



Chemicals & Pharmaceuticals Limited

ESG REPORT 2026

Sustainability in Action

Innovating for Health and Environment

ABOUT THE REPORT

Report Overview:

IOL Chemicals & Pharmaceuticals is committed to achieve sustainable growth with positive social and environmental impacts. The company published ESG report to disclose its ESG initiatives. Further, the report supports in measuring, monitoring, and managing the ESG performance of IOL Chemicals and Pharmaceuticals Limited.

Reporting Scope and Boundary:

The **FY 2025-26 ESG Report** includes disclosure on the non-financial performance of IOL Chemicals and Pharmaceuticals Limited for the period 1st April 2025 to 31st March 2026. The reporting boundary includes sustainability factors that impact the company's ability to create long-term value.

Responsibility Statement:

We believe that this report offers a balanced view of our ESG performance and our efforts to make a difference to all our stakeholders. It is considered that the report of IOL Chemicals and Pharmaceuticals Limited, ratified by the management of the organization, is substantially correct and corresponds to a faithful representation of the ESG activities. This report is third party assured in accordance with the GRI Standard, and level of assurance is **“Reasonable”**.

Name	Designation	Responsibility
Mr. Kushal Kumar Rana	Director Works	Representation in board meeting, resource allocation, approval and publishing on official website
Mr. Devender Singh	AVP - EHS & S	Review and submission to Management for approval
Mr. Gursharan Singh	Sr. Manager EHS & S	Stakeholder coordination for ESG initiatives, Inventory management (Water, Air Waste), Emissions calculation & ESG report preparation, Trainings etc.
Email - Id	contact@iolcp.com	
Organization Details	Manufacturing Site - IOL Chemicals and Pharmaceuticals Limited, Village Fatehgarh Channa, Mansa Road (Trident Complex) Barnala, 148101 State - Punjab, India. Corporate Office - IOL Chemicals and Pharmaceuticals Limited, 85, Industrial Area 'A', Ludhiana, 141 003 State - Punjab India	
Contact Number	0161222553135 (Head Office) 0167928528586 (Works)	





Five Year IOLCP's Sustainability Goals, Targets and Performance

This year marks the successful completion of IOL Chemicals & Pharmaceuticals Limited's five-year strategic plan, an ambitious roadmap that has shaped its growth, innovation and sustainability journey. Over this period, the company has strengthened its core capabilities, expanded its global footprint, accelerated innovation and deepened its commitment to stakeholder value and environmental responsibility.

IOL Chemicals & Pharmaceuticals has enhanced operational resilience and become a recognized leader in sustainable practices. The company advances its sustainability roadmap focused on water and carbon neutrality, green chemistry and resource efficiency, demonstrating strong commitment to a sustainable future.

IOLCP's Goals and Targets for FY 2025 from Baseline FY 2021



A Detailed Summary of IOLCP's Performance Over the Last Five Years

FY 2021-22	FY 2022-23	FY 2023-24
<ul style="list-style-type: none"> IOLCP received bronze medal in EcoVadis in FY 2021-22 >9% Reduction in water consumption in FY 2021-22 >1.2% Reduction in overall hazardous waste for site in FY 2021-22 100 % Zero Liquid Discharge in FY 2021-22 	<ul style="list-style-type: none"> 4.58% Reduction in Scope 1 GHG emissions 19,950 Total trees planted 9.47 crores Total CSR spend Zero complaints were received regarding conflict of interest 	<ul style="list-style-type: none"> Climate Change CDP 2023 Level "C" Achieved Obtained SA 8000:2014 certificate EV Vehicle Introduced 10 no. of IOL employees were certified by CII on resource efficiency and environmental sustainability
FY 2024-25	FY 2025-26	
<ul style="list-style-type: none"> 6.75% Reduction in Scope 1 + 2 emissions against FY2023-24 emissions ZERO LTIFR & LTISR from last three years 80% Renewable energy contribution Awarded Best Safety Performance Award from VISION ZERO (VZ -RSI) Awarded - Responsible Care Logo 	<ul style="list-style-type: none"> IOLCP received silver medal in EcoVadis in FY 2025-26. CDP Supplier Engagement score "A" received in FY 25-26 and score "B" in climate action. Product Life Cycle Assessment completed for all key products. Solar Panels installed at site under renewable energy initiative. 	<p>IOLCP has not only met but exceeded its sustainability targets through various strategic initiatives. These efforts have positioned the company as a leader in ESG practices within the chemical and pharmaceutical industry. IOLCP remains committed to continuous improvement, reducing environmental impact, and advancing sustainability year over year.</p>

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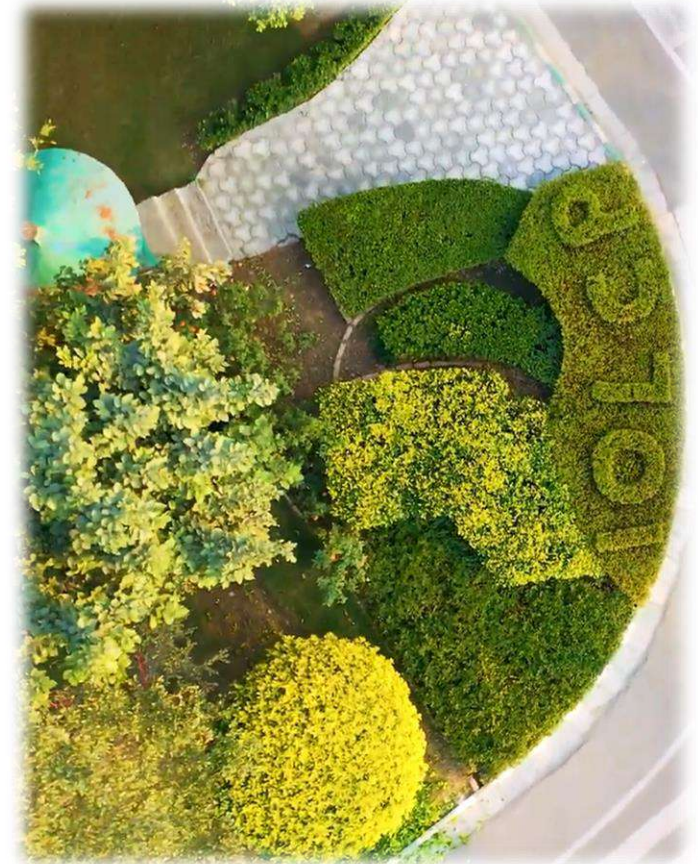
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Supporting United Nation SDG's

Our ESG ambitions continue to power our efforts to create value for our stakeholders.

A high-angle, wide shot of a mountain valley. In the foreground, a small village with white-washed buildings and some red-roofed structures is built on a steep, grassy hillside. Below the village, a wide, braided river flows through a green valley. The background is dominated by towering, rugged mountains with patches of snow and a sky filled with dramatic, dark clouds. Sunlight breaks through the clouds, creating a bright glow over the valley.

ESG is an Opportunity

Leadership Commitment

IOL Chemicals and Pharmaceuticals Limited (IOLCP) showcase exemplary leadership in embedding Environmental, Social, and Governance (ESG) principles across its business strategy. Ambitious environmental targets, robust social initiatives, and a fortified governance framework position IOLCP as a sustainability frontrunner in the pharmaceutical industry. Management-led endeavors fuel corporate triumph while advancing societal and environmental progress, ensuring enduring value for stakeholders.

1. Safe Workplace

IOLCP is steadfastly dedicated to fostering a safe, healthy workplace through rigorous risk assessments and control measures that protect employees from chemical and biological hazards. Compliance with global chemical management guidelines underpins this commitment.

2. Legal Compliance

IOLCP rigorously complies with all relevant legal and regulatory obligations. This is validated by certifications, approvals from authorities, internal/external EHS audits, and transparent global reporting of EHS performance. The Company also strives to go beyond statutory compliance by proactively adopting global best practices, strengthening sustainability initiatives, and continuously enhancing its Environment, Health, and Safety (EHS) standards across operations

3. Environment

IOLCP leads in environmental protection and pollution prevention, monitoring operations to minimize impacts and conserve resources via

optimal utilization and eco-friendly practices. Key initiatives encompass greenbelt expansion, renewable energy, water neutrality, waste-to-wealth, and carbon sequestration. The advanced Zero Liquid Discharge (ZLD) facility drives wastewater treatment, recycling, recovery, and reuse, supported by effective waste management, resource preservation, and afforestation efforts.

4. EHS&S Integration

IOLCP integrates Environment, Health, Safety, and Sustainability (EHS&S) from product R&D outset. A robust change management process mandates EHS&S reviews for all changes, driving footprint reduction through efficiency gains, wastewater recycling, and operational excellence that curtails raw materials, energy, water and waste.

5. EHS&S Culture

IOLCP nurtures a vibrant EHS&S culture, prioritizing employee well-being, growth, and inclusivity. Awareness campaigns cover EMS, OHS, behaviour-based safety, process safety, and PPE adherence, while diversity initiatives ensure equal opportunities for all to excel.

6. Results and Improvement

IOLCP conducts multilevel reviews of EMS and OHS performance, analysing environmental footprints to launch initiatives like wastewater recycling and energy efficiency. Transparent accountability is maintained via regular third-party and customer audits aligned with sustainability standards.

7. Risk Prevention

Occupational safety and health form the foundation of IOLCP's responsible business model. A comprehensive industrial hygiene program features workplace monitoring (noise, air, dust, illumination, heat stress, ergonomics), risk assessments, and control measures to prevent harm. Periodic medical examinations (pre-employment, routine, and post-exposure) are standard, with management owning full responsibility through demonstrated leadership in safety commitments.

8. Sustainability Integration

IOLCP embeds sustainability into its core values, pursuing bold environmental stewardship goals. This extends to Supply Chain Management per ISO 20400:2017 Sustainable Procurement Guidelines, leveraging procurement as a catalyst for responsible conduct and UN Sustainable Development Goals (SDGs). By incorporating sustainability into policies and supply chains, IOLCP mitigates risks and seizes opportunities for environmental, social, and economic advancement.



Board Of Directors



Mr. Rajender Mohan Malla
(Chairman and Independent Director)

Mr. Rajender Mohan Malla is an accomplished professional with a bachelor's degree in commerce from Shri Ram College of Commerce, an M. Com degree from the University of Delhi, and an MBA from the University of Delhi's Faculty of Management Studies.



Mr. Varinder Gupta
(Managing Director)

Mr. Varinder Gupta is an esteemed industrialist with over 40 years of extensive experience in the chemical and pharmaceutical industry. His strategic vision and comprehensive oversight have driven innovation and excellence within the organization, positioning IOL as a leader in the pharma and API sectors.



Mr. Kushal Kumar Rana
(Director - Works)

Mr. Kushal Kumar, with a bachelor's in chemistry, Physics, and Math, master's in chemistry and strategic leadership development program (SLDP) from IIM Bangalore, has over 35 years of experience in the pharmaceutical industry. His expertise in quality assurance, quality control, EHS Statutory and regulatory compliance is instrumental in maintaining the company's high standards.



Rajni Jha
(Independent Director)

Ms. Rajni Jha is a highly accomplished senior Pharmaceutical Regulatory, Quality, and Compliance professional with over 32 years of extensive experience in the pharmaceutical industry. She has made significant contributions across various departments, including Chemical Research, Corporate Regulatory Affairs, Quality Assurance and Drug Regulatory Affairs (QA & RA) R&D & Manufacturing plant & Techno Commercial Team. She has done M.Sc. in Synthetic Organic Chemistry from Kanpur University. She is an IIT Kanpur Scholar - Research work at I.I.T Kanpur.



Mr. Vikas Gupta
(Joint Managing Director)

Mr. Vikas Gupta, an alumnus of Kings College, London, holds a B.Sc. (Hons.) in Business Management. He is academically equipped and possesses significant organizational capacity. With a pivotal role in IOL's strategic department, he has been instrumental in guiding the company's chemical and pharmaceutical business over the last nine years.



Mr. Abhiraj Gupta
(Executive Director)

Mr. Abhiraj Gupta, holding a Bachelor of Science in Management and Engineering in Business Management from the University of Warwick, UK, has been associated with the company since September 2017. He oversees the non-Ibuprofen API and chemical business, R&D, regulatory, and digital marketing. Under his leadership, the non-Ibuprofen API business has shown remarkable performance.



Mr. Harpal Singh
(Independent Director)

Mr. Harpal Singh, a Chartered Engineer and Fellow of the Institution of Engineers (India), has over 37 years of experience in banking and financial services. A Certified Associate of the Indian Institute of Bankers, he has held senior positions, including General Manager of Punjab National Bank, overseeing the bank's operations in Punjab.



Mr. Sharad Tyagi
(Independent Director)

Mr. Sharad Tyagi, with a degree in engineering from Delhi University and an MBA from IIM Ahmedabad, has over 38 years of entrepreneurial experience in pharmaceuticals, OTC, automotive catalysts, and specialty chemicals. He has held prominent positions, including Managing Director of Boehringer Ingelheim India and Senior Vice President at Dr. Reddy's, contributing significantly to their strategic growth.

Our Purpose

At IOLCP, our purpose is to be a reliable partner to global pharmaceutical companies by providing high-quality input products that are essential for the development of critical and advanced medicines. Alongside pursuing strategic growth, we are committed to contributing meaningfully to the communities in which we operate.

Our environmental responsibility is demonstrated through structured initiatives aimed at reducing emissions, optimizing energy usage, conserving water, and minimizing waste through recycling, reuse, and recovery practices.

Our Corporate Social Responsibility (CSR) programs are centered on education, healthcare, and social development, with a focus on uplifting underserved communities and fostering sustainable progress.

We are committed to generating sustainable financial returns while maintaining strong environmental and social governance. By embedding sustainability into our core operations, we enhance long-term value creation and reinforce stakeholder trust.





Our Values **CORE VALUES**



IOL Chemicals & Pharmaceuticals Ltd operates with a purpose-driven commitment to reliability, innovation and sustainability, closely aligned with ESG principles. The Company delivers high-quality APIs, intermediates, and specialty chemicals while advancing environmental stewardship and long-term stakeholder value.

Our vision is to be among the best specialty chemical companies across the globe. We also want to be the most admired and sought-after API pharma companies in the world. We aspire to contribute to green and sustainable pharmacy by proper use of the pharmaceuticals and specialty chemicals.



Vision

Values

TREEC

Transparency

Efficiency

Responsibility

Collaboration



Mission

Through continuous research, development, we want to manufacture a wide range of innovative pharmaceutical products that will bring about a change in human lives. Also, making it possible to provide top quality products in APIs, Intermediates and Specialty Chemicals through cutting-edge and innovative technologies, with utmost regard for safety and environment.

Double Materiality

Materiality assessments help the organization to identify ESG topics most relevant to its business and stakeholders, enabling focused efforts on issues with the most significant impacts, and informed decisions making about resource allocation and the risk management.

The assessment was conducted with reference to the European Financial Reporting Advisory Group (EFRAG) Implementation Guidance (IG 1) and the Global Reporting Initiative (GRI). The structured approach of this analysis integrates stakeholders' perspectives and helps evaluate both the impact of the company's operations on the society and environment, and the influence of external events on its business and financial performance. In 2025, EKI Energy Services Ltd. carried out a comprehensive double materiality assessment at a global level including IOLCP.

How Materiality is Defined

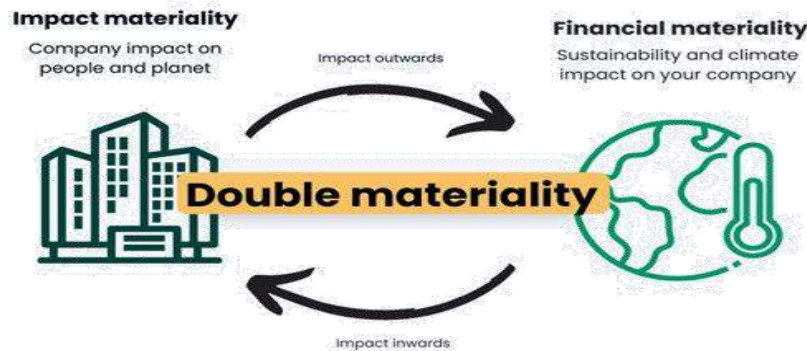
Double materiality includes two parts: impact materiality and financial materiality

➔ Impact materiality (Inside Out)

It focuses on the impact of the company's operations on the environment and society. It examines how a company's activities affect the stakeholders such as employees, communities, and the natural environment. For instance, the development and availability of new medicines or treatments could have a significant positive impact on public health.

➔ Financial materiality (Outside In)

It assesses how external ESG factors impacts the financial performance of the company- such as revenues, costs, cash flow, access to capital, and profitability. For instance, climate change may affect a company's assets, liabilities, profit & loss, and overall risk profile.



Engagement with Stakeholders

A comprehensive process was performed to identify relevant sustainability matters for IOLCP. Inputs were gathered through structured stakeholder engagement with internal and external stakeholder groups, including employees, senior management, suppliers, customers, investors, and local communities. Subsequently, these topics were evaluated from an impact, risk, and opportunity (IRO) perspective in line with double materiality principles.

Based on this assessment, a long list of sustainability topics relevant to IOLCP's operations and value chain was identified.

Topics	Impact Code	Risk/Opportunity
Business Continuity	G1	●
Anti-Corruption	G2	●
Air Emissions	E1	●
GHG Emissions	E2	●
Data Privacy	G3	●
Information Security	G4	●
Occupational Health and Safety	S1	●
Emergency Preparedness	S2	●
Hazardous Waste Management	E3	●
Waste Water treatment	E4	●
Safe Material Handling	S3	●
Human Rights	S4	●

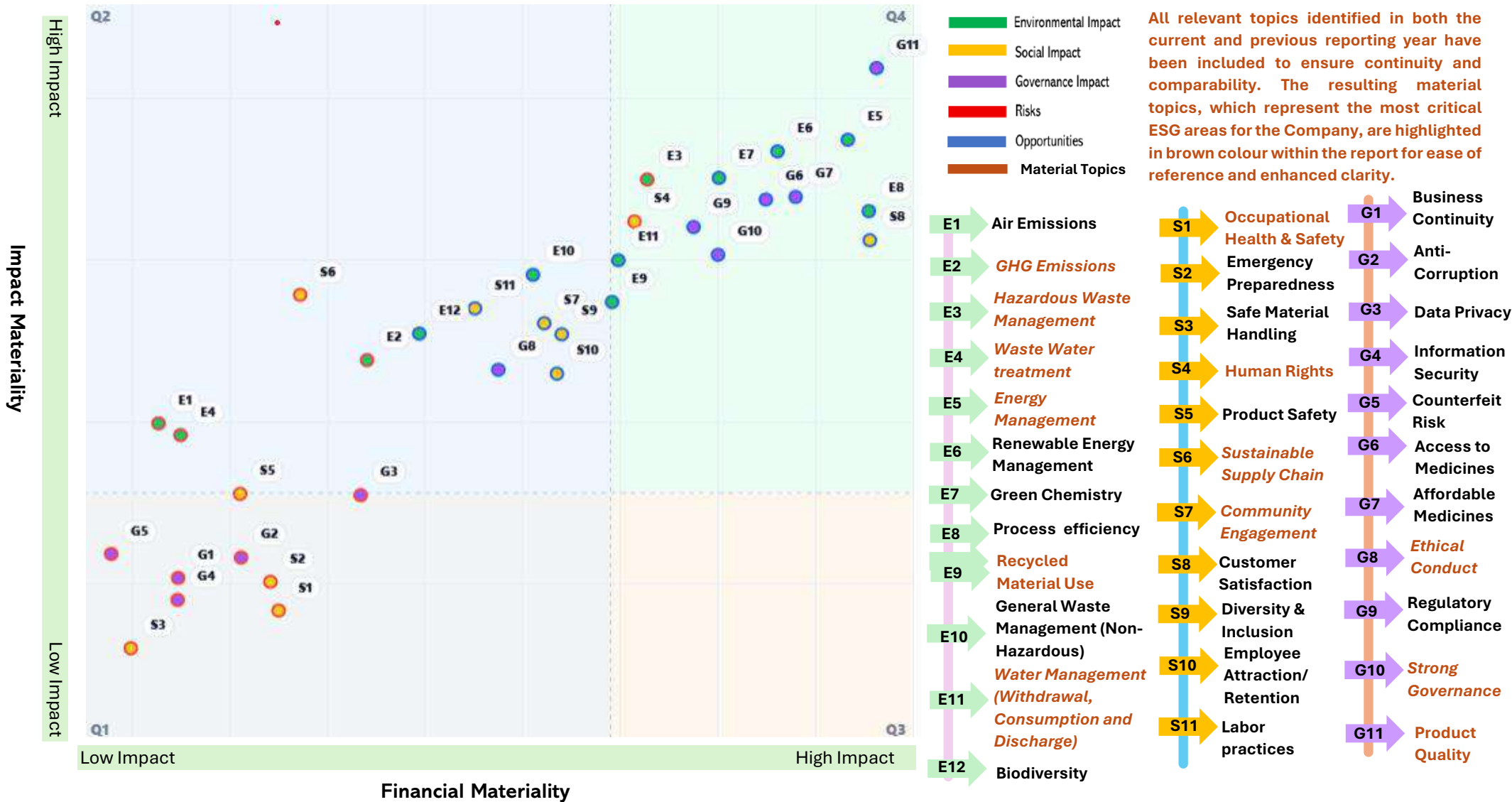
Topics	Impact Code	Risk/Opportunity
Product Safety	S5	●
Sustainable Supply Chain	S6	●
Counterfeit Risk	G5	●
Access to Medicines	G6	●
Affordable Medicines	G7	●
Ethical Conduct	G8	●
Community engagement	S7	●
Regulatory Compliance	G9	●
Strong Governance	G10	●
Customer Satisfaction	S8	●
Energy Management	E5	●
Renewable Energy Management	E6	●



Topics	Impact Code	Risk/Opportunity
Diversity and Inclusion	S9	●
Green Chemistry	E7	●
Process efficiency	E8	●
Recycled Material Use	E9	●
General Waste Management (Non-Hazardous)	E10	●
Water Management (Withdrawal, Consumption and Discharge)	E11	●



Double Materiality Matrix – Impact vs Financial



All relevant topics identified in both the current and previous reporting year have been included to ensure continuity and comparability. The resulting material topics, which represent the most critical ESG areas for the Company, are highlighted in brown colour within the report for ease of reference and enhanced clarity.



Certifications & Endorsements

Our relentless commitment to industry excellence motivates us to follow globally recognized standards and norms and industry best practices which strengthens operational resilience, guarantees product quality, environment health, safety and sustainability compliances which ensures the long-term sustainability for green growth & sustainable future.

The important global standards, certifications and guidelines that IOLCP abides by are highlighted as:

Quality Management System 9001:2015		14001:2015 Environment Management System
Information Security Management System 27001: 2022		50001:2018 Energy Management System
Sustainable Procurement *20400 :2017		14064-1:2018 Carbon Footprint Verification
Food Safety Management System 22000 :2018		37001 :2016 Anti-Bribery Management System
		45001:2018
		Occupational Health & Safety Management System

IOL Chemicals & Pharmaceuticals Limited upholds exemplary environmental, social, and governance (ESG) standards through its comprehensive IMS certifications, encompassing ISO 14001:2015 (Environmental Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems), and ISO 50001:2018 (Energy Management Systems) etc. These globally recognized certifications which facilitate continual improvement in key sustainability metrics, including energy intensity reduction, hazardous waste minimization, and enhanced employee safety performance. By embedding these rigorous frameworks into our operations, IOL ensures regulatory compliance, mitigates climate-related risks, and delivers value to stakeholders via resilient, low-carbon pharmaceutical manufacturing processes.

**IOLCP follows the guideline of ISO 20400 i.e. Sustainable Procurement.*



Social Accountability

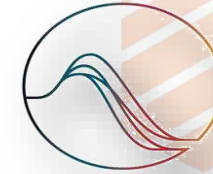


ISCC - for Specialty Chemicals



Confederation of Indian Industry

CII Certified professional on Sustainability



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTI



Supplier Ethical Data Exchange



Pharmaceutical Supply Chain Initiative



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY



United Nations
Global Compact

UNGC



Carbon Disclosure Project



Awards & Recognition

IOLCP as a organization continue to strengthen its Environmental, Social and Governance (ESG) commitment through active stakeholder engagement, sustainable business practices, and industry participation. The Company remains focused on creating long-term value through initiatives in healthcare, education, community development, environmental stewardship, and responsible governance. IOLCP aligns its sustainability framework with globally recognized standards such as the Global Reporting Initiative (GRI) and the Business Responsibility and Sustainability Reporting (BRSR) framework, ensuring transparency, accountability, and ethical business conduct across operations.

In previous year FY 24-25, the Company received significant recognition for its continued excellence in Environment, Health, Safety, and Sustainability (EHS&S) practices. IOLCP won three prestigious awards acknowledging its outstanding performance in workplace safety, environmental management, and sustainable operations, reflecting the Company's strong culture of operational excellence and responsible manufacturing. Further strengthening its ESG credentials, the Company was awarded the Responsible Care Certification by the Indian Chemical Council (ICC), reaffirming its commitment to safe chemical management, environmental protection, employee well-being, and sustainable growth. Through continuous engagement with industry bodies, communities, customers, and other stakeholders, IOLCP remains dedicated to advancing its ESG agenda while driving innovation, resilience, and inclusive development.



Responsible Care RC Logo Award by Indian Chemical Council for 3 Years



Vision Zero Safety Award



Sustainability Leader of the Year

Sustainable Organization



Way Forward

We aim to further strengthen our position as a responsible and sustainable organization by continuously enhancing our Environmental, Social, Governance and operational excellence practices. IOLCP is committed for adopting advanced technologies, improving resource efficiency, reducing emissions and promoting circular economy initiatives across its operations. Going forward, IOLCP will continue to focus on strengthening its Environment, Health, Safety, and Sustainability (EHS&S) framework through employee engagement, capacity building, digital monitoring systems and adherence to global best practices.

To achieve greater recognition and industry leadership, the Company aspires to participate in national and international sustainability and ESG

benchmarking platforms, certifications and award programs.

Through continuous innovation, responsible governance, and collaboration with stakeholders, IOLCP aims to achieve higher benchmarks in sustainability performance and secure further recognition for excellence in environmental stewardship, workplace safety, social responsibility, and corporate governance in the years ahead.



Sustainability Awards

IOLCP has been working on a strategy to reduce GHG emissions and is following the sustainability roadmap prepared. This roadmap outlines key initiatives like energy efficiency, renewable energy adoption, and process optimizations to achieve net-zero targets by 2050 under decarbonization strategies prepared by cross functional team along with leadership.

Sustainability Road Map



Environment Responsibility

Sustainable Practices For Greener Tomorrow

Our sustainability efforts have led to substantial reductions in emissions, responsible water management, increased renewable energy use, and the creation of green spaces on our premises. These efforts support a more sustainable future.

FY 2025-26 Highlights

8.8%

Reduction in Scope 1+2 GHG emissions

100%

Water-neutral

77%

Energy consumption through renewable sources

20257

No. of trees verified under carbon sink

0.31-0.15

Ground water Intensity (KL/ ton of production)

61208

Total trees planted within premises

Material Issues Covered



Water & Effluent



Waste Management



Climate Change and Energy Management

SDG's Impacted



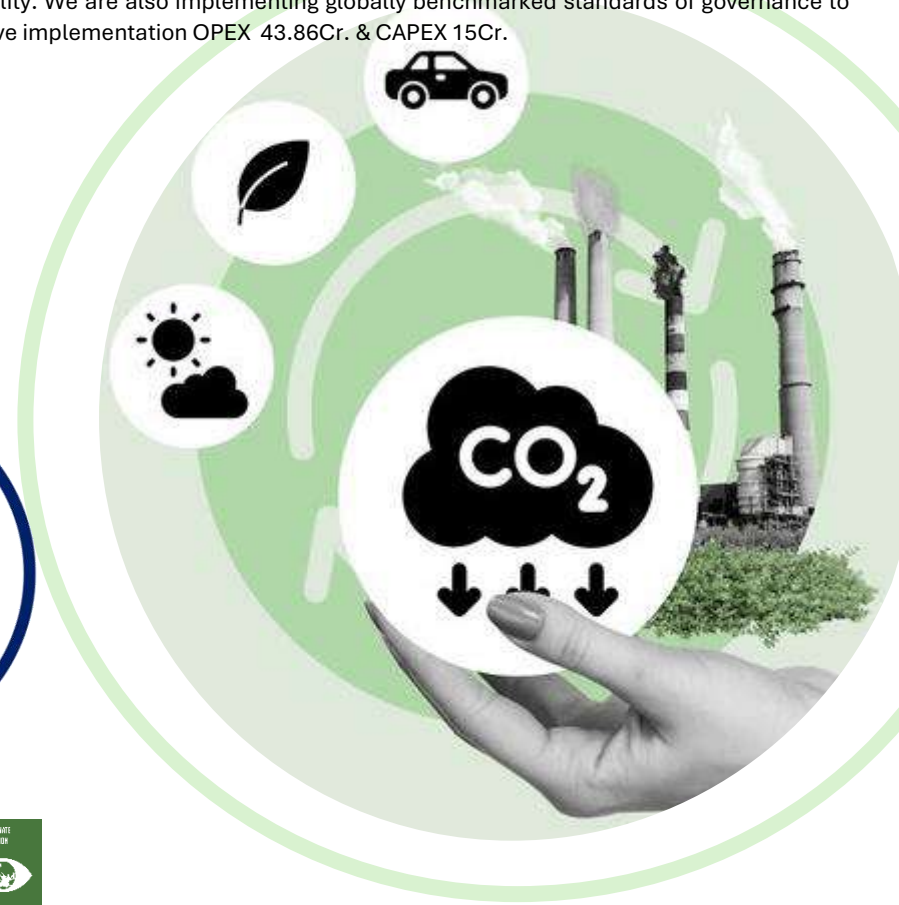


Sustainability@IOLCP

We are putting new, research-driven insights into action to develop cost-effective pharma products that address unmet stakeholders' environmental needs. We are a leading company for the transformation of pharma production industry in collaboration with partners and simplifying complex operating models. We are unleashing the power of technology to improve the quality of performance, increase efficiency and enable the highest levels of quality compliance & Safety. We are progressing towards renewable energy leadership which includes reducing our carbon footprint, conserving natural resources, and safeguarding ecological diversity to ensure long-term environmental sustainability. We are also implementing globally benchmarked standards of governance to create trust with customers, shareholders and society. We have dedicated budget allotted for Sustainability Initiative implementation OPEX 43.86Cr. & CAPEX 15Cr.

GHG Emission Inventory

We at IOLCP prioritize effective GHG emission management. As a pharmaceutical firm our focus addresses climate change, reducing costs, ensuring compliance, and driving innovation. Proactive GHG management enhances our reputation, builds trust, and prepares us for future regulations and market trends. The following table presents a comprehensive breakdown of greenhouse gas (GHG) emissions for IOLCP Ltd., categorizing emissions into Scope 1, Scope 2, and Scope 3. As part of our commitment to sustainability and environmental responsibility, we recognize the importance of transparently reporting our emissions to stakeholders. This table serves as a tool to provide insight into the sources and quantities of GHG emissions associated with our operations.



“Sustainable Excellence in Pharma Innovation”

Sr. No.	Parameter	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	HFCs (MT)	PFCs (MT)	SF ₆ (MT)
1	Diesel for Vehicles Barnala (Owned)	73.50	0.01	0.93	NA	NA	NA
2	Petrol for Vehicles Barnala (Owned)	34.91	0.00	0.44	NA	NA	NA
3	Diesel for Vehicles HO (Owned)	67.43	0.24	0.17	NA	NA	NA
4	Petrol for Vehicles HO (Owned)	59190.56	252.99	560.62	NA	NA	NA
5	Coal Consumption Boilers	NA	NA	NA	260.87	NA	NA
6	Refrigerant R 22 Barnala	NA	NA	NA	6.47	NA	NA
7	Refrigerant R 22 HO	0.0739	NA	NA	NA	NA	NA
8	CO2 Fire Extinguishers	4.23	0.00	0.05	NA	NA	NA
9	Emergency Vehicles Barnala	246.578	0.027	3.104	NA	NA	NA
10	HSD Consumption in DG's/Hydra/Forklifts	11.038	0.001	0.139	NA	NA	NA
11	HSD Consumption in DG's HO	12.659	0.011	0.007	NA	NA	NA
12	LPG HO Owned Canteen	1.633	0.002	0.752	NA	NA	NA
13	PNG Consumption Barnala	34.91	0.00	0.44	NA	NA	NA

Total Scope 1/Cat 1* Emissions FY 25-26

60732 MTCO₂e

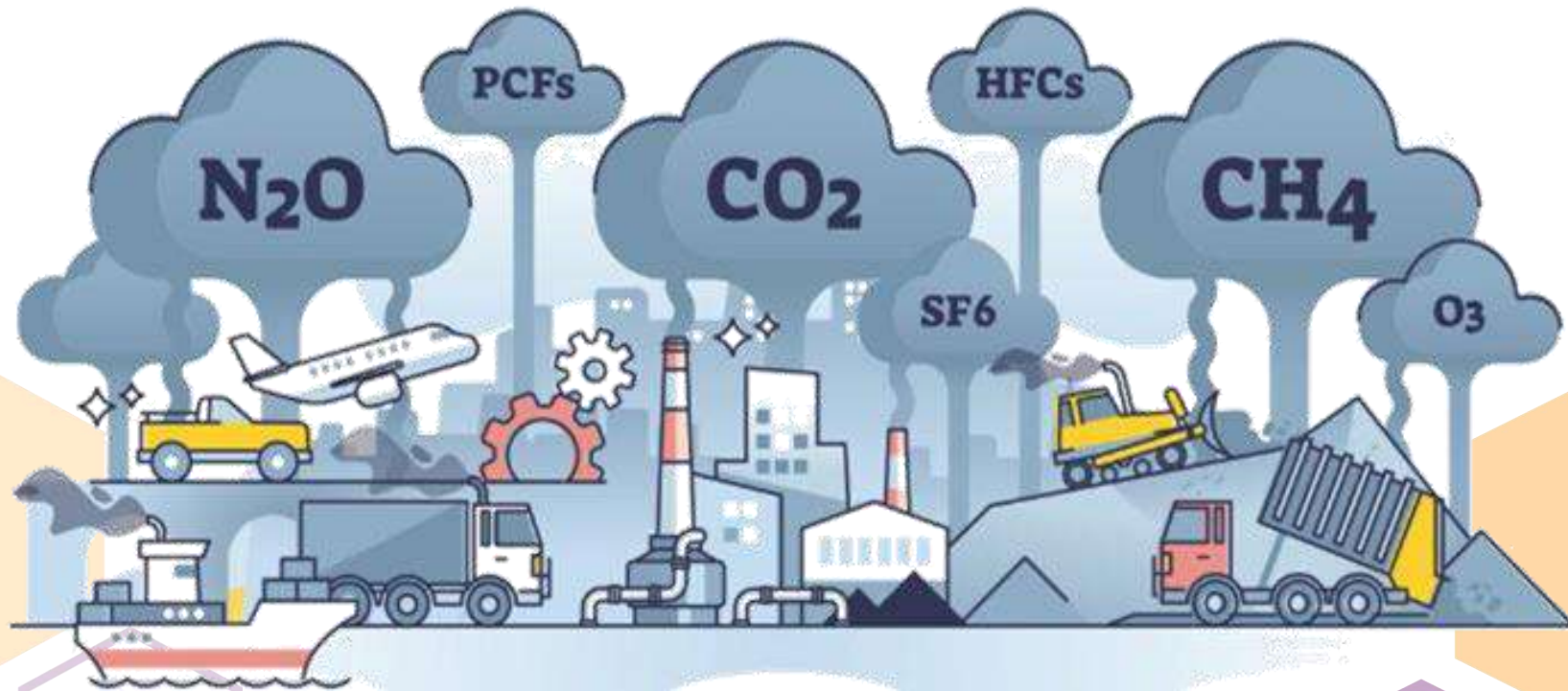
Scope 2 Emissions FY 25-26

Emissions disaggregated by source types	
Scope 2/Category 2: Indirect Emissions from the Use of Purchased Electricity, Steam, Heating and Cooling	tCO ₂ e
Indirect Emissions from Purchased/Acquired Electricity	16681.2
Indirect Emissions from Purchased/Acquired Steam	0
Indirect Emissions from Purchased/Acquired Heating	0
Indirect Emissions from Purchased/Acquired Cooling	0
Total Scope 2/Category 2 Emissions	16681.2

*Scope 1,2 & 3 is mentioned as per GHG protocol and Category 1,2,3,4 & 5 as per ISO 14064-1 requirement

GHG Emission Intensity MTCO ₂ e/Ton of Production (S1+S2)				
FY23-24	FY 24-25	FY 25-26	FY 25-26 (Excluding new expansion)	% Reduction
0.37	0.331	0.38	0.302	8.8 %

GHG Emission Intensity MTCO ₂ e/Ton of Production (S1+S2+S3)				
FY23-24	FY 24-25	FY 25-26	FY 25-26 (Excluding new expansion)	% Reduction
1.100	0.925	0.792	0.72	14.4 %





Sr. No.	Parameter	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	HFCs (MT)	PFCs (MT)	SF ₆ (MT)
Upstream - Purchased Goods and Services							
1	LPG Used in Canteen Barnala Site Cat-1	32.234	0.028	0.018	NA	NA	NA
2	RM (Cradle-to-gate emissions)	45869.6	NA	NA	NA	NA	NA
3	Capital Goods	315.19	NA	NA	NA	NA	NA
4	Fuel and Energy Related Activities	19837.6	NA	NA	NA	NA	NA
Upstream Transportation and Distribution							
5	Haz. Waste Transportation Upstream Cat -3	39.825775	NA	NA	NA	NA	NA
6	RM Cat -03 Domestic: Transport Only	2875.4	NA	NA	NA	NA	NA
7	RM Cat -03 Import: Transport Only	2488.6	NA	NA	NA	NA	NA
8	Packaging Transportation Cat -03	399.2	NA	NA	NA	NA	NA
9	Non HW Transportation	27.61989	0.00332	0.20602	NA	NA	NA
10	Waste Generated/Disposal in Operation Cat-4	3050.7	NA	NA	NA	NA	NA
11	Business Travel Cat-3	57.38	NA	NA	NA	NA	NA
Upstream - Employee Commute							
12	Employee Commute Cat-03 HO	95.60	NA	NA	NA	NA	NA
13	Employee Commute Cat-03 Barnala	353.32	NA	NA	NA	NA	NA
14	Upstream Leased Assets	0	NA	NA	NA	NA	NA
Downstream - Transportation and Distribution							
15	Cat -3 Product Sold Domestic: Transportation Only	6474.1	NA	NA	NA	NA	NA
16	Cat-3 Product Sold International: Transportation Only	2265.39	NA	NA	NA	NA	NA
17	Processing of Sold Products	1239.3	NA	NA	NA	NA	NA
18	Use of Sold Products	0.0	NA	NA	NA	NA	NA
19	End of Life treatment of Sold Products	107.17	NA	NA	NA	NA	NA
20	Downstream Leased Assets	0.0	NA	NA	NA	NA	NA
21	Franchises	0.0	NA	NA	NA	NA	NA
22	Investments	0.0	NA	NA	NA	NA	NA
Total Scope 3 Emissions		85528.3378	0.0314	0.2239	NA	NA	NA



Total Scope 3/Cat 3,4,5 Emissions FY 25-26

85529 MTCO₂e

FY 25-26 Upstream and Downstream Emissions

Total Upstream Emissions	75442.396
Total Downstream Emissions	10085.9413

Emission Summary

Scope/Category	FY 2022-23 (Base year)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2025-26 (Excl. new expansion)
Scope 1/Category 1	23786	49521	45920.3	60731.8	45526.6
Scope2 /Category 2	6134.45	6179.06	6019.9	16681.2	16681.2
Scope 3 /Category 3,4 &5	124010	108357.15	93042.4	85528.6	85528.6
Total Scope 1,2 & 3/ Category 1,2,3,4& 5	153930.5	164057.2	144982.6	162941.7	147736.5

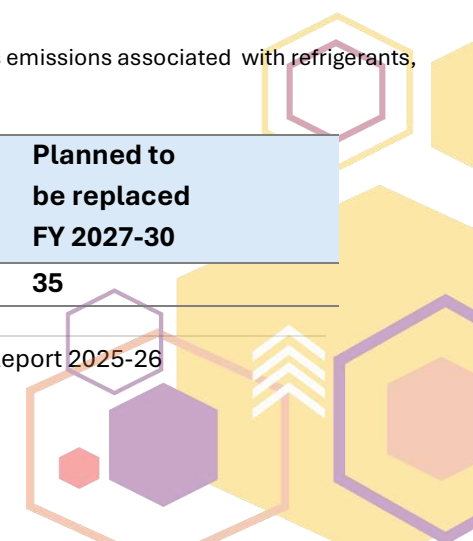
OZONE DEPLETING SUBSTANCES

(ODS – Phase Out Plan):

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has developed an Ozone Depleting Substances (ODS) phase-out plan to demonstrate its strong commitment to environmental sustainability and emissions reduction. By phasing out ozone-depleting substances, IOLCP aligns with international frameworks like the Montreal Protocol, which are designed to protect the stratospheric ozone layer and promote the adoption of safer, ozone-friendly technologies.

Our phase-out plan not only supports global ozone layer protection efforts but also contributes to climate change mitigation by reducing greenhouse gas emissions associated with refrigerants, demonstrating IOLCP’s commitment to sustainable industrial practices and environmental stewardship.

Total Number of AC’s	AC’s Identified for Low GWP refrigerants	AC replaced FY 2024-25	AC replaced FY 2025-26	Planned to be replaced FY 2026-27	Planned to be replaced FY 2027-30
322	69	7	6	16	35



Emission Reduction Initiatives

Reduction in Scope 2 emission:

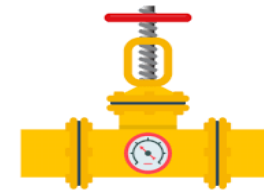
Case Study: Solar Panel Installation

IOL Chemicals and Pharmaceuticals Limited installed solar panels as part of its decarbonization strategy, leading to a significant reduction in Scope 2 emissions (indirect emissions from purchased electricity). The commissioning of 1.1 MW solar plant enabled the company to offset a sizable portion of its electricity demand with clean, renewable energy. As a result, annual grid electricity consumption decreased excluding new expansions substantially. In the FY 2026-27, IOLCP has planned to install 1 MW solar panels to enhance cumulative Solar power capacity two MW and achieve targeted Scope 2 reduction goals.



Case Study: Multi – Modal Initiative Implementation (Road-Rail-Sea)

IOLCP implemented a multi-modal logistics optimization initiative integrating road, rail and sea transport to reduce Scope 3 emissions and enhance supply chain efficiency. As part of this initiative, vehicle consolidation was introduced by grouping compatible materials into single shipments, while transport mode selection was optimized by shifting a higher share of deliveries to rail wherever feasible instead of road transport, resulting in reduction of Scope 3 greenhouse gas emissions by 103 MT CO₂e. This achievement reflects the Company’s strong commitment to sustainable logistics practices, efficient resource utilization and continuous improvement in its environmental performance.



Case Study: Transition from LPG to Piped Natural Gas (PNG) in Main Block Canteen

The Main Block canteen previously depended on Liquefied Petroleum Gas (LPG) cylinders for daily operations, consuming an average of 50–60 cylinders per month, which posed safety risks due to storage and handling, created supply dependency, and contributed to higher greenhouse gas (GHG) emissions.

To address these challenges, the Human Resources (HR) team led a structured transition to a Piped Natural Gas (PNG) system, ensuring a cleaner, safer, and uninterrupted fuel supply without disrupting operations. Following implementation, the canteen achieved zero LPG cylinder usage from March 2026 onward, ensuring continuous gas availability while eliminating risks associated with cylinder handling and storage.

The initiative resulted in the removal of over 600 LPG cylinders ~ 33.50MTCO₂e annually, significantly reducing the organization’s carbon footprint and environmental impact while improving operational efficiency. This transition reflects the organization’s commitment to ESG principles by enhancing workplace safety, reducing emissions, and strengthening operational reliability through a sustainable and forward-looking approach.

Air Emissions

To uphold stringent environmental standards, we have proactively implemented air pollution control equipment, including bag filters and Electrostatic Precipitators (ESP). Additionally, we ensure a closed-loop handling system for all solvents to prevent any release into the environment. Monitoring the ambient air quality is a priority, and we have installed a continuous air quality monitoring system (CAAQMS) to monitor real-time concentrations of all major pollutants in the surrounding air. We have an in-house team dedicated to verifying results conducted by a third party in compliance with the State Pollution Control Board mandates. The table shows an average out of all reports. We plan a transition to greener fuels for our thermic fluid heaters and furnaces to enhance our environmental efforts further. IOL Chemicals and Pharmaceuticals Limited (IOLCP) has demonstrated a strong commitment to controlling air emissions through a range of proactive initiatives. The company regularly monitors air pollutants and volatile organic compounds (VOCs) internally and externally, ensuring compliance with environmental regulations and transparency through consistent reporting. By implementing advanced automation and closed-loop processes, IOLCP minimizes accidental emissions and enhances process efficiency.



Pollutants	FY 2025-26	FY 2024-25	FY 2023-24
No _x (µg/m ³)	88.35	104	118
So _x (µg/m ³)	7.9	8.8	39
PM(µg/m ³)	49.5	61.5	94.3
Volatile organic compounds VOC (ppm)	348	345	350

Pollutants	FY 2025-26	FY 2024-25	FY 2023-24
Total (SO _x , NO _x in MT)	211.63 MT	215.55 MT	279 MT

Additionally, IOLCP actively supports greening efforts through plantation drives that improve local air quality and employs efficient solvent recovery systems to reduce VOC release. Respiratory fit testing for employees was conducted through 3M to ensure the effective use of respiratory protective equipment and strengthen workplace health and safety standards across its operations. IOLCP exemplifies a forward-thinking and responsible approach to air emission control, fostering a cleaner environment and sustainable industrial growth.

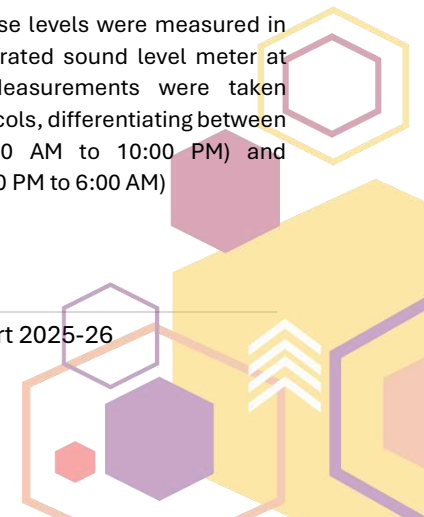


Noise monitoring

IOLCP Limited is committed to minimizing noise pollution and creating a healthy work environment for our employees and a quieter environment for the surrounding community. As part of this commitment, we conduct regular noise monitoring at key locations throughout our facility. We have a comprehensive industrial hygiene program which includes noise monitoring and control. A well-defined noise monitoring procedure is effectively implemented, and result of noise monitoring is measured, assessed and compared against prescribed standards and action plan to eliminate any harm due excessive noise is defined and implemented.

Monitoring methodology

During a recent period, noise levels were measured in decibels (dB) using a calibrated sound level meter at various key locations. Measurements were taken following established protocols, differentiating between daytime (D.T.) hours (6:00 AM to 10:00 PM) and nighttime (N.T.) hours (10:00 PM to 6:00 AM)



Industrial hygiene program

At IOLCP a comprehensive Industrial hygiene program is established and implemented for identifying, evaluating, and controlling workplace hazards—such as chemical, physical, biological, and ergonomic risks—to protect employee health and ensure a safe working environment. We carry out noise monitoring (Workplace & Ambient), Lux monitoring, Dust monitoring, LEL & VOC monitoring and various workplace ventilation and ergonomic assessment. PDE (Permitted Daily Exposure) Studies are available for all the products and maintained well below the PDE values through various control measures advanced technological upgradation, engineering control etc. Also, a training has been conducted by Regional Labor institute (RLI) Faridabad on Industrial Hygiene.



Ergonomics hazard control

IOL Chemicals and Pharmaceuticals Limited (IOL) demonstrate a strong, positive commitment to employee well-being and safety, making it an exemplary workplace for preventing repetitive strain injuries in the industry.

- IOLCP invests in ergonomic workstation design and modern manufacturing facilities, ensuring that employees have access to adjustable equipment and tools that minimize physical strain.

- The company encourages regular training and upskilling, which includes best practices for safe work habits, proper posture, and early identification of discomfort. Visual displays at prominent locations.

- IOLCP invests in ergonomic workstation design and modern manufacturing facilities, ensuring that employees have access to adjustable equipment and tools that minimize physical strain.

- Regular breaks, stretching routines, and health awareness initiatives are promoted, aligning with IOL's broader vision of being a great place to work and supporting the holistic well-being of its employees.

Noise reduction efforts

IOLCP Limited is committed to reducing noise pollution within its operations to ensure a safer and healthier environment for its employees and the surrounding community. The company has implemented several key initiatives aimed at minimizing noise levels:

1. **Acoustic Enclosures:** To contain noise from machinery and equipment, IOLCP has installed acoustic enclosures around high-decibel sources. These enclosures effectively absorb sound, reducing the overall noise emitted into the environment.
2. **Silencers and Mufflers:** The company has incorporated silencers and mufflers in exhaust systems of machinery, which significantly dampens noise generated during operations. This helps in maintaining compliance with regulatory standards for noise levels.
3. **Regular monitoring:** IOLCP conducts regular monitoring of ambient noise levels within and around

its facilities. This proactive approach allows the company to identify potential issues early and take corrective actions as needed.

4. **Employee Training:** The company emphasizes training employees on best practices for operating machinery quietly and safely, fostering a culture of awareness regarding noise reduction.

5. **Green Belt:** Excessive green belt is developed alongside the boundary wall of the company for noise reduction.

Through these initiatives, IOL Chemicals and Pharmaceuticals Limited demonstrates its commitment to sustainable practices and corporate responsibility.





SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

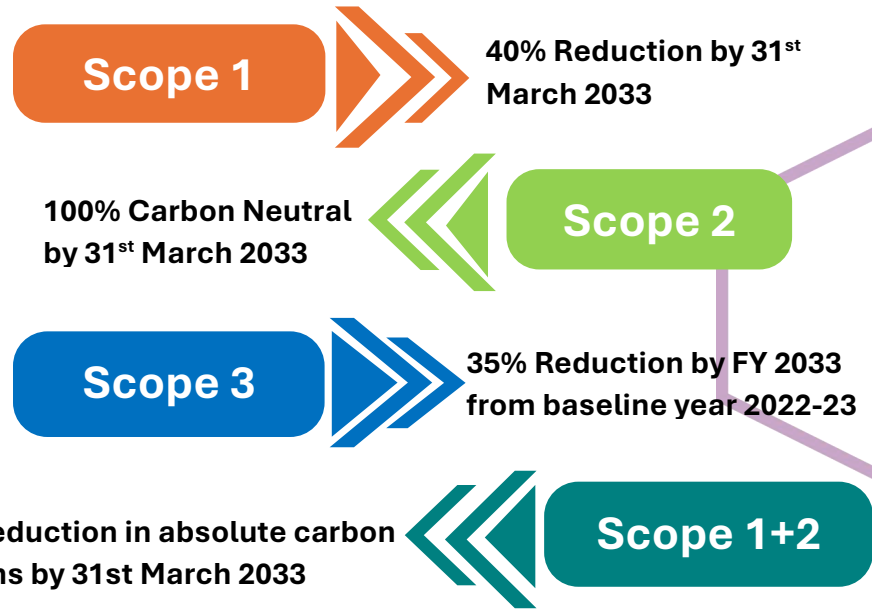
Global Rating Platforms

Science Based Targets Initiatives (SBTi)

IOL Chemicals and Pharmaceuticals Limited is actively involved in initiatives related to science-based targets. The Science Based Targets initiative (SBTi) helps to combat climate change by setting emission reduction targets. These targets are grounded in climate science and are aligned with the goals of the Paris Agreement. SBTi provides standards, tools, and guidance for setting emission reduction targets in line with limiting global warming and achieving net-zero emissions by 2050. SBTi has recognized the commitments made by IOLCP to reduce GHG emissions.

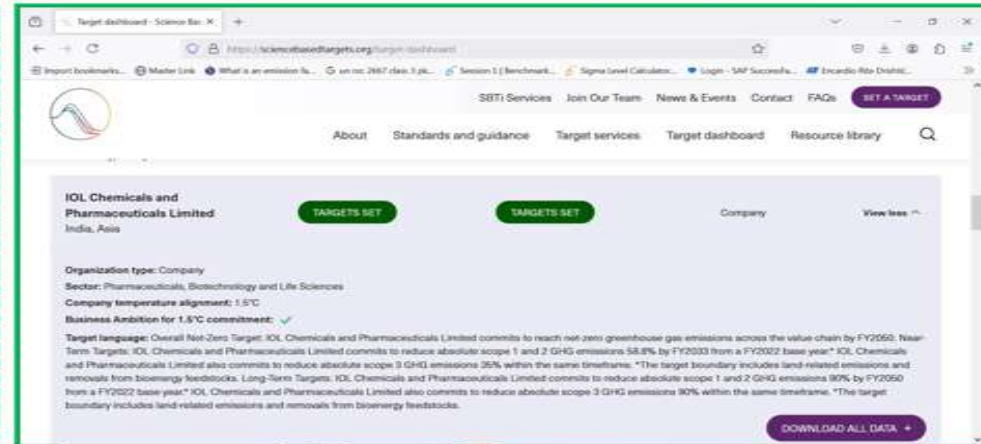
Objective: IOL Chemicals and Pharmaceuticals Limited commit to become carbon neutral by FY 2050.

Our Targets

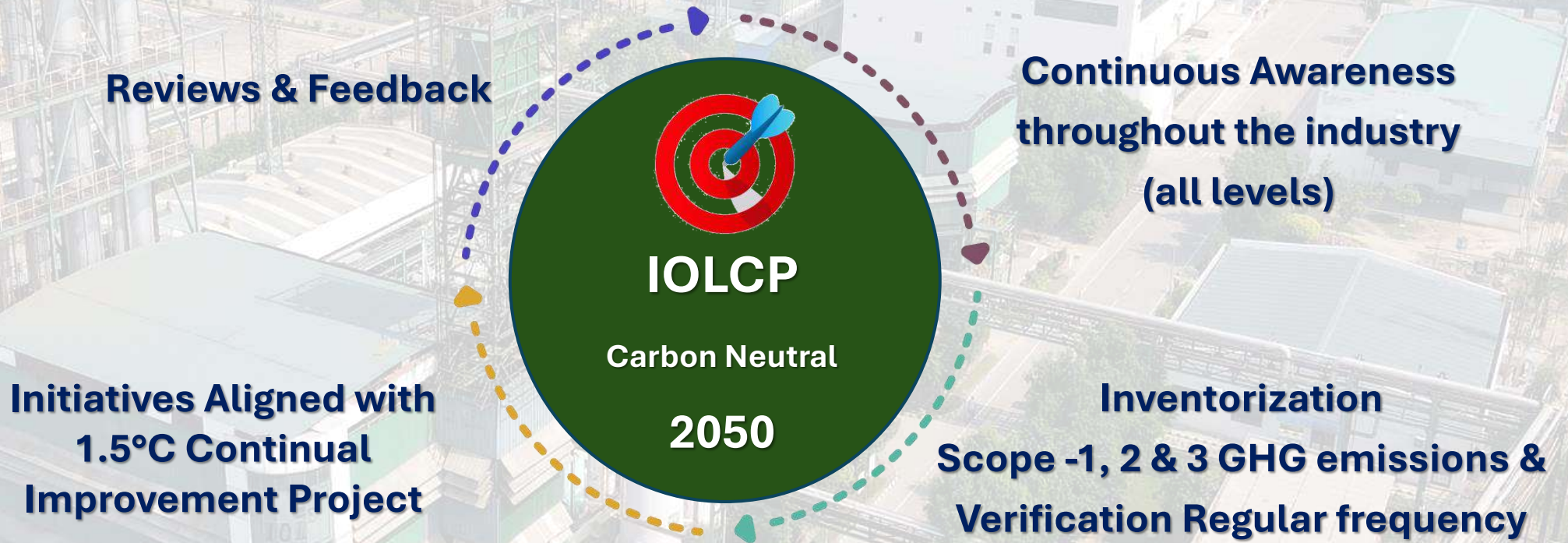


SBTi- Science Based Targets Initiatives

IOLCP Approved – Targets



"Together, We Create a Sustainable Future"





GHG Reduction Initiatives Planned for Next three years

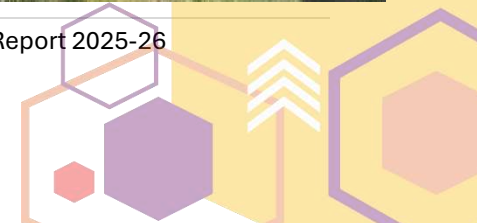
S.No.	Initiative	Scope/ Category	Action Plan	Projected Savings (tCO ₂ e)
1	Transportation Management and Green Mobility Initiative	Scope 1/3	1.Avoid multiple local trips 2.Vehicle pooling for same destination 3.Outstation trip planning 4.Centralized trip scheduling system 5.Replace low mileage vehicles	123.45
2	Reduction of PSPCL Power importing by installation of new Condensing cum extraction Turbine	Scope 2	PSPCL Power import reduction	45112.32
3	Waste to Wealth Initiatives	Scope 3	Effluent Saving opportunity action plan needs to be finalized	15952.872
4	Modification of fuel feeding underbed system in 80TPH Boiler to increase the quantity of biomass fuel consumption	Scope 1	Coal consumption reduction and increase of biomass fuel	22429.44
5	Scope 3 Emission Reduction Category -1 Purchased goods and Services (RM cradle to Gate)	Scope 3	Target 5% reduction in Scope 3 emissions in FY 2026 from FY 24-25	2552.383
6	Installation of Solar Panels 650 KWP on Formulation plant and 150 KWP on main road Footpath area	Scope 2	PSPCL Power import reduction	657
7	CT Fan Replacement	Scope 1/2	Power Savings	1943.76
8	Packaging Material Substitution	Scope 3	Increase shift from drums to PP bags from current 63 % to 75 % which results in decrease the carbon footprint b/w 325 - 350 tCO ₂ e per year. Collaborate with suppliers for sustainable and recyclable packaging solutions.	350
9	Fuel Calorific Value saving by establishing Husk storage yard	Scope 1/3	Fuel Saving	386
10	VFDs on PA fans of 80TPH Boiler	Scope 1	Power Savings	152

Total Estimated Saving

89659.225 tCO₂e

World Environment Day

IOL Chemicals & Pharmaceuticals Limited observed World Environment Day with a strong commitment to furthering its Environmental, Social, and Governance (ESG) objectives. The theme for Environment Day 2025 was – “Beat Plastic Pollution” & the purpose of the event was to educate staff members about sustainability, environmental preservation, and prudent resource management. Numerous activities were planned, including tree planting campaigns, awareness campaigns, waste to wealth competition, poster competition etc. The company's culture of environmental responsibility and teamwork was reflected in the employees' active participation. The event reaffirmed IOL's commitment to sustainable operations, regulatory compliance, and ongoing environmental performance improvement, bringing its business practices into line with long-term ecological stewardship and worldwide sustainability standards.



An aerial photograph of a dense, lush green forest. A paved road with yellow lane markings winds through the trees. A small white car is visible on the road, positioned directly under the letter 'v' of the word 'ecovadis'. The text 'ecovadis' is written in a large, white, sans-serif font, with a small green leaf icon integrated into the letter 'v'.

ecovadis

“Powering responsibility, advancing sustainability”

@ IOLCP

EcoVadis

IOL Chemicals and Pharmaceuticals Ltd has achieved a Silver Medal with 71 score under top 15% percentile in FY 25-26, reflecting its commitment to environmental, social, and governance (ESG) principles. This recognition highlights the company's ongoing efforts to integrate sustainability into its operations, particularly in the production of active pharmaceutical ingredients (APIs) and specialty chemicals. IOLCP has made significant strides in reducing its environmental impact, achieving 100% water neutrality and implementing a Zero Liquid Discharge (ZLD) facility that ensures no liquid waste is released into the environment. The company has also focused on renewable energy, with phase wise implementation of renewable energy into daily requirements of operations and other activities.

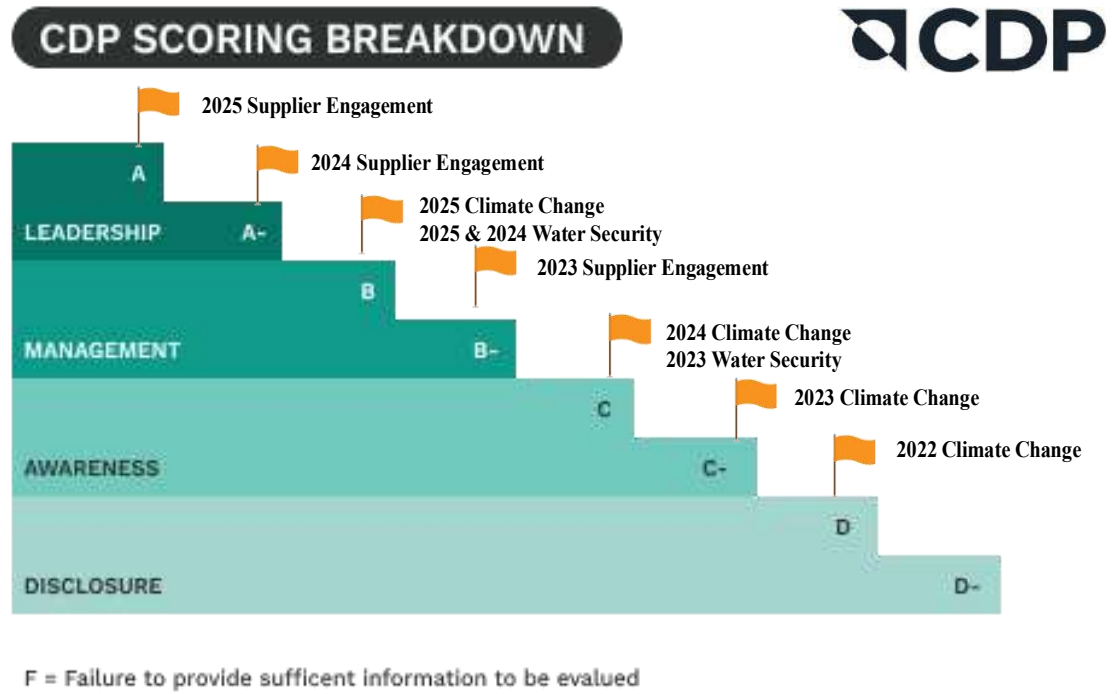


- Solar Panel Installation
- Waste to Wealth Initiatives
- New certification & endorsements
- Sustainability Roadmap
- Water Neutrality
- GHG Emission Reduction Roadmap

Carbon disclosure project (CDP)

IOL Chemicals and Pharmaceuticals Limited has actively engaged with the Carbon Disclosure Project (CDP) to enhance its environmental transparency and sustainability practices. By participating in this global platform, IOLCP aims to assess its greenhouse gas emissions, evaluate climate-related risks and water security.

IOL Chemicals & Pharmaceuticals Limited has recently strengthened its sustainability credentials through its latest CDP assessment, **achieving an 'A' rating in Supplier Engagement and a 'B' rating in Climate Change & Water Security**. These scores reflect the company's proactive approach to integrating climate considerations across its value chain, particularly by engaging suppliers on emissions management, transparency, and responsible practices. The 'B' rating in climate action highlights IOL's ongoing efforts to measure, manage, and reduce its environmental impact through improved energy efficiency, emissions tracking, and risk assessment. Together, these achievements underscore the company's commitment to aligning with global sustainability standards and advancing its journey toward more resilient and responsible operations.



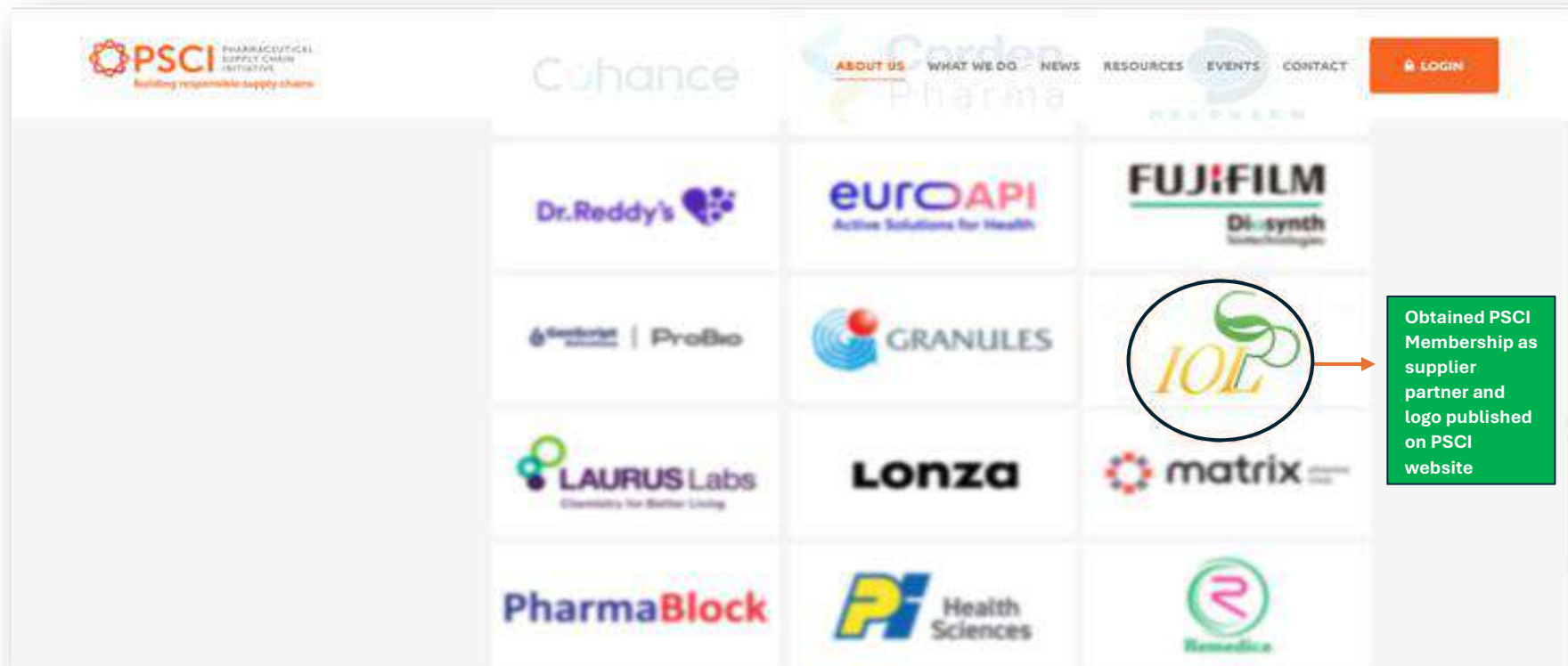
Pharmaceutical supply chain initiative (PSCI)

The Pharmaceutical Supply Chain Initiative (PSCI) is a non-profit organization formed in 2006 and formally established in 2013, comprising major pharmaceutical and healthcare companies, PSCI addresses critical issues such as labor rights, environmental sustainability, ethics, health and safety, and management systems. IOL Chemicals and Pharmaceuticals has applied for membership of PSCI, and successfully completed various external audits based on PSCI principles by customers & third parties.

Recently, IOL Chemicals and Pharmaceuticals Limited has obtained **PSCI Membership as supplier partner**. It has also been evident on the PSCI website.

IOL Chemicals and Pharmaceuticals Limited demonstrate strong alignment with the principles of the Pharmaceutical Supply Chain Initiative (PSCI), embedding responsible business practices across its operations and

supply chain. The company upholds PSCI's core pillars ethics, labor, health and safety, environment, and management systems by maintaining high standards of integrity, ensuring fair labor practices, and prioritizing worker health and safety through robust policies and regular audits.



Product Carbon Footprint

Product Life Cycle Assessment & LCA reduction Roadmap

Product Life Cycle Assessment play’s major role in emission calculation. LCA is systematic methodology used to evaluate the environmental impacts associated with all stages of a product's life, from raw material extraction through production, use, and disposal. This assessment enables companies to identify opportunities for reducing negative environmental effects and improving sustainability. The LCA process typically follows four main phases: goal and scope definition, inventory analysis, impact assessment, and interpretation. IOLCP has carefully calculated Life cycle assessment in Kg CO₂e of all key products like Ethyl acetate, Ibuprofen, Clopidogrel, Pantoprazole, Fenofibrate using support of third party i.e. Ecovamed. Ultimately, LCA bridges the gap between product-level environmental impacts and corporate carbon inventories, ensuring comprehensive Scope 3 reporting.

After evaluating the LCA of one of our API product, we have developed a roadmap for reduction of LCA which will eventually help in overall Sustainable growth of IOL chemicals and pharmaceuticals operations along with Logistic and Disposal. The LCA reduction roadmap is a strategic framework aimed at minimizing environmental impacts throughout the lifecycle of products and services. This roadmap is crucial for identifying key areas where emissions can be reduced, aligning with global climate goals (UNSDG and Paris agreement).



Ultimate Reduction roadmap includes the FY 2030 goal which will be achieved using inhouse close loop chemical production used as Raw Material and Strategic transportation and manufacturing of product to customer leading to minimum emissions.

Product Safety and Stewardship at IOLCP

We recognize our responsibility as a global leader in the chemical and pharmaceutical industries to ensure the safe, sustainable, and responsible management of our products throughout their entire life cycle.

At IOLCP, we understand the critical importance of product safety and responsible stewardship in the chemical and pharmaceutical sectors. Our mission is to develop, manufacture, distribute, and use our products in a manner that protects the health and safety of people, safeguards the environment, and promotes the well-being of communities around the world.

Our commitment to Product Safety and Product Stewardship is central to our long-term vision of advancing global health while minimizing environmental impact and promoting sustainable practices. We take responsibility for the entire lifecycle of our products from research and development through manufacturing, distribution, use, and disposal.

We are committed to the responsible management of our products throughout their lifecycle, ensuring that they are safe for people, communities, and the environment. Our ongoing efforts to innovate sustainably and reduce risks reflect our dedication to making a positive, long- term impact.

Our Commitments

Product Safety:

- Health & Safety of People
- Risk Assessment and Management
- Product Information & Transparency
- Training and Awareness

Product Stewardship:

- Environmental Protection
- Sustainable Innovation
- Compliance & Regulatory Excellence
- Stakeholder Engagement & Transparency
- Continuous Improvement

Through transparent communication, strict regulatory compliance, and a culture of continuous improvement, we aim to provide safe, effective, and environmentally responsible products to meet the evolving needs of society.

IOLCP has policy for the product safety & stewardship and constituted a steering committee to evaluate strategic plan with product safety and stewardship commitments. Comprehensive RACI chart has been defined for responsibilities and accountabilities of steering committee members. Training is imparted to all concerned employees on the product safety & stewardship management practices. IOLCP is Responsible care certified company and Product safety code has been effectively implemented and linked with organization's overall goals.



Under the IOLCP product safety and Stewardship program, we organize hazard communication trainings to all our customers on safe handling, processing and disposal of our products. Hazard communication is done through virtual mode or onsite visits. A comprehensive questionnaire has been developed on product safety & stewardship and shared with the customer to seek their acceptance on all aspects of safe handling of the product. Apart from it customer satisfaction survey is also carried out periodically and customer satisfaction is reviewed, and action are initiated to enhance customer satisfaction.

Product end-of-life management

As part of its larger sustainability and operational excellence objectives, IOL Chemicals and Pharmaceuticals Limited exhibits a strong, positive commitment to responsible product end- of-life management. To guarantee that products and related materials are handled safely and sustainably at the end of their lives, the company has put in place strong procedures. The company’s approach is built on its core values of partnership, sustainability, and continuous improvement, fostering enduring relationships with clients, regulatory bodies, industry partners, and specialized waste management vendors as mentioned below:

Plastic Waste: IOL disposes of plastic waste through authorized recyclers (Surya Chemicals, Karma Eco tech ltd.) strictly adhering to the Plastic Waste Management Rules, 2016.

E-Waste: All electronic waste generated is sent to vendors (Shivalik Solid Waste Management Ltd.) authorized by the Pollution Control Board, in compliance with E-Waste Management Rules.

Hazardous Waste: IOL has designated specific storage areas for hazardous waste within its facilities, ensuring safe containment. The company has established agreements with specialized partners such as GGEPIL, Nimbua Ramky and Re Sustainability for the secure disposal and treatment of hazardous materials, completing the proper end-of-life cycle for these substances.

This commitment to product stewardship also reflects in our process for sourcing RM and managing our supply chain during selection of starting material and business partners.

As a responsible organization, IOLCP includes the safe and effective management of unused and expired medicines by strictly follows all applicable regulatory guidelines for the collection, handling, and disposal of unused and expired medicines. The company collaborates with authorized waste management vendors to ensure that pharmaceutical waste is managed in an environmentally sound and compliant manner.

Whenever a product batch requires reprocessing or repacking due to deviations or quality concerns, an in-depth investigation is conducted by the Quality Assurance team in collaboration with the Product Development and relevant departments to identify the root cause. Only after obtaining approvals from the Head of Quality Assurance and other senior management, the material is reprocessed or repacked following a validated protocol that ensures the quality, safety, purity, and efficacy of the product remain uncompromised. In the last three FY 2023-24 FY 2024- 25 & FY 2025-26 return material from customer disposal and recycling details are mentioned in the table.

IOL Chemicals and Pharmaceuticals Limited (IOLCP) proactively take comprehensive initiatives to address quality-related and other issues identified through rigorous root cause analysis. By implementing targeted corrective and preventive actions, the company continuously enhances its processes and product quality.

<i>Year</i>	<i>Material received back after distribution (MT)</i>	<i>Material Dispatched (MT)</i>	<i>Material Recycled/Reprocessed (MT)</i>	<i>Reprocessing Loss (MT)</i>
<i>FY 2025-26</i>	110.736	45.87	64.71	0.15
<i>FY 2024-25</i>	108.13	0	108.13	0
<i>FY 2023-24</i>	46.45	0	46.45	0

Material Details (Three Years)

As a result of these focused efforts, IOLCP has achieved a remarkable reduction in the trend of recycling materials compared to the previous fiscal year 2024-25. Furthermore, demonstrating its strong commitment to sustainability and resource optimization, IOLCP successfully recycles the returned and waste materials on-site. This integrated approach not only drives operational excellence and customer satisfaction but also reinforces IOLCP's dedication to environmental stewardship and circular economy principles.

Energy audit

Purpose of the audit

An energy audit is a systematic process used to identify and quantify a company's energy use and GHG emissions. This information is crucial for:

- Understanding the environmental impact of IOLCP Limited operations.
- Identifying areas for improvement in energy efficiency.
- Setting achievable targets for energy consumption.
- Tracking progress towards achieving these targets over time

Scope of the audit

The audit encompassed the following areas:

- Energy Consumption: Data was collected on the amount of electricity, fuel oil, and other energy sources used across all IOLCP Limited facilities.

- GHG Emissions: The audit might be useful in GHG emissions calculation estimation generated from IOLCP Limited's activities. These included emissions associated with energy consumption, transportation, and disposal, offering insights into the environmental impact of the company's operations solely for Energy production fuel.

IOL Chemicals and Pharmaceuticals Limited conducted a comprehensive energy audit during FY 2024-25 as part of its ongoing commitment to improving operational efficiency and reducing environmental impact. The audit was undertaken by a cross-functional team of qualified professionals and provided a detailed evaluation of energy consumption across key areas, including production units, utility systems, administrative buildings, and supporting activities such as material handling and internal logistics. This granular assessment enabled the identification of energy-intensive processes and equipment, allowing the Company to prioritize targeted interventions for performance enhancement.

The audit identified multiple opportunities for energy optimization, including the adoption of high-efficiency equipment, process modifications to minimize energy losses, and the implementation of best practices to enhance operational control. It also emphasized the potential for integrating renewable energy sources and strengthening energy conservation measures across infrastructure and facility management systems.

To support accurate measurement and analysis, a range of advanced instruments were deployed, such as energy meters, flow meters, power analyzers, pressure gauges, thermography tools, and temperature sensing devices, ensuring data-driven insights and reliable diagnostics.

Building on these findings, IOL has been proactively implementing the recommended measures and embedding energy efficiency into its operational strategy. Continuous monitoring mechanisms and periodic reviews have been established to track improvements and identify further opportunities for optimization. Through these efforts, the company reinforces its commitment to responsible resource management, reduced energy intensity, and continuous improvement in line with its broader ESG and sustainability objectives.



Water Management & Conservation

We have adopted advanced technologies and implemented various water conservation measures, including:

- Zero liquid discharge (ZLD) plants
- Enhanced recycling and reuse of water
- Installation of smart water-saving devices
- Promotion of water conservation through awareness campaigns
- Wast heat utilization
- Steam condensate enhancement & recovery
- Dual Plumbing in toilets to save fresh water
- High pressure jet cleaning devices for cleaning of equipment
- Six sigma projects for optimization of water

Environment Management at IOLCP

IOLCP demonstrates exemplary commitment to environmental stewardship through a comprehensive and positive approach to mapping and managing its waste streams. The company has implemented a robust waste segregation system at source itself, distinguishing hazardous and non-hazardous wastes, with specific areas designated for hazardous waste storage to ensure safety and regulatory compliance. It actively minimizes waste generation by optimizing process controls, reusing by-products and employing automated close loop systems to reduce spillage and environmental emissions.

IOLCP has implemented a comprehensive set of control measures to prevent contamination of groundwater. IOL Chemicals and Pharmaceuticals Ltd (IOLCP) have a state-of-the-art Zero Liquid Discharge (ZLD) facility as part of its environmental initiatives, which reflects the company's commitment to minimizing its environmental impact.

This approach not only conserves fresh water but also eliminates the risk of groundwater pollution from industrial discharge. ZLD systems minimize environmental impact and adhere to environmental regulations by recovering and reusing all recovered water. Domestic /Sewage effluent is also segregated at Source and treated in well-designed Sewage treatment plant (STP).

IOLCP has installed all latest technologies for treatment of effluent like ETP, DAF, RO, MEE, MVRE, ATFD, Sludge Dryer. These systems transform wastewater into usable water and solid waste using processes like evaporation, and membrane technologies, preventing liquid discharge into the environment. ZLD systems are becoming increasingly critical for industrial wastewater treatment due to growing public concern about water scarcity and environmental degradation. We use a rigorous ZLD standard operating procedure (SOP) and have a specialized laboratory for evaluating stream parameters to ensure safe water management.

All Process Effluent generated from Manufacturing activities is segregated at source and treated separately in well-designed wastewater treatment plant to recover good quality water for reuse in cooling towers as make up water. No discharge of effluent containing residual API traces outside or inside of premises takes place and 100% ZLD conditions are maintained round the clock.

Groundwater quality monitoring is integral to IOLCP's compliance strategy, with regular sampling and data submission to regulatory authorities like the Central Pollution Control Board (CPCB) and the Ministry of Environment, Forest and Climate Change (MoEFCC).

The company adheres to the Water (Prevention & Control of Pollution) Act, 1974, employing advanced pollution control technologies to mitigate risks of heavy metal or chemical leaching.



Parameter (KL)	FY2025-26(KL)	FY 2024-25 (KL)
Surface Water	324641	213273
Groundwater	31155	49750
Total Volume of Water Withdrawal	355796	263023
Total Volume of Water Consumption	355796	263023
Total Water Discharge (total recycled water)	0	0
Water-neutral %	100	94
Water Recycled	274832	251104
Ground Water Intensity (KL/ton of product)	0.15	0.31



Every drop managed, every future secured

Water Risk Management

IOL Chemicals and Pharmaceuticals Limited (IOLCP) conduct water risk assessments by closely following established environmental guidelines and regulatory frameworks to ensure sustainable water management. The company systematically evaluates its water consumption patterns, identifies potential sources of water contamination, and assesses the availability and quality of local groundwater resources. By engaging with local communities and environmental experts, IOLCP gains valuable insights into regional water challenges and incorporates these into its risk assessment process.



This proactive approach allows the company to implement effective measures such as optimizing water use efficiency, enhancing wastewater treatment and recycling, and maintaining strict controls to prevent any contamination of groundwater. Through continuous monitoring and adherence to best practices, IOLCP not only mitigates water-related risks but also contributes positively to the conservation of water resources, ensuring long-term environmental sustainability and operational resilience. Utilizing Surface water to achieve water neutrality signifies strong commitment of our management towards water conservation.

Water Audit

A comprehensive water audit was conducted by the National Productivity Council (NPC) to systematically evaluate water consumption patterns and strengthen overall water management practices. The audit covered a detailed mapping of water usage across key areas such as manufacturing processes, utility operations, cooling systems, and domestic consumption within the facility. It also involved assessment of existing infrastructure and water flow mechanisms to ensure efficient monitoring and control. IOLCP continues to enhance its focus on efficient water utilization, operational sustainability, and environmental responsibility, contributing to long-term business resilience and reduced ecological impact.

Rainwater Management and Utilization

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has established a robust rainwater management system as part of its commitment to sustainable water management. The company has developed dedicated rainwater management infrastructure at its Barnala facility, including identification of all catchment areas connected with dedicated rainwater collection tanks, rooftop catchment area into dedicated stormwater drains, to capture uncontaminated rainwater. Complete segregation of process and storm water drain is implemented at site to prevent any contamination of rainwater.

All Wastewater streams are collected and transferred through overhead system only to achieve complete segregation. Rainwater is collected in well-designed collection tanks and reused for green belt irrigation and other activities like cleaning and other non-process activities for reducing reliance on external water source. A well-defined procedure for storm water management is established and implemented



Water Neutrality

Water neutrality seeks to balance the amount of water used with the amount replenished to maintain equilibrium in ecosystems. This balance is achieved by reducing water use, improving water efficiency, and restoring water sources. IOL Chemicals and Pharmaceuticals Limited has taken significant steps towards environmental sustainability, including 100% water neutrality. IOLCP has acquired nearby villages ponds on regular basis cleaning process was carried out to remove silt and increase the water holding capacity of the pond. We have implemented various initiatives such as using treated water from the STP plant for horticulture, which helps in reducing freshwater consumption.



As a part of IOLCP commitment for being a water neutral facility, a huge surface water (Canal) reservoir has been constructed which can accommodate the total water requirement of the facility for a period of minimum 60 days.

These efforts not only contribute to water neutrality but also align with broader environmental goals, demonstrating a commitment to sustainable practices.

Condensate Recovery

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has adopted waste heat recovery systems as a proactive measure to enhance energy efficiency and sustainability within its industrial operations. This initiative reduced our effluents, and the mixing of steam condensate saved around 25 kl/day. We utilized waste heat of steam condensate from our ethyl acetate plant to raise the temperature of wastewater RO feed in ZLD facility. This helped us in improving the plant performance of our two-stage hybrid RO in terms of recovery of permeate (70-85%), reduction in operating pressures (50-55 Bar to 35-40 Bar in PTRO) and (85-90 Bar to 55-60 Bar in HPRO).

Thus, reducing the freshwater intake by 274.8 kl/annum and generating better quality permeate for supplying to cooling towers as makeup water.



Six Sigma Implementation



By integrating Six Sigma techniques into its Environmental, Social, and Governance (ESG) framework, IOL Chemicals and Pharmaceuticals Limited furthered its dedication to sustainable and ethical operations. With a strong emphasis on reducing environmental impact, improving resource efficiency, and bolstering product quality, the company executed several structured Six Sigma projects throughout its manufacturing and support activities. Cross-functional teams methodically found inefficiencies in energy, water, emissions, and waste production through the methodical application of DMAIC (Define, Measure, Analyze, Improve, Control). This resulted in focused interventions that minimized the company's environmental impact while maximizing operational performance.

From an environmental standpoint, these efforts supported the company's sustainability objectives and regulatory compliance by increasing process yields, consuming fewer raw materials, and producing less hazardous waste.

On the social front, IOL emphasized employee engagement by building internal capabilities through Six Sigma training programs, encouraging participation in continuous improvement projects, and fostering a culture of accountability, safety, and innovation. Governance practices were strengthened through data-driven decision-making, standardized processes, and enhanced transparency in performance monitoring and reporting.

Overall, the integration of Six Sigma into ESG initiatives enabled the company to deliver measurable outcomes such as cost optimization, improved product consistency, and reduced cycle times, while simultaneously advancing its broader sustainability objectives. This holistic approach underscores IOL's commitment to creating long-term value for stakeholders by aligning operational excellence with environmental stewardship, social responsibility, and strong corporate governance.



Waste Management

We implement robust waste management practices to minimize waste and promote recycling. Hazardous and non-hazardous waste is segregated at the source, ensuring proper disposal and adherence to legal requirements. Non-hazardous waste is sold to authorized recyclers, while hazardous waste is handled through methods such as treatment, storage, co-processing, and pre-processing. We continuously seek ways to reduce waste, enhance recycling efforts, and collaborate with certified recyclers to improve our environmental performance and operational efficiency. To reduce our environmental impact, we have implemented several emission reduction projects. These initiatives focus on enhancing operational efficiency, adopting renewable energy sources and optimizing resource use. IOLCP follows the Waste Life Cycle methodology.

WASTE TO WEALTH INITIATIVES

Effluent reduction and energy savings in Unit-05

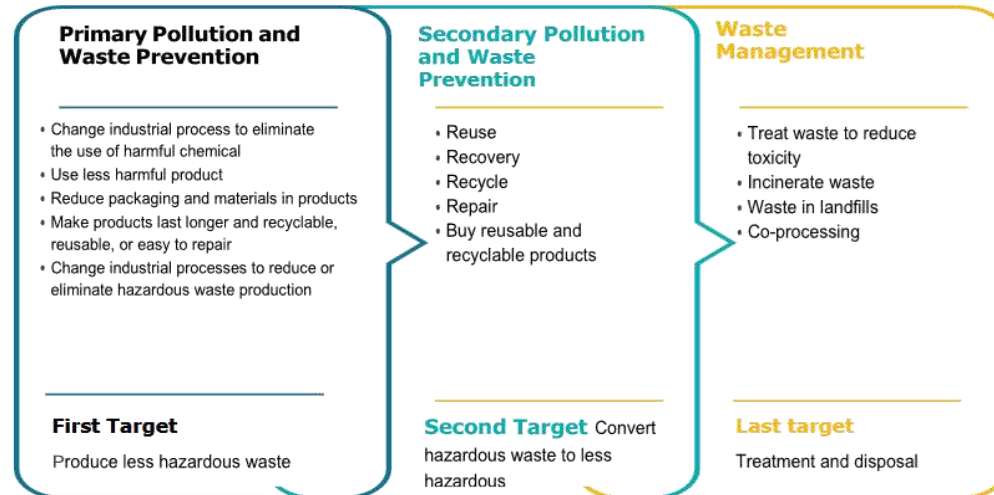
Objective: To reduce effluent and improve energy consumption norms by upgrading technology.

Timeframe : 6 months

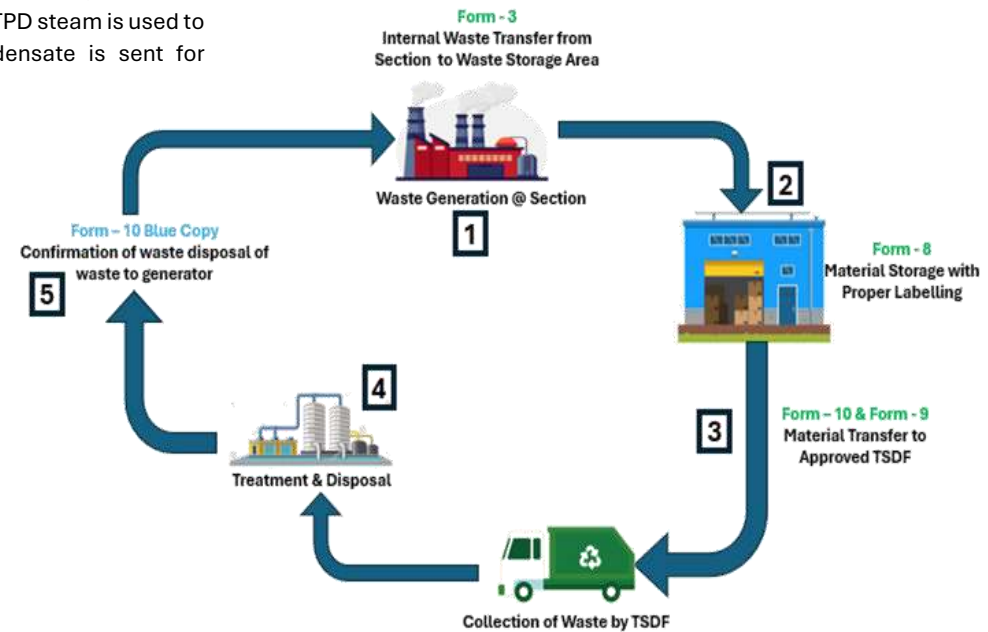
Process: At the Unit-05 plant, a material and energy balance concluded that a large amount of energy is consumed at the steam ejectors of the plant, which is used to create a vacuum in the process. To run steam ejectors, steam was used as the motive fluid, and when this steam condensed, it got contaminated by process vapors, which makes its reusability to convert into steam directly nearly impossible, and hence, it was sent to ETP for treatment. Around 2.5 MTPD steam is used to run the steam ejector, and condensate is sent for treatment.

To reduce effluent load and improve energy norms, the steam ejector was replaced by dry vacuum pumps, which are currently running and showing a positive impact.

Key results - In terms of effluent, around 2.5 MTPD of effluent was reduced by replacing steam ejectors with a dry vacuum pump, and nearly 50% of energy consumption has been reduced for that operation in the plant.



Life Cycle of Waste



Segregation of Waste at Source

Type of Waste (MT)	FY 2025-26	FY 2024-25	FY 2023-24
Plastic Waste	85.68	53.22	60.18
E-waste	0.746	0.38	1.05
Bio-medical Waste	0.0106	0.0107	0.02344
Battery waste	4.67	2.03	2.69
Hazardous waste	6670.12	2705.21	2458.775
Non-hazardous waste	1932	1634.13	1898.86
Total Waste Generated	8693.23	4394.98	4421.57
Total Recycled Waste	267.00	226.88	62.94
Incineration	634.61	417.59	342.37
Landfilling	5768.508	2067.24	2075.34
Total Waste Disposed	6403.121	2484.83	2417.71
Steam condensate recovery	94.3	94.3	97



Energy Efficiency

We place significant emphasis on energy management to ensure efficient and sustainable operations. We minimize our carbon footprint and efficiently manage energy consumption through energy-efficient technologies and implementing renewable energy sources. Our ISO 50001:2018 Energy Management System is strictly enforced across all sites, showcasing our dedication to energy management.

Renewable Energy

Renewable Energy Roadmap

To effectively transition of IOL Chemicals and Pharmaceuticals to solar energy, a structured roadmap with phased solar panel installation is planned, with phase wise implementation and continuous monitoring.

Phase 1: Assessment and Planning

- **Energy Audit:** Conduct a comprehensive energy audit to determine current consumption patterns and peak demand.
- **Feasibility Study:** Analyze potential solar panel installation sites, considering roof space, orientation, and shading impacts.
- **Financial Planning:** Explore financing options, including government incentives and partnerships with solar energy providers.

Phase 2: Pilot Project Implementation

- **Small-Scale Installation (62.1Kwh):** Initiate a pilot project with a limited number of solar panels to evaluate performance and integration into existing systems.

- **Monitoring Systems:** Install monitoring technologies to track energy production and savings, adjusting operational strategies as needed.

Phase 3: Full-Scale Deployment

- **Comprehensive Installation:** Roll out the installation of solar panels across all suitable facilities based on pilot feedback.
- **Integration with Operations:** Ensure that solar energy systems are integrated with manufacturing processes for optimal efficiency.

Phase 4: Optimization and Expansion

- **Performance Review:** Regularly assess system performance, adjusting maximize energy output.
- **Expansion Plans:** Consider additional renewable technologies (e.g., battery storage) to enhance energy reliability and reduce dependence on the grid



Monitoring and measurement of energy consumption

IOL Chemicals and Pharmaceuticals Limited (IOLCP) prioritize the monitoring and measurement of energy consumption as a critical component of its environmental sustainability strategy. The company employs a systematic approach to track energy usage across its manufacturing facilities, utilizing advanced metering systems that provide real-time data on energy consumption levels. This data is analyzed regularly to identify trends and areas for improvement, enabling IOLCP to implement targeted energy-saving initiatives. The integration of a 17 MW captive co-generation power plant allows the company to optimize its energy mix by using renewable resources, such as rice husk, wapsi and wood chips thereby reducing reliance on conventional fossil fuels.

Additionally, IOLCP has established guidelines that promote the use of energy-efficient technologies and practices throughout its operations. In FY 2025-26 the biofuel (Rice husk) consumption **is increased by 12% against** FY 2024-25 which leads to a significant reduction in Scope 1 emissions it shows organization commitment towards net zero goals.

Parameters	FY 2025 - 26	FY 2025-2026 (Excluding new Expansion) (TJ)	FY 2024 - 25	FY 2024-2025 (Excluding new Expansion) (TJ)	FY 2023 -24	FY 2023 - 2024 (Excluding new Expansion) (TJ)
Renewable Energy						
Total electricity consumption	2218.1	1787.4	1974.5	1544.9	1775.3	1502.5
Energy consumption through other sources	3.49	3.49	0.37	0.37	0.1699	0.169
Total energy consumed from renewable sources	2221.6	1790.0	1974.9	1545.3	1775.4	1502.7
Non - Renewable Energy						
Total electricity consumption	672.9	504.1	495.7	495.7	626.0	616.5
Energy consumption through other sources	3.5	3.5	2.58	2.58	3.77	3.77
Total energy consumed from Non-renewable sources	676.4	507.5	498.2	498.2	629.73	620.28
Total energy consumption	2898	2298.4	2473.1	2043.5	2405.2	2123
Energy intensity (J per rupee of turnover)	126002	99932	119589	98816	112549	99344
Co-Generation Capacity	17	17	17	17	17	17



What We Do	How We Do	Impact
<p>Continuous Monitoring Utilize a Power Management System (PMS) for constant energy consumption monitoring.</p>	Use advanced monitoring for real-time tracking of transformer and feeder loads	<p>Enhanced Energy Efficiency Optimize energy usage through quick identification and rectification of inefficiencies</p>
<p>Daily Reporting Generate daily 24-hour power reports via PMS.</p>	ISO 50001 Standard EnMS Implement the ISO 50001 Energy Management System standard for efficient control	<p>Reduced Carbon Footprint Systematically manage energy consumption to significantly reduce carbon footprint</p>
<p>Energy Management Team Establish a team to develop & implement energy-saving initiatives.</p>	<p>Data Collection and Analysis Collect and analyses data on consumption patterns to identify improvement areas</p>	<p>Employee Involvement and Innovation Building a culture of sustainability and innovation through employee participation.</p>
<p>Employee Engagement Encourage employees to provide ideas and suggestions for energy saving projects</p>	<p>Regular Audits and Reviews Conduct regular audits and reviews of energy consumption data.</p>	<p>Compliance and Recognition Adhere to ISO 50001 standard to enhance reputation and regulatory compliance</p>

Initiatives for Sustainable: Mobility Integrating Electric and Hybrid Vehicles for a Greener Future

IOL Chemicals and Pharmaceuticals Limited has made notable progress in adopting electric vehicles (EVs) as part of its broader commitment to sustainability and reducing its carbon footprint. By integrating EV technology into its logistics and transportation systems, the company is actively working to improve operational efficiency while minimizing environmental impact. In addition to fully electric vehicles, IOL also utilizes hybrid vehicles for company travel, striking a balance between performance, fuel efficiency, and reduced emissions. This dual approach allows the organization to transition more smoothly toward cleaner mobility solutions while maintaining flexibility in its operations.

This initiative aligns closely with global trends favouring greener and more responsible business practices, reflecting IOL’s proactive stance in embracing innovation within the chemical and pharmaceutical sectors. The adoption of EVs and hybrid vehicles not only helps reduce greenhouse gas emissions and dependence on fossil fuels but also demonstrates the company’s dedication to environmental stewardship. Furthermore, these efforts enhance IOL’s corporate image and support long-term sustainability goals, ensuring that the company remains competitive while contributing positively to a cleaner and more sustainable future.

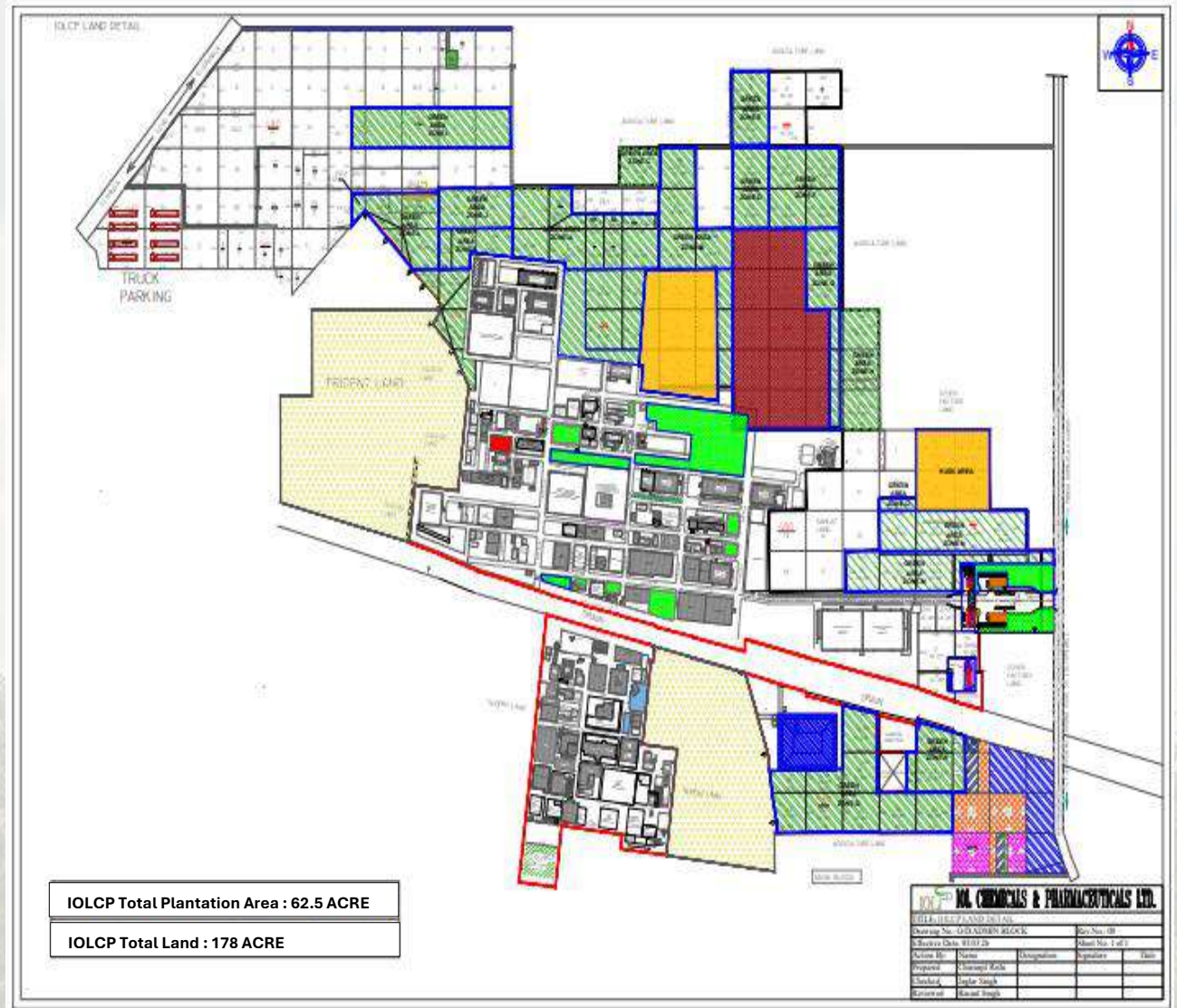


Biodiversity

As per the above Note 6 methodology, there has been around 61,208 trees in IOL Chemicals & Pharmaceuticals Limited and average tree age comes to 2-10 years. Also, there is no usage of the fertilizers, pesticides. In accordance with Paris Agreement (to limit the temperature 1.5°C above pre-industrial levels), tree plantations are a good source for carbon sink. Therefore, we including various tree species like Maulsari, Pilkhan, Amaltas, Jaikaranda, Sukhchain, Cassia semia, Arjun, Kajurina, Dek, Gluca, Tecoma, Kaner, Eucalyptus, Bahunia, Tahli, and Neem, which collectively support carbon sequestration, water purification and soil stabilization. A monthly meet of ESG has been conducted to keep track of the progress and all the trees are in live condition.

The green area comprising of total of 62.5 acres has been meticulously divided into multiple designated plots names such as Green Site A - Hari Van, Green Site B - Amrit Van etc. This comprehensive zoning system enables precise calculations, plot-specific tracking and maintenance of green area. All trees are planted exclusively within the existing plant campus boundaries.

As diverse plantation species are present within the IOLCP, and their carbon sequestration potential also varies. Emission factors of some prominent species are mentioned above along with their references attached. We lurked around various research papers on IPCC website, but there hasn't been any particular evident paper on the website consisting of all the emission factors at one source. Therefore, we sourced data from various credible online studies and research papers with links included in the attached excel sheet.





Green Site	Nos. of trees	Emission (MT CO ₂ e/Year)
Green Site A - Hari Van	3991	67.64
Green Site B - Amrit Van	2407	38.09
Green Site C - Dharti Van	1027	20.24
Green Site D - Veda Van	1286	23.34
Green Site E - Eko Van	704	8.31
Green Site F - Shanti Van	2303	50.37
Green Site G - Aruva Van	1620	27.48
Green Site H - Vedara Van	1935	32.54
Green Site I - Amriva Van	2010	32.37
Green Site J - Amaya Van	2012	40.24
Green Site K - Dhantera Van	962	29.68
Total	20257	370.28



Plants Name	Number of plants	Emission (MT CO ₂ e/Year)
<i>Eucalyptus</i>	1822	28.76
<i>Tecoma</i>	20	0.16
<i>Casiagluca</i>	295	0.92
<i>Arjun</i>	1271	21.24
<i>Sukhchain</i>	410	14.97
<i>Dek</i>	51	0.38
<i>Casiasemia</i>	10	0.13
<i>Amaltas</i>	25	0.09
<i>Tahli</i>	17	0.27
<i>Pilkan</i>	8	0.05
<i>Maulsri</i>	2	0.01
<i>Kaner</i>	46	0.46



Social Responsibility Building a Better Future Together

IOL is dedicated to cultivating a diverse, safe, and productive workplace. We offer equal growth opportunities with robust training, empowering our team members to shape their careers. Through our CSR arm, IOL Foundation, we are committed to making a positive impact in our local communities. We are also focused on addressing environmental and social impacts throughout our value chain.

FY 2025-26 Highlights

3.06 Cr

Total CSR spends

100%

Of our employees received performance and career development reviews

0

Complaints by employees on working conditions and health and safety

40%

Our key raw material suppliers who have undergone internal assessments on ESG factors in FY 25-26

100%

Of our plants were assessed on health and safety practices and working conditions

47%

Procurement spends within India

Material Issues Covered



Employee Safety, Health and Well-being



Human Rights



Employee Engagement



Supply Chain Management



Local Communities

SDG's Impacted



Social Responsibility

Fostering an Inclusive Work Environment

Occupational Health & Safety



OHS is a multifaceted domain which always require diligent attention and continuous improvement. By adhering to regulations, identifying and managing risks, providing thorough training, and fostering a culture of safety, IOLCP is committed to protect their employees and ensure a safer, more productive work environment. Prioritizing health and safety not only benefits employees but also contributes to the overall success and sustainability of plant operations.

Effective Implementation of Employee Health and Safety at IOLCP has given immense benefits:

- **Reduced Accidents and Injuries:** Implementing comprehensive safety measures leads to decrease workplace accidents and injuries, reducing downtime and associated costs.
- **Enhanced Productivity:** A safe work environment improves employee morale and productivity by minimizing disruptions and health-related absences.
- **Legal Compliance:** Adhering to health and safety regulations helps avoid non-compliances and protects the company's reputation.



OHS

OCCUPATIONAL HEALTH & SAFETY

IOLCP Safety Mission



T H I N K S A F E

Zero Injuries to Our People, Contractors, and Visitors

Zero Compromise on Safety

Zero Tolerance of Unsafe Behavior and Acts

Zero Impacts on Our Families and Communities





- **Cost Savings:** Efficient and sustainable plant operations.

Various engagement drives are being organized at IOLCP to spread awareness among all employees, stakeholders. Engagement activities include Campaigns, Online quiz competition, Shopfloor toolbox talks, Mock drill, Fire Competitions, Tree plantation drives etc.

OHC (Occupational Health Centre)

IOL Chemicals and Pharmaceuticals Limited places a strong emphasis on occupational health and safety (OHS) as part of its commitment to sustainability and employee welfare. The company has established a comprehensive Occupational Health Centre designed to monitor and promote the health of its workforce.

The Occupational Health Centre OHC at IOL Chemicals and Pharmaceuticals Limited is equipped to provide round-the-clock medical support to employees, their families, and the surrounding community. It carries out periodic health checkups, hygiene monitoring, and other preventive assessments to identify and address occupational health risks at an early stage. The facility is supported with essential medical equipment and an ambulance for emergency response, ensuring timely care and improved workplace health and safety.

Round-the-clock medical support is available at site, with a qualified doctor and two pharmacists to address medical needs and emergencies, reinforcing its commitment to employee health, safety, and well-being.



Emergency Preparedness through Mock Drills at IOL Chemicals and Pharmaceuticals Ltd

IOL Chemicals and Pharmaceuticals Ltd demonstrate a robust commitment to safety and emergency preparedness by conducting both on-site and off-site mock drills as integral components of its comprehensive risk management strategy. These exercises align with international standards such as Responsible Care® evidenced by the company's endorsement from the Indian Chemical Council (ICC) and support compliance with regulatory frameworks like the Factories Act, 1948, and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.



On-site mock drills are organized quarterly across manufacturing units, training centers, and administrative areas to ensure all employees, contractors, and visitors are proficient in responding to emergencies like fires, chemical spills, gas leaks, and medical incidents.

To address larger-scale emergencies with potential community impact off-site mock drills are conducted annually in collaboration with local stakeholders. These involve the District Administration, fire brigade, National Disaster Response Force (NDRF), pollution control boards, and nearby hospitals, simulating multi-hazard scenarios like a gas leakage emergency. In FY 25-26, twelve internal mock drills and one external mock drill have been conducted throughout the year.

IOLCP maintains a comprehensive, robust product recall process designed to ensure rapid response, identification, and mitigation in the event of any quality or safety emergency. Furthermore, we have proactively conducted detailed Journey Risk Assessments for our key products and raw materials to systematically identify potential hazards, evaluate risks, and implement necessary corrective actions.

Initiatives

LOTOTO

LOTOTO, referred to as your lockout tagout Try out procedure. At IOL Chemicals and Pharmaceuticals, it involves nine-step process to ensure the safe isolation of hazardous equipment and to comply with regulations. From preparation and notification to turning off, isolation, and applying locks, each step prevents accidental re-energization. The try-out step is significant, acting as a fail-safe to identify faults before maintenance or repair work so not incidents happen before, during or after maintenance.

Step-1: Prepare

- Review the work order and machinery involved.
- Conduct a pre-job briefing.
- Complete associated paperwork or permits for isolation.

Step-2: Notify

- Inform all affected employees about the planned maintenance.
- Use appropriate methods like control rooms, email, or physical notifications.

Step-3: Shut Down

- Shut down the equipment using standardized procedures.

Step-4: Isolate Machinery from Energy Source

- Locate and isolate all energy sources (e.g., power cables, valves).

Step-5: Apply Lockout Tagout Device

- Attach lockout and tagout devices to prevent re-energization.
- Use signed or person-specific locks and tags.

Step-6: Check Stored Energy

- Release any stored energy (e.g., spring tension, heated liquids).
- Secure moving parts.

Step-7: Verify Isolation and Try-out and Test

- Verify that the equipment is in a zero-energy state.
- Test to ensure no energy remains.

Step-8: Perform Task

- Proceed with maintenance or servicing

Step-9: Inspect and Restore

- Visually inspect the area to ensure safety.
- Remove all lockout devices and tags (only by authorized personnel).
- Restore equipment to operating position and verify functionality.
- Notify all affected individuals and complete necessary paperwork

At IOL Chemicals and Pharmaceuticals, we have implemented the above steps throughout 24 X 7 for safe work conditions to reach and maintain Zero Incident and Accident

IOLCP Workforce Injury Risk Mitigation Plan

- Developed and adopted a robust, comprehensive, and reliable Occupational Health and Safety

Management System under IOLCP Management System covering employees, contract employees and visitors.

- Plant-level initiatives such as daily toolbox talk, monthly awareness sessions, etc.
- LCT (Loss Control tour) through HAZOP, HIRA, QRA and chemical exposure study.
- Other than these regular third-party audits through external auditors (experts in the field).
- Learning from incident - safety alert shared through Safety contact
- Reward and recognition

Contactors Safety Management

IOL Chemicals and Pharmaceuticals Limited (IOLCP) places utmost importance on contractor safety, embedding it as a core element of its robust Environment, Health, and Safety (EHS) management system. The company ensures that all contractors comply with stringent safety protocols, including comprehensive training, use of appropriate personal protective equipment (PPE), and adherence to site-specific safety guidelines.



IOLCP actively monitors contractor activities through regular audits and supervision to maintain high safety standards and minimize risks. By fostering a culture of safety collaboration and accountability, IOLCP not only protects contractors from occupational hazards but also reinforces its commitment to operational excellence and sustainable workplace well-being. We have comprehensive guidelines for contractors in English as well Hindi language.

Fire Alarm System

At IOL Chemicals and Pharmaceuticals, we have implemented Fire Alarm System to safeguard 100% operations with critical processes. We have installed fire alarm system and smoke detectors installed strategically all over site for smooth and robust message transfer to in house safety team and employees of IOL Chemicals and Pharmaceuticals Ltd. Emergency preparedness is checked from time to time to maintain utmost standard. Fully Equipped Fire tender and emergency rescue vehicle is available at site 24 X 7.

Human Body Static Charge Dissipator

IOL Chemicals and Pharmaceuticals Ltd. has installed human static charge dissipator at desired locations (loading, unloading and production blocks) to discharge the static charge developed in human body to the ground, human body static dissipator provides complete solution, by measuring the resistance of human body and providing conductive path for static charge dissipation to earth and It ensures that, the human body resistance is below safe ohm limit and from risk of spark generated due to static discharge, prior to entering



National Safety Awareness Weeks: Fire, Workplace, and Road Safety

At IOL Chemicals and Pharmaceuticals Limited, safety remains a fundamental pillar of our Environmental, Social, and Governance (ESG) framework, deeply integrated into our operational philosophy and decision-making processes. During the year, the Company actively observed National Safety Awareness Weeks dedicated to fire safety, workplace safety, and road safety, reinforcing a proactive culture centered on risk prevention and responsible conduct. A wide range of initiatives were undertaken, including comprehensive mock drills, hands-on firefighting training, emergency evacuation rehearsals, defensive driving programs, and structured hazard identification and risk assessment exercises.

These activities were complemented by expert-led workshops, toolbox talks, and awareness campaigns aimed at enhancing knowledge, preparedness, and behavioral safety across all levels of the organization.

The programs saw enthusiastic participation from employees and contractors, fostering collective accountability and strengthening safety leadership at every level. Special emphasis was placed on recognizing and rewarding safe practices, encouraging near-miss reporting, and integrating safety metrics into performance monitoring systems. Additionally, digital tools and internal communication platforms such as centralized fire alarm, were leveraged to disseminate safety guidelines and real-time alerts, ensuring continuous engagement and learning.

Through these sustained efforts, the Company not only enhances operational resilience but also contributes to the well-being of the communities in which it operates by promoting safe practices beyond the workplace. Our unwavering commitment to continuous improvement, regulatory compliance, and adoption of global best practices underscores our objective of achieving zero harm. By prioritizing the protection of human life, safeguarding assets, and minimizing environmental impact, IOL Chemicals and Pharmaceuticals Limited continue to strengthen its ESG performance and advance its journey toward sustainable and responsible growth.



Safety Proactive Initiatives & Safety Concern Reporting Portal

At IOLCP, we have IPO (Incident prevention opportunity) reporting digital portal platform where employees can swiftly and easily log incidents that could have led to injury or damage but didn't. Also, in all three languages (Hindi, English & Punjabi) contractor can also report IPO in Hard Copies placed at strategic locations. Allowing for proactive risk management and safety improvements and actively solution in provided to resolve the issue before any incident is reported. We have reported following benefits after implementation of near miss (IPO) portal.

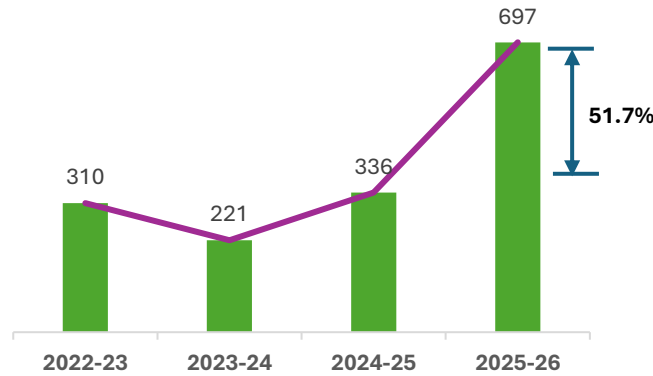
Proactive Risk Management: By identifying and addressing near misses, we can prevent future accidents and reduce risks. For FY 25-26, a total of **697** near miss has been reported through Incident Prevention Opportunity portal. The near miss reporting has increased in FY 25-26 as compared to previous years. A trend has been shown of increased near miss.

At IOL Chemicals and Pharmaceuticals Ltd. PPE safety is the practice of ensuring a safe, working environment for employees and visitors. Safety is paramount to IOLCP activities, we have paired PPEs use with locations and operation to generate PPE matrix which is followed 24X7 at all processing units throughout site.

Hazard Identification and Risk Mitigation

Hazard identification and risk assessment (HIRA) is necessary for maintaining a high level of safety and efficiency in the workplace. With commitment of zero harm to our people and the environment, it becomes very essential that the hazards at the workplace are effectively assessed and managed. This also ensure reliability of our operations. We have developed several tools to regularly evaluate potential workplace- related health and safety.

Near Miss Reporting Trend:



hazards and their risks. These processes aim to identify potential risks and hazards, assess their severity, and put management teams in a better position to put controls and preventive and corrective actions. During hazard identification, IOL's internal teams inspect workplace and processes with the goal of identifying potential risks to human health and safety.

We deploy Hazard Identification and Risk Assessment (HIRA), a qualitative risk assessment tool for our routine activities. Additionally, for non-routine tasks, we conduct Job Safety Analysis (JSA) to identify and analyze job-related hazards. Safety audits are being conducted on regular intervals though external subject matter experts to verify our control measures. These audits are documented, tracked and reviewed regularly. We also perform PSSR (Pre-Start Up Safety review) before plant start up and for new projects. As per the site requirement, in FY 25-26 we have conducted three PSSR at site.

Change management is handled though HAZOP and existing products are also reviewed on regular interval. In FY 25-26, eight HAZOP studies are conducted at site.

Total Suggestions received	16
Suggestions resolved	15
Suggestions under implementation	1
Suggestions pending	0
% Compliance	94%

Worker Participation & Consultation

IOL Chemicals and Pharmaceuticals Limited is committed to fostering a proactive safety culture through structured worker participation and open communication on occupational health and safety (OHS) matters. The Company has established joint management-worker safety committees across its facilities, where employee representatives are actively involved in identifying hazards, assessing risks and recommending corrective actions. Regular safety meetings, toolbox talks, training sessions, risk assessments and Incident investigation ensure that workers are informed, consulted, and empowered to contribute to continuous improvement in workplace safety.

Mechanisms such as suggestion schemes, incident reporting systems, and near-miss reporting further enable employees to voice concerns without fear of reprisal. Feedback from workers is systematically reviewed by management and integrated into safety policies, procedures and preventive measures, ensuring that OHS decisions reflects both operational requirements and worker insights.



Process Safety Management

At IOL Chemicals & Pharmaceuticals Limited, Process Safety Management (PSM) is integral to our Environmental, Social, and Governance (ESG) framework, underpinning sustainable operations in API manufacturing. We implement robust PSM protocols across our facilities, leveraging hazard identification, risk assessments, rigorous training, and advanced engineering controls which helps to mitigate risks from reactive chemicals and ensure safe scale-up processes. This commitment not only protects our workforce and assets but also minimizes environmental impacts, aligning with global standards such as OSHA PSM elements and reinforcing our dedication to zero-incident performance and stakeholder trust.

For FY 25-26, training on Process Safety Management has been conducted by Cholamandlam.

Safety Performance Overview

The foundation of our safety strategy at IOL Chemicals and Pharmaceuticals Ltd is the proactive detection and efficient handling of workplace risks through a multi-layered approach.

Monthly safety inspections by cross-functional teams, leadership walkarounds involving senior management, rigorous internal audits per PSCI and ISO 45001 standards, detailed incident investigations using root cause analysis (e.g. 5-Why methodology), and comprehensive risk assessments (including HAZOP and JSA) systematically identify hazards in chemical handling, high-pressure operations and storage areas.



During the reporting period, a reportable safety incident occurred at IOL Chemicals & Pharmaceuticals. A structured root cause analysis was undertaken using established incident investigation methodologies (including causal factor analysis and management system review) to determine immediate, underlying, and systemic causes. Based on the findings, corrective and preventive actions (CAPAs) were implemented, including strengthening of process safety controls, review and upgrade of standard operating procedures (SOPs), enhancement of permit-to-work (PTW) systems, and reinforcement of hazard identification and risk assessment (HIRA) protocols. Engineering controls and critical safety interlocks were reassessed, and additional layers of protection were introduced where required. Targeted training and competency assessments were conducted for relevant personnel, alongside increased frequency of safety audits and leadership safety walks. The learnings from the incident have been spread across site to drive standardization of best practices. We have also communicated transparently to all our stakeholders. The Company remains committed to continual improvement in its Environment, Health & Safety (EHS) management systems and adherence to a zero-harm objective through proactive risk mitigation and transparent ESG disclosure.

Lost Time Injury Frequency Rate (LTIFR)*

Category	FY 25	FY 24	FY 23
Employees	1.46	0	0
Contractor Employees	0	0	0

Lost Time Injury Severity Rate (LTISR)*

Category	FY 25	FY 24	FY 23
Employees	876.11	0	0
Contractor Employees	0	0	0

At IOL Chemicals and Pharmaceuticals Ltd, Frequency Rate (FR) and Severity Rate (SR) for industrial injuries are calculated strictly as per Indian Standard IS 3786:1983 (Reaffirmed 2002), which provides standardized methods for computation and classification of industrial accidents.

Community Emergency Support Commitment

At IOLCP, we stand ready to support nearby communities during emergencies such as fires. Our fully equipped fire tender is available to respond swiftly to incidents which are in barnala, providing critical firefighting assistance alongside local authorities. Nearby community members are adequately informed about emergency contact number to ensure timely communication and preparedness during emergencies. This initiative reflects our dedication to neighbourly responsibility, ensuring safety for all while coordinating seamlessly with fire services and emergency teams to minimize risks and protect lives and property.



Employee Wellbeing & Stress Management

We at IOLCP focuses on employee well-being and psychological health which is prioritized through a structured and multi-faceted approach aligned with global standards such as SA8000. The company actively implements measures to reduce workplace stress and promote a healthy work-life balance, including structured A, B, and C shift systems to ensure optimal workload distribution and minimize fatigue. Regular engagement initiatives such as Family Day celebrations, sports tournaments, and recreational activities foster team bonding, relaxation, and a positive work environment. In addition, yoga sessions are conducted to enhance mindfulness, physical fitness, and emotional well-being.



We also emphasize on continuous communication and development through constructive feedback mechanisms, enabling employees to feel heard, supported, and motivated. Periodic employee satisfaction surveys are conducted to assess well-being, engagement levels, and areas for improvement, ensuring that employee concerns are addressed proactively.

Furthermore, dedicated training programs on Time Management and Stress Management equip employees with practical tools to handle work pressures effectively.

Managing Solid Charging Risk

Managing solid waste charge risks at the workplace involves a comprehensive approach that addresses various hazards associated with solid charging. This includes identifying risks, implementing control measures, and ensuring compliance with safety regulations. One of the most undertaken hazards is dust explosions present a significant risk in some workplaces. Dust explosions usually occur where combustible dusts (or fibers, for example from paper, grain, finely divided organic compounds and metals) have accumulated and are then disturbed and released into the air, encountering an ignition source. We have done dust study for every individual product and Raw material.

Risk Assessment and Management for Effective risk management begins with a thorough risk assessment at IOLCP. This involves:

1. Identifying Solid Charge Risk: Regular inspections and employee feedback can help identify potential Solid charge risk at workplace.
2. Evaluating Solid charge Risk: Assessing the likelihood and severity of incidents related to identified hazards is crucial for prioritizing safety measures.
3. Implementing Control Measures: Following the hierarchy of controls—elimination, substitution, engineering controls, administrative actions, and personal protective equipment (PPE)—is essential in mitigating risks.
4. Monitoring and Reviewing Controls: Regularly reviewing the effectiveness of implemented measures ensures they remain relevant and effective.



Women Empowerment

We at IOLCP fosters a diverse and equitable workplace by promoting equal opportunities in recruitment, career advancement, and leadership development, ensuring that women are empowered to realize their full potential. IOLCP emphasizes a safe and respectful work environment through robust policies on prevention of harassment, supported by awareness programs and effective grievance redressal mechanisms. Targeted initiatives in skill development, mentoring, and capacity building further enable women employees to enhance their professional competencies and leadership capabilities. Through these efforts, IOLCP continues to strengthen gender inclusivity while aligning with global ESG frameworks and responsible business practices.



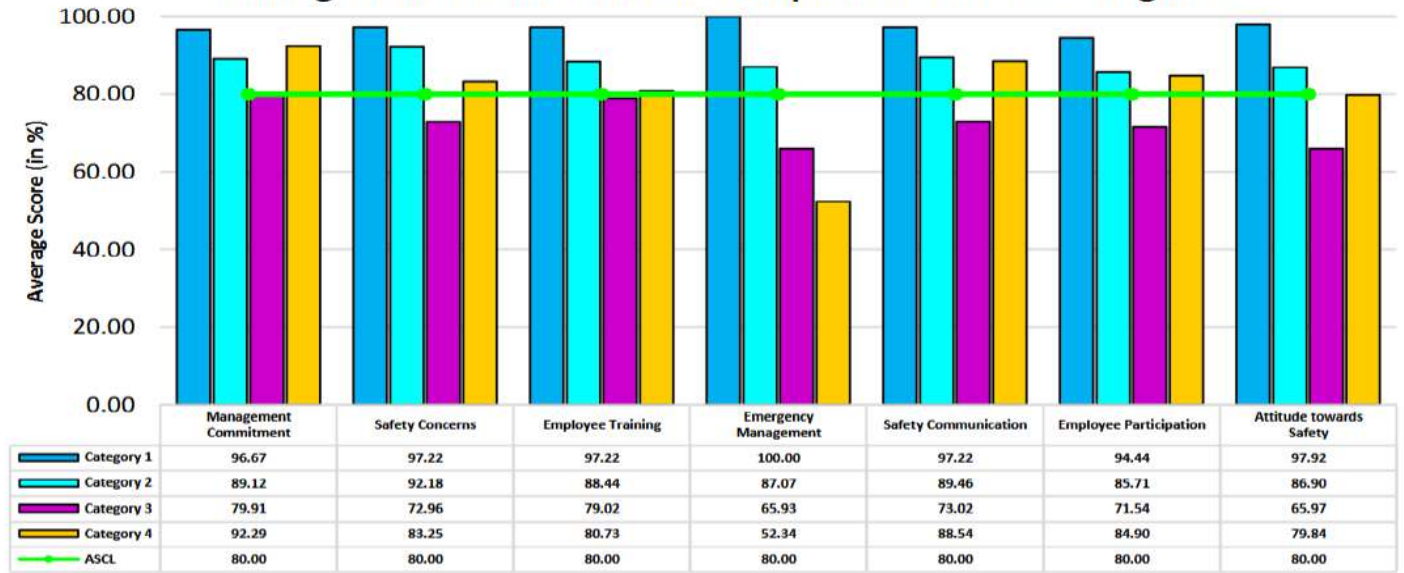
Safety Culture Survey

A comprehensive safety culture survey was conducted in collaboration with Cholamandlam MS Risk Services Limited to evaluate and strengthen the organization’s overall safety framework. The survey saw active participation from employees across all levels and departments, enabling a holistic understanding of safety perceptions, behaviours and practices on the shop floor as well as in administrative functions. It focused on key aspects such as leadership commitment to safety, employee awareness, adherence to established safety protocols, communication effectiveness, and the extent to which safety is integrated into day-to-day operations.

This initiative reflects the company’s proactive and structured approach toward building a robust safety culture where safety is treated as a core value rather than just a compliance requirement. Employees are encouraged to actively engage in safe work practices, report near-misses, and contribute to continuous improvement initiatives. The survey also promotes accountability and transparency by creating an open platform for employees to share feedback and suggestions related to workplace safety.

Furthermore, the exercise supports ongoing efforts in enhancing safety training programs, strengthening risk awareness, and embedding preventive measures across operations. By partnering with an experienced organization, the company reinforces its commitment to aligning with industry best practices and maintaining high standards of health and safety. This continuous focus on safety culture not only helps in minimizing risks and incidents but also fosters a secure, confident and responsible work environment for all employees.

Average Score of Each Element - Comparison across the categories



SDS – Safety Data Sheet

IOLCP maintains comprehensive and up-to-date Safety Data Sheets (SDS) for all chemicals and products handled within our facilities to ensure complete operational transparency and safety. These documents are readily accessible to all relevant personnel, providing detailed information on hazard identification, handling protocols, and emergency response measures to maintain the highest standards of safety and regulatory compliance. By strictly adhering to these standardized safety procedures, we effectively minimize workplace risks and ensure the safe management of all substances throughout their lifecycle.

Elements

Continuous efforts are made to strengthen safety, compliance, and responsible logistics practices across the value chain. In line with this commitment, a specialized training session was conducted at the Barnala site by DGM India, focusing on the safe handling and transportation of hazardous materials. The training covered key regulatory frameworks, including the IATA Dangerous Goods Regulations and the International Maritime Dangerous Goods Code, ensuring alignment with global standards for air and sea shipments.



Loss Control Tour

We at IOL Chemicals and Pharmaceuticals Ltd. Loss control tours are essential for enhancing workplace safety by systematically identifying and mitigating risks associated with accidents, injuries, and property damage. These tours involve thorough inspections conducted by safety professionals and top management who assess various aspects of the work environment, including equipment, processes, and employee practices. The primary goal is to develop strategies that reduce the frequency and severity of incidents, ultimately fostering a culture of safety within the organization. It's a trickle-down approach which reflects visual leadership.

During a loss control tour, key components such as safety procedures, employee workplace conditions, and emergency response plans are evaluated. This proactive approach not only minimizes potential losses but also helps in compliance with regulatory standards, thereby protecting the organization from any liabilities. Overall, loss control tours serve as a vital tool in creating safer workplaces, promoting employee well-being, and ensuring operational efficiency through risk management practices. Total 14 Loss Control tour were conducted by leadership team and 531 observations were raised against which for till FY 24-25 we have achieved a compliance above 90 % and recent FY 25-26 compliance achieved 80% and rest point are under progress. This loss control tour eventually helps us to strengthen a strong safety culture at site.



Employee Satisfaction Survey

Our latest employee satisfaction survey reflects a strong and positive workplace environment, with an overall rating of 4/5 at the organizational level and 38 Net Promoter Score. These scores indicate a high degree of employee satisfaction and engagement across the organization, highlighting the effectiveness of its people-centric policies and practices. The company continues to foster a culture of open communication, transparency, and mutual respect, enabling employees to feel valued and motivated in their roles. Key initiatives such as structured learning and development programs, performance recognition systems, and employee wellness measures contribute significantly to these results. Regular engagement activities and feedback mechanisms ensure that employee voices are heard and concerns are addressed in a timely and constructive manner. These survey outcomes demonstrate the organization's commitment to continuous improvement and employee well-being. Moving forward, the company remains focused on further enhancing workplace practices, strengthening engagement initiatives, and sustaining a positive work culture that drives productivity, satisfaction, and long-term retention.

Training And Development

At IOL Chemicals and Pharmaceuticals, employee training is viewed as a cornerstone of organizational success and growth. The company is deeply committed to nurturing a people-centric culture, where continuous learning and skill enhancement are prioritized to empower employees and maximize their potential. We have total strength of 2800+ employees. With an average of 3.4 training hours per employee, IOL ensures that its workforce remains agile, knowledgeable, and equipped to meet the evolving demands of the industry including safety, certification & endorsement, career management, sustainable practices and manufacturing practices along with documentation practices. This focus on capability building not only strengthens individual competencies but also enhances the collective value generated for the organization. Employees are encouraged to embrace new challenges, collaborate effectively, and align their growth with the company's broader vision and mission, fostering a positive and performance-oriented work environment that drives both personal and organizational progress.

We have implemented a robust skill matrix and performance management system to identify and address workforce skill gaps. Our Training Needs Identification (TNI) process ensures that training programs are tailored to meet specific business needs. The training needs are assessed to create an annual training calendar, and the programs are executed and captured online.

Where continuous learning and skill enhancement are prioritized to empower employees and maximize their potential. With an average of 2.84 training hours per employee, IOL ensures that its workforce remains agile, knowledgeable, and equipped to meet the evolving demands of the industry including safety, certification & endorsement, career management, sustainable practices and manufacturing practices along with documentation practices. This focus on capability building not only strengthens individual competencies but also enhances the collective value generated for the organization. Employees are encouraged to embrace new challenges, collaborate effectively, and align their growth with the company's broader vision and mission, fostering a positive and performance-oriented work environment that drives both personal and organizational progress.

We have implemented a robust skill matrix and performance management system to identify and address workforce skill gaps. Our Training Needs Identification (TNI) process ensures that training programs are tailored to meet specific business needs. The training needs are assessed to create an annual training calendar, and the programs are executed and captured online. This ensures that our employees receive targeted development opportunities, enabling them to enhance their capabilities and contribute effectively to our organizational objectives.

HR training calendar covers all training module:

Human Resource training at IOL Chemicals and pharmaceuticals Ltd. plays a pivotal role in embedding Environmental, Social, and Governance principles into corporate culture and operations.





Human Resource management team ensures each employee is trained on above mentioned topics and has well versed knowledge of each topic. In the context of ESG, HR fosters employee engagement by educating staff on sustainability goals and demonstrating how their roles contribute to broader objectives. This includes workshops, internal campaigns, and transparent reporting on workforce diversity and environmental initiatives. Such efforts align with the growing expectations of stakeholders and help attract purpose-driven talent, particularly from younger generations prioritizing ethical and sustainable employers.

TBT (Toolbox Talk)

IOL Chemicals and Pharmaceuticals Ltd. has implemented a specialized program aimed at training shop floor employees on topics pertinent to their operations, fostering their professional development. By integrating Toolbox Talks in daily routine we demonstrate our commitment to employee well-being and excellence. These talks not only reduce workplace incidents but also enhance team communication and accountability. Key components include discussing relevant safety topics, addressing recent changes in processes or equipment, and encouraging employee participation to share insights or concerns. For FY 25-26, a total of **243041** toolbox talk session has been conducted throughout the year on daily basis.

Skill Competency Matrix

The Skill Competency Matrix is a vital tool for IOLCP, especially in the context of Environmental, Social, and Governance. It serves as a structured framework to assess, manage, and develop workforce capabilities, ensuring alignment with both operational goals and ESG commitments.

Average hours of training per year per employee		
Employee Category	Average hours of trainings per year per employee	
	Male	Female
Permanent	3.4	4.1



Total Person Days Covered



Skill matrix helps organizations identify existing competencies, pinpoint gaps, and create targeted upskilling or reskilling strategies. This approach not only enhances operational efficiency but also supports sustainability goals by fostering innovation and adaptability.

Employee Induction Program

Induction programs introduce employees to the company's mission, values, and operational framework while emphasizing Good Manufacturing Practices (GMP) and workplace safety. A structured induction at IOLCP includes an overview of the company's history, products, & ESG commitments, along with mandatory training on regulatory compliance, health and safety protocols, and environmental sustainability initiatives. Hands-on learning opportunities, such as shadowing experienced colleagues and participating in tasks, further enhance role-specific competencies.

Total Hours of Training



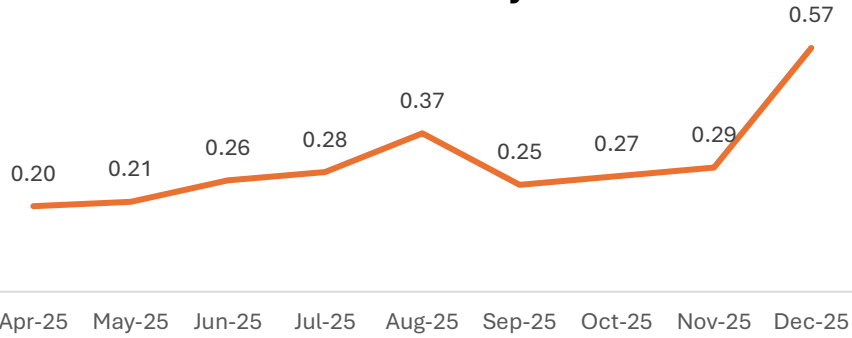
New employees are educated on the company's environmental goals, such as reducing carbon emissions and waste management as well as social responsibilities. This approach not only builds awareness but also motivates employees to contribute to long-term ESG objectives. By integrating organizational culture with technical training and sustainability goals, induction programs ensure that employees are well-prepared to meet both operational demands and broader societal expectations. This alignment strengthens employee engagement, fosters innovation, and supports the industry's commitment to ethical and sustainable practices.



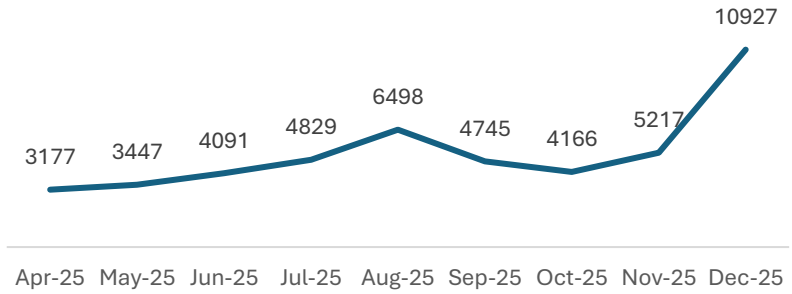


Training Trends

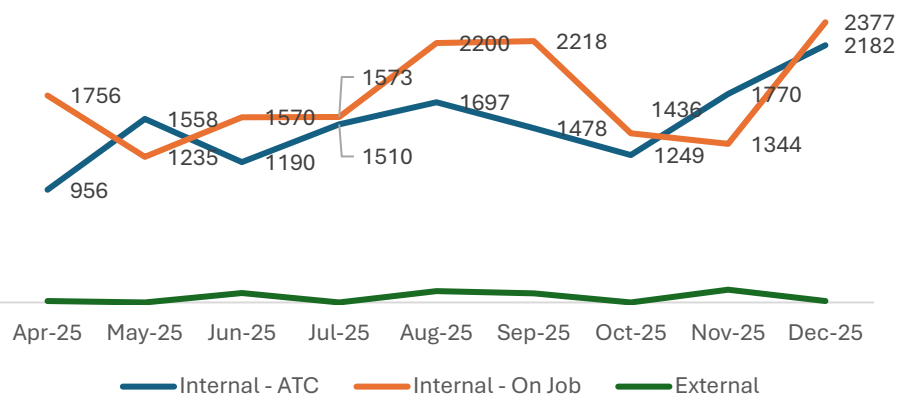
Person Days



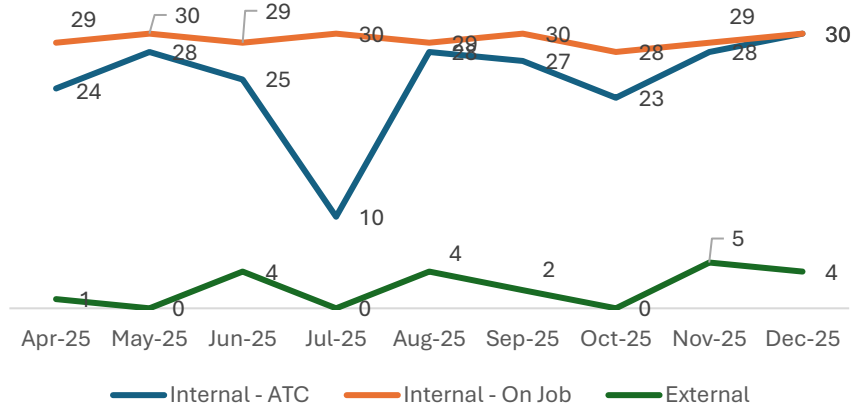
Person Hours



Type Wise(Head Count)



Type Wise(Interventions)





Code Of Conduct

IOLCP operates under stringent ethical and professional standards, ensuring transparency, accountability, and integrity in all aspects of its operations. A robust code of conduct for aligning business practices with Environmental, Social, and Governance (ESG) principles is implemented. This code emphasizes safety, ethical marketing, compliance with regulations, and equitable access to resources. It promotes transparency in interactions with stakeholders, including organization, while avoiding undue influence or conflicts of interest. Key components include adherence to laws governing anti-corruption, and trade controls, fostering fair competition among pharmaceutical company Ethical guidelines also prioritized for respect of employees and management is encouraged to implement zero-tolerance to foster a culture of safety and ethical reporting. Additionally, the industry is committed to continuous improvement through self-regulation systems that monitor compliance and uphold reputation. By integrating these principles into our framework, IOLCP ensure sustainable practices that benefit patients, society, and the environment. A well-defined code of conduct serves as a cornerstone for building trust among stakeholders while advancing innovation responsibly.

Engagement Activities

IOLCP Chemicals and Pharmaceuticals Ltd. (IOLCP) actively engages in various initiatives to align with its Environmental, Social, and Governance (ESG) goals, fostering sustainability and stakeholder collaboration. The company integrates stakeholder engagement into its operations, focusing on areas like healthcare, education, and social upliftment.

It includes empowering underprivileged communities through quality healthcare access, educational support, and social development programs. We also ensure environmental stewardship is promoted. On the governance front, IOLCP adheres to global frameworks such as the Global Reporting Initiative (GRI) and Business Responsibility and Sustainability Report (BRSR), ensuring transparency and accountability. The company has also received certifications like the Responsible Care Certification from the Indian Chemical Council, underscoring its commitment to sustainable practices. Through active participation in industry events and collaborations with stakeholders, IOLCP continues to strengthen its ESG strategy, driving innovation while creating long-term value for society and the environment. We have also participated at various platforms and won three awards in FY 2024-25 for EHS & S Excellence.

Social Accountability

IOLCP Chemicals and Pharmaceuticals Ltd. demonstrates a strong commitment to social accountability as part of its HR framework. The company actively engages in initiatives that uplift employees and promote sustainable development. The company integrates ethical labor practices and workplace safety into its operations, fostering a supportive environment for its 2,800+ employees. Regular health check-ups, trainings and community welfare programs underline its dedication to employee well-being. Beyond internal initiatives, IOLCP engages in community development projects. IOLCP's social accountability extends to transparent stakeholder communication and adherence to global sustainability standards. These efforts not only enhance its corporate image but also align with its mission of delivering high-quality

pharmaceutical products while maintaining ethical and sustainable practices. This holistic approach underscores IOLCP's commitment to balancing profitability with societal welfare. IOLCP Chemicals and Pharmaceuticals Ltd. is a certified SA8000 organization, a globally recognized standard for social accountability, as part of its commitment to sustainability and ESG goals. This certification underscores the company's dedication to upholding human rights, fair labor practices, and ethical workplace conditions. By adhering to SA8000's nine core elements, including child labor prevention, forced labor, health and safety, non-discrimination fair remuneration etc. ensuring compliance with international labor standards and national laws. The integration of SA8000 into its operational framework complements in all management systems creating a robust sustainability framework. The implementation process at IOLCP involved establishing transparent management systems to monitor compliance, conducting regular audits, and fostering open communication channels between employees and management. This initiative has enhanced worker satisfaction through improved working conditions, safety measures, and grievance redressal mechanisms. The company has initiated compliance on its social accountability principles within supply chain by regular review and audits of suppliers on all standard elements. This certification not only strengthens IOLCP's reputation as a socially responsible organization but also aligns with its broader ESG strategy.



Social Dialogue

At IOLCP, the people at large representing industry, villagers, govt and semi government agencies plays a vital role in maintaining a continuous role in maintaining social dialogue at every opportunity. We pride ourselves on being a listening organization that adopts open and effective communication across all levels. We have established various two-way communication platforms to ensure every employee’s voice is heard. Our initiatives, including Town hall meetings, Coffee with Site Director and Workers Meet, are organized across different levels at intervals. The status of all the inputs is communicated from time to time.

Some of the initiatives which underline the basic purpose on social dialogue between the employees and community are:

Ensuring compliance under minimum wages.

- Diversity, equality and inclusion initiatives.
- No child labors.
- No forced labor.
- Opportunity for collective bargaining.
- Ensuring safe and healthy work environment.
- ICC (Internal complaints Committee) under POSH.
- Elected works committee, with equal participation from Management and workmen to always ensure cordial industrial relations.
- Grievance committee: to ensure fair and equal treatment in every resolute.

- Mutual Aid: setup with nearby industries and community to collectively address any untoward incident.

- Community work (CSR): to strengthen the social dialogue, community work in nearby communities is carried out in categories of:

- Education

- Plantation (green belt) & Medicines /infrastructure support to spearhead efforts to fortify these community upliftment efforts.

Human Rights

IOL Chemicals and Pharmaceuticals Ltd. is committed to upholding human rights as a core component of implemented framework. Throughout our value chain, we have traditionally upheld human rights. It is exemplified by treating everyone with dignity and respect, without exception, and is mirrored in our HR Code and People Policy. To respect the spirit of current international human standards and voluntary principles, such as the Universal Declaration of Human Rights and the Fundamental Human Rights Conventions of the International Labor Organization (ILO), the policy has been put into effect in accordance with applicable legislation. All our workers and employees have received yearly required training on human rights and the Vigil Mechanism. Recognizing the importance of ethical practices, the company aligns its operations with the UN Guiding Principles on Business and Human Rights. It ensures compliance with international standards and strives to mitigate risks related to

KPI	Unit	Response
Employees trained on human rights issues and policies in FY25	Number	2,646
% of employee covered	%	85.5
Total training hours	Hours	3,597
Performance and career development review of employees	%	100

human rights violations. IOLCP emphasizes fair labor practices, including safe working conditions, reasonable work hours, and non-discrimination policies. Furthermore, the company actively prevents child and forced labor while promoting the right to a living wage and access to clean water and sanitation. To address human rights impacts comprehensively, IOLCP conducts regular human rights checks and SA8000 audit. These evaluations help identify potential adverse effects on vulnerable groups such as workers and communities. The company integrates findings into its broader compliance framework to prevent and remedy violations effectively.

Additionally, IOLCP focuses on transparency by engaging stakeholders and maintaining accountability through documented actions. As a responsible corporate entity, IOLCP recognizes its role in fostering sustainable development while protecting human rights. By embedding these principles into its operations, the company aims to contribute positively to society while ensuring long-term business sustainability. During the reporting period, IOLCP had Zero reported violations of human rights concerning Indigenous people, zero cases of child or forced labor within our boundary, and zero discrimination instances. All security personnel are trained on human rights policies and procedures. Security operations are conducted with due respect for human rights and in accordance with responsible workplace practices.



Wages, Career Development and Progression

The Minimum Wages Act, 1948 sets a statutory minimum wage for workers in scheduled employments. Its primary goal is to prevent exploitation and ensure a basic standard of living for workers below which wages cannot fall as fixed by the state government from time to time.

The Act is applicable to IOLCP as well with minimum wages varying based on factors like skill level and cost of living. The present rates basis skills are:

Besides above, IOLCP has competency driven pay structure basis the skill required to perform the job, integrity, ethics, values, the attitude and aptitude for the position.

Once joined the IOLCP, the organization provides ample career progression opportunities to provide a professional fulfilling experience through periodic review.

- Freshers- campus hires
- Lateral hires

Apart from above, IOLCP has established and implemented a policy professional skill development to provide ample opportunity to employees upgrade their skills in people development, leadership, management and Research & Development. Long term impacts of policy are visible w.r.t to long term association of employees and their job satisfaction. The morale of the employees is always kept high by rewarding them on good performance in terms of their field of operations, Safety and Discipline under Reward and recognition program. 100% Percentage of employees receiving regular performance and career development reviews.

Beyond Compliance: A Living Wage Promise

A "Living Wage" is defined as a wage level that is adequate for an individual employee or their family to meet their basic needs, including food, housing, healthcare, education, transportation, and other essentials, while also allowing for savings and discretionary spending.

Heads under which Living Wage is calculated are:

- Food
- Clothing
- Education
- Transportation
- Housing
- Savings
- Energy and Water Consumption

IOLCP demonstrates its commitment to employee welfare through the implementation of a living wage policy across its operations. This initiative ensures that employees receive fair compensation that meets or exceeds basic living standards, enabling them to support their families with dignity. By aligning wages with the cost of living and industry benchmarks. IOLCP promotes financial security, reduces economic stress among its workforce and fosters higher morale and productivity. Our Living wage policy also reflects the company's broader focus on ethical practices and social responsibility, reinforcing its role as a responsible employer dedicated to inclusive and sustainable growth. The living wage policy is reviewed every three years or earlier if required and it is done considering new labor laws and statutory wage regulations.

Parameter	%
Direct employees covered under a living wage benchmarking analysis	100
Direct employees paid below living wage	0
Average wage gap for direct employees paid below living wage against a living wage benchmark	0
Employees paid below living wage, including direct employees and non-employee workers	0

Prohibition of Child Labor and Forced Labor

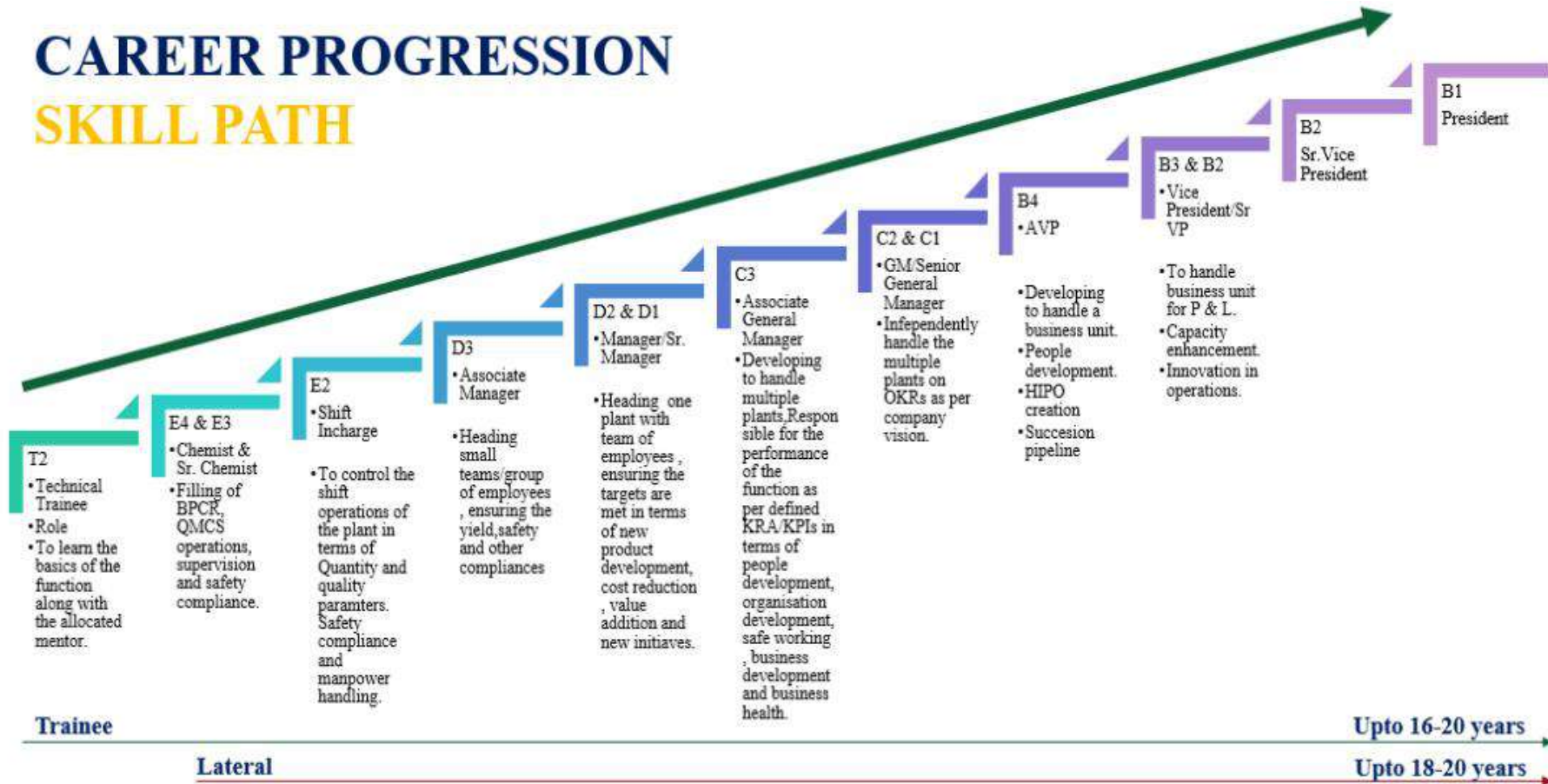
We at IOLCP always make sure that no one working for us is younger than eighteen years old. We strongly prohibit forced or compulsory labor in our units. It is believed that there is no substantial risk of forced labor occurrences in any of our suppliers or operations. There were no cases of discrimination, child labor, forced labor, or human rights, labor, or minimum wage breaches within our borders during the reporting period.

Mechanism For Resolving Grievances

We have a robust and efficient grievance redressal system in place at IOLCP. This is required to gather input from our staff, which allows us to collaborate and create solid bonds. Our grievance redressal process guarantees openness and offers a way to voice concerns about pay, working conditions, and other specific issues. We place a high value on candid and organized conversations about labor practices and complaints pertaining to human rights. Sexual harassment claims and employment agreements are handled separately, guaranteeing that each matter receives careful consideration. We prioritize open communication to resolve issues. Employees can first discuss problems with their manager, but if they are unsatisfied with the solution provided, they can file a formal grievance with HR. Grievances are addressed fairly and promptly by a three-tier committee. The grievance management process is communicated to all employees through various channels (Email, Notice Boards, Displays at prominent locations, Training etc.)



CAREER PROGRESSION SKILL PATH

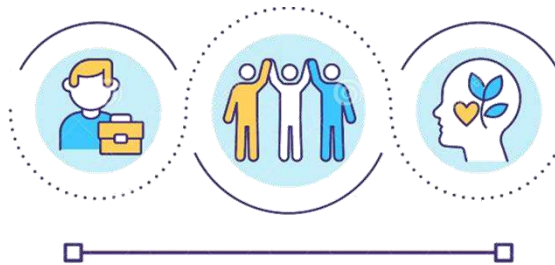


Working Condition & Benefits

IOL Chemicals and Pharmaceuticals Limited (IOLCP) offer its employees a range of benefits, including competitive salary with regular increments and bonuses, subsidized meals and medical & life insurance coverage, all of which contribute to employee welfare and satisfaction. The company emphasizes a people-centric culture, viewing employees as the core of the organization and fostering trust, engagement, and teamwork through continuous investment in internal and programs for skill enhancement and career growth. IOLCP's organizational culture promotes innovation, transparency, and collaboration, aiming to create a rewarding and supportive work environment. IOLCP is committed to managing working hours responsibly by aligning its policies with applicable labor laws and best industry practices. The company emphasizes compliance with statutory limits on working hours and ensures that any overtime work is compensated, supporting a healthy work-life balance for its employees. IOLCP promotes rest, leisure, and applicable leave provisions to help employees maintain well-being and productivity. The organization nurtures a safe, hygienic, and healthy workplace environment, minimizing risks during working hours. Through open communication and social dialogue, IOLCP encourages employees to voice concerns related to working conditions, including hours and overtime. By integrating these principles into its people-centric culture, IOLCP strives to create a supportive and ethical work environment. CSR Activities – Community Awareness on Environment Health and Safety IOL Chemicals and Pharmaceuticals Ltd. demonstrates a strong commitment to corporate social responsibility (CSR), integrating social, environmental, and ethical practices into its

operations. The company focuses on three primary areas: healthcare, education, and social upliftment. In healthcare, IOLCP supports marginalized communities by providing medical equipment and improving access to reliable healthcare systems. Their education initiatives aim to empower underprivileged children by offering quality education, enabling them to build sustainable livelihoods.

Additionally, the company invests in social upliftment by addressing basic needs such as combating poverty and malnutrition, thereby enhancing the quality of life for underserved populations. Environmental stewardship is another cornerstone of IOL's CSR strategy. The company actively promotes eco-friendly business practices, including reducing emissions, conserving resources, and utilizing green chemistry principles. Initiatives like afforestation projects on land exemplify their commitment to environmental sustainability. These efforts align with their broader mission of creating a positive societal impact while ensuring sustainable growth. Through meaningful investments and collaborations with NGOs, IOLCP continues to uphold its responsibility as a socially accountable organization.



Number of Complaints on the following made by employees and workers:

	FY 2025-26		FY 2024-25		FY 2023-24	
	Filed During the year	Pending Resolution at the end of the year	Filed During the year	Pending Resolution at the end of the year	Filed During the year	Pending Resolution at the end of the year
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labor	0	0	0	0	0	0
Forced Labor/Involuntary Labor	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other Human rights related Issues	0	0	0	0	0	0
Anti-Bribery/Corruption	0	0	0	0	0	0
Freedom of Association and Collective Bargaining	0	0	0	0	0	0
Information Security	0	0	0	0	0	0
Security Incidents	0	0	0	0	0	0

Customer privacy and losses of Customer data

Organization is ISO 27001 certified ,during the reporting period, the organization monitored and assessed all incidents related to customer privacy. No substantiated complaints regarding breaches of customer privacy or losses of customer data were identified. The company continues to strengthen its data protection framework to ensure compliance with evolving privacy regulations and to safeguard customer information.



Prevention of Sexual Harassment Act (POSH)

IOLCP conducts regular online training programs to educate employees about acceptable workplace behaviour, rights, and responsibilities under the Act, ensuring awareness across all levels. In addition, a dedicated Internal Committee (ICC) is established to address and resolve grievances related to workplace harassment in a confidential, impartial, and time-bound manner. This structured approach not only promotes a culture of dignity and accountability but also ensures compliance with statutory requirements while encouraging employees to speak up without fear of retaliation.



Diversity And Inclusion

Diversity and inclusion are integral to the ethos of IOL Chemicals and Pharmaceuticals Ltd., reflecting the company’s commitment to fostering a supportive and equitable workplace. IOLCP recognizes that a diverse workforce, encompassing varied backgrounds, skills, and perspectives, is essential for driving innovation and achieving excellence. The company actively promotes an inclusive culture where every employee feels valued and empowered to contribute their best. This approach is not limited to internal operations but extends to the communities it serves through impactful Corporate Social Responsibility (CSR) initiatives.

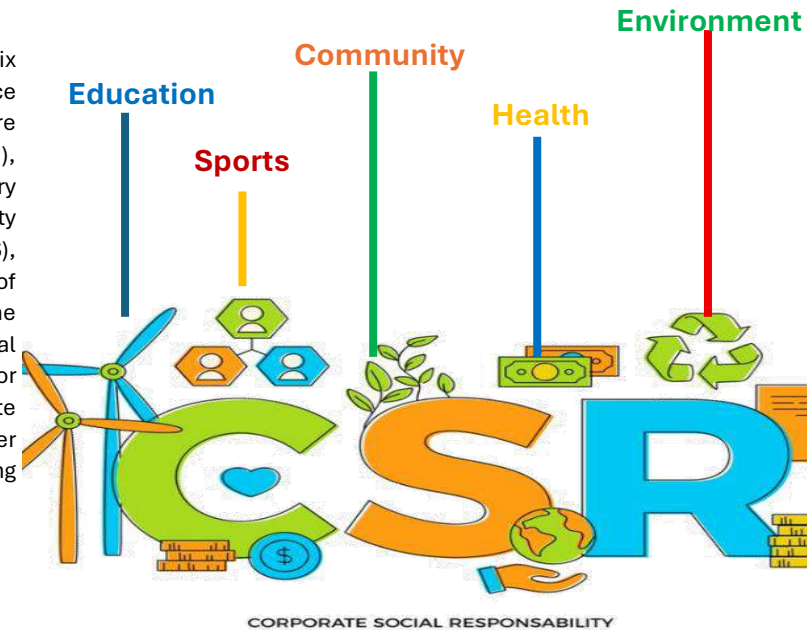
Hiring @IOCLP

We at IOLCP are committed to transparent and fair hiring practices that value every candidate’s potential without discrimination based on factors such as age, gender, race, religion, or any other status. Our comprehensive recruitment process focuses on sourcing top talent from reputable institutions. In the last reporting period, a total of employees **686** were hired. The breakdown of the employees hired based on gender and age group is provided below. IOLCP’s dedication to diversity is further reflected in its policies aimed at creating a safe and welcoming environment for all employees. By investing in people and fostering inclusivity, the company ensures that its workforce is aligned with its mission of sustainable growth and innovation. Additionally, IOLCP’s participation in global frameworks like GRI, BRSR, CDP, EcoVadis, SBTi underscores its commitment to transparency and accountability in diversity practices. These initiatives collectively position IOLCP as a forward-thinking organization that values both its people and

the broader societal impact of its operations.

Innovative Platforms for Effective Learning

We employ innovative methodologies, including Six Sigma, with ongoing projects aimed at excellence and waste elimination. We are leveraging software including E learn Posh (online training for POSH), Aspen, Chemcad, R&D E-notebook, Laboratory Information Management System (LIMS), Quality Monitoring and Control System (QMCS), ChemDraw, Marvin, Dynochem, Design of Experiments (DOE) and many more to enhance the learning experience in both technical and behavioral learning of employees. We have policies in place for professional skill development and doctorate programs, enabling employees to pursue further education and professional development during their tenure with our organization.



Organization actively engages with local communities across its areas of operation for knowledge sharing and awareness on ESG aspects



Community Awareness

Diversity Trends

Employees				
For FY 2025-26	Age group			
Permanent Employees (In numbers)	Below 30	30-50 years	Over 50 years	Total
Male	1,446	1,416	133	2,995
Female	79	19	2	100
Total	1,525	1,435	135	3,095

Age Wise Employees

New Hires by Age and Gender for FY 2025-26	Below 30	30-50 years	Over 50 years
Male	537	117	3
Female	28	0	1

Age Wise New Hire

New Hires by employee category				
	Below 30	30-50 years	Over 50 years	Total
Associates	563	102	3	668
Middle management	0	5	1	6
Junior Management	2	9	0	11
Management	0	1	0	1
Senior management	0	0	0	-
Top management	0	0	0	-
Total	565	117	4	686

New Hire Category wise

Ratio of basic salary and remuneration of women to men			
Employee Category	India (in INR)		
	Male	Female	Ratio
Associates	4,79,82,988	16,25,680	3.39
Middle management	56,59,920	1,21,000	2.14
Junior Management	1,08,41,600	1,37,280	1.27
Management	43,75,560	1,65,600	3.78
Senior management	61,79,200	-	0.00

Basic Salary and remuneration

Ratios of standard entry level wage by gender compared to local minimum wage		
(Per day)	Male	Female
Entry level Wage	14,739	14,739
Local Minimum wage	11,726	11,726
Ratio	79.56	79.56

Entry Level Wage





IOL Chemicals and Pharmaceuticals Limited continues to strengthen its human capital framework by offering a comprehensive suite of benefits to full-time employees, including structured parental leave, health and wellness support, and formal performance and career development programs that are not extended to temporary or part-time staff. These initiatives are designed to promote employee well-being, enhance engagement, and build long-term organizational capability. During the reporting period, employees utilized both maternity and paternity leave provisions, with a notably strong return-to-work trend among those availing paternity leave, reflecting a supportive and enabling work environment. At the same time, maternity return trends highlight an opportunity for the Company to further enhance reintegration support, such as flexible work arrangements and targeted retention initiatives.

The Company also demonstrated a high level of organizational discipline and transparency in its performance management processes, achieving complete participation in annual performance and career development reviews across all eligible employees. This robust appraisal framework enables structured feedback, goal alignment, and identification of growth opportunities, supporting both individual career progression and business performance. Participation trends across gender and age groups indicate consistent engagement throughout the workforce, with encouraging representation of women in more experienced age categories, underscoring gradual progress toward diversity and inclusion.

Overall, these practices reflect IOL’s commitment to fostering a fair, inclusive, and performance-driven workplace culture, aligned with global ESG expectations. By continuously refining its people policies and strengthening support systems, the Company aims to improve retention, enhance employee satisfaction, and build a resilient workforce capable of sustaining long-term growth.



Percentage of employees receiving regular performance and career development reviews			
Categorisation	No. of eligible employees*	No. of Employees submitting annual performance appraisal	% of submission
Male	2083	2083	100%
Female	77	77	100%
Others	-	-	-
Total	2160	2160	100%

Details of Maternity and Paternity leave			
Category	No. of employees that took parental leave	Return to work rate (after leave ended)	Retention Rate (after leave ended and were still employed after 12 months)
Maternity Leave	6	0	0.0
Paternity Leave	170	167	98.2

Employee Attrition by Age and Gender for FY 2025-26 (in %)

	Below 30	30-50 years	Over 50 years
Male	27.2	6.1	5.9
Female	17.0	23.3	50.0

Supply Chain Management

Supply Chain Management

IOL Chemicals and Pharmaceuticals Ltd. have a robust supply chain management system to ensure efficient operations and customer satisfaction. The company's supply chain strategy focuses on procurement optimization, where raw materials are sourced from reliable suppliers to maintain quality and reduce costs. Inventory management is another critical aspect, with IOLCP implementing just-in-time (JIT) inventory systems to minimize storage costs and maximize production flexibility. The company also emphasizes logistics and distribution, utilizing a network of distributors and warehouses to deliver products promptly across the country. Furthermore, IOLCP invests in technology integration, leveraging software solutions to monitor supply chain activities in real-time, enhance visibility, and streamline communication with stakeholders. This integrated approach allows IOLCP Chemicals and Pharmaceuticals Ltd to maintain a competitive edge by ensuring timely delivery of high-quality products while managing risks and costs effectively. Additionally, the company's commitment to sustainability is reflected in its supply chain practices, which aim to reduce environmental impact while fostering long-term partnerships with suppliers and customers. Overall, IOL's supply chain management is designed to support its growth strategy and reinforce its position in the market.

Our supply chain strategy is focused on resilience, traceability, agility, and long-term continuity. We work closely with suppliers to ensure responsible sourcing, regulatory alignment, and shared quality standards across the ecosystem. By fostering transparency and operational efficiency, we aim to reduce risk and maintain consistency across inputs critical to both pharmaceutical and chemical manufacturing.

We follow a structured supplier evaluation framework that considers quality assurance systems, regulatory compliance, ethical practices, and financial reliability. New suppliers undergo a rigorous qualification process, as per the defined standard operating procedure while existing partners are periodically re-assessed based on performance data, audit findings, and risk indicators.

Supplier Code of Conduct

IOLCP has a publicly available supplier code of conduct that gives importance to ethical business practices and environmental sustainability as core expectations for its suppliers. It is mandated that the supplier comply with applicable environmental laws and regulations. Our Supplier Code of conduct addresses several key environmental parameters, that include greenhouse gas emissions and energy consumption, prevention of pollution and waste management practices, prohibition of child labor and forced labor, health and safety practices, collective bargaining, working conditions and other ESG practices as per the relevant regulations.

Strengthening ESG Integration Across the Supply Chain

Supplier ESG Program

01 Transparent Collaboration & Expectations

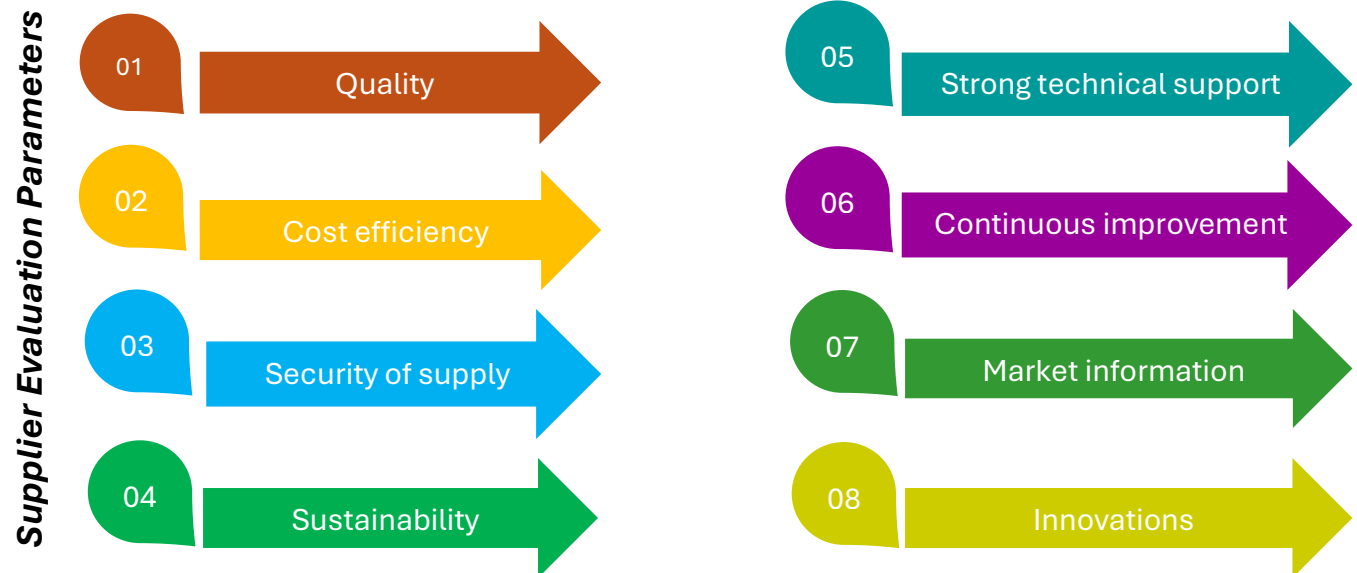
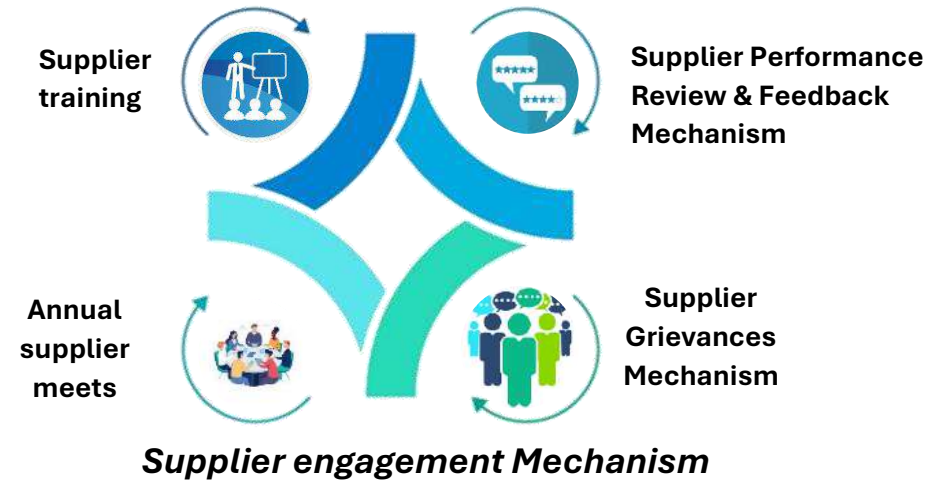
Our suppliers are provided with clear purchase protocols and specifications, including delivery schedules, quality requirements, safety, and sustainability obligations. We maintain open communication to manage supply continuity, pricing transparency, and issue resolution. Expectations on ethical conduct, workplace safety, and environmental responsibility are articulated through our supplier code of conduct.

02 Focus on Localization and Continuity

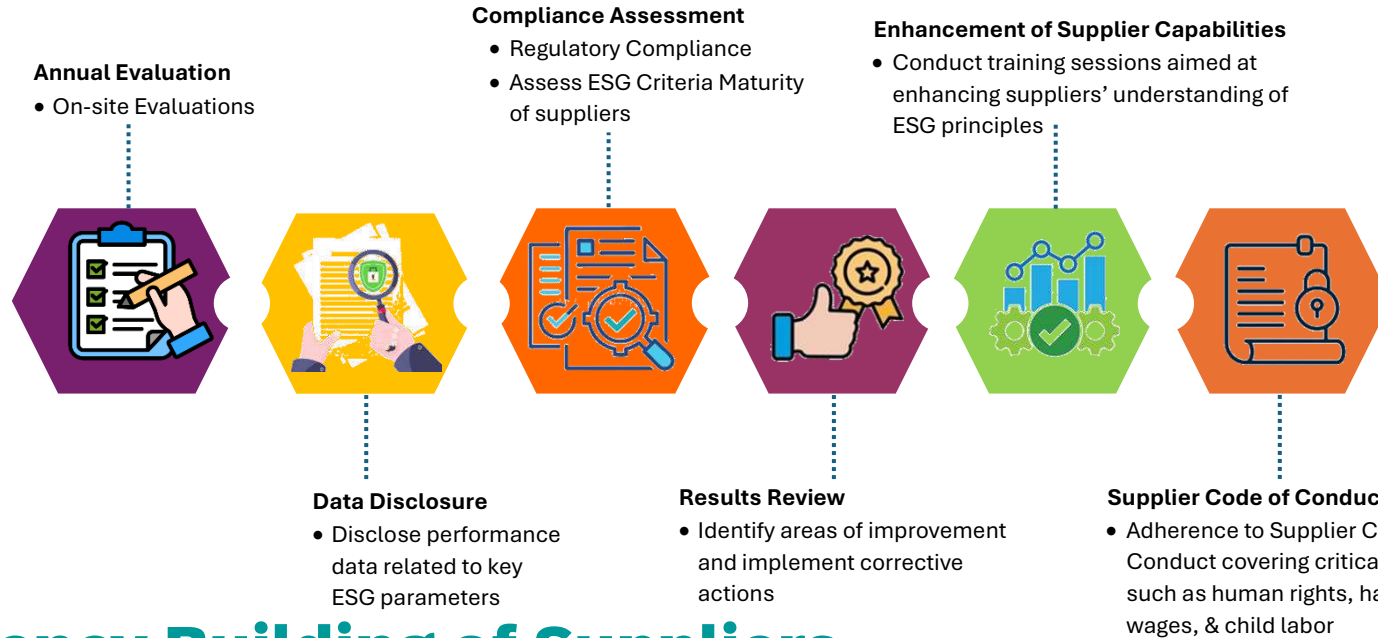
Where possible, we support local sourcing to reduce lead times and build regional resilience, especially for critical intermediates and packaging materials. Contingency planning, secondary vendor development, and inventory buffers are regularly reviewed to ensure continuity during demand fluctuations or external disruptions.

03 Engaging with Ecosystem Partners

We collaborate with a wide range of ecosystem partners to align operational priorities with broader industry developments. These include regulatory agencies, research institutions, industry associations, and technical collaborators. Our engagements are aimed at strengthening capabilities, promoting compliance, and advancing shared objectives in sustainability and innovation.



Supplier Assessment Framework



Competency Building of Suppliers

We foster a collaborative work environment that encourages continuous learning and skill development, ensuring that all stakeholders are equipped to contribute effectively to our growth and success. Our approach involves internal training programs focused on technical development, soft skills, regulatory compliance, and Environmental Health Safety & sustainability (EHS &S) practices.

In FY 25-26 we as a company took an initiative of “PRAYAS” (Supplier Training Module) through which we train our suppliers on implanting sustainability into their supply chain & done via common platform and conducted a survey during the training, in which we received ‘A’ rating from all of our suppliers. Additionally, we engage with

training institutes to provide specialized technical and behavioral sessions for selected employees. This comprehensive approach not only enhances employee capabilities but also ensures that stakeholders across different levels of the organization are well-informed about industry trends and best practices. By investing in stakeholder competency development, we aim to strengthen our market position through innovation-driven strategies while maintaining high-quality products and services.

This focus on competency building aligns with the Company’s broader commitment to integrated thinking and sustainable business practices, ultimately benefiting both internal stakeholders like

employees and external ones such as customers, communities and Vendors. We are auditing our vendors from time to time to foster them towards Sustainability and helping them to achieve the global goals.

Supplier Audits & Training Programs

As a responsible organization, we are aware about our responsibilities to ensure the sustainable practices are detailed with our business partners. All the buyers and sustainability leaders at IOLCP are working for sustainable growth and greener future. All the buyers and sustainability champions at IOLCP have become a Certified coaches to drive ISO 20400 Sustainable procurement standard and are driving responsible procurement agenda through



PRAYAS

Supplier Engagement Program

P

Progressive

R

Responsible

A **Y**

And Yielding

A **S**

Actions for Sustainability

#ResponsibleBusinessConduct



their personal engagement with business partners on regular basis.

We are committed to having a diverse supply chain. we track our spending on business partners from various backgrounds, such as women-owned, minority owned, veteran-owned, and businesses owned by the differently abled.

Currently, our business portfolio does not include suppliers categorized as minority-owned (MBE), disability-owned (DBE), veteran-owned (VBE), disabled veteran-owned (DVBE), or LGBTQ+- owned (LGBTBE). However, in accordance with our sustainable procurement policy and ethical business practices, we maintain a strict non-discrimination approach. We are fully open and welcoming to engaging with diverse suppliers in the future. Our commitment to supplier diversity is clearly reflected in our procurement policies and purchase order terms and conditions, and we actively promote and reinforce these principles in our ongoing business operations in line with ISO 20400 guidelines.

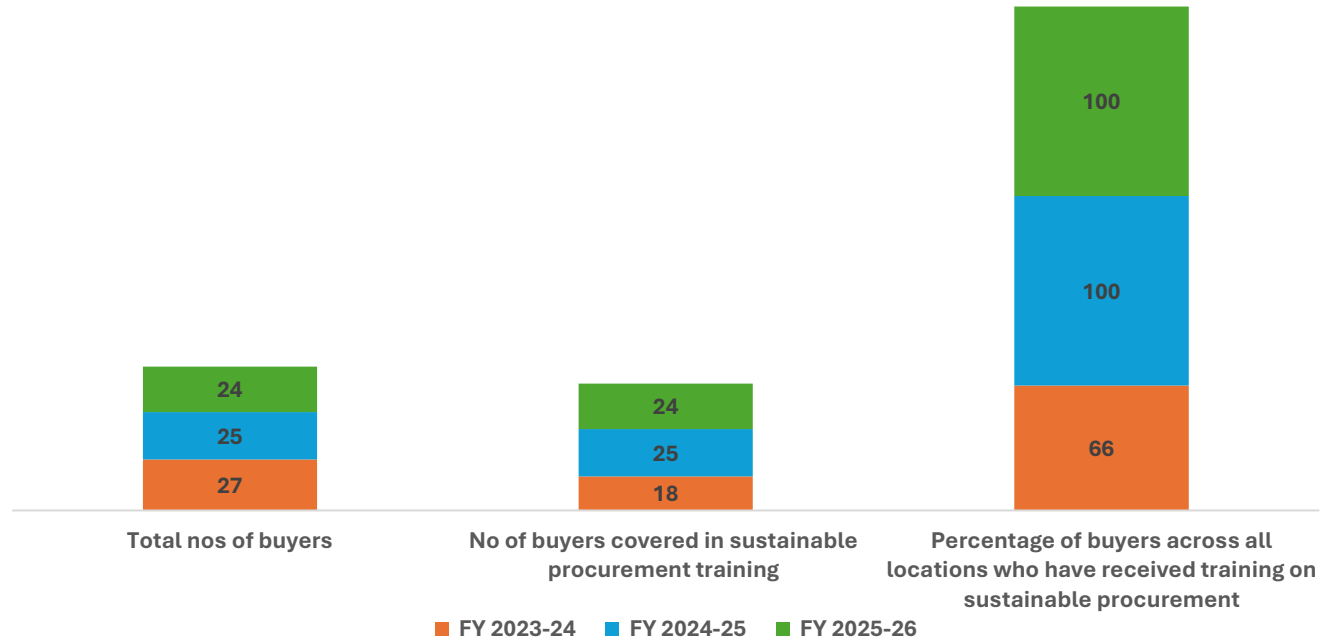
Supplier Diversity Overview

In line with our sustainable procurement practices, we have begun tracking supplier diversity as part of our categorization framework.

During FY2025–26, women-owned businesses accounted for 18% of our supplier base, an increase from 12% in the previous year.



Buyers Trainings Trends





CII Certified Team @IOLCP

IOL Chemicals and Pharmaceuticals Limited has built a strong foundation of operational excellence through its team of professionals certified by the Confederation of Indian Industry (CII), reflecting its commitment to continuous improvement and adherence to best-in-class industry practices. These certified team members bring specialized expertise in areas such as energy efficiency, sustainability, quality management, and process optimization, enabling the Company to systematically enhance performance across its operations. Through structured training, assessments, and implementation of CII frameworks, the team actively drives initiatives focused on resource conservation, cost optimization, and environmental stewardship.

Their involvement ensures that global standards and innovative practices are effectively embedded within day-to-day operations, supporting IOL's broader ESG objectives. This capability not only strengthens internal competencies but also reinforces the Company's position as a responsible and forward-looking organization committed to sustainable industrial growth.

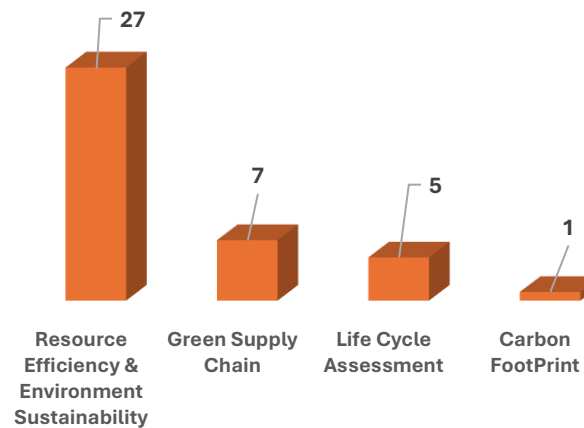
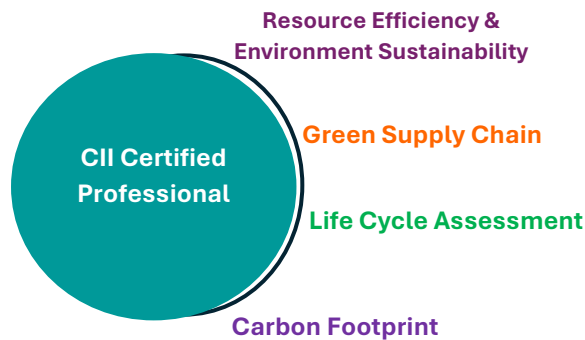
Competency Building of SCM Team

IOL Chemicals and Pharmaceuticals Limited (IOLCP) places strong emphasis on competency building within its Supply Chain Management (SCM) team to drive operational excellence and innovation. The company fosters a performance-driven culture by continuously investing in strategic training programs that enhance both technical and interpersonal skills of its SCM professionals. These initiatives include internal

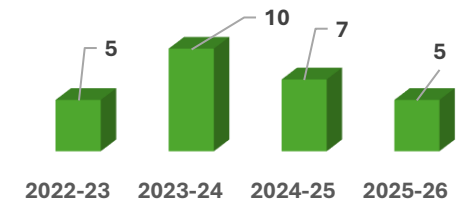
training sessions, on-the-job workshops, and collaborations with external institutes to provide specialized knowledge and skill enhancement. By equipping the SCM team with up-to-date expertise in areas such as procurement, logistics, risk mitigation, and regulatory compliance.

In addition, IOL integrates advanced learning modules focused on digital supply chain practices, data-driven decision-making, and sustainability principles, enabling the team to align with evolving industry standards and ESG expectations. Employees are encouraged to adopt best practices in supplier engagement, cost optimization, and ethical sourcing, further strengthening transparency and accountability across the value chain. The Company also promotes cross-functional collaboration and continuous feedback mechanisms to reinforce learning outcomes and drive innovation in supply chain processes.

Through these sustained efforts, IOL is building a highly skilled and future-ready SCM team capable of navigating complex market dynamics while contributing to long-term business growth, operational excellence, and sustainable value creation.



Material Consumption Data		
Raw Materials (Parameters)	Unit	FY 2025-26
Directly Sourced Raw Materials	MT	209066.02
Packaging Materials	MT	406.6
Packaging Materials	Nos.	3800106
Packaging Material Recycled (Material End of Life Treatment)	%	95



Capacity Building year wise



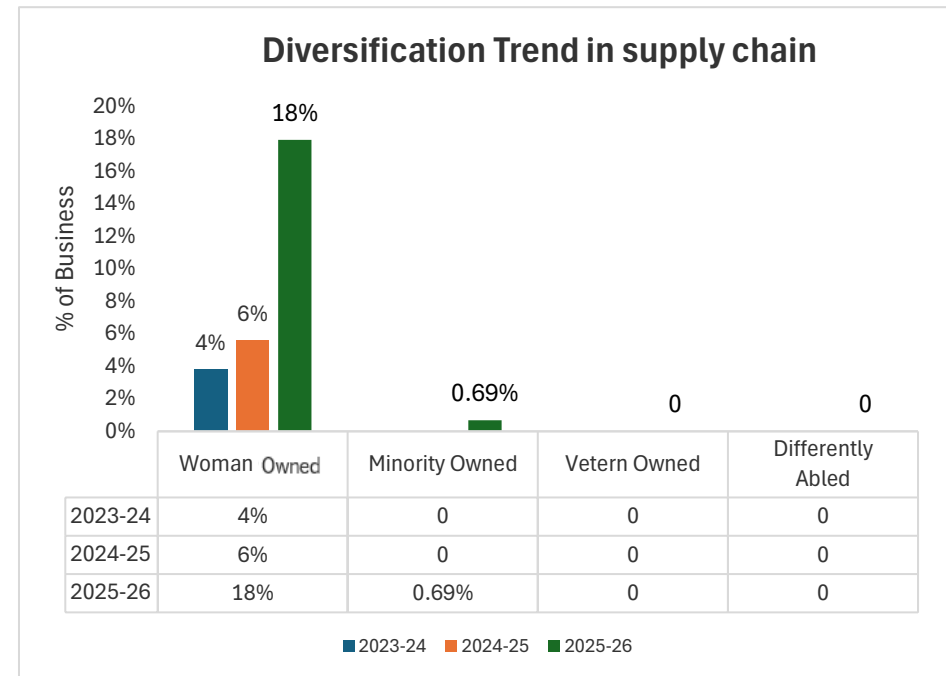
Supplier Trends

Training and Capacity-Building of Business Partners (Supplier)				
Parameter	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Total Number of Supplier	Nos	262	240	261
Number of TIER - 1 suppliers	Nos	NA	43	48
Number of Supplier trained	Nos	NA	9	49

Training and capability building on sustainable procurement (Buyer)				
Parameter	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Total no's of buyers	Nos	27	25	24
No of buyers covered in sustainable procurement training	Nos	18	25	24
Percentage of buyers across all locations who have received training on sustainable procurement	%	66	100	100

Supplier Commitment Status to Sustainability Criteria				
Parameter	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Percentage of targeted suppliers with contracts that include clauses on environmental, labour and human rights requirements	%	80	100	100
Percentage of targeted suppliers that have signed the sustainable procurement charter or supplier code of conduct	%	80	100	100
Percentage of targeted suppliers that have gone through a sustainability assessment	%	80	100	100
Percentage of targeted suppliers that have gone through a sustainability on-site audit	%	NA	21	19
Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building	%	NA	21	19

Details on Procurement spend				
Parameter	Unit	FY 2023-24	FY 2024-25	FY 2025-26
% of procurement spend (within India)	%	57	46	47
% of diverse suppliers on spend (MSME)	%	16	15	14
% of diverse suppliers on spend (Women owned business)	%	1.5	1.7	1.79
% of diverse suppliers on spend (Minority owned business)	%	0.3	0.58	0.69





Governance

Fortifying Stakeholder Trust

We place a high priority on robust corporate governance, dedicated to safeguarding stakeholder interests. Our structured governance system supports efficiency and risk management in our operations. We are committed to long-term value creation and innovation while upholding our organization's high governance standards and transparency throughout.

FY 2025-26 Highlights

0
Complaints were received regarding conflict of interest

0
Directors/KMPs/employees/workers were involved in bribery/corruption

0
Instances of non-compliance with laws and regulations

Material Issues Covered



Ethics



Stakeholder Management



Risks Management

SDG's Impacted





Two Way Communication System

IOL Chemicals and Pharmaceuticals Limited (IOLCP) emphasize a robust two-way communication system. This system ensures transparent and effective engagement with stakeholders, including employees, investors, customers, and regulatory authorities. IOLCP fosters dialogue through various channels such as investor presentations, corporate announcements, and participation in industry conferences. For instance, the company regularly updates stakeholders on its performance and initiatives via reports, presentations published on website. Internally, IOLCP promotes open communication through structured feedback mechanisms and employee engagement programs.

External Conferences

Employees of IOL Chemicals and Pharmaceuticals Limited have actively participated in prestigious external conferences (CPHI, Viksit Bharat, Vision Zero) showcasing the company’s commitment to continuous learning and professional development. Participation in such conferences allows IOLCP employees to gain cutting-edge knowledge, present research, earn continuing education credits, and network with international peers, reflecting the company’s dedication to excellence and innovation in healthcare and pharmaceutical sciences. This proactive involvement in external forums not only enhances individual expertise but also strengthens IOLCP’s position as a forward-thinking and knowledge-driven organization.

The Core Principles of our Corporate Governance Philosophy

- Composition of the Board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosures
- Recognize and manage business risks
- Respect the rights of the shareholders
- Recognize the legitimate interest of the stakeholders
- Legal and statutory compliances in letter and spirit

Good Governance Practices and Code of Conduct

We diligently monitor our processes to ensure strict adherence to our established guidelines. Ethical conduct is paramount, and we have implemented relevant policies to uphold these principles throughout our operations. Our main objective is continuous growth while remaining true to our core values. These policies serve as guiding principles, safeguarding the interests of our businesses and stakeholders alike.

Policy Implementation

We have established comprehensive policies that firmly anchor our business in responsible practices. Our Board approves these and seamlessly extends these policies to our valued partners across the value chain. Helming these initiatives is our esteemed Managing Director, Mr. Varinder Gupta, the highest authority vested with the responsibility of meticulously implementing these policies and overseeing their execution.

- Vigil Mechanism and Whistle Blower Policy
- Nomination and Remuneration Policy
- Corporate Social Responsibility (CSR) Policy
- Dividend Distribution Policy
- Policy on Materiality of and dealing with Related-party Transactions
- Policy on Determination of materiality for disclosure of events or information
- Code of Conduct for Directors and Senior Management
- Code of Practices and Procedures for Fair Disclosure
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.
- Policy for Material Subsidiaries
- Anti-Bribery & Corruption Policy
- Policy for Preservation & Archival of Documents
- Policy on Diversity of Board of Directors
- Energy Policy
- Sustainable Procurement Policy
- EHS&S Policy
- Social Accountability Policy
- Quality Policy
- API Discharge Policy
- Information Security Policy
- Responsible Care Policy
- Water Management Policy
- Integrated Biodiversity , Product use and End of Life , Environmental Services Policy

Code of Conduct for Directors and Senior Management

We maintain a robust Code of Conduct as a guiding compass for our operations. We proactively provide comprehensive training on this code to our Board of Directors (BoDs), key management personnel (KMPs), employees, and all our valued partners across the value chain. Our Code of Conduct is comprehensive, addressing critical aspects such as conflicts of interest.



IOL Chemicals & Pharmaceuticals Limited

Annually, our directors declare their commitment to act in the Company's best interests, ensuring that any personal or business associations they maintain do not compromise the Company's operations or role. Likewise, our senior management also affirms annually that they have not engaged in any material, financial, or commercial transactions that could potentially conflict with the broader interests of the Company.

Business Responsibility Policy

We communicate our business responsibility policy throughout the organization and prominently feature it on our official website. Regular monitoring and evaluation ensure compliance. Functional heads create action plans and checklists for adherence to the policy. The Board can delegate oversight to Committees, Directors, or Officials. Stakeholders can report grievances related to non-compliance to investor@iolcp.com for appropriate resolution.

Anti-sexual Harassment Policy

We prioritize a respectful workplace for all, regardless of gender, promoting equal opportunities. Our organization has zero tolerance for sexual harassment, with a policy aimed at prevention and redressal. It safeguards both men and women in the workplace.

Corporate Social Responsibility (CSR) Policy

Our CSR policy integrates CSR values into our operations and business decisions, focusing on social welfare and community improvements. The CSR Committee oversees program execution aligned with the policy.

Vigil Mechanism and Whistle Blower Policy

We have a process for reporting unethical behavior or wrongful conduct. Employees can report to the Audit and Risk Management Committee within 45 days of becoming aware. The Committee conducts thorough investigations and may appoint senior officers or committees for the task. Procedures ensure fairness and thoroughness, and interviews may be conducted. The Committee recommends disciplinary actions upon conclusion.

Remuneration Policy

Remuneration, compensation, and commission for personnel are determined by our committee and approved by the Board, with shareholder and government approvals when necessary. We adhere to statutory provisions and may suggest increments within shareholder boundaries.

Human Rights

We prioritize employee awareness of human rights within the Indian Constitution and international frameworks. Our governance structure fosters respect for stakeholder rights, conducts due diligence to address human rights impacts, and rectifies issues. We promote human rights across our value chain and maintain robust grievance mechanisms for affected parties.

Regulatory Compliance

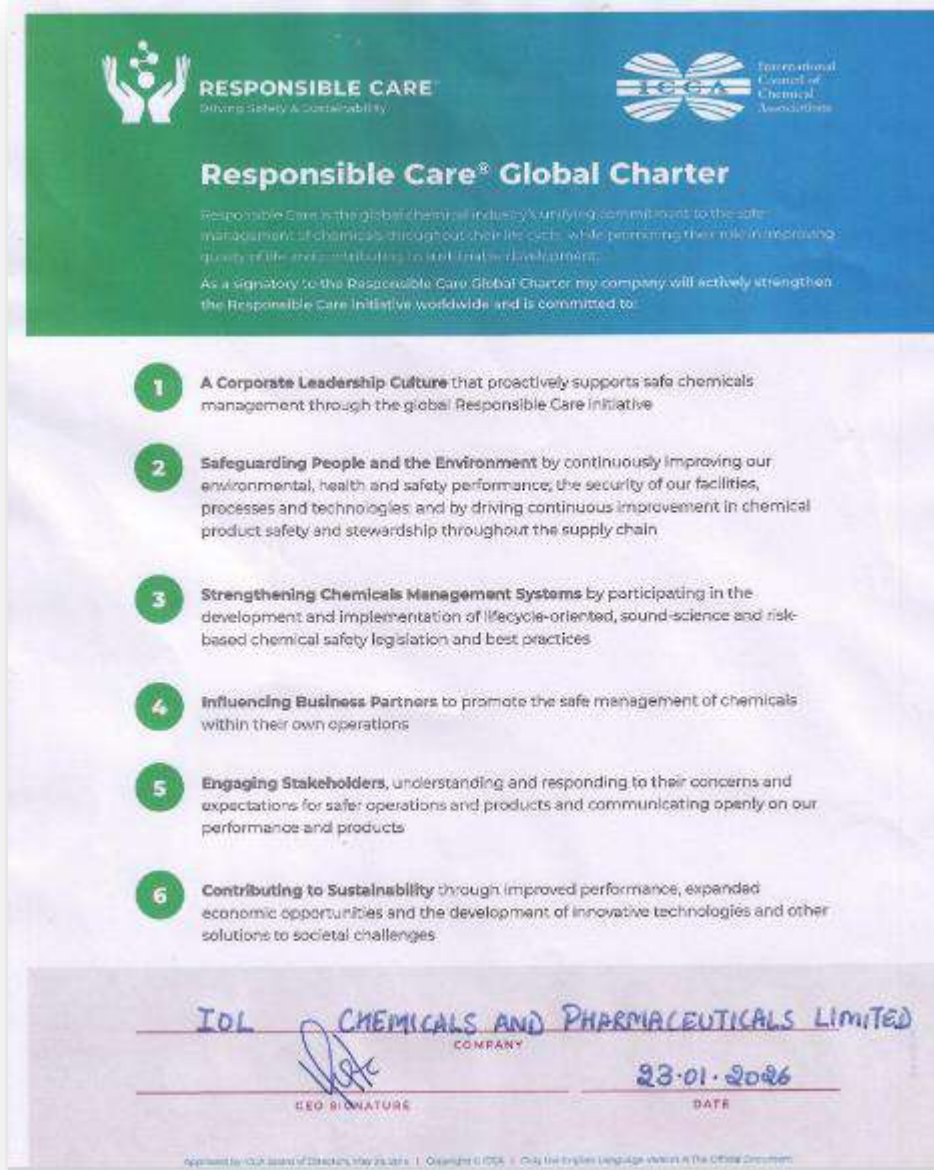
We give utmost priority to complying with all relevant laws and regulations. We are pleased to report that we maintained full compliance with all applicable laws and regulations during this reporting year. As a result, we ensured no instances of non-compliance and, consequently, no incurring of penalties.

New Certification Initiative

Responsible Care Certification

IOL Chemicals and Pharmaceuticals Ltd. has been awarded the prestigious Responsible Care (RC) certification by the Indian Chemical Council (ICC) for three years, marking a significant milestone in its commitment to safety, sustainability, and ethical practices. This recognition positions IOL Chemicals as the self-committed organization to receive the Responsible Care logo, emphasizing its dedication to safe chemical management throughout our lifecycle and adherence to globally recognized standards. The Responsible Care initiative reflects IOL Chemicals' focus on improving quality of life while prioritizing environmental stewardship and sustainable development. By achieving this certification, the company underscores its ongoing efforts to foster a safe and ethical operational environment within the chemical industry. It highlights IOL's proactive approach to integrating sustainability into its business model, ensuring that safety and ethics remain at the core of our operations. This achievement not only acknowledges IOL Chemicals and Pharmaceutical's current accomplishments but also sets a strong foundation for future growth and innovation. The certification is a testament to the company's leadership in promoting high standards in chemical management and environmental responsibility, reinforcing its position as a responsible corporate entity committed to long-term value creation for stakeholders.

Recently, IOL Chemicals & Pharmaceuticals renewed The Responsible Care® Global Charter commitment awaited to be published on ICCA website.



By integrating journey risk assessments, companies demonstrate their commitment to safeguarding workers, communities, and the environment while enhancing operational excellence. This practice not only helps in detecting and mitigating potential hazards early but also contributes to improved organizational reputation, regulatory compliance, and stakeholder trust. This rigorous approach aligns with the Responsible Care® principles awarded by the Indian Chemical Council, reflecting IOLCP's dedication to responsible chemical management throughout the product lifecycle.

UNGC - United Nations Global Compact

IOL Chemicals and Pharmaceuticals Limited align with the United Nations Global Compact (UNGC) principles by committing to sustainable and responsible business practices that emphasize human rights, labor standards, environmental stewardship, and anti-corruption measures. As a leading manufacturer of active pharmaceutical ingredients and specialty chemicals, IOLCP integrates these principles into its operations by focusing on innovation, quality, and ethical conduct while advancing environmental sustainability through green chemistry and reducing emissions. The company's dedication to legal, ethical, and fair business practices, along with its efforts to minimize environmental impact and promote social responsibility, reflects the core values of the UNGC, supporting global sustainable development goals and contributing positively to society and the planet. SDGs are linked with organizational KPIs. SDG's progress is being discussed in monthly Sustainability Review meets.

Risk Management

Risk management is a critical component for every organization. IOL Chemicals and Pharmaceuticals Ltd., which operates in a highly regulated and competitive industry has effective risk management involving identify risk, assessing, and mitigating potential risks that could impact the company's operations, financial performance, and reputation. For IOL Chemicals and Pharmaceuticals, key risks include regulatory compliance, as non-adherence to pharmaceutical standards can lead to severe results (penalties and product recalls. Supply chain disruptions are another significant risk), as they can affect the availability of raw materials and finished goods. Additionally, market fluctuations in demand and competition pose challenges to maintaining profitability. The company also manage environmental risks associated with chemical manufacturing, ensuring compliance with environmental regulations to avoid legal and reputational damage. To address these risks, IOL Chemicals and Pharmaceuticals has implemented robust risk management strategies, including regular audits, diversification of suppliers, market research, and adherence to environmental best practices. By proactively managing these risks, the company can ensure sustainability and growth in the pharmaceutical and chemical sectors.



Anti Bribery Management System

IOL Chemicals & Pharmaceuticals Limited, aligning its compliance practices with ISO 37001 to support its commitment to ethical business conduct and strengthening governance mechanisms which includes implementing robust internal controls, conducting risk assessments, ensuring employee training on anti-bribery policies, and establishing transparent reporting and whistleblower mechanisms.

By integrating ISO 37001 principles into IOLCP operations, particularly in areas such as communication and training on anti-corruption policies. This alignment not only reinforces regulatory compliance but also builds stakeholder trust and safeguards the organization's reputation. We also perform ESG Audit of Suppliers to check each aspect along with other social , environment and governance factors.



Business Continuity Plan

The company's Business Continuity Plan (BCP) is designed to ensure that critical business functions remain operational during unforeseen events such as natural disasters, supply chain disruptions, or pandemics. The plan involves a comprehensive risk assessment to identify potential vulnerabilities and develop strategies to mitigate them.

This includes establishing backup facilities for manufacturing and data storage, implementing robust supply chain diversification, and training employees on emergency procedures. Additionally, IOL Chemicals and Pharmaceuticals Ltd. conducts regular drills and updates its BCP annually to reflect changes in the business environment and regulatory requirements. The company also maintains strong communication channels with stakeholders to ensure transparency and coordination during crisis situations. By prioritizing business continuity, IOL Chemicals and Pharmaceuticals Ltd. aim to minimize downtime, protect its reputation, and maintain customer trust, thereby ensuring long-term sustainability and growth. This proactive approach not only safeguards the company's operations but also enhances its resilience in a rapidly changing world.

Information Security management system

We are ISO 27001 certified organization, demonstrating our commitment to maintaining the highest international standards for information security and data protection. To safeguard our digital infrastructure against potential breaches, we have implemented a robust, multi-layered security system that includes strict controls such as blocked USB ports and advanced firewall configurations. These proactive measures ensure that our critical data remains secure while effectively neutralizing unauthorized access and mitigating cybersecurity threats.



Digitalization @ IOLCP





IOLCP has embraced digitalization across its day-to-day activities to enhance efficiency, transparency and decision-making. The company has implemented advanced digital tools and integrated technology platforms to streamline manufacturing, supply chain management, quality control, human resource, research and development, safety and enterprise-wide processes.

The Company has deployed SAP S/4 HANA to enable integrated enterprise-wide operations and data-driven decision-making, while Star LIMS, TrackWise eQMS, eDMS, and PTS systems support robust quality management, regulatory compliance, documentation control, process traceability and training for employees.

In human resource management, SAP SuccessFactors has streamlined talent management, employee engagement, and workforce administration processes. Additionally, the Company has adopted specialized R&D and engineering tools such as DIMA Engineering, ChemDraw, Marvin Sketch, Design of Experiments (DoE), Dynochem, and Science Finder to strengthen process innovation, product development, and scientific research capabilities. These digital initiatives have improved operational efficiency, enhanced compliance and data integrity, reduced manual interventions, and enabled more agile and sustainable business operations across the organization.



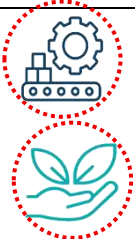



Key Performance Indicators






Material Topics	Key Performance Indicators	Description	SDGs at play	BRSR Linkage	PSCI Linkage	Capital Linkage	Status (Apr'25-Mar'26)	
							Target	Actual
Environment								
 Climate Change & Governance	1. Scope 1 + 2 GHG (tCO2eq)	Production Intensity MTCO2e/Ton of Production (S1+S2)		Environment	Principle 6		0.33	0.38
	2. Scope 3 GHG (tCO2eq)	Reduce at least 35 % by 31st March 2033 of scope 3 GHG emissions.	 	Environment	Principle 6		10%	13%
	3. Net Zero Roadmap	Net Zero by 2050: Prepare the net zero strategy and submit it by 31st Dec 2024		Environment	Principle 6		Road Map Preparation	Net Zero Strategy Prepared
	4.Environment non-compliance	Zero cases of environmental non-compliance.		Governance & Management System	Principle 6		0	0
	5. ISO 14001 Environmental Management System Coverage	Certification Continuation with zero major non-conformities.		Environment	Principle 6		Certification Continuation	Audit Completed with Zero major NC's
	6. ISO 14064-1 GHG Emission Report	GHG report to be published as ISO 14064-1		Environment	Principle 6		Report Published	Published on Org. website for FY 25-26
	7. 100% life cycle assessment for all IOLCP products by 2033	LCA Carbon Footprint calculation for three products needs to be carried out for Clopidogrel, Fenofibrate, Pantoprazole FY 25-26		Environment	Principle 2		3	3

 Waste Management	1. Total Waste Recycled/Waste generated in the year 2025 against FY 2024.	Hazardous Waste recycling to be enhanced by 2%.	 	Environment	Principle 6	2%	1.4%
	2. Expired API taken back for recycling or waste treatment (%)	100% of expired or unused Activated Pharmaceutical Ingredients (API) collected for recycling or waste treatment.		Environment	Principle 2	100%	100%
 Energy Management	1. ISO 50001 –Quality Management System Coverage	Certification Continuation with zero major non-conformities.	  	Governance & Management System	Principle 6	Certification Continuation	Audit Completed with Zero major NC's
	2. Solar Panel Installation	1.187 MW solar panels to be installed in FY 26-27. Phase wise 1.5 MW & 62.1KW Solar Panel installed at site for Carbon Neutral in FY 25-26.		Environment	Principle 6	100%	100%
	3. Increase in Green Fuel	Aiming for the usage of 100% biofuel in the process against last year's consumption		Environment	Principle 6	5%	12%
	4. Electricity / MT production	5% reduction in electricity per MT production		Environment	Principle 6	5%	5%
	5. Waste to wealth Initiative – 6	Reduce steam consumption, lower emissions, and improve operational efficiency.		Environment	Principle 6	1.119 MTCO _{2e}	New Targets U/P

	<p>Reduction in Compressed Gas Losses</p> <p>Air Nitrogen Audit (Leak Detection)</p>		<p>Environment Principle 6</p>		<p>Audit to be completed</p>	<p>Audit completed at site</p>
	<p>1. Water Consumption</p> <p>2. 100 % compliance of Zero liquid discharge Facility requirements as per the Consent of Punjab Pollution Control Board</p> <p>100% water neutral facility utilizing surface water.</p> <p>5% Reduction in water consumption KL /Ton of Production.</p> <p>Water Intensity</p> <p>Water Audit to be conducted</p>		<p>Environment Principle 6</p> <p>Environment Principle 6</p>		<p>100%</p> <p>5%</p> <p>0.60</p>	<p>91%</p> <p>5%</p> <p>0.58</p>
	<p>ISO 9001 – Quality Management System Coverage</p> <p>Waste to wealth Initiative -1</p> <p>Waste to wealth Initiative – 2</p> <p>Waste to wealth Initiative – 3</p> <p>Certification Continuation with zero major non-conformities.</p> <p>Reducing hazardous waste generation and improving resource efficiency.</p> <p>Minimizing effluent discharge and promoting circular use of process materials.</p> <p>Recovery of ammonium tartrate from effluent streams or its conversion into usable by-</p>		<p>Governance & Management System Principle 9</p> <p>Environment Principle 2</p> <p>Environment Principle 2</p> <p>Environment Principle 6</p>		<p>Certification Continuation</p> <p>6984.12 MTCO₂e</p> <p>343.2 MTCO₂e</p> <p>42.9 MTCO₂e</p>	<p>Audit Completed with Zero major NC's</p> <p>New Targets U/P</p> <p>New Targets U/P</p> <p>New Targets U/P</p>

		products, reducing pollutant load and enabling resource recovery.				235.872	New Targets
	Waste to wealth Initiative – 4	Converting into commercially usable by-products, enhancing waste valorization and reducing disposal requirements.		Environment	Principle 2	MTCO2e	U/P
	Waste to wealth Initiative – 5	By-product generation, supporting circular economy practices and reducing waste discharge.		Environment	Principle 2	312 MTCO2e	New Targets U/P
	Waste to wealth Initiative – 7	Reducing hazardous waste and improving material recovery and usable by-products.		Environment	Principle 6	2730 MTCO2e	New Targets U/P
	Waste to wealth Initiative – 8	Reducing waste generation and creating additional revenue streams from process residues.		Environment	Principle 2	5690.88	New Targets U/P
Product Stewardship							
							
							Natural & Manufactured Capital
		Conservation efforts across site		Environment	Principle 6	100%	100%
		Number of saplings planted				61000	61208
Biodiversity		Successfully created green belt area for environmental preservation.				100%	100%
							Natural Capital
Social							

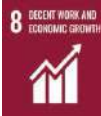
	<p>Quarterly Awareness & training conducted for SA 8000</p>		<p>Environment Principle 4</p>		<p>100%</p>	<p>100%</p>
<p>Community Relations</p>				<p>Social & Relationship Capital</p>		
	<p>Employee satisfaction survey for decent working conditions</p> <p>POSH Policy, Regular meetings to address the Issues</p> <hr/> <p>Wage Gap Analysis & Action Plan Identify any wage gaps and develop a time-bound corrective action plan to progressively bridge the gap, ensuring alignment with living wage standards by 31st March 2028.</p> <hr/> <p>Statutory Benefits Coverage Benefits provided to full-time employees to take care of their health, family, and death/ disability. Ensure 100% enrolment of eligible workers under ESI, PF, Bonus, Gratuity (where applicable), and other statutory social security schemes.</p> <hr/> <p>Awareness Campaigns Quarterly Awareness Campaigns to be Organized.</p>		<p>Governance & Management System Principle 3</p> <hr/> <p>Employee Wellbeing Principle 5</p> <hr/> <p>Employee Wellbeing Principle 5</p> <hr/> <p>Health & safety Principle 6</p>		<p>100%</p> <p>100%</p> <p>Zero Issues</p> <p>4%</p> <p>4%</p> <p>100%</p> <p>100%</p> <p>4</p> <p>4</p>	<p>100%</p> <p>100%</p> <p>Zero Issues</p> <p>4%</p> <p>4%</p> <p>100%</p> <p>100%</p> <p>4</p> <p>4</p>
<p>Employee Development and Engagement</p>				<p>Human Capital</p>		

	Environment protection/ Safety / Sustainability /Noise /Water Sustainability meets to be organized monthly, & targets are to be achieved continuously.	Sustainability meets to be organized Bi-monthly		Governance & Management System	Principle 2	6	5
	Achieving a 15% increase In the avg. training hours/ employee	Average training hours per employee Return to work and retention rates of employees that took parental leave		Governance & Management System	Principle 3	3.4	3.4
	Stakeholder Collaborat- -ion	Suppliers meet initiative “PRAYAS” conducted on 19 th Decemeber,2025. Collaborating with stakeholders to derive 100 % GHG emissions (S1 + S2) for Tier -1 suppliers by 31st March 2027.		Governance & Management System Environment	Principle 4	100%	100%
 <p>Supply chain sustainability</p>	Stakeholder Training & Awareness of Climate Change & GHG Emissions	Training shall be imparted to stakeholders to encourage them for reduction in GHG emission or Tier -1 suppliers by 31st March 2027	 	Environment	Principle 4	100%	100%
	% of Sustainable Sourcing	Purchase 10% ISCC approved raw materials for Specialty chemicals production	 	Environment	Principle 2	10%	18.14%



Social & Relation ship Capital

	of ISCC Raw material									
		Aim zero POSH cases								
<p>Diversity & Inclusion</p>	Transparent Wage Communication	Provide detailed and accurate pay slips to all employees and contractual workers prior to wage disbursement, clearly outlining earnings, deductions, and statutory contributions always.	 					 Human Capital	0	0
	Annual Wage Review Mechanism	Review wage structure annually considering inflation, cost of living index (CPI), statutory minimum wage revisions, and local living wage benchmarks.	 						100%	100%
	Contractor Compliance Monitoring & Audit	Ensure all contractors comply with statutory wage requirements and progressively align with the company's living wage commitment. Conduct periodic wage compliance audits of contractors at least once per year to ensure adherence.							100%	100%
									100%	100%
<p>Occupational Health & Safety</p>		Aim Zero Reportable accident Aim zero LTIFR & LTISR Aim zero fatalities Central fire alarm system installed at site	 	Employee Wellbeing	Principle 5			 Human Capital	0	1.1
	Responsible Care Logo	Responsible Care Logo received for 3 years of period valid till Nov 2027.	 	Product Stewardship & Sustainability Practices	Principle 1				100%	100%
	ISO 45001 – OHS Management System Coverage	Certification Continuation with zero major non-conformities.							100% Certification Continuation	100% with Zero major NC's

		Safety Survey PSM Survey		Employee Wellbeing	Principle 5	Completed	Completed
 Human Rights		Aim zero human rights infringement incidences				0	0
		Robust policies and governance system in place	 			100%	100%
	Living Wage Benchmarking	Conduct a comprehensive living wage assessment by 31st March 2027 to compare current wage levels (including contractual and on-roll workers) with recognized living wage benchmarks applicable to the region.	 		 Human Capital	3%	3%
	Equal Pay for Equal Work	Ensure implementation of equal remuneration practices without discrimination based on gender, caste, religion, or employment status, in compliance with applicable labor laws always.		Employee Wellbeing	Principle 5	100%	100%
	Statutory Compliance	Ensure 100% compliance with Minimum Wages Act, Payment of Wages Act, and other applicable labor legislations at all times.				100%	100%
	Timely Payment	Ensure 100% timely wage payment without delay, in accordance with statutory timelines.				100%	100%
Governance							
 Business Ethics & Compliance		Aim Zero Cases of Anti-Bribery & Corruption		Ethics, Transparency & Accountability	Principle 1	0	0
	ISO 37001 – Anti bribery Management System	Certification Continuation with zero major non-conformities.	 		 Financial Capital	Certification Continuation	Audit Completed with Zero major NC's

	<p>ISO 27001- Information Security Management System</p>	<p>Number of systems/processes /mechanisms automated or digitalized</p> <p>Clear screen policy</p> <p>Certification Continuation with zero major non-conformities</p>			<p>100%</p> <p>100%</p> <p>Certification Continuation</p>	<p>100%</p> <p>100%</p> <p>Audit Completed with Zero major NC's</p>
<p>IT security and data privacy</p>				<p>Intellectual Capital</p>		



GRI Content Index

Statement of Use	IOL has reported in accordance with the GRI Standards for the period between 1st April 2025 - 31st March 2026
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard No.	Disclosure	Location		Omissions
		Section	Page No.	
GRI 2: General Disclosures 2021				
The organization and its reporting practices	2-1 Organizational details	About Us	2	
	2-2 Entities included in the organization’s sustainability reporting	About the Report	2	
	2-3 Reporting period, frequency and contact point	About the Report	2	
	2-4 Restatements of information	NA	-	NA
	2-5 External assurance	Assurance Statement	101-102	
Activities and workers	2-6 Activities, value chain and other business relationships	ESG (About the Report)	2	
	2-7 Employees	Social Responsibility	59	
	2-8 Workers who are not employees	NA	-	Not Covered
Governance Strategy, policies and practices	2-9 Governance structure and composition	Board of Directors	7	
	2-10 Nomination and selection of the highest governance body	Board of Directors	7	
	2-11 Chair of the highest governance body	Board of Directors	7	
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors	7	
	2-13 Delegation of responsibility for managing impacts	Responsibility Matrix	2	
	2-15 Conflicts of interest	Governance	-	
	2-16 Communication of critical concerns	Social Responsibility	55	
	2-17 Collective knowledge of the highest governance body	Board of Directors	-	



	2-22 Statement on sustainable development strategy	Sustainability Journey	16	
	2-23 Policy commitments	Sustainability Journey	83	
	2-24 Embedding policy commitments	Sustainability Journey	83	
	2-27 Compliance with laws and regulations	Sustainability Journey	16	
	2-28 Membership associations	NA	-	Not Covered in Report
Stakeholder engagement	2-29 Approach to stakeholder engagement	SCM	74	
	2-30 Collective bargaining agreements	NA	-	Not applicable to IOL as there is no union.
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment	10-12	
	3-2 List of material topics	Double Materiality Assessment	10-12	
Economic Performance				
GRI 201: Economic Performance 2016	3-3 Management of material topics	Double Materiality Assessment	10-12	302-2
	201-1 Direct economic value generated and distributed	NA		
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Double Materiality Assessment	10-12	
	204-1 Proportion of spending on local suppliers	Social Responsibility	50,78	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Social Responsibility	83	
	205-3 Confirmed incidents of corruption and actions taken	Social Responsibility	68	
Environmental Performance				
GRI 301: Materials 2016	3-3 Management of material topics	Double Materiality Assessment	10-12	302-2
	301-1 Materials used by weight or volume	ESG (Material Management)	77	
	301-2 Recycled input materials used	ESG (Sustainable Procurement)	77	
	301-3 Reclaimed products and their packaging materials	Environmental Responsibility	37	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Responsibility	45-46	
	302-2 Energy consumption outside of the organization	NA	-	NA
	302-3 Energy intensity	Environmental Responsibility	46	
	302-4 Reduction of energy consumption	Environmental Responsibility	46	
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Double Materiality Assessment	10-12	
	303-1 Interaction with water as a shared resource	Environmental Responsibility	39-41	



	303-2 Management of water discharge-related impacts	Environmental Responsibility	39-41
	303-3 Water withdrawal	Environmental Responsibility	39-41
	303-4 Water discharge	Environmental Responsibility	39-41
	303-5 Water consumption	Environmental Responsibility	39-41
GRI 304: Biodiversity 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Responsibility	48-49
	304-3 Habitats protected or restored	Environmental Responsibility	48-49
GRI 305: Emissions 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	305-1 Direct (Scope 1) GHG emissions	Environmental Responsibility	18-22
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Responsibility	18-22
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Responsibility	18-22
	305-6 Emissions of ozone-depleting substances (ODS)	Environmental Responsibility	22
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Responsibility	24
GRI 306: Waste 2020	3-3 Management of material topics	Double Materiality Assessment	10-12
	306-1 Waste generation and significant waste-related impacts	Environmental Responsibility	43-44
	306-2 Management of significant waste-related impacts	Environmental Responsibility	43-44
	306-4 Waste diverted from disposal	Environmental Responsibility	43-44
	306-5 Waste directed to disposal	Environmental Responsibility	43-44
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	308-1 New suppliers that were screened using environmental criteria	Social Responsibility	72-78
	308-2 Negative environmental impacts in the supply chain and actions taken	Social Responsibility	72-78
Social Performance			
GRI 401: Employment 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	401-1 New employee hires and employee turnover	Social Responsibility	69-70
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Responsibility	67
	401-3 Parental leave	Social Responsibility	71



GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Double Materiality Assessment	10-12
	403-1 Occupational health and safety management system	Social Responsibility	51-58
	403-2 Hazard identification, risk assessment, and incident investigation	Social Responsibility	55
	403-3 Occupational health services	Social Responsibility	52
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social Responsibility	55
	403-5 Worker training on occupational health and safety	Social Responsibility	62
	403-6 Promotion of worker health	Social Responsibility	53-54
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social Responsibility	55
	403-8 Workers covered by occupational health and safety management system	Social Responsibility	53-54
	403-9 Work-related injuries	Social Responsibility	53
403-10 Work-related ill health	Social Responsibility	53	
GRI 404: Training and Education 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	404-1 Average hours of training per year per employee	Social Responsibility	61
	404-2 Programs for upgrading employee skills and transition assistance programs	Social Responsibility	63
GRI 405: Diversity and Equal Opportunity 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Social Responsibility	64
	3-3 Management of material topics	Double Materiality Assessment	10-12
GRI 406: Non- discrimination 2016	405-1 Diversity of governance bodies and employees	Social Responsibility	71
	405-2 Ratio of basic salary and remuneration of women to men	Social Responsibility	70
GRI 408: Child Labor 2016	406-1 Incidents of discrimination and corrective actions taken	Social Responsibility	68
	3-3 Management of material topics	Double Materiality Assessment	10-12
GRI 409: Forced or Compulsory Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Social Responsibility	68
	3-3 Management of material topics	Double Materiality Assessment	10-12
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social Responsibility	68



2016			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Social Responsibility	63
GRI 413: Local Communities 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility	67,69
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Double Materiality Assessment	10-12
	414-1 New suppliers that were screened using social criteria	Social Responsibility	72-78
	414-2 Negative social impacts in the supply chain and actions taken	Social Responsibility	72-78
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social Responsibility	68

UNGC Index

Principle	Description	Element
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights U.S. Access & Affordability Global Access & Health Patient Safety Community Engagement
Principle 2	Make sure that they are not complicit in human rights abuses.	Human Rights Code of Business Conduct Supplier Code of Business Conduct
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Rights Employee Experience Business Ethics Corporate Governance



Principle 4	The elimination of all forms of forced and compulsory labor	Human Rights Corporate Governance Supplier Code of Business Conduct
Principle 5	The effective abolition of child labor	Human Rights Corporate Governance Supplier Code of Business Conduct
Principle 6	The elimination of discrimination in respect of employment and occupation.	Employee Experience Diversity, Equity & Inclusion
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	Corporate Governance Climate Product Stewardship Supply Chain Management Waste Water CDP Climate Change Response CDP Water Security Response
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	Corporate Governance Climate Product Stewardship Supply Chain Management Waste Water CDP Climate Change Response CDP Water Security Response
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	Product Stewardship
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance, Business Ethics Supply Chain Management Code of Business Conduct Supplier Code of Business Conduct



PSCI Index

Principle	Element	Section
Ethics	Anti-bribery & corruption Fair competition ,Animal welfare Data privacy & security Patient safety & access to information Conflicts of interest Product protection and quality	Code of conduct, Whistleblower policy ISO 37001 certification Board oversight
Human Rights	Freely chosen employment Child labour & Young workers Non-discrimination ,Fair treatment Wages, benefits & working hours Freedom of association and right to collective bargaining ,Local communities	SA 8000 certification
Health & Safety	Worker protection, health, and wellbeing Process safety Safety of the work environment	OH&S Safety-training Incident-rates Contractor-safety programs
Environment	Environmental authorizations & reporting Waste & emissions ,Spills & releases Resource efficiency, Climate Change Biodiversity Conservation	ISO 14064-1 certification GHG emission Inventory SBTi Approved Targets Green Belt Development, Reduction Initiatives
Governance & Management System	Emergency preparedness & response Traceability and control Culture, commitment, and accountability Legal & customer requirements Risk management Documentation, Training & competency Continual improvement ,Grievance mechanisms Effective communication Response and remediation	Training & development Grievance Redressal mechanism Our Values Emergency preparedness & response Double Materiality Assessment



Independent Reasonable Assurance Statement to IOL Chemicals and Pharmaceuticals Limited on Selected Sustainability Metrics within ESG Report FY2026

To the Management of IOL Chemicals and Pharmaceuticals Ltd., Barnala, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by IOL Chemicals and Pharmaceuticals ("IOLCP") to provide an independent reasonable assurance on its ESG report for FY2026 ("the Report"). The scope of the Report comprises the reporting period of FY2026. The Report is prepared by IOLCP in alignment with Global Reporting Initiative (GRI) for ESG reporting.

The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information

Objective

The objectives of this reasonable assurance engagement were, by review of objective evidence, to confirm whether the sustainability related disclosures in the Report are in alignment with the Global Reporting Initiative (GRI) and were accurate, complete, consistent, transparent and free of material errors or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the ESG report of IOLCP Limited.

Responsibilities

The management of IOLCP is solely responsible for the development of Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of IOLCP, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

Assurance has been provided for selected sustainability performance disclosures presented by IOLCP in its Report. The reporting boundary included data and information for the period of 1st April 2025 to 31st March 2026 for the operations of IOL Chemicals and Pharmaceuticals at Barnala Manufacturing plant in Punjab with respect to selected GRI disclosures. Our scope of assurance included verification of data and information on selected disclosures reported as summarized below:



GRI Indicator	Description of Indicator
3-1	Process to determine material topics.
3-2	List of material topics.
3-3	Management of material topics.
302-1	Energy consumption within the organization (fuel, electricity, heating, cooling).
302-3	Energy intensity (ratio of energy use to output).
303-1	Interactions with water as a shared resource.
303-3	Water withdrawal by source.
303-4	Water discharge by destination and quality.
303-5	Water consumption (net use).
305-1	Direct (Scope 1) GHG emissions.
305-2	Indirect (Scope 2) GHG emissions from purchased energy.
305-3	Other indirect (Scope 3) GHG emissions.
305-4	GHG emissions intensity.
305-5	Reduction of GHG emissions.
305-6	Emissions of ozone-depleting substances (ODS)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other
306-2	Management of significant waste-related impacts.
306-3	Waste generated by type and disposal method.
306-4	Waste diverted from disposal (recycling, recovery).
306-5	Waste directed to disposal (landfill, incineration).

GRI Indicator	Description of Indicator
308-1	New suppliers that were screened using environmental criteria
401-1	New employee hires and turnover.
401-3	Parental leave (entitlements and return rates).
403-1	Occupational health and safety management system.
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 occupational health and safety
403-9	Work-related injuries (rates, fatalities).
403-10	Work-related ill health.
404-1	Average hours of training per employee per year.
404-2	Programs for upgrading employee skills and transition assistance programs
404-3	Percentage of employees receiving performance and career development reviews.
405-1	Diversity of governance bodies and employees.
405-2	Ratio of basic salary and remuneration of women to men.
406-1	Incidents of discrimination and corrective actions taken.
413-1	Operations with local community engagement, impact assessments, and development programs
414-1	New suppliers that were screened using social criteria

Other Sustainability disclosures:

- Training and Capacity-Building of suppliers and buyers
- Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements and supplier code of conduct
- Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building
- Supplier diversification



Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 5% was applied.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by IOLCP for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a Reasonable level of assurance. The assurance was conducted by site visit at IOLCP Barnala, stakeholder interviews were conducted with regards to the reporting and supporting records for the fiscal year 2026. Data and Information supporting the statement were historical in nature and proven by evidence. Our assurance task was planned and carried out during April 2026. The assessment included the following:

- Assessment of the Report that was prepared with the GRI standards.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at corporate offices and digitally.
- Conducted physical interviews and virtual interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by IOLCP for data analysis.
- Review of sustainability disclosures on sample basis for the reporting period of 1st April 2025 to 31st March of 2026 for IOLCP was carried out onsite at Barnala and remotely through virtual interaction and screen sharing tools.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

Conclusions

Intertek reviewed selected sustainability disclosures provided by IOLCP in its ESG report FY2026. Based on the data and information provided by IOLCP, Intertek concludes that the sustainability data and information is fairly presented in all material aspects as on the reporting standards.



Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Poonam Sinha

Poonam Sinha, Verifier
Senior Manager-Sustainability

2026/04/29

Shilpa Naryal

Shilpa Naryal
Head of Sustainability
Intertek South Asia & MENAP
2026/04/30

No member of the verification team (stated above) has a business relationship with IOLCP Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

