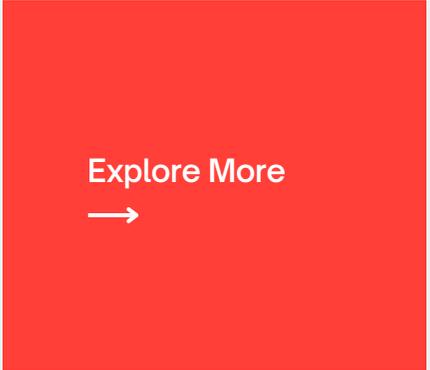


2025 Sustainability Report



In this report

We are delighted to present the annual Sustainability Report for Glochem Industries Private Limited, highlighting our commitment to sustainable development. This report provides a comprehensive overview of the organization's sustainability performance for the financial year 2024 to 2025.

Reporting Cycle :
Financial

Reporting Period :
01-Apr-2024 to 31-Mar-2025

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Glochem Industries Pvt. Ltd.

About Report

Reporting Framework and source of reference

This report is prepared with reference to the Global Reporting Initiative (“GRI”) Standards and includes the “Core” reporting requirements. The company has been an active advocate of adopting the Sustainable Development Goals (SDG) under the aegis of the United Nations Development Plan (UNDP) goals as part of its sustainable practices

Reporting Boundary

Unless otherwise stated, the information provided in this Report focuses on the sustainability performance of the Company for the period 1st Apr 2024 to 31st Mar 2025

External Assurance

The data has been internally assured by senior management and board of directors.

To enhance the robustness of our disclosure requirements, limited assurance on the disclosures in Glochem’s ESG Report. This assurance was conducted in line with the Standard on Sustainability Assurance Engagements 3000, “Assurance Engagements on Sustainability Information,” and the Standard on Assurance Engagements 3410, “Assurance Engagements on Greenhouse Gas Statements,” both issued by the Sustainability Reporting Standards Board of the ICAI. Additionally, it adheres to the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance Engagements Other than Audits or Reviews of Historical Financial Information,” and ISAE 3410, “Assurance Engagements on Greenhouse Gas Statements.” The attached assurance reports provide details on the subject matter, criteria, procedures performed, and the limited assurance conclusion.

Contact point for queries regarding this report

Please send your comments and suggestions to ESG@glochemindia.com



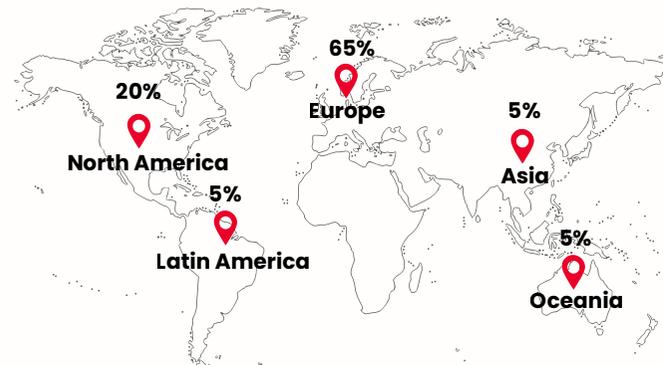
About the Organisation

Glochem Industries Private Limited. is a fast-growing Private Limited Pharmaceutical company that is led by a professional and technically oriented team. The company & strategy has always been to focus on a selected group of products and aim for a global leadership position in that API and has been successful in this. The company today is at a size of about 210 employees with annual sales revenue of about 11,354 Lakhs INR.

Glochem has a modern API manufacturing facility at Bollaram, Hyderabad that is both USFDA, EUGMP and WHO GMP approved for more than 15 years. Further the facility is TGA, PMDA and KFDA also approved for more than 10 years.

Global Presence

Glochem Industries has a global presence with its products available in over 50 countries. Their reach extends to various regions, including the USA, EU countries, UK, Japan, Korea, Bangladesh, the Middle East, South America, and the Commonwealth of Independent States (CIS). Glochem's strategy focuses on achieving global leadership in select product areas, and they have achieved this with some of their offerings. This broad geographic reach demonstrates Glochem's strong capabilities in regulatory compliance, international marketing, and global supply chain management, allowing them to cater to both developed and emerging markets in the pharmaceutical and chemical industries.



All over the global including USA, all EU countries, UK, Japan, Korea, Bangladesh, Middle east countries, South American countries, and CIS countries



Message from CEO

The CEO of Glochem Industries proudly reaffirms the company's unwavering commitment to quality, regulatory compliance, and global excellence—while highlighting the invaluable contributions of its people as the driving force behind its success.

We are pleased to present our Sustainability Report, prepared in alignment with the GRI Standards. Our mission remains focused on delivering high-quality products to customers promptly. While pursuing profitability, we are equally committed to fostering sustainable and balanced growth by integrating strong financial performance with robust governance, environmental stewardship, workforce development, and community engagement—ensuring long-term success.

Glochem adheres to rigorous corporate governance practices to protect shareholder interests and actively advances its environmental, health, and safety (EHS) initiatives. To support this, we have implemented comprehensive policies that prioritize safety, promote employee and community well-being, and enhance the efficient use of energy, water, and other critical resources.

Warm regards,
Mr Chandra Kumar Verma
Managing Director & CEO
Glochem Industrial Private Limited

From the Desk of our Management Team



Dr. Mayur Khunt
Chief Scientific Officer,
Head of R&D /
Regulatory Affairs

Our ESG journey begins with innovation. This year, our R&D and regulatory teams have embedded sustainability into every stage of product development—from green chemistry initiatives to enhanced solvent recovery and lifecycle assessments. By aligning with global safety and environmental standards, we're not just meeting compliance—we're shaping a future where science drives stewardship.



Mr. TG Vinod
Chief Supply Chain Officer

Sustainability is now a core metric of supply chain performance. Through rigorous vendor audits, improved material recovery, and packaging optimization, we've strengthened our Scope 3 emissions strategy and ethical sourcing practices. The ESG report reflects how operational efficiency and environmental responsibility are no longer separate goals—they're mutually reinforcing.



Venkat "Srinii" Srinivas
Chief of Staff &
Chief Information Officer

Digital transformation is powering our ESG success. We've implemented real-time dashboards to track sustainability KPIs, reinforced data governance, and streamlined compliance reporting across departments. This year's ESG report demonstrates how technology and transparency are enabling smarter decisions, stronger accountability, and deeper stakeholder trust.



Sravan Kumar
Plant Head

Operational sustainability is built on precision and accountability. This year, our production teams have implemented cleaner technologies, optimized energy use, and enhanced waste management protocols across all facilities. By integrating ESG metrics into daily operations—from batch-level tracking to emissions control—we've ensured that every product we manufacture reflects our commitment to environmental stewardship and regulatory excellence.



Rajesh Balumuri
EHS & ESG Manager

This year, we've strengthened the bridge between environmental compliance and strategic sustainability. By aligning EHS protocols with ESG frameworks like GRI, UNGC, and Eco Vadis, we've created a unified system that tracks air, water, waste, and labour metrics with precision. Our ESG report showcases how data-driven governance, risk mitigation, and cross-functional collaboration are driving measurable impact—ensuring that every initiative supports both regulatory excellence and long-term value creation.

Policies and Principles

To ensure that we uphold these values, we have implemented a robust set of policies that align with our ethical standards and legal obligations. These policies guide our decision making across all levels of the organization and serve as the foundation for our compliance culture.

- 1 Energy Policy
- 2 EHS Policy
- 3 Business Code of Conduct and Ethics
- 4 Non-Disclosure and Confidentiality Policy
- 5 Equal Opportunity policy
- 6 Non-discrimination Policy
- 7 Anti-Bribery and Corruption Policy
- 8 POSH and Anti- Harassment Policy
- 9 Grievance Redressal Policy
- 10 Whistle Blower Policy
- 11 Biodiversity Policy
- 12 DEI Policy
- 13 Supplier Diversity Policy
- 14 Responsible and Sustainable Supply Chain Policy
- 15 Human Rights Policy
- 16 Anti-Competitive Behavior
- 17 CSR Policy



Stakeholder Engagement

Our approach to stakeholder engagement involves continuous interaction, where we actively seek and incorporate their feedback to create value and strengthen partnerships. We have prioritized key internal and external stakeholder groups based on their relevance and influence on our operations. Our engagement process is designed to be holistic and transparent, ensuring that we understand the priorities of each stakeholder group and can effectively meet their expectations.

Our stakeholder engagement process at Glochem Industries Private Limited (Glochem) enables us to gather valuable insights, understand stakeholder expectations, and ensure that our sustainability initiatives are closely aligned with the needs of those impacted by our operations.

The feedback we receive from stakeholders is instrumental in providing a comprehensive understanding of the risks, opportunities, and business impacts related to key ESG aspects. This engagement allows us to refine our approach, ensuring it is in line with our vision, and drives innovation for sustainable outcomes across our operations.

Identifying Stakeholder

We assess stakeholders based on their relevance and influence on our business



Prioritizing Engagement

Tailoring strategies to engage different stakeholders based on their needs and potential impact



Consulting Stakeholder

Through surveys, interviews, and workshops, we gather insights on their expectations and concerns, ensuring that our actions reflect their priorities



Action Plan Development

The feedback collected is used to create comprehensive action plans, driving our sustainability efforts and ensuring alignment with stakeholder needs





Stakeholder Engagement Activities



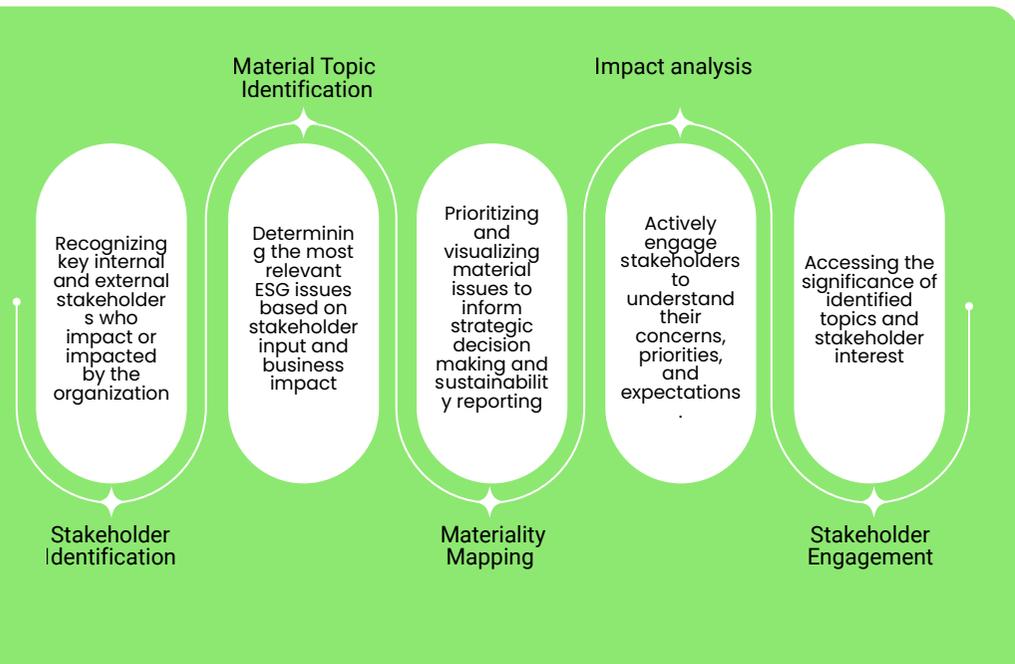
		Channels of Communication	Key Expectations	Glochem Response
Employees		<ul style="list-style-type: none"> Town halls Surveys One-On-one meetings 	<ul style="list-style-type: none"> Safe work environment Career development Fair wages 	<ul style="list-style-type: none"> Regular training programs Employee wellness programs
Customers		<ul style="list-style-type: none"> Surveys Meetings Emails 	<ul style="list-style-type: none"> Product quality Competitive cost Responsible production 	<ul style="list-style-type: none"> Improvement in packaging Enhanced customer service through regular feedback
Suppliers and Contractors		<ul style="list-style-type: none"> Supplier assessments Performance reviews Supplier meets 	<ul style="list-style-type: none"> On-time payment Ethical behavior Sustainable growth 	<ul style="list-style-type: none"> Digitalization of procurement processes Supplier capability building on ESG
Local Communities		<ul style="list-style-type: none"> CSR Initiatives Regular Engagement 	<ul style="list-style-type: none"> Local Employment Development interventions 	<ul style="list-style-type: none"> CSR programs focused on education, skill development, and livelihood opportunities
Regulators		<ul style="list-style-type: none"> Meetings Compliance programs Conferences 	<ul style="list-style-type: none"> Proactive compliance Environmental Sustainability 	<ul style="list-style-type: none"> Compliance management system Regular interactions with regulatory bodies

Materiality Assessment

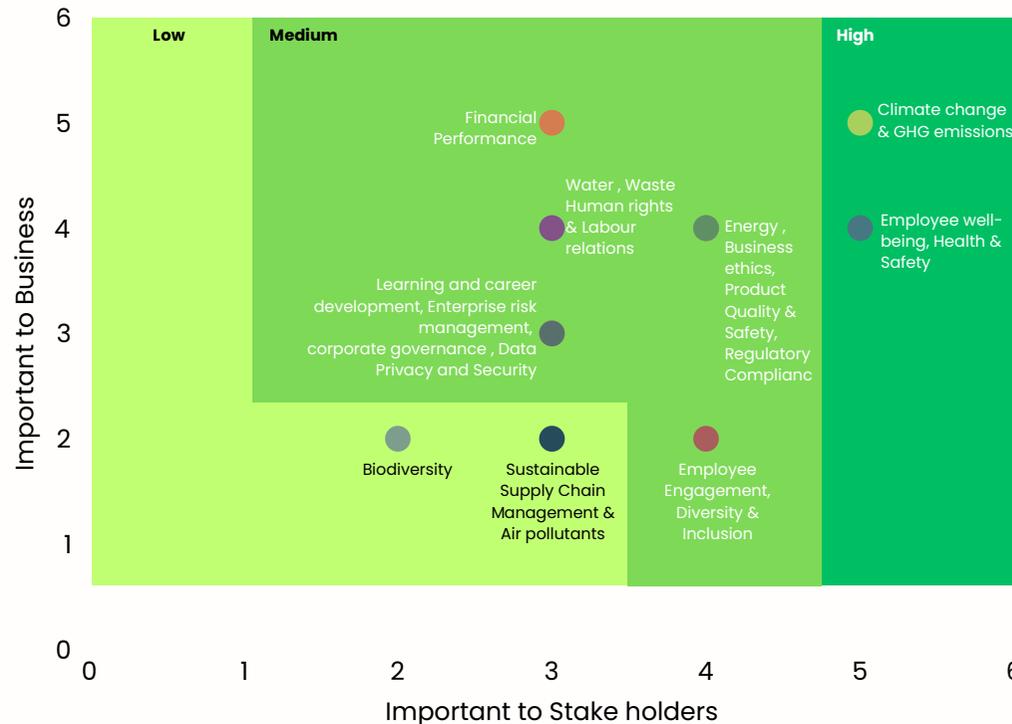
The materiality assessment process undertaken by Glochem to identify and prioritize the Environmental, Social, and Governance (ESG) issues most pertinent to its operations and stakeholders. The assessment aimed to evaluate the reciprocal impact between the organization and the broader sustainability landscape, ensuring that key ESG issues are strategically addressed to drive long-term value creation for stakeholders. The materiality assessment commenced with a comprehensive evaluation of Glochem’s social and environmental footprint.

This involved analysing the direct and indirect impacts of the company’s operations, supply chain, and products on key stakeholders, including employees, local communities, and ecosystems. Concurrently, the organization assessed how external factors, such as emerging social and environmental trends, stakeholder expectations, and evolving regulatory frameworks, influence its business operations and decision-making processes. Through this assessment, climate change mitigation, ethical supply chain management, human rights, biodiversity conservation, and product innovation emerged as critical priorities for the company’s long-term sustainability and stakeholder engagement.

Our Approach



Materiality Matrix



To ensure an adaptive and forward-looking approach, Glochem has integrated continuous monitoring and stakeholder consultations into its assessment framework, engaging communities, employees, customers, suppliers, government bodies, and NGOs. Moreover, to strengthen resilience in a rapidly evolving landscape, stakeholder insights are planned to be incorporated into the Enterprise Risk Management (ERM) framework, enabling early identification of risks and opportunities.

Looking forward, Glochem intends to integrate the double materiality and dynamic materiality approaches into its assessment methodology, reinforcing its commitment to comprehensive sustainability management. By aligning business objectives with stakeholder expectations, anticipating emerging ESG risks and opportunities, and fostering a positive impact across its operations and value chain, the company aims to strengthen its leadership in sustainable business practices.

List of Material Issues

Climate change & GHG emissions

Efforts to reduce emissions, build resilience to climate impacts, and support climate goals.

Net Zero by 2050

Water management

Responsible usage, recycling, and disposal of water resources.

Reduction of 25% in fresh water usage by FY2033 from base year 2025

Biodiversity

The rich variety of life on Earth as well as the ecosystems they form

Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and habitats by 2027

Energy Management

Optimal use of energy to reduce consumption while maintaining performance.

Reduction of 15% in energy consumption by FY2030 from base year of FY2025

Materials & Waste management

Process innovation, Green chemistry, Responsible usage, Sustainable packing, recycling, and disposal of waste and resources.

Achieve zero hazardous waste to-landfill organisation status by FY2033

Air pollutants

Efforts to reduce emission (PM, Sox, Nox)

Reduce 10% reduction of air pollution caused by SOX, NOX & PM by 2030 as compared to base year 2025

Employee well-being, Health & Safety

Ensuring holistic wellbeing and workplace safety for employees

Achieve zero lost-time injuries (LTIR) and occupational illnesses and Total Recordable Incident Rate (TRIR)

Human rights & Labour relations

Ensures there is no forced labour or child labour, upholds freedom of association, and provides fair and adequate wages to all employees.

A fair compensation structure is maintained, aligned with living wage benchmarks, ensuring that 100% of direct and indirect employees receive adequate wages as per living wage assessment benchmark

Learning and career development

Ensure employee learning and career development, Performance management

Achieve average 35 hours of training per employee per year till FY2030

Product Quality & Safety

Product Quality & Safety

Achieve zero product recall

CSR

Empowering the communities around

Spend 2% on annual profit

Employee Engagement, Diversity & Inclusion

Employee Engagement, Diversity & Inclusion

Achieve 25% gender diversity in our workforce by FY2033

Business ethics

Upholding anti-corruption, fair competition, and ethical conduct

Achieve zero confirmed incidents of business code of conduct & Ethics policy violation

Enterprise risk management

Identification of risks and develop mitigation plan

-

Corporate governance

Effective systems for responsible and transparent corporate oversight.

-

Financial Performance

Financial health and long-term value creation.

-

Data Privacy and Security

Protecting sensitive stakeholder and organizational data.

Achieve zero confirmed information security incidents

Regulatory Compliance

Adherence to laws and regulations across operational areas.

-

Sustainable Supply Chain Management

Managing ESG impacts across the full supply chain.

Ensure 100% of key suppliers have completed the supplier ESG assessment by 2026

Customer satisfaction

Conduct customer satisfaction survey annual take mitigation plans

-

ENVIRONMENT

SOCIAL

GOVERNANCE

Sustainable Development Goals

Glochem progressed in FY 25



Glochem ESG vision is intricately aligned with the United Nations Sustainable Development Goals (SDGs). Through a transparent and rigorous process, we identify and prioritize the SDGs that are most relevant to our business operations. This alignment not only underscores our commitment to sustainability but also drives our strategic initiatives to create lasting, positive impacts on both the environment and society



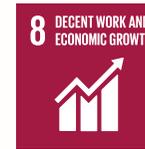
Good health and wellbeing

Achieve zero lost-time injuries (LTIR) & occupational illnesses and Total Recordable Incident Rate (TRIR).



Gender Equality

Achieve 25% gender diversity in our workforce by FY2033.



Decent work and economic growth

A fair compensation structure is maintained, aligned with living wage benchmarks.



Responsible consumption and production

Reduction of 25% in fresh water usage by FY2033 from base year 2025.



Climate action

Net Zero by 2050

Membership and Associations

Glochem’s commitment to excellence, sustainability, and customer satisfaction is deeply embedded in its operational culture and external engagements. Through strong customer relationships, digital innovation, robust quality systems, and regulatory compliance, Glochem reflects the standards upheld by globally recognized industry associations and memberships.



Science Based Targets Initiative (SBTi)



United Nations Global Compact (UNGC)



Pharmaceutical Supply Chain Initiative (PSCI)

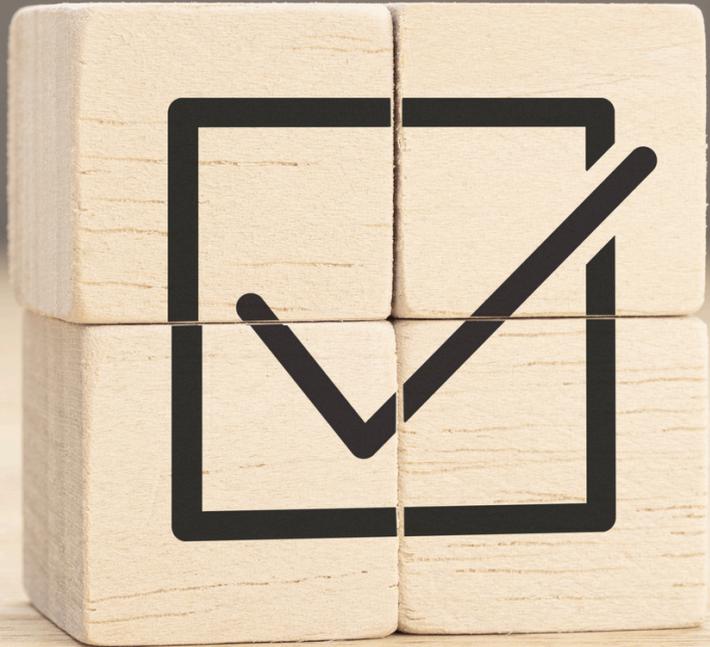


Carbon Disclosure Project



United Nations Sustainable Development Goals (SDGs)

Certifications and Regulatory Accreditations



ISO 9001:2015



ISO 14001:2015



ISO 27001:2022



ISO 45001:2018



ISO 45001:2018



ISO 37001:2016



WHO GMP



USFDA



PMDA



TGA



KFDA



EDQM



ANVISA



Environment



The call for climate and sustainability action is intensifying globally, prompting a re-evaluation of policies, practices, and outcomes across industries. At Glochem, we recognize that environmental responsibility is a powerful enabler of innovation, efficiency, and long-term value creation.

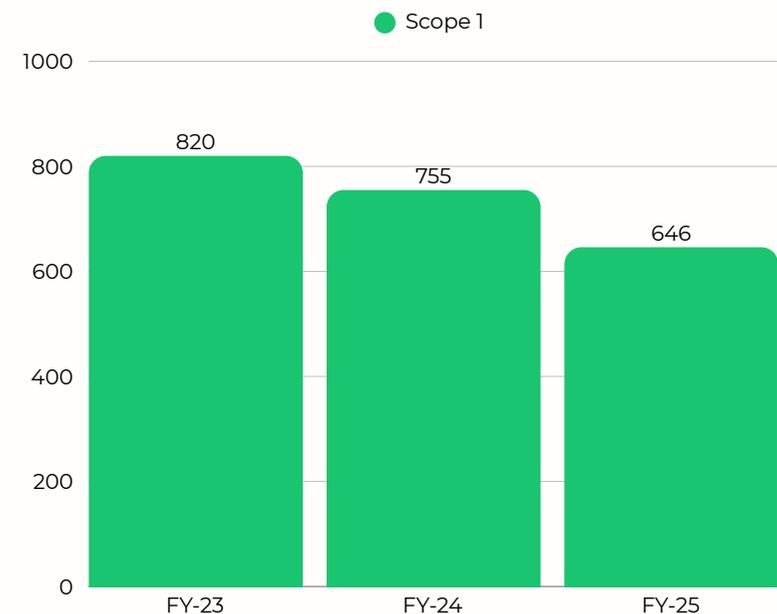
As an API Manufacturing Organization, we view environmental stewardship as a fundamental responsibility, one that goes beyond regulatory compliance and aligns closely with our purpose. Guided by our commitment to innovation, responsibility, collaboration, and positive impact, we have embedded sustainability into the core of our operations. Our ongoing efforts are focused on reducing environmental impact while creating lasting, sustainable value for all our stakeholders. All our facilities operate under an integrated Environmental Management System (EMS) ensuring systematic control and continuous improvement of our environmental performance.

Climate change & GHG emissions	15
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Water management	23
Waste management	27
Air pollutant	31
Biodiversity	34

Climate change & GHG emissions

Glochem Industries recognizes climate change as a defining challenge of our time and has embedded decarbonization into its core business strategy. In FY2025, the company submitted its near-term emissions reduction targets to the Science Based Targets initiative (SBTi), marking a pivotal step toward aligning with the Paris Agreement and transitioning to a net-zero future.

This commitment reflects Glochem's belief that climate action is not only a regulatory imperative but a strategic opportunity to drive innovation, operational efficiency, and stakeholder trust.



🎯 Targets

Net Zero by 2050

Emission Calculation Methodology and Reporting Approach:

Glochem Industries Pvt. Ltd. adopts a consistent and transparent methodology to account for and report its greenhouse gas emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The company applies the operational control approach for emission consolidation, meaning that all operations where Glochem has direct operational control are included in the organizational boundary for emissions accounting. This approach ensures that all emission sources over which the company has the authority to implement environmental policies

and operational decisions are comprehensively captured.

Emission calculations are based on activity data such as fuel consumption, energy usage, and process parameters collected from each facility. The emission factors used are primarily derived from the Intergovernmental Panel on Climate Change (IPCC) Guidelines (2006 and subsequent updates) and supplemented, where appropriate, by factors published by the Central Electricity Authority (CEA) of India for grid electricity emissions. The Global Warming Potential (GWP) rates applied correspond to the IPCC Fifth Assessment Report (AR5) values, ensuring consistency with international standards and comparability of reported data.



21% Scope 1
GHG
emissions
are reduced
by
compared
to FY-23.

For the calculation of Scope 1 and Scope 2 emissions, Glochem uses a combination of direct measurement, energy meter data, and standard conversion factors to translate fuel and electricity consumption into CO₂ equivalents (tCO₂e). Where direct measurement is not available, conservative estimation techniques are applied following IPCC-recommended methodologies. Scope 3 emissions are currently being estimated using secondary data and emission factors from recognized sources such as DEFRA (UK Department for Environment, Food & Rural Affairs) and EPA (U.S. Environmental Protection Agency) databases.

All GHG data are reviewed annually as part of the company's internal EHS audit process to ensure accuracy and completeness. The methodologies, assumptions, and calculation tools are periodically reviewed and updated to reflect emerging best practices and regulatory requirements. Glochem remains committed to progressively improving the quality and scope of its emissions inventory and aligning its practices with future global standards for corporate climate reporting.

Management Approach

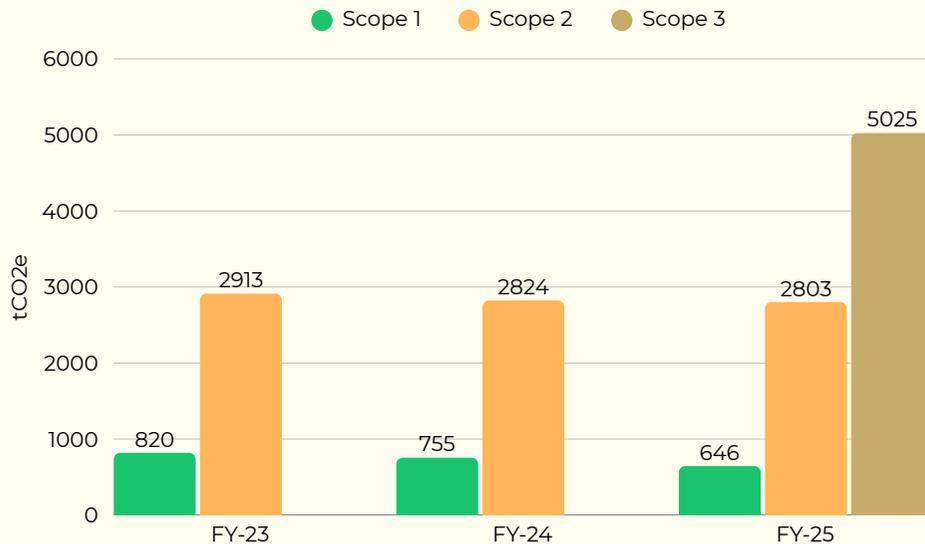
Glochem's emissions governance is anchored in its Decarbonisation Policy, which outlines science-based reduction pathways, internal accountability mechanisms, and transparent reporting practices. The company uses GHG Protocol standards to quantify emissions across Scope 1, 2, and 3, and integrates performance data into its ESG dashboard for quarterly review by the ESG Committee.

Key features of the management approach include:

- Scenario modeling for carbon pricing and regulatory shifts
- Facility-level metering and automated data capture
- Third-party assurance of emissions disclosures
- Cross-functional climate task force for implementation and innovation

0.85 metric tons CO₂e/ton Emissions per ton of product

GHG Emission



Direct GHG Emissions (Scope 1)

Glochem's Scope 1 emissions arise primarily from fuel combustion in boilers, generators, and process equipment across its manufacturing units.

Emissions are calculated using activity data and standard emission factors in line with the GHG Protocol.

- Total Scope 1 emissions: 646 metric tons CO₂e/year
- Primary sources: Diesel, natural gas, and LPG
- Methodology: IPCC Guidelines and GHG Protocol Corporate Standard
- Biogenic emissions: Not applicable

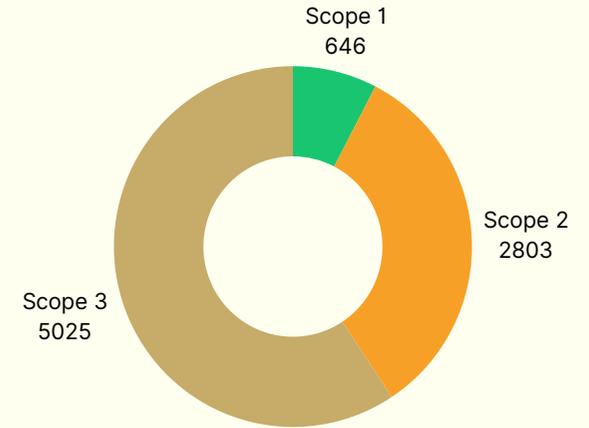


Energy Indirect (Scope 2) GHG Emissions

Scope 2 emissions result from purchased electricity used in operations. Glochem sources electricity from the grid and has initiated partial transition to renewable energy.

- Total Scope 2 emissions: 2803 metric tons CO₂e/year
- Emission factor source: Regional grid average

GHG Emission (tCO₂e)



Other Indirect (Scope 3) GHG Emissions

Include upstream and downstream activities such as employee commuting, business travel, and third-party logistics.

- Estimated Scope 3 emissions: 5025 metric tons CO₂e/year
- Data quality: Based on supplier estimates and internal surveys



GHG Emissions Intensity

Glochem tracks emissions intensity to monitor operational efficiency and environmental impact.

Science Based Targets Initiative (SBTi):

At Glochem, our sustainability journey is guided not only by ambition but by accountability. In a world where climate action demands precision and urgency, we are proud to align our decarbonization roadmap with the Science Based Targets initiative (SBTi)—a globally recognized framework that translates climate science into corporate responsibility.

Near term(2035)

 60% reduction in absolute Scope 1 & 2 GHG emissions (from FY2025)

 60% reduction in absolute Scope 3 GHG emissions

Net zero (2050)

 90% reduction in absolute Scope 1, 2 & 3 GHG emissions from FY2025

✓ Validation Status

- Targets submitted to SBTi; validation expected in FY2026
- Methodology : Absolute Contraction Approach (ACA) and GHG Protocol

These targets will be embedded into Glochem's ESG dashboard, internal performance reviews, and strategic planning cycles.

Use of Ozone-Depleting Substances (ODS)

Glochem currently utilizes ozone-depleting substances (ODS) in its operations, specifically as refrigerants. During the reporting period, 0.4 kg of R-22 gas—a hydrochlorofluorocarbon (HCFC) regulated under the Montreal Protocol—was refilled.

This activity is being tracked as part of our environmental impact assessment, and Glochem is exploring alternative low-impact refrigerants to phase out ODS use and align with global sustainability standards.



This initiative supports our transition toward low-carbon operations by:

- Reducing direct emissions under Scope 1
- Enhancing fuel efficiency and operational sustainability
- Promoting the use of cleaner transportation technologies.

Emission Reduction through Adoption of Electric Vehicles

As part of our commitment to climate action and decarbonizing our operations, Glochem has transitioned a portion of its transportation fleet to electric vehicles (EVs). This initiative was implemented with the objective of reducing Scope 1 greenhouse gas emissions associated with the use of diesel-powered vehicles.

By adopting EVs for intra-facility and logistics transport, Glochem demonstrates its commitment to integrating sustainable mobility solutions and actively contributing to emissions reduction targets.

GHG Emission

	UOM	FY-23	FY-24	FY-25
Scope				
Scope 1	TCO2e	820	755	646
Scope 2	TCO2e	2803	2824	2803
Scope 3	TCO2e	-	-	5025
Total	TCO2e	3733	3579	8474

Category wise GHG emissions

Category	Emissions
	TCO2e
Scope 1	
Stationary combustion	505.81
Mobile Combustion	7.47
Fugitive emissions	133
Fire extinguiser	0.05
Scope 2	
Purchased Electricity	2803.49
Scope 3	
Purchased goods and service	2433.13
Capital goods and service	266.01
Fuel and energy related	272.61
Upstream transportation and distribution	193.47
Waste Generated in Operations	324.53
Employee commuting	262.37
Business travel	7.21
Downstream transportation and distribution	649.69
Processing of sold products	615.53
End-of-life treatment of sold products (Packaging)	0.2

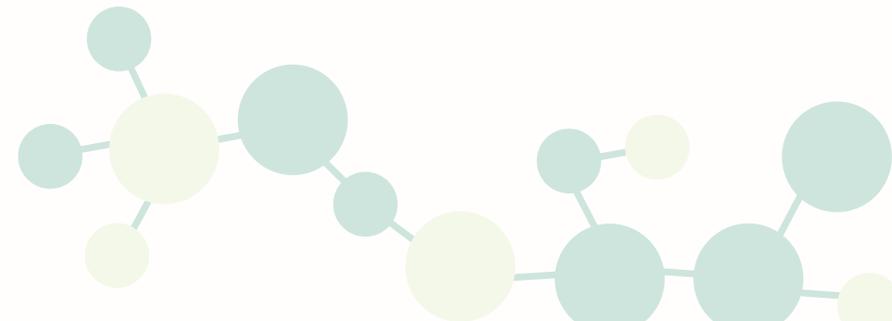


Energy Management

Glochem Industries has embedded ISO 50001 principles into its core operations, establishing a robust energy management system that drives measurable improvements in energy performance, cost efficiency, and climate resilience. The strategy is structured around the Plan-Do-Check-Act (PDCA) cycle, ensuring that energy initiatives are not only implemented but continuously refined through data-driven insights and stakeholder feedback.

Targets

Reduction of 15% in energy consumption by FY2030 from base year of FY2025.





Strategic Planning & Energy Review

At the heart of Glochem's energy strategy is a comprehensive annual energy review, which identifies significant energy uses (SEUs) across manufacturing, utilities, and logistics. This review informs the development of Energy Performance Indicators (EnPIs) and baseline metrics, tailored to each facility and process line. In FY2025, the company set ambitious targets: a 10% reduction in energy intensity over three years and a 100% transition to renewable energy by FY2050. These goals are aligned with national climate commitments and the company's broader ESG roadmap.

The planning phase also includes a risk and opportunity assessment, evaluating external factors such as grid reliability, fuel price volatility, and regulatory shifts. This ensures that energy decisions are resilient and future-proof.



Implementation & Operational Controls

Operational execution is guided by Glochem's Energy Policy, which mandates energy-efficient practices across all departments. Facilities are equipped with real-time metering systems that monitor electricity, steam, and fuel consumption at granular levels. These systems feed into a centralized dashboard reviewed monthly by the Energy Management

Team, which includes representatives from production, maintenance, and sustainability.

Key interventions in FY2025 included:

- LED retrofits across 100% of administrative and production areas, reducing lighting energy load by 4320 KWh annually.
- Variable Frequency Drives (VFDs) installed on 80% of motor-driven systems, optimizing pump and compressor efficiency, 1182 KWh annually.
- Solar Street lights installations at two locations, generating 30 KWh annually, with plans for expansion in FY2026.
- 100 HP Air Compressor Power & Cost savings by installing capacitor bank 1605 KWh energy saved annually.
- Process optimization in one of API Product, reducing thermal energy demand by 12%.

Procurement protocols were updated to prioritize energy-efficient equipment, and design teams were trained to incorporate energy performance criteria into new product development.



Monitoring, Auditing & Performance Evaluation

Glochem's energy performance is tracked through a suite of EnPIs, including kWh per unit of production, energy cost per ton, and renewable energy share.

These indicators are reviewed quarterly and benchmarked against industry peers. Internal audits, conducted in accordance with ISO 50001, assess compliance, identify deviations, and recommend corrective actions. In FY2025, the company achieved a 5% reduction in energy intensity compared to the previous year, driven by both technological upgrades and behavioral change. Audit findings were presented to senior leadership and used to refine the energy strategy for FY2026.



Continuous Improvement & Stakeholder Engagement

Glochem fosters a culture of continuous improvement through employee-led energy circles, where cross-functional teams propose and implement energy-saving ideas. These included smart scheduling of HVAC systems, insulation upgrades, and compressed air leak detection programs. Training and awareness are integral to the strategy. Over 50 employees participated in energy conservation workshops, and monthly campaigns highlighted best practices

and success stories. The company also engages external stakeholders—such as suppliers and logistics partners—to extend energy efficiency beyond its operational boundaries. This ISO 50001-aligned strategy positions Glochem Industries as a leader in energy stewardship, combining technical precision with organizational commitment. It reflects a mature, scalable system that not only meets compliance requirements but drives innovation, resilience, and long-term value creation. Would you like this adapted into a stakeholder presentation or mapped against GRI 302 and SDG targets in a visual format? I can also help you build a crosswalk to Scope 1 and Scope 2 emissions disclosures.



Use of Waste Heat Recovery Systems

As part of our energy efficiency initiatives, Glochem has integrated waste heat recovery systems and combined heat and power (CHP) units into our operations. These systems capture and reuse heat that would otherwise be wasted, significantly improving overall energy efficiency. Our Standard Operating Procedures (SOPs) for the operation of steam recovery systems ensure that these technologies are effectively utilized to minimize energy loss, thereby reducing our environmental impact and supporting our climate action objectives.

a) Total Energy in consumption within the organisation

Energy Source	UOM	FY-23	FY-24	FY-25
Non-Renewable energy	GJ	53,909	60,708	57,781
Renewable energy	GJ	-	-	-
Total energy	GJ	53,909	60,708	57,781
Percentage of renewable energy	%	0%	0%	0%

b) Self generated energy consumption

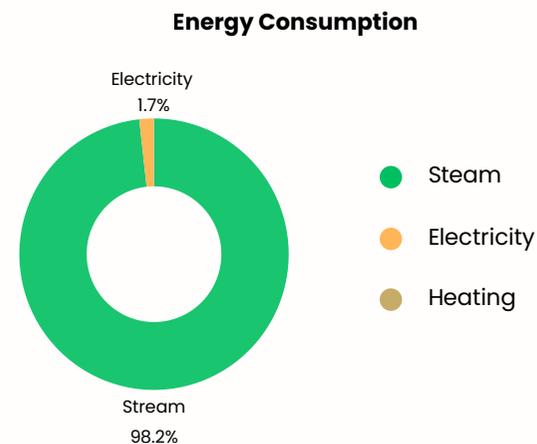
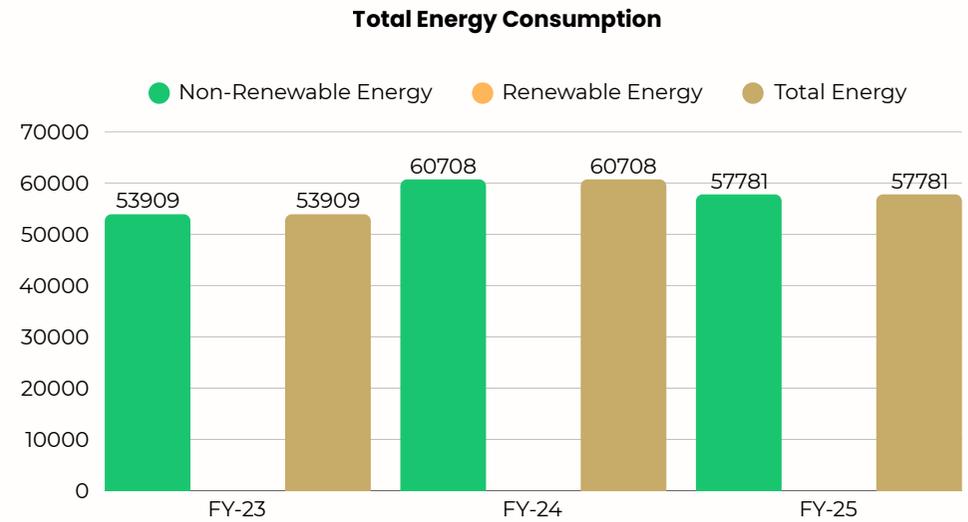
Fuel Type	UOM	FY-23	FY-24	FY-25
Non-Renewable energy				
Coal	GJ	39,049	45,817	42,945
Diesel	GJ	871	849	895

c) Total Energy Utilisation

Fuel Type	UOM	Steam	Electricity	Heating
Non-Renewable energy				
Coal	GJ	42,945	-	-
Diesel	GJ	-	752	143
Total Energy	GJ	42,945	752	143

d) Purchased energy consumption

Fuel Type	UOM	FY-23	FY-24	FY-25
Non-Renewable energy				
Purchase electricity	GJ	13988.736	13988.736	13940.784



5% energy consumption reduced in FY-25

Water Management

Water is not merely a resource—it is a shared asset that underpins environmental integrity, community health, and industrial resilience. Glochem Industries approaches water stewardship as a strategic imperative, embedding it across operations, supply chains, and community partnerships. The company's water strategy is designed to mitigate risks, enhance efficiency, and contribute to regional water security.

In FY2025, Glochem deepened its commitment by :

- Conducting basin-level water stress mapping across all operational sites
- Aligning water KPIs with science-based targets for Nature and GRI 303:2018 disclosures
- Integrating water metrics into board-level ESG dashboards for quarterly review
- Participating in multi-stakeholder water forums to co-develop regional solutions

Targets

Reduction of 25% in fresh water usage by FY2033 from base year 2025



Management of Water Discharge-Related Impacts

Glochem manages water discharge through a robust framework that includes on-site treatment, regular monitoring, and compliance with statutory norms. All effluent is treated to meet or exceed regulatory standards, minimizing environmental impact.

Discharge management practices include:

- Separate handling of process and domestic wastewater.
- Operation of effluent treatment plants (ETPs) with multi-stage filtration.
- Monthly sampling and third-party testing of discharge water.
- Emergency protocols for accidental discharge prevention.

Glochem utilizes metering systems to track water withdrawal and ensures that no ground water is sourced from areas classified as water-stressed.

Glochem's water governance is anchored in a formal Water Stewardship Policy, which outlines:

- Catchment-level engagement to understand shared water challenges.
- Effluent treatment protocols exceeding CPCB and SPCB norms.
- Emergency response plans for water contamination or scarcity events.
- Supplier water audits for high-risk vendors in water-intensive sectors.

Glochem facilities operate under ISO 14001-certified environmental management systems, with water-related risks reviewed annually by internal audit and sustainability teams.

Water Consumption

Water consumption at Glochem is primarily associated with cooling, cleaning, and sanitation processes. Through continuous improvement initiatives, the company has achieved a 17% reduction in water consumption over the past three years.

- Total water consumed (not returned to the source): 27,161 KL/Year

Key Components of Our Water Strategy

Technologies or practices to recycle or reuse water

Glochem Industries has successfully implemented in-house Zero Liquid Discharge (ZLD) technology, enabling the complete recycling and reuse of wastewater generated from its manufacturing operations. Through a combination of advanced filtration, reverse osmosis, and evaporative recovery systems, the ZLD setup ensures that no liquid effluent is released into the environment. Instead, treated water is reused internally for cooling towers, cleaning processes, and utility operations—significantly reducing freshwater dependency and aligning with Glochem's commitment to sustainable resource management. This closed-loop system not only supports regulatory compliance but also reinforces the company's leadership in responsible water stewardship.

Water audit

Glochem Industries conducts regular water audits to systematically assess water sourcing, consumption, losses, and reuse potential across its operations. These audits help identify

inefficiencies, optimize water usage, and ensure compliance with environmental regulations. By mapping water flows and analyzing treatment and recycling data, Glochem strengthens its water management strategy, reduces freshwater dependency, and supports long-term sustainability goals through informed decision-making and continuous improvement.

Water risk assessments

Efficient water management is a crucial aspect of sustainability, and Glochem is committed to responsible water stewardship, particularly given its operation in a high water-stress area, as identified through a water stress assessment. Recognizing the need for proactive measures, the company has taken steps to optimize water use while minimizing its environmental impact. One significant initiative already implemented is the improvement of condensate recovery at the Effluent Treatment Plant (ETP) inlet. A dedicated holding tank has been installed to collect condensate from condenser units, creating a more harmonized

12,251 KL of waste water is recycled.

No ground water extracted in the reporting period

Adoption of cooling systems with reduced or recycled water consumption

Glochem Industries has adopted advanced cooling systems designed to minimize freshwater consumption by integrating recycled water and optimizing thermal efficiency. These systems utilize treated wastewater—recovered through in-house processes—for cooling tower operations and utility applications, significantly reducing the strain on local water resources. By implementing smart controls, high-

efficiency heat exchangers, and water balance monitoring, Glochem ensures that cooling operations remain both environmentally responsible and cost-effective, reinforcing its commitment to sustainable industrial practices and resource conservation.

Implementation of a rainwater harvesting system

Glochem Industries has implemented a rainwater harvesting system across its manufacturing site, designed to capture approximately 1200 KL of rainwater annually. This initiative was driven by findings from the WWF Water Risk Filter assessment, which identified the site as being located in a medium-to-high water stress zone. The system includes six rooftop collection units and three recharge pits, enabling the reuse of harvested water for non-potable applications such as cooling systems, landscaping, and sanitation. By reducing reliance on municipal water by an estimated 18%, the initiative strengthens operational resilience, supports groundwater replenishment, and aligns with Glochem's ESG targets under SDG 6 (Clean Water and Sanitation).



Removal of Active Pharmaceutical Ingredient (APIs) from wastewater

Glochem Industries has implemented advanced treatment technologies to ensure the effective removal of Active Pharmaceutical Ingredients (APIs) from its wastewater streams, addressing both environmental and regulatory concerns. APIs, due to their persistent and biologically active nature, pose significant risks to aquatic ecosystems and groundwater if not properly treated. To mitigate this,

Glochem integrates multi-stage processes including membrane filtration, advanced oxidation (such as ozone treatment), and adsorption techniques that target and break down complex pharmaceutical compounds. These systems are calibrated to reduce API concentrations to levels below the Predicted No Effect Concentration (PNEC), ensuring safe discharge and compliance with global best practices. This approach reinforces Glochem's commitment to responsible manufacturing and pharmaceutical waste stewardship.

Control measures to prevent contamination of groundwater

To prevent contamination of groundwater, Glochem Industries has implemented a series of control measures that align with environmental best practices and regulatory standards:

Secure Chemical Storage

All hazardous materials are stored in leak-proof containers with secondary containment systems to prevent accidental spills or seepage.



Effluent Treatment Systems

Glochem Industries has implemented robust control measures to prevent groundwater contamination, anchored by its Zero Liquid Discharge (ZLD) system. All industrial effluents are treated through advanced multi-stage processes, ensuring that no untreated liquid waste is released into the environment.

Rainwater Harvesting Safeguards

Glochem collects first cut rain water and treated into inhouse effluent treatment plant. Recharge pits are lined and monitored to prevent infiltration of untreated surface runoff or contaminants.

Regular Soil & Water Testing

Periodic monitoring of groundwater quality and soil composition around operational zones helps detect early signs of contamination

Spill Response Protocols

Emergency response plans and trained personnel are in place to contain and remediate any accidental leaks or spills.

Water consumption details

Category	UOM	FY-23	FY-24	FY-25
Total Water withdrawal	KL	21,355	27,023	27,161
Total Water discharge	KL	-	-	-
Total water consumption	KL	21,355	27,023	27,161
Total Recycled water used	KL	11,531	11,771	12,251
% Water recycled		54%	44%	45%

Water Balance

Category	UOM	FY-23	FY-24	FY-25
Surface water	KL	0	0	0
Seawater	KL	0	0	0
Groundwater - renewable	KL	0	0	0
Groundwater - non-renewable	KL	0	0	0
Third party sources	KL	21,355	27,023	27,161
Total		21,355	27,023	27,161

Recycled water

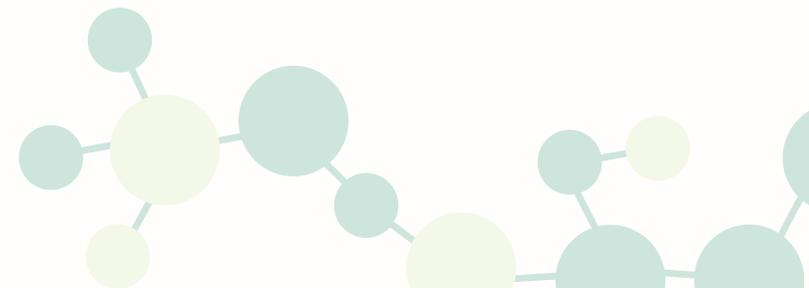
Source	UOM	Quantity	Utilised for
Steam condensate recovery	KL	1080	Boiler input
STP water	KL	7300	Gardening
RO water	KL	3870.6	Cooling tower
Total Recycled water used		12,250.60	

Waste Management

Glochem places sustainability and environmental responsibility at the core of its waste management strategy. The company is dedicated to reducing its ecological impact through efficient material use and strict adherence to regulatory standards. Its waste management framework likely incorporates key principles of the waste hierarchy—emphasizing prevention, minimization, recycling, reuse, and responsible disposal practices.

Targets

Achieve zero hazardous waste to-landfill organisation status by FY2033



Accounting and Methodology

Waste Categorization

Waste generated at our facilities is categorized into:

Hazardous Waste:

Waste that poses potential risks to health and the environment, managed according to local regulatory standards and best practices.

Non-Hazardous Waste:

General waste, including biodegradable and recyclable.

Monitoring and Data Collection

We systematically monitor and document waste streams using standardized protocols, ensuring accuracy and accountability in waste reporting.

Compliance and Standards

Our waste management processes comply with: Local and national waste regulations (e.g., Hazardous Waste Management Rules, Solid Waste Management Rules). Global frameworks, such as the Basel Convention for transboundary movement of hazardous waste.

Key Initiatives and Practices

1 Product Stewardship program

Cetirizine St-III filtered mother liquors (MLs) contain approximately 20–25% Cetirizine Hydrochloride.

Through a newly implemented recovery process, this material is now isolated as a second crop by distilling acetone, followed by acid-base treatment, resulting in the recovery of 15–20% of the active compound from the filtered MLs. Previously, this isolation process was not in place, and the material was disposed of as solid waste, posing a potential environmental hazard. The current recovery method not only reduces waste generation but also enhances resource efficiency and supports sustainable manufacturing practices.

2

Process Optimization in Raloxifene Hydrochloride Stage-II: A Sustainability Milestone

In the Stage-II synthesis of Raloxifene Hydrochloride, a major advancement has been achieved in raw material efficiency. The consumption of Polyphosphoric Acid has been reduced from 750 grams to 352 grams per kilogram of product, marking a 398-gram reduction per kg—a nearly 53% decrease

167 MT of waste is diverted from disposal in FY-25



This optimization delivers multi-dimensional sustainability benefits:

- **Energy Efficiency:** Lower acid usage reduces reaction intensity and downstream neutralization requirements, leading to measurable energy savings.
- **GHG Emissions Reduction:** With less acid processed and neutralized, associated carbon emissions from chemical handling and waste treatment are significantly lowered.
- **Waste Minimization:** Reduced input directly translates to less hazardous waste generation, improving compliance and lowering disposal costs.
- **Operational Excellence:** Streamlined resource consumption enhances process control, reduces variability, and supports lean manufacturing goals.

This initiative reflects a strategic shift toward green chemistry principles, aligning with global sustainability frameworks such as SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

3 Solvent Recovery Program at Glochem: Advancing Circular Chemistry

Glochem has implemented a robust in-house solvent recovery program that exemplifies its commitment to sustainable manufacturing and resource efficiency. Through this initiative, most solvents used in production—such as Ethyl Acetate and Toluene—are systematically recovered and reused within the process.

This closed-loop approach delivers multiple environmental and operational benefits:

- **Reduction in Virgin Solvent Consumption:** By reusing recovered solvents, Glochem significantly lowers its dependency on fresh chemical inputs, conserving natural resources and reducing procurement costs.
- **Waste Minimization:** Solvent recovery curtails hazardous waste generation, improving compliance with environmental regulations and reducing the burden on waste treatment infrastructure.

- **Lower Carbon Footprint:** Reuse of solvents reduces the energy-intensive production and transportation of virgin solvents, contributing to a measurable decline in Scope 3 emissions.
- **Circular Economy Integration:** The program aligns with circular economy principles by extending the lifecycle of chemical resources and minimizing linear consumption patterns.

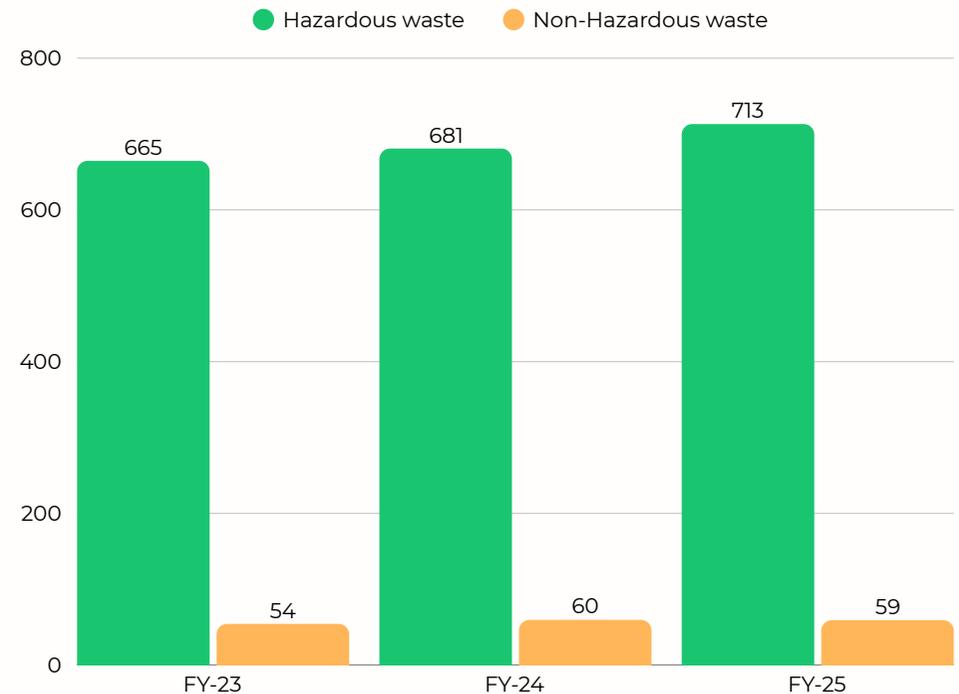
This initiative reflects Glochem’s strategic alignment with SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action), reinforcing its role as a responsible and forward-thinking chemical manufacturer.



a) Total waste

Waste Type	Units	FY-23	FY-24	FY-25
Hazardous waste	MT	664.69	680.89	713.2
Non-Hazardous waste	MT	54.34	59.66	59.22
Total Waste	MT	719.03	740.55	772.42
Total waste recovered	MT	649.53	1198.94	166.63

Waste Details



Category wise Waste Details-FY-25

Type of waste	Name of waste	UOM	Generated	Diverted from Disposal			Diverted to Disposal	
				Recycled	Reused	Recovery	Landfill	Incineration
Hazardous waste								
	Solid Waste from Process & Organic Residue	MT	8.59	-	-	8.59	-	-
	ETP Sludge & Evaporation salt	MT	121.5	-	65	-	56.5	-
	Coal ash	MT	545	-	545	-	-	-
	Mixed Solvent & Organic Residue, Stripper Distillate	MT	36.85	-	-	36.85	-	-
	Used Oil	MT	0.97	-	-	0.97	-	-
	Containers & Liners	MT	-	-	-	-	-	-
	Bio-medical waste	MT	0.29	-	-	-	-	0.29
	Total Hazardous waste		713.2		111.41		69.5	
Non -Hazardous waste								
	Paper	MT	4	-	-	-	-	4
	M.S/Aluminium scrap	MT	5	5	-	-	-	-
	Plastic	MT	50.22	-	50.22	-	-	-
	Total Non-Hazardous waste		59.22		55.22		4	

Air Pollutants

Glochem recognizes air quality management as a critical component of its environmental responsibility. The Company is committed to minimizing emissions of air pollutants such as particulate matter (PM), nitrogen oxides (NO_x), sulfur oxides (SO_x), and volatile organic compounds (VOCs) from its manufacturing operations.

Advanced pollution control systems — including multi-stage scrubbers, high-efficiency particulate filters, and real-time monitoring systems — are deployed across facilities to ensure strict compliance with applicable environmental standards. Regular stack monitoring, preventive maintenance, and process optimization contribute to continuous improvement in emission performance.

Through proactive emission reduction initiatives, technology upgrades, and adherence to regulatory norms, Glochem strives to protect air quality, safeguard employee health, and contribute to a cleaner, healthier environment.

Targets

Reduce 10% reduction of air pollution caused by SO_x, NO_x & PM by 2030 as compared to base year 2025



Emission Source Identification and Mapping

- All potential emission points—including boilers, reactors, and solvent recovery units—are mapped and monitored.
- Emissions are categorized into particulate matter, volatile organic compounds (VOCs), and gaseous pollutants such as NO_x and SO_x.

Pollutant	Actual Value (µg/m ³)	Legal Requirement (µg/m ³)
NO _x	12	80
SO _x	16	80
VOCs	0	10

Work processes or technologies to mitigate emissions of particulate matter

Glochem Industries has implemented a robust suite of technologies and work processes to minimize emissions of particulate matter (PM), ensuring compliance with national air quality standards and reinforcing its commitment to environmental stewardship.



1 Advanced Filtration Systems

The advanced filtration systems employed by Glochem Industries Pvt. Ltd. function by physically and chemically removing particulate matter (PM) from exhaust gases before release into the atmosphere. Bag filters capture dust and fine particles by forcing the air stream through fabric filter bags, where particles are trapped

on the surface while clean air passes through. High-Efficiency Particulate Air (HEPA) filters are used for ultra-fine particulates, providing filtration efficiency of up to 99.97% for particles ≥0.3 microns. Wet scrubbers complement these systems by introducing a liquid medium into the gas stream, which interacts with particulate matter and soluble pollutants, effectively washing them out. The collected dust and sludge are safely disposed of following environmental regulations. Continuous monitoring sensors measure pressure drop, airflow, and particulate concentration, enabling timely maintenance and ensuring optimal performance. Collectively, these technologies minimize emissions, improve air quality, and support Glochem’s commitment to environmental stewardship.

Bag filters are installed at the boiler to capture fine particulates generated during coal handling.



Cyclone separators are used in at the boiler area to remove coarse particulates before they enter the exhaust stream.

Wet scrubbers are deployed in high-dust zones to trap airborne particles and neutralize chemical residues.

2 Process Optimization

All powder handling operations—including weighing, charging, and transfer—are conducted in **enclosed systems** to prevent fugitive dust emissions.

Automated material transfer systems reduce manual intervention and minimize airborne particle release.

Dust suppression protocols are integrated into granulation and milling operations, supported by real-time monitoring.

3 Preventive Maintenance & Monitoring

Glochem conducts **routine inspections and maintenance** of filtration units, ductwork, and exhaust systems to ensure optimal performance.

Continuous Emission Monitoring Systems (CEMS) are installed at critical stacks to track PM levels and trigger corrective actions when needed.

Noise

Glochem integrates a combination of engineering controls, facility design strategies, and operational protocols to minimize noise pollution and safeguard employee well-being. These measures align with occupational safety standards and reflect the company's commitment to responsible manufacturing.

Direct interventions at the equipment level to reduce noise at its source:

1 Acoustic Enclosures

Soundproof cabinets or housings are installed around high-decibel machinery such as compressors and vacuum pumps. These enclosures contain noise within a confined space, significantly reducing ambient sound levels.

2 Vibration Isolation Mounts

Machinery is mounted on rubber or spring-based pads that absorb mechanical vibrations, preventing noise transmission through floors and structural components.

3 Silencers and Mufflers

Fitted to exhaust systems, air blowers, and pneumatic lines, these devices reduce high-frequency noise generated during operations.

4 Low-Noise Equipment Selection

During procurement, preference is given to equipment with certified low-noise ratings, helping reduce baseline noise across the facility.

5 Personal Protective Equipment (PPE)



Employees working in designated high-noise zones are provided with certified ear protection, including earmuffs and earplugs.

Odor

Glochem Industries has adopted targeted technologies and work processes to effectively control and mitigate odor emissions arising from chemical handling, solvent use, and wastewater treatment operations. To capture and neutralize odorous compounds, activated carbon adsorption units have been installed at key exhaust points, ensuring clean air discharge from production zones. Wet scrubbers are deployed in high-risk areas to protocols are in place to assess ambient air quality, chemically neutralize volatile compounds before atmospheric release. Additionally, sealed material transfer systems and closed-loop solvent recovery units minimize fugitive emissions during handling and processing. Routine odor monitoring supported by preventive maintenance and employee training to ensure consistent performance. These measures collectively reinforce Glochem's commitment to maintaining a safe, compliant, and community-conscious operating environment.

Measures Taken

1. Chilled Brine Circulation

We utilize chilled brine circulation systems in relevant process areas to condense and capture solvent vapours efficiently.

2. Solvent Transfer Through Dedicated Lines and Pumps

Solvents are transferred using pumps through dedicated pipelines to minimize spillage and fugitive emissions.

3. Mechanical Seals on Solvent Handling Pumps and Reactors

Solvents are transferred using pumps through dedicated pipelines to minimize spillage and fugitive emissions.

4. Daily VOC Monitoring:

We are aligned with a handheld VOC monitoring system. The monitoring is carried out daily by our ETP (Effluent Treatment Plant) team, and immediate corrective actions are taken as part of our internal control mechanism.

5. Leak Detection and Repair (LDAR) Program

We conduct third-party LDAR studies regularly to identify and mitigate potential leakage points, enhancing overall visibility and control.

6. Scrubbers with Fume Hoods in All Blocks

All process blocks are equipped with fume hoods connected to scrubbers to capture and treat emissions effectively.

Bio-Diversity

Glochem is dedicated to fostering biodiversity and maintaining environmental harmony throughout its operations. Our biodiversity strategy aligns with the Convention on Biological Diversity (CBD), 1992 and is designed to assess and mitigate biodiversity-related risks associated with current and future activities. Through biodiversity roadmaps, impact assessments, and mitigation measures, we ensure our operations are environmentally responsible, particularly in sensitive or critical habitats. Regular awareness flyers are shared with employees via e-mail to build awareness and strengthen capacity for biodiversity protection.

Through rigorous adherence to environmental standards, we ensure minimal impact on local biodiversity.

» Habitat Restoration «

1.5 acres of land restored with the plantation of 600 trees, establishing a vibrant green habitat that actively supports regional ecological resilience.



🎯 Targets

Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and habitats by 2027





SOCIAL

Glochem’s greatest strength lies in its people. We are committed to building an inclusive, respectful, and empowering workplace where wellbeing and equal opportunity are fundamental.

In FY25, we strengthened our focus on human rights, ethical labor, safety, and diversity aligning with International Labour Organization (ILO) conventions and the Universal Declaration of Human Rights. Our zero-tolerance approach to discrimination, backed by DEI policies, ensures fairness and tracks gender diversity while supporting work life balance. Our five-year ESG strategy emphasizes safety culture transformation through leadership led programs, behaviour-based tools, and culture assessments embedding safety as a shared value across all levels of the organization.

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Employee Well-being, Health & Safety

At Glochem Industries Pvt. Ltd., the health, safety, and well-being of our employees, contractors, and surrounding communities are at the core of our business operations. We firmly believe that a safe and healthy workplace is not only a legal and ethical responsibility but also a driver of operational excellence and sustainable growth. Guided by our principle of “Safety First, Always,” we aim to create an environment where every individual is empowered to take ownership of safety and act responsibly at all times.

Targets

Achieve zero lost-time injuries (LTIR)



Occupational Health and Safety Management System

Glochem Industries has implemented a robust Occupational Health and Safety (OHS) Management System that aligns with ISO 45001:2018 standards. This system is not merely a compliance tool—it is embedded into the company’s operational DNA. It governs all manufacturing and administrative units, extending its coverage to contractors, logistics partners, and visitors. Oversight is provided by a cross-functional Environment, Health, and Safety (EHS) Committee, which reports directly to senior leadership. The system is continuously monitored through quarterly internal audits and annual third-party assessments, ensuring that corrective and preventive actions are tracked and resolved through a digital compliance dashboard.



Hazard Identification, Risk Assessment

At Glochem, we have implemented a comprehensive Hazard Identification and Risk Analysis (HIRA) system to proactively identify and mitigate risks associated with our chemical processes and other operational activities.



Hazard Identification and Risk Analysis (HIRA) Process

Through HIRA, we assess potential hazards in both routine and non-routine tasks, addressing them before they can cause accidents or disruptions. This system ensures that we stay ahead of potential dangers, maintaining a safe and efficient work environment.

Our HIRA process involves a thorough evaluation of equipment, environmental conditions, and work procedures to identify any potential risks. Once identified, these risks are documented, assessed, and prioritized.

Action plans are then developed to mitigate these risks, with the most significant hazards being regularly reviewed to ensure continuous improvement in our safety measures. HIRA is an ongoing process with periodic assessments to incorporate new hazards or risks arising from changes in processes, equipment, or regulatory requirements.

Incident Investigation

In the event of an incident, a root cause analysis is initiated within 48 hours, followed by corrective actions and cross-unit knowledge sharing. Employees are encouraged to report safety concerns through an anonymous digital portal and a dedicated hotline, fostering a culture of transparency and accountability.

Occupational Health Service

The company maintains fully equipped on-site medical clinics staffed by certified professionals capable of handling both routine care and emergency response. Annual health screenings are provided to all employees, covering biometric assessments, respiratory health, and audiometric evaluations. Recognizing the importance of mental well-being, Glochem offers confidential counseling services, stress management workshops, and peer support networks. Ergonomic assessments are routinely conducted for desk-based roles and repetitive task stations, ensuring that workplace design supports long-term health.

Worker Participation, Consultation, and Communication

Glochem places a strong emphasis on worker engagement in health and safety matters. Each operational unit has an active safety committee with elected worker representatives who participate in monthly safety dialogues. These forums serve as platforms for sharing feedback, discussing concerns, and reviewing safety performance. Visual communication tools—including digital dashboards, signage, and alerts—are deployed throughout facilities to reinforce safety protocols. To recognize and encourage proactive behavior, the company runs a “Safety Champion of the Month” program, celebrating individuals who demonstrate exceptional commitment to workplace safety.

Worker Training on Occupational Health and Safety

Training at Glochem is comprehensive, role-specific, and continuously updated to reflect emerging risks and regulatory changes. All new employees (Fulltime and Contract workers) undergo induction training that covers personal protective equipment (PPE), emergency procedures, chemical handling, and equipment safety. Annual refresher courses are mandatory, with additional modules tailored for high-risk roles. Simulation drills—including fire evacuation, chemical spill response, and first aid—are conducted quarterly to ensure preparedness. Digital learning platforms support multilingual access and track individual progress, making safety education accessible and measurable.



“Glochem delivered 2,175 hours of safety training during FY24-25”

Promotion of Worker Health

Beyond regulatory compliance, Glochem actively promotes holistic health and well-being. Employees have access to healthy meal options, dietary consultations, and fitness initiatives and step challenges. The company supports work-life balance through flexible scheduling, wellness leave, and child care services. Preventive health campaigns are regularly organized to raise awareness about lifestyle diseases, substance abuse, and mental health, reinforcing the company's commitment to long-term employee wellness.



Prevention and Mitigation of Occupational Health and Safety Impacts

Preventive measures are integrated into both engineering and administrative controls. Facilities are equipped with noise enclosures, advanced ventilation systems, and spill containment units to minimize exposure risks. Administrative protocols—including shift rotations, exposure limits, and fatigue management—are enforced to safeguard worker health. PPE compliance is monitored in real time, and 35 systems ensure that only trained personnel enter high-risk zones. Each site maintains a tailored emergency response plan, supported by trained first responders and regular drills. Glochem conducts regular equipment safety inspections and audits as a core component of its occupational health and safety strategy, ensuring that all machinery and tools operate within safe parameters and comply

with statutory norms. These inspections are scheduled quarterly and are carried out by certified internal auditors in coordination with the Environment, Health, and Safety (EHS) team. Each audit includes a detailed checklist covering mechanical integrity, electrical safety, emergency shut-off functionality, guarding systems, and calibration status. High-risk equipment such as pressure vessels, chemical reactors, and lifting devices undergo additional scrutiny through third-party validation. Findings from these audits are documented in a centralized compliance system, with corrective actions tracked and closed within defined timelines. Preventive maintenance schedules are updated based on audit outcomes, and recurring issues are flagged for root cause analysis. This rigorous approach not only minimizes operational risks but also reinforces Glochem's commitment to a safe, compliant, and resilient workplace.

Glochem's Commitment to Occupational Health and Ergonomic Safety

Repetitive Strain Injury (RSI) is a cumulative trauma disorder caused by prolonged repetitive tasks, poor posture, or inadequate ergonomic design. At Glochem, we recognize RSI as a preventable occupational health risk and have implemented a proactive framework to mitigate its impact across all departments, especially those involving documentation, data entry, and laboratory work.

Engineering Controls

- **Ergonomic Workstations:** All desks and chairs are designed to support neutral posture, with adjustable features for height, lumbar support, and arm positioning.
- **Input Devices:** Employees are provided with ergonomic keyboards and mice to reduce wrist extension and finger strain.
- **Monitor Setup:** Screens are positioned at eye level and at appropriate distances to minimize neck and eye fatigue.

Administrative Controls

- **Task Rotation:** Roles involving repetitive hand movements are rotated periodically to reduce muscle fatigue.
- **Break Schedules:** Mandatory microbreaks every 30–45 minutes are encouraged to allow muscle recovery and posture reset.
- **Training & Awareness:** Regular workshops educate employees on RSI symptoms, prevention techniques, and proper workstation setup.

Behavioral Interventions

- **Stretching Protocols:** Daily guided stretching routines are shared via internal communication channels to promote flexibility and circulation.
- **Posture Coaching:** Supervisors and EHS officers provide feedback on posture and workstation habits during routine walkthroughs.

- **Hydration & Movement:** Employees are encouraged to stay hydrated and incorporate short walks into their workday.

Monitoring & Continuous Improvement

- **Ergonomic Audits:** Quarterly assessments are conducted by the EHS team to identify high-risk areas and recommend improvements.
- **Incident Tracking:** Any reported RSI symptoms are logged, investigated, and addressed through corrective actions.
- **Feedback Loop:** Employees can submit ergonomic concerns anonymously, ensuring continuous refinement of preventive measures.

This approach not only aligns with Glochem's commitment to employee well-being but also strengthens its ESG narrative around proactive health and safety. If you'd like, I can help you expand this into a full training module or policy document with visuals and checklists.



Achieved
Zero Lost
Time Injuries
in the
reporting
period

Work-Related Injuries & Ill Health

No cases of work-related injuries and ill health were reported during the reporting period. Preventive screenings, exposure monitoring, and wellness programs continue to be prioritized to maintain this record.



Work-Related Injuries for Employees

Category	FY-23	FY-24	FY-25
Total Working hours	287504	383080	428172
The number of fatalities as a result of work-related injury	0	0	0
The rate of fatalities as a result of work-related injury	0	0	0
The number of high-consequence work-related injuries (excluding fatalities)	0	0	0
The rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
The number of recordable work-related injuries;	0	0	0
The rate of recordable work-related injuries;	0	0	0

Work-Related Injuries for Contract Workers

Category	FY-23	FY-24	FY-25
Total Working hours	298174	34128	313464
The number of fatalities as a result of work-related injury	0	0	0
The rate of fatalities as a result of work-related injury	0	0	0
The number of high-consequence work-related injuries (excluding fatalities)	0	0	0
The rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
The number of recordable work-related injuries;	0	0	0
The rate of recordable work-related injuries;	0	0	0



Health and safety emergency action plan

Glochem's Health and Safety Emergency Action Plan (EAP) is a proactive framework designed to safeguard employees, contractors, and visitors during critical incidents such as fires, chemical spills, medical emergencies, natural disasters, and security threats. Aligned with ISO 45001 and national safety standards, the plan includes trained Emergency Response Teams at each facility, site-specific risk maps, and clearly defined evacuation protocols with designated routes and assembly points.

Stress and psychological wellbeing

Glochem recognizes that employee psychological wellbeing is a vital component of occupational health and has implemented a multi-layered approach to managing workplace stress. The company fosters a supportive environment where emotional resilience is actively cultivated through structured wellness programs, confidential counseling services, and regular mental health awareness campaigns. Employees have access to stress management workshops,

mindfulness sessions, and peer support groups that encourage open dialogue and emotional literacy. Supervisors are trained to identify early signs of burnout and provide timely interventions, while flexible work arrangements and wellness leave policies help employees balance professional demands with personal wellbeing. Periodic assessments of psychological risk factors are conducted through anonymous surveys and one-on-one check-ins, ensuring that mental health remains a visible and prioritized aspect of Glochem's ESG and HR strategy. This holistic framework not only reduces stress-related absenteeism but also enhances employee engagement, productivity, and long-term organizational resilience.



Workers Covered by OHS Management System

The OHS Management System applies to all full-time employees and on-site contractors, with coverage extending to temporary staff through onboarding protocols.





Learning and Career Development

At Glochem Industries Private Limited, continuous learning and capability enhancement are integral to building a resilient and future ready workforce. The Company's Learning & Development (L&D) framework aims to empower employees with the knowledge, skills, and mindset necessary to drive innovation, operational excellence, and sustainable growth.

Training programs are designed to address both functional competencies and behavioral skills, covering areas such as leadership development, technical expertise, workplace safety, ESG awareness, and ethical conduct. Glochem fosters a culture of lifelong learning through structured training plans, mentorship programs, and performance-linked development initiatives.

By investing in people, Glochem ensures not only professional advancement but also organizational agility — strengthening its human capital as a key driver of sustainable business success.

Targets

Achieve average 35 hours of training per employee per year till FY2030



Key Training Modules

Technical Upskilling

- Process safety
- GMP compliance
- Analytical instrumentation

Soft Skills & Communication

- Public speaking,
- Interpersonal effectiveness
- Stakeholder engagement

Leadership Development

- Managerial coaching,
- Decision-making
- Frameworks,
- Team-building

Digital Literacy

- ERP systems,
- data analytics,
- Documentation tools



Metric	Value
Average Training Hours per Employee	33 hours/year
Employees Participating in Training	92%
Satisfaction with Training Programs	87%

Employee feedback highlights

Learning new procedures and policies is encouraged; the work culture supports continuous improvement.”



Skill development is excellent—transparent management and scope for career growth.



where employees and managers define Key Result Areas (KRAs) tailored to role specific responsibilities and cross-functional priorities. Formal performance reviews are conducted biannually, supplemented by quarterly check-ins that allow for course correction, recognition, and realignment.

subordinates, and supervisors. The review outcomes are documented digitally, with employees receiving personalized development plans that include training recommendations, mentorship opportunities, and internal mobility options.

These reviews are integral to:

- Employee development planning
- Succession and promotion decisions
- KRA tracking and ESG goal alignment

Each assessment incorporates a blend of quantitative metrics and qualitative feedback, covering technical proficiency, behavioral competencies, innovation, and sustainability impact. A 360-degree feedback model is used for managerial and leadership roles, ensuring a holistic view of performance from peers,

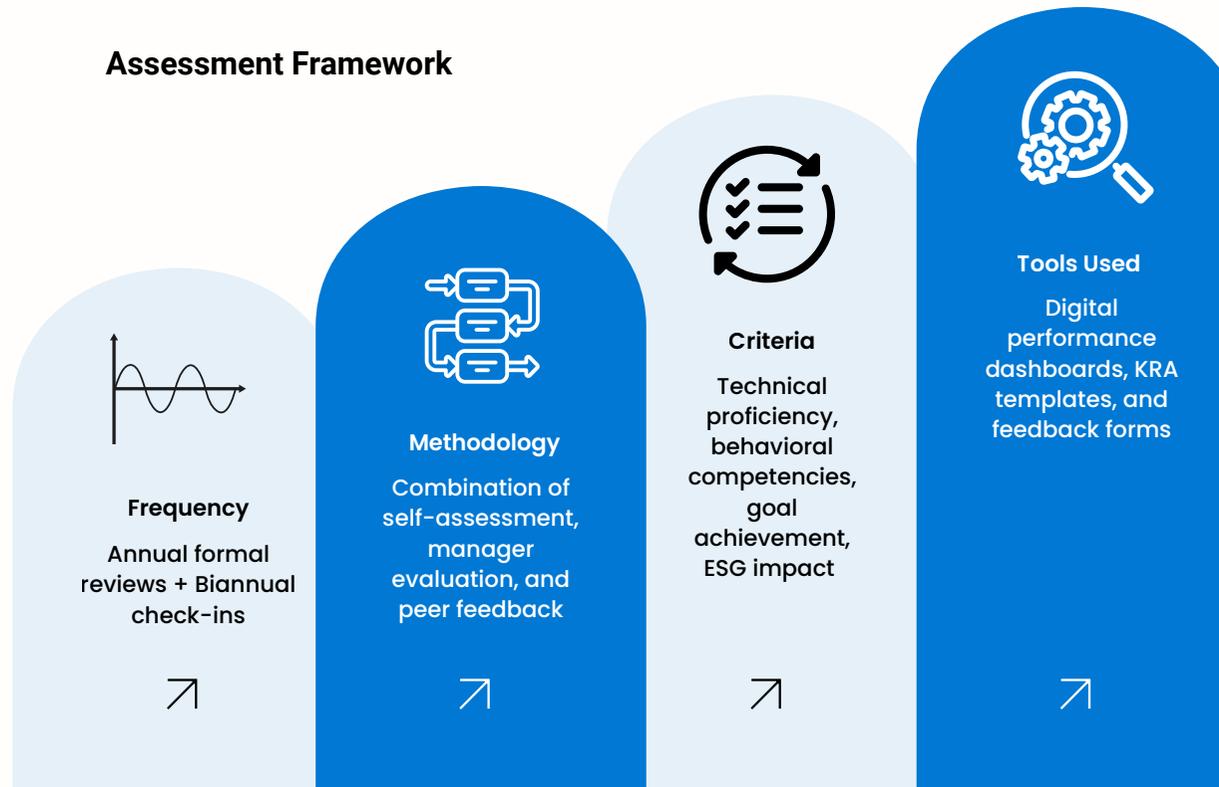
Performance Evaluation

Glochem has institutionalized a structured performance assessment framework that ensures every employee receives timely, constructive, and growth-oriented feedback. These evaluations are not merely administrative—they serve as strategic tools to align individual contributions with departmental goals, ESG targets, and long-term organizational vision. The process begins with collaborative goal-setting at the start of each review cycle,

FY2025 Metrics

- Review Coverage: 100% of employees received formal performance reviews
- KRA Completion Rate: 89% of team members met or exceeded their defined KRAs
- Promotion Linked to Reviews: 72% of internal promotions were based on review outcomes

Assessment Framework



Frequency
Annual formal reviews + Biannual check-ins

Methodology
Combination of self-assessment, manager evaluation, and peer feedback

Criteria
Technical proficiency, behavioral competencies, goal achievement, ESG impact

Tools Used
Digital performance dashboards, KRA templates, and feedback forms

Individual Development Plan

At Glochem, individual development is not a peripheral initiative—it is a core pillar of our human capital strategy. Every employee is empowered with a personalized career development plan that aligns their aspirations with organizational goals, ESG priorities, and evolving industry standards.

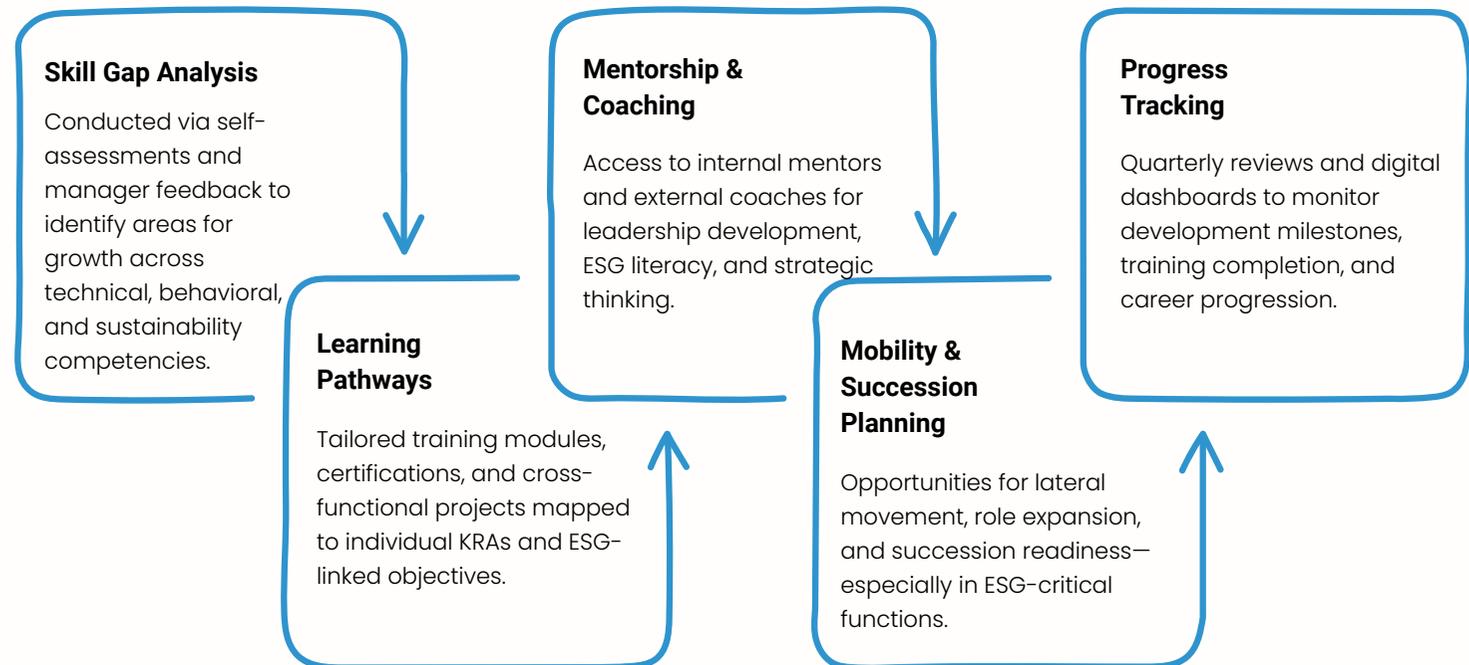
These plans are co-created during onboarding and revisited annually through structured development dialogues, ensuring relevance and responsiveness to changing roles, technologies, and market dynamics.

In FY2025, 92% of Glochem employees had active development plans, with 78% completing at least one upskilling initiative. Notably, 65% of mid-level managers transitioned into ESG-integrated roles through targeted development tracks.

These efforts have directly contributed to improved retention, enhanced innovation, and stronger alignment between individual purpose and organizational impact. 40 By embedding career planning into the employee lifecycle, Glochem fosters a culture of growth, agility, and ESG stewardship—ensuring that every individual is not just prepared for the future, but actively shaping it.



Plan Includes



Promotions & Internal Mobility

Glochem recognizes internal mobility as a strategic lever for talent retention, organizational agility, and ESG-aligned workforce development. By enabling employees to explore new roles, expand competencies, and contribute across functions, the company fosters a dynamic culture of growth and inclusion. The following initiatives have been institutionalized to promote internal mobility across all levels:

1. Transparent Role Mapping and Job Postings

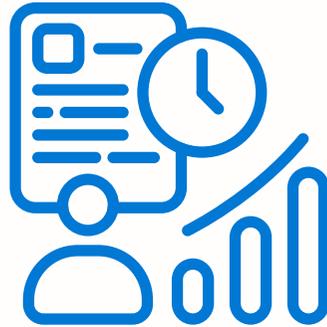
- All open positions are published internally through the Glochem Career Portal.
- Role descriptions include required competencies, ESG relevance, and cross-functional exposure.
- Employees are encouraged to apply for lateral and vertical opportunities with managerial support.

2. Career Pathway Frameworks

- Defined career ladders for technical, managerial, and ESG-integrated roles.
- Visual maps help employees understand progression routes and required skill sets.
- Frameworks are embedded in onboarding, performance reviews, and development planning.

3. Cross-Functional Projects and Rotations

- Employees participate in short-term assignments across departments (e.g., HR-ESG, R&D Sustainability).
- Rotations are designed to build strategic thinking, stakeholder engagement, and ESG literacy.
- In FY2025, 38% of mid-level staff engaged in cross-functional projects.



4. Internal Talent Spotting and Succession Planning

- Managers identify high-potential employees for future roles through performance and development reviews.
- Succession plans are created for critical positions, with readiness tracked quarterly.
- 72% of leadership roles were filled internally in the last review cycle.

5. Learning and Certification Support

- Employees receive financial and time-based support for certifications aligned with internal mobility goals.
- ESG, compliance, and leadership modules are prioritized for cross-role transitions.
- Completion of targeted learning paths is linked to eligibility for new roles.
-

6. Mobility Mentorship Program

- Employees exploring new roles are paired with mentors from target departments.
- Mentorship includes shadowing, role immersion, and feedback sessions.
- 87% of mentees reported increased confidence and clarity in career transitions.

These actions ensure that internal mobility is not just permitted—but actively enabled, tracked, and celebrated. Glochem's approach strengthens employee engagement, reduces hiring lead times, and builds a resilient, ESG-ready workforce from within.



Cultural and Sports Activities

Glochem Industries recognizes the importance of holistic employee well-being and team spirit. The company organizes regular cultural events and sports activities that foster social cohesion, mental wellness, and employee engagement. These initiatives create an inclusive and vibrant workplace culture that goes beyond formal work responsibilities.



Glochem Premier League 2024

Annual Cricket tournament was organized in month of Nov 2024. It encourages sportsmen's spirit among the employees so as to explore hidden talent where in all level of organizational hierarchy, whole heartily participates with enthusiasm and energy.



Glochem Fiesta 2025

Gala fun filled annual offsite event was organized in the month of Aug 2025 on the backdrop of scenic beauty at outskirts of Hyderabad, where in more than three hundred employees from Glochem came together under employee engagement event so as to create perfect bonding, where in all enjoyed, celebrated to full extent.



Human Rights & Labour Relations

Glochem upholds the highest standards of respect for human rights and fair labor practices across all its operations and business relationships. The Company's policies are guided by the principles of the Universal Declaration of Human Rights, the ILO Core Conventions, and national labor regulations.

Glochem is committed to ensuring safe, fair, and inclusive workplaces that foster dignity, equality, and opportunity for all employees. The Company promotes freedom of association, prohibits forced or child labor, and ensures equal pay for equal work. Regular audits, grievance mechanisms, and employee engagement initiatives reinforce transparency and trust within the organization.

By embedding human rights and responsible labor practices into its corporate culture, Glochem builds a foundation of ethical integrity and social accountability – essential for long-term sustainable growth.

Targets

Ensures there is no forced labour or child labour, upholds freedom of association, and provides fair and adequate wages to all employees.



Employee Training on Human rights

Glochem Industries recognizes that awareness and vigilance among employees are critical to preventing human rights violations across its operations and supply chain. The company has institutionalized training programs to educate employees on identifying, reporting, and mitigating risks related to child labor, forced labor, and human trafficking.

These trainings reinforce Glochem's zero-tolerance policy and empower employees to act as ethical stewards within their roles.

All new employees during onboarding

- Procurement, HR, and compliance teams
- Site managers and supplier-facing personnel
- ESG and sustainability analysts

Continuous Improvement

- Training content is reviewed annually to reflect legal updates and emerging risks
- Feedback from participants is used to enhance relevance and engagement
- Plans underway to introduce e-learning modules and certification pathways for deeper specialization

FY2025 Training Metrics

100% onboarding coverage for new hires across all locations

100% completion rate for annual refresher training on labor rights

5 specialized workshops conducted for high-risk departments

3 supplier engagement sessions co-hosted with third-party experts on ethical labor practices

Freedom of Association and Collective Bargaining

Zero Human Rights issues reported.

Glochem Industries recognizes freedom of association and collective bargaining as foundational human rights, enshrined in ILO Conventions 87 and 98. These principles are embedded in the company's governance framework, operational policies, and supplier engagement protocols. Glochem actively fosters a workplace culture where employees are empowered to organize, express concerns, and negotiate employment terms without fear of retaliation or discrimination.

Management Approach

- The company's Code of Conduct, Employee Handbook, and Supplier Code of Ethics explicitly affirm support for freedom of association and collective bargaining.
- A formally recognized labor union operates within Glochem's premises, governed by a charter that outlines representation, election procedures, and consultation protocols.
- Union representatives participate in quarterly dialogue forums with senior management to codevelop workplace policies, review grievance trends, and recommend improvements in working conditions.
- All employees are informed of their rights during onboarding and through annual refresher sessions facilitated by HR and union leadership.

- All employees are informed of their rights during onboarding and through annual refresher sessions facilitated by HR and union leadership.

Operational Highlights

- As of FY2025, 100% of eligible employees had access to union representation.
- The labor union collaborated with HR and leadership on:
- Revising shift schedules to enhance work-life balance
 - Improving grievance redressal timelines and transparency
 - Co-creating training modules on labor rights, workplace safety, and ethical conduct

Monitoring, Outcomes, and Continuous Improvement

- No incidents of violation related to freedom of association or collective bargaining were reported within Glochem's operations during FY2025.
- Union-led feedback mechanisms contributed to a 12% improvement in employee satisfaction scores and a 15% reduction in grievance escalation rates.
- The company is exploring digital platforms to enhance transparency and real-time monitoring of labor rights across its supply chain.

Child Labor and Forced Labor

Glochem Industries upholds a zero-tolerance policy toward child labor, forced labor, and human trafficking across its operations and supply chain. In alignment with ILO Conventions 138 and 29, and national labor laws, the company has embedded robust controls to prevent exploitative labor practices. All candidates undergo mandatory age verification during onboarding, and no individuals under 18 are employed in hazardous roles. Supplier contracts include binding clauses prohibiting child and forced labor, and compliance is monitored through ESG audits, third-party assessments, and digital dashboards. In FY2025, Glochem achieved 100% age verification compliance and identified no incidents of child or forced labor.

Management Approach

- The Glochem Code of Conduct, Supplier Code of Ethics, and Human Rights Policy explicitly prohibit child labor and outline enforcement mechanisms.
- All suppliers are required to sign a declaration confirming compliance with minimum age laws and international labor standards.
- Risk-based due diligence is conducted during supplier onboarding, contract renewal, and periodic ESG audits.

Internal teams are trained to identify red flags related to age falsification, informal labor, and subcontracting risks.

Risk Identification and Mitigation

- In FY2025, Glochem conducted a comprehensive risk assessment across its Tier 1 and Tier 2 suppliers.
- No incidents of child labor were identified within Glochem's direct operations or among its approved suppliers.
- Two suppliers operating in regions with elevated child labor risk were flagged for further review. Corrective actions included:
- Third-party audits and site inspections
- Mandatory training on child labor laws and ethical employment
- Revision of subcontracting practices to ensure traceability and accountability

Age verification

Glochem Industries enforces a rigorous age verification process to prevent child labor and ensure compliance with national laws and international standards. During onboarding, all candidates are required to submit valid government-issued proof of age, which is authenticated by the HR team and securely stored in the company's digital records.

Automated checks within the HRMS flag any entries below the legal working age, and discrepancies trigger immediate escalation to compliance

teams. No individuals under 18 are hired for hazardous roles, and annual audits confirm 100% adherence to age verification protocols, reinforcing Glochem's commitment to ethical employment and human rights.

Actions to protect young workers (if any employed)

Glochem Industries ensures that any young workers—defined as individuals above the legal minimum age but below 18—are protected through strict adherence to labor laws and internal safeguards. These include assigning only non-hazardous roles, limiting exposure to chemicals, machinery, or night shifts, and ensuring that working hours comply with juvenile labor regulations. Supervisors receive training to monitor young workers' well-being, and periodic health checks are conducted to safeguard physical and mental health.

100 Percentage of security personnel have received formal training in the organization's human rights policies

Monitoring and Outcomes

Glochem Industries maintains a robust internal control framework to monitor and evaluate the effectiveness of its actions against child labor, forced labor, and human trafficking.

This includes periodic ESG audits, supplier assessments, and compliance reviews conducted by both internal teams and thirdparty experts.

The company uses a centralized dashboard to track policy adherence, age verification, grievance reports, and supplier declarations. Any anomalies trigger corrective actions and escalation protocols. Effectiveness is measured through key indicators such as 100% age verification compliance, zero reported incidents, and high supplier audit scores. Findings are reviewed quarterly by the Sustainability Committee and reported to senior leadership, ensuring continuous improvement and accountability across operations and the supply chain.

- Glochem maintains a centralized compliance dashboard to monitor supplier adherence to labor standards.
- All supplier audits include verification of age documentation, working conditions, and subcontractor practices.
- The company achieved 100% supplier compliance with child labor policies in FY2025.
- No grievances, whistleblower reports, or stakeholder concerns related to child labor were received during the reporting period.
- ESG performance metrics related to labor rights are reviewed quarterly by the Sustainability Committee and reported to senior leadership.

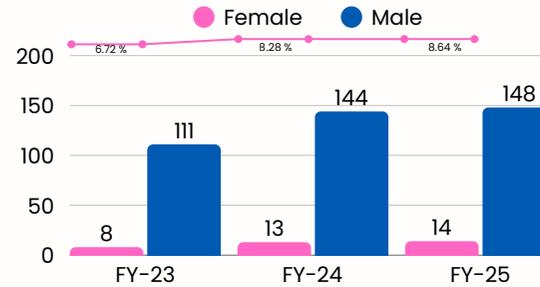
Employment and working conditions

Glochem is committed to fostering a dynamic and inclusive workforce through transparent employment practices that support long-term organizational growth and individual development. During the reporting period, the company onboarded a diverse mix of talent across age groups and gender, with a notable emphasis on hiring young professionals and promoting gender balance in technical and leadership roles.

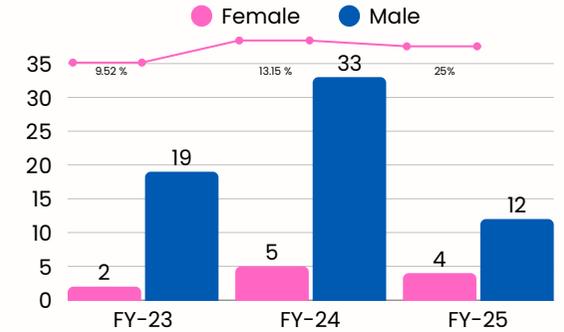
Total Employees

Category	Gender	FY-23	FY-24	FY-25
Permanent Employees	Female	8	13	14
	Male	111	144	148
Temporary employees	Female	20	21	21
	Male	125	128	143
Part-time employees	Female	0	0	0
	Male	0	1	1
Total		264	307	327

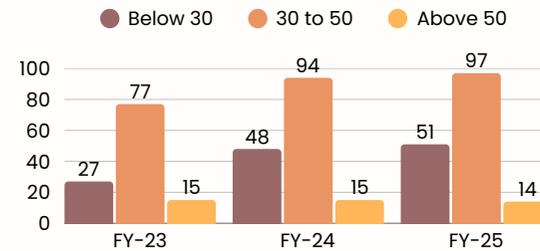
Total number of employees by gender



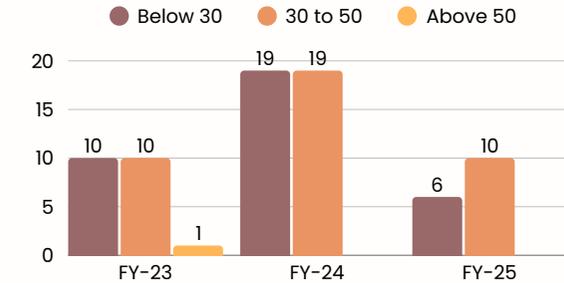
New Hires by gender



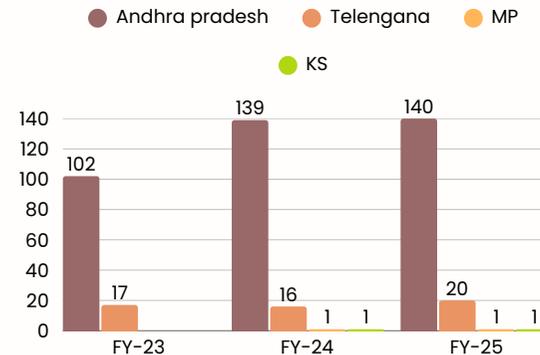
Total number employee by age group



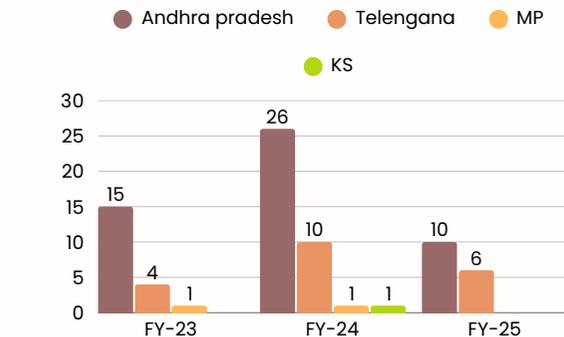
New Hires by age group



Employees by region



New Hires by region



Employee turnover

Employee turnover is monitored through structured exit interviews and trend analysis, enabling targeted retention strategies such as internal mobility, mentorship, and performance-linked recognition.

Employee Turnover by Gender

Category	FY-23		FY-24		FY-25	
	Number	Rate	Number	Rate	Number	Rate
Female	7	88	8	57	4	29
Male	29	26	36	24	29	20
Total	36	30	44	28	33	20

Employee Turnover by Age Group

Category	FY-23		FY-24		FY-25	
	Number	Rate	Number	Rate	Number	Rate
Below 30	15	59	28	55	25	49
30 to 50	21	27	16	16	8	8
Above 50	0	0	0	0	0	0

Employee Turnover by Region

Category	FY-23		FY-24		FY-25	
	Number	Rate	Number	Rate	Number	Rate
India	36	35	44	31	33	20

All full-time employees receive access to comprehensive benefits including health insurance, parental leave, housing support, and career development programs, while part-time and contract staff are covered through role-specific entitlements.

Benefits Provided to Full-Time Employees

Yes			No
Life insurance	Graduity	Parental leave	Stock ownership
Health care		Retirement provision	Others
			-

Parental leave

Glochem also supports family-friendly policies, including on-site child care services and flexible work arrangements, reinforcing its commitment to work-life balance.

Description	Female	Male
Total number of employees that were entitled to parental leave	13	114
Total number of employees that took parental leave in before last year	0	1
Total number of employees that returned to work in the reporting period after parental leave ended	0	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	1
Return to work rate of employees that took parental leave	100%	100%
Retention rates of employees that took parental leave	100%	100%

Standard Working Hours

Glochem adheres strictly to national labor regulations while maintaining a flexible and performance-driven work culture. Standard working hours across all operational units are set at 9 hours per day and 48 hours per week, in line with the Factories Act, 1948 and applicable state labor laws. All employees are entitled to scheduled rest breaks, including a minimum 30-minute meal break after five continuous hours of work. Overtime is permitted only under managerial approval and is compensated at twice the regular wage rate, as mandated by Section 59 of the Act. To ensure compliance and prevent fatigue, Glochem enforces a cap of 2 hours of overtime per day, with total working hours not exceeding 12 hours including breaks. Overtime hours are tracked digitally and reviewed monthly by the HR and EHS teams to monitor patterns and prevent overextension. In high-demand periods, shift rotations and workload balancing are implemented to maintain productivity without compromising employee wellbeing. These practices reflect Glochem's commitment to ethical labor standards, operational efficiency, and a healthy work-life balance.

Living Wage

In 2024, Glochem conducted a comprehensive Living Wage Assessment to establish a fair wage benchmark, ensuring that all employees receive compensation that aligns with or exceeds industry standards. As part of this initiative, the company undertook a detailed benchmarking exercise, which confirmed that all employees are compensated fairly and in accordance with established norms. This assessment underscores Glochem's strong commitment to ethical labour practices, employee well-being, and financial security. By identifying potential wage gaps and ensuring alignment with recognized benchmarks, the company reinforces its dedication to maintaining equitable pay structures.

Remuneration Process

Glochem follows a structured and transparent remuneration process designed to attract, retain, and motivate talent while ensuring compliance with statutory norms and internal equity. The process begins with the definition of compensation structures during onboarding, which include fixed salary components such as basic pay, house rent allowance (HRA), and provident fund (PF) contributions, along with variable elements like performance-linked incentives and annual bonuses.

Salary packages are benchmarked against industry standards and reviewed annually to reflect market trends, employee performance, and organizational growth. Payroll is processed monthly through an integrated HRMS platform, which automates calculations for gross pay, statutory deductions (including TDS, ESI, and professional tax), and net disbursement. All employees receive digital payslips and have access to real-time salary statements via the internal portal. In addition to monetary compensation, Glochem offers non-financial benefits such as health insurance, wellness allowances, and education support, which are factored into the overall cost-to-company (CTC) framework. The remuneration process is governed by internal policies approved by senior management and audited periodically to ensure fairness, transparency, and compliance with labor laws. This approach reinforces Glochem's commitment to ethical employment practices and long-term employee engagement.

Variable Pay

At Glochem, the variable pay calculation is tied to achieving specific targets, as outlined in the Key Performance Indicators (KPIs) set by the employee's Head of Department (HOD) and approved by senior management.

The variable pay component can constitute up to 30% of an employee's total CTC and is calculated based on three key parameters with the following weightage



70%

Individual Target Achievement



15%

Company Topline Achievement



15%

Company Bottomline Achievement

The variable pay period is aligned with the financial year (April to March), with payout typically occurring in July after the finalization of the balance sheet. Adjustments to individual targets may be made with management approval in case of unforeseen circumstances.

Family-friendly programs

Glochem actively promotes a family-friendly workplace culture through a suite of programs designed to support employees in balancing professional responsibilities with personal and caregiving commitments. The company offers on-site child care facilities at major operational units, providing safe, supervised environments for young children during working hours. Employees also benefit from subsidized partnerships with accredited child care centers near their residences, ensuring flexibility and convenience. Parental leave policies exceed statutory requirements, with extended maternity and paternity leave options, phased return-to-work plans

Flexible organization

Glochem fosters a flexible work culture that empowers employees to manage their professional responsibilities alongside personal priorities. The company's Work From Home (WFH) policy enables eligible staff to operate remotely, either full-time or through hybrid arrangements, depending on role requirements and departmental needs. This flexibility is especially beneficial during caregiving periods, health recovery, or relocation transitions.

Employees may also opt for variable work schedules, including staggered shifts, compressed workweeks, or part-time roles, tailored to individual circumstances and operational feasibility.



Health care coverage of employees

The medical coverage at Glochem offers insurance for employees, ensuring they have access to necessary healthcare benefits. While overseas medical expenses are excluded, the policy provides comprehensive coverage for eligible employees, who are enrolled upon joining the company. The HR department handles claims and coordinates with the insurance company for settlements, with the policy renewing annually. Management may also extend

coverage to ESI employees on a case-by-case basis. Glochem provides comprehensive health care coverage to support the physical and mental wellbeing of its employees. According to employee-reported benefits, the company offers:

Health Care Coverage Highlights

Medical Insurance: Inclusive of hospitalization, outpatient care, and specialist consultations for employees and their dependents.

Preventive Health Checkups: Annual screenings and diagnostic services to promote early detection and wellness.

Mental Health Support: Access to counseling services and stress management programs, often integrated with the company's wellness initiatives.

Maternity and Family Care: Coverage includes maternity benefits and pediatric care, aligning with Glochem's family-friendly policies.

Emergency Assistance: Tie-ups with local hospitals and ambulance services ensure rapid response in case of medical emergencies.

These benefits reflect Glochem's commitment to employee wellbeing as part of its broader ESG and human capital strategy

Employee satisfaction survey

Glochem conducts periodic employee satisfaction surveys as part of its commitment to fostering a transparent, inclusive, and performance-driven workplace culture. These surveys are designed to capture employee perceptions across key dimensions such as job satisfaction, leadership effectiveness, work-life balance, career growth opportunities, and organizational values. Administered anonymously through digital platforms, the surveys encourage honest feedback and are structured using a mix of scaled ratings and open-ended questions.

Results are analyzed by the HR and senior management teams to identify strengths, address concerns, and shape targeted interventions—ranging from policy updates and training programs to team engagement initiatives. Post-survey action plans are communicated to all employees, reinforcing accountability and trust. This continuous feedback loop ensures that employee voices directly inform Glochem's strategic decisions, aligning with its ESG goals and long-term vision for a resilient, people-centered organization.

As part of Glochem's commitment to fostering a resilient, people-centered workplace, the latest employee satisfaction survey was conducted in FY2025. The survey aimed to assess employee sentiment across key dimensions including job satisfaction, leadership, work-life balance, and alignment with organizational values.

Key Highlights

- **Participation Rate:** 90% of employees responded to the survey, reflecting strong engagement and trust in the feedback process.
- **Overall Satisfaction:** 85% of respondents expressed satisfaction with Glochem's organizational approach, citing transparency, inclusivity, and growth opportunities.
- **Leadership & Communication:** 82% felt that leadership communicates effectively and supports professional development.
- **Workplace Culture:** 88% agreed that the company fosters a respectful and collaborative environment.
- **Career Growth:** 76% felt confident about their career progression within the organization.

Post-Survey Actions

- Department-specific feedback sessions to address localized concerns
- Launch of new mentorship and training programs based on growth feedback
- Policy updates to enhance work-life balance and internal mobility
- Transparent communication of results and action plans to all employees

This survey reinforces Glochem's ESG commitment to stakeholder engagement and continuous improvement. By integrating employee voices into strategic decision-making, the organization strengthens its foundation for long-term sustainability and national recognition.



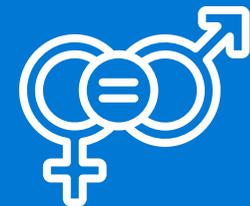


Employee Engagement, Diversity & Inclusion

At Glochem, diversity is not treated as a metric—it's embraced as a mindset that shapes how we lead, collaborate, and grow. The company's approach to equal opportunity is rooted in fairness, representation, and respect for individual identity, aligning with GRI 405 and global ESG expectations. Across all levels of the organization, Glochem actively cultivates a workforce that reflects a broad spectrum of backgrounds, perspectives, and experiences. This includes deliberate efforts to increase gender balance in leadership, support career pathways for underrepresented groups, and ensure pay equity across comparable roles.

🎯 Targets

Achieve 25% gender diversity in our workforce by FY2033



Beyond numbers, Glochem invests in culture-building initiatives that make inclusion visible and actionable. These include returnship programs for professionals re-entering the workforce, accessibility upgrades across facilities, and quarterly workshops on unconscious bias and inclusive communication. Employees are encouraged to share ideas through Diversity Innovation Labs, which have led to tangible improvements in workplace design, team dynamics, and community outreach.

Programs and Initiatives

- Returnship Program: Designed for professionals re-entering the workforce after career breaks, with flexible roles and reskilling support.
- Cultural Inclusion Workshops: Quarterly sessions on unconscious bias, inclusive language, and cross-cultural collaboration.
- Diversity Innovation Labs: Employee-led forums to propose inclusive product designs, workplace improvements, and community engagement ideas.

By embedding diversity into its governance, operations, and ESG strategy, Glochem ensures that every employee—regardless of background—has the opportunity to thrive, contribute, and lead. This commitment not only strengthens internal cohesion but also enhances the company’s reputation as a responsible, futureready organization

In FY2025, women represented 9% of the total workforce and 1% of leadership roles, marking a steady year-on-year increase. The company achieved a 31% pay ratio between women and men in similar positions, following a comprehensive remuneration audit and policy recalibration. Diversity dashboards are reviewed quarterly by the ESG Oversight Committee, which reports directly to senior management and recommends targeted interventions—from inclusive hiring practices to mentorship programs for emerging leaders.

a) Diversity of governance bodies by gender

S.No	Category	FY23	FY24	FY25
1	Female	1	1	0
2	Male	3	3	5
Percentage of women in board		0.25	0.25	0

b) Diversity of governance bodies by Age group

S.No	Category	FY23	FY24	FY25
1	Under 30 years old	0	0	0
2	30–50 years old	2	2	5
3	over 50 years old	2	2	5



Zero discrimination incidents reported

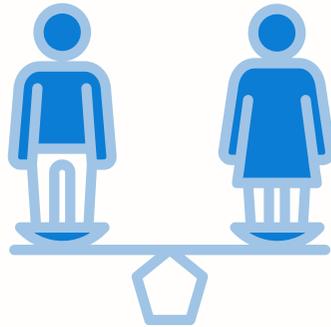
Equal Opportunity

Glochem is an equal opportunity employer. We provide equal employment opportunities to all individuals, regardless of their race, color, religion, national origin, sex, gender identity, sexual orientation, age, disability, genetic information, marital status, pregnancy, veteran status, or any other legally protected characteristic. All employment decisions, including but not limited to recruitment, hiring, promotions, 52 transfers, training opportunities, and terminations, will be based on qualifications, merit, and business needs.

Policy Framework

- **Equal Opportunity Policy:** Codified in Glochem's HR charter, prohibiting discrimination based on gender, age, ethnicity, religion, disability, sexual orientation, or socio-economic background.
- **Inclusive Hiring Guidelines:** Recruiters are trained to apply bias-free evaluation criteria, with diverse panels used for senior-level selections.
- **Remuneration Equity Protocols:** Annual audits benchmark pay across gender and role categories, with corrective actions mandated for any disparities.

- **Unbiased promotion procedure:** Glochem follows a systematic and merit-based promotion process to ensure fairness and equal opportunity across all departments. Heads of Departments (HODs) and promotion panel members are trained on equal opportunity principles to actively prevent discrimination during the evaluation and decision-making stages.



Awareness training program on Discrimination and harassment

Glochem maintains a zero-tolerance stance on workplace discrimination and harassment, reinforced through mandatory training programs that promote awareness, accountability,

and respectful conduct. All employees, including contract staff and senior leadership, undergo structured training modules during onboarding and at regular intervals thereafter. These sessions cover key topics such as identifying discriminatory behavior, understanding unconscious bias, recognizing harassment in verbal, physical, and digital forms, and applying bystander intervention techniques.

Training is delivered through a blended format—interactive workshops, scenario-based e-learning, and policy walkthroughs—ensuring accessibility across roles and locations. Specialized modules are provided for managers and team leads, focusing on grievance handling, legal obligations under the POSH Act (Prevention of Sexual Harassment), and inclusive leadership practices. In FY2025, 100% of employees completed antidiscrimination and harassment training.

Glochem also conducts periodic refresher courses and anonymous pulse surveys to assess cultural climate and training effectiveness. All sessions are tracked through the internal HRMS platform, with completion linked to performance reviews and compliance audits. These initiatives reflect Glochem's commitment to ethical governance, employee wellbeing, and ESG-aligned workplace integrity.

Preventive Measures Against Workplace Harassment

Glochem Industries upholds a workplace culture rooted in dignity, respect, and zero tolerance for harassment. Beyond grievance mechanisms and training programs, the company has implemented a robust 53 framework of preventive actions to monitor, mitigate, and eliminate harassment risks across all operational levels.

Institutional Safeguards

1. Standardized Role-Based Compensation Structure

- Established under internal governance policy with cross-functional and gender-diverse representation.
- Meets quarterly to review incident trends, policy adherence, and cultural climate.
- Oversees awareness campaigns and recommends systemic improvements.



2. Internal Monitoring & Audit Protocols

- Annual audits of harassment-related incidents, resolutions, and policy compliance.
- Anonymous employee surveys conducted biannually to assess psychological safety and inclusivity.
- Dashboard metrics tracked via HRMS, including incident frequency, resolution timelines, and committee actions.

3. Open Dialogue & Culture Building

- Monthly "Grievance committee" forums encouraging anonymous sharing and peer-led discussions.

- Leadership-led town halls reinforcing behavioral expectations and ethical standards.
- DEI campaigns integrated with harassment prevention themes and storytelling.

4. Policy Integration & Visibility

- Anti-harassment clauses embedded in employee contracts, vendor agreements, and onboarding kits.
- Visual policy posters displayed in common areas; digital reminders circulated via HRMS.
- Mandatory policy acknowledgment during onboarding and annual refreshers.

Inclusive employment organisation

Glochem Industries is committed to creating a barrier-free workplace where employees with disabilities can thrive, contribute meaningfully, and feel valued. The company's inclusion strategy is embedded in its HR policies, infrastructure design, and cultural engagement programs.

Key Inclusion Actions

1. Accessible Infrastructure

- Office spaces designed with universal access: ramps, tactile signage, accessible restrooms.
- HRMS and internal platforms optimized for accessibility compliance.

2. Inclusive Hiring & Onboarding

- Job postings include inclusive language and encourage applications from persons with disabilities.
- Interview formats adapted to accommodate diverse needs (e.g., sign language interpreters, extended time).
- Onboarding kits include accessibility resources and peer support contacts.

3. ESG Committee

- Cross-functional team that reviews accessibility gaps, policy updates, and employee feedback.
- Annual inclusion audits and quarterly progress reviews.
- Committee includes representation from employees with lived experience.

4. Awareness & Sensitization Programs

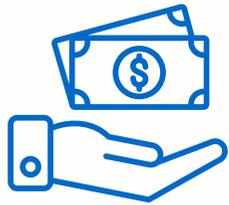
- Annual Disability Inclusion Week featuring guest speakers, workshops, and storytelling sessions.
- Manager training on inclusive leadership and reasonable accommodations.
- Internal campaigns to challenge stigma and promote allyship.

5. Career Development & Support

- Mentorship programs tailored for employees with disabilities
- Inclusive performance review frameworks that recognize diverse contributions.
- Participation in external disability employment networks and benchmarking initiatives.

Equal Remuneration

Glochem Industries upholds the principle of equal remuneration for equal work as a cornerstone of its ethical employment practices. The company's remuneration framework is designed to ensure that employees performing similar roles under comparable conditions receive equitable compensation, regardless of gender, age, or background.



a) Ratio of basic salary in India

Category	Female	Male	% of Difference
Top management	-	84773	1
Middle Management	25883	34046	76%
Executive team	16805	20638	81%
Overall difference	42,688	139,457	31%

Key Measures Implemented

1. Standardized Role-Based Compensation Structure

- All job roles are mapped to a transparent compensation grid based on skill level, responsibility, and experience—not personal attributes.
- Role descriptions and pay bands are reviewed annually to ensure consistency and fairness across departments.

2. Annual Pay Equity Audits

- Independent internal audits are conducted to compare salaries across gender and employee categories.

- In FY2025, Glochem achieved a 31% difference women and men in equivalent roles, with corrective adjustments made where discrepancies were identified.

3. Inclusive Promotion and Appraisal Systems

- Performance reviews and promotion decisions are based on documented KRAs and competency frameworks.
- Review panels are trained to identify and mitigate unconscious bias during appraisal cycles.

b) Ratio of remuneration in India

Category	Female	Male	% of Difference
Top management	-	174,178	0%
Middle Management	53,283	71,397	75%
Executive team	34,921	46,864	75%
Overall difference	88,204	292,439	30%

4. Policy Integration and Legal Compliance

- Glochem's Equal opportunity Policy is embedded in the Employee Handbook and aligned with the Equal Remuneration Act, 1976 and Article 39(d) of the Indian Constitution.
- All employment contracts include clauses affirming non-discrimination in pay and benefits.

5. Employee Awareness and Feedback Channels

- Annual town halls and HR-led sessions educate employees on their rights to equal pay.



Product Quality & Safety

Glochem Industries Pvt. Ltd. is committed to delivering high-quality products that ensure the health and safety of customers while maintaining strict regulatory compliance. Product safety and quality form the foundation of the company's operations, guided by its ISO 9001:2015 certified quality management system and structured risk-based approaches. From raw material procurement to manufacturing, packaging, and distribution, Glochem implements rigorous quality controls, Good Manufacturing Practices (GMP), and standardized operating procedures to minimize the risk of defects, contamination, or deviations. Finished products undergo thorough testing using validated analytical methods to verify compliance with both regulatory requirements and internal safety standards, ensuring reliability and safety for end-users.

Targets

Achieve zero product recall





Community Engagement & CSR

Corporate governance at Glochem serves as the guiding framework for ethical decision-making and operational efficiency. Our governance framework is designed to ensure full compliance with all applicable industry laws, regulations, and standards. Through well-defined structures and policies, we foster accountability, transparency, and ethical decision-making at every level of the organization. Our approach is guided by core values of integrity, fairness, and honesty, supported by robust systems for risk oversight, compliance, and open communication. These principles form the foundation of our commitment to responsible and sustainable business practices.

Our Programs

- Slum Education Project – Akshaya Vidya
- Mid-Day Meal Programme – Akshaya Patra Foundation
- Artisan Empowerment Initiative – The Handloom Future Trust
- Disaster Management Support – Smart Andhra Pradesh Foundation
- Inclusive Education for Slum Communities – Akshaya Vidya



Slum Education Project – Akshaya Vidya

Date of Support: 04 May 2024
Contribution Amount: ₹1,00,000

Glochem is proud to support Akshaya Vidya's Slum Education Project, which provides evening learning centres (AVLCs) for children living in underserved communities in Hyderabad. These centres offer:

- Academic and Remedial Support to help children stay in school and improve learning outcomes
- Skill Development Sessions that foster critical thinking and personal growth
- Health, Hygiene, and Social Awareness programs for children and their families
- Empowerment and Confidence Building to reduce dropout rates and nurture future potential



Our contribution enabled the establishment and operation of an AVLC, allowing children from slum communities to attend daily evening classes, receive tutoring, and participate in developmental activities. While the exact number of children impacted is being assessed, the initiative continues to make a meaningful difference in promoting education and empowerment.

Mid-Day Meal Programme – Akshaya Patra Foundation

Date of Support: 17 August 2024
Contribution Amount: ₹3,00,000

Glochem is proud to support the Akshaya Patra Foundation's school-meal initiative, implemented in partnership with the Government of India's PM POSHAN scheme. This large-scale programme delivers daily nutritious mid-day meals to children in government and government-aided schools, helping to:

- Combat Classroom Hunger and improve focus, attendance, and retention
- Address Malnutrition in socio-economically challenged communities
- Promote Learning Readiness and educational continuity
- Advance the Vision that no child should be deprived of education due to hunger



Our contribution helps scale this impactful programme, which has already served millions of meals across India. By combining nutrition and education, this initiative creates a powerful foundation for long-term social change.

Artisan Empowerment Initiative – The Handloom Future Trust

Date of Support: 26 March 2025
Contribution Amount: ₹5,00,000

Glochem is proud to support The Handloom Future Trust, an organization dedicated to preserving India's rich handloom heritage while empowering artisan communities. Our contribution helps advance:



- Artisan Welfare and Livelihood Creation through access to resources, training, and market opportunities
- Craft Sustainability and Heritage Preservation by promoting traditional weaving practices

- Rural and Underprivileged Community Support in alignment with CSR priorities under Schedule VII of the Companies Act
- Inclusive Growth and Cultural Continuity by strengthening the handloom sector's social and economic fabric



This initiative reflects our commitment to sustainable development and cultural preservation, ensuring that traditional crafts continue to thrive while supporting the artisans who keep them alive.

Disaster Management Support – Smart Andhra Pradesh Foundation

Date of Support: 13 September 2024
Contribution Amount: ₹3,00,000

Glochem contributed ₹3,00,000 to the Smart Andhra Pradesh Foundation under the CSR thematic area of disaster management, in alignment with the state's Chief Minister's Relief Fund framework. This support enables:

- Disaster-Relief Operations and Emergency Response across vulnerable regions
- Preparedness and Resilience Building to strengthen community response capacity
- Rehabilitation and Infrastructure Restoration for affected areas
- Livelihood Recovery and Resource Support for impacted families



This initiative reflects our commitment to community welfare and sustainable recovery, helping Andhra Pradesh build resilience against natural calamities and ensuring timely support for those in need.

Inclusive Education for Slum Communities – Akshaya Vidya

Date of Support: 26 March 2025

Contribution Amount: ₹2,00,000

As part of Glochem's sustained commitment to inclusive education and community upliftment, we extended a grant of ₹2,00,000 to Akshaya Vidya, an organization dedicated to transforming the lives of children living in urban slum communities across Hyderabad and surrounding areas.

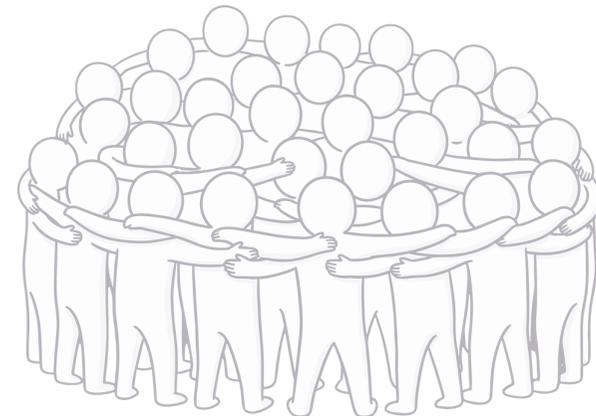


This contribution supports the expansion and enhancement of Akshaya Vidya Learning Centres (AVLCs), which serve as safe, nurturing spaces where children receive:

- Academic Support and Remedial Teaching to bridge learning gaps and improve school performance
- Skill Development and Life Skills Training to foster independence, creativity, and critical thinking
- Holistic Development Opportunities, including exposure to arts, values education, and personal growth
- Health, Hygiene, and Social Awareness to promote well-being within families and communities
- Dropout Prevention and Educational Continuity, especially for children facing socio-economic challenges

By enabling Akshaya Vidya to scale its reach and improve infrastructure, this initiative directly contributes to the UN Sustainable Development Goals (SDGs), particularly in the areas of Quality Education (SDG 4), Reduced Inequalities (SDG 10), and Good Health and Well-being (SDG 3).

Glochem believes that education is the cornerstone of empowerment. Through this partnership, we aim to ensure that every child—regardless of background—has the opportunity to learn, grow, and thrive in a supportive environment.





Governance

Corporate governance at Glochem serves as the guiding framework for ethical decision-making and operational efficiency.

Our governance framework is designed to ensure full compliance with all applicable industry laws, regulations, and standards. Through well-defined structures and policies, we foster accountability, transparency, and ethical decision-making at every level of the organization. Our approach is guided by core values of integrity, fairness, and honesty, supported by robust systems for risk oversight, compliance, and open communication. These principles form the foundation of our commitment to responsible and sustainable business practices.

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Governance Structure

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Board Committees for Effective Governance

To ensure focused oversight and timely resolution of key matters, the Board of Glochem has established five specialized committees, each with clearly defined roles and responsibilities. These committees support the Board in discharging its duties more efficiently and effectively across various areas of governance. Members of each committee are appointed by the Board, with due consent from the respective directors. The key committees of the Board include

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- ESG and CSR Committee
- Stakeholders Relationship Committee

Board of Directors

Corporate governance is guided by our values and directly monitored by the Glochem Board of Directors along with the senior executive leadership. We have an accomplished Board of Directors who demand the highest level of governance. The Board is entrusted with the responsibility of ensuring compliance with all relevant financial, operational, and labor laws.

They play a critical role in promoting transparent decision-making and effective oversight of management. We maintain full transparency regarding the board's composition, structure, and independence, upholding the highest standards of corporate accountability and governance.

Name	Qualification	Position	Experience
Mr. Chandra Kumar Verma	Post Graduate in Diploma in Marketing & Operations	Managing Director	19 years
Mr. Amish Vyas	Engineering & MBA	Non - Executive Director	30+ years
Mr. Sandeep Umesh Chandra Arora	Post Graduate	Non - Executive Director	30+ years
Mr. Suresh Raman	AMIE Mechanical Engineering	Non - Executive Director	30+ years
Mr. Rama Krishna Narni	Post Graduate (M.Sc)	Executive Director	30+ years

Nomination and Selection of Board Members

- Selection based on industry experience, ethical standards, and diversity criteria Nominations reviewed by the Governance & Ethics Committee
- Conflicts of Interest
- All board members are required to disclose conflicts annually; no conflicts reported this year

Role of the Board of Directors:



1 Strategic Oversight and Direction



The Board is responsible for setting the overall direction of the organization, including approving the company's purpose, values, and mission statements. ESG and sustainability considerations are integrated into strategic decision-making to ensure long term value creation for stakeholders.

2 Policy Approval and Governance Framework



The Board reviews and approves key policies related to ESG, including climate action, corporate social responsibility, ethics, gender diversity and inclusion, health and safety, and environmental stewardship.

3 Monitoring and Accountability



The Board regularly monitors the implementation of ESG strategies and the progress toward sustainability goals. This includes reviewing reports and performance metrics, ensuring accountability across all levels of the organization.

4 Risk Management



ESG-related risks, including those related to climate change, regulatory compliance, and stakeholder expectations, are evaluated and managed at the Board level as part of the enterprise risk management framework. The Board of Directors at Glochem serves as the highest governing body, consisting of five members, including non-executive non-independent and independent directors. The Board meets at least four times on quarterly basis to review significant developments impacting the company, to discuss strategic decisions, and to act on matters requiring Board approval.



Business Ethics

Glochem is committed to conducting its business with the highest standards of integrity, transparency, and ethical responsibility. The company believes that ethical practices are the foundation of sustainable growth, stakeholder trust, and long-term value creation. Its approach to business ethics encompasses corporate governance, compliance with laws and regulations, anti-bribery and anti-corruption measures, and a culture of accountability across all levels of the organization.

Targets

Zero confirmed incidents
fo business code of
conduct reported



Ethical Code of Conduct

Glochem's Ethical Code of Conduct serves as the foundation for its corporate integrity and responsible business practices. It applies to all employees, directors, contractors, and third-party partners, and is built around the following core principles:

1 Integrity & Transparency

All stakeholders are expected to act with honesty, fairness, and transparency in every business interaction. Misrepresentation, fraud, and manipulation of data are strictly prohibited.

2 Compliance with Laws

Glochem complies with all applicable laws, including anti-bribery (ISO 37001), anti-competitive behavior (GRI 206), labor rights, environmental regulations, and industry-specific standards such as the Drugs & Cosmetics Act, 1940.

3 Conflict of Interest

Employees must avoid situations where personal interests conflict with the company's interests. Any potential conflict must be disclosed to the Ethics & Compliance Committee.

4 Anti-Bribery & Anti-Corruption

The company enforces a zero-tolerance policy toward bribery and corruption, supported by its ISO 37001-certified Anti-Bribery Management System. All gifts, hospitality, and donations are governed by strict internal policies and approval thresholds.

5 Fair Competition

Glochem promotes fair market practices and prohibits collusion, price-fixing, and abuse of market dominance. Contracts are reviewed to ensure compliance with competition laws.

6 Confidentiality & Data Protection

Employees are required to safeguard proprietary information, intellectual property, and personal data of customers and partners. Unauthorized disclosure is subject to disciplinary action.

7 Whistleblower Protection

Glochem encourages reporting of unethical behavior through anonymous channels and guarantees protection against retaliation. All reports are investigated confidentially and impartially.

8 Accountability & Continuous Improvement

Violations of the Code are subject to disciplinary action, including termination and legal proceedings. The Code is reviewed annually and updated to reflect evolving legal and ethical standards.

Anti-Corruption

Policy Commitment & Ethical Culture

Glochem enforces a zero-tolerance policy toward bribery and corruption, formalized through its ISO 37001-certified Anti-Bribery Management System (ABMS). This policy applies to all employees, contractors, suppliers, and third-party intermediaries. It prohibits:

- Offering or accepting bribes, kickbacks, or facilitation payments
- Political contributions intended to gain undue advantage
- Indirect bribery through agents or consultants

The policy is embedded in Glochem's Code of Ethics, which is reviewed annually and signed by all employees and vendors.

Gift Policy

Glochem stakeholders requires to follow defined guidelines before giving gifts: for non-government recipients, gifts up to INR 2,000 per person annually via centralized procurement require standard expense approvals, while direct departmental spending is limited to INR 1,000; for government or public officials, only modest, occasion-appropriate items (e.g. sweets, flowers, branded stationery) are permitted, with mandatory pre-approval via a gift declaration form if values exceed INR 1,000 (direct spend) or INR 2,000 (centralized).

Internal stakeholders are discouraged from accepting gifts, and any non-customary items must be reported to their manager. All gifts and entertainment must be properly documented, centrally procured, and must not violate legal or ethical standards, especially in interactions with government officials or their associates.

Leadership & Governance

Board Oversight

The Audit & Compliance Committee of the Board provides strategic oversight of anti-corruption efforts.

Executive Accountability

The Chief Ethics & Compliance Officer (CECO) is responsible for implementing the ABMS, conducting risk assessments, and reporting incidents.

Tone from the Top

Senior leadership actively promotes a culture of integrity through regular communications, ethics town halls, and inclusion of anti-bribery metrics in performance reviews.

Systemic Controls & ISO 37001 Integration

Glochem's ABMS is structured around ISO 37001 principles:

Risk-Based Approach : Corruption risk assessments are conducted annually across all business units, including procurement, regulatory affairs, and international trade.

Due Diligence : All third parties undergo integrity screening and contractual compliance clauses.

Financial Controls : Dual-authorization for payments, audit trails for high-risk transactions, and segregation of duties in procurement.

Monitoring & Audits : Internal audits are conducted quarterly, and external ISO 37001 surveillance audits are performed annually.

No Incident of corruption have been reported



Reporting & Whistleblower Protection

Channels : Stakeholder can through the ethics email. (whistleblower@glochemindia.com)

Protection : Glochem Industries Ltd. is firmly committed to protecting whistleblowers as a cornerstone of its ethical governance framework.

In alignment with ISO 37001 standards, the company ensures that all individuals who report suspected bribery or corruption—whether employees, contractors, or external stakeholders—are safeguarded against retaliation, discrimination, or harassment. Every allegation is investigated with strict confidentiality and impartiality. Glochem's Non-Retaliation Policy guarantees that whistleblowers are supported throughout the process, reinforcing a culture of transparency, accountability, and trust.

Response Protocol : All reports are investigated within 10 business days, with findings escalated to the Chief Financial Officer and Audit Committee.

Training & Awareness

Mandatory Training : All employees receive annual anti-bribery training, with specialized modules for high-risk roles.

Third-Party Education : Vendors and contractors are briefed on Glochem's ABMS during onboarding.

Ethical Decision-Making : Scenario-based workshops and e-learning modules help employees navigate complex ethical dilemmas.



Continuous Improvement

Feedback Loops : Post-incident reviews and employee surveys inform policy updates.

Technology Integration : AI-based transaction monitoring and red-flag detection systems are being piloted.

Global Benchmarking : Glochem benchmarks its ABMS against peers and updates its practices to reflect evolving global standards.

GRI 205-1 – Operations Assessed for Corruption-Related Risks

Indicator	FY-23	FY-24	FY-25
Operations assessed for corruption-related risks (%)	100%	100%	100%
Corruption risk reassessments conducted (Nos.)	1	2	3
Business units with active anti-corruption controls (%)	100%	100%	100%

GRI 205-2 – Communication and Training on Anti-Corruption Policies

Indicator	FY-23	FY-24	FY-25
Employees trained on anti-corruption policies (%)	100%	100%	100%
Management-level employees trained (%)	100%	100%	100%
Third-party vendors screened for corruption risks (%)	70%	82%	100%



GRI 205-3 – Confirmed Incidents of Corruption and Actions Taken

Indicator	FY-23	FY-24	FY-25
Confirmed incidents of corruption	0	0	0
Whistleblower cases reported (ethics-related)	0	0	0
Disciplinary actions taken for unethical practices	0	0	0
Legal actions related to corruption	0	0	0



Enterprise Risk Management

Glochem adopts a proactive and integrated Enterprise Risk Management (ERM) framework to identify, assess, and mitigate risks that could impact its strategic objectives, operational continuity, regulatory compliance, and stakeholder trust. Operating in the highly regulated pharmaceutical sector, Glochem recognizes that risk management is not just a compliance function—but a strategic enabler of resilience, innovation, and sustainable growth.



Embedding ESG into Risk Management

Glochem's ERM framework is evolving to include ESG risks as core components of its enterprise-wide risk inventory. This means environmental disruptions (e.g. climate-related supply chain risks), social concerns (e.g. labor practices, community impact), and governance exposures (e.g. corruption, data privacy) are assessed alongside traditional financial and operational risks. ESG risk categories are now embedded into Glochem's risk taxonomy, ensuring visibility at every level of decision-making.



Double Materiality Assessments

Glochem evaluates ESG risks based on both their financial impact and societal relevance.

Environmental: Regulatory changes related to emissions, energy use, and water consumption; physical risks due to climate variability; and transition risks in shifting toward low-carbon operations.

Social: Talent acquisition and retention, employee wellbeing, community engagement, and ethical supply chain practices.

Governance: Data privacy and cybersecurity, business ethics, regulatory compliance, and board-level ESG oversight.

These risks are scored for likelihood and impact, and mapped into the company's risk heat maps and dashboards.

Scenario-Based Planning

Glochem incorporates ESG scenario modeling into strategic planning. Climate risk pathways (e.g. 1.5°C) are used to simulate long-term disruptions to raw material availability, regulatory shifts, and reputational exposure. Social risks like community unrest or supply chain labor violations are also modeled to test business continuity.

Governance & Oversight

The Risk Management Committee and ESG Task Force jointly oversee ESG risk integration. Regular updates are presented to the Board, and ESG risks are included in internal audit scopes and compliance reviews. Training programs ensure that risk owners across departments understand ESG implications and mitigation strategies.

Continuous Improvement

Glochem is piloting AI-based ESG risk detection tools, expanding third-party ESG audits, and aligning disclosures with global frameworks like TCFD, GRI, and ISSB. This positions the company to meet investor expectations, regulatory demands, and stakeholder trust.

Would you like to build this into a full ESG risk register or visualize it with a dashboard layout? I can help you take it further.



Short-Term (0-3 years)

- Regulatory risks including compliance costs from climate-related disclosure
- Extended producer responsibility (EPR) norms.
- Increasing customer demand for Scope 3 data and low-carbon products

Mid-Term (0-10 years)

- Operational disruptions from extreme weather events like floods and heatwaves.
- Energy price fluctuations and emerging carbon pricing policies.

Long-Term (>10 years)

- Business opportunities through green chemistry, low-carbon manufacturing, and circular solutions
- Resource-related risks including water stress and rising average temperatures.

Risk Review Framework



Board of Director



- Oversees overall risk management
- Provides strategic direction on risk mitigation
- Reviews high-priority risks
- Ensures sustainability of operations

Management Committee



- Reviews and approves key updates to the ERM framework annually
- Ensures high-impact risks managed
- CFO acts as Risk Officer coordinating ERM

Suppliers and Contractors



- Executes the ERM framework across Aragen
- Conducts quarterly reviews of risks, including ESG-related risks
- Provides guidance and support to risk owners

Risk Owners



- Designated in each department
- Identify and assess risk
- Propose mitigation plans
- Implement actions and report to the Executive Committee

Risk & Opportunities

Category	Type	Risk Description	Opportunity Description	Time Horizon	Potential Impact	Glochem's Strategic Response
Physical						
	Acute (Short-term)	Flooding and extreme weather disrupting plant and logistics	-	Short to Medium	Risk: Operational downtime and asset damage	Flood-proofing, drainage upgrades, insurance
	Chronic (Long-term)	Rising temperatures increasing cooling demand and worker heat stress	Adoption of energy-efficient cooling technologies	Medium to Long	Risk: Increased costs and health risks	HVAC upgrades, heat mitigation protocols
	Chronic	Water scarcity affecting production processes	Water recycling and rainwater harvesting	Medium to Long	Risk: Water shortages and compliance risks	Water reuse systems, efficient water management
Transition						
	Regulatory	Carbon pricing, stricter climate-related regulations	Early compliance to new regulations	Medium	Risk: Increased costs	Internal carbon accounting, regulatory engagement
	Market	Customers requiring low-carbon products and Scope 3 data	Differentiation through green APIs and transparent carbon footprinting	Short to Medium	Risk: Loss of market share	PCF studies, supplier collaboration
	Technology	Need to upgrade to energy-efficient or low-carbon technologies	Deployment of innovative clean technologies	Medium to Long	Risk: Capital investment	Strategic CAPEX, pilot projects

Risk & Opportunities

Category	Type	Risk Description	Opportunity Description	Time Horizon	Potential Impact	Glochem's Strategic Response
	Reputation	Negative perception if ESG progress is insufficient	Strengthened brand and investor trust through transparency	Short to Medium	Risk: Reputational damage	ESG disclosures, third-party audits
Opportunities						
	Resource Efficiency	-	Reduced energy, water, and waste costs	Short to Medium	Opportunity: Cost savings and emission reductions	Energy audits, lean processes
	Green Products	-	Market demand for sustainable APIs and green chemistry	Medium	Opportunity: Increased sales and market access	R&D in eco-friendly products
	Renewable Energy	-	On-site solar, green power purchase agreements	Medium to Long	Opportunity: Energy cost stabilization and emissions cut	Renewable energy projects
	Sustainable Finance	-	Access to green loans and ESG-linked finance	Medium	Opportunity: Improved financing terms	Engagement with financial institutions
	Circular Economy	-	Waste reduction and material reuse initiatives	Medium	Opportunity: Cost savings and environmental benefits	Waste valorization, circular production





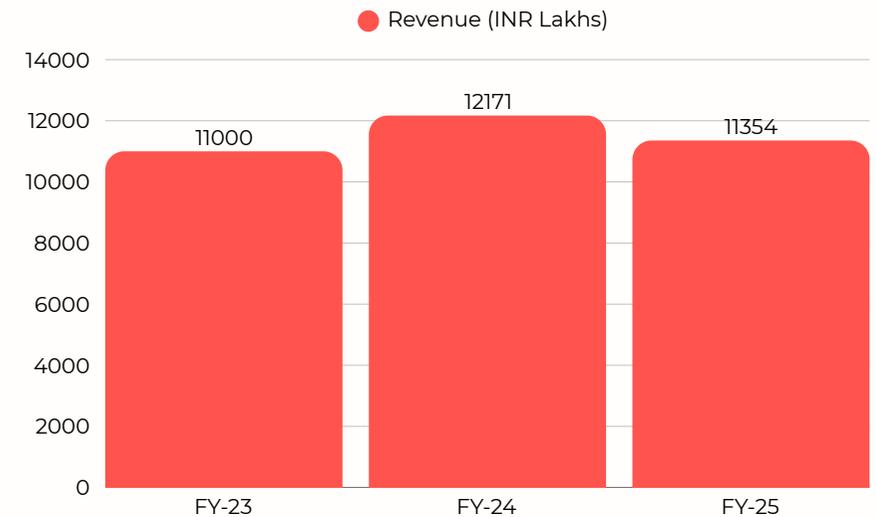
Climate-Related Financial Risks and Mitigation Strategy

We at Glochem understand that climate change brings physical and regulatory risks that could impact financial performance. Extreme weather events and shifting climate patterns may disrupt our infrastructure and supply chains, while evolving regulations around carbon emissions could increase operational costs.

To address these challenges, we are actively evaluating the financial impact of climate-related risks, including potential increases in capital and energy costs. In response, our Sustainability team is working closely with internal stakeholders to develop robust mitigation strategies. We are also exploring alignment with the Task Force on Climate related Financial Disclosures (TCFD) to strengthen our risk management framework and enhance transparency. As part of this effort, we are investing in a climate risk financial disclosure system, targeted for pilot roll out by FY28. These proactive steps reflect our commitment to building long-term resilience and supporting sustainable decision-making across the organization.

Economic Performance

At Glochem, our commitment to economic resilience is anchored in responsible and ethical business practices. We strive to create long-term value by consistently driving innovation and contributing to improved livelihoods. Our economic performance is closely monitored and reported in full compliance with applicable regulations, and our financial activities are independently audited to uphold transparency and accountability



Expenses

Components	Value (INR Lakhs)
Cost of materials consumed	4,009
Purchases of stock-in-trade	280
Changes in inventories of finished goods and work-in-progress	8
Employee benefits expense	2,050
Finance costs	293
Depreciation and amortisation expense	361
Other expenses	2,135

Financial Implications and Risks / Opportunities Due to Climate Change

Climate change presents both operational risks and strategic opportunities. Key risks include water scarcity affecting process stability, rising energy costs, and regulatory shifts around emissions

In response, Glochem has :

- Reduced water consumption by 18% through recycling and zero-liquid discharge systems
- Initiated Scope 1 and Scope 2 emissions tracking aligned with TCFD and SBTi frameworks
- Budgeted ₹1.2 Cr for climate adaptation technologies in FY 2025–26

Employee Financial Wellbeing

Glochem acknowledges that financial security plays a vital role in supporting overall wellbeing. To support this, we offer our employees a comprehensive range of benefits tailored to local market practices and industry standards. These include access to expert tax and financial planning services, company cars, and insurance benefits. By providing these additional benefits, we aim to enhance the economic security of our employees, helping them navigate their financial landscapes, make informed decisions, and optimize their financial strategies. This approach ensures our workforce is empowered to achieve both financial stability and personal goals.

Glochem ensures full compliance with statutory retirement and social security schemes. All eligible employees are enrolled in provident fund and gratuity programs, with contributions managed through audited financial systems. We also offer voluntary pension planning workshops and financial literacy sessions to support long-term employee well-being. Defined contribution plans The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme.

The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Short-term employee benefits Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees in the Statement of Profit and Loss.





Defined benefits plan The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. Actuarial gains and losses arising during the year are immediately recognised in the statement of profit and loss.

Compensated absences Compensated absences, which is a long-term employee benefit, is accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses arising during the year are immediately recognised in the Statement of Profit and Loss.

Benefit Type	Level of Participation	% Salary Contribution by Employer	% Salary Contribution by Employee
Provident Fund	Mandatory	3.67%	12.00%
Pension	Mandatory	8.33%	0.00%
Voluntary provident fund	Voluntary	0.00%	0.00%
Gratuity	Mandatory	4.81%	0.00%
ESI	Mandatory	3.25%	0.75%

Financial Assistance Received from Government

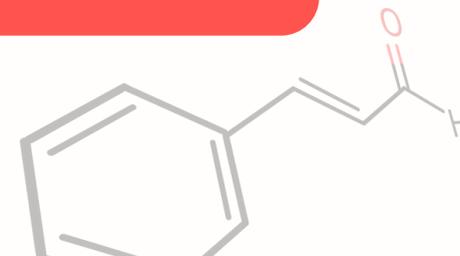
Glochem did not receive significant financial assistance from government entities during the reporting period. Minor incentives under the MSME energy efficiency scheme (₹0.8 Cr) were utilized for process upgrades and are disclosed in our audited financial statements.

Data Privacy and Security

Glochem Industries Private Limited places a high priority on the protection of sensitive information, recognizing that robust data privacy and security protocols are essential to maintaining stakeholder trust and ensuring operational resilience. The organization has implemented a comprehensive Information Security Management System (ISMS) in accordance with the ISO/IEC 27001 standard, which governs the confidentiality, integrity, and availability of data across all business functions. This certification reflects Glochem's commitment to international best practices in information governance and risk management, reinforcing its position as a responsible and forward-thinking organization in the pharmaceutical sector.

Targets

Achieve zero confirmed information security incidents



To safeguard digital infrastructure, Glochem employs multi-layered security controls that include advanced firewalls, end-to-end encryption, secure authentication protocols, and periodic vulnerability assessments. Access to systems and data is strictly role-based, ensuring that only authorized personnel can retrieve or modify sensitive information. In addition, the company conducts regular cybersecurity training for employees, covering topics such as phishing awareness, responsible data handling, and incident reporting procedures. These efforts foster a culture of accountability and vigilance, reducing the likelihood of human error and enhancing overall system resilience.

In alignment with **GRI 418: Customer Privacy**, Glochem actively monitors and documents any substantiated complaints or incidents related to data breaches, privacy violations, or unauthorized disclosures. As of the latest reporting period, the company has not recorded any instances of data loss, theft, or regulatory non-compliance, reflecting the effectiveness of its preventive controls and incident response mechanisms. A formal escalation protocol is in place to address any potential threats swiftly and transparently, ensuring that stakeholders are informed and protected in the event of a breach.



Glochem's proactive approach to data governance supports its broader ESG objectives by embedding ethical practices into operational systems and stakeholder engagement. The integration of ISO 27001 standards into daily operations not only enhances regulatory compliance but also strengthens the company's reputation for integrity and transparency. By prioritizing digital resilience and responsible data stewardship, Glochem contributes meaningfully to Sustainable Development Goals such as SDG 9 (Industry, Innovation and Infrastructure) and SDG 16 (Peace, Justice and Strong Institutions), reinforcing its role as a trusted leader in sustainable pharmaceutical manufacturing.

Digitalization



At Glochem, digitalization is at the heart of our transformation journey towards sustainable and efficient pharmaceutical manufacturing. Our operations are powered by advanced SCADA systems for real-time monitoring of utilities and emissions, and HMI-based batch monitoring, which ensures precise control, traceability, and compliance with cGMP standards. In quality management, the adoption of Laboratory Information Management Systems (LIMS) has automated testing workflows, strengthened data integrity, and reduced batch release timelines. Our ERP platform seamlessly integrates procurement, inventory, production planning, and logistics, providing complete end-to-end visibility across the value chain.

To further embed sustainability into decision-making, Glochem has deployed ESG Mitraa, a digital platform for tracking and managing ESG data, and Carbon Lens software, which calculates Scope 1, 2, and 3 greenhouse gas emissions in line with global reporting standards. These tools not only improve the accuracy and efficiency of ESG reporting but also enable us to measure product carbon footprints and identify emission hotspots. Through this digital ecosystem, Glochem is building a smart, resilient, and transparent factory environment that enhances compliance, reduces risk, and delivers long-term value to stakeholders.

TAXATION



Glochem's tax strategy is guided by principles of integrity, compliance, and alignment with national and international regulations. We do not engage in aggressive tax planning or artificial profit shifting. Our tax policy is reviewed annually by senior leadership and is integrated with our ESG governance framework. Tax decisions are made in consideration of economic substance, regulatory clarity, and stakeholder expectations.

- Tax strategy approved by the Board and reviewed by the Finance & Compliance Committee
- No operations in low-tax jurisdictions or tax havens
- Alignment with OECD guidelines and Indian tax regulations

Tax Governance, Control, and Risk Management

Tax governance is embedded within our financial control systems. The CFO and Head of Compliance oversee tax-related risks, supported by internal

audits and external statutory reviews. We maintain robust documentation, timely filings, and proactive engagement with tax authorities.

Tax Approach

Key features of the management approach include:

Compliance & Transparency :

Glochem strictly complies with applicable tax laws in all operating jurisdictions. The company maintains transparency through detailed disclosures in its annual reports and sustainability communications.

Integration with Business &

Sustainability Goals : Glochem strictly complies with applicable tax laws in all operating jurisdictions. The company maintains transparency through detailed disclosures in its annual reports and sustainability communications.

Metric	Value (INR Lakhs)
Total Tax Paid (Direct + Indirect)	554
Tax Penalties or Fines	0
Tax-related Audit Observations	0

Governance & Oversight : The Board of Directors oversees the tax strategy, with direct accountability assigned to the Chief Financial Officer (CFO). A dedicated Audit Committee conducts quarterly reviews alongside a global audit firm to ensure compliance and mitigate tax-related risks.

Risk Management : Tax risks are proactively identified, assessed, and managed through regular internal audits and external reviews. Internal policies and staff training programs ensure consistent adherence to tax governance standards.

Stakeholder Engagement : Glochem promotes open communication with stakeholders and publishes transparent tax disclosures. Mechanisms such as a whistleblower policy, ombudsman access, and functional committees allow employees and stakeholders to report concerns confidentially.



Sustainable Supply Chain Management

Glochem Industries recognizes that its supply chain is a critical extension of its sustainability commitments, influencing environmental performance, ethical labor practices, and stakeholder trust. The company has adopted a responsible sourcing strategy that prioritizes transparency, traceability, and long-term supplier partnerships. By engaging vendors who align with its environmental and social values, Glochem ensures that sustainability is embedded not only within its operations but across its entire value chain. This approach supports the principles outlined in GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment, reinforcing the company's dedication to responsible procurement.

Targets

Ensure 100% of key suppliers have completed the supplier ESG assessment by 2026



To minimize environmental impact, Glochem evaluates suppliers based on their resource efficiency, emissions control, and waste management practices. Preference is given to partners who demonstrate compliance with ISO standards, adopt circular economy principles, and actively pursue decarbonization targets. The company also encourages suppliers to disclose their sustainability metrics and participate in joint improvement initiatives. These efforts contribute to reducing Scope 3 emissions and align with global climate goals, including the Paris Agreement and SDG 12 (Responsible Consumption and Production).

On the social front, Glochem conducts periodic assessments of supplier labor practices, workplace safety, and human rights compliance. Vendors are expected to uphold fair wages, non-discrimination policies, and grievance redressal mechanisms. Contracts include clauses on ethical conduct, anti-corruption, and adherence to national labor laws. In cases where gaps are identified, Glochem provides capacity-building support and monitors corrective actions, fostering a culture of continuous improvement across its supplier network. By integrating sustainability criteria into procurement decisions, Glochem transforms its supply chain into a strategic lever for ESG performance.

This proactive stance not only mitigates operational risks but also enhances resilience, stakeholder confidence, and long-term value creation. The company's commitment to sustainable supply chain management reflects its broader ESG vision—one that balances profitability with purpose and positions Glochem as a responsible leader in pharmaceutical manufacturing.

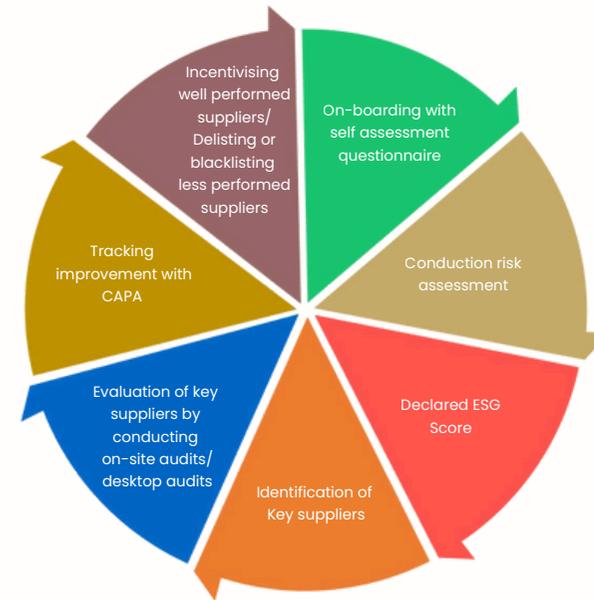
Glochem Industries has implemented a structured, seven-step framework to evaluate, onboard, and continuously improve supplier performance across environmental, social, and governance (ESG) dimensions. This process ensures that suppliers not only meet operational requirements but also align with Glochem's sustainability values and compliance expectations.

Onboarding with Self-Assessment Questionnaire

New suppliers are required to complete a detailed self-assessment covering environmental practices, labor standards, business ethics, and regulatory compliance.

Tracking Improvement with CAPA

Suppliers with identified gaps are issued Corrective and Preventive Action (CAPA) plans. Progress is tracked through follow-ups, documentation reviews, and re-audits where necessary.



Conducting Risk Assessment

Suppliers are evaluated for potential risks including environmental violations, human rights concerns, and financial instability. This step informs audit prioritization and mitigation planning.

Declared ESG Score

Each supplier is assigned an ESG score based on self-assessment responses, certifications, and historical performance. This score guides engagement intensity and improvement planning.

Identification of Key Suppliers

The process begins with mapping and prioritizing suppliers based on strategic importance, spend volume, risk exposure, and ESG relevance.

Evaluation via On-Site or Desktop Audits

Key suppliers undergo formal audits—either on-site or remote—to validate ESG claims, assess compliance, and identify gaps. Findings are documented and shared transparently.

Incentivizing or Delisting Based on Performance

Suppliers demonstrating strong ESG performance may be prioritized for long-term contracts or incentives. Conversely, suppliers failing to meet minimum standards may be delisted or blacklisted to protect Glochem's compliance and reputation.

ESG KPI Dashboard

S.No		Unit	FY-23	FY-24	FY-25
ENVIRONMENT					
1	Total energy consumption	GJ	53,909	60,708	57,781
2	Total renewable energy consumption	GJ	0	0	0
3	Total water consumption	KL	21,355	27,023	27,161
4	Total amount of water recycled and reused	KL	11,531	11,771	12,251
5	Total weight of hazardous waste	MT	664.69	680.89	713.2
6	Total weight of non-hazardous waste	MT	54.34	59.66	59.22
7	Total weight of waste recovered	MT	649.53	0	0
8	Total gross Scope 1 GHG emissions	T CO2e	820	755	646
9	Total gross Scope 2 GHG emissions	T CO2e	2913	2824	2803
10	Total gross Scope 3 GHG emissions	T CO2e	-	-	5025
11	Total gross Scope 3 Downstream GHG emissions	T CO2e	-	-	1,589
12	Total gross Scope 3 Upstream GHG emissions	T CO2e	-	-	3,434
13	Total weight of air pollutants	MT	36	25	32

S.No		Unit	FY-23	FY-24	FY-25
SOCIAL					
14	Number of days lost to work-related injuries, fatalities and ill health	No	0	0	0
15	Number of work-related accidents	No	0	0	0
16	Percentage of direct employees covered by a living wage benchmarking analysis	%	100	100	100
17	Percentage of direct employees paid below living wage	%	0	0	0
18	Percentage of all employees paid below living wage, including direct employees and non-employee workers	%	0	0	0
19	Percentage of average wage gap for direct employees paid below living wage against a living wage benchmark	%	0	0	0
20	Percentage of workers from minority groups and/or vulnerable workers employed in relation to the whole organization	%	0	0	0
21	Percentage of workers from minority groups and/or vulnerable workers in top executive positions (excluding boards of directors)	%	0%	0%	0%
22	Percentage of women employed in relation to the whole organization	%	7%	9%	9%
23	Percentage of women employed in executive positions (excluding boards of directors)	%	0%	0%	0%
24	Percentage of women within the organization's board	%	25%	25%	0%
25	% of eligible employees underwent annual performance management review	%	100%	100%	100%
26	Average unadjusted gender pay gap	%	28%	29%	30%
27	Employees undergo periodic medical examination at company cost	%	100%	100%	100%

S.No		Unit	FY-23	FY-24	FY-25
28	Lost time injury (LTI) frequency rate for direct workforce	Nos	0	0	0
29	Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees		01:15	01:15	01:10
30	Average hours of training per employee		26	31	33
GOVERNANCE					
31	Percentage of employees trained on business ethics	%	100%	100%	100%
32	Number of reports related to whistleblower procedure	Nos	0	0	0
33	Number of confirmed corruption incidents	Nos	0	0	0
34	Number of confirmed information security incidents	Nos	0	0	0
SUPPLY CHAIN MANAGEMENT					
35	Percentage of targeted suppliers who have signed the supplier code of conduct	%	0	0	100%
36	Percentage of targeted suppliers with contracts that include clauses on environmental, labour, and human rights requirements	%	0	100%	100%
37	Percentage or number of targeted suppliers covered by a sustainability assessment	%	0	100%	100%
38	Percentage or number of targeted suppliers covered by a sustainability on-site audit	No	2	4	3
39	Percentage or number of all buyers who received training on sustainable procurement	%	0	100%	100%
40	Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building	%	100%	100%	100%

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Independent Assurance Statement:

Introduction:

CETIZION Verifica Private Ltd, (CV, We) has been entrusted by the management of Glochem Industries Private Limited. (Glochem, the Company), to conduct independent “Limited” assurance of ESG Report, titled: ESG Report 2024-25 (the Report). All contractual contents for this assurance engagement rest entirely within the responsibility of Glochem. Our task was to give a fair and adequate judgment on the Glochem ESG Report.

The intended users of this assurance statement are stakeholders having relevance to the Glochem overall ESG performance and impacts of its business activities during financial year 2024-25 (April 2024 ~ March 2025).

CETIZION Verifica is a global service provider of ESG and Corporate Sustainability Services, licensed Assurance provider by Accountability AA1000, accredited Aluminium Stewardship Initiative (ASI) audit provider, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Climate Change, GHG verification, Climate Change, Biodiversity, Human and Labor Rights, Supply Chain Due-diligence and Stakeholder Consultation. We have maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

Assurance Standard:

The Independent Assurance was carried out in accordance with Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”) and with the International Standard on Assurance Engagements 3410 “Assurance Engagements on Greenhouse Gas Statements” (“ISAE 3410”).



To achieve “Limited” assurance, ISAE 3000 and ISAE 3410 requires that we review the processes, systems and competencies used to compile the subject matter, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls.

Scope & Level of Assurance:

Our assurance engagement covers the following:

Glochem ESG performance and according to disclosure on management approach (DMAs) covering Environment, Social and Governance (ESG) disclosures. The report covers Glochem operations in IDA Bollaram, Medak (dist), Telangana, India. The scope and boundary of the report cover corporate functions and one manufacturing facility in the Hyderabad, India.

Limitation:

The assurance engagement was carried through virtual meetings, presentations made and focussed group discussions held with Glochem employees from corporate functions and one manufacturing facilities. We have not observed any significant situations to limit our assurance activity. The verification was carried out based on the data and information provided by Glochem , assuming they are complete and true. We did not verify the reported financial data as same is verified by another third party.

Assurance Methodology:

CETIZION Verifica has challenged the report contents and assess the process undertaken by Glochem from source to aggregate in disclosure of information/data related to their sustainability performance. Our judgment is based on the objective review of reported information as per criteria defined under Assurance standards.



Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents in light of contractual agreement and the factual Glochem ESG strategy & framework as mentioned in the report and available on company website. Our work included consultation with over 15 numbers of Glochem representatives including ESG team, senior management and responsible employees. The consultations with external stakeholders were not carried out. The approach deemed to be appropriate for the purpose of assurance of the report since all data therein could be verified through original proofs, verified database entries.

The Assurance was performed by our multidisciplinary team of experienced professionals in the field of Corporate Sustainability, Environment, Climate Change, GHG, Human & Labor Rights, Supply Chain Due-diligence and Stakeholder consultation. We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below and based on the content of our contract.

CETIZION Verifica has verified the below-mentioned GRI disclosures given in the Report:

S.No	Disclosure	Description	Disclosed
1	Disclosure 2-1	Organizational details	Yes
2	Disclosure 2-2	Entities included in the organization's sustainability reporting	Yes
3	Disclosure 2-3	Reporting period, frequency and contact point	Yes
4	Disclosure 2-4	Restatements of information	Yes



5	Disclosure 2-5	External assurance	Yes
6	Disclosure 2-6	Activities, value chain and other business relationships	Yes
7	Disclosure 2-7	Employees	Yes
8	Disclosure 2-8	Workers who are not employees	Yes
9	Disclosure 2-9	Governance structure and composition	Yes
10	Disclosure 2-10	Nomination and selection of the highest governance body	Yes
11	Disclosure 2-11	Chair of the highest governance body	Yes
12	Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	Yes
13	Disclosure 2-13	Delegation of responsibility for managing impacts	Yes
14	Disclosure 2-14	Role of the highest governance body in sustainability reporting	Yes
15	Disclosure 2-15	Conflicts of interest	Yes
16	Disclosure 2-16	Communication of critical concerns	Yes
17	Disclosure 2-17	Collective knowledge of the highest governance body	Yes
18	Disclosure 2-18	Evaluation of the performance of the highest governance body	Yes



19	Disclosure 2-19	Remuneration policies	Yes
20	Disclosure 2-20	Process to determine remuneration	Yes
21	Disclosure 2-21	Annual total compensation ratio	Yes
22	Disclosure 2-22	Statement on sustainable development strategy	Yes
23	Disclosure 2-23	Policy commitments	Yes
24	Disclosure 2-24	Embedding policy commitments	Yes
25	Disclosure 2-25	Processes to remediate negative impacts	Yes
26	Disclosure 2-26	Mechanisms for seeking advice and raising concerns	Yes
27	Disclosure 2-27	Compliance with laws and regulations	Yes
28	Disclosure 2-28	Membership associations	Yes
29	Disclosure 2-29	Approach to stakeholder engagement	Yes
30	Disclosure 2-30	Collective bargaining agreements	Yes
31	Disclosure 3-1	Process to determine material topic	Yes
32	Disclosure 3-2	List of Material topic	Yes
33	Disclosure 3-3	Management of Material topics	Yes



34	GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	Yes
		201-2: Financial implications and other risks and opportunities due to climate change.	Yes
		201-3: Defined benefit plan obligations and other retirement plans	Yes
		201-4: Financial assistance received from government	Yes
35	GRI 203: Indirect Economic Impact 2016	203-1: Infrastructure investments and services supported	Yes
		203-1: Infrastructure investments and services supported	Yes
		203-2: Significant indirect economic impacts	Yes
36	GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	Yes
		205-2: Communication and training about anti-corruption policies and procedures	Yes
		205-3: Confirmed incidents of corruption and actions taken	Yes
37	GRI 302: Energy 2016	302-1: Energy consumption within the organization	Yes
		302-2: Energy consumption outside of the organization	Yes



		302-3: Energy intensity	Yes
		302-4: Reduction of energy consumption	Yes
38	GRI 303: Water and Effluents 2018	303-1: Interactions with water as a shared resource	Yes
		303-2: Management of water discharge-related impacts	Yes
		303-4: Water discharge	Yes
		303-5: Water consumption	Yes
39	GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG Emissions	Yes
		305-2: Energy Indirect (Scope 2) GHG Emissions	Yes
		305-3: Other Indirect (Scope 3) GHG Emissions	Yes
		305-4: GHG Emissions Intensity	Yes
		305-5: Reduction of GHG Emissions	Yes
		305-6: Emissions of ozone-depleting substances (ODS)	Yes
		305-7: Nitrogen Oxides, Sulfur Oxides and Other Significant Air Emissions	Yes



40	GRI 306: Effluents and Waste 2016	306-1: Waste generation and significant waste-related impacts	Yes
		306-2: Management of significant waste-related impacts	Yes
		306-3: Waste generated	Yes
		306-4: Waste diverted from disposal	Yes
41	GRI 308: Supplier Environment Assessment 2016	308-1: New suppliers that were screened using environmental criteria	Yes
		308-2: Negative environmental impacts in the supply chain and actions taken	Yes
42	GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Yes
		401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes
		401-3: Parental leave	Yes
43	GRI 402: Labor/ Management Relations 2016	402-1: Minimum notice periods regarding operational changes	Yes



44	GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	Yes
		403-2: Hazard identification, risk assessment, and incident investigation	Yes
		403-3: Occupational health services	Yes
		403-4: Worker participation, consultation, and communication on occupational health and safety	Yes
		403-5: Worker training on occupational health and safety	Yes
		403-6: Promotion of worker health	Yes
		403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Yes
		403-8: Workers covered by an occupational health and safety management system	Yes
		403-9: Work-related injuries	Yes
45	GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Yes
		404-2: Programs for upgrading employee skills and transition assistance programs	Yes



		404-3: Percentage of employees receiving regular performance and career development reviews	Yes
46	GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	Yes
47	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Yes
48	GRI 410: Security Practices 2016	410-1: Security personnel trained in human rights policies or procedures	Yes
49	GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	Yes
		414-2: Negative social impacts in the supply chain and actions taken	Yes
50	GRI 415: Public Policy 2016	415-1: Political Contributions	Yes
51	GRI 416: Customer Health and Safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	Yes
		416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Yes
52	GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Yes



Conclusion:

Based on our Limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the selected KPIs for the period financial year 2024-25 (April 2024 ~ March 2025) has not been prepared, in all material respects, in accordance with the "Basis for Reporting" as appropriate.

The Report includes statements and claims that reflects Glochem achievements and challenges supported by documentary evidence and internal records.

The performance data we found in the report are collected, stored, and analyzed in a systematic and professional manner and were plausible.

CETIZION Verifica shall not bear any liability or responsibility to a third party for perception and decision about Glochem based on this Limited Assurance Statement.

For CETIZION Verifica Private Limited

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E ENVIRONMENTAL	S SOCIAL	G GOVERNANCE
 This examines the company's impact on the environment, including carbon footprint and resource usage.	 This examines a company's relationships with its employees, customers, suppliers, and the communities.	 This assesses the company's leadership, executive pay, internal controls, and shareholder rights.