

onesource

ESG
Supplementary
Report 2025-26



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www.onesourcecdmo.com

CEO and MD message

Our sustainability priorities are closely aligned to what matters most to our stakeholders and our business. Product Quality Assurance, Occupational Health & Safety, and Environmental Stewardship remain central to maintaining customer trust, safeguarding our people and supporting long-term growth.

At OneSource, trust is the foundation of everything we do.

As a specialty pharmaceutical CDMO, we play an important role in supporting the development and manufacture of medicines that impact patient lives.

We believe this responsibility extends beyond operational excellence and requires the highest standards of quality, safety, ethics, governance and environmental stewardship.

FY26 marked an important milestone in our journey as our first full year as a listed company. As we strengthened our capabilities and expanded our global presence, we remained focused on building a resilient business that creates sustainable long-term value for all stakeholders.

Our sustainability priorities are closely aligned to what matters most to our stakeholders and our business. Product Quality Assurance, Occupational Health & Safety, and Environmental Stewardship remain central to maintaining customer trust, safeguarding our people and supporting long-term growth.

Sustainability is embedded in the way we make decisions, invest for the future and operate every day. While we are proud of the progress made, we recognise that this is a continuous journey requiring accountability and collective commitment.

Our ambition is clear: **to build OneSource into one of the world's most trusted and responsible specialty pharmaceutical CDMOs**, creating enduring value for patients, customers, employees, shareholders and the communities we serve.

Warm regards,

Neeraj Sharma

ESG GOALS AND AMBITIONS

We are Building for Sustainable Value Creation



Energy & Emissions

50%

reduction in absolute Scope 1 & 2 GHG emissions by 2036 (vs FY25)

100%

renewable energy by 2032



Waste

Zero

hazardous waste sent to landfill by 2035

50%

hazardous waste sent to co-processing by 2030



Water

2040

water neutral operations

Committed to reducing our freshwater footprint



People & Diversity

10%

women in top management roles by 2028

Building a more inclusive leadership pipeline



Governance and Economic

1 Governance and Economic Transparency & Reporting

Sustainability Reporting Boundaries (DJSI 1.1.1)

This ESG Supplementary Report outlines our non-financial performance for the period 1 April 2025 to 31 March 2026 (FY26). It provides detailed information on all material Environmental, Social, and Governance Key Performance Indicators (KPIs).

On 25 September 2023, the Board of Directors of OneSource Specialty Pharma Limited (“OneSource”) (formerly Stelis Biopharma Limited), Strides Pharma Science Limited (“Strides”) and Sterisience Specialties Private Limited (“Sterisience”), approved a Scheme of Arrangement (“Scheme”) to bring together the Soft Gelatine business of Strides, Sterile Injectables business of Sterisience and Biologics CDMO business of Stelis Biopharma to create OneSource, a multimodal pure-play specialty pharmaceutical CDMO. OneSource was subsequently listed on the Indian stock exchanges (NSE and BSE) on 24 January 2025.

Our operations span five state-of-the-art facilities approved by leading global regulatory authorities, enabling us to deliver world-class development and manufacturing capabilities with precision, scale, and reliability.

Reporting boundary

Given the above reorganization, the reporting boundary across the FY23-FY26 differs. The details are as follows:

- **Environmental and Social Data:** Data for FY23 and FY24 cover Unit 1, Unit 2 and Unit 3, representing the facilities operating under the standalone Stelis Biopharma Limited. Data for FY25 and FY26 covers all five OneSource facilities viz. Unit 1, Unit 2, KRSG, SPD and BLD. This reporting boundary applies to environmental performance data, including energy, emissions, water and waste, and social performance data, including workforce, occupational health and safety, training, diversity and community engagement.

As the reporting entity and facility coverage changed between FY24 and FY25, performance trends across FY23–FY24 and FY25–FY26 are not directly comparable. Year-on-year movements should therefore be interpreted in the context of the expanded reporting boundary and may not solely reflect changes in operating performance. We continue to strengthen our consolidated environmental and social data-management processes to support consistent reporting across all facilities.

- **Governance Data:** Governance disclosures reflect the Board, committee structure, and policies of OneSource.

Sustainability Reporting Assurance (DJSI 1.1.2)

The non-financial performance metrics presented in our Integrated Annual Report FY26 and this ESG Supplementary Report have been independently assured by SGS India Private Limited, in accordance with ISAE 3000 (Revised) Assurance Standard. The Assurance Statement is available on Page 437 of our [Integrated Annual Report FY26](#).

Corporate Governance

Board Independence (DJSI 1.2.1)

In line with Section 149(7) of the Companies Act, 2013 (“Act”) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements (LODR)) Regulations, 2015 (“SEBI Listing Regulations”), our Independent Directors have formally confirmed that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. They have also affirmed compliance with the Code for Independent Directors set out in Schedule IV of the Act, which governs standards of professional conduct, roles, and responsibilities.

In line with SEBI Listing Regulations, we ensure that at least half of the Board consists of Independent Directors. At present, five of eight (62.5%) of our Board members are Independent.

The Annual Independence Declaration is available on Page 147 of our [Integrated Annual Report FY26](#).

Board Type (DJSI 1.2.2)

We have adopted a one-tier Board structure, under which the Board oversees the management and affairs of the Company. This structure supports balanced leadership and reinforces our commitment to integrity and sound governance practices across the organisation.

Type of Directorship	Number
Executive Directors	1
Independent Directors	5
Non-Executive Directors	2
Total Board Size	8

For more details about our Board of Directors, please visit: <https://www.onesourcecdmo.com/investor-relations/corporate-governance/>

Non-Executive Chairperson/ Lead Director (DJSI 1.2.3)

Our Board is chaired by a Non-Executive and Non-Independent Chairperson.

Board Diversity Policy (DJSI 1.2.4)

Our [Board Diversity Policy](#) promotes a diverse and balanced Board composition and supports a transparent Director nomination process. The Policy recognises diversity across gender, race/ethnicity, nationality, cultural background, age, experience, skills, knowledge, and perspectives.

Board Gender Diversity (DJSI 1.2.5)

As of 31 March 2026, the Board of Directors included eight members, including one female Director. This represents a gender diversity ratio of 12.5%.

Board Accountability (DJSI 1.2.6)

Requirement	FY26
Average Board Meeting Attendance is above 75%	In FY26, the Board held six meetings to review strategy, performance, and governance matters, recording an average attendance of 98%.
Shareholder approval required for changes in bylaws	In accordance with the Companies Act, 2013, any amendment in the Articles of Association and Memorandum of Association of the Company requires prior approval of the shareholders.
The company has board members with 4 or less other mandates	All our Independent and Non-Executive Directors (7) hold less than four mandates in other publicly listed companies. For more details, please refer to Page 165 of our Integrated Annual Report FY26 .
CEO succession plan is in place	We have a succession plan in place for our Chief Executive Officer. The plan is designed to provide stability and continuity in leadership, allowing for a smooth transition whenever required.
Board performance reviews are in place	The Nomination and Remuneration Committee (NRC) has established a comprehensive Board Evaluation Policy and prescribed specific criteria for evaluating the performance of the Board as whole, Board Committees, and individual Directors including Independent Directors. In accordance with the Company's Board Evaluation Policy, the annual performance evaluation for FY26 was conducted across the Board, its committees, and individual Directors. The evaluation was undertaken through a structured online questionnaire tailored to each evaluation category. The evaluation process is led by our Chairperson.
There is no limitation to Directors' liabilities	We maintain a Directors' and Officers' (D&O) Liability Insurance in accordance with applicable legal requirements. The policy provides financial protection against certain liabilities arising from actions undertaken in an official capacity. However, it does not cover unlawful or unethical conduct and does not diminish Directors' fiduciary duties or accountability for the proper discharge of their responsibilities. Further details are available on Page 170 of the Integrated Annual Report FY26 .
Board members are elected on an annual basis	Board appointments and re-appointments are governed by the Nomination and Remuneration Policy , which sets out the criteria for the appointment, remuneration, qualifications, positive attributes and independence of Directors in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee reviews and recommends appointments and re-appointments of Directors for approval by the Board and shareholders, as applicable. Independent Directors are appointed for a fixed term of up to five years, subject to applicable legal and regulatory requirements and shareholder approval.

Board Average Tenure (DJSI 1.2.7)

As of 31 March 2026, the average tenure of our Board of Directors was 1.9 years. This reflects the constitution of the current Board upon the Company's listing on the BSE and NSE in January 2025, with Directors' tenures measured from their respective dates of appointment.

Our Board meets the governance requirements of a publicly listed company under the SEBI (LODR) Regulations, 2015. Four of eight Directors were appointed in or after February 2025, coinciding with the period leading up to and following the listing.

Importantly, the Board benefits from continuity through its Chairperson, Arun Kumar, whose association with the Company dates back to April 2021, and through the Managing Director, Neeraj Sharma, who has served this role since March 2024. Their combined institutional knowledge provides stability and strategic continuity, whilst the appointment of five Independent Directors, each bringing distinct domain expertise and global perspectives adds the rigour, objectivity, and fresh thinking essential for a newly listed entity building its governance architecture.

Board Industry Experience (DJSI 1.2.8)

Our Board brings diverse experience across relevant industries, functions, and markets, enabling effective oversight and strategic guidance for business. Currently, five of our Non-Executive Directors and Independent Directors have relevant industry experience. This includes Arun Kumar, Dr. Rashmi Bharbhaya, Dr. Claudio Albrecht, Vijay Karwal and Colin Bond.

Further details on our Board of Directors skills and experience are available on Pages 166-167 of our [Integrated Annual Report FY26](#).

CEO Compensation – Success Metrics (DJSI 1.2.9)

We maintain a performance-linked CEO remuneration framework that incorporates predefined financial performance indicators aligned with shareholder value creation and long-term business sustainability. Variable compensation is linked to achievement against approved targets relating to Return on Capital Employed (ROCE) and Net Debt to EBITDA, which are used to evaluate capital efficiency, financial resilience and disciplined capital deployment.

The performance assessment framework also considers delivery against key business objectives, including profitability, operational excellence, growth, and strategic execution. Progress against these metrics is reviewed periodically by the Board, while payouts are assessed by the Nomination and Remuneration Committee and approved by the Board through a structured governance process.

CEO-to-Employee Pay Ratio (DJSI 1.2.11)

	FY26
CEO Total Annual Compensation	₹ 6,24,50,000
Median Employee Annual Compensation	₹ 7,43,672
Ratio	83.98

Management Ownership (DJSI 1.2.12)

Position	Name	Number of Shares Owned as on 31 March 2026	Per share value as on 31 March 2026 (₹)	Total Share Value (₹ million)	Base Salary (₹ million)	Multiple of Base Salary
Chief Executive Officer (CEO)	Neeraj Sharma	1,06,148	1,472.35	156.3	49	3.19
Other Executive Committee Members						
Chief Operating Officer (COO)	Biju Mathew	34,422	1,472.35	50.7	23.73	2.14
Chief Finance Officer (CFO)	Anurag Bhagania*	100	1,472.35	0.1	20.42	0.01
Average Across Other Executive Members				1.07		

*Owns 30,000 ESOPs

Government Ownership (DJSI 1.2.14)

No government institution owns more than 5% of the total voting rights.

Our shareholding pattern as of 31 March 2026 can be accessed here: <https://www.onesourcecdmo.com/wp-content/uploads/2026/04/Shareholding-Pattern-March-31-2026.pdf>

Family Ownership (DJSI 1.2.15)

Founding individuals or family members individually own more than 5% of the voting rights i.e. 30.48%.

Our shareholding pattern as of 31 March 2026 can be accessed here: <https://www.onesourcecdmo.com/wp-content/uploads/2026/04/Shareholding-Pattern-March-31-2026.pdf>

ESG Governance Oversight (DJSI 1.2.16)

We have established a multi-tiered ESG governance framework to oversee our sustainability strategy, performance, risks, and disclosures. This framework enables accountability across the organisation and supports the integration of ESG considerations into business decision-making and long-term value creation. Our Board-approved [Sustainability Policy](#) provides the overarching framework for managing ESG matters, setting out our sustainability commitments and guiding the integration of environmental, social and governance considerations into business strategy, decision-making, and operations.

Our Board-level Environmental, Social, and Governance (ESG) Committee provides oversight of sustainability matters and is composed of all members of the Board. We have also adopted a formal [ESG Committee Charter](#) that establishes clear responsibilities and accountability for overseeing our ESG strategy, goals, reporting, and compliance obligations. The Committee sets the strategic direction for sustainability, oversees ESG-related goals, performance, risks and opportunities, and ensures that sustainability considerations are embedded within business strategy and long-term value creation. ESG strategic priorities and key decisions are led by the ESG Chair, who guides the Committee's agenda and facilitates effective Board oversight of ESG matters. Through regular review of ESG performance and emerging sustainability issues, the Committee supports informed decision-making and accountability for the delivery of our sustainability objectives.

Executive oversight of ESG and sustainability matters is provided by the Management Steering Committee, comprising the Chief Financial Officer, Chief Quality Officer, Chief Operating Officer and Chief Business Officer. The Committee oversees the implementation of our sustainability strategy, reviews ESG priorities and performance, monitors progress against objectives and evaluates sustainability-related risks and opportunities. Through cross-functional engagement and regular reporting, the Committee promotes accountability for ESG outcomes, supports integration of sustainability considerations into business decision-making, and provides updates and recommendations to the Board to ensure alignment with our strategic and sustainability objectives.

Our Internal Sustainability Champions and functional leaders support the implementation of ESG priorities across the organisation. They integrate ESG objectives into day-to-day operations, drive initiatives, monitor performance, identify risks and opportunities, support ESG reporting, and contribute to the achievement of measurable sustainability outcomes.

Materiality

Materiality Analysis (DJSI 1.3.1)

To identify and address ESG-related risks, opportunities, and stakeholder priorities, we conducted a comprehensive materiality assessment in FY26, which was reviewed and approved by our Board of Directors.

We are committed to reviewing our identified material issues on an annual basis. This process enables us to capture stakeholder insights on key sustainability issues pertinent to our business. By incorporating external insights into decision-making, our management team can more effectively assess risks and opportunities, strengthen mitigation planning, and support the creation and preservation of long-term organisational value.

Further information on our Materiality Assessment can be found on Page 50-51 of our [Integrated Annual Report FY26](#).

Material Issues for Enterprise Value Creation (DJSI 1.3.2 and 1.3.3)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Identified Issue	Product Quality Assurance	Occupational Health and Safety	Environmental Stewardship
Business Case	Quality is central to our manufacturing, product stewardship and long-term value creation. Operating in a complex, multi-product CDMO environment, our business depends on the confidence that customers place in our ability to consistently deliver products that meet their specifications and regulatory requirements. Quality is therefore a key differentiator that enables us to win and retain customer contracts, support successful product commercialisation, maintain regulatory approvals and strengthen our reputation as a trusted partner. Failures in quality can result in customer attrition, supply disruptions, regulatory actions, financial losses and reputational damage. Conversely, sustained quality performance drives customer trust, operational reliability, business growth and long-term shareholder value.	Health and safety are critical business issues for a CDMO because pharmaceutical manufacturing involves hazardous chemicals, complex production processes, and use of specialised equipment. Effective management of health and safety risks helps protect employees and contractors, minimise operational disruptions, maintain regulatory compliance, support reliable product supply, and strengthen customer confidence in our manufacturing capabilities.	Effective resource management is fundamental to our long-term value creation and business resilience. As a specialty pharmaceutical CDMO, we operate in a resource-intensive industry that is subject to evolving regulatory landscapes, stringent customer expectations, and climate-related risks.
Business Impact	Revenue	Risk	Risk
Business Strategies	We maintain a Quality Management System (QMS) aligned with USFDA cGMP, EU GMP, Schedule M GMP, ICH Q10 and PIC/S standards to support consistent compliance across all manufacturing sites. Our QMS is built on a clearly defined Quality Framework, supported by core enablers and structured around key architectural pillars, reinforced by a quality culture that is proactive, responsive and committed to consistent compliance. We have deployed enterprise-grade quality management technologies that enhance governance transparency and operational efficiency throughout our manufacturing operations.	We manage health and safety risks through a structured occupational health and safety management system that covers employees, workers, and contractors. Our facilities are ISO 45001-certified. Key measures include multi-layered safety governance and accountability structures, mandatory safety trainings, standardized controls for high-hazard chemicals and processes, regular risk assessments, hazard identification and reporting mechanisms, machine and process safety reviews, safety-by-design principles for new products and operations, and periodic safety maturity assessments.	Environmental risks are managed through an integrated environmental management approach focused on resource efficiency, emissions reduction, waste management, and regulatory compliance. Key measures include environmental management systems at manufacturing facilities, monitoring and management of energy, water and waste streams, environmental training and awareness programmes for employees, and monitoring of environmental performance indicators. We embed environmental responsibility across our manufacturing processes through an ISO 14001:2015-certified Environmental Management System.

Particular	Material Issue 1	Material Issue 2	Material Issue 3
	Translating our quality framework into daily practice, inspection readiness is a priority across our manufacturing network. Through digital quality oversight, structured governance reviews and proactive compliance monitoring, we work to consistently meet regulatory and customer expectations. This quality-first approach is embedded throughout the manufacturing lifecycle, from in-process controls to final product release. Standardised procedures, trained personnel and validated systems ensure every batch consistently meets pre-defined quality standards before reaching patients. Internal audits of the Quality Management System are conducted through both site-specific and corporate-level audit programmes to ensure ongoing compliance, effectiveness and continuous improvement.	These measures are complemented by occupational health programmes, health insurance coverage, employee wellness initiatives and contractor safety management system to promote a safe and healthy working environment across our operations.	The Company also undertakes initiatives to improve energy efficiency, optimise water consumption, increase waste recovery and recycling, strengthen environmental governance through site-level oversight and continuous improvement programmes.
Target	- Continuous inspection readiness - Close investigations and regulatory audit observations swiftly within defined timelines	- Continue maintaining Zero LTIFR - Continue maintaining Zero Work-related Injuries	- Reduce absolute Scope 1 & 2 GHG emissions by 50% relative to FY25 by 2036 - Achieve 100% Renewable Energy by 2032
Target year	2026	2026	
Progress	- During the year, we successfully completed 49 regulatory inspections and customer audits - No critical observations recorded	- Zero LTIFR - Zero Work related injuries	10% increase in renewable energy consumption compared to FY25
Executive compensation	The CEO and other C-suite executives have ESG-linked targets embedded within their variable compensation determined through their balanced scorecards. These targets include ESG priorities including product quality, occupational health and safety, and environmental stewardship objectives. Performance is reviewed annually and directly influences executive performance assessments and incentive outcomes, reinforcing accountability for the delivery of key ESG goals.		

Material Issues and Metrics for External Stakeholders (DJSI 1.3.4 and DJSI 1.3.5)

Material Issue	Product Quality Assurance	Environmental Stewardship
Cause of the impact	Products/services	Operations and Supply Chain
External stakeholder(s)/impact area(s) evaluated	Consumers/end-users and Society	Environment, Society and External Employees
Topic relevance on external stakeholders	Product quality and product safety are material to external stakeholders because pharmaceutical products directly impact patient health and well-being. Failure to maintain robust quality management systems may result in product defects, regulatory non-compliance, product recalls and disruption to healthcare delivery. Conversely, consistent adherence to quality standards, Good Manufacturing Practices (GMP) and product stewardship principles contributes to patient safety, customer trust, regulatory confidence and reliable access to medicines. Given the potential scale and severity of impacts associated with pharmaceutical products, Product Quality Assurance is considered a material issue for consumers, customers, regulators and society.	Failure to address the use of fossil fuels in our operations can have adverse impacts on the environment, leading to decreased social security and increased inequalities. Such impacts have the potential to disrupt our operations and supply chain. With greater scrutiny on environmental impact management, inability to effectively manage our emissions can result in loss of stakeholder trust and business reputation. We have set a target to reduce absolute Scope 1 & 2 GHG emissions by 50% by 2036 relative to FY25. We aim to achieve this target through the increased use of renewable energy and focused energy efficiency initiatives and technological investments.
Type of Impact	Negative and Positive	Negative and Positive
Output metric	- Regulatory inspections completed - Customer audits completed	Avoided CO ₂ Emissions
Impact valuation	Improved patient safety, health outcomes and access to quality medicines	Air quality improvement through reduced usage of fossil fuels
Description of the Impact Assessed	The availability of safe, effective, and high-quality pharmaceutical products helps prevent adverse health events, supports timely and appropriate treatment, improves disease management, and contributes to overall health and well-being across patient populations	Reduced consumption of fossil fuels lowers the emission of air pollutants such as particulate matter (PM), nitrogen oxides (NO _x), and sulfur oxides (SO _x), contributing to improved ambient air quality.
Impact metric	Number of Class I product recalls	Social Cost of Carbon

Risk and Crisis Management

Risk Governance (DJSI 1.4.1)

We maintain an enterprise-wide risk governance framework designed to identify, assess, mitigate, monitor, and report risks across the organisation. The framework is founded on a strong culture of accountability, with risk ownership embedded at all levels through clearly defined governance structures and oversight mechanisms.

Our [Risk Management Policy](#) provides the overarching framework for managing risks, including operational, strategic, ESG, information security, and cyber security risks. The policy establishes a structured approach to risk identification, risk assessment, mitigation planning, control design, monitoring, and periodic review to ensure responsiveness to evolving business conditions, regulatory requirements, industry developments, and emerging sustainability-related risks.

The Board of Directors has ultimate accountability for enterprise risk management and oversees the effectiveness of our risk governance framework. It reviews and approves the overall risk management approach, ensuring alignment between our risk exposure, strategic objectives, and long-term value creation priorities. Material amendments to the risk management framework require Board approval, and the Board is regularly informed of key risk developments, recommendations, and actions arising from risk assessments and management reviews. The Board-level Risk Management Committee (RMC) is responsible for overseeing the implementation and effectiveness of the enterprise risk management framework. The RMC meets semi-annually to review our risk profile, evaluate the adequacy of mitigation measures, monitor emerging and material risks, and assess the implications of significant internal and external developments on the business. The Committee provides strategic guidance on risk management priorities and reports key findings to the Board.

At the operational level, we have established a robust Three Lines of Defence framework to strengthen risk governance and support the achievement of strategic objectives. The first line of defence comprises our business and functional leaders, who are responsible for identifying, assessing, and managing risks within their respective areas of operation. Acting as risk owners, they embed risk considerations into day-to-day decision-making, implement mitigation actions, and monitor the effectiveness of controls. Risk owners provide regular updates on mitigation progress and Key Risk Indicator (KRI) performance to the Management Steering Committee, ensuring timely visibility of emerging issues and response measures. This approach strengthens accountability at the operational level and promotes a risk-aware culture across the organisation.

The second line of defence comprises the Enterprise Risk Management (ERM) function, led by the Chief Risk Officer (CRO), along with specialist functions that provide risk expertise, policy guidance, independent monitoring, and challenge. Management oversight of risk is provided by a Management Steering Committee comprising C-suite officials, including the Chief Financial Officer (acting as Chief Risk Officer), Chief Quality Officer, Chief Operating Officer, and Chief Business Officer. The Committee operationalises the ERM framework by:

- Identifying and assessing enterprise-wide risks;
- Driving implementation of mitigation and control measures;
- Monitoring Key Risk Indicators (KRIs);
- Coordinating cross-functional risk responses;
- Integrating ESG-related risks and opportunities into business decision-making processes;
- Providing periodic reporting to the Risk Management Committee regarding risk performance and mitigation progress.

The third line of defence is the independent Internal Audit function, which provides objective assurance on the effectiveness of governance, risk management, and internal controls. Together, these three lines promote accountability, strengthen oversight, and foster a proactive risk management culture across the organization.

Risk Management Processes (DJSI 1.4.2)

Our robust ERM framework integrates risk considerations into strategic planning, operational management, and decision-making processes. The framework follows an annual risk assessment cycle comprising risk identification, prioritisation, mitigation, and ongoing monitoring.

Risks are identified through a combination of strategic business priorities, reviews of the existing risk register, industry and regulatory intelligence, macroeconomic and geopolitical developments, and stakeholder feedback. These inputs are consolidated into the Enterprise Risk Register and reviewed through cross-functional discussions to identify current and emerging risks.

Identified risks are assessed using standardised criteria that evaluate both likelihood and potential impact on operational performance, financial results, compliance, reputation, and strategic objectives. Based on this assessment, material risks are prioritised and approved as Focus Enterprise Risks for enhanced management oversight. Broadly, the identified risks are classified into three categories: Industry agnostic, Industry specific and Company specific. These risks comprehensively cover the aspects of quality, and regulatory compliance necessary for development and manufacturing of our products and services.

For prioritised risks, designated risk owners evaluate existing controls, identify gaps, and develop mitigation plans with clearly defined responsibilities and timelines. KRIs and risk appetite thresholds are established to enable proactive monitoring and early intervention. Mitigation actions are integrated into management action plans, and progress is tracked regularly to ensure effective implementation.

Through a structured monitoring and reporting process, we track risk exposure and mitigation progress. Risk owners provide regular updates on mitigation activities and KRI performance, enabling management and governance bodies to assess the effectiveness of controls and respond to changing risk conditions.

To strengthen risk awareness and management capabilities, we conducted externally facilitated risk management workshops during FY26, including Board members and employees across the organisation. The workshops enhanced understanding of our risk landscape, risk oversight responsibilities, and risk management practices. In addition, a monthly risk review cadence has been established for the Management Steering Committee to support continuous monitoring of emerging risks and mitigation effectiveness. The performance incentive scorecard of C-suite and function heads includes risk management as one of the KPI. The risk management KPI benchmarks the effectiveness of risk identification, monitoring and mitigation parameters.

Our operational resilience is supported through rigorous business continuity planning. During FY26, we established Business Continuity Plan (BCP) for our facilities and conducted tabletop crisis simulation exercise involving leadership

and functional teams. The exercise tested preparedness for disruption scenarios and identified opportunities to strengthen communication protocols, decision-making processes, escalation pathways, and operational response capabilities. In addition, all our facilities are ISO 22301:2019 Business Continuity Management System (BCMS) certified as of FY26, demonstrating our commitment to resilience and continuity of critical operations at the highest level.

Furthermore, continuous risk assessments, mitigation tracking, employee and leadership training, resilience testing and monitoring, we have strengthened our risk management framework and enhanced our ability to anticipate, manage and respond to uncertainty while supporting long-term sustainable value creation.

The table below provides information on some of our identified risks. Further information on our Enterprise Risk Management Framework and identified risks can be found on Pages 116 to 119 of our [Integrated Annual Report FY26](#).

S. No.	Risk	Risk Description	Mitigation Strategy	Risk Exposure
1.	Capacity Expansion	Our growth strategy is supported by an ongoing ~US\$100 million capex programme across our manufacturing platforms. Delays in facility expansion, equipment qualification, technology transfers, validation activities, regulatory approvals or project execution could constrain commercial readiness, increase project costs and limit our ability to capture demand arising from GLP-1 therapies and other high-growth opportunities. Failure to align capacity creation with customer demand could also impact revenue growth, profitability and return on invested capital.	Capacity expansion projects are governed through structured project management and leadership oversight mechanisms. Detailed milestone tracking, phased commissioning, qualification and validation plans are implemented to improve execution discipline. The Company actively engages with equipment suppliers, contractors and regulatory stakeholders to reduce timeline risks, while maintaining contingency planning for critical materials, utilities and long-lead equipment. Capacity addition remains closely aligned with customer commitments, commercial pipeline visibility and long-term strategic priorities.	Critical
2.	Geopolitical Risk and Supply Chain	Geopolitical tensions, trade restrictions, sanctions, logistics disruptions, and currency volatility may increase raw material and sourcing costs, delay procurement of critical inputs, disrupt production schedules, impact customer deliveries, affect revenue, margins, and business continuity. Dependence on regulated and patient-critical supply chains may amplify operational and reputational impacts.	Supply chain resilience is strengthened through supplier and geographic diversification, reducing dependencies on single sources for critical inputs. Strategic inventory buffers are maintained for key materials to support business continuity and mitigate potential disruptions. The Company actively monitors supplier risks through structured assessments and early-warning mechanisms, while fostering long-term supplier partnerships to enhance supply security and reliability. Regular reviews of critical supply chain vulnerabilities and business continuity plans are undertaken to improve preparedness and resilience.	High
3.	Cybersecurity and Information Security	Cyberattacks, ransomware, data breaches, and system failures could disrupt manufacturing, quality, and enterprise systems; compromise customer IP, proprietary formulations, regulatory data, and sensitive information; cause financial losses, regulatory penalties, operational downtime, and reputational damage; and affect customer trust and compliance obligations.	Layered cybersecurity controls are implemented across critical systems, including access management, multi-factor authentication and encryption. Continuous monitoring through a Security Operations Centre (SOC), supported by regular vulnerability assessments, penetration testing and patch management, enables the timely identification and remediation of security risks. Incident response and business continuity plans are maintained to enhance preparedness, while employee awareness programmes reinforce a strong security culture. Governance practices remain aligned with ISO 27001 and ISO 27701 standards to support effective cybersecurity and data privacy management.	High

Emerging Risks (DJSI 1.4.3)

Parameter	Emerging Risk 1	Emerging Risk 2
Risk Name	Quantum-enabled compromise of long-lived pharmaceutical data and digital trust	Global Regulatory Fragmentation
Category	Technological risk	Strategic and Regulatory risk
Description	Advances in quantum computing could eventually enable the compromise of cryptographic methods currently used to protect confidential information, authenticate digital identities and secure communications. The timing and scale of this development remain uncertain, but pharmaceutical and biotechnology data with long commercial and regulatory lifecycles may already be exposed to “harvest now, decrypt later” activity.	Increasing divergence in pharmaceutical, biotechnology, medical-device, data, artificial-intelligence and sustainability regulations across geographies or jurisdictions may create inconsistent or overlapping requirements for product development, validation, approval and commercial supply. As we expand across regulated markets and support increasingly complex products, regulatory fragmentation may reduce the ability to apply standardised development and manufacturing approaches across different markets.
Impact	We manage proprietary customer information across biologics, drug-device combinations, sterile injectables and oral technologies, including formulations, cell lines, analytical methods, manufacturing processes, development data and regulatory documentation. Future quantum-enabled decryption could compromise intellectual property and confidential customer information and undermine the authentication and digital-signature mechanisms supporting cloud platforms, laboratory systems, electronic manufacturing records, quality systems and digital interactions with customers and suppliers. The risk could affect multiple programmes and facilities and may require us to redesign elements of its information-security architecture, introduce quantum-readiness requirements into technology and vendor decisions, and progressively migrate regulated systems to quantum-resistant cryptographic standards.	Divergent requirements across markets could increase the need for jurisdiction-specific studies, documentation, validation, technology configurations or manufacturing processes. This may impact approval and launch timelines, increase regulatory and operating costs, complicate change control and lifecycle management and reduce platform scalability.
Mitigating Action	We maintain comprehensive information-security and data-governance controls, including role-based access, secure communication protocols, continuous security monitoring, vulnerability assessments, penetration testing and business-continuity planning.	We are discussing internally to establish a cross-functional regulatory horizon-scanning mechanism covering pharmaceutical, biologics, medical-device, data, AI and sustainability requirements in priority markets. Assess the regulatory divergence during programme selection and product-development planning, engage early with customers and relevant authorities, and design modular documentation, validation and manufacturing approaches that can accommodate market-specific requirements.

Business Ethics

UN Global Compact Membership (DJSI 1.5.1)

We committed to the United Nations Global Compact in July 2025. As part of our commitment to the United Nations Global Compact (UNGC), we annually submit a [Communication on Progress \(CoP\)](#), disclosing our progress in implementing the UNGC’s Ten Principles and integrating sustainability considerations into our governance, operations and business practices.

Codes of Conduct (DJSI 1.5.2)

Our Code of Conduct ("Code") establishes the ethical and professional standards expected of all our employees, Directors and contractual workers across our operations. We also expect vendors, suppliers, contractors and other business partners to act consistently with the same principles as embedded in our Supplier code of conduct.

The Code addresses the prevention of bribery, corruption and improper payments; the identification and disclosure of conflicts of interest; anti-money laundering; and compliance with antitrust and fair competition requirements. It also prohibits discrimination and harassment, promotes a safe and healthy working environment, and establishes requirements for protecting confidential information, personal data and unpublished price-sensitive information, including restrictions on insider trading. Adherence to the Code of Conduct is supported through regular training and an annual compliance process.

We provide confidential and anonymous channels for reporting breaches of the Code. Reports are investigated and addressed through appropriate follow-up, and retaliation against individuals who raise concerns in good faith is prohibited.

Anti-Bribery & Anti-Corruption Policy (DJSI 1.5.3)

Our Anti-Corruption and Anti-Bribery (ABAC) Policy embodies our commitment to conducting business with transparency, honesty, and ethical integrity. We maintain formal procedures for reporting, investigating and addressing suspected or confirmed violations of our ABAC Policy. Stakeholders are encouraged to report concerns to the Compliance Officer, with additional reporting channels available through our Whistleblower Policy. Reported matters are reviewed and investigated, and appropriate remedial actions are implemented.

The Policy establishes a strict zero tolerance approach toward bribery and corruption, reinforcing professionalism, fairness, and accountability across all operations and interactions, irrespective of geography or business context.

Whistleblowing Mechanism (DJSI 1.5.4)

Our Whistleblower Policy provides a secure and transparent channel for reporting concerns related to fraud, misconduct, or violations of Company policies. The mechanism is overseen by designated teams and supported by an independent third party administrator, ensuring impartial handling of disclosures. Reports may be submitted anonymously, and all information received is treated with strict confidentiality.

The Policy provides for a zero tolerance toward retaliation against whistleblowers and reinforces protection for those who raise concerns in good faith. Training programmes are conducted to familiarise employees with the reporting process, while clear procedures for investigation are disclosed to promote trust, transparency, and integrity throughout the system.

Reporting on Breaches (DJSI 1.5.5)

Reporting areas	Number of breaches in FY26
Corruption and Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0
Money laundering or Insider Trading	0
Total	0

There have been no fines/convictions related to bribery and corruption in the reporting year.

Policy Influence

Contributions & Other Spending (DJSI 1.6.1), Largest Contributions & Expenditures (DJSI 1.6.2)

We have not made any contributions or expenditures toward political campaigns, political parties, lobbying activities, trade associations, or other tax exempt groups in the last four years.

Supply Chain Management

Supplier Code of Conduct (DJSI 1.7.1)

Our Supplier Code of Conduct sets clear expectations for suppliers to operate responsibly and ethically. The Code requires suppliers to uphold fundamental human rights by prohibiting forced labour, child labour, discrimination, harassment, and any form of unfair treatment, while supporting fair wages, reasonable working conditions, and freedom of association. It also mandates the provision of safe and healthy workplaces and the implementation of appropriate occupational health

and safety practices. Environmental expectations cover the management and reduction of greenhouse gas emissions, energy consumption, waste and pollution, responsible use of natural resources, and sustainable sourcing practices that seek to avoid deforestation and adverse impacts on biodiversity. In addition, suppliers are required to comply with our policies and legal requirements on anti-corruption, conflict of interest, whistleblowing, anti-money laundering and fair competition requirements. These requirements apply across the supplier value chain and form a key part of our sustainable procurement approach.

Supplier ESG Programmes (DJSI 1.7.2)

Under Executive Management oversight, our Procurement function implements a structured supply chain management framework and ESG programme that promotes ethical sourcing, supplier accountability, and continuous improvement across our supplier ecosystem. The framework is periodically reviewed to assess its effectiveness and identify opportunities for improvement. This ensures that our sustainability initiatives are deeply embedded within our corporate strategy.

Comprehensive training is provided to our procurement team and other internal stakeholders on their roles within the responsible sourcing programmes. This training underscores the importance of integrating sustainability into procurement decisions and equips them with the skills to drive responsible sourcing. Through these coordinated efforts, we are fostering a culture of sustainability that enhances our operations and supports global environmental and social goals.

Our purchasing practices are regularly reviewed to align with our Supplier Code of Conduct, thereby avoiding any potential conflicts with ESG requirements. Suppliers unable to meet our minimum ESG standards within a designated timeframe are excluded from contracting, ensuring that our network remains committed to responsible practices. Additionally, we prioritise suppliers exhibiting superior ESG performance during the selection and contract awarding process, incentivising sustainable practices across our supply chain.

Supplier Screening (DJSI 1.7.3)

We have developed a comprehensive framework to integrate ESG related parameters into sourcing decisions and the details regarding this are updated in our sustainable procurement handbook. As part of the process, we identify significant suppliers based on business relevance and ESG performance while also assessing sector, commodity and country-specific risks of these suppliers.

Supplier Assessment and Development (DJSI 1.7.4)

We have instituted comprehensive supplier ESG assessments to support alignment with our sustainability goals. Desktop-based remote assessments are undertaken for Tier 1 critical suppliers identified based on spend value. For suppliers identified as critical based on risk and materiality considerations, we additionally carry out on-site assessments to ensure a deeper evaluation of their practices.

We conduct detailed training and capacity building for our suppliers to equip them with knowledge on our sustainability processes and requirements, enabling increased preparedness to meet set standards.

Overall, these initiatives exemplify our commitment to fostering a culture of responsible sourcing and sustainability, encouraging our suppliers to integrate robust ESG practices into their operations. Through rigorous assessments, ongoing engagement, and capacity-building support, we work collaboratively with suppliers to drive continuous improvement and strengthen sustainability performance across the value chain.

KPIs for Supplier Assessment and Development (DJSI 1.7.5)

In FY26, we conducted a desk based ESG supplier assessment. Based on the assessment outcomes, suppliers were categorised as Leaders, Movers, or Laggards. Additionally, we organised supplier capacity-building sessions to enhance ESG awareness and capabilities. These sessions were delivered to the Top 20 direct Tier 1 suppliers, representing over 90% of our total direct procurement spend.

The tables below provide details on our supplier ecosystem and assessment and development coverage:

Category	Unit	FY26
Total Suppliers	#	162
Total Critical Tier 1 Suppliers	#	60
Total Non-Critical Tier 1 Suppliers	#	102
Proportion of spending on local* suppliers	%	8

*Local refers to our suppliers located in India

Category	Unit	FY26
Total Number of Unique Suppliers (Critical and Non-Critical Tier 1 Suppliers)	#	162
Unique Significant Suppliers	#	60*
Unique significant suppliers supported with development measures	#	20
Suppliers supported in development measures	%	33
Unique significant suppliers assessed via desk assessments/on-site assessments	#	20
Unique significant suppliers assessed	%	33
Suppliers assessed with substantial actual/potential negative impacts	#	2
Unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	#	0
Suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	%	0
Suppliers with substantial actual/potential negative impacts that were terminated	#	0

* This refers to our Critical Tier 1 suppliers.

Conflict Minerals Due Diligence and Indicators (DJSI 1.7.6, 1.7.7)

The question is not applicable to our company. We operate as a Contract Development and Manufacturing Organization (CDMO) providing research, development, and manufacturing services to pharmaceutical, biotechnology, and healthcare customers.

Tax Strategy

Tax Strategy and Governance (DJSI 1.8.1)

We are committed to maintaining strong tax governance through established controls, risk management processes, and a culture of transparency and integrity. Our tax specialists collaborate across business functions to ensure tax implications are appropriately considered in commercial decisions and that compliance with relevant tax laws and regulations is maintained, with support from external advisers where required. We seek to ensure that profits and value created by our operations are aligned with the substance of the underlying economic activity and are not transferred to low-tax jurisdictions for tax avoidance purposes.

Our [Tax Policy](#) offers a comprehensive understanding of the tax principles that we follow and entities that are controlled directly or indirectly by us (collectively referred to as the "OneSource Group"). It outlines our overall strategy for handling tax affairs and defines the tax framework that provides guidance to manage tax-related issues.

Tax Reporting (DJSI 1.8.2)

Company Name	Location	Tax Jurisdiction	Primary Business Activity	Number of employees	Revenue (₹ million)	Profit before income taxes (₹ million)	Income taxes paid* (₹ million)	Income taxes accrued	Relationship
OneSource Specialty Pharma Limited	India	India	End-to-end CDMO services across pre-clinical and clinical development through commercial supply, focused on complex pharmaceutical products including biologics, drug-device combinations, sterile injectables and oral technologies	1,674	14,203.89	212.10	33.37	0	Ultimate Parent Entity
Biolexis Private Limited	India	India	Manufacturing, developing, trading, and marketing for commercialisation of pharmaceutical, general biochemical, bio-products, supplements and various biotechnologies	0	2.57	2.07	2.10	0.37	Wholly owned Subsidiary
Strides Pharma Services Private Limited	India	India	Trading of pharmaceutical products	0	0.6	0.06	0	0.01	Wholly owned Subsidiary
OneSource Specialty Pharma Inc	United States of America	United States of America	Business of development and trading of medicinal and pharmaceutical products	0	0	0	0	0	Wholly owned Subsidiary
OneSource Specialty Pte. Limited**	Singapore	Singapore	Business of development and trading of medicinal and pharmaceutical products	1	1,068.17	(26.10)	62.14	5.03	Wholly owned Subsidiary
Biolexis Pte Limited	Singapore	Singapore	Business of development and trading of medicinal and pharmaceutical products	0	56.47	(4.46)	0	0	Step down Subsidiary
OneSource Softgels Pte. Limited	Singapore	Singapore	Business of development and trading of medicinal and pharmaceutical products	1	152.30	105.52	72.61	17.94	Step down Subsidiary

* Net of tax refunds received (excluding interest)

** With effect from January 1, 2026, Stelis Pte. Ltd amalgamated with OneSource Specialty Pte. Limited (tax jurisdiction is Singapore for both the entities), and the amalgamated entity continues under the name OneSource Specialty Pte. Limited. The merger has been accounted for in accordance with Ind AS 103 (Appendix C – Common Control Business Combinations). Accordingly, the information of OneSource Specialty Pte. Limited reflect the combined results of both entities.

Note: ₹204.94 million of scheme-related tax adjustments are in addition to Income Taxes Accrued.

Effective Tax Rate (DJSI 1.8.3)

Financial reporting	FY25	FY26
Earnings before Tax (₹ million) *	437.79	(820.34)
Reported Taxes (₹ million)	(497.85)	(181.58)
Effective Tax Rate (in %)	(113.72)	22.13
Cash Taxes Paid (₹ million) **	77.93	140.46
Cash Tax Rate (in %)	17.80	(17.12)

Note: Effective Tax Rate for OneSource Group, including its subsidiaries, is calculated on a consolidated basis and was negative for both FY26 and FY25. This arose as a result of net deferred tax benefits in the respective years, resulting from amortisation of intangible assets which arose pursuant to the business restructuring through which OneSource was created. Additionally, the Group has significant brought forward tax-losses which will have to be utilised in future years.

Despite the negative ETR, standalone subsidiaries operating in profitable jurisdictions are subject to current income tax, for which tax is provided and paid for. The negative consolidated ETR should therefore be viewed in the context of the above, and will continue considering the Group-wide brought-forward losses position, and does not imply an absence of tax payments across the Group.

* For the purpose of determining the Effective Tax Rate (ETR), the profits before following have been considered as Earning before Tax:

I. Exceptional items,

II. Share of profits from Joint Ventures or Associates, and

III. Tax expenses

** Cash Taxes Paid (₹ million) reported above represents the net cash taxes paid during the year, reflecting the actual cash outflow after considering cash tax refunds received.

Information Security/ Cybersecurity and System Availability**Information Security Governance (DJSI 1.9.1)**

Information Security is managed through a robust governance framework, driven by a top-down approach. At the Board level, the Risk Management Committee provides direct oversight on all IT and data privacy related matters. The Committee is further supported by the Chief Financial Officer (Acting Chief Risk Officer) at an executive level for all operational matters.

Governance is maintained through monthly reviews where updates on service performance, risk metrics, cybersecurity threats, and mitigation actions are provided. Real-time incidents are monitored and addressed by site engineers, with critical issues escalated immediately and other incidents tracked and reported through regular governance reviews. This approach ensures that IT and cybersecurity risks are effectively managed within the organisation's broader risk management framework and remain subject to Board-level oversight.

Our information security programme is further strengthened through regular employee training and awareness initiatives covering IT security hygiene, phishing prevention, data protection, social engineering, and incident reporting. These programmes help maintain a vigilant and informed workforce capable of identifying and responding to emerging threats. Together, these governance and awareness measures ensure strong accountability and continuous management of IT and cybersecurity risks across the organisation.

Information Security Policy (DJSI 1.9.2)

We have formulated a detailed Information Security Policy that provides for a robust framework to manage information security. This policy is applicable across our operations, suppliers and relevant third parties who access, process, store, transmit or manage our information or information systems. We have established robust controls that support achievement of Information Security objectives, further enhanced by periodic internal and external reviews. Continuous improvement processes are implemented to meet security objectives, protecting the integrity of business-critical information remains a key priority, ensuring its accuracy, completeness, and reliability.

Additionally, we have procedures for protecting information, including access control, cryptographic safeguards, and data classification. Well-defined incident management and continuous security monitoring processes enable the timely detection, escalation, and resolution of security events, helping safeguard the confidentiality, integrity, and availability of information assets. Information security roles and responsibilities are incorporated into job descriptions for all employees and service providers, ensuring each individual is aware of their duties concerning information security.

Information Security Management Programmes (DJSI 1.9.3)

Our Information Security Management Programme strengthens IT governance through a framework aligned with ISO 27001:2022 and the NIST Cybersecurity Framework. The Business Continuity Management Policy defines procedures for restoring IT operations following cyber incidents. Internal audits cover all departments and assess organisational, people, physical, and technology controls. Department heads are responsible for addressing and closing audit observations.

All incidents are documented, analysed, and reviewed to enhance our controls and improve practices. We conduct thorough vulnerability assessments to identify and address potential weaknesses and enhance the effectiveness of our cybersecurity controls. Employee initiatives are vital, featuring continuous programmes that deepen understanding of emerging cyber threats and phishing risks, integrating cybersecurity awareness into our organisational culture. 100% of our permanent employees have undergone information security training. These initiatives include regular updates on new threats, scenario-based training, and access to self-paced resources on cyber hygiene, supporting a proactive approach to cybersecurity.

IT Incidents	FY26
Reported data breaches	0
Data breaches involving personally identifiable information of customers	0
Impact of data breaches (if any)	0

Responsible Artificial Intelligence Programs

Responsible Artificial Intelligence Policy (DJSI 1.10.1)

As artificial intelligence becomes increasingly integrated into pharmaceutical manufacturing and development, we are focused on adopting AI responsibly to enhance scientific, operational, and business capabilities. Our AI governance framework is designed to ensure that AI-enabled solutions operate in alignment with regulatory requirements, data protection obligations, and internal control standards. Potential risks associated with AI, including model inaccuracies, data quality issues, and inappropriate use, are managed through defined governance processes, risk assessments, validation protocols, and ongoing oversight. Higher risk applications are subject to enhanced review and monitoring to ensure operational integrity and regulatory compliance. The AI Governance framework is available on Page 82 of our [Integrated Annual Report FY26](#).

Our [Responsible AI Policy](#) establishes the principles governing the development, deployment, and use of AI across the organisation. The policy emphasises responsible innovation and sets clear expectations around accountability, transparency, data privacy, cybersecurity, and appropriate human oversight. We deploy AI-enabled solutions in accordance with applicable regulatory requirements and internal governance standards, with individuals remaining accountable for decisions supported by AI-generated outputs. The policy further establishes governance requirements and control mechanisms to help ensure that AI technologies are used securely, ethically and in accordance with applicable regulatory and internal standards.

Responsible Artificial Intelligence Program (DJSI 1.10.2)

Our approach is embedded in robust data stewardship, cybersecurity, privacy protection, human oversight and risk-based governance to support the trustworthy adoption of emerging technologies. Data utilised for analytics, automation and AI-enabled process improvement is managed in accordance with contractual, regulatory and privacy requirements, with access restricted to authorised users based on business need and appropriate governance controls. AI-enabled tools are evaluated prior to deployment, considering intended use, data quality, regulatory requirements and potential risks, while AI-generated outputs remain subject to review and validation by qualified personnel before use.

Current AI applications support quality operations, compliance, document intelligence, audit management, investigation reviews and internal knowledge management. We also perform continuous monitoring of AI-enabled tools to assess output quality, accuracy, consistency and relevance over time, and implement measures to identify and address model drift, performance degradation or unintended outcomes where applicable. Alongside these workspace-based capabilities, we advance broader AI and enterprise digital initiatives across the organisation. AI generated outputs remain subject to review and approval by trained personnel. AI does not make autonomous GMP, investigation closure, CAPA-effectiveness or batch disposition decisions.

All employees participate in cybersecurity and information security training and ongoing awareness programmes covering responsible technology use, AI security, data protection, privacy requirements and ethical considerations associated with AI-enabled solutions. We maintain established grievance, compliance and whistleblower mechanisms through which concerns relating to technology use, data handling or AI-supported outcomes may be raised and reviewed. AI-enabled solutions also contribute to operational sustainability by improving efficiency, reducing manual rework, enhancing knowledge sharing and optimising resource utilisation.

Product Quality and Recall Management

Product Quality Programmes (DJSI 1.11.1)

Product quality and patient safety are embedded across our operations through a robust Quality Management System (QMS) aligned with global standards, including USFDA cGMP, EU GMP, ICH Q10 and PIC/S. We implement end-to-end quality controls, including qualified supplier management, SOP-governed operations, validated packaging and transport processes, and 100% visual inspection of all dosage forms prior to release. Advanced digital quality systems, real-time monitoring of critical quality indicators, AI-enabled quality tools, and automated testing technologies strengthen quality oversight and support continuous improvement.

Internal audits are conducted at both site and corporate levels, complemented by independent third-party inspections and regulatory audits. Regular role-based training, technical capability-building programmes, and initiatives such as Project RISE reinforce a culture of quality excellence. In FY26, a total of 708 employees were trained on QMS SOPs, accounting for 3,186 quality training hours, with an average of 4.5 training hours per employee. Furthermore, dedicated complaint management channels ensure timely investigation, CAPAs, and continuous product quality improvement.

Product Recalls (DJSI 1.11.2)

Class I and II recalls

	FY23	FY24	FY25	FY26
Number of Class I Recalls (or equivalent)	0	0	0	0
Number of Class II Recalls (or equivalent)	2	1	1	0
Total value of recalled products (in US\$ million)	0.000033	1.07	0.007	0

	FY23	FY24	FY25	FY26
Total Recalls¹				
Number of recalls issued	2	1	1	0
Quantity of products recalled	3,938	2,042 ²	767	0

Quality, and Compliance Performance

Parameter	FY23	FY24	FY25	FY26
Number of Regulatory Inspections	3	9	18	21
Number of Form 483 Observations	0	8	7	0
Number of FDA Warning Letters	0	0	0	0

¹ All recalls during the reporting period were initiated by the Marketing Authorisation Holder and were not due to systemic quality failures at OneSource.

² Voluntary Recalls



Environment

2. Environment

Environmental Policy & Management

Environmental Policy (DJSI 2.1.1)

Our Environment, Occupational Health and Safety Policy and Framework outlines our commitment to comply with applicable environmental requirements, prevent pollution, use energy, water and other natural resources responsibly, minimise waste and emissions, protect biodiversity, and continually improve environmental performance. The Policy applies to our employees, including permanent, temporary and contract staff, and extends relevant expectations to contractors, suppliers, service providers, subsidiaries, affiliates and other stakeholders associated with our operations.

Implementation is supported through environmental objectives and targets, risk assessments, audits, employee and contractor training, stakeholder engagement, performance monitoring, and periodic review. We provide employees with regular EHS training and awareness programmes to strengthen understanding of environmental responsibilities and support effective implementation of the policy across our operations. Oversight is provided by the Board-level Environmental, Social, and Governance (ESG) Committee, with responsibilities cascaded through senior leadership, the EHS function and site management. Further details on our environmental governance, initiatives and performance are disclosed on Page 109-110 in the Integrated Annual Report FY26.

Environmental Management Systems (EMS) Verification (DJSI 2.1.2)

All our manufacturing units are ISO 14001:2015 certified, reflecting a structured approach to managing environmental risks. Compliance is monitored through internal audits as well as periodic third-party audits conducted by accredited certification bodies.

Energy

Energy Management Programmes (DJSI 2.2.1)

Our energy management programme is aimed at improving energy efficiency and increasing the use of renewable energy across our operations. This programme includes periodic energy assessments, review of significant energy uses, quantified energy-reduction and renewable-energy targets, metering and monitoring of consumption, implementation of efficiency projects, and employee awareness on energy conservation.

In FY26, we conducted a third-party energy audit at our flagship unit (Unit-2). The audit assessed major electrical, utility and process systems including Heating, Ventilation, and Air Conditioning (HVAC), chillers, pumps, boilers, compressed air, lighting, transformers, Uninterruptible Power Supply (UPS), diesel generators and the effluent treatment plant and identified energy conservation opportunities supported by technical and cost-benefit analysis. The recommendations are being evaluated and prioritised through site-level action planning and implementation tracking.

The audit identified an estimated annual electricity-saving potential of approximately 1.54 million kWh through the measures listed below:

- Optimisation of HVAC systems, chillers, boilers, compressed-air systems and other utility equipment to improve operating efficiency.
- Replacement of conventional lighting and equipment with energy-efficient alternatives, including LED lighting and high-efficiency motors.
- Preventive maintenance, load management and operating-control improvements to reduce avoidable energy losses.
- Increased procurement and use of renewable electricity across operations.

Progress is monitored through total energy consumption, energy intensity and renewable-energy share, with performance reviewed by site and corporate management. We aim to achieve 100% renewable energy by 2032. Further details on the initiatives, and energy performance are disclosed on Page 111 in the Integrated Annual Report FY26.

Energy Consumption (DJSI 2.2.2)

We have reported our total energy consumption, which includes total energy consumption from renewable and non-renewable sources. Our target for Non-renewable Energy Consumption in FY26 was 7,783 MWh.

Energy Consumption	Unit	FY23	FY24	FY25	FY26
Total non-renewable energy consumption	MWh	8,728.60	9,699.80	12,546.21	7,464.99
Total renewable energy consumption	MWh	7,730.06	8,790.07	30,698.58	31,450.00
Renewable Energy share	%	47%	48%	71%	81%
Percentage Coverage	% of operations	100	100	100	100

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year. As outlined in Section 1.1, the reported data for each financial year covers the entities included within the respective reporting boundary for that year.

Waste & Pollutants

Waste Management Programmes (DJSI 2.3.1)

We manage waste through our integrated Environment, Health and Safety (EHS) Management System, aligned with ISO 14001:2015 and based on a life cycle and risk-based approach. Waste streams arising from research, development, manufacturing, utilities and support functions are identified through site-level aspect-impact assessments and managed in line with the waste hierarchy, prioritising prevention, reduction, reuse, recycling and recovery before final disposal through authorised channels.

Implementation is supported through documented procedures, defined responsibilities and compliance controls across our facilities. Key elements of the programme include:

- **Waste identification and segregation:** Waste is classified at the point of generation and segregated by type to prevent mixing, contamination and unsafe handling. Department heads, EHS personnel and cross-functional teams oversee adherence to relevant procedures, while employees and contractors receive training on segregation, handling and disposal requirements.
- **Controlled storage and movement:** Waste is labelled, stored in designated areas and transferred under documented controls. Particular attention is given to hazardous waste, wastewater-treatment sludge, biomedical waste, off-specification materials and contaminated packaging, with spill prevention and emergency-response arrangements maintained for collection, storage and transport.
- **Authorised treatment and disposal:** Hazardous and non-hazardous waste treatment and disposal are managed as controlled outsourced activities. We engage authorised waste-management service providers and communicate applicable EHS requirements through contracts, purchase or work orders, operating procedures, safety data sheets and training. Vendor performance and statutory documentation are periodically reviewed.
- **Resource recovery and circularity:** Recyclable materials are channelled to authorised recyclers or re-processors, and suitable waste streams are evaluated for reuse, recycling, solvent or material recovery and other diversion opportunities. Process and utility teams also assess material substitution, operational optimisation and technology options that may reduce waste generation.
- **Risk preparedness:** Waste spillage, hazardous or biomedical-waste transport accidents, pollution-control equipment failure and effluent overflow are included within our emergency-preparedness framework. Response procedures are periodically tested through drills, and observations are used to strengthen preventive and corrective measures.

As part of our environmental management process, we conducted an environmental audit, including a dedicated review of waste management practices. The audit scope covered waste generation and classification, segregation at source, labelling and storage, movement records and manifests, compliance with authorisation conditions, vendor credentials, treatment and disposal routes, and opportunities for waste reduction, reuse, recycling and recovery. Audit observations are assigned to responsible functions and tracked to closure. In addition, we implement action plans to reduce waste generation and improve resource efficiency.

Waste generation, recycling, reuse and disposal routes are also monitored on site and at corporate level to evaluate progress against waste-reduction and diversion objectives. We aim to divert 50% of hazardous waste to co-processing by 2030 and achieve Zero Waste to Landfill by 2035. Further details on waste initiatives and performance are disclosed on Page 114 in the [Integrated Annual Report FY26](#).

Waste Disposal (DJSI 2.3.2)

We achieved 100% recycling of non-hazardous waste over the last four reported years, in line with our target of zero (0) non-hazardous waste disposal.

Source	Unit	FY23	FY24	FY25	FY26
Total waste recycled/reused	MT	18.96	14.20	453.50	515.50
Total waste disposed	MT	0	0	0	0
- Waste landfilled	MT	0	0	0	0
- Waste incinerated with energy recovery	MT	0	0	0	0
- Waste incinerated without energy recovery	MT	0	0	0	0

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year. As outlined in Section 1.1, the reported data for each financial year covers the entities included within the respective reporting boundary for that year.

Hazardous Waste (DJSI 2.3.3)

The table below summarises hazardous waste recycled, reused and disposed over the reported years. Our target for hazardous waste disposal in FY26 was 288.55 MT

Source	Unit	FY23	FY24	FY25	FY26
Total hazardous waste recycled/reused	MT	14.14	12.79	28.14	26.19
Total hazardous waste disposed	MT	25.11	54.20	255.35	295.10
- Waste landfilled	MT	8.13	0.59	42.46	36.38
- Waste incinerated with energy recovery	MT	0	0	0	0
- Waste incinerated without energy recovery	MT	16.98	53.61	212.89	258.72

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year. As outlined in Section 1.1, the reported data for each financial year covers the entities included within the respective reporting boundary for that year.

Water

Water Efficiency Management Programmes (DJSI 2.4.1)

We manage water through our ISO 14001-aligned environmental management system, focusing on reducing freshwater dependency, enhancing process efficiency, maximising water reuse and maintaining responsible wastewater management. We monitor water consumption at key process and utility points through flow meters and smart metering systems, supported by site-level targets, benchmarking and periodic reviews.

Key water-efficiency initiatives include:

- Operation of Zero Liquid Discharge (ZLD) systems across manufacturing facilities, supported by effluent and sewage treatment plants, reverse osmosis, multiple effect evaporator (MEE), agitated thin film dryer and advanced membrane-based recovery systems.
- Reuse of approximately 220 KL of treated water per day at the flagship facility (Unit-2) in boilers, cooling towers and process applications.
- Segregation and reuse of low-total-dissolved-solids streams, including purified-water and water for injection rejects used for fire-water systems and gardening, reducing freshwater use by approximately 20 KL per month at our Research & Development facility.
- Installation of auto-sensor fixtures, auto-level controllers and improved fittings, together with leak-detection sensors, preventive maintenance and pipeline inspections, to minimise losses and prevent overflows.
- Deployment of membrane bioreactor systems, high-efficiency oxy-rich diffusers, advanced membrane-recovery systems and high-efficiency softeners to improve treatment performance and expand water-reuse opportunities.
- Installation of rainwater-harvesting and groundwater-recharge systems across all our facilities. At our flagship facility (Unit-2), a 1,500 KL pond supported the harvesting of approximately 9,000 KL of rainwater during FY26.
- Conducting employee awareness programmes promoting responsible water use and timely reporting of leaks and other inefficiencies.

During FY26, a comprehensive environmental audit assessed water withdrawal, consumption, wastewater treatment, recycling and reuse systems, treated-effluent quality and conservation practices. The audit confirmed the effective operation of the site's treatment and ZLD infrastructure and identified further opportunities to improve recycled-water recovery and quality through advanced membrane systems. We aim to achieve water-neutral operations by 2040. Further details on our water-management initiatives and performance are disclosed on Page 113 in the [Integrated Annual Report FY26](#).

Water Consumption (DJSI 2.4.2)

The year-on-year increase from FY23 to FY26 should be interpreted in the context of our expanded operational boundary. Our target for freshwater consumption in FY26 was 0.23 million m³.

Source	Unit	FY23	FY24	FY25	FY26
Water withdrawal (excluding saltwater)	million m ³	0.07	0.06	0.21	0.26
Water discharge (excluding saltwater)	million m ³	0.00	0.00	0.00	0.00
Total net freshwater consumption	million m ³	0.07	0.06	0.21	0.26
Data coverage	% of Operations	100	100	100	100

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year. As outlined in Section 1.1, the reported data for each financial year covers the entities included within the respective reporting boundary for that year.

Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1) (DJSI 2.5.1)

In FY26, total Scope 1 emissions were 10,063.96 tCO₂e, compared to 7,653.60 tCO₂e in FY25. The year-on-year increase in emissions from FY23 to FY26 should be interpreted in the context of our expanded operational boundary. We seek to reduce direct emissions through energy-efficiency measures, optimisation of boilers and utility systems, preventive maintenance, improved operating controls and a progressive reduction in fossil-fuel dependence. Our Scope 1 GHG emissions target in FY26 was 8,265.89 tCO₂e.

Direct GHG (Scope 1)	Unit	FY23	FY24	FY25	FY26
Total direct GHG emissions (Scope 1)	tCO ₂ e	6,807.53	6,055.90	7,653.60	10,063.96
Data coverage	% of Operations	100	100	100	100

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year. As outlined in Section 1.1, the reported data for each financial year covers the entities included within the respective reporting boundary for that year.

Indirect Greenhouse Gas Emissions (Scope 2) (DJSI 2.5.2)

In FY26, our Scope 2 emissions decreased from 5,019.10 tCO₂e in FY25 to 4,772.50 tCO₂e, due to increased renewable-electricity sourcing and adoption of energy-efficiency measures. Our Scope 2 GHG emissions target in FY26 was 5,420.63 tCO₂e.

Indirect GHG emission (Scope 2)	Unit	FY23	FY24	FY25	FY26
Scope 2 (Location based)	tCO ₂ e	8,389.53	7,202.70	5,019.10	4,772.50
Data coverage	% of Operations	100	100	100	100

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year. As outlined in Section 1.1, the reported data for each financial year covers the entities included within the respective reporting boundary for that year.

Indirect Greenhouse Gas Emissions (Scope 3) (DJSI 2.5.3)

The year-on-year increase in Scope 3 emissions is due to the expanded operating boundary, along with the inclusion of the categories that were not reported in the previous years.

Indirect GHG (Scope 3)	Unit	FY23	FY24	FY25	FY26
Total indirect GHG emissions (Scope 3)	tCO ₂ e	NA	16,963.10	62,952.90	74,414.38

Scope 3 emissions for FY26 are presented by category, along with the methodologies used for their calculation.

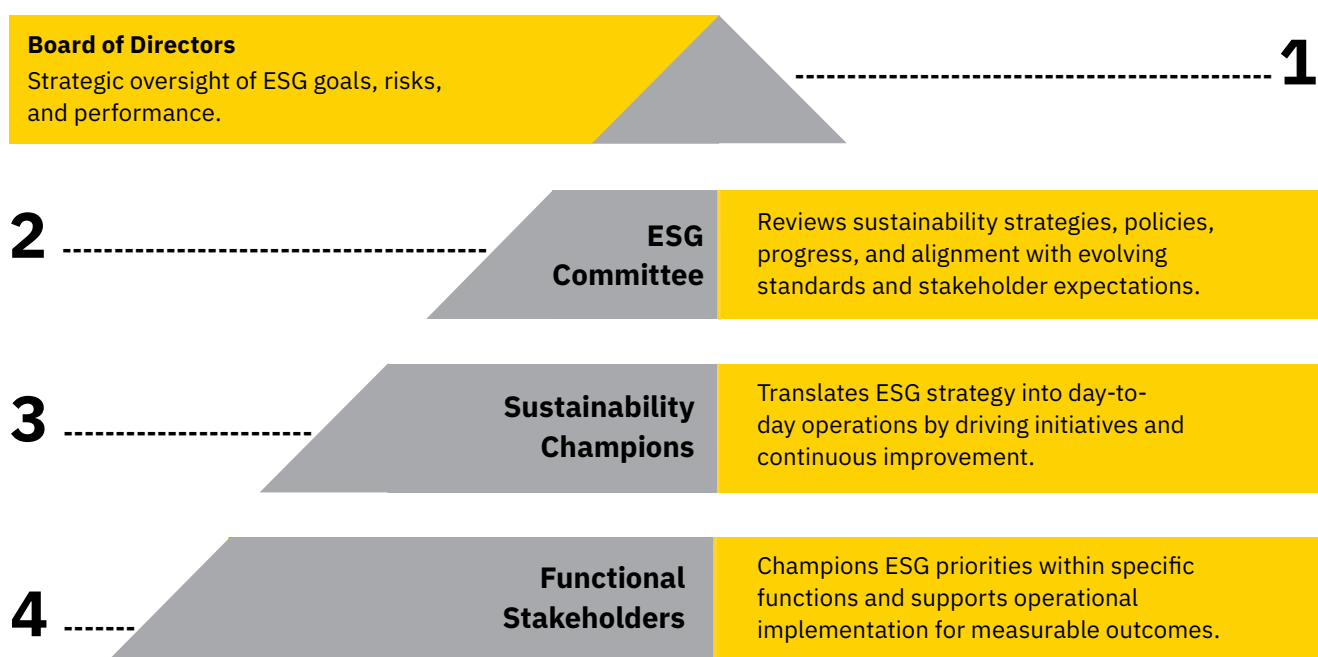
Category	Unit	FY26	Emissions calculation methodology or rationale for exclusion
Purchased goods and services	tCO ₂ e	68,545.43	DEFRA, GHG Emission protocols
Capital goods	tCO ₂ e	1,270	DEFRA, GHG Emission protocols
Fuel-and-energy-related-activities (not included in Scope 1 or 2)	tCO ₂ e	98.45	DEFRA, GHG Emission protocols
Upstream transportation and distribution	tCO ₂ e	2,856.65	EPA GHG Emission methodology
Waste generated in operations	tCO ₂ e	16.75	GHG Emission protocols
Business travel	tCO ₂ e	63.2	GHG Emission protocols
Employee commuting	tCO ₂ e	753.45	GHG Emission protocols
Upstream leased assets	tCO ₂ e	0	Not relevant to our operations
Downstream transportation and distribution	tCO ₂ e	810.45	EPA GHG Emission methodology
Processing of sold products	tCO ₂ e	0	Not relevant to our operations
Use of sold products	tCO ₂ e	0	Not relevant to our operations
End-of-life treatment of sold products	tCO ₂ e	0	Not relevant to our operations
Downstream leased assets	tCO ₂ e	0	Not relevant to our operations
Franchises	tCO ₂ e	0	Not relevant to our operations
Investments	tCO ₂ e	0	Not relevant to our operations

Climate Governance (DJSI 2.5.4)

We recognise climate change as a strategic business risk and opportunity that can influence our long-term business resilience, operational continuity, supply-chain performance, regulatory compliance and stakeholder value creation. We integrate climate-related considerations into our governance framework and broader enterprise risk management and sustainability agenda.

The ESG Committee, which is chaired by an Independent Director, is responsible for decision-making on sustainability strategy and climate-related issues. In addition, the Risk Committee, which is also chaired by an Independent Director evaluates and assesses climate and ESG risks alongside other enterprise-wide risks. Ensuring these considerations are integrated into strategic decision-making and aligned with overall business objectives.

Sustainability Governance



Climate-related matters are reviewed on a quarterly basis through our governance processes, allowing us to oversee climate-related risks, identify opportunities linked to the low-carbon transition, and reinforce organisational resilience in response to changing regulatory and market dynamics.

TCFD Disclosure (DJSI 2.5.5)

Our climate-related disclosures are informed by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are structured around its four pillars: **Governance, Strategy, Risk Management, and Metrics and Targets.**

Governance

The Board level ESG Committee maintains oversight of climate-related risks and opportunities through established governance mechanisms. The Committee supports implementation and monitoring of sustainability initiatives and facilitates integration of climate-related considerations into operational and strategic decision-making processes.

Strategy

We recognise that climate change may affect our business through physical and transition-related impacts. Physical risks may arise from changing weather patterns, extreme weather events, water-availability challenges and other climate-related disruptions that could affect our manufacturing facilities, utilities, logistics and supply chains. Transition risks may arise from evolving regulations, carbon-related policies, customer expectations, technological developments and market preferences associated with a lower-carbon economy.

Simultaneously, climate-related opportunities may arise through energy-efficiency improvements, renewable energy adoption, resource optimisation, low-carbon product development, sustainable supply chain practices, and enhanced customer engagement on environmental performance.

Climate considerations are incorporated into business planning processes to support operational resilience, sustainable growth, and long-term value creation.

Risk Management

Climate-related risks are considered within our enterprise risk management framework. We evaluate environmental and climate-related risks alongside other strategic, operational, regulatory, and market risks. Identified risks are assessed based on their likelihood and potential impact and are incorporated into mitigation planning and monitoring processes where appropriate.

Metrics and Targets

We monitor relevant environmental performance indicators, including greenhouse gas emissions, energy consumption, renewable energy use, water management, and waste metrics. These indicators support performance evaluation, identification of improvement opportunities, and tracking of progress toward climate-related objectives.

As we continue to mature our sustainability programmes, climate-related metrics will support enhanced decision-making, risk management, operational performance, and stakeholder transparency.

Climate-related Management Incentives (DJSI 2.5.6)

Management level	Type of incentives	KPIs linked	Description
Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO)	Monetary	Strategy & Planning	The CEO, CFO and COO balanced scorecards include a fixed weightage for company-wide long-term projects, of which sustainability, including climate risk management, is a core element. The achievement of the long-term goals is tracked on quarterly basis by Board and related committee.
Business Unit and Site-level Managers	Monetary	Targets	The sustainability and climate risk KPI in the balanced score card is cascaded to the key personnel overseeing operations. All sustainability initiatives are cascaded to Operational leadership to share accountability and execution.

Climate Risk Management (DJSI 2.5.7)

We manage climate-related risks through our broader enterprise risk management framework, which enables us to identify, assess, monitor and mitigate risks that could affect our business performance and long-term value creation. Our assessment covered our own operations, upstream suppliers and downstream warehouses.

Physical Climate Risks

Physical risks may arise from acute events such as flooding, extreme rainfall, storms, heatwaves, and disruptions to infrastructure and logistics networks, as well as chronic changes in temperature patterns, water availability, and resource stress. These risks have the potential to affect manufacturing operations, facility performance, supply chain reliability, workforce productivity, and business continuity.

We evaluated 05 (acute) and 03 (chronic) physical climate risks in the assessment.

- Our own operations encompassing our offices and manufacturing facilities, the acute climate risks that are most likely to have negative effects are floods and wind/cyclonic-related activities, and chronic climate risks that are most likely to have negative effects are extreme heat and water stress.
- For our downstream partners, encompassing warehouses, the acute climate risks are most likely to have negative effects are floods and wind/cyclonic-related activities, and chronic climate risks that are most likely to have negative effects are extreme heat and water stress.
- For our upstream partners, encompassing our key suppliers (their manufacturing facilities) across the globe, the acute climate risks that are most likely to have negative effects are floods, wind/cyclonic-related activities, and heat waves, and chronic climate risks that are most likely to have negative effects are extreme cold, extreme heat, and water stress.

Furthermore, we have evaluated in detail the predominant physical climate risk each asset across our supply chain would be experiencing across time-horizons (short-, medium-, and long-term-, with baseline considered as 2020) under climate scenarios (SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5).

Transition Climate Risks

Transition risks have been assessed on current and emerging environmental regulations, climate-related disclosure requirements, carbon pricing mechanisms, changing customer expectations, technological advancements, investor expectations, and market shifts associated with the transition to a lower-carbon economy.

Key Transition Risks

Risk Category	Description	Time Horizon*
Policy and Legal Risk	Evolving environmental requirements applicable to pharmaceutical manufacturing, including wastewater management, hazardous waste management, emissions management, solvent recovery and environmental monitoring obligations, may result in increased compliance and infrastructure investment requirements.	Short-term
Market Risk	Expansion of carbon pricing mechanisms, emissions trading systems and supplier decarbonisation requirements may increase procurement and logistics costs across the value chain.	Medium-term
Technology Risk	Adoption of green chemistry, resource-efficient manufacturing technologies, solvent recovery systems and lifecycle-based approaches may require additional investments in process development, manufacturing technologies and operational improvements.	Medium-term
Reputation Risk	Increasing stakeholder expectations regarding sustainability performance, climate-related disclosures and responsible manufacturing practices may influence customer relationships, investor confidence and market positioning.	Short-term

* Short term: 2026-2030, Medium term: 2031-2040 and Long term: 2041-2050

Climate-related Opportunities

Opportunity Category	Description	Time Horizon*
Technology Opportunity – Achieving Low-Emission Operations	Increasing renewable energy adoption, energy-efficiency improvements, process optimisation, electrification of suitable processes and deployment of lower-carbon technologies may reduce emissions, strengthen operational resilience and support long-term business competitiveness.	Short- to Medium-term

* Short term: 2026-2030, Medium term: 2031-2040 and Long term: 2041-2050

Climate Risk Management Approach

Our risk management approach includes:

- Identification of climate-related risks and opportunities through environmental and business reviews;
- Evaluation of likelihood, potential business impact, and time horizon of identified risks;
- Integration of climate-related considerations into enterprise risk management processes;
- Development and implementation of mitigation and adaptation measures;
- Periodic monitoring and review of risk exposure; and
- Escalation of significant risks through established governance mechanisms.

This enhances our ability to anticipate climate-related challenges, improve resilience across our operations and value chain, and capitalise on opportunities arising from the transition towards a more sustainable economy.

Financial Risks of Climate Change (DJSI 2.5.8)

Transition risks: Risks driven by changes in regulation	
Description of Risk and its Mitigation Measures	Our global supply chain may face increasing cost pressures as carbon pricing mechanisms, emissions trading schemes and transportation decarbonisation requirements expand across key sourcing markets. This risk is particularly relevant given that approximately 11.8% of procurement spend is linked to European suppliers, where climate regulations and carbon compliance obligations are more advanced. As suppliers incur additional costs related to emissions reduction, renewable energy procurement and regulatory compliance, a portion of these costs may be passed through as higher raw material, packaging, equipment and logistics costs. Under the NDC scenario, moderate climate policy implementation is estimated to increase procurement and logistics costs by ₹ 8-14 million (0.04%-0.05% of revenue) through 2030-2040. The impact declines to ₹ 7-9 million by 2050 as supplier emissions intensity falls and long-term decarbonisation measures become embedded within supply chains. While, under the Net Zero 2050 scenario, stricter climate regulations, higher carbon prices and accelerated supplier decarbonisation requirements could increase pass-through costs to ₹ 57-82 million (0.10%-0.40% of revenue). As a specialty pharmaceutical CDMO operating in competitive and regulated markets, we may face limitations in fully passing these incremental costs to customers, resulting in potential pressure on operating margins over time. The costs of engaging with our critical suppliers to mitigate carbon pricing risks may potentially lie upwards of ₹ 1.5 million annually.
Physical risks: Risks driven by change in physical climate parameters or other climate-change related developments	
Description of Risk and its Mitigation Measures	We have undertaken physical climate risk assessment to examine the impact of acute (Heat waves, Cold waves, Flood, Winds/cyclonic-related events, and Wildfires) as well as chronic (Extreme heat, Extreme cold, and Water stress) physical climate risks covering 17 suppliers and our 06 operational sites (across Bangalore, Karnataka, India), 09 upstream partners locations i.e., suppliers (across the globe) and 02 downstream partners i.e., warehouses (across Bangalore, Karnataka, India). Estimated financial implication of physical climate risks (for own operations including offices & manufacturing facilities) • Water stress: The estimated financial effect ranges ₹ 187.2 million–₹ 187.7 million by 2030, ₹ 186.3 million–₹ 187.6 million by 2040, and ₹ 185.5 million–₹ 188.0 million by 2050. • Extreme heat: The estimated financial effect ranges ₹ 95.9 million–₹ 135.3 million by 2030, ₹ 227.0 million–₹ 338.2 million by 2040, and ₹ 317.5 million–₹ 606.0 million by 2050. • Wind and cyclonic-related events: The estimated financial effect ranges ₹ 154.9 million–₹ 156.1 million by 2030, ₹ 159.9 million–₹ 165.6 million by 2040, and ₹ 163.3 million–₹ 177.4 million by 2050. • Wildfires: The estimated financial effect ranges are ₹ 4.456 million–₹ 4.470 million by 2030, ₹ 4.490 million–₹ 4.505 million by 2040, and ₹ 4.528 million–₹ 4.586 million by 2050.

Mitigation measures

Our mitigation measures and initiatives pertaining to physical climate risks involve:

- **Water stress:** To mitigate the water stress risks across our facilities, we are ensuring sustainable water sourcing and water reuse through wastewater recycling plants and installing low-flow fixtures. We also conduct seasonal water audits and risk assessments to anticipate supply fluctuations and plan our requirements related to water consumption and usage accordingly.
- **Extreme heat:** Our facilities have adopted energy-efficient building designs, incorporating passive cooling techniques, reflective roofing, and optimised insulation. Additionally, we have deployed occupancy sensors, smart thermostats, and zoned cooling across our critical manufacturing facilities.
- **Acute physical climate risks (flood, wind, wildfires):** To mitigate the impacts of extreme weather events (EWE), we have placed our critical assets, such as machinery, equipment, and inventory, at an elevated floor level supplemented by waterproofing and backup power systems. To abate seasonal peaks of temperatures and heatwaves, we have deployed heating, ventilation, and air conditioning (HVAC) systems to maintain safe indoor temperatures during peak temperatures across our facilities. Furthermore, these measures are complemented through remote work enablement (wherever possible) for maintaining business continuity during EWEs. We regularly monitor the regional weather alerts and collaborate with local authorities and facility teams to enhance preparedness for EWE's emergencies.

In FY26, we spent ₹ 87 million on insuring our assets against risks (including climate change) that may disrupt or damage our assets.

Climate-Related Scenario Analysis (DJSI 2.5.9)

Climate-related scenarios are forward-looking scenarios evaluating future conditions in the context of the impact of climate change. Undertaking climate risk assessments across different climate scenarios helps to understand the strategic implications and variance in the likelihood of climate-related risks and magnitude of business interruption.

In our assessment, physical climate risks were assessed under 3 integrated climate scenarios: SSP1-2.6, SSP2-4.5, and SSP5-8.5. Also, we conducted the climate transition scenario analysis using scenarios developed by the Network for Greening the Financial System (NGFS) scenarios: Nationally Determined Contributions (NDCs) and Net Zero 2050.

Physical Climate Risk Adaptation (DJSI 2.5.10)

Our risk assessment and mitigation plan covers 100% of our existing operations. Based on the assessment, we have planned adaptation and mitigation strategies to address physical risks affecting our business units. We have also initiated a range of adaptation measures to enhance resilience against identified risks:

- **Water stress:** We have adopted sustainable water sourcing and water reuse through wastewater recycling plants and installing low-flow fixtures. We also track our water consumption across the seasons and conduct seasonal water audits and risk assessments to anticipate supply fluctuations and plan our requirements related to water consumption and usage accordingly.
- **Extreme heat:** Our facilities have adopted energy-efficient building designs, incorporating passive cooling techniques, reflective roofing, and optimised insulation. Additionally, we have deployed occupancy sensors, smart thermostats, and zoned cooling across our manufacturing facilities.

Emission Reduction Targets (DJSI 2.5.11)

We aim to reduce absolute Scope 1 and Scope 2 GHG emissions by 50% by 2036, against the FY25 baseline. The table below summarises our emission reduction target.

Type of Target	Scope Covered by Target	Time Frame	Baseline year emissions covered	% reduction target from base year
Absolute reduction	Scope 1 and Scope 2	Base year: 2025 Target Year: 2036	Base year emissions: 14,836.46 tCO ₂ e Percentage of total base year emissions: 100	50%

Product Stewardship

Product Design Criteria (DJSI 2.6.1)

Aspect	FY26
Choice of raw materials or components that have a lower environmental footprint	We integrate environmental considerations into product and process development through green chemistry principles, lifecycle assessments (LCAs), and resource-efficient manufacturing practices. During FY26, we initiated cradle-to-gate LCAs for select products to identify environmental hotspots across the value chain and support informed decisions on material selection, process optimisation, and resource efficiency. We apply green chemistry principles to reduce waste, improve process efficiency, and optimise the use of raw materials through source-level waste segregation and the 3R approach (Reduce, Reuse, Recycle). These initiatives help lower the environmental footprint associated with the materials and components used in our manufacturing operations while supporting sustainable product development and responsible production practices.
Direct operations, production & manufacturing	We improve the environmental performance of our operations through equipment optimisation, preventive maintenance, energy audits, and the adoption of energy-efficient technologies. In FY26, approximately 81% of electricity consumption was sourced from renewable energy. Improvements to utilities and wastewater treatment systems have also enhanced energy efficiency, water recovery, and treated-water reuse, supporting the progressive reduction of operational emissions.
Distribution, storage and transportation	We manage environmental and operational impacts associated with distribution, storage, and transportation through supply-chain risk management and packaging optimisation. Sustainable packaging initiatives include right-sizing bottles and blister packs, reducing packaging thickness and grammage, eliminating unnecessary components such as gap fillers, perforations, stiffeners, inner cartons, and selected paper layers, and introducing electronic product information materials. By reducing packaging material, weight, and excess space, these measures support more efficient storage and transportation while lowering the consumption of plastic, paper, and paperboard. Supply-chain resilience is further supported through supplier due diligence, supplier diversification, alternate sourcing, strategic inventory planning, periodic supplier audits, and business continuity measures.
Use phase - operation and servicing/maintenance	As a CDMO, our product development falls under the ambit of specifications provided by the customers which gives us no/limited control on the manufactured product.
End of life management	Given our business model, responsibility for the end-of-life management of finished products generally rests with our customers, who market and distribute the products. However, we manage waste generated from our operations through systematic collection, segregation, and disposal of plastic waste, and hazardous materials using authorised recyclers or approved incineration agencies. We implement plastic waste collection in accordance with our Extended Producer Responsibility (EPR) plan and submit annual returns to the concerned regulatory body.

Life Cycle Assessment (DJSI 2.6.2)

As part of our commitment to integrating sustainability considerations across the product lifecycle, we have undertaken Life Cycle Assessments (LCAs) for selected products during the year. These assessments were conducted to better understand the environmental impacts associated with product manufacturing and to identify opportunities for reducing resource consumption, emissions, and other environmental burdens across the value chain.

The assessments were carried out in accordance with internationally recognised life cycle assessment standards, including ISO 14040 and ISO 14044, using established life cycle inventory databases and impact assessment methodologies. A cradle-to-gate system boundary was adopted, covering raw material sourcing, inbound transportation, manufacturing operations, utility consumption, waste management, wastewater treatment, and packaging activities associated with the production of each product.

Product Coverage

We have completed full quantitative LCAs for the selected products within our portfolio, which accounts for 3% of our product portfolio.

Environmental Impact Categories Assessed

The LCAs evaluated a comprehensive range of environmental impact categories relevant to the pharmaceutical sector, including:

- Climate change (global warming potential);
- Fossil resource scarcity and abiotic resource depletion;
- Mineral resource scarcity;
- Land use;
- Water consumption and water depletion;
- Terrestrial acidification;
- Fine particulate matter formation;
- Freshwater eutrophication;
- Marine eutrophication;
- Freshwater ecotoxicity;
- Marine ecotoxicity;
- Terrestrial ecotoxicity;
- Human toxicity (carcinogenic and non-carcinogenic impacts);
- Ozone depletion;
- Photochemical ozone formation;
- Ionising radiation; and
- Other environmental pressures associated with resource extraction, manufacturing and transportation activities.

These impact categories collectively provide a comprehensive understanding of product-level environmental performance across upstream procurement and manufacturing activities.

Although the contribution of individual processes varied by product, raw material and intermediate production accounted for a significant proportion of life cycle impacts. Transportation, particularly the use of air freight for selected raw materials, also contributed materially to climate change and resource-use impacts. Other notable contributors included manufacturing energy consumption, water use, wastewater treatment, packaging materials, and single-use consumables.

The LCA findings will be used to develop environmental footprint improvement plan across the value chain. Key opportunities include responsible sourcing and supplier engagement, adoption of sustainable raw materials, transportation and logistics optimisation, improved energy efficiency, greater use of renewable energy, water conservation and recovery, and packaging and waste reduction.

Exposure to Hazardous Substances (DJSI 2.6.3)

We assess the health, safety and environmental hazards associated with active pharmaceutical ingredients, medicinal products and other chemicals before they are introduced into our manufacturing processes. These assessments consider toxicological properties, potency, routes of exposure and applicable regulatory classifications, and are used to establish substance-specific Occupational Exposure Limits and Occupational Exposure Bands. The resulting parameters inform task-level risk assessments and the selection of engineering controls, containment measures, safe-handling procedures, personal protective equipment and employee training.

An occupational risk assessment completed for one of our products established a protective Occupational Exposure Limit of 70 µg/m³ and classified the substance within Occupational Exposure Band 3. The assessment incorporated a conservative severity factor reflecting its anticoagulant effects and found no evidence of carcinogenicity, mutagenicity, teratogenicity or reproductive toxicity in the available studies. These findings were translated into appropriate workplace controls and handling protocols.

Based on our assessment of the pharmaceutical APIs and medicinal products processed across our operations, these substances are neither classified as Persistent Organic Pollutants under the Stockholm Convention nor the EU POPs Regulation, nor as Substances of Very High Concern or restricted substances under EU REACH. Accordingly, our exposure to such internationally regulated hazardous substances is not material. We nevertheless proactively manage residual occupational risks associated with pharmacologically potent compounds through science-based exposure limits, process containment, industrial hygiene monitoring and rigorous operating controls.



Social

3. Social

Labor Practices

Labor Practices Commitment (DJSI 3.1.1)

We are committed to respecting labour rights across our operations and value chain. Through our [Human Rights Policy](#), we commit to providing fair wages, including living wages, equal remuneration for men and women, paid annual leave, and fair employment conditions. We regularly monitor working hours to prevent excessive overtime and maintain compliance with applicable laws and regulations. We are also committed to managing workforce transitions responsibly, including providing appropriate notice and support where workforce reductions are required. Our commitment applies to our own operations and extends to contractors and business partners.

All eligible employees, including contractual workers (where applicable), are entitled to paid annual leave, holidays, and statutory benefits in accordance with applicable laws. At the workplace, employees have access to benefits such as reasonable healthcare facilities, access to pensions, retirement benefits, gratuity (as applicable) and protective mechanisms that safeguard their well-being in various situations.

The organisation does not promote or pursue mass terminations. In instances where workforce reductions become necessary, we undertake the process with a focus on empathy, integrity, and respect for affected employees. Appropriate transition support and compensation are provided in line with applicable legislation and regulatory expectations and may exceed minimum requirements where practicable. This reflects our commitment to responsible workforce management and to supporting employees through periods of organisational change.

Labor Practices Programmes (DJSI 3.1.2)

We implement a range of programmes and management practices to support fair and responsible labour practices across our workforce. Our remuneration framework is designed to provide fair and competitive compensation and incorporates market benchmarking, cost-of-living considerations and periodic compensation reviews. Through these processes, we seek to ensure that employee remuneration remains adequate and aligned with applicable wage requirements and broader living wage principles.

We are committed to equal remuneration for men and women and periodically review compensation outcomes to identify and address potential pay disparities. These reviews support fair, merit-based compensation practices across the organisation.

During FY26, we conducted an independent third-party living wage assessment across our workforce to evaluate wage adequacy and reinforce our commitment to fair and equitable compensation. The assessment compared employee remuneration against internationally recognized living wage benchmarks that were adapted to local market conditions. Covering both management and non-management employees, the exercise involved comprehensive payroll reviews, location-specific benchmarking, and stakeholder engagement to validate key assumptions and findings.

To further strengthen our fair pay approach, we plan to incorporate living wage assessments into our annual compensation benchmarking process and periodically reassess wage adequacy against evolving cost-of-living trends and benchmark updates. These efforts will help generate meaningful insights that support our human rights commitments while fostering employee well-being, dignity, and long-term financial security. Furthermore, we transitioned from a traditional cost-to-company model to a Total Rewards framework to improve the transparency of compensation and benefits and align our reward practices with industry benchmarks and regulatory requirements.

Working hours across our operations are rigorously monitored through established workforce management processes. We have also established strict controls to prevent excessive working hours. Overtime is tracked and managed in accordance with applicable laws and internal requirements, and employees are compensated in line with local legal and regulatory obligations.

Additionally, structured leadership connects, town halls, site-level sessions, one-to-one meetings and skip-level meetings enables regular engagement on working conditions with employees and workers. In FY26, 100% of our permanent workers were covered by collective bargaining agreements supported by a registered trade union. We also conduct safety committee meetings at regular intervals, bringing together management and worker representatives to review occupational health and safety performance and incident trends.

We recognise the importance of rest and recovery in supporting employee wellbeing, engagement and long-term performance. Employees are actively encouraged to utilise their paid annual leave entitlements through our workforce management processes. Furthermore, we provide benefits and welfare measures that support the physical, mental, financial and social wellbeing of our workforce. In FY26, health and accident insurance covered 100% of our permanent employees and permanent workers. We provide social protection through benefits including provident fund, gratuity, health insurance, accident insurance, parental benefits and day-care support. In FY26, 100% of our permanent employees and

permanent workers were covered by provident fund and gratuity benefits. We also provide parental benefits and day-care facilities, including 26 weeks of paid maternity leave, one week of paid paternity leave and on-site crèche facilities.

Our additional wellbeing programmes include free annual health check-ups, periodic medical camps, health-awareness webinars, fitness and wellness initiatives, counselling support, subsidised meals and transportation assistance. We also extend insurance coverage to employees' parents to strengthen financial security during medical emergencies.

We also invest in employee learning and development through training and capability-building programmes that support professional growth, skills development and long-term employability.

Discrimination & Harassment (DJSI 3.1.3)

Our [Diversity, Equity and Inclusion Policy](#) establishes a zero-tolerance approach to discrimination, sexual and non-sexual harassment, and retaliation. The Policy covers our employees, workers, consultants, interns and individuals working on our behalf and covers all stages of the employment lifecycle. We provide regular training to build awareness of discrimination, harassment and unconscious bias.

Individuals may report concerns anonymously and confidentially through established reporting channels, including the SEEK platform. This platform also provides access to a toll-free helpline, dedicated ethics email and web-based reporting portal. Furthermore, designated HR representatives are available across our sites and offices.

All reported concerns are investigated fairly and thoroughly, with protection against retaliation for individuals who report concerns in good faith or participate in an investigation. Where a concern is substantiated, appropriate corrective action is taken in accordance with applicable policies and procedures.

Workforce Breakdown: Gender (DJSI 3.1.4)

Diversity Indicator	Percentage in FY26 (0-100%)
Share of women in total workforce (as % of total workforce)	14%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	15%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	16%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	6%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e., excluding support functions such as HR, IT, Legal, etc.)	37%
Share of women in STEM-related positions (as % of total STEM positions)	29%

We have set a target to achieve 10% women in top management roles by 2028. Additionally, we are committed to increasing the representation of women in our workforce by one percentage point each year.

Workforce Breakdown: Race/ Ethnicity & Nationality (DJSI 3.1.5)

Nationality/ Geography	Share in total workforce (as a % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
India	99.6%	99.4%
US	0.2%	0.3%
Germany	0.1%	0.2%
Netherlands	0.1%	0.1%

Gender Pay Indicators (DJSI 3.1.6)

We believe that fair and equitable compensation is fundamental to an inclusive workplace. We are committed to ensuring pay parity and regularly review our compensation structures to identify and address any gaps. Our goal is to maintain a transparent and equitable pay framework that rewards performance and competence, regardless of gender.

Employee level	FY26	
	Average Women Salary (₹ million)	Average Men Salary (₹ million)
Executive level (Leadership Tier) (base salary only)	9.78	13.54
Executive level (Leadership Tier) (base salary + other cash incentives)	12.22	16.78
Management level (base salary only)	2.19	2.30
Management level (base salary + other cash incentives)	2.29	2.39
Non-management level	0.64	0.70

We conduct an annual equal pay analysis using an internally developed methodology to assess remuneration outcomes across employee groups. The results are reviewed through our compensation governance processes to support equitable pay practices. The underlying workforce and remuneration data reported in the table above has been independently verified through third-party assurance and can be found on Page 437 of our [Integrated Annual Report FY26](#).

Union and collective bargaining coverage (DJSI 3.1.7)

While we did not have any employee unions during FY23 and FY24, collective bargaining arrangements were established in subsequent years. The table below provides further information for FY25 and FY26.

Metric	FY25	FY26
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements	100%	100%

Human Rights

Human Rights Commitment (DJSI 3.2.1)

We recognise, respect, uphold and promote internationally recognised human rights across our operations and value chain. Our Human Rights Policy aligns with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, ISO 26000 and the UN Guiding Principles on Business and Human Rights. We maintain zero tolerance for human trafficking, forced or bonded labour, modern slavery, child labour, discrimination and harassment, and we respect freedom of association and the right to collective bargaining. Our commitments also encompass dignity and humane treatment, fair and equal remuneration, living wages, reasonable working hours, work-life balance, family life, social security, workplace health and safety, data privacy, community rights, access to grievance mechanisms and protection from retaliation.

Our [Human Rights Policy](#) applies to all our operations and subsidiaries, covering employees, contractual staff, contractors, direct activities, and human rights considerations associated with our products and services. We extend our human rights expectations to suppliers, vendors, business partners and other third parties across our value chain. Through our human rights due diligence approach, we seek to identify and assess risks within our operations and value chain, including those associated with existing and prospective business relationships, high-risk suppliers and contractors, joint ventures, mergers and acquisitions.

Human Rights Due Diligence Process (DJSI 3.2.2)

We maintain a company-wide Human Rights Due Diligence (HRDD) process guided by internationally recognised human rights principles and embedded within our governance framework. Through periodic risk assessments and internal reviews, we continuously evaluate any actual or potential human rights risks, with particular emphasis on protecting employees and other potentially vulnerable groups, including women, migrant workers, and contract workers.

During the year, we completed an independent third-party human rights due diligence assessment covering all our operations. The assessment covered our employees, including women employees, contract workers, and operators. It enabled us to identify and evaluate salient human rights risks across our operations and stakeholder relationships, covering topics such as non-discrimination, fair wages, workplace health and safety, freedom of association, collective bargaining, privacy, and humane treatment. The findings have informed targeted action plans and a medium-term roadmap to strengthen our human rights management approach. We also maintain grievance and escalation mechanisms to support the identification, mitigation and remediation of potential human rights impacts.

As part of our Enterprise Risk Management processes we periodically review and update potential human rights risks. These reviews enable us to reassess potential issues, identify emerging and location-specific risks, evaluate the adequacy of existing controls and update mitigation measures as our operations and workforce evolve. Going forward, we aim to extend our HRDD assessment across the value chain, to strengthen the periodic identification and review of human rights risks beyond our direct operations.

Human Rights Assessment (DJSI 3.2.3)

Category	% of total assessed in last three years	% of total assessed (column A) where risks have been identified	% of risk (column B) with mitigation actions taken
Own operations (as a % of sites)	100	0	0

Human Rights Mitigation and Remediation (DJSI 3.2.4)

Category	Remarks
Processes implemented to mitigate human rights risks	We mitigate human rights risks through dedicated grievance and escalation mechanisms, ethics reporting channels, employee feedback platforms, workforce training, stakeholder engagement, and periodic reviews. Human rights considerations are integrated into our governance and management processes, with targeted action plans implemented to address identified risks and improvement opportunities.
The number of sites with mitigation plans	Human rights mitigation plans are implemented across all our facilities (including all 6 of our operational sites).
The type of remediation actions taken	We provide mechanisms to prevent, mitigate and remediate potential human rights impacts through confidential reporting and grievance channels across all our facilities. Reported concerns are handled in a fair, confidential and timely manner, supported by a zero-tolerance approach to retaliation. We provide confidential channels for employees to report potential misconduct and human rights concerns through our 'Speak Up' mechanism, including a toll-free helpline (1800-102-6969), ethics email (report@integritymatters.in) and https://onesource.integritymatters.in. This mechanism supports timely investigation and grievance redressal, including appropriate corrective, preventive and remedial action. Remediation and continuous improvement measures include targeted action plans, workforce training, human rights and POSH awareness programmes, integration of human rights into onboarding processes, stakeholder engagement, and periodic reviews of the human rights due diligence programme.

Human Capital Management

Training and Development Inputs (DJSI 3.3.1)

	FY23	FY24	FY25	FY26
Average hours per FTE of training and development	4.9	10.7	6.4	20.9
Average amount spent per FTE on training and development (₹)	2,434	1,670	1,697	11,974

Training Data breakdown by category:

Particulars	Average Training Hours (FY26)
Male	21.2
Female	19.2

Particulars	Average Training Hours (FY26)
Senior management	39.1
Middle management	28.4
Junior management	16.0

Employee Development Programmes (DJSI 3.3.2)

Through structured leadership development, manager capability-building, coaching and mentorship opportunities, instructor-led training, professional development workshops and digital learning, we equip employees with the technical, behavioural and leadership skills required to succeed in their current roles and prepare for expanded responsibilities. Our programmes combine internal expertise, external perspectives, peer learning, collaborative teams and professional

networks, and practical application to strengthen collaboration, support continuous learning and develop a robust pipeline of future leaders and skilled professionals.

Leadership Development

Our leadership development programmes prepare employees for expanded responsibilities and future leadership roles across different career stages. The programmes focus on developing the skills required to lead teams, drive performance and contribute to the organisation's long-term success.

Our **Manager Essentials Programme** is a structured development intervention that is mandatory for all managers and supports consistency in managerial practices across the organisation. The programme combines interactive workshops, peer learning, reflection exercises and practical discussions. It is organised around four capability pillars: Leading Self, Leading Teams, Leading Performance, and Leading Beyond. Through this programme, managers strengthen their ability to manage themselves, guide teams, improve performance and contribute beyond their immediate areas of responsibility.

Our **Instructor-led Training programmes** are delivered according to a structured annual learning calendar. The programmes address organisational capability requirements and support the development of technical expertise, professional skills and leadership effectiveness. This training enables employees to build role-specific capabilities, respond to evolving business needs and prepare for expanded responsibilities and career progression.

We complement internal learning with **professional development workshops** conducted by subject-matter experts. These workshops focus on problem-solving, communication, collaboration and cross-functional effectiveness. Participants engage with case studies, assignments, discussions and simulations based on critical business challenges, helping translate learning into practical workplace capability.

Cultural Education

We provide mandatory training on our Code of Conduct, workplace ethics, professional behaviour, organisational values, compliance requirements and on Prevention of Sexual Harassment. These programmes reinforce a workplace culture founded on integrity, respect and accountability and help employees understand their responsibilities as members of the OneSource community.

This training promotes consistent standards of ethical and responsible conduct across the organisation and strengthens employee awareness of workplace rights, appropriate behaviour and available mechanisms for raising concerns. This cultural education forms part of our broader effort to embed transparent and accountable behaviour in day-to-day decision-making.

Responsible Workforce Transition

We are committed to supporting employees throughout their employment life cycle and managing career transitions in a fair, respectful and responsible manner. Our approach is guided by established standards and practices across our Group and is intended to support employees during key career transitions while responding to changing organisational requirements.

As our organisation and workforce needs evolve, we will continue to strengthen our people-management approach while maintaining dignity, transparency and mutual respect.

Digital Transition and Capability-building

We use digital learning tools and immersive technologies to strengthen workforce capabilities and help employees adapt to changing technical and operational requirements.

OneSource Academy, our integrated learning platform, provides employees with curated learning pathways across technical, behavioural and leadership domains. Employees can access self-paced learning aligned with business priorities, individual capability-development needs and career aspirations. The platform is supported by our Learning Management System, which facilitates learning administration, monitors training progress and completion, and supports the tracking of employee development across the organisation.

We also use **SEEK**, our mobile-first learning and engagement platform, to make learning accessible through employees' mobile devices. SEEK provides bite-sized learning modules designed to support continuous and role-specific development. The platform includes content on thought leadership, organisational awareness and techno-commercial capabilities, enabling employees to learn while working and develop capabilities relevant to their roles.

In addition, we use Augmented Reality and Virtual Reality-based training modules to provide immersive learning experiences, strengthen engagement and support the retention of critical technical knowledge. During FY26, more than 200 newly onboarded employees received training through these modules for aseptic operations. Together, these interventions strengthen employees' digital learning experience and support their ability to work effectively in a technology-enabled operating environment.

Training and Learning Programme for Contractual Employees

Furthermore, all contractual workforce personnel receive dedicated training on role-specific Standard Operating Procedures (SOPs) and Prevention of Sexual Harassment (POSH), reinforcing workplace safety, compliance, and professional conduct standards.

Human Capital Return on Investment (DJSI 3.3.3)

	FY23	FY24	FY25	FY26
Total Revenue (₹ million)	387.14	1,719.19	14,448.53	14,215.90
Total Operating Expense (₹ million)	1,994.01	2,601.58	9,783.40	11,173.68
Total Employee-related expenses (salaries + benefits) (₹ million)	728.01	793.61	2,152.59	2,422.53
Resulting HC ROI	(1.21)	(0.11)	3.17	2.26
Total Employees	506	524	943	1,200

Note: Calculations are based on Consolidated Financial Statements for all four years. FY23 and FY24 HCROI was negative, reflecting the business's early capability-building phase, when investments in CAPEX, OPEX, and workforce capabilities preceded revenue ramp-up. HCROI subsequently improved as the business scaled and revenue realisation gained momentum. The slight decline in FY26 primarily reflects delays in semaglutide approvals in Canada, which deferred a portion of the anticipated commercialisation and revenue realisation beyond FY26, while workforce investments continued.

Hiring (DJSI 3.3.4)

	FY23	FY24	FY25	FY26
Total number of new employee hires	154	229	320	520
Percentage of open positions filled by internal candidates (internal hires)	0	0.44	13.22	3.85

Note: The higher proportion of positions filled through internal hires in FY25 is a result of organisational restructuring and workforce integration following the formation of OneSource as an independent organisation, including employee movements associated with the integration of acquired manufacturing facilities and business units. In FY26, as the business scaled and overall hiring increased from 320 to 520 new employees, increased external recruitment to meet workforce requirements resulted in a lower proportion of positions being filled internally. Internal mobility continues to remain an important component of our talent management approach.

New Hires Breakdown by Category

Employee category	Units	<30 years		30-50 years		>50 years	
		Male	Female	Male	Female	Male	Female
Senior Management	#	0	0	1	0	1	0
Middle Management	#	1	0	50	5	0	0
Junior Management	#	222	53	145	18	2	0
Non-Management	#	16	0	6	0	0	0
Total	#	239	53	202	23	3	0

Employee Turnover Rate (DJSI 3.3.5)

	FY23	FY24	FY25	FY26
Total employee turnover rate*	47%	37%	19%	17%
Voluntary employee turnover rate	43%	35%	17%	16%

*The relatively higher attrition observed during FY23 and FY24 was primarily influenced by organisational restructuring and business transition activities.

Total Employee Turnover Data Breakdown (FY26)

(Management, Gender, and Age-wise)

Category	Units	Male	Female	<30	30–50	>50
Senior Management	#	1	0	0	0	1
Middle Management	#	16	4	4	16	0
Junior Management	#	201	22	92	131	0
Permanent Workers	#	4	0	0	4	0
Total	#	222	26	96	151	1

Type of Performance Appraisal (DJSI 3.3.6)

We follow a structured performance management approach that combines objective-based evaluation, continuous performance conversations and consideration of collective business performance. This approach promotes accountability, recognises individual contributions and supports employees' ongoing development through regular feedback and course correction.

Management by Objectives

At the beginning of each performance cycle, employees and their managers agree on specific and measurable SMART goals that reflect role expectations and contribute to functional and organisational priorities. Performance is assessed against progress towards these agreed objectives, creating a transparent link between individual contribution and business performance. Objectives are revisited during the year to ensure continued relevance and to account for changing responsibilities or organisational priorities.

Multi-source Feedback

For employees in middle and senior management roles, we strengthen appraisal decisions through a well-defined calibration process involving functional heads and business leaders. The review considers performance information, historical trends and comparative outcomes across functions and sites. By incorporating inputs beyond the immediate reporting manager, we promote multi-source feedback in performance standards and reduce the potential for individual bias in the final ratings.

Team-based Performance Appraisal

Our appraisal framework considers both individual contribution and collective performance. For corporate employees, performance outcomes reflect the organisation's overall results in addition to individual objectives. For employees in manufacturing operations, goals are linked to relevant unit-level outcomes. This connection between individual and shared results encourages collaboration, reinforces collective accountability and aligns employees with wider business priorities.

Agile Conversations

We maintain an ongoing performance dialogue through regular interactions between employees and managers. Monthly check-ins and quarterly reviews provide opportunities to discuss progress, share feedback, address performance or development needs and adjust priorities where required. These conversations enable timely course correction. This maintains continuous performance management throughout the year rather than being limited to the annual appraisal.

Long-Term Incentives for Employees (DJSI 3.3.7)

1.The type of long-term incentive programme 2.The type of employees below the senior management level the programme applies to	Company's long-term incentives for employees below the senior management level are on average paid out after	Percentage of company's workforce below senior management level (max. two levels from the CEO) that this programme applies to
Through our Employee Stock Option Scheme 2021 (ESOP 2021), we provide eligible employees with stock options that enable acquisition of Company shares at a future date, subject to applicable terms and vesting conditions. The programme is designed to align employees' interests with our long-term growth and value creation objectives while fostering a sense of ownership and commitment. In addition to supporting employee motivation and engagement, the scheme serves as an important tool for attracting, rewarding and retaining talent. Options vest over a three-year period, encouraging sustained contribution to our long-term success.	Longer than 3 years	100%

Employee Support Programmes (DJSI 3.3.8)

Employee wellbeing, encompasses the overall state of an individual's health, satisfaction, and quality of life, both within and beyond the workplace. This understanding shapes our approach to employee welfare, addressing the holistic needs of our people. Our employee wellness framework is structured around the following pillars:

- **Physical Wellbeing**, ensuring that our people have access to the resources and support needed to maintain their health
- **Mental Wellbeing**, fostering a work environment that prioritises psychological safety, resilience, and emotional balance
- **Financial Wellbeing**, equipping employees with the knowledge, tools, and security to manage their financial health with confidence
- **Social Wellbeing** encompasses the cultivation of a connected, engaged, and inclusive workplace where structured learning, open dialogue, and shared experiences collectively strengthen the sense of community, belonging, and purpose across the organisation.

Physical Wellbeing

We provide comprehensive Health Insurance Coverage to all employees across the organisation. In addition, we offer free annual health check-ups for all employees, enabling early detection and prevention of potential health risks. Medical camps and screenings are held for employees periodically, further supporting their health needs. We also organise webinars on topics such as weight loss, oncology, and general health in collaboration with various institutions, enhancing awareness and education around important health issues. These check-ups are designed to encourage a proactive approach to health management and ensure that our people are supported in maintaining their overall fitness and wellness.

Employees also have access to an on-site fitness facility, enabling them to maintain an active lifestyle alongside their professional commitments. We regularly conduct sports day events and health awareness camps to encourage physical activity, foster team bonding, and raise awareness around preventive health practices. We also conduct regular yoga workshops across the organisation, providing our employees with accessible tools and practices to manage stress, build resilience, and maintain emotional balance

Additionally, recognising that everyday essentials play an important role in overall physical health, we provide subsidised meals through our canteen facility and transportation support for employees, ensuring that basic needs related to nutrition and safe commute are adequately addressed.

Mental Wellbeing

We recognise that the pressure and demands of a professional environment can have a material impact on an individual's mental and emotional health, and as an organisation, it is incumbent upon us to ensure that appropriate support structures are in place to address this. Our HR teams are trained and available to offer counselling support to employees on a need basis, providing a confidential and accessible channel for individuals to seek guidance and assistance.

Other support programmes

Employees are provided with flexible work arrangements further supporting work life balance. In addition, the organisation provides 26 weeks of paid maternity leave and 1 week of paternity leave for non-primary caregivers, reinforcing our commitment to supporting employees through significant life events.

We also provide on-site crèche facilities to support working parents and create a family-friendly workplace. These facilities provide dedicated spaces for childcare and support nursing mothers by enabling convenient access to their children during the workday, helping them balance caregiving responsibilities while continuing their professional careers.

Financial Wellbeing

We are committed to supporting the long-term financial security of our employees. All permanent employees are covered under life insurance, providing a critical safety net for them and their families. The organisation also offers retirement provisions in compliance with applicable statutory requirements, ensuring that employees are financially prepared for life beyond their working years. Additionally, eligible employees have access to stock ownership opportunities, enabling them to participate in and benefit from the long-term growth of the organisation.

Social Wellbeing

We promote social wellbeing through a combination of employee communication, development, wellness and engagement initiatives. Employees regularly participate in Townhalls and SEEK-based interactions that strengthen engagement with our values, culture and organisational priorities. We further invest in behavioural development through both digital and face-to-face learning programmes. To strengthen social connections and employee experience, we organise wellness initiatives, sports events, festival celebrations, recreational activities and team-based competitions that encourage collaboration, inclusivity and a strong sense of community across the organisation.

Trend of Employee Wellbeing (DJSI 3.3.9)

Through employee engagement surveys, leadership interactions, and continuous employee listening mechanisms, we regularly assess employee experiences and gather feedback on workplace practices. The insights obtained inform our efforts to strengthen employee wellbeing, foster meaningful workplace connections, and cultivate a supportive, inclusive, and engaging work environment.

Our employee survey assesses key dimensions of employee wellbeing and engagement, including **job satisfaction**, sense of purpose, workplace happiness, work-related stress, career development opportunities, leadership effectiveness, collaboration and workplace relationships, inclusion, and overall employee engagement. These findings help us monitor employee sentiment, identify emerging priorities, and implement targeted actions to enhance the employee experience.

Our annual employee engagement target for FY26 was 75%. The table below provides a two year trend of our employee engagement percentage.

Core focus	FY25	FY26
Employee engagement (% of employees with top level of engagement, satisfaction)	72	79
Data coverage (% of FTEs)	65%	94%

Note: Employee engagement results are reported from FY25 onwards. Comparable data for FY23 and FY24 is not available, as a formal employee engagement assessment aligned with the current methodology was not conducted during those reporting periods.

Occupational Health and Safety

OHS Policy (DJSI 3.4.1)

Our Environment, Health and Safety (EHS) Policy establishes our commitment to providing a safe and healthy workplace, preventing occupational injuries and illnesses, and continuously improving our EHS management system. The policy applies to all employees, including permanent, temporary and contract staff, as well as contractors, suppliers, service providers and other individuals working under our supervision or control. Our Policy further supports compliance with applicable legal requirements and relevant international Occupational Health and Safety (OHS) standards. We also undertake regular audits, risk assessments and performance monitoring. The policy promotes active consultation, communication and participation of employees and the contract workforce in EHS matters, including involvement in safety committees, hazard reporting and feedback mechanisms. It provides a framework for establishing and reviewing

EHS objectives, targets and performance indicators, implementing corrective actions, prioritising occupational health and safety risks, and driving continuous improvement through training, technology adoption and best practices. The policy is approved by the Board of Directors and is subject to periodic review.

OHS Programmes (DJSI 3.4.2)

We maintain a comprehensive OHS programme designed to prevent workplace injuries and illnesses, reduce occupational risks and promote employee wellbeing across our operations. Our OHS management approach, aligned with ISO 45001:2018, integrates risk identification, preventive controls, employee participation, emergency preparedness, occupational health services, training and continuous improvement. All our facilities are ISO 45001:2018 certified.

We conduct systematic hazard identification and risk assessments across manufacturing, laboratory and operational activities, including chemical handling, equipment operation and laboratory processes. Identified risks are evaluated based on severity and likelihood, with mitigation measures, corrective actions and operational controls implemented and periodically reviewed. Safety performance is monitored through regular audits, internal inspections, safety committee reviews and performance indicators, enabling continuous evaluation of progress in reducing health and safety risks.

Our OHS programme incorporates robust incident identification and management processes. Workplace incidents, near misses and unsafe conditions are reported, investigated and reviewed to identify root causes, implement corrective actions and share lessons learned across operations. Employee participation is enabled through safety committees, hazard reporting mechanisms, behavioural safety programmes, Toolbox Talks and ongoing safety awareness initiatives, ensuring active worker involvement in strengthening workplace safety.

We provide mandatory onboarding and refresher training for employees and on-site contractors covering hazard identification, safe work practices, emergency preparedness, incident reporting protocols and the use of personal protective equipment. Occupational health programmes are further supported through pre-employment medical assessments, periodic health check-ups for higher-risk roles, occupational health monitoring, stress management initiatives and mental wellbeing programmes.

Furthermore, we maintain site-level emergency response plans with well-defined responsibilities, communication protocols, mock drills, simulations, firefighting systems, trained responders and post-drill reviews to strengthen emergency response capabilities and organisational resilience.

OHS requirements are also integrated into our supplier and contractor management processes. Our [Supplier Code of Conduct](#) requires suppliers and service providers to provide safe and healthy workplaces, implement safety management systems, conduct workplace safety training, identify and assess workplace hazards, maintain emergency response procedures and comply with applicable health and safety regulations. Adherence to these requirements is the condition for qualification and continuation of supplier relationships. Through our [Responsible Sourcing Policy](#), supplier evaluations, on-site audits, requalification processes and supplier capability-building programmes also incorporate Environment, Health and Safety considerations.

Safety Performance (DJSI 3.4.3), (DJSI 3.4.4), (DJSI 3.4.5)

Safety Incident/Number	Category	FY23	FY24	FY25	FY26
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)*	Employees & Workers	0	0	0	0
	Employees	0	0	0	0
Number of fatalities	Workers	0	0	0	0

*We report the LTIFR for employees and workers on a consolidated basis.

Note: The data presented in the table has been third party assured by SGS India Private Limited for the current reporting year.

Privacy Protection

Privacy Policy: Systems/ Procedures (DJSI 3.6.1)

Aspect	FY26
Privacy policy applies to the entire operations, including suppliers	Our Privacy Policy applies across our operations, including to suppliers, contractors, consultants, and third-party service providers. These parties are required to comply with relevant privacy and data protection requirements and are subject to appropriate contractual safeguards.
Designated person or department responsible for privacy issues	We have appointed a Data Protection Officer (DPO), supported by a cross-functional privacy governance team, to oversee compliance with our Privacy Policy, respond to privacy-related concerns, coordinate investigations and monitor the implementation of privacy controls across the organisation.
Privacy policy system embedded in group-wide risk/compliance management	We integrate privacy and data protection risks into our enterprise-wide risk management and compliance framework. Privacy risks are periodically identified, assessed, monitored, reported and mitigated through established governance mechanisms.
Disciplinary actions in case of breach (i.e. zero tolerance policy)	We maintain a zero-tolerance approach towards intentional misuse, unauthorised disclosure or unlawful processing of personal data. Violations of our Privacy Policy may result in corrective actions, disciplinary measures up to and including termination of employment or contractual engagement, recovery of damages where appropriate, and legal or regulatory action.
Conduct internal audits of the privacy policy compliance	We monitor compliance with our Privacy Policy through periodic reviews and assessments, including internal privacy and data protection audits and internal compliance assessments. Findings are addressed through CAPAs to strengthen privacy controls and compliance.

Customer Privacy Information (DJSI 3.6.2)

We are committed to protecting the privacy and security of personal data entrusted to us by our customers, business partners, and other stakeholders. Our [Privacy Policy](#) outlines the categories of personal data we may collect, including contact information, business information, contractual and financial information, and communication records. We clearly describe the purposes for which such information may be processed, including customer relationship management, contract administration, regulatory compliance, information security monitoring and business operations. We process personal data only for specified and lawful purposes and do not use personal data for unrelated secondary purposes without an appropriate legal basis and, where required, additional consent.

We provide individuals with transparency and control over how their personal information is collected, used, retained and processed. Where applicable, individuals may provide or withhold consent, withdraw consent, opt-out of certain processing activities, request access to personal data held by us, request correction of inaccurate information, request deletion of personal data, request restriction of processing and request transfer of personal data in a structured and commonly used format, subject to applicable legal requirements.

We retain personal data only for as long as necessary to fulfil the purpose for which it was collected and to meet applicable legal, regulatory, contractual and operational requirements. Upon expiry of applicable retention periods, personal data is securely deleted, anonymised, archived or otherwise disposed of in accordance with approved procedures. We protect personal data through appropriate technical, organisational, physical and administrative safeguards, including role-based access controls, encryption, secure transmission mechanisms, network security controls, monitoring and intrusion detection systems, and secure backup and recovery procedures to preserve the confidentiality, integrity and availability of information.



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