BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) – 2025-26

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	:	L24239TG1987PLC008066
2. Name of the Listed Entity	:	SMS Pharmaceuticals Limited
3. Year of incorporation	:	14th December, 1987
4. Registered office address	:	8th Floor, Trendset Jayabheri Connect, Kondapur Serilingampally, Ranga Reddy Dist., Hyderabad-500084, Telangana. India
5. Corporate address	:	8th Floor, Trendset Jayabheri Connect, Kondapur Serilingampally, Ranga Reddy Dist., Hyderabad-500084, Telangana. India
6. E-mail	:	cs@smspharma.com
7. Telephone	:	+91 - 40 – 6985 9999
8. Website	:	www.smspharma.com
9. Financial year for which reporting is being done	:	01st April, 2025 to 31st March, 2026
10. Name of the Stock Exchange(s) where shares are listed	:	BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	:	Rs.936.52 lakhs
12. Name and contact details telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Mr. Thirumalesh Tumma, Company Secretary and Compliance Officer, Tele: +91 - 40 – 6985 9999, Email:Complianceofficer@smspharma.com
13. Reporting boundary - Are the disclosures under this Report made on a standalone basis or on a consolidated basis.	:	The disclosure under BRSR is on Standalone basis unless otherwise stated.
14. Name of assurance provider	:	-
15. Type of assurance obtained	:	-

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacture of Active Pharmaceutical Ingredients (APIs)	99.21

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of Active pharma ingredients, intermediates, custom pharmaceutical products	21001	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3*	1	4
International	0	0	0

*The plants include the Company's manufacturing locations and R&D centers.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	20
International (No. of Countries)	45

b. What is the contribution of exports as a percentage of the total turnover of the entity?

66%

c. A brief on types of customers

We serve a diverse range of pharmaceutical companies worldwide.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	1266	1183	93.44	83	6.56
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	1266	**1183**	**93.44**	**83**	**6.56**
	WORKERS					
4.	Permanent (F)	351	351	100	-	-
5.	Other than Permanent (G)	471	414	87.90	57	12.10
6.	**Total workers (F + G)**	**822**	**765**	**93.07**	**57**	**6.93**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	-	**-**	**-**	**-**	**-**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

21. Participation/ Inclusion/representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No (B)	% (B/A)
Board of Directors	8	1	12.5
Key Management Personnel	4	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	Turnover rate in current FY 2025-26			Turnover rate in previous FY 2024-25			Turnover rate in the FY prior to previous FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.37	45.33	18.16	5.68	9.58	15.26	22.99	25.24	48.23
Permanent Workers	21.07	0	21.07	8.99	0	8.99	26.75	0	26.75

V. Holding, subsidiary and Associate Companies (including Joint Ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SMS coLab Private Limited	Wholly Owned Subsidiary	100.00	No
2	SMS Peptides Private Limited	Subsidiary	99.99	No
3	VKT Pharma Private Limited	Associate	34.83	No
4	CHEMO SMS ENTERPRISES SL (55% held by Chemo 45% held by SMS)	Joint Venture	45.00	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in Rs.) **886,87,10,488/-**

(iii) Net worth (in Rs.) **804,78,68,581/-**

VII. Transparency and Disclosures Compliances

25. Complaints/Grievance on any of the principles (Principles1 to 9) under the National Guidelines on Responsible Business conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)*	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y	-	-	-	-	-	-
Investors (other than shareholders)	Y	-	-	-	-	-	-
Shareholders	Y	-	-	-	-	-	-
Employees and workers	Y	-	-	-	-	-	-

Customers	Y	-	-	-	-	-	-
Value Chain Partners	Y	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

*Various policies of the Company for redressing the grievances of its stakeholders are available at https://smspharma.com/company-announcements/downloads/ In addition there are internal policies placed on intranet of the Company.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Sustainable Supply Chain	**Risks:** Our business relies on a global supply chain for the procurement of APIs, intermediates, key raw materials and critical components. Geopolitical developments, trade restrictions, logistics disruptions, climate-related events, supplier concentration, quality issues and evolving regulatory requirements may impact the timely availability of critical inputs, business continuity and customer commitments.	Our business depends on a resilient, responsible and globally integrated supply chain for the uninterrupted sourcing of raw materials, intermediates and critical inputs. As regulatory expectations and stakeholder scrutiny continue to increase, effective supply chain governance is essential to mitigating operational, compliance and reputational risks, while ensuring product quality, uninterrupted supply to patients and long-term business sustainability.	The Company mitigates supply chain risks through supplier due diligence, supplier diversification, strategic sourcing, periodic performance and compliance assessments, and maintenance of inventory for critical materials. Supply chain risks are monitored through the Risk Management framework, with emphasis on business continuity, regulatory compliance, responsible sourcing, quality assurance and supply chain resilience.	**Financial Implications:** **Negative:** Supply chain disruptions may lead to increased procurement and logistics costs, production delays, inventory shortages, regulatory non-compliance, loss of revenue, contractual liabilities and reputational damage.
2	Occupational Health and Safety	**Risks:** The nature of our pharmaceutical manufacturing operations exposes employees and contractors to occupational health and safety risks, including chemical exposure, process safety incidents, workplace injuries and transportation-related hazards. Any significant safety incident or non-compliance with applicable health and safety regulations may result in injury or loss of life, operational disruptions, legal liabilities, regulatory action, financial losses and reputational damage, while adversely impacting employee well-being and business continuity.	Occupational Health and Safety is a material priority given the nature of our pharmaceutical manufacturing operations, which involve handling chemicals, hazardous substances and process-related risks. We are committed to providing a safe, healthy and incident-free workplace by proactively managing occupational hazards, ensuring regulatory compliance and fostering a strong safety culture. Effective health and safety management helps protect our employees and contractors, enhances operational continuity, reduces legal and financial risks, and supports sustainable business performance.	The Company adopts a proactive approach to occupational health and safety through robust EHS management systems, regular risk assessments, employee training, process safety controls, use of appropriate personal protective equipment (PPE), emergency preparedness and incident reporting. Compliance with applicable statutory requirements, periodic audits, continuous monitoring and a strong safety culture help minimize workplace risks, protect employees and contractors, and ensure safe and uninterrupted operations.	**Positive:** Strong occupational health and safety practices enhance workforce productivity, reduce incident-related costs and operational disruptions, improve regulatory compliance, and support business continuity, employee well-being and long-term sustainable performance.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Corporate Governance and Business Ethics	**Opportunities:** Strong governance and ethical business conduct enhance transparency, accountability and stakeholder trust, strengthening investor confidence, regulatory relationships and access to capital. They also support sound decision-making, attract and retain quality talent, improve operational resilience.	Corporate Governance and Business Ethics are fundamental to maintaining stakeholder trust, ensuring regulatory compliance and fostering responsible business conduct. Given the highly regulated nature of the pharmaceutical industry, strong governance and ethical practices are essential for safeguarding product quality, patient safety, regulatory compliance and business integrity.	The Company mitigates governance and ethics risks through a robust corporate governance framework, a Code of Conduct and Ethics, Board and Committee oversight, well-defined policies and internal controls, periodic compliance monitoring, risk assessments, internal and external audits, whistle-blower mechanisms, employee awareness programs and regular review of regulatory developments.	**Positive:** Strong corporate governance and ethical business practices enhance investor confidence, improve access to capital, strengthen stakeholder trust, reduce compliance and litigation costs, support sustainable business growth and contribute to long-term value creation.
4	Climate Action (Energy and Emissions)	**Opportunities:** Improving energy efficiency, increasing the use of renewable energy and adopting low-carbon technologies present opportunities to reduce energy costs, lower greenhouse gas emissions and enhance operational efficiency. Investments in cleaner technologies strengthen regulatory preparedness, improve access to environmentally conscious markets, enhance customer and investor confidence, and support the Company's long-term sustainability and climate goals.	Climate Action is a material priority as our manufacturing operations consume significant energy and contribute to greenhouse gas (GHG) emissions. We recognize the risks posed by climate change, evolving regulatory requirements and stakeholder expectations, and are committed to improving energy efficiency, reducing emissions and increasing the use of renewable energy. Our climate initiatives support operational efficiency, resource conservation, regulatory preparedness, business resilience and the transition towards a lower-carbon and more sustainable future.	The Company adopts a proactive approach to climate risk management by improving energy efficiency, increasing the use of renewable energy, monitoring greenhouse gas emissions and investing in cleaner technologies. Energy conservation initiatives, periodic monitoring of energy performance, compliance with applicable environmental regulations and integration of climate-related considerations into operational planning support emission reduction, resource efficiency, regulatory preparedness and long-term business resilience.	**Negative:** Climate related risks may increase energy and operating costs, capital expenditure for regulatory compliance, carbon reduction initiatives and cleaner technologies, while supply chain disruptions and extreme weather events may adversely impact operations and profitability.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Resource (Waste, Water and Land) Management	**Opportunities:** Efficient resource management through water conservation, recycling and reuse, responsible waste management, green chemistry and resource-efficient technologies can reduce operating costs, improve environmental performance and strengthen business resilience. Sustainable resource management also enhances regulatory compliance, supports innovation, improves stakeholder confidence, creates market differentiation and contributes to long-term sustainable growth.	Resource management is a material priority due to the resource-intensive nature of our pharmaceutical manufacturing operations. We are committed to the efficient use of water, responsible waste management, pollution prevention and conservation of natural resources across our operations.	The Company adopts a proactive approach to resource management through efficient water use, recycling and reuse initiatives, responsible waste management, pollution prevention measures and compliance with applicable environmental regulations.	**Positive:** Efficient management of water, waste and land resources improves resource productivity, reduces operating and disposal costs, enhances regulatory compliance, strengthens business continuity and supports long-term sustainable growth and value creation.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	c. Web Link of the Policies, if available	Click on policy for web access if available on the Company website i.e., https://smspharma.com/ P1 to P9 (excluding P7) https://smspharma.com/wp-content/uploads/2024/06/Code-of-business-conduct-and-ethics-for-Directors-Sr-Mgt-Personnel-New.pdf https://smspharma.com/wp-content/uploads/2022/08/code-of-business-conduct-and-ethics-for-others.pdf P1: https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf P2: https://smspharma.com/wp-content/uploads/2026/08/EHS-Policy.pdf P3 to P5: https://smspharma.com/wp-content/uploads/2026/08/Labour-Human-Rights-Policy.pdf P4 to P8: (Excluding P7) https://smspharma.com/wp-content/uploads/2026/08/Labour-Human-Rights-Policy.pdf P6: https://smspharma.com/wp-content/uploads/2026/08/EHS-Policy.pdf P7: NA P9: IT Policy available on our intranet								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	NO	Y
4.	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	P 2 = Y P3: The company has Environmental Management System Accreditation ISO 14001. P6: The company has Occupational Health and Safety Accreditation ISO 45001 P8: As per the CSR Rules prescribed under the Companies Act, 2013								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Specific commitments, goals and targets set by the entity with defined timelines if any.	CAPEX initiated for installation of an advanced system comprising a 15 KLPD Stripper Column, 7 KLPD Multiple Effect Evaporator (MEE), and 3.2 KLPD Agitated Thin Film Dryer (ATFD) with an estimated investment of ₹1.9 Crores. The system is proposed to improve effluent treatment and process efficiency.								
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Installed roof Top solar with the capacity of 1363 Kw DC /1000 Kw AC on the Roof Tops of Central Ware House (1094 KW DC), Power Hose -2 (42 KW DC), Engineering Stores (129 KW DC) and Ware House -1 (98 KW DC). Now it is under Installation stage it is almost completed. After completion of can get the 15, 00,000 Kwh /Annum from Renewable energy source to our [production activities. It will reduce the Environmental Impact.								

Governance, leadership, and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).**

As our business grows, we are equally mindful of how we use natural resources and manage the environmental impact of our operations. During the year, we invested further in energy-efficient technologies, advanced pollution control systems and process improvements across our facilities. Our Zero Liquid Discharge (ZLD), Multiple Effect Evaporator (MEE) and Reverse Osmosis (RO) systems also helped improve water recovery and reuse, while allowing us to use resources more efficiently across our manufacturing operations.

Our responsibility also extends beyond the boundaries of our plants. We continued to support communities around us through initiatives in education, healthcare and community well-being, while creating a workplace where people have the opportunity to learn, develop their capabilities and play a meaningful role in the Company's progress.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Name: Ramesh Babu Potluri Designation: Chairman and Managing Director DIN: 00166381
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies	The policies of the Company are reviewed periodically / on a need basis by department heads / directors, as applicable																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by Director/Committee of Board ; ongoing basis																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the Company internally reviews the working of the above-mentioned policies The working of the policy is also ensured by the various department heads / director / wherever applicable								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated: NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership." While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Board of Directors Key Managerial Personnel (KMP)	2	Familiarisation programs for the Board of Directors/ KMPs of the Company are done periodically. Presentations given to Board of Directors regarding the updates on Companies Act, SEBI Regulations. The topics of the programmes includes business and industry updates, risk management, important regulatory changes and compliances of various statutory requirements, updating on various Codes/ Policies of the Company, environmental, social and governance parameters etc.,	100
Employees other than BoD and KMPs and workers	220	In addition to on-the-job training programmes, all the employees including workers underwent trainings which include topics covering principles P1-6, P8, P9.	100

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed one entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases were monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available provide a web-link to the policy.

Yes, the Company have a Bribery and Facilitation Payment Policy at https://smspharma.com/wp-content/uploads/2026/08/Bribery-Facilitation-Policy.pdf

The Company's commitment to ethical business conduct is embedded in the Code of Conduct and other governance policies. Employees and persons representing the Company, including intermediaries, are prohibited from directly or indirectly offering, soliciting or accepting bribes, illegal payments or any improper advantage to obtain or retain business or secure undue benefits. The Company follows a zero-tolerance approach towards bribery and corruption and expects compliance with all applicable anti-corruption laws and ethical standards.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26	FY 2024-25
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024- 25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-		-	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-		-	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
No. of days of accounts payable	78	85

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of the total purchases	19.60%	27.36%
	b. Number of trading houses where purchases are made from	484	617
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	54.65%	47.31%

Concentration of sales	a. Sales to dealers/ distributors as % of total sales	15.31%	11.13%
	b. Number of dealers / distributors to whom sales are made	64	24
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	65.55%	58.07%
Share of RPTs in	• Purchases (Purchases with related parties / total purchases	6.51%	7.51%
	• Sales (sales to related parties / total sales	6.16%	5.06%
	• Loans & advances (Loans & Advances given to related parties / Total Loans & Advances	-	-
	• Investments (Investments in related parties / Total investments made	99.81%	99.78%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total Number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (By value of Business done with such partners) under the awareness programmes
0	0	0

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes. The Company has a Code of Conduct that requires all Directors and Senior Management Personnel to act in the best interests of the Company and avoid situations that may give rise to actual, potential or perceived conflicts of interest. Board Members are expected to disclose any conflict of interest or potential conflict in accordance with applicable laws, regulatory requirements and the Company's governance framework, and to recuse themselves from deliberations or decision-making where appropriate. The Company promotes transparency, accountability and ethical decision-making through periodic affirmations and adherence to its Code of Conduct. https://smspharma.com/wp-content/uploads/2024/06/Code-of-business-conduct-and-ethics-for-Directors-Sr-Mgt-Personnel-New.pdf

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	0	0	Reduced number of process steps to reduce the carbon footprint and reduce production process life cycle
Capex	20%	69%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

No

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Due to the nature of our products and the regulatory framework governing the pharmaceutical industry, the Company does not undertake reclamation or recycling of products at the end of their lifecycle.

SMS Pharmaceuticals Ltd implements a comprehensive hazardous waste & other wastes management system across all departments and production blocks. Each department maintains a dedicated waste storage area, where waste is segregated into Separate containers based on type and source of generation.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

We have not conducted LCA for any of our products

3. **Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry).**

Not applicable - Since we are in the pharmaceutical business, we do not recycle or reuse input material.

4. **of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:**

Considering the nature of the pharmaceutical industry and applicable regulatory requirements, the Company does not undertake reclamation of products at the end of their lifecycle for reuse or recycling.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1183	170	14.37	1183	100	-	-	-	-	-	-
Female	83	35	42.17	83	100	-	-	-	-	-	-
Total	**1266**	**205**	**16.19**	**1266**	**100**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

b. **Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	351	325	92.59	351	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**351**	**325**	**92.59**	**351**	**100**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	414	414	100	414	100	-	-	-	-	-	-
Female	57	57	100	57	100	57	100	-	-	-	-
Total	**471**	**471**	**100**	**471**	**100**	**57**	**12.10**	**-**	**-**	**-**	**-**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of the total revenue of the Company	0.29%	0.32%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	16%	96.35%	Y	26.08%	79.46%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

For differently abled employees, the infrastructure facilities across the offices and manufacturing and R&D facilities adhere to accessibility standards wherever it is required.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

While the Company has no a formal written policy in place, it is firmly committed to the principles of equal opportunity and inclusive employment practices. The Company is dedicated to fostering a work environment that is respectful, supportive, and free from all forms of discrimination.

SMS Pharma values diversity and strives to create an inclusive culture where all individuals are treated with dignity and respect. No employee or candidate will be treated less favorably on the basis of race, sex, religion or beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity or expression, caregiving responsibilities, or any other characteristic protected under applicable laws.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	**-**	**-**	**-**	**-**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

		Yes/No (If yes, then give details of the mechanism in brief)
1	Permanent Workers	The Company has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management as part of the Whistleblower Policy, the Company provides a grievance redressal mechanism and encourages its employees and workers to bring to attention any instances of unethical behavior, incidents, frauds or violation. The Company has a policy on prevention, prohibition, and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's policy on the same is placed on the Company's website.
2	Other than Permanent Workers	Yes, the non-permanent employees and workers communicate their grievances through their respective supervisors. The grievances are further communicated to the Company for necessary action and resolution of the grievances.
3	Permanent Employees	A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances. The Company has formulated Whistle Blower Policy for redressing grievances. The Policy can be accessed from https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf
4	Other than Permanent Employees	A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances. The Company has formulated Whistle Blower Policy for redressing grievances. The Policy can be accessed from https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY (2025-26)			FY (2024-25)		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**1266**	**0**	**0.00%**	**1173**	**0**	**0.00%**
Male	1183	0	0.00%	1107	0	0.00%
Female	83	0	0.00%	66	0	0.00%
Total Permanent Workers	**351**	**0**	**0.00%**	**297**	**0**	**0.00%**
Male	351	0	0.00%	297	0	0.00%
Female	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Tota l (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1183	986	83.35	240	20.29	1107	1037	93.68	1093	98.74
Female	83	59	71.08	54	65.06	66	52	78.79	52	78.79
Total	**1266**	**1045**	**82.54**	**294**	**23.22**	**1173**	**1089**	**92.84**	**1145**	**97.61**
Workers										
Male	351	267	76.07	331	94.30	297	187	62.96	286	96.29
Female	0	0	0	-	-	0	0	0	0	0
Total	**351**	**267**	**76.07**	**331**	**94.30**	**297**	**187**	**62.96**	**286**	**96.29**

9. Details of safety related incidents, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1183	1024	86.56	1107	865	78.14
Female	83	75	90.36	66	35	53.03
Total	**1266**	**1099**	**86.81**	**1173**	**900**	**76.72**
Workers						
Male	351	351	100	297	152	51.18
Female	-	-	-	0	0	0
Total	**351**	**351**	**100**	**297**	**152**	**51.18**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all manufacturing locations under the entity have an Occupational Health and Safety management system in place, in accordance with the guidelines provided by OHSAS IS 14489 & ISO45001 :2018 standards and the legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company undertakes periodic internal and external audits to evaluate the effectiveness of its Occupational Health and Safety (OHS) Management System and ensure compliance with applicable statutory requirements and recognised management system standards across its manufacturing operations. Occupational health and safety training, inspections and audits are conducted in accordance with the principles of ISO 45001:2018 and relevant Indian standards and regulatory guidelines. The Company's Process Safety Management (PSM) framework further supports the identification and control of process safety risks, continuous improvement and the adoption of best safety practices across its operations.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has established Standard Operating Procedures (SOPs) and defined processes for identifying, reporting and addressing work-related hazards. Employees and workers are encouraged to promptly report unsafe acts, unsafe conditions and potential hazards, which are assessed and addressed through appropriate corrective and preventive actions. Regular occupational health and safety training, awareness programs and periodic refresher sessions are conducted to strengthen safety awareness, promote safe work practices and foster a strong safety culture across the organisation.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides access to non-occupational healthcare and medical support for its employees and workers as part of its employee welfare initiatives. In addition, medical insurance coverage is made available to eligible employees and permanent workers. Wherever applicable, employees are provided the flexibility to avail the Company's medical insurance scheme or opt for an alternative healthcare or insurance arrangement in accordance with the Company's policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented robust Occupational Health and Safety (OHS) management systems across all its manufacturing facilities, supported by well-defined policies, procedures and operational controls. Periodic assessments, audits and performance reviews are conducted to evaluate the effectiveness of these systems, identify improvement opportunities and implement corrective and preventive actions. The Company remains committed to the continual enhancement of its health and safety performance through a proactive risk-based approach and a culture of continuous improvement.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NIL	0	0	NIL
Health & Safety	0	0	NIL	0	0	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	0
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There have been no safety-related incidents or significant risks/concerns arising from assessments of health and safety practices or working conditions during the reporting period. The Company continues to maintain a robust Occupational Health and Safety Management System (OHSMS), ensuring routine hazard identification, risk assessments, and preventive measures are effectively implemented across all operations.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No (the company has accidental death insurance PA)

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has established processes to monitor statutory compliance by its value chain partners. As part of its vendor payment process, documentary evidence of deposit of applicable statutory dues, including payment challans and other relevant records, is obtained and verified before release of payments, wherever applicable. The Company also ensures timely deduction and remittance of all statutory dues relating to its own operations in accordance with applicable laws and regulations.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2025 -26	FY 2024 -25	FY 2025-26	FY 2024 -25
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

The Company promotes continuous learning and capability development by providing periodic skill enhancement and upskilling programs to employees. These initiatives are designed to strengthen professional competencies, improve employability, support career progression and equip employees with transferable skills that enhance their long-term career prospects, including opportunities beyond their tenure with the Company.

5. **Details on assessment of value chain partners:**

The Company expects its value chain partners to comply with applicable health and safety laws, labour standards and regulatory requirements, and to maintain safe working conditions in line with responsible business practices. Compliance is addressed through contractual expectations and engagement with partners; however, the Company does not currently undertake independent assessments or audits of their health and safety practices.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

There were no significant risks/concerns identified during the supplier assessments.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The Company recognises that effective stakeholder engagement is fundamental to responsible business conduct and long-term value creation. As a pharmaceutical company, we identify and prioritise stakeholders based on their relevance to our business, the impact of our operations and products, and their influence on our strategic, operational and sustainability objectives. Stakeholders are identified and prioritised using the following criteria:

- Influence on the Company, including regulatory, operational, financial and reputational considerations.
- Dependence on the Company, including economic, social, healthcare and business relationships.
- Actual or potential impact of the Company's operations, products and value chain on stakeholders.
- Stakeholder expectations, concerns and evolving regulatory and sustainability requirements.

This approach enables the Company to engage with relevant stakeholders effectively and integrate their perspectives into business strategy, risk management and sustainability decision-making.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor/ Shareholder	No	Notices, advertisements, email, annual reports, stock exchange intimations, earnings conference calls and through updates on Company's website.	Need based	Disclosure of financial information and business updates beside applicable statutory disclosures.
Regulator & Government	No	Various submissions and disclosures, meetings, emails, etc.,	Need Based	To ensure and report various compliances to discharge statutory responsibilities and to keep the policy makers informed about industry requirements.
Supplier/ vendor/ third party manufacturer	No	Multiple channels – physical and digital	Frequent and need based	For seamless supply of raw materials and maintaining healthy business relationship
NGO /Community	No	Multiple channels – physical and digital	Frequent and need based	The Company contributes to community development and societal well-being through responsible business practices and its Corporate Social Responsibility (CSR initiatives, supporting sustainable social development in the communities where it operates.
Customer B2B	No	Multiple channels – physical and digital	Frequent	The Company engages regularly with its customers to understand their evolving requirements, ensure reliable and timely product supply, communicate new product developments and strengthen long-term relationships. This engagement supports customer satisfaction, market reach, business growth and sustained value creation.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct & other communication mechanisms	Frequent and need based	The Company is committed to fostering a safe, healthy, diverse and inclusive workplace where employees are treated with dignity and respect, provided equal opportunities, and empowered to contribute to their full potential.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Key energy performance indicators and significant initiatives are periodically reviewed by the Board and senior management, wherever applicable, as part of the Company's governance and sustainability oversight.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. Stakeholder consultation forms an integral part of the Company's approach to identifying, assessing and managing material environmental, social and governance (ESG) topics. Inputs received through structured stakeholder engagement are considered in identifying material issues, strengthening risk management processes, and shaping the Company's sustainability strategy, policies, objectives and action plans. These insights also support continuous improvement in responsible business practices and long-term value creation.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company through its CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons, for further details https://smspharma.com/wp-content/uploads/2025/02/Corporate-Social-Responsibility-Policy.pdf

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. employees' workers covered (B)	% (B / A)	Total (C)	No. employees' workers covered (D)	% (D / C)
Employees						
Permanent	1266	1266	100	1173	1173	100
Other than permanent	0	0	0	0	0	
Total Employees	**1266**	**1266**	**100**	**1173**	**1173**	**100**
Workers						
Permanent	351	351	100	297	297	100
Other than permanent	471	471	100	396	396	100
Total Workers	**822**	**822**	**100**	**693**	**693**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1266	276	21.80	990	78.20	1173	180	15.35	993	84.65
Male	1183	253	21.39	930	78.61	1107	145	13.10	962	86.90
Female	83	23	27.71	60	72.29	66	35	53.03	31	46.97
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	351	314	89.46	37	10.54	297	195	65.66	102	34.34
Male	351	314	89.46	37	10.54	297	195	65.66	102	34.34
Female										
Other than Permanent	471	451	95.75	20	4.25	396	244	61.62	152	38.38
Male	414	399	96.38	15	3.62	363	215	59.23	148	40.77
Female	57	52	91.23	5	8.77	33	29	87.88	4	12.12

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs. In lakhs)	Number	Median remuneration salary/wages of respective category (Rs. In lakhs)
Board of Directors (BoD)	7	10.00	1	10.00
Key Managerial Personnel	1	32.50	0	0
Employees other than BoD and KMP	942	4.53	42	4.87
Workers	253	2.36	0	0

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	3.56%	3.78%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Head – Human Resources, in coordination with the senior management team, is responsible for overseeing the identification, assessment and resolution of human rights-related issues arising from or contributed to by the Company's operations. Human rights concerns are addressed through the Company's established policies, grievance redressal mechanisms and governance processes, with appropriate oversight to ensure timely, fair and effective resolution.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to respecting and upholding human rights across its operations and maintains a structured grievance redressal mechanism to address human rights-related concerns. Employees may report concerns relating to discrimination, harassment, workplace conduct, forced or child labour, equal opportunity, or any other human rights issue through the Whistle Blower

Mechanism and other established grievance channels. The Company follows a zero-tolerance approach towards retaliation against individuals raising concerns in good faith. All grievances are treated confidentially, investigated in a fair, timely and impartial manner, and resolved in accordance with the Company's policies, applicable laws and governance framework. Refer to https://smspharma.com/wp-content/uploads/2024/06/Code-of-business-conduct-and-ethics-for-Directors-Sr-Mgt-Personnel-New.pdf

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has implemented a Whistle Blower Mechanism under which any instances of discrimination, harassment or other concerns may be directly brought to the attention of the Audit Committee of the Board of Directors. Further, in cases of sexual harassment, the Company has constituted Internal Complaints Committees (ICCs) and implemented appropriate policies and procedures to ensure that complaints are addressed fairly and that no complainant is subjected to any adverse consequences or retaliation.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

10. **Assessments for the year:2025-26**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not Applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

There were no such grievances/complaints in the Company.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

No such third-party due diligence was conducted.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company is committed to providing an accessible and inclusive workplace. Its offices, registered office and manufacturing facilities are equipped, wherever required and operationally feasible, with ramps, elevators and other accessibility infrastructure to facilitate access for persons with disabilities, based on the nature of the facility and job requirements.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to applicable laws, ethical business practices and the standards of conduct outlined in its supplier engagement framework. During the reporting period, no formal assessment of value chain partners was undertaken for the purpose of this disclosure. However, selected compliance, quality and operational aspects are reviewed as part of the Company's ongoing vendor evaluation, procurement and internal control processes.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (A)	235326.63	199227
Total fuel consumption (B)	351806.57	363713.47
Energy consumption through other sources (C)		0
Total energy consumption from non- renewable sources (A+B+C)	587133.20	562940.47
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000662028	0.0000719185
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity PPP (Total energy consumption / revenue from operations adjusted for PPP)	0.00134655	0.001481520
Energy Intensity in terms of physical output	163.06GJ/ M.Tonne	181.76GJ/M.Tonne
Energy Intensity (optional) the relevant metric may be selected by the entity		

@ conversion factor for purchasing power parity PPP) taken is 20.34 for the year 2025-26 and 20.66 for 2024-25

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, we have done assessment internal only, not engaged any external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any sites/facilities identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	162760	248666
(iii) Third party water	3144	3184.39
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	54035.6	44726.56
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**219939.60**	**296576.95**
Total volume of water consumption (in kiloliters)	**219939.60**	**296576.95**
Water intensity per rupee of turnover (Water consumed / turnover)	0.000024799	0.000037889
Water intensity per rupee of turnover adjusted for Purchasing Power Parity PPP (Total Water consumption /Revenue from operations adjusted for PPP)	0.0005044219	0.0007805174
Water intensity in terms of physical output	61.08 KL/M.Tonne	95.76 KL/M.Tonne
Water intensity (optional) – the relevant metric may be selected by the entity		

Intensity in terms of physical output has been calculated on the basis of MT of APIs and their Intermediates produced for the relevant year.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. Provide the following details related to water discharged.

	FY2025-26	FY2024-25
Water discharge by destination and level of treatment (in kiloliters)		
i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
iii) To Seawater	12667.63	13297.31
- No treatment	0	0
- With treatment – please specify level of treatment1	12667.63	13297.31
iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
Total water discharged (in kiloliters)	**12667.63**	**13297.31**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency -No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The entity has implemented a ZLD system for treating process effluents and ensuring complete reuse of treated water. The facility includes an ETP with biological treatment, Ultrafiltration UF, Reverse Osmosis, Multiple Effect Evaporator, and Agitated Thin Film Dryer. The treated water is fully reutilized within the process, ensuring zero liquid discharge.

Effluent Treatment and Reuse

We successfully treated and reused 52,664.52 KL of effluent, which directly saved an equivalent volume of groundwater. This achievement demonstrates the effectiveness of our effluent treatment and recycling systems in reducing freshwater demand.

Together, these systems ensure that treated effluent is recovered and reused, significantly lowering our reliance on external water sources.

Process Improvements

To further reduce water wastage, we replaced conventional hose pipe washings with high-pressure jet pumps. This modification has led to substantial water savings by reducing consumption during equipment and floor cleaning activities.

Steam Condensate Recovery

For boiler operations, we have implemented a steam condensate recovery system. Condensate collected from steam lines is reused as boiler feed water. This initiative reduces the need for fresh water while also saving energy, as the recovered condensate requires less reheating compared to cold water.

- **Effluent Reuse:** 52,664.52 KL of treated effluent reused, saving an equal volume of groundwater.
- **Treatment Capacity:** 360 KLD Biological Treatment Plant and 200 KLD Recycle RO Plant in operation.
- **Process Efficiency:** High-pressure jet pumps replacing hose pipes, reducing cleaning water consumption.
- **Rainwater Management:** Harvesting pits, collection tanks, and re-treatment systems maintained for reuse.
- **Boiler Efficiency:** Steam condensate recovery reduces both freshwater consumption and energy demand.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	Tons	23.34	5.59
SOx	Tons	24.46	7.36
Particulate matter (PM)	Tons	18.78	8.19
Persistent organic pollutants (POP)	Tons	NA	NA
Volatile organic compounds (VOC)	PPM	11.61	12.95
Hazardous air pollutants (HAP)	Tons	NA	NA
Others– please specify	Tons	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes ofCO2 equivalent	35552.99	37300.11
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes ofCO2equivalent	62026.13	52416.47
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	0.0000110026	0.0000114617
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		0.0001422542	0.000236120
Total Scope 1 and Scope 2 emissions in terms of physical output.		27.10 MT eqCO2	28.97 MT eqCO2
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

8. **Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.**

We have multiple ongoing projects aimed at reducing greenhouse gas (GHG) emissions, including renewable energy adoption, solvent recovery optimization, and process efficiency improvements. Notably, we are commissioned a 1.3 MW rooftop solar project and eliminated hazardous solvents from certain synthesis processes.

The entity has initiated projects aimed at reducing greenhouse gas emissions. These include implementation of an ODS (Ozone Depleting Substances) reduction program, installation of advanced energy-efficient screw air compressors and other energy-efficient equipment to reduce Scope 1 and Scope 2 emissions, and identification of nearby suppliers to reduce logistics distance and thereby lower Scope 3 emissions

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	38.32	42.07
E-waste **(B)**	0.22	0.01
Bio-medical waste **(C)**	1.29742	0.56
Construction and demolition waste **(D)**	2.21	1.52
Battery waste **(E)**	1.656	0.98
Radioactive waste **(F)**	NIL	Nil
Other Hazardous waste. Please specify, if any. **(G)**	3526.867	2720.99
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	39.64	32.68
Total (A+B + C + D + E + F + G+ H)	3610.2104	2799.81
Waste intensity per rupee of turnover (Total Waste generated /Revenue from operation)	0.000000407	0.000000358
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity PPP (Total Waste generated /Revenue from operations adjusted for PPP)	0.000008279	0.000007368
Waste intensity in terms of physical output	1.00 MT/MT	0.90 MT/MT
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	54151.52	44494.66
(ii) Re-used	36.79	29.75
(iii) Other recovery operations	NIL	Nil
Total	**54188.31**	**44524.41**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NIL	Nil
(ii) Landfilling	33.14	39.26
(iii) Other disposal operations	3271.49	2790.57
Total	**3304.63**	**2829.83**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We implement a comprehensive hazardous waste & other wastes management system across all departments and production blocks.

Each department maintains a dedicated waste storage area, where waste is segregated into Separate containers based on type and source of generation.

We have implemented structured waste management practices focused on reduction, segregation, and recycling. Solvent handling in drums has been significantly reduced through installation of bulk storage tanks, improving safety and minimizing packaging waste. Waste is segregated at source based on its type and sent for recycling or reuse wherever possible.

To reduce the use of hazardous and toxic chemicals, the company has optimized processes and promoted safer handling systems, including bulk storage and controlled usage practices, thereby minimizing chemical exposure and hazardous waste generation.

Waste is disposed in compliance with Hazardous Waste Management Rules:

- Total for the FY-25-26 total 3298.6 MT of waste safely disposed through APEMCL Portal to co-processors/ Pre-processors/ TSDF/Cement industries.

We also conduct regular internal audits and ensure CPCB and APPCB compliance in handling, storage, and disposal.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company does not have any of its manufacturing facilities in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No environmental impact assessments were undertaken in FY 2025-26.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

All the manufacturing operations and R&D centers under the entity are in compliance with the applicable environmental laws/ regulations and guidelines as per the national and state level mandates.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

Not Applicable. Our facilities are not located in areas of water stress.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format.

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4086.39	179.86
Total Scope 3 emissions per rupee of turnover		0.0000004607	0.0000000230
Total Scope 3 emission intensity – (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

Not applicable, as none of our facilities are located in/ near ecologically sensitive areas.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	**Waste Management Practices** a. The Company further strengthened its waste management framework through a combination of process optimization, resource recovery, regulatory compliance, and employee engagement.	i. Bulk storage tanks were installed for IPA and MDC solvents. ii. Implemented the reuse of the upper portion of used LDPE bags for ATFD salt unloading, reducing fresh plastic bag consumption and promoting resource efficiency through circular material utilization.	i. Eliminated the generation of approximately 1,080 waste drums annually. ii. Conserved approximately 27 KL of fresh water annually by eliminating drum cleaning. iii. Eliminated the consumption of approximately 50 kg of new LDPE bags per month. iv. Reduced plastic waste generation by approximately 0.6 metric tonnes per annum.
	b. Effluent Treatment and Wastewater Recycling High TDS Effluent treated through MEE and the MEE condensate. Low TDS Effluent treated through biological treatment plant and recycled RO Plant.	Used High TDS Effluent Storage Tanks (150 KLD), Low TDS Effluent Storage Tanks (400 KLD, Filter Press (5 KL/hr, High TDS Pre Treatment Unit (200 KLD), Multiple Effect Evaporators (MEE) with Stripper (350 KLD × 1, 150 KLD × 1), Agitated Thin Film Dryer (ATFD) (37 KLD × 2, 26 KLD × 1), Biological Treatment Units (300 KLD × 1, 60 KLD × 1), ETP RO Plant (200 KLD), Guard Ponds (1350 KLD).	i. 47950 KL of High TDS Effluent treated through MEE ii. Total 74151 KL of Low TDS Effluent treated through biological treatment plant and recycled RO Plant. iii. 52665 KL of treated water reused to cooling towers/ Boilers.
2.	**Solvent Distillation System** **ATFE Installation:** installation of the Agitated Thin Film Evaporator (ATFE), solvent recovery efficiency improved substantially	The residue generated after ATFE installation is now saleable material, not hazardous waste. Only about 10% of this residue occasionally results in waste, while the majority is recovered and sold. **Waste Reduction:** Hazardous waste disposal has been reduced by more than 80%, eliminating most of the costly disposal at ₹ 8,000 per ton.	Distilled Chloro recovery increased from 2,100–2,200 L to 3,200 L, representing a gain of nearly 45–50% Residue generated from solvent recovery block (SRB) was brought down from 3,500–3,600 L to 650–750 L. Saving of Rs.8000/- per ton on disposal of Hazardous waste by waste reduction.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3	**Water Conservation Measures taken:**	• Installation of flow meters and water monitoring systems to track consumption and identify leakages. • **Effluent Reuse:** 52,664.52 KL of treated effluent reused, saving an equal volume of groundwater. • **Treatment Capacity:** We have enhanced recovery controls in every stage in process, like continually improvement our recovery controls. • **Process Efficiency:** High-pressure jet pumps replacing hose pipes, reducing cleaning water consumption.	1. Reuse of Effluent 52,664.52 KL of treated effluent
		• **Rainwater Management:** Harvesting pits, collection tanks, and re-treatment systems maintained for reuse. • **Boiler Efficiency:** Steam condensate recovery reduces both freshwater consumption and energy demand.	

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	**A. Energy Conservation Measures** • Installation of variable frequency drives (VFDs) on motors, pumps, and HVAC systems to optimize energy use • Implementation of Building Management Systems (BMS) to control and monitor energy consumption in real-time Significantly reduced the specific energy consumption (kWh per Nm^3 of nitrogen produced), resulting in improved energy efficiency. • A common header was installed for the compressed air circuit. This modification allowed optimum utilization of the air compressors, resulting in significant power savings. • Steam condensate water pumping were replaced with pressure-powered steam condensate recovery pumps. • online tube cleaning systems (ECO MAX) were installed for condenser tubes in chilling plants.	i. Replaced the existing 20 Nm^3 nitrogen compressor (30 HP) with a 100 Nm^3 energy-efficient screw-type nitrogen compressor (40 HP) to improve operational efficiency and optimize energy consumption per unit of nitrogen produced. i. Eight reciprocating air compressors of 400 CFM capacity ii. Six pumps of 10 M^3/hr capacity were installed iii. With ten auto tube cleaning machines of 500 TR capacity,	i. Reduced 1.179 KWH/NM^3 to 0.314 KWH/NM^3 Total energy saving of 2,67,840 units annually
	B. Installation of roof Top solar:	i. Installed roof Top solar with the capacity of 1363 Kw DC /1000 Kw AC on the Roof Tops of Central Ware House (1094 KW DC), Power Hose -2 (42 KW DC), Engineering Stores (129 KW DC) and Ware House -1 (98 KW DC).	i. Installation of roof top solar on completion will result in 15, 00, 000 Kwh /Annum from Renewable energy source
5.	**Initiatives Undertaken to Improve Resource Efficiency and Reduce Emissions** • **Initiative:** Identified and qualified a domestic supplier for one of the KSMs used in the manufacture of a product in accordance with the Company's vendor qualification procedure. Shifted procurement from an overseas supplier to an approved Indian supplier to reduce transportation distance and associated environmental impacts. • Strengthened sustainable sourcing by promoting local procurement and improving supply chain efficiency.	• **Scrubber Installation:** Double stage scrubbers have been installed across production blocks to effectively control process emissions. • **SPM Analysers:** Installed on 3 TPH, 6 TPH, and 16 TPH boilers, these analysers are connected to the APPCB server for real time monitoring of Suspended Particulate Matter (SPM).	Reduced transportation-related GHG emissions from 23.14 tCO^2e to 2.10 tCO^2e, achieving an annual reduction of approximately 21.04 tCO^2e

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
6.	**Efforts Made Towards Absorption of New Technologies** • Proposed the installation of a Retrofit Emission Control Device (RECD) on the existing diesel generator (DG) set with an estimated investment of ₹ 8 lakhs to reduce air pollutant emissions and improve environmental performance. • • Improve ambient air quality and minimize the environmental impact of diesel combustion.		Expected to reduce SOx, NOx, and particulate matter (PM) emissions by approximately 80–90% during DG set operation.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, we have a comprehensive Business Continuity Plan (BCP) and Disaster Management Plan in place to ensure uninterrupted operations during any unexpected disruptions. The plan covers a wide range of risks including operational failures, natural disasters, fire, utility breakdowns, and other emergencies.

It includes structured risk assessment, preventive controls, and detailed contingency procedures to minimize business impact. Clearly defined roles and responsibilities are assigned to ensure quick response and effective coordination during emergencies. The plan also incorporates communication protocols, emergency evacuation procedures, and recovery strategies to restore normal operations at the earliest.

Regular training, mock drills, and periodic reviews are conducted to strengthen preparedness and continuously improve the effectiveness of the system, ensuring resilience and business sustainability.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

We have not identified any significant adverse environmental impacts arising from its value chain. However, we continuously monitor potential environmental risks across its operations and supply chain.

As a precautionary and sustainability measure, we have implemented mitigation actions such as promoting efficient resource utilization, waste segregation and recycling, adoption of Zero Liquid Discharge (ZLD) systems, and reduction of emissions through energy-efficient equipment and optimized logistics. Supplier engagement is also undertaken to encourage environmentally responsible practices and reduce overall Scope 3 impacts. Continuous improvement initiatives are in place to further minimize environmental footprint across the value chain.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

No, as of now, value chain partners have not been formally assessed for environmental impacts during the reporting period. However, a procedure is in place to identify and evaluate relevant partners in the future as part of the company's sustainability and ESG improvement initiatives.

8 **How many Green Credits have been generated or procured:**

a. **By the listed entity :** NIL

b. **By the top ten (in terms of value of purchases and sales, respectively) value chain partners :** NIL

PRINCIPLE 7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   2

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Pharmexcil	National
2	Bulk Drug Manufacturers Association	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   For the reporting year, there were no cases issued against the Company.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   The Company actively engages with industry associations, trade bodies and professional forums to contribute to the development of public policies and regulatory frameworks relevant to the pharmaceutical industry. The Company participates in consultations, deliberations and policy advocacy through these recognized industry platforms, providing constructive feedback, technical inputs and recommendations on proposed laws, regulations and policy initiatives. Such engagements are undertaken in a transparent, ethical and responsible manner, with the objective of supporting a robust regulatory environment, promoting responsible business practices, enhancing patient access to quality medicines and contributing to the sustainable growth of the pharmaceutical sector.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   In the reporting year, the Company did not undertake any Social Impact Assessment

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   In the reporting year, the Company did not undertake any ongoing Rehabilitation and Resettlement (R&R) project.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Community members and other external stakeholders may raise their concerns or grievances through the mechanisms outlined in the Company's Code of Conduct and other designated channels available on the Company's website. The Company is committed to addressing such grievances in a fair, transparent and timely manner in accordance with its established policies and procedures.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	1	1
Sourced directly from within the district and neighboring districts	54	41

5. **Jobs creations in small towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non- permanent / on contract basis) in the following locations, as % of total wage cost**

(place to be categorized as per RBI Classification system – rural/ semi-urban/ urban / metropolitan)

Location	FY 2025-26	FY 2024-25
Rural	61.73	59.85
Semi- Urban	14.14	16.58
Urban	9.36	9.24
Metropolitan	14.77	14.33

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

In FY 2025-26, no Social Impact Assessments conducted

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent Lakhs (In INR)
1	Andhra Pradesh	Vizianagaram	79.80
2	Telangana	Hyderabad	10.00

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No.

(b) **From which marginalized /vulnerable groups do you procure?**

Not identifiable

(c) **What percentage of total procurement (by value) does it constitute?**

NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable.

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Support 'Campus Challenge' (Association of Saikorian), an organization dedicated to working with disadvantaged children, particularly in the Coastal and Tribal regions of Andhra Pradesh. The primary objective of the initiative is to build capacity and empower individuals with disabilities, enabling them to lead independent and dignified lives. Organization located Konada Junction (On NH- 16), Kotha Kopperla (PO), Singavaram (SO), Vizianagaram Dist-535213.	5	100%

2	Continuing Support for open heart surgery program for children and heart and lung transplantation programme. Through Dr. Alla Gopala Krishna Gokhale, Sahrudaya Health, Medical and Educational Trust.	5	100%
3.	Deployment of drone-based surveillance equipment will assist the local law enforcement authorities in effective monitoring of public gatherings, emergency response situations, disaster management operations, and crime prevention measures, thereby contributing to the safety and welfare of the community. Provided to Superintendent of Police, Vizianagaram in the state of Andhra Pradesh.	200	70%
4.	Construction of Community Hall in Kumili Village, Pusapatirega Mandal Vizianagaram Distirict Andhra Pradesh for the usage of village people and nearby villages people for agricultural reforms, social and cultural gatherings. This village is located surrounding area of Company's Unit VII facility.- Ongoing Projects	1500	80%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company receives consumer complaints and feedback through email, which are escalated to the concerned team for investigation, resolution, and implementation of appropriate CAPA, wherever required.

2. Turnover of products and/ services as a percentage of turnover from all products /service that carry information about:

The Company complies with all the regulatory requirements in relation to the display of information on product label.

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

No

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No corrective actions were warranted during the year, as no issues or instances as stated above have occurred during the year under review.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact - NIL

   b. Percentage of data breaches involving personally identifiable information of customers - NIL

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (Provide web link, if available).**

   Information on the products and services of SMS Pharmaceuticals Limited can be accessed through the Company's website at the following links:

- https://smspharma.com/api/
- https://smspharma.com/central-laboratory-analytical-services/
- https://smspharma.com/crams/.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**

   The Company informs and educates consumers about safe and responsible use of its products by providing essential product documentation such as Safety Data Sheets (SDS) and Certificates of Analysis (COA) during transit. These documents contain detailed information on product handling, safety precautions, storage conditions, and usage guidelines, ensuring users are aware of safe practices.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   SMS Pharmaceuticals Limited directly communicates with customers through email and telephone to promptly inform them of any potential disruption or discontinuation of essential services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, the company provides relevant product information on the product container label, including the product name, batch number, date of manufacture, quantity, manufacturing site address, license details, storage and handling conditions, and approval by the Quality Department.