
Zambia

Middle East

Yemen
Oman
Saudi Arabia
UAE
Jordan
Turkey
Lebanon
Qatar
Kuwait
Bahrain

Russia & CIS

Russia
Kazakhstan

Asia & Pacific

India
Japan
Korea
Taiwan
Bangladesh
Malaysia
Vietnam
Indonesia
Thailand
Myanmar
Bhutan
Afghanistan
Philippines
Sri Lanka
Australia

COFEPRIS MEXICO

ANVISA BRAZIL

U.S. FDA

EU GMP

UKRAINE DMF

EDQM

HALAL

MIT Russia

UZBEKISTAN DMF

NMPA CHINA

KOSHER

Australian Government

PMDA JAPAN

MFDS KOREA

Journey So Far

1969 – Inception

Farmson is born

A single reactor in a tin shed in Vadodara, a 30 kg batch, and K. K. Vithani as the only worker.
India's first Paracetamol via the phenol route, an import substitute at world quality.

1970 – Growth

The CROCIN breakthrough

Farmson became the exclusive Paracetamol supplier to a leading pharmaceutical company, an arrangement won on quality alone. CROCIN was born, and demand took off.

1978 – Scale

Nandesari, and the "King of Paracetamol"

A dedicated facility at Nandesari. K. K. Vithani persuaded the government to reserve Paracetamol for small scale industry, and Farmson built a commanding lead in the molecule (80 TPM, 1978 to 1992).

1980 – Recognition

A nationally honoured enterprise

The Udyog Patra Award for Self-Made Industrialist (1980), the National Award for Outstanding Entrepreneur (1982), and the A. R. Bhat Entrepreneurship Award (1984).

2000 – Switching Route Of Synthesis (ROS)

From phenol to the PNCB route

Farmson re-engineered its chemistry, switching to PNCB as the Key Starting Material, a cleaner process with greater yield that set the industry benchmark.

2005 – India's first green technology Para-Aminophenol (PAP) manufacturing facility

Making its own Para Aminophenol (PAP) at Jhagadia

With a motto of self-reliance, Farmson set up Unit-III a green technology plant at Jhagadia, Bharuch, the first and only company in India to produce Para Acetaminophen (PAP) through the hydrogenation process, with Zero Liquid Discharge and full integration from raw material to finished API.

2012 – Expansion

Unit II comes online

The largest and most advanced Paracetamol API facility of its time, built to Good Manufacturing Practices (GMP) norms to produce 18,000 MTPA, and designed, as always, by K. K. Vithani himself.

2013 – In Memoriam

The founder's final chapter

K. K. Vithani passed away on 24 April 2013, solving a plant problem from his hospital bed a day before. He left Farmson back on top, with a young team of professionals & a global giant in the making.

2014 – Standardisation

ISO 9001 & ISO 14001

Farmson was deeply committed to rigorous quality management, holding continuous ISO certification such as ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS).

2018 – Scale up & Renovation

Unit I renovated and restructured

Unit I was renovated and restructured to a capacity of 18,000 MTPA, meeting fast growing global demand.

2020 – Responsible Care and standards

Farmson further expanded its production capacity and became the only paracetamol manufacturer to earn the Responsible Care (RC) logo. That same year, the company also achieved ISO 45001 certification, strengthening its occupational health and safety management system.

2024 – Diversification

52,000 MTPA, and beyond one molecule

Capacity reached 52,000 MTPA.
Farmson broadened its portfolio into new APIs, R&D center and Glacial Acetic Acid.

2025

Embedding Sustainability. Farmson achieved, SBTi validation, its first CDP disclosure, Green House Gas (GHG) inventory completion, and sustainability data digitalization and Inaugurated Unit-VI (Acetic Anhydride) plant at Nandesari, Gujarat.

2026

Farmson inaugurated its Unit-V dedicated Caffeine plant, carrying the founder's spirit of indigenous, self-reliant manufacturing into a new high-demand API.

Certifications

Integrated Management System (IMS) certifications in Quality (ISO 9001), Environmental (ISO 14001), and Occupational Health and Safety (ISO 45001) Management Systems, reflecting our core commitment to product excellence, operational sustainability, and workplace safety.

Authorised Economic Operator (AEO) - T2 Certification

Recognised by the Central Board of Indirect Taxes and Customs (CBIC), Government of India, under the AEO programme for maintaining secure and compliant international supply chain practices in line with global customs standards

Responsible Care Certification is a global chemical industry initiative that company's commitment to the highest standards of **Environment, Health, Safety & Security (EHS&S)** and strengthen operational excellence, regulatory compliance, & public confidence while supporting a culture of continuous improvement & sustainable growth.

FSSC 22000 Certification

Certified to the Food Safety System Certification (FSSC) 22000 Scheme, demonstrating adherence to internationally recognised food safety management requirements for the processing of caffeine used in the food industry

Four Star Export House

Recognised by the Directorate General of Foreign Trade (DGFT), Government of India, for achieving Four Star Export House status based on export performance

Dun & Bradstreet (D-U-N-S®) Registration

Farmson's manufacturing facilities are registered with the Dun & Bradstreet Global Database and have been assigned D-U-N-S® Numbers, strengthening international business recognition and market credibility

ISO/IEC 27001:2022
Information Security Management System (ISMS)

This reflects our strong commitment to information security and data protection. It proves that we follow the highest global standards to keep our clients' and partners' data safe and secure.

ISO 50001:2018
Energy Management System

This certification reflects that we have established structured, sustainable processes to optimize energy consumption and continuously improve our energy performance.

Membership Associations

- Indian Chemical Council (ICC)
- Federation of Gujarat Industries (FGI)
- Confederation of Indian Industry (CII)
- Pharmaceutical Export Promotion Council of India
- Bulk Drug Manufacturing Association of India

Sustainability Commitment & Ratings

Awarded EcoVadis Commitment Badge with 62nd percentile for dedication to strengthening our ESG practices for Paracetamol operations.

COMMITTED ecovadis Sustainability Rating OCT 2025

CDP DRIVING SUSTAINABLE ECONOMIES

Enhanced climate transparency through participation in the CDP Climate Change disclosure, achieving a 'D' score & establishing a foundation for continuous improvement in climate-related performance and disclosure practices.

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Farmson's near-term greenhouse gas emissions-reduction targets, covering Scope 1, Scope 2 and relevant Scope 3 emissions, have been validated by the Science Based Targets initiative (SBTi).

Secaro

Registered in Manufacturer 2030 / Secaro platform to measure, manage, and reduce their carbon footprints, water usage, waste, and Scope 3 greenhouse gas emissions.

UN GLOBAL COMPACT

Initiated the process to pledge alignment with the UN Global Compact (UNGC) for its principal operations.

Note: *UN Global Compact confirmation was obtained prior to the publication of this report.*

Report Highlights

Business Highlights	Environmental Highlights	Social Highlights
Total Turnover - **₹1,000 Cr+**	11.9% reduction in Scope 1 & 2 (Market-based) emissions from the FY 2023-24 baseline.	No incident of fatality.
Only Paracetamol Manufacturer with RC Logo (2023)	19.9% absolute Scope 3 emission reduction from FY 2023-24 baseline.	Maintained Zero Lost Time Injury Frequency Rate (LTIFR).
23% Global Market Share in API Paracetamol	~12% improvement in Scope 3 emissions intensity from the FY 2023-24 baseline, reflecting progress in reducing value chain emissions per tonne of production.	100% coverage of annual medical check-ups for both permanent and temporary employees, along with pre-employment and exit medical checks.
40% Domestic India Market Share in Paracetamol API	203% increase in recycled water consumption, from 33,141 kL in FY 2024-25 to 100,391 kL in FY 2025-26, increasing the share of recycled water in total water use from 4.5% to 12.8%.	100% employees and workers trained in HSE Practices.
	Landfill disposal of hazardous waste reduced from 14.1% to 6.4% between FY 2024-25 and FY 2025-26. In-house recovery increased from 72.8% to 84.7%.	Total CSR Expenditure of **₹10.43 crore.**

Sustainability Strategy

Our sustainability journey is guided by three core pillars- Environmental Stewardship, Social Responsibility and Economic Resilience. Over the years, we have progressively strengthened our approach, moving from establishing foundational sustainability practices to embedding ESG considerations into strategic decision-making. This evolution reflects our commitment to building a resilient business while creating long-term value for stakeholders and the environment.

Foundation

Systems & Targets

Governance & Disclosure

Improvement

2024
Baseline building

- EcoVadis score received 54 percentile.
- Registration under the Manufacturer 2030 (M2030) framework.

2025
Systems, tracking & validated targets

- Launched EcoStruxure Resource Advisor for emissions tracking.
- EcoVadis score received 62 percentile.
- Completed Scope 1, 2 and 3 GHG Inventory.
- Energy efficiency retrofits and ESG Roadmap study completed.
- Near term Science Based Targets validated.
- CDP score received.
- Registered in Manufacturer 2030 (M2030 / Secaro platform)

2026
Governance, disclosure & engagement priorities

- Double Materiality Assessment (DMA).
- Product Carbon Footprint calculation.
- Supplier sustainability assessment and engagement.
- Completed Scope 1, 2 and 3 GHG Inventory.
- ESG governance setup and FY 2025-26 Sustainability Report.
- EcoVadis 2026 and CDP Climate Change 2026 submission.
- Committed to UN Global Compact (UNGC)

Farmson received "PLATINUM AWARD" under Apex India Green Leaf Award 2026 for Sustainability.

Stakeholder Engagement

GRI 2-29

We recognise that maintaining constructive relationships with our stakeholders is essential to understanding the impacts, expectations and opportunities associated with our operations. Regular interactions enable us to gather relevant perspectives, respond to evolving requirements and strengthen the relationships that support our long-term business continuity and responsible growth.

Our stakeholder engagement takes place through established business interactions, consultations, meetings, audits, feedback channels and community initiatives. Insights received through these engagements are considered by the relevant functions while reviewing operational practices, managing stakeholder concerns and shaping our business and sustainability priorities.

Our approach to stakeholder engagement

We identify stakeholders based on the nature of their relationship with our business, the extent to which they may influence or be affected by our activities, their dependence on our products or operations, and their relevance to our legal, regulatory and quality requirements.

The mode and frequency of engagement vary across stakeholder groups depending on the purpose of the interaction, the issues involved and operational requirements. Functional teams engage with stakeholders through both formal and routine interactions and communicate significant matters to the appropriate management level when required.

Stakeholder inputs also help us identify emerging priorities and understand the environmental, social and governance matters that are important to our stakeholders. These perspectives complement our internal assessments and support the review of our material sustainability topics.

Stakeholders	Key Engagement	Frequency	Engagement Topics
Employees	Employee meetings, training programmes, performance discussions, internal communication channels, and grievance mechanisms	Ongoing and need-based	• Occupational health, safety, and employee well-being • Employee benefits and welfare programs • Career growth and professional development opportunities • Diversity, equity, and inclusion initiatives • Learning, capability building, and upskilling needs • Employee feedback and grievance redressal mechanisms • Work-life integration and flexibility • Mental health and wellness support • Workplace culture and continuous improvement discussions • ESG performance initiatives
Customers	Customer meetings, technical discussions, customer audits, quality reviews, complaint and feedback channels, business reviews	Ongoing and need-based	• Product quality & safety • Regulatory compliance • Supply reliability • Technical support • Documentation • Complaint resolution • ESG performance and improvement plan
Suppliers and Business Partners	Supplier evaluations, audits, supplier meetings, performance reviews, onboarding programmes, contractual communication	Periodic and need-based	• Quality requirements • Delivery performance • Supplier engagement framework • Ethical business conduct • Regulatory compliance • Environmental & social expectations
Local Communities	Community consultations, CSR programme interactions, needs assessments, stakeholder meetings	Programme-based and need-based	• Community-focused environmental conservation and natural resource enhancement initiatives • Creation of local employment and sustainable livelihood opportunities • Development of local infrastructure and implementation of community welfare initiatives
Government and Regulatory Authorities	Regulatory submissions, inspections, audits, compliance reporting, consultations, permit and consent processes	Periodic engagement aligned with statutory reporting	• Statutory and environmental compliance • Adherence to pharma and manufacturing regulations • Product safety and quality systems • Annual review of internal controls by auditors and statutory reporting

Materiality Assessment

(GRI 3-1, GRI 3-2, GRI 3-3)

In FY 2025-26, we conducted a double materiality assessment to identify and prioritise our material topics. The assessment considered our actual and potential impacts on the economy, environment, and people, including impacts on human rights. In parallel, it evaluated the sustainability-related risks and opportunities that may influence our business performance and long-term value creation. The assessment considered two complementary perspectives: Impact Materiality, which evaluates our impacts on people and the environment, and Financial Materiality, which evaluates how sustainability-related issues may influence our business performance, financial position, and long-term value creation.

Process to identify Material Topics

To develop a comprehensive list of potential material topics, we reviewed relevant sustainability reporting frameworks, regulatory requirements, industry trends, peer disclosures, and our business context. This was followed by stakeholder engagement through a structured survey and one-on-one interviews with key stakeholders. Through these engagements, stakeholders assessed the significance of each topic using predefined criteria for both impact and financial materiality.

Impact Materiality Assessment (Outward Impact)

Impact materiality assesses the actual and potential positive and negative impacts that our activities, products, services, and business relationships may have on the environment, society, and stakeholders across the value chain. Stakeholders evaluated each topic based on the following criteria:

- **Scale** – The severity or significance of the impact on people and/or the environment.
- **Scope** – The extent to which the impact affects operations, geographies, value chain partners, or stakeholder groups.
- **Irremediability -** The degree to which an adverse impact can be prevented, mitigated, or restored.
- **Likelihood -** The probability of the impact occurring.

Financial Materiality Assessment (Inward Impact)

Financial materiality assesses the extent to which sustainability-related matters may create financial risks or opportunities for our business and influence our financial performance, resilience, and long-term value creation.
Stakeholders evaluated each topic based on the following criteria:

- **Magnitude** – The potential financial consequence of the risk or opportunity on our business.
- **Likelihood** – The probability of the financial risk or opportunity materializing.

Each criterion was assessed using a five-point scale, with higher scores reflecting greater financial significance. The resulting scores were used to determine the relative financial materiality of each sustainability topic.

1. Business Context Review

Reviewed our business model, operations, and value chain through internal discussions, industry research, and peer benchmarking.

2. Topical Analysis (Sustainability Topic Identification)

Shortlisted a comprehensive list of sustainability topics, benchmarked against peer disclosures, standards, frameworks, and emerging trends.

3. Stakeholder Engagement & Assessment

Engaged internal and external stakeholders through surveys, interviews, & workshops to assess each topic's significance.

4. Prioritisation of Material Topics

Analysed stakeholder inputs and business considerations to evaluate topics from both impact & financial materiality perspectives.

Prioritisation of Material Topics

The responses received through stakeholder surveys and interviews were compiled and analysed to generate impact and financial materiality scores for each topic. Topics scoring high on one or both dimensions were considered more significant to our stakeholders and business.

The results were subsequently reviewed and validated by management to ensure alignment with our business strategy, stakeholder expectations, and sustainability priorities. Based on this evaluation, we shortlisted and prioritised the most significant topics as our material topics. These topics form the foundation of our sustainability strategy, risk management approach, target-setting process, and sustainability reporting.

Farmson's Double Materiality Matrix

Impact Materiality

Impact Material Topics
- Sustainable Supply Chain
- Water
- Health & Safety
- Waste

Double Material Topics
- Climate Change
- Energy
- R&D and Innovation
- Circular Economy
- Corporate Governance
- Data Privacy & Security
- Training and Skill Development

Potential Future Relevance
(Out of focus for next 3 years)
- Labor Practices
- Community Engagement & CSR
- Diversity & Inclusion
- Responsible Marketing

Financially Material Topics
- Product Quality & Safety
- Pollution
- Business Conduct & Ethics

Risk
Opportunity

Financial Materiality

Commitment and Targets

Climate change

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
Absolute Scope 1 & 2 GHG Emissions	Reduce absolute Scope 1, Scope 2 GHG emission 54.6 % by FY2033-34 from a FY2023-24 base year	FY2033-34	Monthly review of Scope 1 and Scope 2 emissions data across all units to track progress against year-on-year SBTi targets and identify reduction opportunities. Procurement of Renewable Energy Certificates (RECs) to offset grid electricity consumption and support renewable energy commitments GHG Protocol-aligned emissions register, Inventory Management Plan, and annual third-party verification	7, 12, 13
Scope 3 Emissions Intensity	Reduce scope 3 GHG emissions 61.07% per tonne of production by FY2033-34 from a FY2023-24 base year.	FY2033-34	Scope 3 emissions are monitored through annual inventory assessments including inventory management plan and third-party verification. Engagement programmes are conducted with suppliers and customers to improve data quality and identify emission reduction opportunities across the value chain. Suppliers associated with higher product carbon footprints are tracked and reviewed as part of the emissions management process.	12, 13
Operational disruptions due to climate events	Ensure zero manufacturing disruptions from extreme climate events for two out of three years.	FY2025-26 to FY2027-28	Business continuity and supply chain continuity plans are reviewed quarterly to identify potential vulnerabilities to extreme weather events. The reviews focus on maintaining uninterrupted manufacturing operations and ensuring the availability of critical raw materials, utilities, and logistics support.	11, 13
Task Force on Climate-related Financial Disclosures (TCFD)-aligned climate risk assessment	Formal climate risk assessment will be conducted for all Farmson Units, findings integrated into business planning & other public disclosures.	FY2027-28	It is planned to monitor the climate risks through Climate risk register, board-level review of the climate risk assessment observations and compliance	11, 13

Energy

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
Energy Intensity	10% reduction in kWh/tonne of product against FY2023-24 baseline	FY2029-30	Energy consumption and production data are monitored across all manufacturing units to track energy intensity performance. Plant-level teams review energy performance indicators on a monthly basis, while the energy management team conducts quarterly reviews of energy consumption records, production output and key performance indicators. Energy management system performance is further reviewed through half-yearly management review meetings.	7, 9, 12
Renewable Energy	Minimum 15% renewable energy share in total energy consumption by FY2026-27, with a progressive transition pathway toward 100% renewable electricity by FY2029-30.	FY2029-30	Electricity generated from solar and wind installations is tracked through daily monitoring by the electrical team. Renewable energy consumption is calculated and reviewed monthly to assess the share of renewable electricity in total consumption. Electricity invoices are verified regularly, and Renewable Energy Certificates (RECs) are procured to support renewable electricity claims for the existing plants.	7, 13
Energy Audits	Energy Audits to be conducted across all units by FY2027-28; at least 3 savings measures will be implemented per unit by FY2028-29.	FY2028-29	Energy monitoring systems are being deployed across major production lines to improve visibility of energy consumption patterns. Monthly energy dashboards are reviewed by operations teams to track performance and identify opportunities for operational improvements.	7, 9, 12
IoT-based Energy Monitoring	Energy Monitoring system to be deployed across all major production lines	FY2027-28	Monthly dashboard reviews and operational performance monitoring	7, 9, 12

Circular Economy

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
Hazardous Waste Recycling	Sustaining a hazardous waste recycling and reuse ratio of 92% against the FY 2025-26 baseline.	FY2026-27 onwards	Waste generation, recycling, reuse and disposal records are maintained and reviewed regularly. Performance is monitored through waste disposal records, recycling records and annual environmental reporting, including waste sent for co-processing and material recovery.	12, 13
EPR Compliance	Maintain compliance with applicable EPR requirements across relevant product and packaging categories through timely filings, record-keeping and internal review mechanisms, with no material instances of non-compliance	FY2025-26 onwards	Compliance with applicable EPR requirements is managed through a structured process that includes maintenance of filing records, tracking of regulatory submissions and periodic review of applicable legal obligations. Compliance status is monitored through EPR trackers and internal reviews.	12

Training & Skill Development

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
Training Hours per Employee per year	Achieve a minimum of 14 training hours per employee annually.	FY2027-28 onwards	Training requirements are identified through the Training Need Identification (TNI) process, and annual training plans are prepared accordingly. Training participation and man-hours are tracked through the learning management system (LMS) and attendance records, with consolidated data reviewed by the HR team on a regular basis.	4, 8
Employee satisfaction with training programmes	Achieve a minimum 85% satisfaction score annually.	FY2027-28 onwards	Feedback from participants is collected through post-training surveys and reviewed by the HR team to evaluate the effectiveness and relevance of training programmes and identify areas for improvement.	4, 8
TNI Compliance	Achieve a minimum 90% compliance rate with the Training Need Identification (TNI) calendar annually	FY2027-28 onwards	The implementation of the Training Need Identification calendar is monitored throughout the year. Progress against planned training activities is reviewed periodically by the HR team to ensure timely completion of identified training requirements	4, 8

Data Privacy & Security

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
Security data breaches or cybersecurity incidents	Maintain zero data security incidents affecting clients or employees and ensure zero data loss through robust backup and recovery protocols annually.	FY2026-27 onwards	Information security incidents are monitored through a structured incident management process and tracked through an IT incident register, supported by periodic cybersecurity reviews.	9, 16
Data-Privacy Training	Ensure 100% of employees with data access complete annual security training for target audience.	FY2026-27 onwards	Training completion and employee participation are monitored through the HR training register and reviewed against the annual training plan.	9, 16
Third-party cybersecurity audit and remediation	Conduct annual security audits and remediate 90% of high-priority vulnerabilities within 60 days of discovery.	FY2026-27 onwards	Findings from annual cybersecurity audits are planned to be tracked through a remediation register, with progress reviewed on a monthly basis.	9, 16
Data Governance Policy and Intellectual Property protection protocols	Establish comprehensive governance by documenting and approving a formal IT policy, securing 100% employee communication.	FY2026-27 onwards	Compliance with data governance and intellectual property protection requirements is planned to be monitored through policy registers, legal and compliance signoffs, internal audits, and annual management review meetings.	9, 16

Research, Development & Innovation

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
CEP Product Validation	Identified four products, i.e., Rivaroxaban, Folic Acid, Mirabegron & Levosalbutamol sulphate, for plant validation.	FY2026-27 onwards	Purging studies are planned to be conducted by the R&D team, and the resulting data to be compiled and submitted to the regulatory team to support CEP filings and related regulatory requirements.	3, 9, 12
Commercial development of new API molecules.	Minimum one new API molecule to be initiated annually.	FY2026-27 onwards	R&D project initiation records. Support to be provided for plant batches for commercialisation	3, 9

KPI	Target	Target Year	Monitoring Mechanisms	UNSDG Linkage
Framework of ESG Committee and meeting cadence	Formally document the Terms of Reference (ToR) for ESG Committee roles and responsibilities. Conduct half yearly ESG Committee review meetings and submit an annual ESG progress report to the Board.	FY2026-27 onwards	ESG Committee activities are documented through governance records, leadership approvals, meeting minutes and reporting records.	16
ESG targets and incentive linkage	Establish a minimum of five quantitative ESG targets with assigned ownership by FY2026-27, and link at least one metric to the performance appraisal or incentive structure by FY2027-28	FY2027-28 onwards	ESG targets are maintained through a target register with defined ownership and responsibilities and are monitored through the performance management framework.	16
Gender Diversity on ESG Committee	Achieve a minimum of 25% women representation on the ESG Committee by FY2029-30 to enhance gender diversity.	FY2029-30	Committee composition is reviewed periodically and disclosed through the sustainability reporting process.	5
Enhance ESG awareness among ESG Committee members	Complete at least one annual ESG training session to drive sustainability awareness.	FY2026-27 onwards	ESG-related training participation and approvals are tracked through governance records, leadership signoffs and annual training plans.	4, 8

Energy & Climate

(GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-7)

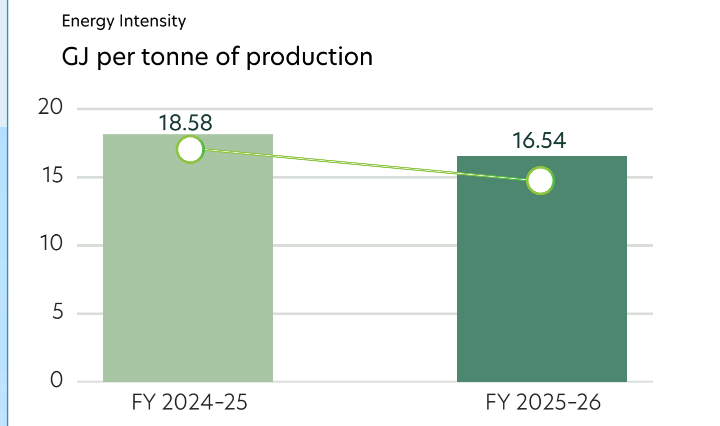
Energy Consumption

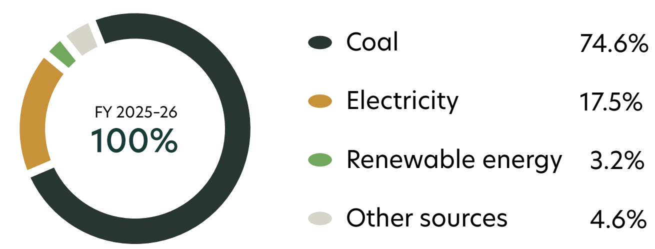
Energy is a critical enabler of our manufacturing operations, supporting process reliability, product quality, and business continuity. We continually work to improve energy efficiency through operational controls, technology upgrades, and conservation initiatives that help optimise resource use and reduce our environmental footprint. The following section presents our energy consumption by source and overall energy mix.

Energy Intensity

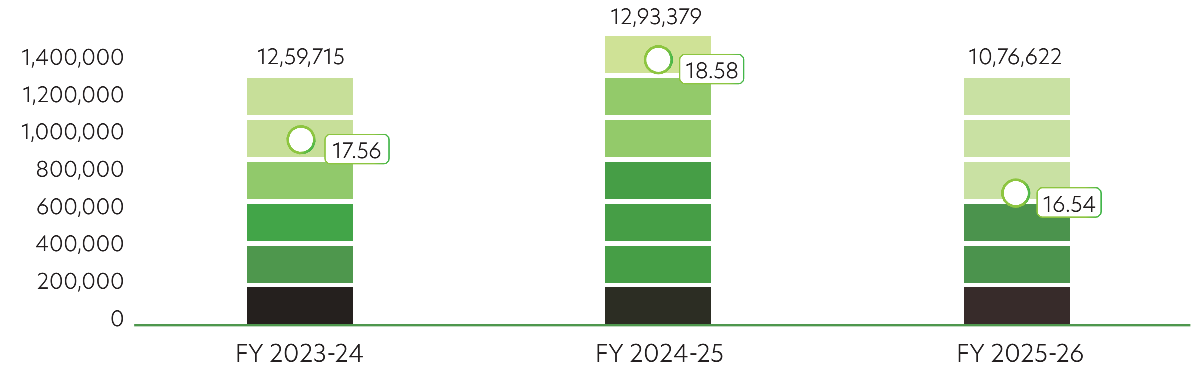
Improving energy efficiency

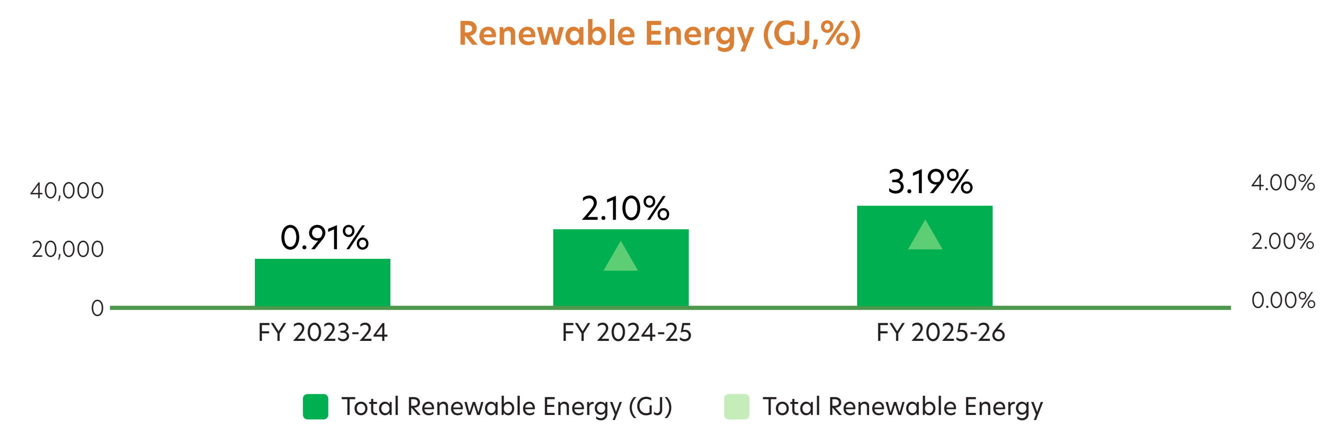
Energy intensity declined in FY 2025-26, while renewable energy use increased.





Reduction	Year on year
2.04 GJ per tonne	11.0% lower





Our Energy Profile

Energy Profile	UoM	FY 2023-24	FY 2024-25	FY 2025-26	% Composition	YoY change
Coal	(GJ)	10,30,381	10,33,223	8,03,598	74.6%	-22.2%
Biomass	(GJ)	0	16,667	25,159	2.3%	51.0%
Diesel (DG Sets)	(GJ)	10,561	3,825	2,575	0.2%	-32.7%
Fleet Fuel Consumption (Petrol & Diesel)	(GJ)	28,575	27,254	23,534	2.2%	-13.6%
Natural Gas	(GJ)	2,146	13,844	18,733	1.7%	35.3%
LPG	(GJ)	1,814	2,480	1,418	0.1%	-42.8%
Grid Electricity	(GJ)	1,74,823	1,84,236	1,88,223	17.5%	2.2%
Purchased Steam	(GJ)	0	1,333	4,175	0.4%	213.2%
Solar Power	(GJ)	11,414	10,516	9,207	0.9%	-12.4%
Total Energy	(GJ)	12,59,715	12,93,379	10,76,622	100%	-16.8%

Energy Conservation Initiatives

Energy efficiency remains a key focus area within our sustainability strategy, helping us optimise resource consumption, reduce operational costs and lower our environmental footprint. Through targeted energy conservation measures, we improved process efficiency, reduced electricity and fuel consumption and lowered operational emissions. Key initiatives such as VFD installation, efficient fan replacement, compressed air optimisation, steam recovery and power infrastructure upgrades have contributed to measurable energy savings, cost reductions & greenhouse gas emission avoidance.

Focus Area	Initiative	Impact
Motor Efficiency	Installed VFDs on 90% of motors used for pumps, fans and compressors	Saved 516,732 kWh/year, reduced emissions by 373.91 tCO_2e/year and generated annual savings of ₹46.29 lakh.
Boiler Efficiency	Installed VFD in FD fan for automatic combustion control in the 30 TPH boiler	Improved combustion efficiency and reduced energy consumption.
Cooling Towers	Replaced aluminum fan blades with efficient FRP blades	Reduced energy consumption by 20% and emissions by 31.98 tCO_2e/year.
Compressed Air Systems	Installed Intelligent Flow Control (IFC) systems	Saved 68,000 kWh/year, reduced emissions by 49.24 tCO_2e/year and generated annual savings of ₹6 lakh.
Chiller Optimisation	Installed Automatic Tube Cleaning System	Reduced chiller power consumption by approximately 5%.
HVAC Efficiency	Replaced conventional AHU fans with EC fans	Reduced energy consumption by 46%.
Compressed Air Systems	Installed zero air loss separators	Reduced compressor workload and compressed air losses.
Steam Recovery	Recovered flash steam for hot water generation	Improved thermal energy recovery and reduced energy demand.
Power Infrastructure	Upgraded power supply to 66 kV	Saved 49,500 liters of diesel/year, avoided 132.72 tCO_2e/year & generated annual savings of ₹44.55 lakh.
Thermal Efficiency	Downsized turbines to improve part-load performance Installed thermo-compressor	Reduced internal energy losses by 25%, avoided 900 tCO_2e/year and generated annual savings of ₹75 lakh. Reduced fuel consumption by 10-30% through reuse of low-pressure steam.
Lighting Efficiency	Installed sensor-based lighting systems	Reduced power consumption by over 70% in selected areas.
Ventilation Efficiency	Installed HVLS (High-Volume, Low-Speed) fan and BLDC (Brush-less DC) fans.	Reduced electricity consumption while maintaining airflow performance.

Emissions

Our greenhouse gas (GHG) emissions are primarily driven by the energy and fuel consumed across our operations. Tracking these emission sources enables us to understand our carbon footprint and identify opportunities for improvement.

The GHG emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Scope 1 emissions reflect the direct greenhouse gas (GHG) emissions generated from sources owned or controlled by us, including fuel combustion in stationary and mobile sources. The Scope 2 emissions reflect the indirect GHG emissions associated with the generation of purchased electricity consumed across our operations.

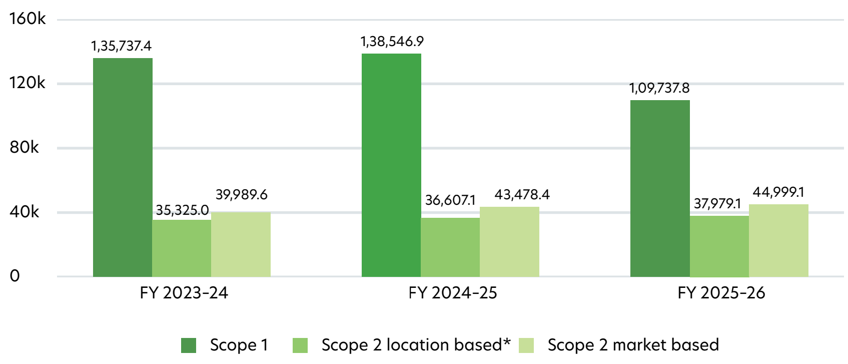
GHG Emission

Scope emissions, total emissions and emissions intensity

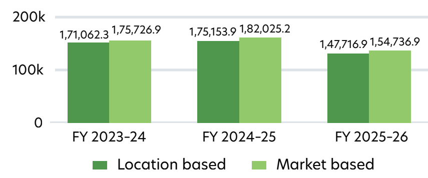
Total Location Based
1,47,716.9
tCO_2e FY 2025–26

Emission Intensity
2.16
tCO_2e per tonne

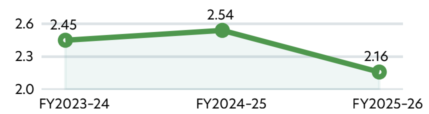
Scope Emission
Scope 1 and Scope 2 emissions
tCO_2e



Total Scope 1 and 2
Location vs market based
tCO_2e



Total Scope 1 and 2 Intensity
tCO_2e per tonne of production



FY 2025-26 Change	Scope 1	Scope 2 location based	Scope 2 market based	Total location based	Intensity
	↓ 20.8%	↑ 3.7%	↑ 3.5%	↓15.7%	↓15.0%

Changes compare FY 2025–26 with FY 2024–25 and are calculated from the provided values.

Scope 2 emissions are reported using both location-based and market-based methods to reflect grid-average emissions and supplier or market-specific electricity emission factors, respectively.

Our 9.9 MW hybrid wind-solar project marks a significant step in increasing renewable energy use across our operations. By integrating clean energy sources into our power mix, we are reducing reliance on conventional energy and supporting our long-term decarbonisation efforts.

Beyond managing emissions from our own operations, understanding emissions across the value chain is essential to building a comprehensive view of our climate impact. Our Scope 3 assessment covers the material upstream and downstream activities associated with procurement, transportation, waste management, employee-related activities, and product processing. The assessment helps identify key emission hotspots and informs targeted actions to improve value chain efficiency and support long-term decarbonisation efforts.

Purchased Goods & Services and Processing of Sold Products remain the most significant contributors to our Scope 3 footprint. We continue to strengthen collaboration across the value chain through responsible sourcing practices, enhanced data collection, engagement with suppliers and customers, and improvements in logistics and resource management. In the previous financial year, we also switched from multiple cars to a single, high-capacity tempo traveler and bus for our employees, which significantly reduced carbon emissions by reducing the number of vehicles on the road and lowering emissions per employee. These efforts enable us to better understand value chain impacts and identify opportunities to reduce emissions beyond our operational boundaries. For category 1, purchased goods and services, we engage with 70% of suppliers by spend to get their product carbon footprint to further enhance accuracy.

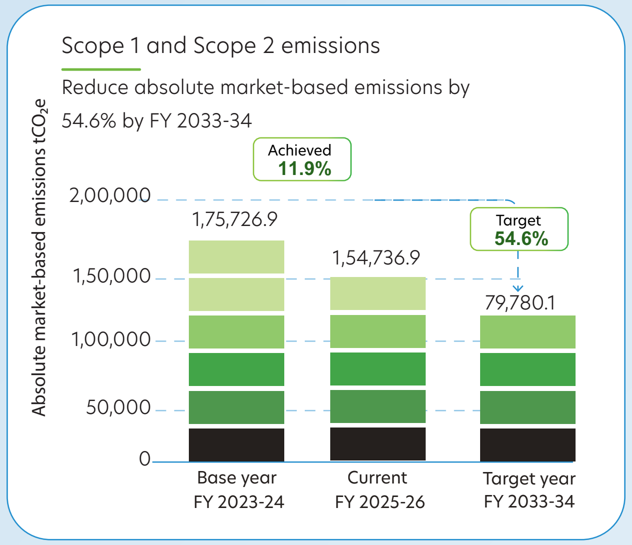
Categories	FY 2023-24 (tCO_2e)	FY 2024-25 (tCO_2e)	FY 2025-26 (tCO_2e)	Calculation Approach
Category 1 - Purchased Goods & Services	1,18,553.8	1,44,669.5	1,05,709.9	Hybrid method
Category 2 - Capital Goods	2,243.5	2,174.4	5,167.1	Spend based
Category 3 - Fuel and Energy Related Activities	40,400.9	36,643.3	31,744.4	Activity based
Category 4 - Upstream Transportation & Distribution	3,255.5	3,513.0	1,995.0	Spend based
Category 5 - Waste Generated in Operations	1,609.2	3,624.5	2,438.3	Activity based
Category 6 - Business Travel	8,035.3	53.5	78.1	Spend based
Category 7 - Employee Commuting	4,362.3	1,795.3	2,439.0	Activity based
Category 9 - Downstream Transportation & Distribution	1,784.4	2,315.2	1,677.5	Spend based
Category 10 - Processing of Sold Products	2,82,674.3	2,74,062.8	2,19,282.0	Activity based
Category 12 - End-of-Life Treatment of Sold Products	704.2	699.8	575.4	Activity based
Total Emissions	4,63,623.4	4,69,550.3	3,71,106.7	Hybrid method
Emission Intensity (tCO_2e/t of production)	6.46	6.75	5.70	

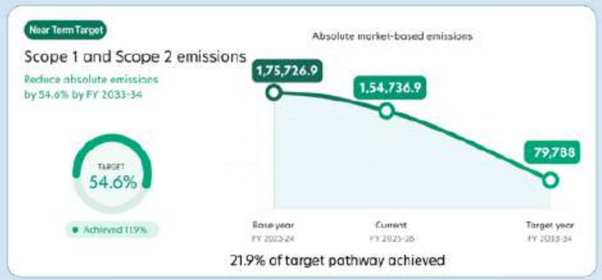
Progress Against Science Based Targets

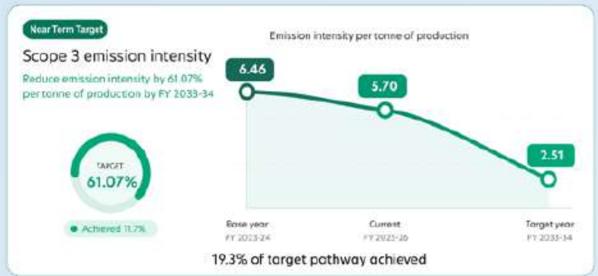
We have established science-based targets to reduce our absolute Scope 1 and Scope 2 emissions by 54.6% by FY 2033-34 from a FY 2023-24 baseline and to reduce Scope 3 emissions intensity by 61.07% per tonne of production over the same period. During FY 2025-26, our market-based Scope 1 and Scope 2 emissions declined from 1,75,726.9 tCO_2e to 1,54,736.9 tCO_2e, with an absolute reduction of 11.9%.

We also improved our Scope 3 emissions intensity from 6.46 to 5.70 tCO_2e per tonne of production, reflecting continued efforts to enhance resource efficiency, optimize operations, and work collaboratively with suppliers to reduce emissions across our value chain.

To accelerate progress towards our long-term decarbonisation goals, we are focused on further reducing operational emissions through energy transition and efficiency initiatives.







Increase the Share of Renewable Energy

Renewable and lower-carbon energy sources, including biomass (2.3%), and solar power (0.9%), currently contribute to our energy mix. Going forward, we aim to further increase renewable energy consumption through expanded onsite solar generation and renewable power procurement.

Improve Energy Efficiency

Through process optimisation, equipment upgrades, and energy conservation measures across operations.

Strengthen Supplier Engagement

Our Scope 3 emissions intensity improved from 6.46 to 5.70 tCO_2e per tonne of production between FY 2023-24 and FY 2025-26. We will continue working with suppliers and other value chain partners to improve resource efficiency, promote low-carbon practices, and support long-term emissions reductions across the value chain.

Advance Fuel-Switching

We have begun diversifying our energy portfolio through the adoption of biomass and building on this progress, we will continue evaluating opportunities to gradually replace coal and diesel with lower-carbon fuel alternatives where technically and economically feasible.

Explore Innovative Decarbonisation Solutions

We are assessing opportunities such as waste heat recovery, process improvements, and energy-efficient technologies to further reduce energy consumption and lower the emissions intensity of our operations.

These initiatives will support our transition to a cleaner energy mix, reduce our dependence on carbon-intensive fuels, and reinforce our commitment to achieving our science-based climate targets.

Air Emissions

We are committed to minimising the environmental impact of our operations through robust air emissions management practices, advanced pollution control technologies, and continuous monitoring systems. By integrating engineering controls, process optimisation measures, and preventive maintenance practices across our facilities, we strive to reduce stack emissions, control volatile organic compounds (VOCs), prevent fugitive emissions, and ensure compliance with applicable environmental regulations. Air emissions from our operations are continuously monitored through an Online Continuous Emission Monitoring System (OCEMS), enabling effective tracking of key parameters and timely corrective actions.

Key air emissions management measures implemented across our operations include:

Electrostatic Precipitators (ESPs)

Installed to control particulate matter emissions from flue gas streams. These systems use high-voltage electrodes to charge particulate particles, which are subsequently collected on grounded plates, achieving collection efficiencies of over 99%.

Continuous Emission Monitoring System (CEMS)

Installed on boiler stacks to continuously monitor and record key emission parameters, including sulphur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM). Real-time monitoring supports regulatory compliance & enables timely corrective action where required.

Alkali Scrubbers for SOx Control

Deployed on boiler systems to neutralise acidic gases and reduce sulphur oxide (SOx) emissions before discharge into the atmosphere.

Parameter	Emissions in FY 2025-26 (tonnes)
SOx	5.84
NOx	5.38
Particulate Matter	6.74

Regulatory Compliance Monitoring

Continuous emissions data is monitored and reported in accordance with applicable requirements of the Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

Fugitive Emission Prevention

To minimise fugitive emissions across our operations, we have adopted a range of equipment and process controls. Double mechanical seals with barrier fluid systems are used on pumps and agitators to prevent leakages and improve containment. Closed-loop process systems reduce the potential for vapour releases during manufacturing activities, while nitrogen blanketing and inerting systems help control evaporative emissions, enhance process safety, and support efficient operations.

VOC and Odour Control Measures

We implement a combination of engineering and process controls to minimise volatile organic compound (VOC) emissions and manage process-related odours generated during manufacturing activities. Alkali scrubber systems are used to capture and neutralise soluble VOC vapours before they are released into the atmosphere, helping reduce the environmental impact of process emissions. In addition, we have transitioned from open chemical handling practices to closed-loop chemical transfer systems, which minimise vapour losses during storage, handling, and transfer of chemicals, while enhancing operational safety and process efficiency.

Materials

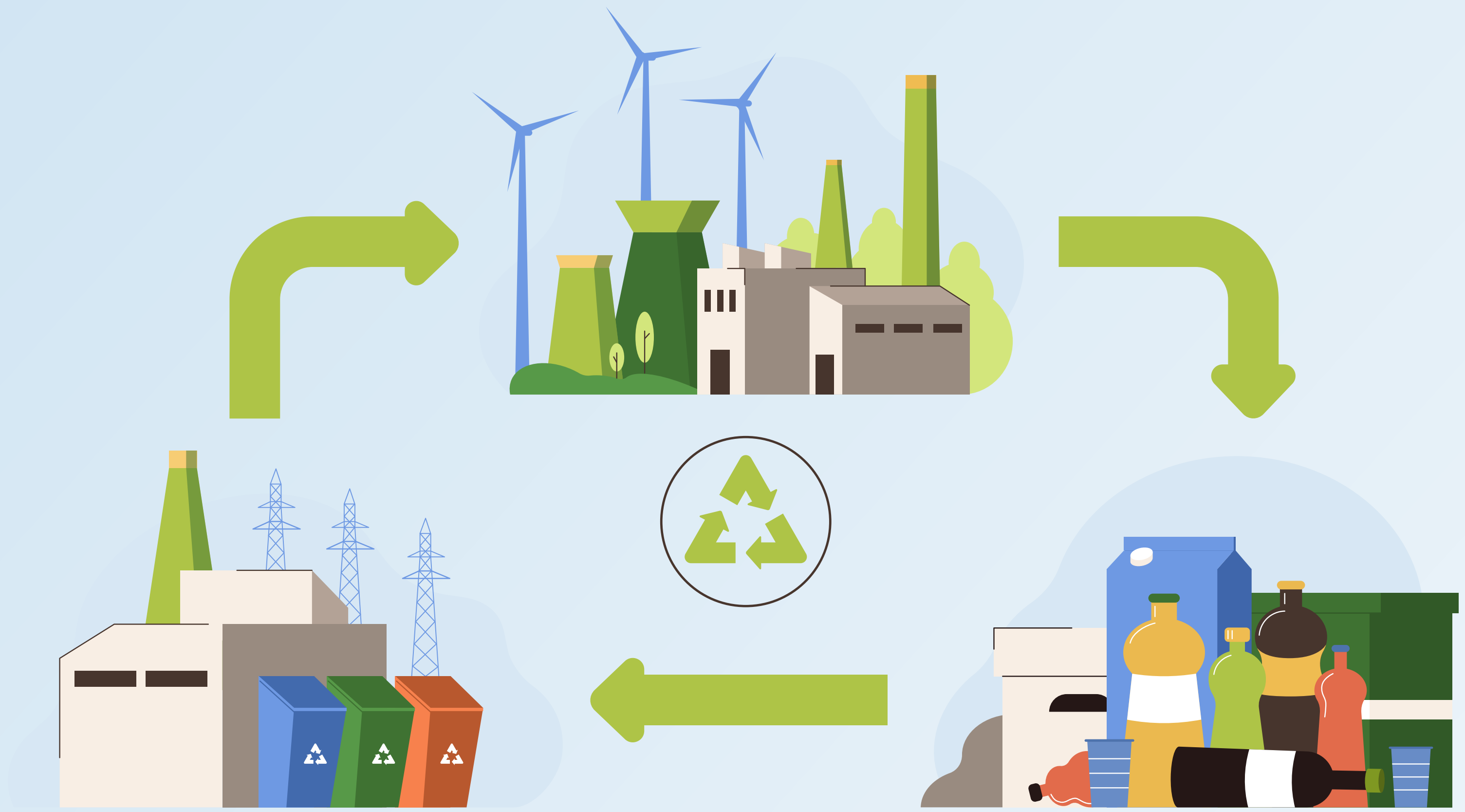
(GRI 301-1, GRI 301-2)

Given the nature of our business, we handle several hazardous substances. However, we remain committed to sourcing raw materials sustainably and continuously work to embed sustainability practices across our value chain. We prioritise the use of environmentally and socially responsible materials, products, and services that ensure high performance, safety, and long-term value.

We operate an internal closed-loop recycling program for our process streams. **During the reporting period, 100% of our generated diluted acetic acid** hazardous waste was successfully reclaimed and converted into Glacial acetic acid. This recovered material was utilised as a key feedstock for manufacturing Acetic anhydride. Through this circular initiative, the recycled content accounted for 12.44% of our total Acetic anhydride consumption during the reporting period

Sr.No.	Parameters	Units	FY2025-26
1	Total Raw Material	Tonnes	1,49,423.4

We are also redefining packaging by combining functionality with sustainability. Our secondary packaging (Fiber drum) philosophy emphasizes using eco-friendly, recyclable, and biodegradable materials to reduce environmental impact across the product life cycle. By integrating these eco-friendly materials and circular design principles, we continue to lead the way toward a greener, more responsible pharmaceutical packaging ecosystem.



Biodiversity

(GRI 101-4, GRI 101-5)

At Farmson, we recognise that biodiversity underpins ecosystem resilience and contributes to the availability of natural resources that support both communities and industry. Our company is committed to reducing negative impact on biodiversity at all operations sites. As our manufacturing facilities are located within established Gujarat Industrial Development Corporation (GIDC) industrial estates, they are not situated within or adjacent to biodiversity-sensitive areas, protected habitats or other ecologically significant sites. We undertake initial assessments to prevent any potential harm to biodiversity. As part of our ESG strategy, we have pledged to refrain from deforestation and have meticulously designed our future expansions to ensure that any production sites will not be situated near protected areas, including those safeguarding species and habitats that are vulnerable or have significant biodiversity value.

Understanding Our Ecological Context

Environmental Impact Assessments (EIAs) undertaken for our manufacturing facilities inform our understanding of the ecological baseline and biodiversity characteristics of the areas surrounding our operations. The assessments indicate that our sites are predominantly situated within modified landscapes characterised by agricultural land, plantations, water bodies, scrub vegetation and human settlements. These landscapes support a range of terrestrial and aquatic species, while ecological features such as rivers, canals and village ponds contribute to the broader biodiversity of the region. This understanding thus informs the integration of biodiversity considerations into site planning, environmental management and operational decision-making.

Managing Biodiversity-Related Impacts

For managing the actual and potential environmental impacts, EIAs help to identify impact pathways such as air emissions, wastewater generation, noise, habitat disturbance and accidental spills. These potential impacts are evaluated during project planning and are addressed through appropriate mitigation and environmental management measures.

Key measures implemented across our operations include:

- Treatment and responsible management of wastewater prior to disposal or reuse.
- Responsible handling, storage and disposal of hazardous materials and waste.
- Stormwater management systems to protect surrounding ecosystems.
- Air pollution control systems to minimise emissions .
- Spill prevention and emergency response mechanisms.
- Environmental monitoring programmes to support ongoing compliance and environmental performance.

Ecological Enhancement Through Greenbelt Development

Greenbelt development is an integral part of our environmental management approach, helping enhance green cover and support local biodiversity. We launched OxyPark at Angad village and OxyPath at Nandesari, a three-year initiative that transformed approximately 55,000 sq. ft. of wasteland into a green space through the plantation of over 9,500 saplings across 100+ species, contributing to a healthier local ecosystem.

Water Management

(GRI 3-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303- 5)

We continue to strengthen water circularity across our manufacturing operations through investments in wastewater treatment, recovery and reuse infrastructure. Our approach focuses on maximising water recovery from operational processes, reducing dependence on freshwater resources and minimising wastewater discharge through a combination of treatment technologies, recovery systems and water reuse practices.

Wastewater generated across our manufacturing facilities is treated through effluent treatment systems established at all operating units. Units I, II, IV and VI are equipped with primary and secondary treatment facilities, while Unit III operates a dedicated primary treatment facility integrated with advanced water recovery infrastructure. Recovered water is reused within operations, supporting resource efficiency and circular water management practices.

Key Water Recovery and Reuse Initiatives Include:

Effluent Treatment Infrastructure

Effluent treatment plants are operated across all manufacturing units to ensure that wastewater is appropriately treated prior to recovery, reuse or discharge. Units I, II, IV and VI discharge treated effluent to the Common Effluent Treatment Plant (CETP), while Unit III operates under a Zero Liquid Discharge approach.

Zero Liquid Discharge (ZLD) at Unit III

Unit III operates a Zero Liquid Discharge (ZLD) system supported by RO, MEE and ATFD infrastructure. The system enables wastewater to be treated, recovered and recycled within the facility, significantly minimising liquid discharge while enhancing water recovery and reuse.

Online Effluent Monitoring Systems

Online monitoring systems are installed across applicable manufacturing units to continuously monitor key parameters such as pH, COD, BOD, TDS and TSS, supporting regulatory compliance and effective management of wastewater treatment processes.

Reverse Osmosis (RO) Systems

RO systems are installed at Units III and VI to support water recovery and reuse by improving the quality of treated water for internal applications.

Multiple Effect Evaporators (MEE)

MEE systems are deployed across Units I, II, III and IV to recover reusable condensate from wastewater streams. The recovered water is reused within utility operations, helping reduce freshwater consumption.

Condensate Recovery and Reuse

We have strengthened condensate recovery systems and increased the reuse of recovered condensate water, including its use as boiler feed makeup water, improving overall water-use efficiency across our facilities.

These initiatives have strengthened water circularity across our operations and contributed to an increase in recycled water utilisation from **4.5% to 12.8%** of total water consumption. This improvement reflects the effectiveness of our water recovery, reuse and recycling practices and supports our continued efforts to reduce freshwater demand across manufacturing operations.

Water Category	FY 2024-25	FY 2025-26
Total Water Withdrawal (Third Party)- (kL)	6,97,872	6,84,857

Total Water Consumption (kL) (Water Withdrawal + Recycled Water)	FY 2024-25	FY 2025-26
Total Water Consumption	7,31,013	7,85,248
Fresh Water Consumption (kL)	6,97,872	6,84,857
Recycled Water Consumption (kL)	33,141	1,00,391
Water Intensity (kL/t)	10.50	12.06
Total Water Discharged (kL)	2,85,354	3,12,885

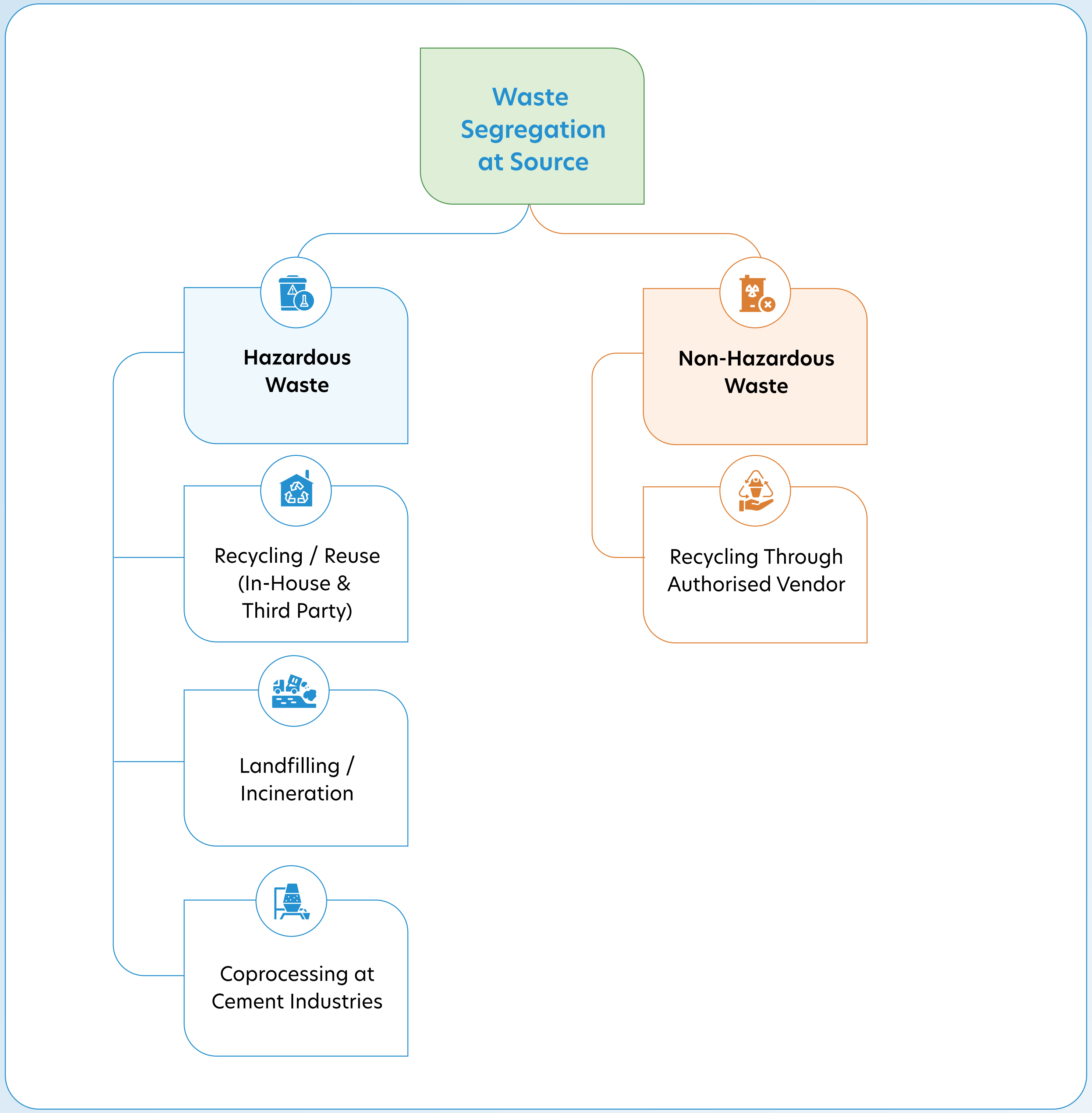
The commissioning of Unit-VI during FY 2025-26 resulted in an increase in both water consumption and effluent disposal compared to FY 2024-25.

Waste Management

(GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Effective waste management is integral to minimising environmental impacts and improving resource efficiency across our operations. We seek to reduce waste generation through process optimisation, material recovery, and responsible treatment practices.
By advancing circular approaches and prioritising diversion from disposal, we aim to maximise the value of resources throughout their lifecycle.

Our Approach to Waste Management



Waste Generation

During FY 2025-26, we generated 93,608.1 tonnes of waste, representing a 14% reduction compared to the previous year. Our waste profile continued to be shaped by industrial process residues associated with API manufacturing, with the majority of waste managed through established treatment, recovery and disposal pathways. The table below presents the composition of waste generated across different categories during the reporting period and provides a year-on-year comparison of our waste profile.

Waste Type	FY 2024-25 (Tonnes)	FY 2025-26 (Tonnes)	% of Total FY25-26
Hazardous Waste	1,03,067.5	90,159.6	100%
E-waste	1.5	1.1	0.0%
Plastics (Drums)	149.4	117.5	0.1%
Industrial Hazardous Waste	1,02,916.6	90,039.9	99.9%
Bio-Medical		1.07	
Non-Hazardous Waste	5,740.4	3,448.4	100%
Paper	0.0	29.3	0.8%
Wood	0.0	0.0	0.0%
Organic Waste	63.3	54.0	1.6%
Metals	287.2	217.6	6.3%
Mixed Recyclables	5,389.9	3,147.5	91.3%
Total Waste Generated	1,08,807.9	93,608.1	
Waste Intensity	1.56	1.44	7.69%

Note- Biomedical waste data was unavailable for FY 2024-25 and has been recorded in FY 2025-26.

Responsible Disposal of expired medicines from Occupational Health Centre (OHC) and rejected Active Pharmaceutical Ingredients (APIs):

Farmson follows responsible practices for the management and disposal of pharmaceutical products and related waste in compliance with applicable regulations. Expired medicines from the Occupational Health Centre (OHC), as well as any expired, rejected, or returned pharmaceutical products, are disposed of through authorised waste management agencies and approved incineration facilities. In FY 2025-26, no Active Pharmaceutical Ingredients (APIs) required disposal.

Waste Disposal

Our waste management approach continues to prioritise resource recovery and responsible treatment pathways. By increasing in-house recovery and optimising waste handling processes, we reduced dependence on landfill disposal while minimising reliance on external recycling and maintaining co-processing as a treatment route for suitable waste streams.

Waste Disposal	FY 2024-25 (Tonnes)	FY 2025-26 (Tonnes)
Total waste diverted from disposal	94,235.8	87,857.4
Total waste directed to disposal	14,500.9	5,789.2
Total Disposal	1,08,736.7	93,646.6

Note- The difference between waste generation and disposal is due to the previous year's closing stock.

Hazardous waste

↓ Landfill reduction
14.1% → 6.4% (55% reduction)
FY 2024-25 → FY 2025-26

↑ In-house recovery
72.8% → 84.7%
FY 2024-25 → FY 2025-26

→ Co-processing
10.7% → 8.7%
FY 2024-25 → FY 2025-26

↓ Third-party recycling
2.4% → 0.1%
FY 2024-25 → FY 2025-26

*Note- Incineration accounted for less than 0.01% of total hazardous waste generated and was limited to biomedical waste requiring incineration in accordance with regulatory requirements.

Non-Hazardous waste

Recycling/Recovery
100% recycled, recovered or reused

Spill Management

We maintain comprehensive spill prevention and response measures, including SOPs, engineering controls, and emergency preparedness protocols, to protect ecosystems and public health. These measures effectively mitigated spill-related risks, and no major chemical spills were reported during the reporting period.

Waste Reduction Initiatives

Our waste management approach prioritises recovery, reuse and responsible treatment to minimise the amount of waste directed to final disposal. By expanding in-house recovery practices and leveraging co-processing opportunities, we continue to strengthen resource efficiency while reducing landfill dependency across our operations. We further continue to strengthen our waste management practices through process improvements, treatment systems and responsible handling mechanisms across our operations. These initiatives support better environmental performance while enhancing the management of both hazardous and non-hazardous waste streams.

Key waste management initiatives include:

- Eliminated iron sludge generation through the adoption of hydrogenation technology.
- Process residues are sent to authorised co-processing facilities for treatment & disposal.
- Dedicated Effluent Treatment Plants (ETPs) are operated at all manufacturing sites.
- Flue gas emissions and effluent discharge parameters are monitored through real-time monitoring systems.
- Zero Liquid Discharge (ZLD) systems have been implemented at Unit III.
- Reverse Osmosis (RO) & Multi-Effect Evaporator (MEE) systems are used for wastewater treatment and water recovery.
- EPR obligations are fulfilled through statutory filings, maintenance of required records & authorised waste recovery arrangements.
- In-house programmes are implemented for the reuse and recovery of waste generated from operations.

Environmental Compliance

(GRI-307-1)

Complying with relevant laws and regulations is essential for any business to maintain its operations. At Farmson, we are committed to abiding by all environmental norms and regulations at our manufacturing operations as set forth by the relevant regulatory authorities. We have set an internal system criterion of applying for renewals at least 90 days in advance to avoid delays in the renewal process. Thus, all enquiries related to environmental compliance are resolved promptly. 100% of the sites in the reporting boundary have gone through the environment risk assessment process. We did not incur any fines or penalties about any environmental violations. Moreover, we have adopted a proactive approach to ensure adherence to the best compliance management practices. We provide specialised training to our employees to stay informed about applicable regulations.

Circularity and Eco-Design

(GRI 3-3)

Our backward integration model includes the in-house manufacture of key raw materials, including para-aminophenol at Unit III and acetic anhydride at Unit VI. Producing these materials within our operations provides greater control over quality, process efficiency and raw material availability, while reducing transportation associated with external sourcing. This integrated approach also improves visibility across critical stages of the manufacturing process.

We further improve resource utilisation by recovering and reusing materials from process streams wherever technically feasible. Materials such as acetic acid are recovered and reused within the manufacturing process, while acetic acid recovered through distillation is also utilised as a by-product. These practices help reduce material losses; maximise the value derived from raw materials and reduce the need for fresh inputs.

To better understand the environmental impacts associated with our products, we conducted a Product Carbon Footprint (PCF) assessment for Paracetamol during the year. The assessment identified raw materials as a significant contributor to the product's overall carbon footprint, highlighting the importance of improving material efficiency and optimising resource use across the production process.

Waste Heat Recovery

We enhance resource circularity across our operations by recovering and reusing valuable process streams that would otherwise be lost. Across Units I and II, we recover waste heat from process operations, utilize turbine vent steam for preheating boiler feed water, recover condensate for reuse in boiler operations, and capture flash steam to maximize the utilisation of thermal resources within our steam systems. We have also installed a preheater at one of our manufacturing facilities to further improve resource efficiency and optimize energy utilisation across processes.

Workforce Overview

(GRI 2-7, GRI 2-8, GRI 2-21, GRI 3-3, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403- 6, GRI 405-1, GRI 405-2)

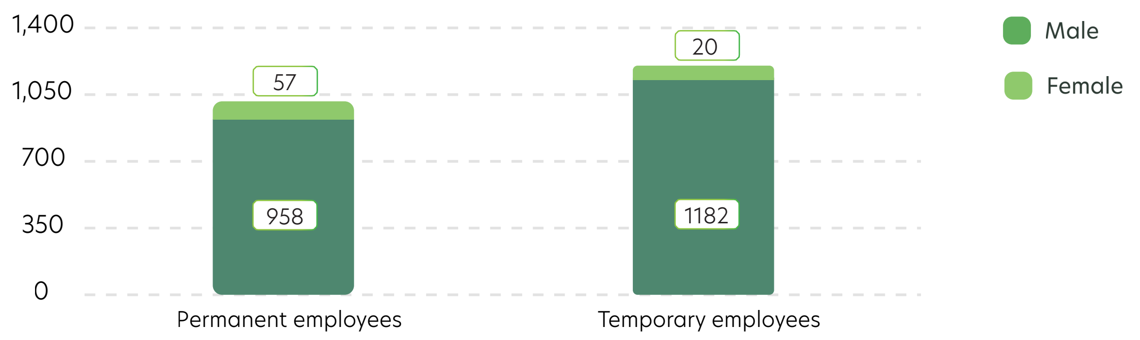
Our workforce is central to maintaining our manufacturing operations, product quality, and business continuity. As of FY 2025-26, our workforce comprised 2,217 employees, including permanent and temporary employees across Units I, II, III, IV, and VI.

The following section presents our workforce composition by employment type and location.

Total Workforce	Permanent	Temporary
2,217	**1,015**	**1,202**
Employees	45.78% of workforce	54.22% of workforce

Type of workforce

Male and female employee counts



Permanent total 1,015 • Temporary total 1,202

Employee Wellbeing and Workplace Support

Our employees are central to our operations and long-term growth. We provide a range of benefits and welfare measures designed to support their health, financial security and overall well-being. All permanent and contractual employees are covered under life insurance, healthcare, disability and retirement benefit programmes, while parental leave benefits are extended to permanent employees.

We also focus on creating a healthy and supportive workplace through family medical insurance coverage, Occupational Health Centres (OHCs), and ambulance facilities across our sites. During the year, we conducted awareness sessions on stress management and psychological well-being to encourage healthy lifestyles and promote mental wellness among employees.

Workplace Ergonomics

Creating safe and comfortable workplaces is an important aspect of our employee well-being approach. We incorporate ergonomic considerations across our operations to reduce Repetitive Strain Injuries (RSIs), improve workplace safety and support employee productivity. Through workplace design improvements and structured work practices, we seek to minimise occupational health risks while enhancing employee comfort.

Ergonomic Workstation Design

Height-adjustable work platforms, anti-fatigue mats and optimised workstation layouts help reduce awkward postures and repetitive strain.

Task Rotation

Employees are rotated across designated workstations to minimise repetitive movements and reduce fatigue.

Micro-break Interventions

Structured stretching and recovery breaks are incorporated into production shifts to support physical wellbeing and reduce ergonomic risks.

To ensure an inclusive and ergonomically sound workplace, the facility is equipped with ramps and lifts that support the mobility and safety of employees with disabilities.

Employee Benefits

Benefits Provided to Full-time Employees	Permanent Employee	Contractual/ Temporary Employees
Life Insurance	Yes	Yes
Health Care	Yes	Yes
Disability and Invalidity Coverage	Yes	Yes
Parental Leave	Yes	No
Retirement Provision	Yes	Yes
Stock Ownership	Not Applicable	Not Applicable

Note: Wherever the response is indicated as "Yes," the coverage is deemed to be 100%.

Diversity and Inclusion

We are committed to providing equal opportunities and fostering an inclusive workplace where employees are valued based on their skills, qualifications and performance. Through equitable employment practices, fair pay, reasonable accommodation for persons with disabilities and regular awareness programmes, we promote diversity, inclusion and a culture of mutual respect across the organisation.

Employee Category	Female Representation	Male Representation	Gender Pay Ratio
Manager & Above	3.5%	96.5%	0.74
Other Employees	5.6%	94.4%	0.99

Indicator	Female	Male	Total
Rate of New Permanent Employee Hires (%)	21.19%	29.82%	21.67%
Turnover Rate of Employees (%)	12.53%	14.04%	12.61%

1:42 ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees

Category	FY 2025-26
Employees from vulnerable and minority groups	135
Percentage of employees from minority and vulnerable groups	13.3%
Employees from minority and vulnerable groups at top management	Nil

*Note- For the purpose of this disclosure, "minority and vulnerable groups" include employees belonging to Other Backward Classes (OBC), Scheduled Castes (SC), Scheduled Tribes (ST), and other minority groups.

Indicator	Female	Male	Total
Board of Directors	2	6	8

Health, Safety & Wellbeing

(GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10)

Occupational Health and Safety Management System

We have implemented an Occupational Health and Safety (OHS) Management System across our operations to ensure a safe and secure working environment. The system is aligned with the principles of ISO 45001:2018 & Responsible Care and complies with applicable legal requirements, including the provisions of the Factories Act, 1948 and Gujarat Factory Rules, 1963. It covers all individuals working under our control, including permanent and temporary employees, contractors, and visitors, and applies to all operational activities across our facilities.

100% of our workforce is covered by the OHSMS.

To support the effective implementation of our OHSMS, the Health and Safety Committee oversees key activities related to workplace safety, worker participation, and continuous improvement. The Works Committee serves as a collaborative platform between management and employees, facilitating dialogue on working conditions, employee welfare, workplace concerns, and operational matters to promote a positive and productive work environment.

Key responsibilities of the committee

- Conducting workplace inspections.
- Reviewing incident, injury, and near-miss data.
- Investigating serious accidents and supporting root cause analysis.
- Evaluating health and safety policies, procedures, & training programmes.
- Reviewing and addressing worker health and safety concerns.
- Promoting a positive safety culture and safe work practices across sites

Worker participation and consultation is also integrated throughout our Occupational Health and Safety Management System (OHSMS) through structured engagement mechanisms and quarterly safety committee meetings.

Key areas of worker involvement include

- Development of safety policies, objectives and committee-led safety initiatives.
- Hazard identification & risk assessment and job safety analyses (JSAs) to strengthen risk assessment accuracy.
- Design and delivery of safety training programmes tailored to workforce needs and understanding.
- Development of operational controls, equipment safeguards and standard operating procedures (SOPs) to ensure safe and practical implementation.
- Participation in incident and near-miss investigations to support root-cause analysis and corrective actions.

This structured consultation process ensures that workers actively contribute to hazard prevention, risk control, and the continual improvement of occupational health and safety performance.

Hazard Identification and Risk Management

Our approach to health and safety is founded on the early identification, assessment and management of workplace and process-related risks. Through active workforce participation, structured risk assessment methodologies and process safety controls, we work to maintain safe working conditions and prevent incidents that could affect our employees, contract workers, operations or the environment.

Risks associated with routine and non-routine activities are identified and assessed through established processes, including Job Safety Analysis (JSA), and Hazard Identification and Risk Assessment (HIRA). Regular workplace inspections and safety walkthroughs help identify unsafe conditions and assess the effectiveness of existing controls. Occupational health monitoring and workplace surveillance are also undertaken to identify potential exposure risks, including those associated with noise, air quality and other workplace hazards.

Risks identified through the HIRA process are managed in accordance with the hierarchy of controls. Priority is given to eliminating hazards wherever feasible, followed by substitution with safer alternatives. Where risks cannot be fully eliminated, engineering controls, administrative controls, and appropriate personal protective equipment (PPE) are implemented to minimise potential impacts on workers.

Incidents and near-miss events are systematically investigated to identify root causes and underlying hazards. Findings from these investigations are used to implement corrective and preventive actions, strengthen existing controls, and support continuous improvement of workplace safety practices.

Given the nature of our manufacturing operations, process safety also forms an integral part of our risk management approach. Our Process Safety Management (PSM) framework focuses on maintaining process integrity and preventing high-consequence incidents, including loss of primary containment, toxic releases, fires and explosions.

Key elements of our process safety management include:

Hazard and Operability (HAZOP) Studies

Conducted across 100% of active manufacturing process units to identify process deviations, evaluate potential causes and consequences, and assess the adequacy of existing safeguards.

Process Hazard Analysis (PHA)

Used to evaluate operational vulnerabilities, equipment failure modes and human-factor risks and strengthen preventive controls.

Pre-Startup Safety Reviews (PSSR)

Conducted before commissioning new facilities, equipment or significant process modifications to verify the readiness of safety controls, emergency systems and workforce preparedness.

Management of Change (MOC)

Ensures that risks arising from changes to equipment, technology, materials, operating conditions or processes are assessed and appropriately controlled before implementation.

Safety Culture

We encourage employee and contract workers' participation in workplace safety through Health & Safety Committee, which provides a structured platform for consultation and participation. The committees support hazard identification, workplace inspections, incident reviews and corrective action planning, enabling safety concerns and improvement opportunities to be addressed at the operational level.

We encourage workers to actively identify and report workplace hazards, unsafe conditions, and near-miss incidents through defined reporting channels. Reported concerns are reviewed, investigated, and addressed through appropriate corrective and preventive actions to minimise risks and strengthen workplace safety.

Immediate Reporting

Workers can promptly report hazards or unsafe conditions to their supervisor or manager for immediate action.

Formal Documentation

Hazards that require further assessment are documented through established reporting mechanisms to enable investigation and tracking of corrective actions.

Escalation and Review

Unresolved concerns may be escalated to designated safety representatives or Health and Safety Committees for review and follow-up.

Right to Refuse Unsafe Work: Workers have the right to refuse any task they reasonably believe poses an immediate risk to their health or safety without fear of retaliation. Concerns can be reported to supervisors for prompt investigation, and alternative safe work may be assigned until the hazard is addressed.

Emergency Response

Emergency preparedness is managed through separate on-site emergency response plans for each manufacturing unit, ensuring that response procedures are tailored to the specific hazards, processes and operational conditions of individual facilities.

Each unit's emergency response plan covers a range of potential emergency scenarios, including fires, chemical spills, hazardous material releases, toxic gas leaks, explosions, electrical incidents, medical emergencies and natural calamities. The plans also define emergency response roles, communication protocols, evacuation and rescue procedures, medical support arrangements, coordination with external emergency services, and post-incident recovery measures. Regular mock drills, training programmes and equipment readiness checks are also conducted to strengthen preparedness and ensure an effective response during emergency situations.

Work Related Injuries and Ill-Health

Fatalities

0 Contractual Employees

0 Permanent Employees

Reported value remains at zero

Lost Time Injury Frequency Rate (LTIFR)

0 Contractual Employees

0 Permanent Employees

Reported value remains at zero

Recorded cases of Work-related ill Health

0 Contractual Employees

0 Permanent Employees

Reported value remains at zero

Training on Health & Safety

We are committed to fostering a strong safety culture through continuous training and awareness programmes for employees, contractors, and other personnel working across our facilities. Training initiatives cover key occupational health and safety topics, helping strengthen risk awareness, emergency preparedness, regulatory compliance, and safe work practices across the organisation.

Training Category	Illustrative Topics
Safety Awareness & Risk Prevention	General safety awareness, hazard communication, unsafe act/condition reporting, PPE usage
Process & Operational Safety	Process safety management, management of change, permit-to-work, LOTO, loading and unloading of chemicals
Incident Management	Accident investigation, root cause analysis, Corrective and Preventive Action
Emergency Preparedness & Response	Firefighting, mock drills, emergency communication, SCBA usage, Chlorine handling
Health & Industrial Hygiene	Industrial hygiene, electrical safety, MSDS awareness
Management Systems & Sustainability	Responsible Care, ISO systems, Integrated Management System, environment and sustainability awareness

During FY 2025-26, 100% of employees and workers received health and safety training.

Training Hours (Permanent Employees)	FY 2025-26
Total EHS Training Man-hours	6,476.45
Average Training Hours per Employee	6.14

Safety week

Safety Week was celebrated across all six manufacturing units during FY 2025-26, bringing together employees from every location in a shared observance of workplace safety. Each unit organised its own set of activities to engage the workforce, reinforcing safety as a collective responsibility rather than a compliance exercise.

National fire safety week

National Fire Safety Week 2026 was observed across all our units under the theme "Safe School, Safe Hospital & Fire Safety Aware Society - Together for Fire Prevention." The observance extended fire safety awareness beyond our own operations to the broader community, reflecting our commitment to fire prevention as a shared societal responsibility rather than a purely internal safety requirement.

Mock drills

To test the readiness of our emergency response systems, we conducted mock drills simulating realistic high-risk scenarios, including a Glacial Acetic Acid tanker leakage resulting in chemical spillage and fire at Unit 6, a chlorine leakage scenario at Unit 1, and dedicated fire drills at Unit 1 and Unit 6's boiler area. A classroom-based tabletop drill was also conducted at Unit 2 to reinforce emergency response protocols in a structured training environment. These exercises help validate our on-site emergency plans and ensure employees are prepared to respond effectively in the event of an actual incident.

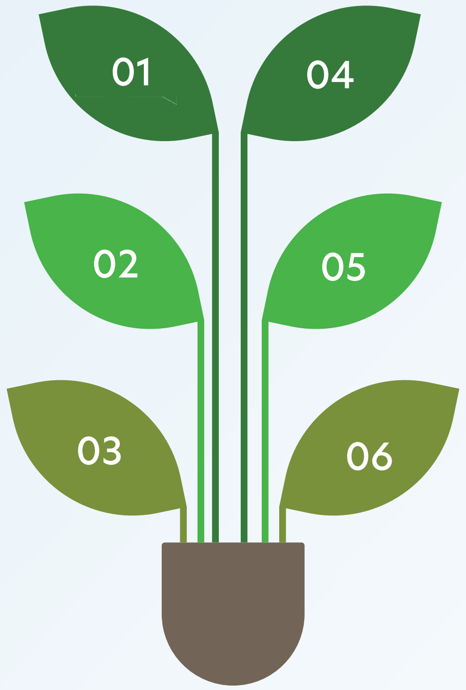
Campaigns

Near-miss reporting campaigns - We ran a series of targeted campaigns during the year to reinforce specific safety behaviours among our workforces. Near-miss reporting campaigns were conducted across Units 1, 2, 3, 4 and 6 to encourage employees to proactively flag unsafe conditions before they escalate into incidents.

Road safety campaigns, including a road safety pledge drive and employee recognition initiatives for responsible riding behaviour, were conducted across all Units, complemented by a practical intervention of fitting reflective radium tape on two-wheelers to improve visibility during low-light travel.

Promotion of Workers' Health

Health-related benefits



Annual medical check-ups are conducted for all permanent and contractual employees.

Pre-employment and exit medical examinations are carried out to assess employee health at key stages of employment.

A full-time Factory Medical Officer (FMO) is available to provide medical consultation and guidance on employee health and well-being.

Occupational health services are supported through tie-ups with nearby hospitals for specialised medical care and emergency support.

Workplace monitoring and Industrial Hygiene Exposure Assessments are conducted to evaluate occupational health risks and workplace conditions.

State-of-the-art medical facilities such as an ambulance and Occupational Health Centre are available.

Noise Control and Acoustic Engineering

To protect the hearing health of our workforce and maintain noise levels within regulatory limits (OSHA / CPCB), we have implemented engineering controls at our high-noise equipment and utilities. Acoustic enclosures have been installed around diesel generator (DG) sets and power equipment, significantly reducing noise levels at the source, cutting noise by 25 to 40 decibels. These enclosures are also fitted with anti-vibration mounts to minimise vibration transmitted through the equipment structure.

Variable Frequency Drives (VFDs) are used to run fans and pumps at the speed required for operations, rather than at maximum output, which reduces both noise and energy consumption. Together, these measures help contain noise at the source and maintain safe working conditions for our employees while ensuring compliance with boundary noise standards.

Learning & Development

(GRI 404-1, GRI 404-2, GRI 404-3, GRI 2-18, GRI 2-19, GRI 2-20, GRI 410-1)

At Farmson, we are committed to building a skilled, capable, and future-ready workforce through continuous learning and professional development. Our training programmes are designed to strengthen technical expertise, enhance leadership and behavioural competencies, reinforce quality and compliance standards, and promote a safe and responsible workplace culture.

During the reporting period, we delivered a range of internal and external learning initiatives tailored to employees across different functions and levels. These programmes focused on developing professional capabilities, maintaining regulatory compliance, strengthening quality systems, and fostering a strong culture of health, safety, and operational excellence. The key areas of employee development during the year included:

I. Behavioural and Leadership Development

- Communication skills and workplace ethics
- Leadership development and team building
- Time management and professional effectiveness
- Prevention of sexual harassment and respectful workplace practices

II. Quality and Compliance Training

- Current Good Manufacturing Practices (cGMP) awareness and quality management systems
- Quality risk management and data integrity
- Regulatory inspection preparedness and change control
- Investigations, deviations, and Corrective and Preventive Actions (CAPA management)

III. Environment, Health and Safety Training

- Workplace safety, hazard awareness, and safe work practices
- Process safety, incident investigation, and risk management
- Emergency preparedness, fire safety, and crisis response
- Chemical safety, PPE usage, permit-to-work system, and environmental awareness
- Industrial waste management, Energy and climate action, Environment aspect & impact assessment

Average Training Hours Per Employee- 10.8; Total Training Man-Hours- 11,476.2

Our training and development programmes are designed to strengthen the capabilities and performance of both employees and leaders. All employees participate in an annual performance review process, where their performance is evaluated against established KPIs and individual objectives. Remuneration and rewards are determined through a structured process that considers role responsibilities, competencies, experience, market benchmarks and performance outcomes, ensuring alignment with individual contributions and organisational objectives.

In FY 2025-26, all eligible employees (employees who joined between April and September) were covered under the career development review process, resulting in an overall review coverage of 75.5% of employees. The coverage stood at 75.1% for male employees and 84.2% for female employees.

Security personnel trained in human rights policies or procedures

Farmson engages security personnel primarily through specialised service providers, incorporating mandatory compliance with human rights principles into all vendor contracts. To reinforce these standards, contracted security personnel participate in Farmson's periodic Code of Conduct refresher training, which covers human rights, non-discrimination, ethical conduct, and appropriate engagement with employees, contractors, and local communities.

100% active contracted security personnel participated in Farmson's Code of Conduct refresher training modules.

Human Rights and Labour Practices

(GRI 2-25, GRI 2-26, GRI 2-30, GRI 406-1, GRI 408-1, GRI 409-1)

Our ethical business conduct and respect for human rights are fundamental to how we operate. Guided by our Ethics & Human Rights Policy, we are committed to conducting business with integrity while respecting the rights and dignity of employees, workers, suppliers, contractors, customers and communities. This Policy applies to all individuals worldwide working for all affiliates and subsidiaries of Farmson at all levels and grades, including directors, senior executives, employees (whether permanent, fixed-term, hourly or temporary), consultants, contractors, trainees, outsourced staff, casual workers, volunteers, interns, agents, or any other person employed with the company.

The Policy is aligned with internationally recognised frameworks, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises.

We are also committed to providing fair and safe working conditions in compliance with applicable labour laws, covering fair wages, statutory benefits, responsible working hours, welfare facilities and safe workplace practices. Through employee engagement, learning and development, grievance redressal mechanisms and wellbeing initiatives, we support the physical and mental wellbeing of our workforce and maintain a zero-tolerance approach towards retaliation against employees or workers who raise concerns in good faith.

Our policy addresses the key human rights and ethical issues relevant to our operations and value chain, including:

- Ethical business conduct and anti-corruption
- Prevention of bribery and conflicts of interest
- Child labour and forced labour prohibition
- Diversity, equity and inclusion
- Non-discrimination and equal opportunity
- Workplace health, safety and wellbeing
- Freedom of association and collective bargaining
- Prevention of harassment and bullying
- Community rights and stakeholder grievance management

Working Hours and Overtime Management

We manage working hours and overtime through defined processes that support both operational requirements and employee welfare. Overtime is undertaken only when necessary and applies to eligible workers and operators based on operational needs. Employees undertaking approved overtime are compensated at twice their regular hourly wage rate for overtime worked on regular working days and holidays. Working hours and overtime are monitored against prescribed limits, and mandatory rest intervals are provided to support employee wellbeing. Overtime records are reviewed against attendance and gate access logs before payroll processing to ensure accurate compensation and compliance with applicable labour requirements.

Grievance Mechanisms

Our grievance mechanism provides employees, workers, suppliers, contractors and other stakeholders with accessible channels to raise concerns related to ethics, human rights and workplace conduct. We acknowledge all grievances within one working day of receipt and ensure that concerns are investigated in a confidential, impartial and timely manner by authorised personnel. Where allegations are substantiated, appropriate corrective and disciplinary actions are taken, and records of grievances, investigations and closure actions are maintained. Retaliation against any individual raising concerns in good faith is strictly prohibited, reinforcing a culture of transparency, accountability and trust.

We maintain a zero-tolerance approach towards bribery, corruption, discrimination, harassment, child labour, forced labour and human trafficking. Employees and stakeholders can report concerns through established grievance and reporting channels, with protections against retaliation for individuals raising concerns in good faith. We are committed to investigating reported concerns in a fair, confidential and timely manner and implementing corrective actions where required.

Human Rights Risk Assessment and Due Diligence

As part of our approach to identifying, assessing and managing social and ethical risks, we conduct a structured Social and Ethics Internal Audit to evaluate compliance with labour and human rights requirements, including child labour prevention, forced labour, freedom of association, disciplinary practices, working hours, wages and employee welfare. Through systematic risk assessments, continuous due diligence, and training of employees on human rights concerns, we strive to identify, prevent, and mitigate any human rights risks associated with our business.

The audit verifies the age validation processes, prohibition of child and forced labour, freedom of movement, employee representation through worker and safety committees, equal opportunity practices, compliance with statutory wage and benefit requirements, and mechanisms for worker feedback and grievance reporting.

Indicator	FY 2025-26
Reported cases of Child labour and forced labour	Nil
Reported cases of Discrimination at Workplace	Nil
Reported cases of Sexual Harassment	Nil

100% of our workforce is paid at or above the applicable minimum wage.

Freedom of Association and Collective Bargaining

A culture of open dialogue and mutual respect supports constructive engagement between management and employees. Freedom of association and collective bargaining are supported in accordance with applicable laws. While no employee union currently operates within the organisation, dialogue between management and employees is facilitated through established employee engagement mechanisms.

Constructive worker-management relations are maintained through employee representatives, safety committees, grievance forums, and other engagement mechanisms. These channels provide opportunities to discuss workplace concerns, employee welfare, health and safety matters, and operational issues, while supporting timely resolution, transparency, and continuous improvement.

Employee Engagement and Grievance Redressal

(GRI 2-16, GRI 2-25, GRI 2-26, GRI 2-29, GRI 402-1)

Employee engagement activities during the year were delivered through Farmson Connect monthly newsletter, employee interaction forums, recognition programmes, team events, and organisation-wide campaigns. Through these initiatives, we shared business updates, recognised employee achievements, encouraged participation in quality, safety, and sustainability programmes, and celebrated personal and professional milestones. Employees also had opportunities to contribute ideas, participate in contests and awareness programmes, and engage with colleagues across functions and locations. We communicate significant organisational and operational changes including the changes in remuneration process to employees through formal communication channels, including email notifications and workplace notices, typically within two weeks of the change being introduced or confirmed.

Employee Communication and Dialogue

We maintain regular communication with employees through leadership messages published in Farmson Connect, which share updates on business developments, operational priorities, sustainability initiatives, and organisational milestones. Alongside these communications, Coffee with HR sessions provide new employees with an opportunity to ask questions, share experiences, and understand workplace processes and expectations, supporting smoother integration into the organisation.

Recognition and Appreciation

Recognising employee contributions remains an important aspect of our engagement approach. Throughout the year, we celebrated individual and team achievements through initiatives such as Employee of the Month, Employee of the Quarter, Best Employee of the Year, Best Team Leader Award, Quality & Innovation Awards, EHS Awards, Lifetime Achievement Awards, Quarterly Quality Contests, and work anniversary recognitions. These programmes acknowledge contributions related to quality, innovation, safety, leadership, and operational excellence.

Employee Participation and Workplace Engagement

Our engagement calendar includes a variety of activities that bring employees together across locations and functions. Annual Day celebrations, Foundation Day events, sports tournaments, Women's Day programmes, departmental outings, team-bonding activities, birthday celebrations, and cultural programmes provide opportunities for employees to connect and participate beyond their regular work responsibilities.

Employee Participation in Improvement Initiatives

We encourage employees to contribute ideas and participate in initiatives related to quality, safety, sustainability, and workplace improvement. Opportunities for involvement are provided through sustainability campaigns, near-miss reporting programmes, quality contests, safety awareness activities, National Safety Week, World Environment Day and newsletter contributions. Participation in these initiatives helps incorporate employee perspectives into our continuous improvement efforts

Celebrating Personal and Family Milestones

Beyond workplace achievements, we regularly recognise personal milestones and family accomplishments through Farmson Connect monthly newsletter. Academic achievements of employees' children, personal accomplishments, creative contributions, photography, artwork, poetry, and other employee-led submissions are featured throughout the year, showcasing the diverse talents and achievements of our employees and their families.

Grievance Redressal

We have established a structured Grievance Redressal Mechanism to ensure that workplace concerns are addressed fairly, confidentially, and in a timely manner. Employees, contract workers, and other relevant stakeholders can raise concerns related to workplace practices, unethical conduct, discrimination, harassment, human rights violations, child labour, forced labour, conflicts of interest, diversity and equal opportunity, occupational health and safety, working conditions, wages and benefits, freedom of association, retaliation, information security, data privacy, potential data breaches or any other issue perceived as unfair, inappropriate, or non-compliant with company policies and applicable regulations.

The mechanism is guided by the principles of confidentiality, non-retaliation, procedural fairness, and timely resolution. The Human Resources function coordinates the grievance handling process, while a dedicated Grievance Committee oversees escalated cases to ensure impartial review and appropriate resolution. Employees raising concerns in good faith are protected from retaliation, and all grievances are documented and handled confidentially

Grievance handling process

1. Submit Grievance

Complaint is submitted in writing by the complainant.

2. Acknowledge

Acknowledgement within 1 working day at every escalation level.

3. Level 1: Section Head

Resolution target up to 3 working days.

4. Level 2: HOD

If unresolved, escalation target up to 5 working days.

5. Level 3: HR Head

HR coordinates resolution. Target up to 7 working days.

6. Level 4: Plant Head

Further escalation target up to 10 working days.

7. Level 5: Director

Final decision or Leadership review, where required.

8. Closure & Review

Records maintained securely. HR or Committee reviews trends and closure.

Ethics & Governance

Effective governance is fundamental to maintaining stakeholder trust, ensuring regulatory compliance, and supporting sustainable business growth. Farmson's governance framework is led by an experienced leadership team that provides strategic direction, oversees operational performance, and promotes responsible business conduct across the organisation. The leadership team brings expertise across manufacturing, operations, quality, commercial functions, and business management, supporting the Company's commitment to operational excellence and long-term value creation.

Business Ethics & Anti-Corruption

(GRI 2-15, GRI 3-3, GRI 205-2, GRI 205-3, GRI 206-1)

Integrity, accountability and compliance guide how we conduct business across our operations and value chain. Our ethics policy sets expectations on anti-corruption, fair competition, conflict-of-interest management, human rights and responsible business conduct for employees, contractors, suppliers, business partners and other stakeholders interacting with Farmson.

Our approach extends beyond regulatory compliance to promoting responsible behaviour, preventing misconduct, and ensuring that concerns can be raised and addressed without fear of retaliation.
The expectations related to ethical conduct, anti-corruption, fair competition, human rights, and responsible business practices are applicable to employees, contractors, suppliers, business partners, and other stakeholders interacting with our business.

Promoting ethical business conduct

We encourage all employees to uphold the highest standards of professional integrity and act in the best interests of the organisation. Ethical decision-making is integrated into day-to-day operations through clear expectations on honest conduct, responsible business relationships, conflict-of-interest management, and compliance with applicable laws and regulations. Employees are expected to avoid situations where personal interests could influence business decisions and are required to disclose actual, potential, or perceived conflicts of interest for review and appropriate action.

To reinforce ethical behaviour, awareness programmes and training are conducted periodically covering business ethics, conflict of interest, anti-corruption requirements, fair competition practices, and responsible workplace conduct. Managers play a key role in communicating expectations and monitoring adherence within their functions.

Anti-Corruption

We maintain a zero-tolerance approach towards bribery, corruption, fraud, money laundering, and other unethical business practices. We prohibit the offering, soliciting, authorising, receiving, or accepting of any improper benefit that could influence business decisions or result in an unfair advantage.

To support ethical business interactions, we have established controls governing gifts, hospitality, and business courtesies, including defined approval processes, value thresholds, and record-keeping requirements. These measures help promote transparency and reduce the risk of undue influence in business relationships. We also extend our expectations for ethical conduct to suppliers, contractors, consultants, and other business partners across our value chain.

Upholding Fair Competition

We are committed to conducting our business with integrity and in compliance with applicable competition laws.
We compete fairly and do not engage in practices such as price fixing, bid rigging, market allocation, or the inappropriate exchange of commercially sensitive information. Through established governance mechanisms, employee awareness programmes, and ethical business standards, we promote transparency, accountability, and fair competition across our operations and business relationships.

Whistle-blower Mechanism

We have established a whistleblower mechanism that enables employees, contractors, suppliers, and other stakeholders to raise concerns related to unethical conduct, fraud, corruption, bribery, discrimination, human rights violations, conflicts of interest, misuse of company assets, regulatory non-compliance, or other suspected misconduct. Concerns may be reported through designated channels and are reviewed through a structured process that ensures confidentiality, impartial assessment, and timely investigation.

All concerns received are evaluated by the Ethics Committee and investigated based on their nature and severity.
We maintain strict confidentiality throughout the process and prohibit any form of retaliation against individuals who report concerns in good faith. Where violations are substantiated, appropriate corrective and disciplinary actions are implemented, helping us strengthen accountability, transparency, and ethical business practices across our operations.

Indicator	FY 2025-26
Confirmed incidents of fraud/corruption	Nil
Legal actions pending or completed relating to anti-competitive behaviour, anti-trust, or monopoly	Nil
% employees trained on human-rights issues	77.7%
% employees trained on POSH	80.4%
% employees trained by Employee type on Ethics or Anti-Bribery and Anti-Corruption	78.1%
Number of whistleblowers / ethics complaints received	Nil
Number of conflict-of-interest declarations received	Nil
Number of ethics / compliance committee meetings conducted.	2

Data Privacy & Security

(GRI 3-3, GRI 418-1)

We have established an Information Security Management System (ISMS) aligned with ISO/IEC 27001:2022 to manage information security risks and safeguard the confidentiality, integrity, and availability of information across our operations. Our approach covers employees, contractors, suppliers, and other third parties who interact with Farmson's information assets and systems.

Information security responsibilities are embedded across the organisation through clearly defined roles and accountability. Top management provides strategic oversight and approves information security objectives and policies, while the Information Security and IT teams are responsible for managing security risks, maintaining controls, and monitoring compliance. Department heads support implementation within their functions, and all employees are required to adhere to security requirements and report potential incidents or vulnerabilities.

Our information security framework is supported by a range of policies covering areas such as access control, network security, data backup, cybersecurity, incident response, remote working, and third-party security. We plan to strengthen the effectiveness of our information security framework through periodic risk assessments, internal audits, management reviews, security performance monitoring and corrective actions. Policies are reviewed regularly and updated in response to evolving business, regulatory, and cybersecurity requirements, helping maintain the confidentiality, integrity, and availability of information. These processes enable continuous improvement of our controls and help ensure ongoing alignment with business, legal, and regulatory requirements.

Concerns related to information security, data privacy, ethical conduct and workplace practices can be reported through our whistle-blower and grievance redressal mechanisms. We review all reported matters through defined processes and take appropriate corrective actions while maintaining confidentiality and protecting individuals from retaliation.

Management and Protection of Third-Party Data

We manage information throughout its lifecycle by maintaining defined retention requirements for various categories of records, including business documents, contracts, employee information, financial records, customer data and system-generated information. Retention timelines are determined based on business needs, statutory obligations and regulatory requirements, ensuring that critical information remains available, accurate and protected for as long as necessary.

To safeguard information, we maintain records through secure systems and controlled processes designed to protect the confidentiality, integrity and availability of data. Access to information is granted on a need-to-know basis, supported by periodic reviews and monitoring mechanisms that help ensure records remain relevant, accurate and aligned with operational and compliance requirements.

Data Retention and Disposal

When records are no longer required, we undertake secure disposal through approved destruction methods. Physical documents are securely destroyed, while electronic records are permanently removed using appropriate data sanitisation techniques to prevent unauthorised access or recovery. Through collaboration between business functions, process owners and technology teams, we continuously strengthen our information governance practices and promote responsible management of data from creation to disposal.

100% employees are trained on information security as a part of onboarding.

During the reporting period, no substantiated complaints related to customer privacy were received.

No incidents involving the leakage, theft, or loss of customer data were identified.

Product Responsibility

As a manufacturer of pharmaceutical ingredients, we recognise that product responsibility extends beyond product quality and regulatory compliance. It encompasses the safe manufacturing, handling and management of materials throughout our operations to protect employees, customers, communities and the environment. Our approach is guided by robust quality systems, process safety practices, regulatory compliance mechanisms and risk management processes that help us identify, assess and mitigate potential impacts associated with our products and manufacturing activities.

Risk Management

Risk management remains a cornerstone of our business priorities, particularly during periods of capacity expansion. We upgraded the site-specific risk identification and mitigation frameworks. Potential hazards are rigorously quantified using severity and likelihood matrices, allowing specific control measures to be seamlessly embedded directly into daily plant workflows.

Regulatory risk

We monitor applicable product-related regulations and customer requirements across the markets we serve. As part of this process, we periodically assess the applicability of relevant chemical regulatory frameworks. The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation is currently not applicable to our operations, as our products and manufacturing activities do not fall within the scope of REACH registration requirements. Nevertheless, we continue to engage with customers on applicable product stewardship, quality and regulatory expectations and maintain systems to support compliance with relevant requirements across the markets we serve.

Primary operational risks assessed

Risk Domain	Potential Impacts Evaluated
Water Resources	Discharge of Active Pharmaceutical Ingredients (APIs) to local ecosystems and groundwater contamination via effluent leaks or storage failures.
Air Quality	Uncontrolled solvent emissions and Volatile Organic Compound (VOC) releases.
Chemical Safety	Spills, mishandling, or exposure during the storage and transfer of hazardous raw materials.
Operational Emergencies	Unplanned chemical spills, catastrophic operational failures, or sudden containment breaches.

Executing a multilayered mitigation framework

To proactively address these assessed vulnerabilities, we deploy a multilayered mitigation strategy. This approach balances advanced physical infrastructure upgrades with digital monitoring systems and structured workforce capacity-building programs.

Recognised as Best Global Paracetamol Manufacturer 2026 by Global Health & Pharma (GHP)

Risk management

Containing Effluents and Safeguarding Water Assets

Storage tanks, impervious flooring, above-ground piping systems and digital flow meters are deployed across operations to minimize the risk of subsurface seepage and protect groundwater resources.

Standardising Hazardous Chemical Logistics

Hazardous material storage and transfer activities are governed through mandatory Standard Operating Procedures (SOPs), supported by secondary containment dikes and facility-wide access to Safety Data Sheets (SDS).

Enforcing Emergency Preparedness Protocols

Emergency readiness is strengthened through mock drills, emergency showers, eyewash stations and chemical spill kits, supported by dedicated emergency response teams across manufacturing locations.

Driving Employee Accountability and Training

Department-specific technical training programmes focus on risk identification, safe chemical handling and emergency response procedures, strengthening operational awareness and preparedness.

Controlling VOC and Solvent Emissions

Chemical scrubbers and closed-loop solvent recovery systems help capture hazardous vapours and limit airborne pollutant emissions at the source.

Process Safety Management and Risk Assessment

Process safety risks are proactively managed through structured assessments, including Hazard and Operability Studies (HAZOP), Process Hazard Analysis (PHA), Pre-Startup Safety Reviews (PSSR) and Management of Change (MOC) processes.
These assessments help identify potential process deviations, evaluate risks and strengthen preventive and mitigation controls across manufacturing operations.

Embedding Transparency through Third-Party Audits

Independent environmental compliance assessments are undertaken by certified external auditors, complemented by Online Continuous Emission Monitoring Systems (OCEMS) for real-time regulatory data transmission.

Sustainability Governance

(GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-23, GRI 2-24)

Effective ESG governance is essential to embedding sustainability considerations into our business strategy, operations and decision-making processes. To support this, we have established a structured ESG governance framework that provides oversight, accountability and cross-functional coordination for ESG-related initiatives across the organisation. The framework enables the integration of ESG priorities into business operations, management processes and internal review mechanisms, ensuring that sustainability remains an important component of how we create long-term value.

CEO
Chairperson, ESG Committee

ESG Committee
Oversight . Coordination . Review

Operations
COO . Works .
Plant Leadership

Corporate EHS & Sustainability
Environment Health
Safety & Sustainability

Corporate Functions
Finance, HR, Procurement,
Company Secretarial,
QA & Regulatory Affairs

Business & Technical Support
Marketing, Utilities,
Engineering,
Technical services support.

The governance structure is led by the Chief Executive Officer, who chairs the ESG Committee. The Committee meets Half yearly to review ESG performance, monitor progress on key initiatives and oversee the implementation of the Company's ESG Framework.

Key responsibilities of the ESG committee

- Oversee the implementation of the ESG Framework across the organisation.
- Review the progress against targets of the material ESG topics
- Support coordination across functions and operating units
- Guide internal alignment on ESG-related initiatives
- Support review of ESG-related information, documentation, and reporting

The committee provides periodic updates to senior leadership on significant ESG developments, implementation progress and areas requiring management attention. Progress is tracked through formal governance mechanisms, including meeting records, action trackers and periodic reviews. The governance structure is reviewed annually to ensure continued alignment with evolving business needs, regulatory developments and sustainability priorities.

Our Sustainability Policy and Commitments

Policy	Description
Corporate Sustainability Policy	Establishes Farmson's approach to integrating environmental, social and governance (ESG) considerations into business decision-making. The policy outlines commitments towards environmental stewardship, social responsibility, ethical business conduct, governance oversight, target setting, performance monitoring and stakeholder engagement. It also provides a framework for reviewing sustainability goals and reporting progress to the ESG Committee.
Integrated Environment, Health & Safety (EHS) Management Policy	Provides a framework for managing environmental protection, occupational health and safety, regulatory compliance, responsible manufacturing and sustainable development across operations. The policy aligns with recognised standards and frameworks, including ISO 14001, ISO 45001, Pharmaceutical Supply Chain Initiative (PSCI) principles, UN Global Compact principles and SBTi.
Sustainable Procurement Policy	Integrates environmental, social and ethical considerations into procurement decisions. The policy promotes responsible sourcing, supplier engagement, resource conservation, ethical business conduct, supplier sustainability performance, and continuous improvement across the value chain.
Energy Management Policy	Establishes Farmson's commitment to efficient and responsible energy management through an ISO 50001-aligned Energy Management System. The policy focuses on improving energy performance, reducing greenhouse gas emissions, increasing renewable energy adoption, monitoring energy consumption and fostering a culture of energy conservation.
Grievance Policy	Provides a structured, transparent and confidential mechanism for employees and workers to raise workplace concerns. The policy defines grievance handling principles, escalation procedures, committee oversight, investigation protocols, protection against retaliation and timely resolution of concerns.
Whistle Blower Policy	Enables employees and stakeholders to report suspected unethical conduct, fraud, regulatory violations, misconduct or breaches of company policies without fear of retaliation. The policy establishes investigation procedures, confidentiality safeguards, committee oversight and protection for whistleblowers acting in good faith.
POSH Policy	Provides a framework for preventing, prohibiting and addressing sexual harassment in the workplace in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy establishes an Internal Committee, grievance redressal procedures, investigation mechanisms and awareness requirements.
Ethics & Human Rights Policy	Defines our commitment to ethical business conduct, respect for human rights, equal opportunity, non-discrimination, prevention of children and forced labour, workplace safety, community rights and grievance management. The policy aligns with internationally recognised human rights principles and promotes responsible conduct across operations and the supply chain.
Board Diversity Policy	This policy sets out our approach to maintaining a Board with an appropriate mix of skills, experience, knowledge and diverse perspectives. It guides Board appointments based on merit, integrity, competence and expected contribution, while considering diversity attributes such as gender, age, professional background, industry experience, regulatory and compliance knowledge, finance, governance, risk management, EHS, stakeholder management and independent judgement. The policy supports balanced decision-making, effective oversight and responsible governance, and is reviewed periodically by the Board.
Information Security	The Information Security Policy establishes guidelines for secure handling of information, protection against unauthorized access, and compliance with applicable legal and regulatory requirements. It also promotes employee awareness and accountability in maintaining a secure information environment.

Regulatory Compliance

(GRI 2-27, GRI 416-2, GRI 417-3 & GRI 419-1)

We are committed to conducting our business with integrity, transparency, and full compliance with applicable laws and regulations. Compliance with statutory requirements related to employment practices, wages, benefits, labour welfare, and workplace conditions is monitored through payroll records, contractor documentation, statutory registers, and periodic internal reviews. Employees and workers have access to grievance channels that enable concerns to be raised and addressed in a fair, confidential, and timely manner.

Ethical conduct is reinforced through our Code of Conduct, which serves as the foundation for responsible decision-making and professional behaviour across the organisation. Applicable to all employees, the Code outlines clear expectations on legal and regulatory compliance, business integrity, anti-bribery and anti-corruption, conflict of interest management, workplace conduct, health and safety, information protection, and the responsible use of company resources.

The Code is communicated during induction and reinforced through periodic awareness programmes and employee acknowledgements. It provides practical guidance on identifying and addressing ethical concerns, safeguarding confidential information, preventing misconduct, and maintaining professional standards in interactions with colleagues, customers, suppliers, and other stakeholders. Employees are encouraged to report suspected violations, unethical conduct, or compliance concerns through established grievance and whistleblower channels, with protection against retaliation.

Principles of Code of Conduct	Commitments
Legal and Regulatory Compliance	Comply with all applicable laws, regulations and internal policies governing business operations.
Business Integrity	Act honestly, fairly and professionally in all business interactions and decision-making.
Anti-Bribery and Anti-Corruption	Prevent fraud, bribery, corruption, theft and falsification of records through responsible conduct and robust internal controls.
Conflict of Interest	Identify, disclose and appropriately manage actual or potential conflicts of interest.
Workplace Conduct	Foster an inclusive, respectful and safe workplace free from harassment, discrimination, intimidation and violence
Health, Safety and Security	Comply with occupational health, safety and workplace security requirements to protect employees and visitors.
Information Protection	Safeguard confidential information, intellectual property and company assets, and ensure responsible use of communication systems and technology.
Responsible Use of Company Resources	Use company property, financial resources and information assets responsibly and solely for legitimate business purposes.
Reporting and non-retaliation	We encourage timely reporting of suspected misconduct, policy violations or unethical behaviour through established channels, without fear of retaliation.

The Code is supported by our Ethics and Human Rights Policy, Whistle Blower Policy and Anti-Fraud Policy, which collectively strengthen accountability, transparency and regulatory compliance across the organisation. During the reporting period, we recorded:-

No fines or penalties related to product health and safety regulations.

No warnings related to product health and safety regulations.

No non-compliance incidents related to voluntary product health and safety codes.

No non-compliance incidents concerning product and service information and labelling requirements.

No non-compliance incidents concerning any other regulations applicable to us

No non-compliance incidents concerning marketing communication.

We are also committed to fair and legally compliant compensation across our operations. We comply with applicable wage laws, statutory benefits and social security requirements for employees and workers, based on employment category and applicable regulations. Wage and benefit compliance is monitored through payroll records, contractor documentation, statutory registers and internal HR review processes. Employees and workers may raise wage or benefit-related concerns through established grievance channels.

Customer Stewardship

(GRI 2-29, GRI 3-3, GRI 416-2, GRI-417-1, GRI 417-2)

We are committed to delivering high-quality Paracetamol API that meets both pharmacopoeia requirements and specific customer expectations. Depending on end-use applications, we provide customised product specifications covering chemical purity, particle size, powder characteristics, physical properties, and regulatory documentation to support seamless integration into customers' manufacturing processes. Our portfolio includes fine and microfine powders as well as high-density powder grades preferred by capsule manufacturers for efficient capsule filling and improved handling. We assess the health and safety impacts of our product across key stages of the product life cycle, including product design and raw material qualification, Manufacturing, storage, distribution & customer use.

Product quality is maintained through a robust Quality Management System (QMS) aligned with ISO 9001 principles, Good Manufacturing Practices (GMP), Schedule-M, EudraLex-Volume-4 and 21 CFR 210,211 and defined Critical Process Parameters (CPPs). We conduct regular quality audits, process reviews, and comprehensive product testing to ensure consistency, safety, and compliance.

To evaluate product safety, a Minimum Ignition Energy (MIE) explosion safety analysis and a Differential Scanning Calorimetry (DSC) study were conducted on the powder product.

Quality is further reinforced through employee training, continuous process improvement initiatives, detailed Safety Data Sheets (SDS), and appropriate packaging and labelling practices, enabling safe handling and responsible use of our products across the value chain. Information related to safe handling, storage, usage conditions and disposal is communicated through safety data sheet (SDS) and product labels.

Food-grade LDPE bags are used to pack bulk Paracetamol primarily to **protect the active pharmaceutical ingredient (API) from moisture degradation** and **prevent chemical contamination** during storage and transport.

We also engage with customers through regular business reviews, technical discussions, customer audits, sustainability assessments, and structured feedback mechanisms. These interactions help us understand evolving customer expectations, market requirements, and emerging sustainability priorities. During the year, key areas of engagement included product quality and performance, delivery reliability, communication effectiveness, renewable energy transition, Science Based Targets initiative (SBTi) commitments, product carbon footprint assessments, supplier emissions data, sustainability disclosures, and opportunities to reduce emissions across the value chain.

Customer feedback is collected through customer visits, audits, business discussions, order reviews, and formal feedback surveys, enabling us to assess satisfaction across product quality, responsiveness, timeliness of supplies, communication, and overall service experience. Insights gathered are reviewed by relevant functions and incorporated into production planning, quality management, customer support, and dispatch processes. Through established processes such as customer feedback records, enquiry management, and order reviews, customer requirements are systematically considered from initial engagement through product delivery, helping us strengthen relationships, address areas for improvement, and deliver consistent value to our customers.

During the reporting period, we engaged with 24 key customers through our customer feedback form. Feedback was sought across six focus areas: quality and style, performance and durability, responsiveness, timeliness of supplies, response to communications and overall satisfaction.

The assessment generated an overall score of **667 out of 720**, corresponding to an overall customer satisfaction level of **92.6%**, demonstrating strong customer confidence in our products and services.

Particulars	Received	Resolved	Pending
Customer Grievances and Complaints	20	20	0

We maintain a documented Product Recall SOP that defines the process for managing recalls and withdrawals arising from quality, stability or labelling issues. The SOP specifies responsibilities across functions, recall notification requirements, documentation protocols, and periodic mock recalls to assess the effectiveness of the recall process.

Sustainable Procurement and Supply Chain Engagement

(GRI 2-29, GRI 3-3, GRI 204-1, GRI 308-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2)

We recognise that suppliers play an important role in maintaining business continuity, product quality, regulatory compliance and responsible business practices. Our supplier base includes providers of raw materials, packaging materials, catalysts, chemicals, equipment, logistics and services.

During the reporting year, we initiated a spend-prioritised supplier sustainability assessment programme covering suppliers representing around 70% of procurement spend. The programme was designed to strengthen visibility of environmental, social and governance practices across priority suppliers and to support structured engagement over time.

Farmson's sustainable procurement approach is guided by its Sustainable Procurement Policy, Supplier Code of Conduct and Supplier Sustainability Assessment Framework. The Sustainable Procurement Policy guides Farmson's internal approach to responsible sourcing, while the Supplier Code of Conduct communicates expectations to suppliers on ethical conduct, environmental responsibility, labour and human rights, occupational health and safety, regulatory compliance and responsible business practices.

Supplier Code of Conduct

The Code communicates our expectations and serves as a foundation for responsible sourcing and long-term supplier relationships. All suppliers are required to review and formally acknowledge the Supplier Code of Conduct as part of their engagement. Suppliers are expected to maintain systems for monitoring compliance and cooperate with audits or review. Review conducted by the company.

Where non-compliance is identified, suppliers must implement corrective actions within the prescribed timeframe. Farmson may undertake follow-up reviews to verify closure of identified gaps, while continued non-compliance may result in termination of the business relationship. Suppliers are also encouraged to report concerns through designated channels, supporting transparency and accountability across the value chain.

Through our Supplier Code of Conduct, we seek to strengthen responsible sourcing practices, encourage continuous improvement and build a resilient, ethical and sustainable supply chain that creates long-term value for all stakeholders.

Key focus areas of supplier code of conduct

Social Responsibility and Human Rights

- Respect freedom of association and collective bargaining rights.
- Prohibit child labour, forced labour and other forms of involuntary employment.
- Promote equal opportunity, non-discrimination and a workplace free from harassment.
- Ensure fair wages, statutory benefits and legally compliant working hours.
- Uphold human rights and encourage workplace diversity and inclusion.

Occupational Health and Safety

- Provide safe and healthy working conditions for employees.
- Maintain controls related to workplace, fire, electrical and operational safety.
- Report significant incidents and implement corrective actions to prevent recurrence.

Environmental Responsibility

- Comply with environmental and pollution-control regulations.
- Improve resource efficiency and reduce waste, emissions and wastewater generation.
- Minimise impacts on biodiversity and natural resources.
- Promote sustainable packaging practices and explore renewable energy opportunities.

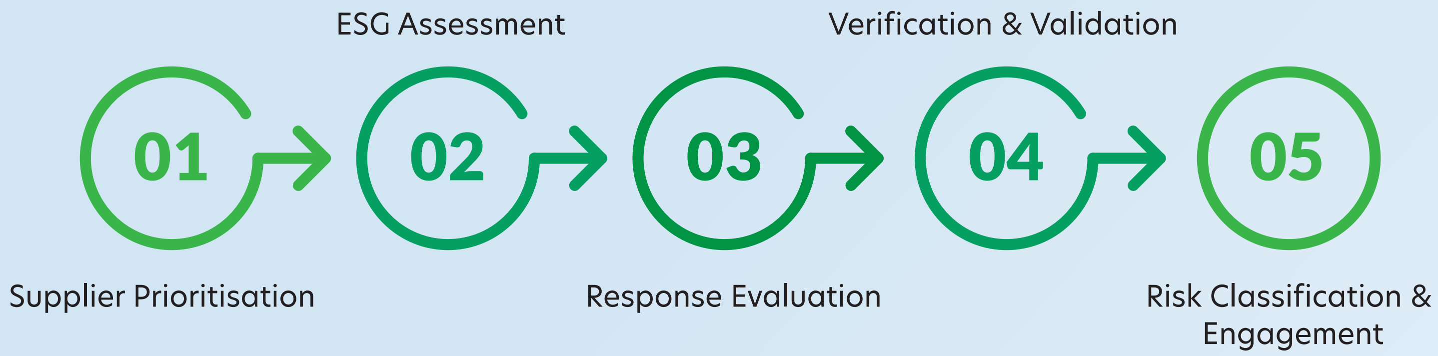
Business Ethics and Governance

- Conduct business with integrity, transparency and professionalism.
- Comply with applicable laws, regulations and tax requirements.
- Maintain accurate records and prohibit money laundering and anti-competitive behaviour.
- Manage conflicts of interest and protect confidential information and business assets.
- Maintain business continuity arrangements and avoid improper influence in business decisions.

As part of our commitment to fostering an open, transparent and accountable supply chain, we encourage suppliers to raise concerns regarding suspected violations of our Supplier Code of Conduct, unethical business practices, regulatory non-compliance, conflicts of interest, corruption, human rights issues, or any other matter arising from their business relationship with us. Suppliers have access to a dedicated grievance and ethics reporting channel, as outlined in our Supplier Code of Conduct, through which concerns can be raised confidentially. We review all concerns impartially and seek to ensure that they are addressed in a fair, confidential and timely manner. We prohibit retaliation against any supplier raising concerns in good faith and strive to foster a culture of transparency, accountability and responsible business conduct across our value chain.

Supplier Sustainability Assessment Framework

To further strengthen sustainability performance across our value chain, we assess our suppliers through a risk-based Supplier Sustainability Assessment Framework that evaluates environmental, social and governance (ESG) performance across the supply chain.



Our suppliers are first prioritised for assessment based on factors such as procurement spend, supply category, operational criticality and contribution to value chain emissions. The prioritised suppliers are then provided with a comprehensive questionnaire for the assessment. The questionnaire is designed to incorporate the 17 ESG indicators organised under four key pillars, with each indicator having a defined set of criteria for evaluation.

Environmental	Social - OHS	Social - Human/Labor Rights	Governance
Environmental Management System & Regulatory Compliance	**OH&S Management System & Statutory Compliance**	Labour Law Compliance (Wages, Working Hours & Contracts)	**Code of Conduct, Anti-Corruption & Business Ethics**
Pollution Prevention & Wastewater / Air Emissions Control	Safe Workplace, PPE, Hazardous Substance Management & Emergency Preparedness	**Child Labour, Forced Labour & Freedom of Association**	Data Privacy, Confidentiality & Cybersecurity
Resource Efficiency (Energy, Water & Waste)	Training, Competence & Workforce Development	Non-Discrimination, Equal Opportunity & POSH Compliance	Risk Management, Legal Compliance & Regulatory Notifications
Climate Impact & GHG Emissions Reduction		Supplier Diversity – Ownership & Inclusion in the Supply Chain	Product Quality, Regulatory Compliance & Conflict Minerals
Biodiversity, Land Use & Sustainable Procurement of Materials		Community Engagement, Social Impact & Worker Wellbeing	

Critical KPIs- Compliance is Mandatory

Supplier responses are evaluated based on pre-defined scoring methodology, and are validated using supporting documentation, regulatory records and publicly available information, where relevant. Based on the assessment results, suppliers are classified according to both their overall ESG performance and the nature of any identified non-compliances. The risk classification matrix categorises suppliers into four risk levels ranging from ESG Leaders to High-Risk suppliers.

Risk Category	Description
Low (Leader)	Leadership-driven ESG maturity across all 17 KPIs.
Low	Strong ESG management with active systems.
Medium Risk	Basic to moderate ESG controls in place. Improvement required
High	Systemic under-performance. Significant ESG gaps.

Assessment outcomes are used to determine follow-up actions and supplier engagement priorities. High-risk suppliers are subject to closer monitoring and targeted improvement measures, while low-risk suppliers continue to be engaged through periodic reviews and ongoing collaboration.

Supplier and Buyer Capability Building

As this was the first year of implementing the structured supplier sustainability assessment framework, Farmson conducted orientation and awareness sessions for relevant internal teams and suppliers. Buyer and procurement teams were sensitised on the framework, ESG criteria, supplier prioritisation, questionnaire requirements, risk classification and follow-up actions. This supports the integration of sustainability considerations into supplier review discussions alongside quality, cost, reliability and regulatory requirements.

Farmson also engaged suppliers on ESG expectations, the Supplier Code of Conduct, assessment requirements and improvement areas. These discussions helped suppliers better understand Farmson's expectations on environmental management, health and safety, labour practices, human rights, business ethics, regulatory compliance and product quality.

Risk-Based Follow-Up and Corrective Action

Based on assessment outcomes, suppliers are classified into risk categories and engaged through appropriate follow-up actions. Low-risk suppliers are monitored through periodic reviews and continued collaboration. Suppliers requiring improvement may be asked to participate in clarification discussions or submit corrective action plans with defined timelines and responsibilities. High-risk cases may be escalated for enhanced monitoring or onsite verification, where required.

Sustainable Procurement Performance

Supplier Assessment Indicator	FY 2025-26
Priority supplier assessment coverage by procurement spends	70%
Focus suppliers covered in first-year supplier sustainability assessment	11
Supplier ESG awareness / orientation conducted	Yes
Buyer / procurement team awareness on the framework conducted	Yes
Percentage of procurement spend on local suppliers	71%
Percentage of procurement spent on domestic suppliers	80.5%

Going forward, we will continue to strengthen supplier sustainability due diligence by expanding supplier assessment coverage, improving supplier engagement, tracking corrective action closure and integrating supplier ESG performance into procurement review processes.

Community Development and CSR

(GRI 3-3, GRI 203-1, GRI 203-2, GRI- 413-1)

At Farmson, our Corporate Social Responsibility (CSR) initiatives are designed to create meaningful and lasting value for communities by addressing socio-economic challenges, enhancing access to essential services, promoting inclusivity, and supporting environmental stewardship. During the year, our CSR programmes were focused on four strategic themes: **Healthcare Support & Access, Education, Skill Development & Sustainable Livelihood and Community Development & Environmental Stewardship**, aligned with our commitment to the United Nations Sustainable Development Goals (SDGs).

Healthcare support & access

Our healthcare initiatives focus on improving access to affordable healthcare, strengthening healthcare infrastructure, supporting preventive healthcare, and addressing barriers faced by vulnerable communities in accessing timely treatment and rehabilitation. Through targeted interventions, we aim to enhance health outcomes, improve quality of life, and reduce inequalities in access to healthcare services.

Project	Description	Beneficiaries Reached	SDG Linkage
Spasht Drashti	School-based eye screening initiative focused on addressing undiagnosed vision impairment among children.	Total Beneficiary Reach: 27,952 Beneficiary Reach in FY 2025-26: 21,948	3, 10, 4
Project Navjeevan	Prosthetic limb support programme designed to restore mobility and independence for people with disabilities.	Total Beneficiary Reach: 100	1, 3, 8, 10
Hearing Aid Project	The project facilitated access to advanced Denmark-made Resound BTE hearing aids for beneficiaries through rural outreach camps, expert consultations, and comprehensive audiometric assessments.	Total Beneficiary Reach: 102 Beneficiary Reach in FY 2025-26: 44	3, 10
Swasthya Pahel	Swasthya Pahel is a healthcare infrastructure project initiated in FY 2023-2024, aimed at strengthening Government hospitals with advanced medical equipment, enhancing quality of care, patient safety, and surgical outcomes while ensuring free treatment remains accessible to poor patients	Total Beneficiary Reach: 82,000 Beneficiary Reach in FY 2025-26: 22,000	1, 3, 10, 17
Access to Clean Sanitation at SSG	Improves sanitation, hygiene, and accessibility at SSG Hospital through the development of inclusive washrooms and OPD toilet facilities. Regular maintenance and housekeeping ensure a clean, safe, and dignified environment for patients, visitors, and staff.	Total Beneficiary Reach: 16,80,000 Beneficiary Reach in FY 2025-26: 5,60,000	3, 6, 10

Project	Description	Beneficiaries Reached	SDG Linkage
Poshan Pahel	A nutrition and early childhood development initiative focused on the first 1,000 days of life, promoting nurturing care, responsive feeding, and positive parenting practices. The programme supports pregnant women, lactating mothers, children, adolescents, and families to improve health and nutrition outcomes.	Total Beneficiary Reach: 93,467 Beneficiary Reach in FY 2025-26: 20,087	2, 3
OT Upgradation Project- Shree Swaminarayan Hospital, Vadtaldham	Launched in FY 2025-26, this project supported the upgradation of the hospital's operation theatre through the provision of an OT Table, OT Lights, Bucky Table, C-Arm Machine, and other critical medical equipment. The initiative is expected to enhance surgical efficiency, improve patient safety, and strengthen the quality of healthcare services delivered to the local community.	Total Beneficiary Reach: 2,100	1, 17, 10
Farmson Sahay	Financial assistance programme for medicines, diagnostics and pathology support.	Total Beneficiary Reach: 5,312 Beneficiary Reach in FY 2025-26: 1,304	1, 2, 3, 10
Project Udaan	School-based cancer awareness initiative promoting preventive health practices.	Total Beneficiary Reach: 7,157	3, 4
Samir Kalyanji Vithani Cancer Care Accommodation Centre	Construction of the Samir Kalyanji Vithani Cancer Care Accommodation Centre commenced in FY 2024-25, and the completed facility was handed over in FY 2025-26. The centre provides free temporary accommodation for cancer patients and caregivers travelling from remote, rural, and tribal areas to Ankleshwar for treatment, helping reduce logistical and financial challenges while offering a safe and supportive environment during the treatment journey.	Total Beneficiary Reach: 500	3, 10
Cancer Sahay	Financial assistance programme for pediatric cancer treatment, easing the treatment burden on families with an annual income of less than INR 5 lakh.	Total Beneficiary Reach: 40	3, 10
Project Saksham	Corrective surgery and rehabilitation programme for patients with brachial plexus injuries.	Total Beneficiary Reach: 50	3, 8, 10

Education

Our education initiatives aim to improve access to learning opportunities, strengthen educational infrastructure, support students from underserved communities, and enable continued education and career progression through scholarships, accommodation support and educational resources.

Project	Description	Beneficiaries Reached	SDG Linkage
KK Vithani Girls & Working Women Hostel	Safe and affordable accommodation facility supporting education and employment opportunities.	Total Beneficiary Reach: 174	4, 11, 5
School Development Project	Project 1- Tribal School Development Project (FY 2025-26) Established the K. K. Vithani Sports Arena, a computer laboratory, and seven smart classrooms with Interactive Digital Panels at a tribal school in Netrang, Gujarat. Project 2- Upgraded a rural high school in Badhiyad Village through toilet construction, roof renovation, water storage facilities, window shades, and pathways. Project 3- Strengthened infrastructure in two government schools through flooring, drainage, seating, play areas, and a communication system connecting 40 classrooms.	Total Beneficiary Reach: 3,700 Beneficiary Reach in FY 2025-26: 1,648	4, 10
Community Library Project	Establishment of community libraries to improve access to educational resources in rural areas.	Total Beneficiary Reach: 7,300 Beneficiary Reach in FY 2025-26: 7,300	4, 11
Farmson Ka Saath	Education support programme enabling school dropouts to complete secondary education through National Institute of Open Schooling (NIOS).	Total Beneficiary Reach: 300 Beneficiary Reach in FY 2025-26: 212	4, 10
Farmson Super 100 Scholarship	Scholarship programme supporting meritorious students from economically weaker backgrounds.	Total Beneficiary Reach: 100 Beneficiary Reach in FY 2025-26: 100	1, 10, 4

Skill Development & Sustainable Livelihood

Our livelihood programmes are designed to enhance employability, strengthen workforce readiness, and improve rural incomes through skill development, career counselling, employment facilitation and sustainable farming practices.

Project	Description	Impact Highlights	SDG Linkage
Farmson-CII Model Career Centre	Gujarat's first CII Model Career Centre, launched as a three-year initiative to provide industry-specific career counselling and placement support. The centre aims to counsel 25,000 youth and facilitate 10,000 placements, while creating a platform that connects skilled candidates with local industry opportunities.	Total Beneficiary Reach: 14,000 Beneficiary Reach in FY 2025-26: 8,000	4, 10, 8
Kaushalya Shakti	A skill development initiative focused on enhancing employability among women and youth from disadvantaged communities through market-relevant vocational training, certification, placement support, and post-placement tracking. Phase II aims to train 250 youth through industry-oriented programmes in healthcare, retail, customer service, and mobility sectors.	Total Beneficiary Reach: 100 Beneficiary Reach in FY 2025-26: 100	5, 8, 10
Project Kalyan	A three-year integrated agriculture and livestock development programme supporting small and marginal farmers across 21 villages. The project aims to benefit over 1,500 livestock farmers and 300 agricultural beneficiaries through artificial insemination, fodder and livestock management support, farmer training, soil testing, and climate-resilient farming practices.	Total Beneficiary Reach: 900 Beneficiary Reach in FY 2025-26: 900	1, 2, 8, 15

Community Development and Environmental Stewardship

Project	Description	Impact Highlights	SDG Linkage
HSL-B Toilet & Bathroom Initiative	A rural sanitation initiative that provides safe, private, and hygienic toilet and bathroom facilities to low-income households, improving health, dignity, and quality of life for vulnerable families.	Total Beneficiary Reach: 65 Beneficiary Reach in FY 2025-26: 50	6, 11
OxyPark & OxyPath Projects	A green space development initiative focused on transforming degraded and unused wasteland into thriving biodiversity zones through large-scale plantation, habitat restoration, and community participation. OxyPark at Angad Village and OxyPath at Nandesari have together converted 55,000 sq. ft. of wasteland into green spaces with over 9,500 plants across 100+ species, promoting ecological restoration, carbon sequestration, biodiversity conservation, and environmental awareness.	Total Beneficiary Reach: 20,000 Beneficiary Reach in FY 2025-26: 20,000	11, 13, 15
Farmson Community Hall	Community infrastructure project developed to provide a dedicated platform for Gram Sabha meetings, training programmes, social gatherings, and public welfare activities, benefiting Damapura village and neighboring communities.	Community Hall was constructed and handed over to Gram Panchayat for long-term community use	11
Project Samavesh	A welfare inclusion initiative that helps rural communities access government schemes by addressing barriers such as lack of awareness, missing documents, and application challenges through enrolment and benefit distribution camps.	Total Beneficiary Reach: 5,000 Beneficiary Reach in FY 2025-26: 5,000	1, 10
Project Saarthi	A mobility support initiative providing free 24×7 assistance to senior citizens, persons with disabilities, pregnant women, and ailing passengers at Vadodara Railway Station through battery-operated carts and trained operators.	Total Beneficiary Reach: 848 Beneficiary Reach in FY 2025-26: 848	10, 11

Our community development initiatives focus on improving access to essential infrastructure, strengthening social inclusion, promoting environmental conservation and enhancing community well-being. These programmes aim to create lasting social and environmental value while improving the quality of life of local communities.

INDEPENDENT ASSURANCE STATEMENT

Shaping a World of Trust

To

The Management of FARMSON BASIC DRUGS PVT. LTD.

Introduction and objectives of work

The Management of **Farmson Basic Drugs Pvt. Ltd.** ('the Company') have engaged us to undertake an Independent Assurance of the company's Sustainability report for the financial year ended **March 31, 2026** (**Farmson Basic Drugs Pvt. Ltd. - Sustainability Report – FY 2025-26)** and provide **Limited Assurance** Statement on the aforesaid report. **Farmson Basic Drugs Pvt. Ltd.** has prepared the Sustainability Report with reference to Global Reporting Initiative (GRI) Standards with stated parameters **(Appendix 1)** for the reporting period **April 1, 2025 to March 31, 2026**, based on which this overall assessment has been carried out. This Assurance Statement applies to the related information included within the scope of work described below.

Intended User

The intended user of this assurance statement is **Farmson Basic Drugs Pvt. Ltd.** We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this assurance Statement. Bureau Veritas planned and performed the work to obtain the evidence, considered necessary to provide a basis for our assurance opinion.

The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation / measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

Scope of Work

We have performed the **Limited Assurance** engagement for Sustainability report prepared with reference to GRI Standards, verification engagement in accordance with ISAE 3000 methodology and in line with the requirements of Bureau Veritas's standard procedures and guidelines for External Assurance of Sustainability Reports, based on current best practice in independent assurance for the reporting period **April 1, 2025** to **March 31, 2026**. The selected GRI disclosures referred to in Appendix – 1 for this statement.

The reporting boundaries considered for this reporting period are as follows.

Site Name/ Location	Site Address
Unit-2 - Head Office & Manufacturing Site	Plot No. 14, GIDC Industrial Estate, Nandesari, Dist: Vadodara – 391340, Gujarat, India
Unit-1	Plot No. 28-35,B1/38,40/1 & 40/2 ,GIDC Industrial Estate, Nandesari, Dist: Vadodara – 391340, Gujarat, India
Unit-3	Plot No. 748/1, GIDC Industrial Estate, Jhagadia, Dist: Bharuch- 393110, Gujarat,India
Unit-4	Plot No. 105 ,GIDC Industrial Estate, Nandesari, Dist :Vadodara – 391340,Gujarat ,India
Unit-6	Plot No.130 & 131 ,GIDC Industrial Estate, Nandesari, Dist :Vadodara – 391340,Gujarat ,India.

As part of its Independent Assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the information reported. In this process, we undertook the following activities:

The assessment was conducted by means of physical site visits at all sites of Farmson Basic Drugs Pvt. Ltd. Bureau Veritas interviewed personnel of the Company including CSR, HR&A, EHS, Opex, SCM, Stores, Sustainability and other relevant departments and review of the Company's data & information systems for collection, aggregation, analysis and review.

Data on various GRI disclosures were assessed for the locations that were visited. Later, it was confirmed that the same assessed data went into preparation of the final data within the Sustainability Report 2025-26.

Management Responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the Sustainability report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of Sustainability Report. Our sole responsibility is to provide Independent Assurance on the Sustainability report for the financial year ended **March 31, 2026**.

Our findings

On the basis of our methodology and the activities described above,

- Based on our review, the GRI disclosures and accurate, and the information included therein is fairly stated.
- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures with reference to GRI.
- The Sustainability Report provides a fair representation of the Company's activities as included therein.
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by the Company and statements of future commitment).

Our assurance does not extend to the activities and operations of the Company outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

Our assurance of economic and financial performance data or information on the Company is based only on the annual audited statement of accounts of the Company for the Financial Year 2025-26 and our conclusions rest solely upon that audited report.

Conclusion

Based on the procedures performed and the evidence obtained, we believe that the sustainability disclosures in the **Farmson Basic Drugs Pvt. Ltd.** Sustainability Report for the year ended March 31, 2026, prepared with reference to the GRI Standards 2021, are fairly presented, in all materials respects.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 198 years of history. Its assurance team has extensive experience in conducting assessments of environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applied a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior, and high ethical standards in their day-to-day business activities.
The assurance team for this work does not have any involvement in any other Bureau Veritas projects with **Farmson Basic Drugs Pvt. Ltd.**

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our Limited Assurance report for Sustainability Report has been prepared and addressed to the Management of **Farmson Basic Drugs Pvt. Ltd.** at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Dinesh PATEL
Lead Assuror
Bureau Veritas (India) Private Limited.
Vadodara, Gujarat, India.
Dt: 03rd September 2026

Munji Rama Mohan RAO
Technical Reviewer
Bureau Veritas (India) Private Limited.
Hyderabad, India.
Dt: 05th September 2026

Appendix-1

GRI content index	
Statement of use	**Farmson Basic Drugs Pvt. Ltd. has reported the information cited in this GRI content index for the reporting period 1 April 2025- 31 March 2026 with reference to the GRI Standards.**
GRI Used	**GRI 1: Foundation 2021**

GRI Standard	GRI Disclosure Indicators
General Disclosure	
GRI 2: General Disclosures 2021	2-1 Organizational details
	2-2 Entities included in the organization's sustainability reporting
	2-3 Reporting period, frequency and contact point
	2-4 Restatements of information
	2-5 External assurance
	2-6 Activities, value chain and other business relationships
	2-7 Employees
	2-8 Workers who are not employees
	2-9 Governance structure and composition
	2-11 Chair of the highest governance body
	2-12 Role of the highest governance body in overseeing the management of impacts
	2-13 Delegation of responsibility for managing impacts
	2-14 Role of the highest governance body in sustainability reporting
	2-15 Conflicts of interest
	2-16 Communication of critical concerns
	2-17 Collective knowledge of the highest governance body
	2-18 Evaluation of the performance of the highest governance body
	2-19 Remuneration policies
	2-20 Process to determine remuneration
	2-21 Annual total compensation ratio
	2-22 Statement on sustainable development strategy
	2-23 Policy commitments
	2-24 Embedding policy commitments
	2-25 Processes to remediate negative impacts
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Compliance with laws and regulations

GRI Standard	GRI Disclosure Indicators
	2-28 Membership associations
	2-29 Approach to stakeholder engagement
	2-30 Collective bargaining agreements
Material topics	
GRI 3: Material Topics 2021	3-1 Process to determine material topics
	3-2 List of material topics
	3-3 Management of material topics
Biodiversity	
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts
	101-5 Locations with biodiversity impacts
Indirect Economic Impacts	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported
	203-2 Significant indirect economic impacts
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers
Anti-Corruption	
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed incidents of corruption and actions taken
GRI 206: Anti-Competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
Materials	
GRI 301: Materials 2016	301-1 Materials used by weight or volume
	301-2 Recycled input materials used
Energy	
GRI 302: Energy 2016	302-1 Energy consumption within the organization
	302-3 Energy intensity
	302-4 Reduction of energy consumption
Water	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource
	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
Emissions	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions
	305-4 GHG emissions intensity

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GRI Standard	GRI Disclosure Indicators
	305-5 Reduction of GHG emissions
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions
Waste	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
Environmental Compliance	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations
Supplier Environmental Assessment	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria
Employment	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full- time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes
Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health
Training and Education	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
Diversity and Equal Opportunity	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees
	405-2 Ratio of basic salary and remuneration of women to men
Non-Discrimination	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken

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GRI Standard	GRI Disclosure Indicators
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
Security Practices	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures
Local Communities	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities
Supplier Social Assessment	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria
	414-2 Negative social impacts in the supply chain and actions taken
Customer Health and Safety	
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
Marketing and Labeling	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling
	417-2 Incidents of non-compliance concerning product and service information and labelling
	417-3 Incidents of non-compliance concerning marketing communications
Customer Privacy	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer Data
Socioeconomic Compliance	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area

GRI Content Index

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GRI 2: General Disclosures 2021	2-1 Organizational details	4, 10	About this Report
GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting	4	About this Report
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	4	About this Report
GRI 2: General Disclosures 2021	2-4 Restatements of information	4	About this Report
GRI 2: General Disclosures 2021	2-5 External assurance	4	About this Report / Independent Assurance Statement
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	10	Company Overview
GRI 2: General Disclosures 2021	2-7 Employees	49	Workforce Overview
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	49	Workforce Overview
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	5, 68	Leadership Message / Sustainability Governance
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	5	Leadership Message
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	8	Leadership Message, Sustainability Governance
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	68	Sustainability Governance
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	5, 68	Leadership Message, Sustainability Governance

GRI Standard	Disclosure	Page No	Report Location
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	63, 70	Business Ethics & Anti-Corruption, Regulatory Compliance
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	60, 64	Grievance Mechanisms, Whistle-blower Mechanism
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	5	Leadership Message
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	57	Learning and Development
GRI 2: General Disclosures 2021	2-19 Remuneration policies	57	Learning and Development
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	57	Learning and Development
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	49, 51	Workforce Overview/Diversity and Inclusion
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	5, 20	Leadership Message / Sustainability Strategy
GRI 2: General Disclosures 2021	2-23 Policy commitments	68, 69	Sustainability Governance / Policy Commitments
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GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	59, 61	Human Rights & Labour Practices, Employee Engagement & Grievance Redressal
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	59, 61, 64	Employee Engagement & Grievance Redressal / Whistle-blower Mechanism
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	70	Regulatory Compliance

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GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	59	Human Rights & Labour Practices
GRI 3: Material Topics 2021	3-1 Process to determine material topics	23	Materiality Assessment
GRI 3: Material Topics 2021	3-2 List of material topics	23	Materiality Assessment
GRI 3: Material Topics 2021	3-3 Management of material topics	5, 23, 32, 49, 52, 63, 65, 72, 73, 78	Relevant material topic sections
GRI 101: Biodiversity 2024	101-4 Biodiversity-sensitive locations	40	Ecological Context of Our Operations
GRI 101: Biodiversity 2024	101-5 Impacts on biodiversity	40	Biodiversity Considerations Across Our Operations
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	78	Community Development & CSR
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	78	Community Development & CSR
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	73	Sustainable Procurement and Supply Chain Engagement
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GRI Standard	Disclosure	Page No	Report Location
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GRI 301: Materials 2016	301-1 Materials used by weight or volume	23	Materials
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GRI 302: Energy 2016	302-1 Energy consumption within the organization	32	Energy & Climate
GRI 302: Energy 2016	302-3 Energy intensity	32	Energy & Climate
GRI 302: Energy 2016	302-4 Reduction of energy consumption	32, 34	Energy & Climate/Energy Conservation Initiatives
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	41	Water Management
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	41	Water Management
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GRI 303: Water and Effluents 2018	303-4 Water discharge	41	Water Management
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	32, 35	Energy & Climate / Emissions

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GRI 401: Employment 2016	401-3 Parental leave	49, 50	Workforce Overview / Employee Benefits
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	61	Employee Engagement & Grievance Redressal
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52	Health, Safety & Wellbeing
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GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on OHS	52	Health, Safety & Wellbeing
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	52, 55	Health, Safety & Wellbeing / Training on Health & Safety
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GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of OHS impacts directly linked by business relationships	52	Health, Safety & Wellbeing
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	52	Health, Safety & Wellbeing
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49, 51	Workforce Overview / Diversity and Inclusion
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GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	59, 73	Human Rights & Labour Practices, Sustainable Procurement and Supply Chain Engagement
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	59, 73	Human Rights & Labour Practices, Sustainable Procurement and Supply Chain Engagement
GRI 410: Security Practices 2016	GRI 410-1 Security personnel trained in human rights policies or procedures	57	Learning & Development
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	78	Community Development & CSR
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	78	Community Development & CSR
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ZERO EMISSION, ZERO INCIDENTS

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