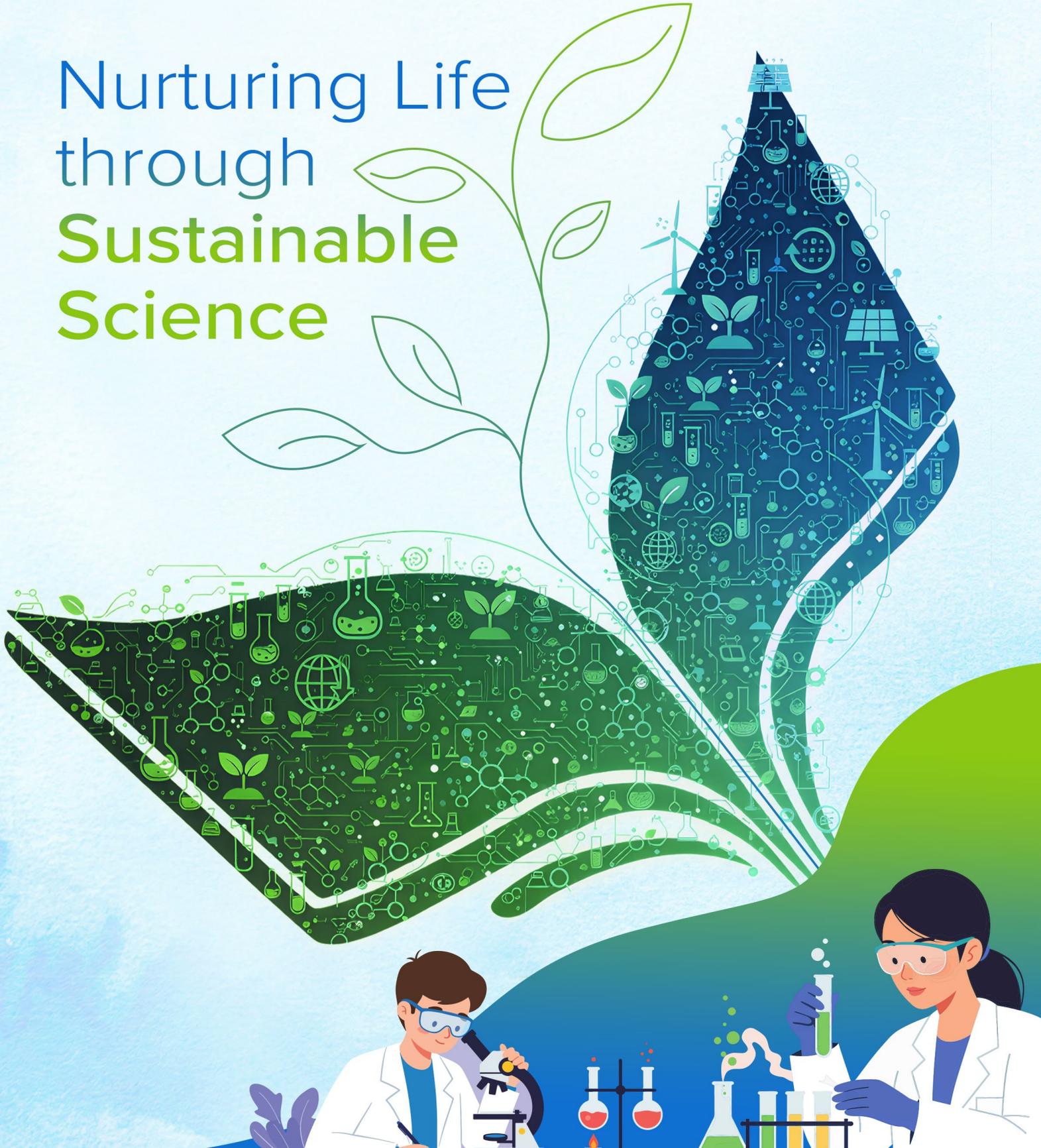


# Nurturing Life through Sustainable Science



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# About the Report

We are thrilled to unveil our first annual ESG Report for FY 2024-25, showcasing the advancements in our Environmental, Social, and Governance (ESG) commitments and initiatives. This report stands as a beacon of our ongoing enhancement in performance across multiple key areas.

### Reporting Principles

This Report is formulated with reference to the Global Reporting Initiative (GRI) Universal Standards 2021 Framework. The Report also aligns with the United Nation’s Sustainable Development Goals (SDGs).

### Scope and Boundary

The Report details the ESG performance from April 1, 2024, to March 31, 2025<sup>1</sup>. The presented data encapsulates the company’s core values of excellence, professionalism, and integrity, guiding our ESG strategy. This

report encompasses all campuses and manufacturing facilities situated in Hyderabad<sup>2</sup>, India, within this period.

### Responsibility and Forward-looking Statements

Additionally, this report includes forward-looking statements rooted in assumptions about future growth. These statements face a range of risks and uncertainties, as the forecasting methods might not be entirely reliable. They cover facts, figures, business strategies, and future goals, without incorporating data from previous analyses. Readers are cautioned not to overly depend on these forward-looking statements, since

numerous factors could result in substantial differences between the assumptions, actual future results, and events as compared to those described in the statements.

### Contact Information

We welcome all feedback and perspectives on this Report, as they help us enhance our reporting and operations. We invite you to share your thoughts and insights about our performance or report by emailing us at [sustainability@chemvedals.com](mailto:sustainability@chemvedals.com)<sup>3</sup>.



<sup>1</sup> GRI 2-3  
<sup>2</sup> GRI 2-2  
<sup>3</sup> GRI 2-3

# About Chemveda Life Sciences

Chemveda Life Sciences is a premier Contract Research, Development and Manufacturing Organisation (CRDMO). We are committed to becoming a global partner to pharmaceutical, biotechnology, agrochemical, cosmeceutical companies,

academia, and other sectors of life sciences, in reaching their R&D objectives. Our team of adept chemists and manufacturing specialists is well equipped to help our partners achieve their vision<sup>4</sup>.

Since our establishment in 2008 by Dr. Bheema Rao Paraselli, we

have developed into a thriving entity with over 600 employees, complemented by our facilities and technology divisions based in Hyderabad, India. We also have a lab presence in San Diego as well as a sales office in Boston in the United States.



# Our Value, Vision and Mission

At Chemveda, people are the core of our operations. Our commitment to advanced infrastructure, processes, and equipment ensures that we provide specific solutions to our partners.

Our scientific team is guided by some of the industry's

leading experts, allowing us to deliver solutions that contribute to innovation. As a reliable CRDMO, we place a high priority on protecting our partner's intellectual property, nurturing long-term, transparent, and mutually advantageous relationships.

Our aim extends beyond enhancing our scientific and human capabilities; we strive to create lasting value for our clients, shareholders, and society.



## Vision

We strive to deliver intellectually customised, and cost competitive solutions at the forefront of innovation, and our collective experiences. Our existing and upcoming collabourations draw strength from our core fundamentals of safety and compliance, integrity, quality, and on-time delivery.



## Mission

To establish Chemveda as a globally recognised and credible partner of choice to the life sciences industry by maintaining our uncompromising principles of customer centricity, inclusivity, and innovative and sustainable solutions as we continue growing.

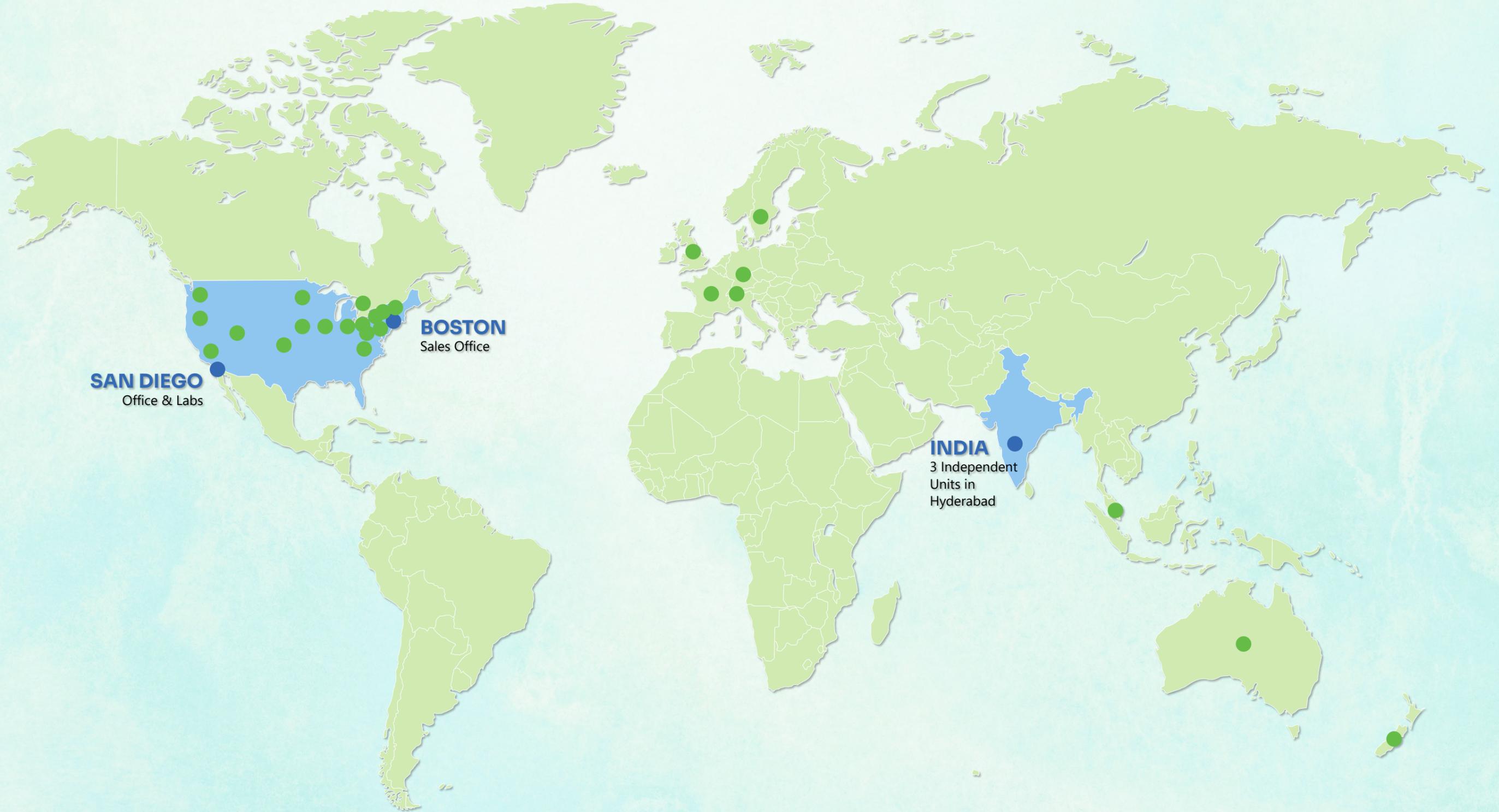
**15+**  
Years of Delivering Value

**40%**  
of our Clients returning for repeat collabourations in the past Five Years

**450+**  
Scientists (PhD:MS 1:5)  
No BS Chemist

**3+**  
Independent Scale - Specific Units

# Our Geographical Spread



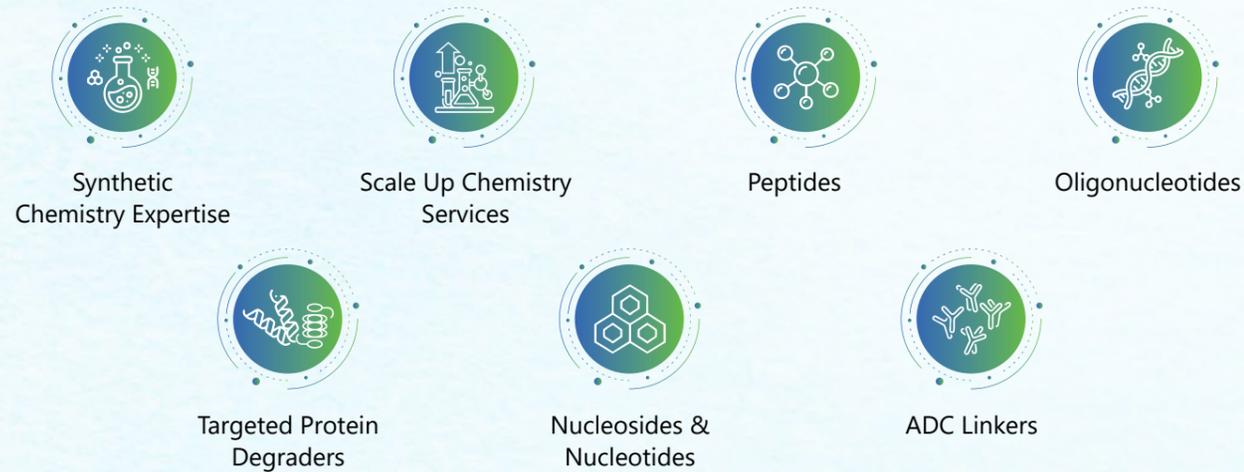
● Offices    ● Reach

# Our Comprehensive Chemistry Solutions and Capabilities<sup>5</sup>

We leverage our scientific and technological capabilities to offer comprehensive chemistry assistance to our partners. We specialise in areas ranging from large-scale customised development of drug substances, essential intermediates, and starting materials to various other chemical categories.

## Discovery Chemistry Services

At Chemveda Life Sciences, we focus on offering high-quality Discovery Chemistry services, customised to fulfil the varied requirements of our clients. Our seasoned chemists and modern facilities ensure that we deliver creative and dependable solutions for your most demanding scientific endeavours.

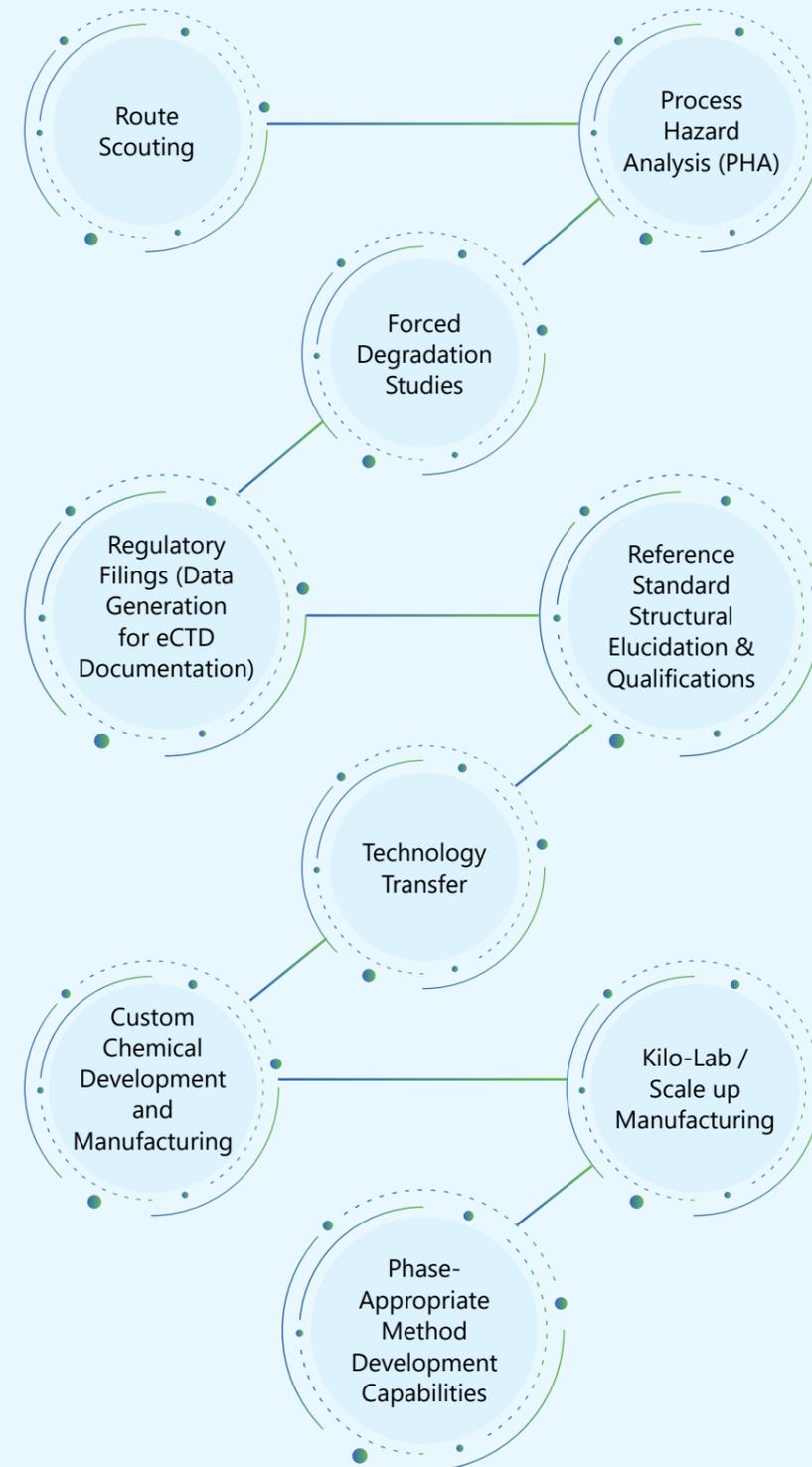


<sup>5</sup> GRI 2-6

## Development Services

We offer extensive Process R&D and Manufacturing Services, facilitating smooth transitions from route scouting to scalable production.

### Process Research & Development



## Manufacturing Services

As an international CRDMO partner, we provide specialised support for smooth transitions from the Discovery chemistry phase to early tox, GLP tox, and scale-up, minimising potential delays. Following process development and optimisation in PR&D Laboratories, the Technology Transfer Team, under the leadership of DQA, transfers the technology to the manufacturing team. We offer a comprehensive range of manufacturing services, from producing a few kilos to multi-ton GMP manufacturing of Key Starting Materials (KSM) and Regulatory Starting Materials (RSM), along with advanced intermediates and APIs.

- Phase-Appropriate Method Development Capabilities
- Large Scale Purifications
- Method Validations and Verifications
- Impurity Characterisation and Specification Justification
- Forced Degradation Studies
- Quality Management System

# Message from CEO

## Dear Stakeholders

It is with great pride that I present Chemveda Life Sciences' first Sustainability Report, a significant milestone in our journey towards responsible and future-ready business practices.

Innovation has always been at the heart of what we do, and as we expand our scientific capabilities and global partnerships, we recognise the need to align our business practices with the expectations of a rapidly evolving world. This report reflects our commitment to embedding sustainability as a core element of our strategy, ensuring and reaffirming our dedication to creating long-term value for our clients, employees, communities, and the environment.

Guided by our first stakeholder-driven materiality assessment, we have identified the ESG priorities most relevant to our business and stakeholders. This marks the beginning of a journey toward greater transparency, accountability, and impact.

Our journey towards sustainability begins with the environment. We have taken meaningful steps to reduce our footprint by optimising energy use, minimising waste, and improving water efficiency. By embedding green chemistry principles and adopting advanced technologies like Electro Flow Chemistry, we are making our processes safer, cleaner, and more efficient.

Our people are at the heart of everything we do. We have strengthened our workplace culture through policies that promote fairness, inclusion, and respect. We continue to invest in health and safety, learning

opportunities, and diversity initiatives, while supporting communities through education and well-being programmes under our CSR framework. The workplace Inclusion and Respect Policy and Human Rights Policy formalise our commitment to dignity, equality, and non-discrimination across all operations.

***The introduction of our Sustainable Procurement Policy, alongside the Supplier Code of Conduct, marks a significant transition towards global best practices. By integrating ESG criteria into supplier selection, we aim to ensure that every partnership reflects our values of integrity, transparency, and environmental stewardship.***

Beyond our people, we are building resilience and responsibility into our supply chain. The introduction of our Sustainable Procurement Policy, alongside the Supplier Code of Conduct, marks a significant transition towards global best practices. By integrating ESG criteria into supplier selection, we aim to ensure that every partnership reflects our values of integrity, transparency, and environmental stewardship.

From a governance perspective, we uphold the highest standards of ethics and compliance. We have reinforced our compliance systems, strengthened data security, and upheld a zero-tolerance approach to bribery and corruption.

We recognise that sustainability requires more than quick wins or statements of intent. It demands continuous improvement, honest reflection, and collaboration - and we are prepared to make that effort. This report reflects our first steps towards meaningful change and sets the foundation for continuous improvement. As we move forward, our focus will be on steady, meaningful progress. We aim to strengthen our practices, learn from experience, and work closely with our stakeholders to embed sustainability into our everyday decisions.

Warm regards,

**Dr. Bheema Rao Paraselli**

President & CEO



# Sustainability Strategy

Integrating materiality assessment into our Sustainability Strategy

At Chemveda, we specialise in delivering complex chemistry solutions that help our clients achieve their R&D milestones,

efficiently saving time and cost while maintaining the highest quality standards<sup>6</sup>.

We recently conducted our first materiality assessment to lay the foundation for our Environmental,

Social and Governance (ESG) Strategy. The 18 material issues identified are further distilled into 9 thematic areas as illustrated below:



Corporate Governance, Ethics and Integrity



Product Quality, Assurance and Safety



Human Capital Development



Risk Management



CSR and Social Responsibility



Occupational Health and Safety



Sustainable Supply Chain



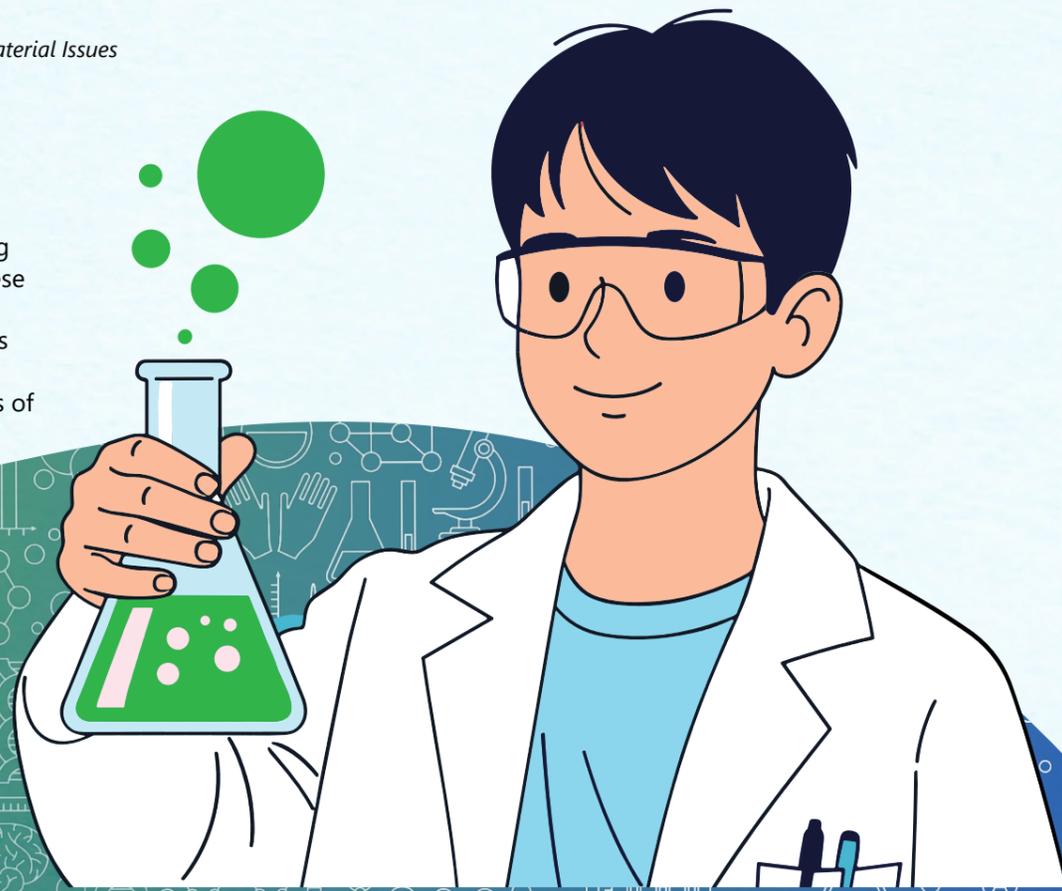
Climate Action



Environmental Management

Figure 1: Thematic Areas of Key Material Issues

Our sustainability strategy is grounded in the principles of environmental stewardship, social responsibility, and strong governance. By integrating these pillars, we seek to create long-term value for our stakeholders while promoting sustainable development across all aspects of our operations.



<sup>6</sup> GRI 2-22



## Environmental Stewardship

At the core of our organisational strategy lies a comprehensive commitment to Environment, Health, and Safety (EHS). We prioritise minimising our environmental impact by actively reducing emissions and waste, ensuring compliance with all applicable environmental laws and regulations. To maintain transparency and

accountability, we routinely report our emissions, waste generation, pollution metrics, and water consumption to relevant authorities in accordance with local requirements.

Recognising the importance of resource efficiency, we are undertaking significant upgrades to our facilities

designed to enhance sustainability and operational effectiveness. These initiatives include the optimisation of energy consumption, adoption of green chemistry practices, waste minimisation programmes, as well as investments in advanced air pollution control systems.



## Social Responsibility

We recognise our obligation to contribute positively to society and have embedded this commitment through focused Corporate Social Responsibility (CSR) initiatives aimed at enhancing community well-being. Our approach to partnerships is grounded in fostering long-term relationships based on excellence, integrity, and transparency.

Ensuring the health, safety, and equality of our workforce remains a top priority. Accordingly, we are dedicated to creating a safe and inclusive workplace environment where all employees can thrive.

As an organisation committed to responsible and ethical operations, we strengthen data security and process integrity by implementing

comprehensive cybersecurity measures.

Our commitment extends beyond internal operations to our extensive supply chain, which includes over 1,400 suppliers worldwide. We expect our suppliers to uphold the same high standards and ethical & social commitments that we maintain.



## Governance

Strong governance forms the foundation for the sustainable and ethical management of our business. Our governance framework is characterised by accountability, ethical leadership, and an unwavering

commitment to compliance with all relevant laws and regulatory requirements.

To safeguard operational continuity and resilience, we proactively identify, assess, and

mitigate risks. This disciplined approach enables us to adapt to evolving challenges while sustaining our commitment to sustainable practices and stakeholder trust.

## Based on the Key Thematic Areas identified during the Materiality Assessment, we have developed a Comprehensive Strategy to address our Key Material Issues and Priority Areas -

**STIR: Safety & Care, Transparency, Innovation & Cost Efficiency, and Responsibility, a Catalytic Framework that accelerates Sustainable Chemistry.**

STIR stands as an inspiring compass, thoughtfully guiding our journey from exemplary Laboratory practices toward enduring stewardship of our Planet..

**Safety and Care** anchor every aspect of our work. Our rigorous EHS systems, safer-by-design chemistry to ensure 'Zero Harm', closed loop handling, and community health programmes collectively safeguard our people, surrounding ecosystems, and value chain partners.

**Transparency** commits us to consistent and credible disclosure. We are strengthening our data validation systems, supplier ESG screening, and stakeholder engagement mechanisms to ensure that our progress can be measured, verified, and improved over time.

**Innovation and Cost Efficiency** drive greener process development, solvent and material substitution, energy and water use optimisation, and digital process analytics. These efforts aim to enhance both environmental performance and operational resilience.

**Responsibility** embeds governance, ethical procurement, and social value creation so that our growth is resilient, compliant, and inclusive.

Together, STIR forms an integrated, measurable framework for our sustainability strategy with KPIs, board oversight and phased implementation, to ensure responsibility is built into how we innovate and grow our business.

<p><b>Safety and Care</b></p> <p>Objective: Protect employees, partners, communities, and the environment through best-in-class EHS systems.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Obtain ISO 14001 and ISO 45001 certifications.</li> <li>Strengthen Laboratory safety culture: Mandatory safety training, hazard-based SOPs real time incident reporting and near miss analysis.</li> <li>Chemical risk reduction: Substitution hierarchy, safer solvent selection, closed loop handling, and engineered controls for emissions.</li> <li>Community and worker welfare programs: health screenings, emergency response drills, and equitable Personal Protective Equipment (PPE) access.</li> </ul>	<p><b>Transparency</b></p> <p>Objective: Build trust through accurate, timely disclosure and data integrity across R&amp;D and supply chains.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Adopt sustainability reporting aligned with GRI metrics relevant to CRDMOs and publish annual ESG highlights and progress</li> <li>Data integrity and cybersecurity: Implement ISO 27001 controls, validated ELNs, secure access controls, and audit trails for research and client data.</li> <li>Supply chain visibility: Supplier ESG onboarding, tiered risk assessments for 1,400+ vendors, and public summary of supplier performance.</li> <li>Open incident communication protocol: Rapid internal escalation and stakeholder notification processes.</li> </ul>	<p><b>Innovation and Cost Efficiency</b></p> <p>Objective: Deliver greener, faster, and affordable chemistry that reduces footprint while accelerating client timelines.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Green chemistry program: Screening for solvent substitution, atom economy, yield optimisation, and process intensification by embedding green metrics into project KPIs.</li> <li>Energy and material efficiency: Process heat recovery, LED/controls, and reagent recycling pilots; pursue LEED Gold for facilities.</li> <li>Digital process optimisation: Use process analytics to shorten routes, reduce rework, and lower resource intensity per milestone.</li> <li>Circularity pilots: Solvent recovery, waste valorisation, and vendor takeback for hazardous materials.</li> </ul>	<p><b>Responsibility</b></p> <p>Objective: Ensure ethical governance, resilient supply chains, and social value creation that aligns with client, regulatory, and community expectations.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Governance and risk: Integrated risk register (quality, regulatory, climate, cyber), and annual ESG targets linked to leadership incentives.</li> <li>Responsible procurement: Mandatory clauses in contracts, corrective action for high-risk suppliers, and local supplier development for resilience.</li> <li>Community and biodiversity stewardship: CSR projects aligned to local priorities, habitat aware site planning.</li> <li>Compliance and ethics: Robust anti-bribery program, whistleblower channels, and regular compliance audits.</li> </ul>

# Stakeholder Engagement and Materiality Assessment

## Stakeholder Engagement<sup>7</sup>

Our commitment to excellence stems from our proactive stakeholder engagement strategy. We actively engage stakeholders to gather insights and diverse perspectives through both formal and informal processes.

This allows us to understand their needs and expectations, discover possible bottlenecks, and recognise emerging industrial trends.

By ensuring active engagement, we are better equipped to

understand and address environmental, socio-economic and governance challenges, while fostering trust and credibility. In 2025, we conducted our first materiality assessment, engaging both external and internal groups.

Key Stakeholders that we engage with include:

- 1. Employees:**  
 We actively engage with our employees to garner insights, feedback, and areas of improvement. Our engagement strategy ensures participation of our employees at all levels- from Senior management to middle managers and general research and support staff engaged in day-to-day operations. We take feedback on emerging risks and other operational aspects from our employees.
- 2. Clients and Customers:**  
 We actively engage with our existing and potential clients through meetings, feedback forms, and consultation to understand and evaluate their requirements and meet expectations. This process keeps us abreast of emerging industry trends and areas they would like us to focus on, helping to cultivate long-term partnerships.
- 3. Suppliers:**  
 Engagement with suppliers is essential for maintaining a consistent supply chain to ensure smooth production. We conduct periodic interactions with our suppliers to understand industry challenges and maintain transparency in our requirements. From a sustainability perspective, our inquiries to the suppliers focus on how they plan and implement sustainability practices within their organisation.
- 4. Investors:**  
 Investors are critical pillars of Chemveda. Beyond regular interactions, we connect with them to understand their priority areas, the sustainability aspects material to their investment analysis and the areas that they wish Chemveda to focus on.
- 5. Government Stakeholders:**  
 Regular engagement with government stakeholders is necessary to keep abreast with regulatory and compliance requirements for the environment, labour and other statutory matters.

<sup>7</sup> GRI 2-29

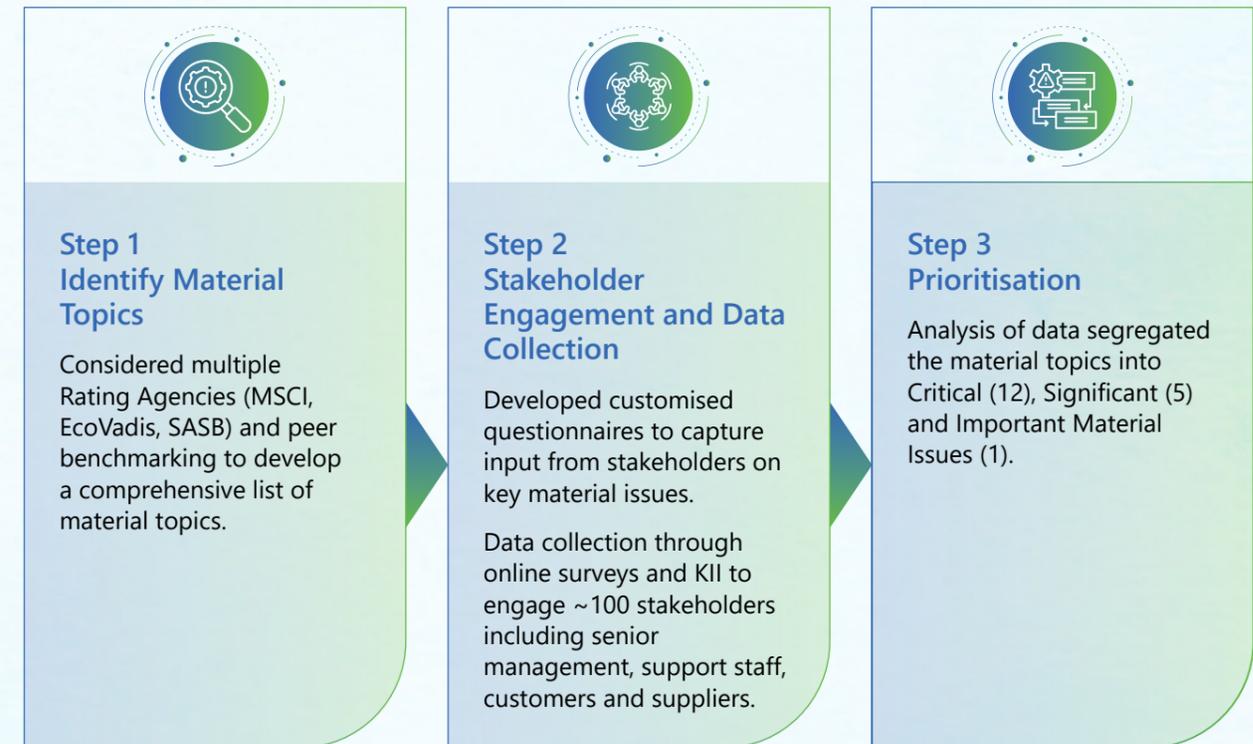
## Material Issues<sup>8</sup>

### Our Approach<sup>9</sup>

In 2025, we conducted a three-step process to identify and finalise our material issues. As the first step, we considered multiple agencies and detailed

benchmarking exercises to identify key material issues. As the next step we engaged ~100 stakeholders to gain their inputs for prioritising and validating

material topics. As the third and final step, the 18 material topics were categorised into critical, significant and material issues.



### Definitions

- Critical:** These are of the greatest importance to both internal and external stakeholders of Chemveda. An effective and externally visible management response to these aspects is vital for long-term business success. Twelve issues are deemed critical.
- Significant:** These topics are of medium to high importance to stakeholders and to Chemveda. An effective and externally visible management response to these issues should be a high priority. Five issues are deemed significant.
- Important:** Topics with low to medium importance to stakeholders and Chemveda, as these issues have limited impact on business performance. Only the issue was deemed important.

Given this was the first of its kind exercise for us, we expect the priorities and material topics to change over time as both industry practices and understanding of stakeholders will evolve with time. Therefore, we are committed to re-evaluating our material topics every 2-3 years to keep up with emerging trends.



<sup>8</sup> GRI 3-2  
<sup>9</sup> GRI 3-1

Based on stakeholder consultations and our prioritisation process, we identified 18 Material Issues, shown below. The majority relate to Governance (eight issues), while the remainder are evenly split between Environment and Social Priorities (five issues each).

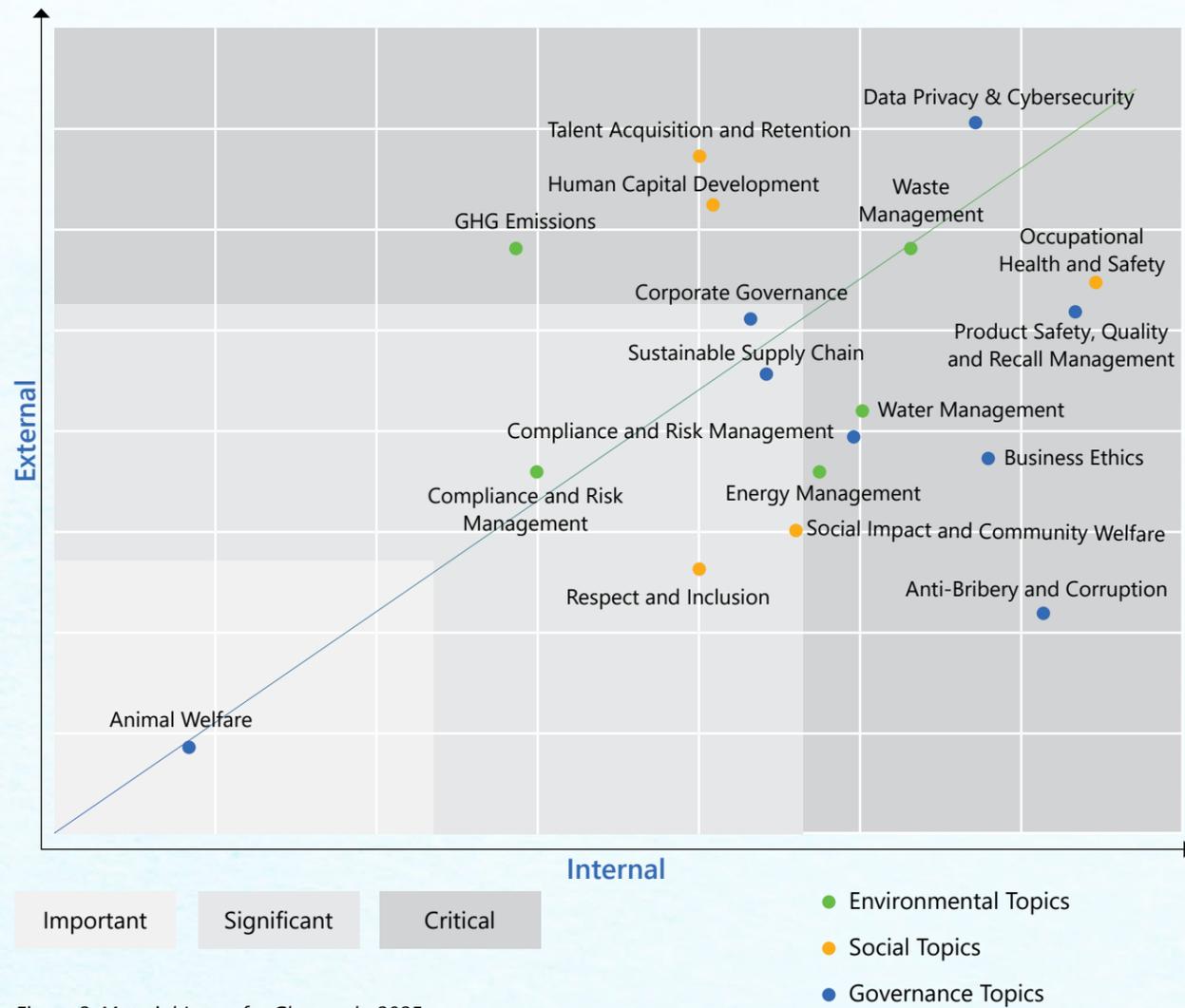


Figure 2: Material Issues for Chemveda 2025

Material Issue (ESG Classification)	Rationale for Identifying the Issue	External Driver	Potential Risks and Impact on Business	Stakeholders	Our Approach
<b>Critical Issues</b>					
<b>Data Privacy &amp; Cybersecurity</b>	Chemveda is Chemistry CRO. Clients expect robust encryption, strict access controls, and transparent incident-response protocols.	<ul style="list-style-type: none"> <li>Stricter regulations like EU General Data Protection Regulation (GDPR), India's Digital Personal Data Protection Act, etc.</li> <li>Surge in healthcare ransomware attacks</li> </ul>	<ul style="list-style-type: none"> <li>Data loss, client trust issues, and business disruption</li> </ul>	Customer, Supplier, Employees, Investors	We have robust encryption, access control and incident response mechanism in place as per GDPR, EU guidelines.
<b>Occupational Health and Safety</b>	Employees, unions, and local communities, and the government demand zero-harm work environments—rigorous safety protocols, transparent incident reporting, and regular third-party safety audits.	<ul style="list-style-type: none"> <li>Post-COVID focus on worker safety</li> </ul>	<ul style="list-style-type: none"> <li>Legal liability from workplace incidents</li> <li>Insurance premium hikes after reported incidents</li> <li>Production downtime from labour strikes triggered by unsafe conditions</li> </ul>	Employees, Customers and Investors	We strive for 'Zero Harm' and have comprehensive safety and incident response protocols in place.
<b>Product Safety and Quality</b>	Healthcare providers and patients demand consistent product quality. They look for clear safety disclosures and batch-level traceability.	<ul style="list-style-type: none"> <li>Regulatory bodies are tightening their quality and manufacturing rules because of rising global scrutiny on drug safety, data integrity</li> <li>Clients adopting stricter quality KPIs</li> </ul>	<ul style="list-style-type: none"> <li>Legal exposure from lawsuits in export markets</li> <li>Reputation risk impacting new client acquisition</li> </ul>	Employees, Suppliers and Customers	We focus on delivering quality while ensuring optimal costs and short-turnaround time
<b>Waste Management</b>	Various environmental and state regulations require proper disposal of waste, chemical, and hazardous substances.	<ul style="list-style-type: none"> <li>Rising client expectations for sustainable waste practices (zero landfill, circular economy initiatives)</li> <li>NGO and community scrutiny of pharma waste management in India (e.g., wastewater discharges, biohazard disposal)</li> </ul>	<ul style="list-style-type: none"> <li>Operational risk if non-compliance leads to regulatory action or plant shutdowns</li> <li>Reputational damage from negative media/NGO campaigns</li> <li>Opportunity to differentiate as a 'low impact' CRDMO in client ESG scorecards</li> </ul>	Employees, Customers	We have robust waste management protocols in place. Employees are also trained regularly on waste management practices. The quantity of waste generated is monitored regularly and we strive to reduce waste through efficient processes.

Material Issue (ESG Classification)	Rationale for Identifying the Issue	External Driver	Potential Risks and Impact on Business	Stakeholders	Our Approach
<b>Talent Acquisition and Retention</b> 	Talent acquisition and retention are critical for sustaining and ensuring smooth operations and consistent delivery of quality products and services. High retention signals reliability and deep domain expertise to clients.	<ul style="list-style-type: none"> <li>Global life sciences talent shortages</li> <li>India's brain-drain to developed markets</li> <li>Rising employee ESG expectations</li> </ul>	<ul style="list-style-type: none"> <li>Inability to scale manufacturing capacity due to shortage of qualified personnel</li> <li>Higher hiring/retention costs driven by global competition and demand for ESG-conscious employers</li> </ul>	Employees (middle management), Investors, Customers and Suppliers	
<b>Compliance and Risk Management</b> 	Regulatory monitor adherence to evolving standards—ISO, GMP, and ICH guidelines. Clients expect proactive risk assessments and real-time reporting on compliance changes.	<ul style="list-style-type: none"> <li>CSRD, EU Green Deal, India's SEBI BRSR Core ESG mandate</li> <li>Pharma clients asking suppliers for ESG risk reporting</li> </ul>	<ul style="list-style-type: none"> <li>Increased operational costs for compliance systems and reporting tools</li> <li>Supply disruption due to regulatory enforcement (e.g., halted exports over non-compliance with regulatory requirements)</li> </ul>	Employees, Customers and Suppliers	
<b>Human Capital Development</b> 	Human capital development through training, mentoring and capacity building exercises is expected to retain and attract top talent. Helps investors to measure firms' commitment in attracting top talent.	<ul style="list-style-type: none"> <li>Rapid shift toward AI, automation in manufacturing</li> <li>Rising client expectations on workforce skills</li> </ul>	<ul style="list-style-type: none"> <li>Productivity loss if workforce lacks new skill sets</li> <li>Missed business opportunities where clients seek CRDMOs with digitalised operations and upskilled teams</li> </ul>	Suppliers and Investors	
<b>Business Ethics</b> 	Partners and investors seek a company that adheres to fair competition, transparency, and responsible marketing. Ethical conduct underpins trust and long-term brand loyalty.	<ul style="list-style-type: none"> <li>Increased stakeholder scrutiny on ethical conduct</li> <li>Client audits for ethical sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Exclusion from RFPs if flagged on ethics (e.g., losing contracts during client ESG audits like EcoVadis)</li> <li>Brand damage affecting ability to attract global clients (media coverage on unethical practices in India can impact global partnerships)</li> </ul>	Employees and Customers	

Material Issue (ESG Classification)	Rationale for Identifying the Issue	External Driver	Potential Risks and Impact on Business	Stakeholders	Our Approach
<b>Water Management</b> 	Downstream communities and environmental regulators look for water-use efficiency, closed-loop recycling systems, and stringent effluent treatment standards.	<ul style="list-style-type: none"> <li>Groundwater extraction restrictions in water-stressed regions</li> </ul>	<ul style="list-style-type: none"> <li>Production halts due to water scarcity or NOC withdrawal</li> <li>Higher operational costs for water recycling and treatment systems</li> </ul>	Employees and Investors	We focus on conserving water and treating wastewater through authorised third party
<b>Greenhouse Gas Emissions</b> 	Investors and sustainability ratings agencies expect science-based targets, annual GHG inventories, and published roadmaps to achieve net-zero across scopes 1, 2, and 3.	<ul style="list-style-type: none"> <li>Big pharma Scope 3 reduction targets</li> </ul>	<ul style="list-style-type: none"> <li>Carbon cost liabilities (e.g., EU border tax on emissions-intensive APIs)</li> <li>Loss of contracts with clients decarbonising supply chains</li> <li>Capex to retrofit plants for energy efficiency</li> </ul>	Investors	We plan to monitor and report scope 1, 2 and 3 emissions
<b>Anti-Bribery and Corruption</b> 	Global customers and regulators require zero tolerance for any illicit practices. Strict controls and whistle-blower mechanisms protect reputation and ensure compliance with international laws.	<ul style="list-style-type: none"> <li>Heightened enforcement of FCPA, UK Bribery Act, Prevention of Corruption Act etc</li> </ul>	<ul style="list-style-type: none"> <li>Legal penalties for non-compliance</li> <li>Exclusion from big pharma tenders</li> <li>Increased costs for supplier vetting</li> </ul>	Employees and Suppliers	
<b>Energy Management</b> 	Energy-intensive operations face scrutiny from customers and regulators. Evolving industry requirements expect renewable energy sourcing, energy-efficiency benchmarks, and disclosure of consumption data.	<ul style="list-style-type: none"> <li>Volatile global energy prices</li> <li>Pressure for renewable sourcing from clients</li> </ul>	<ul style="list-style-type: none"> <li>Increased production costs from grid energy dependence</li> <li>Capex investments in solar or energy-efficient HVAC systems to remain competitive</li> <li>Reputation gains/losses tied to energy sourcing choices</li> </ul>	Employees (Senior Management) and Investors.	We have introduced measures to reduce electricity consumption and are targeting 5% year-on-year reduction in electricity consumption.

Material Issue (ESG Classification)	Rationale for Identifying the Issue	External Driver	Potential Risks and Impact on Business	Stakeholders	Our Approach
<b>Significant Issues</b>					
<b>Corporate Governance</b> 	Stakeholders demand clear board structures, independent oversight, transparent remuneration policies, and rigorous internal controls to safeguard long-term value.	<ul style="list-style-type: none"> <li>Investor focus on board diversity, ESG oversight</li> </ul>	<ul style="list-style-type: none"> <li>Reduced investor confidence leading to higher cost of capital</li> <li>Reputational impact affecting access to multinational client partnerships</li> </ul>	Employees (middle management and general staff), Customers	
<b>Sustainable Supply Chain</b> 	Clients require end-to-end visibility on raw-material origins, conflict-free sourcing, and supplier ESG performance to mitigate reputational and operational risks.	<ul style="list-style-type: none"> <li>Pharma clients requiring ESG-aligned suppliers</li> <li>India's SEBI BRSR Core value chain disclosure starting FY26</li> </ul>	<ul style="list-style-type: none"> <li>Client deselection if upstream ESG risks aren't managed (e.g., sourcing APIs from non-compliant suppliers)</li> <li>Higher costs for ESG audits and corrective action programs for suppliers</li> </ul>	Suppliers and Investors	
<b>Respect and Inclusion</b> 	Non-discriminatory and inclusive policies are pillars of employee well-being and indicators of transparency in overall work culture.	<ul style="list-style-type: none"> <li>Clients increasingly integrating non-discriminatory measures into supplier scorecards</li> <li>Investor ESG screening for workplace equity</li> </ul>	<ul style="list-style-type: none"> <li>Talent attraction challenges as younger workforce prioritises inclusive workplaces</li> <li>Loss of business in tenders where DEI performance is a procurement criterion</li> </ul>	Suppliers	
<b>Social Impact and Community Welfare</b> 	Social impact and community welfare initiatives help to strengthen brand image across stakeholders. These initiatives contribute to a participatory working relationship with local communities and stakeholders.	<ul style="list-style-type: none"> <li>Local activism around industrial impacts</li> <li>Increased NGO monitoring in India's pharma clusters</li> </ul>	<ul style="list-style-type: none"> <li>Production disruptions from protests/unrest (e.g., plant access blocked over perceived pollution)</li> <li>Reputational risks impacting client relationships globally</li> </ul>	Employees (Senior Management), Suppliers	

Material Issue (ESG Classification)	Rationale for Identifying the Issue	External Driver	Potential Risks and Impact on Business	Stakeholders	Our Approach
<b>Climate Change Action</b> 	Stakeholders demand climate risk disclosures, adaptation plans for extreme weather, and alignment with TCFD recommendations.	<ul style="list-style-type: none"> <li>Extreme weather events (floods, heatwaves) disrupting operations</li> <li>Carbon pricing schemes emerging in Asia</li> </ul>	<ul style="list-style-type: none"> <li>Operational disruptions from floods affecting logistics</li> <li>Increased costs from carbon taxes</li> <li>Opportunity to gain clients seeking "green CRDMO" credentials</li> </ul>	Investors	

**Important Issue**

<b>Animal Welfare</b> 	Patients and regulators increasingly favour pharmaceutical development pathways that limit animal testing, employ alternative models, and adhere to the 3Rs (Replacement, Reduction, Refinement).	<ul style="list-style-type: none"> <li>Stricter animal testing regulations</li> <li>Rising demand for alternatives (in-vitro, AI models)</li> </ul>	<ul style="list-style-type: none"> <li>Market exclusion in countries with strict animal welfare laws</li> <li>R&amp;D cost increases to adopt alternative testing methods</li> </ul>	Customers	Currently we are not working in this domain
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# Chemveda Sustainability Highlights

**1<sup>st</sup>**  
Materiality Assessment and ESG Report.

**'Zero days lost'**  
due to Work related Injuries or due to Recorded Work-related Illness.

**4.6/5**  
Average Customer Satisfaction Rating.

**18**  
Material Topics Identified (12 Critical, 5 Significant, 1 Important)

**79%**  
Procured from Local Suppliers within the State.

**0**  
Incidents of Corruption and Bribery.

**50%**  
Board Diversity Ratio<sup>10</sup>

**<1 MT**  
Annual Plastic Waste Generation from each R&D Facility.

**'Zero High Consequence'**  
Workplace Injuries and Fatalities.

**0**  
Information Security Incidents, Identified Leaks, Thefts or Losses of Customer Data.

Implementation  
**Electronic Laboratory Notebook (ELN)**  
across our Two Scientific Units.

Average Increase of  
**150+ — Greenness Index**  
of Three Products through Green Chemistry Practices.

**Human Rights Policy**  
Adopted in Alignment with UN Guiding Principles and ILO Core Labour Standards.



<sup>10</sup> GRI 405-1

# Environment Health and Safety

At Chemveda, Environment, Health, and Safety is more than regulatory compliance, it is a fundamental principle that shapes how we design, operate, and continuously enhance our business. Guided by our "Zero Harm" philosophy, we strive to protect people and the environment while enabling cutting edge chemistry and manufacturing. This commitment is formalised in our EHS Policy, which sets expectations for safe plant design, responsible operations, and continual improvement across all sites.

## Our EHS Framework

- We have established a structured management system that embeds accountability across all levels of the organisation.
- Responsibilities are clearly defined from the CEO and senior leadership to the EHS team and individual employees ensuring that environmental stewardship and workplace safety are integral to daily operations.

- We review EHS performance at facility, divisional, and corporate levels, enabling targeted actions and continual improvement. Core controls include permit-to-work, scheduled safety inspections, and internal/external environmental monitoring.

Chemveda currently maintains ISO 9001 certification and is working toward alignment with ISO 14001 and ISO 45001 to strengthen the management systems.

## Occupational Health and Safety



Regular Safety Inspections, Surveillance, and Audits



Permit-to-Work Systems for Operational/Maintenance Safety



Fire Prevention and Protection Measures



Training Programmes on Safety and Emergency Response

## Management of OHS Risk<sup>11</sup>

### Risk Identification & Control Design

We apply a risk-based approach grounded in the hierarchy of controls - elimination/substitution where feasible engineering and administrative controls; appropriate PPE - across Laboratories and manufacturing.

### Operational Control & Oversight

High-risk tasks and maintenance work are governed by permit-to-work systems and disciplined change control, with scheduled inspections conducted by supervisors and EHS specialists.

### Monitoring, Learning & Prevention

Near misses and incidents are recorded in standardised reports for root cause analysis and corrective action, enabling a shift from reactive fixes to pre-emptive prevention, supported by periodic occupational hygiene assessments and employee health evaluations to manage exposure risks and safeguard well-being.

In FY 2024-25, Chemveda recorded zero high-consequence injuries and zero lost workdays due to workplace incidents. Over the past five years, there have been no reportable incidents, reflecting the effectiveness of our Systems and Safety Culture.

## Emergency Preparedness and Response<sup>12</sup>

We maintain emergency equipment tailored to lab and floor requirements (including windsocks and custom fire fighting systems), signage and instructions, and site specific response protocols. Emergency response protocols are validated through regular drills and simulations, ensuring readiness and minimising response time during critical situations.

Chemveda invests in continuous capability building through structured training schedules with sessions covering various safety aspects such as workplace safety, emergency response, chemical handling, and operation of specialised equipment. Additionally, targeted training sessions on safety protocols for the handling and operation of machinery and equipment such

as autoclaves are provided to the designated personnel responsible for operating these specific machines. The training is delivered in English and Telugu to ensure full comprehension.

Monthly Training Calendar of Trainings provided to all Employees across each facility is provided below:



<sup>11</sup>GRI 403-1, 403-2

<sup>12</sup>GRI 403-8

## Environment

We are committed to reducing our environmental footprint through sustainable practices, innovation, and smarter use of resources. Our materiality assessment identified five priority environmental issues for Chemveda: energy, water, waste management, climate action, and GHG emission reduction. These priorities guide

our investments and operations as we work to make continuous, measurable improvements.

Environmental management at Chemveda is integrated into our EHS framework and supported by documented procedures for resource optimisation, pollution control, and compliance with

applicable regulations. We adhere to the guidelines of the Telangana Pollution Control Board (TGPCB) and the Central Pollution Control Board (CPCB) and submit monthly monitoring reports through MoEF&CC/NABL-accredited Laboratories.

## Energy Management<sup>13</sup>

Our facilities currently draw 100% power from the grid, and we consumed ~2.688 million kWh in FY2024-25. We plan to implement measures such as power-factor

correction, HVAC and blower optimisation, and equipment scheduling to improve efficiency. Through these initiatives we target a 5% reduction in electricity

consumption in the coming year, and early implementation has reflected savings of approximately 30,000 kWh.

## Electricity Consumption 2024-25<sup>14</sup>

Facility	Annual Consumption (kWh)
Chemveda Lab 1	11,89,291
Chemveda Lab 2	7,44,539
Manufacturing Unit	754,326
<b>Total</b>	<b>26,88,156</b>

## Climate Action

Chemveda is building the foundation for Scope 1 and Scope 2 emissions baselining and will introduce intensity-based targets in future reporting cycles. Our immediate focus is on efficiency

improvements and process optimisation to reduce energy-related emissions. Over time, we plan to explore renewable energy sourcing and adopt science-aligned reduction pathways.



## Water Stewardship<sup>15</sup>

Water is a critical resource for our R&D and manufacturing operations. In FY 2024-25, Chemveda consumed 12,345.7

m<sup>3</sup> of water across all facilities, of which 4,096.7 m<sup>3</sup> was treated and discharged via ETPs. We are implementing measures to reduce

freshwater consumption, improve recycling, and enhance the quality of water returned to the environment<sup>16</sup>.

Our roadmap includes setting water intensity targets and increasing reuse/recycling rates in line with global best practices.

## Water Consumption and Discharge 2024-25<sup>17</sup>

Facility	Water consumption (m <sup>3</sup> )	Water discharge (m <sup>3</sup> )
Chemveda Lab 1	2,128	1,700
Chemveda Lab 2	9,960	2,350
Manufacturing Unit	257.7	46.7
<b>Total</b>	<b>12,345.7</b>	<b>4,096.7</b>

<sup>13</sup>GRI 3-3

<sup>14</sup>GRI 302-1

<sup>15</sup>GRI 3-3

<sup>16</sup>GRI 303-2

<sup>17</sup>GRI 303-4, 303-5

## Waste Management<sup>18,19</sup>

Chemveda adopts a responsible and compliance driven approach to waste management, with a strong focus on circularity and safe handling of all waste streams. Hazardous waste comprising organic and inorganic residues is managed through authorised co processing partners to ensure

environmentally sound disposal. Spent solvents generated across Laboratory operations are sent to authorised recovery units, for further treatment and safe disposal. Non hazardous waste categories, including broken glassware, plastics, and other general Laboratory waste, are

routed to authorised recyclers for material recovery. Through this structured framework, Chemveda prioritises waste minimisation, enhances recovery and recycling rates, and ensures full adherence to regulatory requirements.

### Waste management details<sup>20</sup>

Waste Category	Quantity of Waste Generated (MT)	
	Chemveda Lab 1	Chemveda Lab 2
Organic and Inorganic Waste	200.00 Kg	996.00 Kg
Spent Solvents	6430.00 Liters	6742.00 Liters
Broken Lab Glassware	1253.00 Kg	1246.00 Kg
Plastic Material	562.00 Kg	772.00 Kg
Other Waste (PPE, Filter, Tissue Paper Waste)	1713.00Kg	1843.00Kg
For each Category of Waste Generated, Total Waste Recovered through Recycling, Re-using or other Recovery Operations (in Metric Tonnes)		
Re-cycled	3528.00 Kg	3861.00 Kg
Recovery	6430.00 Liters	6742.00 Liters
For each Category of Waste Generated, Total Waste Disposed by nature of Disposal Method (in Metric Tonnes)		
Co-processing	200.00 Kg	996.00 Kg

In the coming years, Chemveda will advance toward ISO 14001 certification and implement green chemistry principles to reduce solvent use and hazardous waste.

We will also baseline Scope 1 and Scope 2 emissions and set reduction targets aligned with global best practices. These steps reflect our intent to move beyond

compliance toward leadership in sustainable operations, ensuring that environmental stewardship remains integral to our growth.

## Air Emissions<sup>21</sup>

We have embedded robust air pollution control practices across our operations. We ensure compliance with all conditions outlined in the Consent to Operate (CTO) issued by the

Telangana Pollution Control Board. These emissions are monitored quarterly through Pollution Control Board approved monitoring agencies. Our monitoring and control measures

help ensure that all stack emissions remain significantly below the thresholds mandated by the relevant Pollution Control Boards.

### Details of Air Emissions

Facility	Parameters	Unit	Results
CVL1	NOx	µg/m <sup>3</sup>	14.08
	SOx	µg/m <sup>3</sup>	9.50
	Particulate Matter	µg/m <sup>3</sup>	55.25
CVL2	NOx	µg/m <sup>3</sup>	8.58
	SOx	µg/m <sup>3</sup>	29.08
	Particulate Matter	µg/m <sup>3</sup>	55.25
Manufacturing Unit	NOx	µg/m <sup>3</sup>	10.02
	SOx	µg/m <sup>3</sup>	35.14
	Particulate Matter	µg/m <sup>3</sup>	64.16

<sup>18</sup>GRI 306-2

<sup>19</sup>GRI 3-3

<sup>20</sup>GRI 306-3

<sup>21</sup>GRI 305-7



# Human Resource Management

## Building a Future-Ready Workforce

At Chemveda, our people are at the heart of everything we do. Our ability to deliver innovative, high-quality solutions to the clients depends on the strength, diversity, and commitment of our workforce.

FY 2024-25 marked a significant year of growth and transformation for Chemveda. As we expanded our operations and deepened our scientific capabilities, we also focused on strengthening our human capital. Our employment

practices are guided by principles of fairness, inclusivity, and long-term value creation not just for the company, but for every individual who contributes to our journey.

### Workforce Distribution FY 2024-25<sup>22</sup>

Employee Category	Age Group			Total	Gender		
	<30	30-50	>50		Male	Female	Total
Board of Directors	1	-	3	4	2	2	4
Senior Management	-	2	3	5	5	0	5
Middle Management	-	61	6	67	64	3	67
Employees (Permanent)	137	210	5	352	272	80	352
Employees (Other than Permanent)	-	1	-	1	1	0	1
Workers (Permanent)	-	5	1	6	5	1	6
Workers (Other than Permanent)	26	59	9	94	76	18	94

As of the end of FY 2024-25, Chemveda employed 529 individuals, including members of the Board, senior and middle management, permanent employees and workers and other temporary staff. Our workforce is predominantly composed

of permanent employees, with a strong representation of professionals in the 30 to 50 age group. We are also proud to have a growing cohort of young professionals under 30, particularly in scientific and technical roles. This reflects our

commitment to nurturing early-career talent and building a pipeline of future leaders. This demographic mix supports a dynamic and collaborative work environment, where knowledge transfer and innovation go hand in hand.

<sup>22</sup> GRI 2-7, 2-8

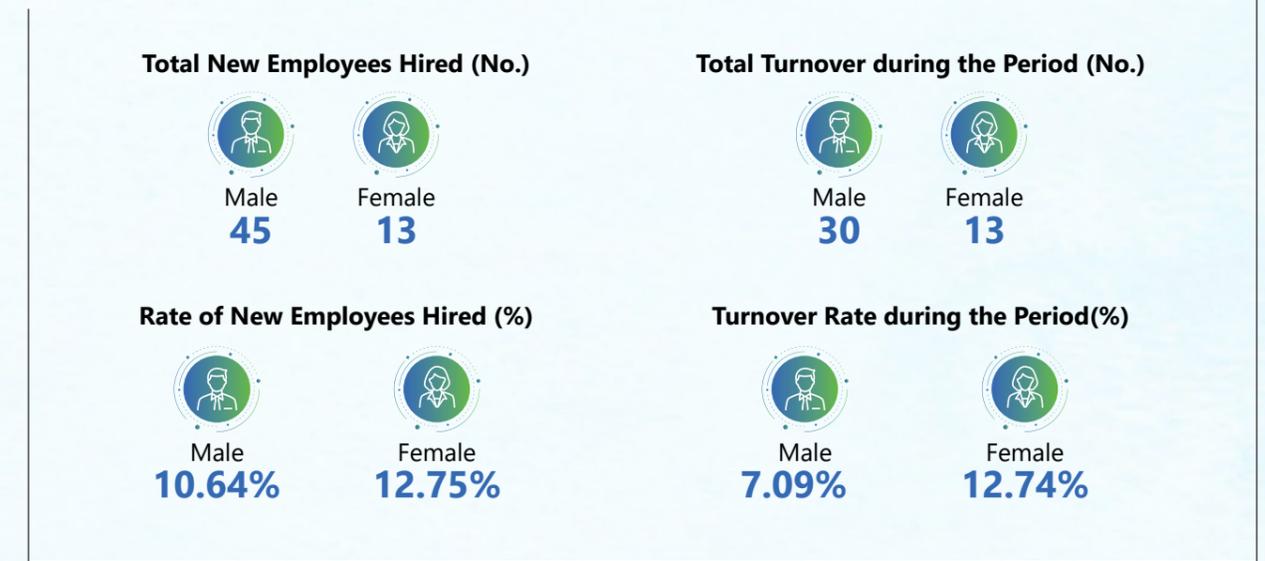
## Talent Attraction & Retention<sup>23</sup>

Chemveda's talent acquisition strategy is designed to attract individuals who not only possess strong technical capabilities but also align with the organisation's

core values and collaborative culture. In FY 2024-25, Chemveda welcomed 58 new employees. The majority of new hires were under the age of 30, underscoring our

focus on attracting young, skilled professionals who are eager to contribute to the pharmaceutical innovation ecosystem<sup>24</sup>.

### Employee Category



Our retention strategy is anchored in a structured approach that combines employee engagement, career development, and

recognition framework. This ensures that employees feel valued and supported throughout their journey with the company.

During the reporting period, 43 employees exited the organisation, resulting in a turnover rate of 8.2%.

<sup>23</sup> GRI 401-1

<sup>24</sup> GRI 3-3



## Supporting Our People Beyond the Workplace

At Chemveda, we believe that employment is more than just a contractual relationship, it is a partnership built on mutual growth, respect, and care. As a science-driven CRDMO, our success is not only built on technical excellence but also on the well-being and stability of our workforce. We are committed to creating a supportive environment where employees feel valued and empowered, both professionally and personally.

Our approach to employee beyond statutory requirements to address the diverse needs of our employees, recognising that well-being is multidimensional

encompassing health, family, financial security, and cultural inclusion. All full-time employees are eligible for a range of benefits that reflect our commitment to their health, safety, and long-term financial well-being. These include group health, accidental, and employee state insurance to provide protection during medical or unforeseen events. To promote financial security, we offer retirement-linked benefits such as gratuity and employee provident fund. We also recognise and celebrate the cultural diversity of our workforce by offering cultural leave, allowing employees to observe festivals and traditions that are important to them.

We recognise the importance of supporting our employees through significant life events, including parenthood. Our parental leave policy is designed to provide both male and female employees with the time and flexibility needed to care for their families while maintaining continuity in their careers.

During the reporting period, a total of 424 permanent employees were entitled to parental leave. Of these 25 employees availed the leave, reflecting the company's commitment to enabling work-life balance.

Parental Leave Data 2024-25 <sup>25</sup>	Male	Female
Employees entitled for parental leave (permanent employees)	341	83
Employees that took parental leave	21	4
Employees that returned to work in the reporting period after parental leave ended	19	3
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work (who took parental leave last year and came back to the company this year)	18	3
Rate of return to work that took parental leave	90%	75%
Retention rates of employees that took parental leave	86%	75%

Among employees who availed parental leave, 90% of male employees and 75% of female employees resumed their roles within the same period. These figures highlight the effectiveness of our reintegration practices and the inclusive nature of our Workplace.

Parameter	Unit	FY 2024-2025
Percentage of women employed in the whole organisation	%	24.7
Percentage of women within the organisation's board	%	50
Average unadjusted gender pay gap	%	38%
Number of identified discrimination or harassment incidents or corrective actions	No.	0
Number of hours worked	No.	11,87,076
Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees	No.	8.91

<sup>25</sup> GRI 401-3

## Learning and Development

At Chemveda, we believe that investing in our people is fundamental to building a future-ready organisation. Our learning and development efforts are designed to nurture talent, enhance capabilities, and support career growth across all levels of the company. Employees are encouraged to continuously upgrade their skills through a mix of technical, quality, and behavioural training programs. These sessions are tailored to individual roles and delivered through a combination of in-house expertise and external learning opportunities<sup>26</sup>.

Our approach to talent development is guided by a structured Standard Operating Procedure (SOP), which ensures that every employee receives the training necessary to perform their role effectively and safely. Training at Chemveda is categorised into four key types: Induction Technical (QMS, Job orientation, R&D, etc.), Non-technical (Human rights, soft

skills, ethics, code of conduct, etc.), Health and safety and Skill upgradation, which include both internal and external programs. New employees undergo a detailed induction process that introduces them to the company's history, policies, and departmental functions, followed by job-specific orientation to ensure they are well-prepared for their responsibilities.

QMS training is conducted biannually and follows a planned schedule developed by the Quality Assurance team. These sessions focus on compliance, documentation, and quality standards, with effectiveness evaluated through post-training assessments. General trainings cover a wide range of topics including behavioural skills, documentation updates, and role transitions. External training opportunities are also provided to help employees stay current with industry developments.

In addition to regular training, Chemveda offers a unique opportunity for eligible employees to pursue Ph.D. programs through its Higher Education Leverage Policy<sup>27</sup>. The programme is structured to ensure alignment with Chemveda's business priorities while allowing employees to explore research areas relevant to their functional expertise. Progress is reviewed periodically, and employees are granted special leave for academic milestones such as exams and viva sessions.

All training activities are documented, and all employees are evaluated for training effectiveness after 3 months from the date of completion of training. A total of 236.5 net training hours were recorded in FY 2024-25. The company has set a forward-looking target of 10 hours per employee per year to ensure consistent upskilling across all functions<sup>28</sup>.

### Training Hours in FY 24-25<sup>28</sup>



67.5

Technical



30.9

Non-technical (Human Rights, Soft Skills, Ethics, Code of Conduct, etc.)



113.9

Health and Safety



24.25

Skill-upgradation



236.5

Total Training Hours

<sup>26</sup> GRI 3-3

<sup>27</sup> GRI 404-2

<sup>28</sup> GRI 404-1

## Human Rights

We commit to respect and promote internationally recognised human rights throughout our global operations, in line with our company mission and values. Guided by the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards, our approach is rooted in dignity, equality, and respect for every stakeholder.

We maintain a zero-tolerance stance against discrimination, harassment, child labour, and forced labour<sup>29</sup>. Our policies ensure fair treatment, safe working conditions, and freedom of association for all employees. We actively promote diversity

and inclusion, with a particular focus on protecting the rights of vulnerable groups and minorities.

Our Code of Conduct reinforces these principles by setting clear expectations for ethical behaviour, safety compliance, responsible use of company resources, and environmental stewardship. Employees are required to adhere to these standards and are encouraged to report any violations through our Whistleblower Policy, which guarantees confidentiality and protection from retaliation. We extend these expectations to our suppliers, partners, and third parties, encouraging them

to adopt similar standards and practices. In cases where Chemveda identifies that it has caused or contributed to adverse human rights impacts, we are committed to providing or cooperating in appropriate remediation.

Chemveda also safeguards personal data and privacy in accordance with applicable laws such as General Data Protection Regulation (GDPR) and ensures that all employees are aware of their responsibilities through regular training and awareness programs.

## Inclusion and Respect<sup>30</sup>

We are dedicated to cultivating a workplace where all individuals are treated with dignity and respect. Our vision is to create an environment that values different perspectives and experiences to shape a culture of mutual respect and collaboration. This commitment is embedded in our Workplace Inclusion and Respect Policy, which applies to all employees, contractors, and stakeholder's operations. We are committed to preventing any form of discrimination, harassment, or abuse, whether physical, psychological, or verbal and promoting equal treatment for all employees, contractors,

and stakeholders irrespective of their backgrounds. There were no reported incidents of discrimination during the reporting period.

We actively promote inclusive recruitment practices, ensuring equal consideration for all applicants regardless of gender, background, or identity. Hiring managers and recruitment teams are being trained to recognise and mitigate unconscious bias, with a goal to achieve 100% coverage by 2027. We also aim to improve representation across all levels of the organisation, with a particular focus on increasing the share of women in senior leadership to

approximately 30% over time. Employees are encouraged to report any incidents of exclusion or disrespect, and the company provides training and support systems to foster a respectful and collaborative work environment.

In line with our commitment to transparency, we monitor and report on gender-based remuneration across employee categories. The overall gender pay gap stands at 38%<sup>31</sup>, and we are actively working to close this gap through fair compensation practices and regular pay equity reviews.

# Innovation and Product Stewardship

At Chemveda, the harmony of sustainability, growth, and performance is crucial for reaching our business objectives. We are dedicated to innovation,

collaboration, and scientific excellence to create value for our customers. We are committed to devising innovative, cost-efficient methods and engaging

in sustainable pharmaceutical development by optimising processes in accordance with green chemistry principles to reduce environmental pollution.



<sup>29</sup> GRI 408-1, 409-1

<sup>30</sup> GRI 3-3

<sup>31</sup> GRI 405-2

## Innovating with Green Chemistry

At Chemveda, we are actively embracing green chemistry by embedding sustainable practices into our operations. By incorporating green chemistry principles, we strive to minimise energy usage, thereby reducing the necessity for excessive heating or cooling. This approach not only helps us achieve a lesser carbon footprint but also results in safer, cleaner, and more efficient manufacturing practices. We diligently implement regulatory guidance of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) throughout product development to generate the desired data with minimal reactions.

We provide clinical stage materials through phase-appropriate, fit-for-purpose process development, emphasising Quality by Design

elements to ensure consistent delivery of quality and quantity on time and in full. We have deployed this through:

### Design of Experiment (DoE):

Utilising tools like DoE, we optimise processes under lean conditions and telescope operations, when possible, to reduce energy consumption, impurities, effluents, and the need for multiple analyses and throughput.

### Chemistry, Manufacturing, and Controls (CMC):

Our CMC capabilities encompass developing scalable chemical manufacturing processes for drug substances, intermediates, registered starting materials, and key starting materials, supporting both clinical studies and commercial products.

### Electro Flow Chemistry:

We use Electro Flow Chemistry to optimise reaction processes, enhance efficiency, and promote greener practices.

## Our Green Chemistry Strategy

### Comprehensive Product Lifecycle Management

Through comprehensive gap assessments, we create targeted interventions to address the environmental and societal impacts of our products and processes.

Our goals to reduce energy consumption, greenhouse gas emissions, and waste, while enhancing ecological balance, reflect our commitment to integrating product stewardship at every stage of research and development.

### Collective Actions for Responsible Production

Our clinical and commercial teams collaborate to create sustainable initiatives that enhance the societal value of our products while minimising their environmental and social impact.

By addressing essential issues like sustainable packaging, transparent logistics, and responsible disposal, we prioritise using renewable, plant-based, and biodegradable materials throughout our supply chain.

### Investing in Process Efficiency

As part of our commitment to product responsibility, we invest in Green Chemistry to minimise resource consumption, reduce waste, and mitigate chemical impacts on human health and the environment. We employ the Define, Measure, Analyse, Improve, and Control (DMAIC) methodology to drive operational excellence.

## Key Highlights of Green Chemistry Practices for improving Greenness Index

Product Step	Metrics	Key Highlights
<b>Product A</b>	<p><b>Before:</b></p> <ul style="list-style-type: none"> <li>Greenness Index: 300</li> <li>Material Recovery Parameter (MRP): 0%</li> <li>Process Mass Intensity (PMI): 8.81</li> <li>Environmental Factor (E-waste): 7.81</li> <li>Energy Consumption: 6,279 kWh</li> <li>Number of Solvents Used: 1</li> </ul> <p><b>After:</b></p> <ul style="list-style-type: none"> <li>Greenness Index: 533</li> <li>Material Recovery Parameter (MRP): 70%</li> <li>Process Mass Intensity (PMI): 7.26</li> <li>Environmental Factor (E-waste): 6.26</li> <li>Energy Consumption: 4,186 kWh</li> <li>Number of Solvents Used: 1</li> </ul>	<ul style="list-style-type: none"> <li>Yield improved due to the elimination of the filtration step.</li> <li>Time cycle reduced to 48 hours, with distillation and filtration operations avoided.</li> <li>TEA consumption coefficient decreased, resulting in cost improvements.</li> <li>Power consumption lowered by removing the distillation operation.</li> <li>Reduction in both cycle and analytical costs.</li> </ul>
<b>Product B</b>	<p><b>Before:</b></p> <ul style="list-style-type: none"> <li>Greenness Index: 435</li> <li>Material Recovery Parameter (MRP): 80%</li> <li>Process Mass Intensity (PMI): 13.26</li> <li>Environmental Factor (E-waste): 12.26</li> <li>Energy Consumption: 5,058 kWh</li> <li>Number of Solvents Used: 1</li> </ul> <p><b>After:</b></p> <ul style="list-style-type: none"> <li>Greenness Index: 629</li> <li>Material Recovery Parameter (MRP): 80%</li> <li>Process Mass Intensity (PMI): 11.93</li> <li>Environmental Factor (E-waste): 10.93</li> <li>Energy Consumption: 3,314 kWh</li> <li>Number of Solvents Used: 1</li> </ul>	<ul style="list-style-type: none"> <li>Single solvent (toluene) used.</li> <li>Yield improved by avoiding the isolation step.</li> <li>Time cycle reduced to 48 hrs. and Isolation, filtration &amp; Drying operations avoided.</li> <li>Power consumption reduced due to isolation operation eliminated.</li> <li>Time cycle &amp; Analytical cost reduced.</li> </ul>
<b>Product C</b>	<p><b>Before:</b></p> <ul style="list-style-type: none"> <li>Greenness Index: 368</li> <li>Material Recovery Parameter (MRP): 80%</li> <li>Process Mass Intensity (PMI): 3.16</li> <li>Environmental Factor (E-waste): 2.16</li> <li>Energy Consumption: 5,669 kWh</li> <li>Number of Solvents Used: 2</li> </ul> <p><b>After:</b></p> <ul style="list-style-type: none"> <li>Greenness Index: 416</li> <li>Material Recovery Parameter (MRP): 90%</li> <li>Process Mass Intensity (PMI): 3.05</li> <li>Environmental Factor (E-waste): 2.05</li> <li>Energy Consumption: 5,233 kWh</li> <li>Number of Solvents Used: 2</li> </ul>	<ul style="list-style-type: none"> <li>Yield was improved by co-distillation with Toluene solvent.</li> <li>Co-distillation with Toluene solvent implemented and IPA recovery improved.</li> <li>Power consumption reduced due to reagent volume reduced.</li> <li>Analytical costs reduced.</li> </ul>

### Enhancing Large-Scale Operations through Green Chemistry - A Case Study on Deploying DoE Experiments and New Chemical Techniques

The Design of Experiments methodology identifies optimal process conditions, reducing the necessity for redundant or inefficient experiments. It suggests process optimisations that thereby decrease waste, lowers energy consumption, and enhance the efficient use of raw materials. This approach fosters sustainable practices and substantially diminishes the overall environmental impact.

### Design of Experiments as a Green Chemistry Strategy



#### Environmental Benefits:

- **Waste Reduction:** Use of optimal process parameters that increase product yield while minimising byproducts and waste generation.
- **Resource Conservation:** Reduced energy consumption, water, and raw materials, contributing to more efficient resource use.
- **Lower Emissions:** Optimised processes leading to reduced greenhouse gas emissions and a smaller overall environmental footprint.
- **Sustainable Sourcing:** Development of alternative, environmentally friendly ingredients—especially those impacted by scarcity or regulation—promoting more sustainable supply chains.



#### Social Benefits:

- **Enhanced Safety:** Enables design of safer processes by identifying critical factors that influence reactions and uncovering potential risks early in development.
- **Improved Product Quality:** Process optimisation leading to greater consistency and higher product quality, enhancing consumer satisfaction and trust.
- **Better Labour Practices:** Facilitates the development of targeted training programs and safer workflows, contributing to improved working conditions and employee well-being.



#### Governance Benefits:

- **Data-Driven Decision-Making:** Provides a systematic, evidence-based framework for process development, reducing reliance on intuition and minimising bias.
- **Improved Efficiency and Cost Reduction:** Shortens development cycles by minimising waste and enhancing operational efficiency and supports sound financial management—key pillars of responsible governance.
- **Regulatory Compliance:** Optimised, cleaner processes aligned with DoE principles help us meet environmental and social regulations more effectively.

### Scale-up of Unnatural Amino Acids using Electro Flow Chemistry

Electro Flow Chemistry is an innovative approach that merges the principles of flow chemistry and electrochemistry to conduct chemical reactions more efficiently and sustainably. By integrating continuous flow systems with electrochemical techniques, Electro Flow Chemistry optimises reaction processes,

enhances efficiency, and promotes greener practices, making it a promising method for various applications, including pharmaceuticals and chemicals production.

Chemveda's approach to Electro-flow chemistry helps to promote green chemistry by using continuous flow reactors

powered by electricity to drive reactions, resulting in a more sustainable and efficient alternative to traditional batch synthesis, such as generation of variety of unnatural amino acids etc. This approach complies with various green chemistry principles, including waste reduction, energy efficiency, and improved safety.

### Advantages of Chemveda's Approach

#### 1. Elimination of hazardous reagents

##### Replaces Stoichiometric Reagents:

Traditional batch synthesis frequently necessitates huge quantities of harsh, toxic, or expensive chemical oxidants and reductants. Electro-flow chemistry replaces these molecules with a safer option such as electrons.

##### Reduces Metal Waste:

By avoiding the use of specific metal reagents, electro-flow chemistry can drastically reduce metal waste generation. In some situations, catalysts can be recycled inside a continuous flow system.

##### Provides Safer Alternatives:

Electrochemical processes can produce and utilise extremely reactive or unstable intermediates that are too hazardous to handle in large quantities in a batch operation. However, a flow reactor system employed at Chemveda helped in safely synthesising and using unnatural amino acids in peptide syntheses, reducing the production time of these materials.

#### 2. Enhanced Efficiency and Waste Reduction

##### Maximises Atom Economy:

The capacity to accurately manage the reaction environment, such as temperature, flow rate, and potential, leads to increased reaction selectivity and yield. This maximises the assimilation of starting ingredients into the end product while reducing the development of undesirable byproducts.

##### Enables Paired Electrolysis:

Paired electrolysis offers a more efficient alternative to traditional single-reaction methods by simultaneously conducting two beneficial reactions at the anode and cathode instead of executing one reaction alongside a sacrificial counter-reaction. This approach enhances atom economy, yielding two valuable chemicals within a single electrochemical cell.

##### Intensifies the Process:

Continuous flow reactors feature relatively small volumes, enabling excellent heat and mass transfer. This process intensification decreases the necessary reactor size, minimises the risk of thermal runaway, and reduces the quantities of solvents and chemicals needed.

### 3. Improved Energy Usage

#### Potential to utilise Renewable Energy:

Electro-flow chemistry can be coupled with renewable electricity sources like solar or wind power, providing a sustainable energy input to drive chemical reactions. This reduces dependence on fossil fuels and lowers the overall carbon footprint of chemical manufacturing.

#### Operates under Mild Conditions:

Many electrochemical reactions can run efficiently at or near room temperature and atmospheric pressure, unlike traditional methods that require high temperatures and pressures. This significantly reduces the energy required for chemical synthesis.

#### Optimised Mass Transfer:

Continuous micro-flow reactors utilise narrow channels and a high surface-area-to-volume ratio to enhance mass transfer and decrease ohmic resistance. This configuration enables more efficient reactions and often removes the necessity for costly, energy-intensive supporting electrolytes.

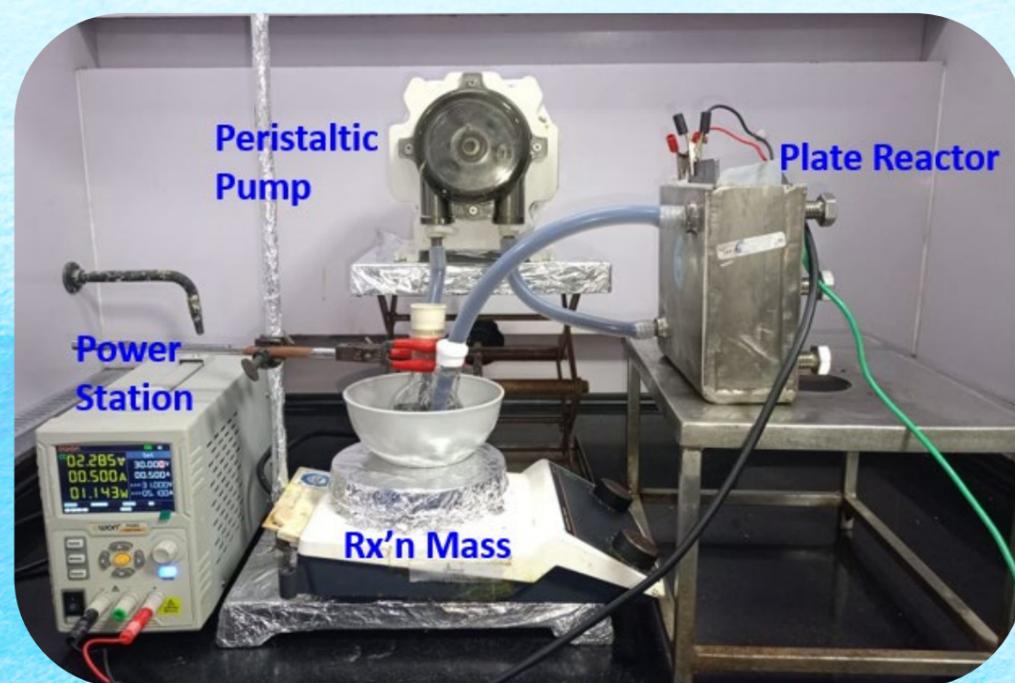
### 4. Enhanced Safety and Scalability

#### Reduces Accident Potential:

Flow reactors manage smaller, safer quantities of chemicals at any given moment, inherently enhancing safety by minimising risks associated with handling hazardous substances, especially those that are highly reactive or unstable. This significantly reduces the potential for fires, explosions, or accidental releases.

#### Facilitates Scalable Production:

A flow system initially designed at a small scale can be directly scaled up for industrial production through a method called numbering up. This approach involves operating multiple reactors in parallel, facilitating continuous, high-volume manufacturing while avoiding the risks linked to scaling up batch processes.



## Customer Satisfaction and Marketing Practice

Effective sourcing involves careful identification, selection, and procurement of materials and parts necessary for product or service delivery. At Chemveda, we understand that organisations must consider eco-friendly suppliers, fair trade practices, and resource efficiency to meet both business and ethical goals.

Our commitment to ensuring customer satisfaction and cultivating strong relationships has led to an outstanding customer satisfaction rating of 4.6 out of 5.

This achievement highlights our ability to promptly address customer requirements, ensure transparency, and continuously enhance our service standards—ultimately nurturing loyalty and trust.

Chemveda follows responsible marketing practices, ensuring that all product related information is communicated accurately, ethically, and in compliance with applicable regulations. We prioritise clarity in our customer interactions and strictly avoid any misleading claims or practices.

In FY 2024-25, there were no incidents of mislabelling that resulted in fine or penalties, warnings, or non-compliance with voluntary codes<sup>32</sup>. There were no incidents of non-compliance concerning the health and safety impacts of products and services that resulted in fine or penalties, warnings, or non-compliance with voluntary codes.

## Product Quality and Safety

At Chemveda, we uphold high standards of quality management and safety in our research processes. The health and safety impacts of our services are managed through systematic efforts ensure that the protection of human health, safety, and regulatory compliance at each stage of the service lifecycle<sup>33</sup>.

Regular reviews and updates to safety protocols are also essential to adapt to evolving risks and regulations. We have established strong Quality Management Systems to promote a high-quality culture. We thoroughly address every aspect from vendor qualifications and material sourcing to quality assurance, in-process evaluations, stability assessments, production regulations, and batch approval.

At Chemveda, we pride ourselves on delivering exceptional product quality through our comprehensive process of Contract Research and Manufacturing Services (CRAMS). Our systematic approach ensures that every step of the product development lifecycle contributes to superior outcomes. Starting with route scouting, we meticulously plan pathways that enhance efficiency and optimise resource utilisation. Our rigorous analytical development and validation processes are pivotal in maintaining accuracy and reliability of results, supporting each phase of product development.

Emphasising sustainability and innovation, we incorporate green chemistry principles to

minimise environmental impact while maximising efficiency. Salt screening, crystallisation, and polymorphism studies form the core of our physical chemistry investigations, enabling us to tailor product properties precisely. Our robust process development and optimisation strategies ensure phase-appropriate progression, supported by stringent process and powder safety measures. Each component of our CRAMS offering plays a critical role in achieving excellence in product quality and end-user health and safety, paving the way for successful market introductions and sustained customer satisfaction. There were no incidents of non-compliance concerning the health and safety impacts of products and services and of labelling<sup>34</sup>.

<sup>32</sup>GRI 417-1, 417-2

<sup>33</sup>GRI 416-1

<sup>34</sup>GRI 416-2, 417-2

# Corporate Social Responsibility

At Chemveda, Corporate Social Responsibility (CSR) is a commitment to improving lives and fostering sustainable development in the communities where we operate. This year,

we initiated CSR programme with a focus on healthcare access, educational support, and community development in our local communities. Our emphasis is on establishing governance,

selecting partners, and piloting initiatives that can be scaled in subsequent years<sup>35</sup>.

## Healthcare Initiatives



Access to healthcare is a fundamental need that Chemveda aims to address through various initiatives. We believe that healthy individuals form the foundation of thriving communities, and thus, facilitating better healthcare options is important. We are committed

to supporting programmes that enhance healthcare services, particularly in underserved areas. By colLabourating with local health organisations and experts, Chemveda will look to make its healthcare initiatives more effective and impactful.

## Educational Support



Education is a powerful tool for empowerment and change. Our educational initiatives are designed to provide resources and opportunities to students who may lack them due to

financial constraints or geographic barriers. We are formalising partner selection and monitoring frameworks to enable consistent tracking of reach and outcomes.

## Community Development Programmes



Community development is an integral aspect of our CSR vision. Chemveda will actively engage in projects that aim to uplift and strengthen communities. This includes efforts to promote sustainable development by supporting economic activities and environmental conservation. We look to closely work with community leaders and stakeholders to identify pressing

needs and craft solutions that are viable and sustainable.

Our commitment to CSR reflects Chemveda's core values of integrity, responsibility, and excellence. By focusing on healthcare, education, and community development, we strive to create lasting positive change that aligns with our vision of a better, more equitable world for all.

<sup>35</sup>GRI 3-3, 413-1, 413-2

# Corporate Governance and Risk Management<sup>36</sup>

In an environment where businesses are being held to higher standards of environmental and social accountability, strong corporate governance has become essential to earning and sustaining trust. For a brand like ours that is growing globally, governance is what connects our technical capabilities with our credibility. It ensures that as we expand our footprint and partnerships, our decisions remain transparent, ethical, and aligned with the expectations of clients, regulators, and communities worldwide.

Good governance, for us, is not limited to compliance; it

is anticipating risks, managing complexity responsibly, and balancing commercial priorities with long-term sustainability. It helps our leadership stay responsive to stakeholder needs and resilient amid evolving global expectations, enabling us to build a business that grows with integrity.

Chemveda recorded zero incidents of corruption in FY 2024-25, reflecting the effectiveness of our governance framework, Code of Conduct, and commitment to ethical business practices.

## Our Board Philosophy

Our approach to governance is rooted in ethical conduct, scientific integrity, and long-term value creation. The Board's oversight extends beyond regulatory compliance. It ensures that our strategy, risk management, and business conduct upholds the highest standards of quality, safety, and accountability expected of a science-led organisation.

We view governance as an active discipline that links purpose with performance. Transparent decision-making, integrity in operations, and a culture of ethical responsibility guide how we manage partnerships, safeguard data and intellectual property, and deliver on our commitments to clients, regulators, and communities.

<sup>36</sup>GRI 2-9



## Our Board of Directors

### Dr. Bheema Rao Paraselli<sup>37</sup>

*President & CEO*

Dr. Bheema Rao Paraselli has over 24 years of experience in pharmaceutical R&D and biotechnology. He has led the discovery and development of multiple IND candidates, several advancing to Phase III clinical trials. He holds a Ph.D. in Chemistry from the University of Hyderabad. He then pursued post-doctoral research as a Humboldt Fellow with Prof. W. Adam at the University of Würzburg, Germany. Subsequently, he conducted additional post-doctoral research with Prof. K.C. Nicolaou at the Scripps Research Institute in La Jolla, California. Prior to joining Chemveda Lifesciences, he held research leadership roles at Dr. Reddy's Laboratories and Syrrx (Takeda Pharmaceuticals). Dr. Paraselli is credited with more than 75 patents and publications in medicinal and natural product chemistry.



### Ms. Prathyusha Guntupalli

*Executive Director & Vice President – Business Operations*

Ms. Prathyusha Guntupalli has over 22 years of experience in operations, strategy, and business management across the chemical and biotechnology sectors. She holds a Master's degree in Industrial Chemistry from NIT Warangal and an MBA from Osmania University. At Chemveda Lifesciences, she oversees finance, administration, HR, and supply chain functions, and has been instrumental in strengthening institutional and client partnerships. She previously served as Director at GPS Biotech India and Aegis Agro Chemicals India.



### Mr. Veera Venkata Rama Rao Remella

*Non-Executive Director*

Mr. V V Rama Rao is a seasoned finance and strategy leader with over three decades of experience spanning IT services, NBFCs, manufacturing, and global operations. He brings deep expertise in US GAAP, IFRS, Indian GAAP, and complex multinational compliance, including tax, regulatory reporting, and SOX. Over his career, his roles have included profit-centre leadership, M&A due diligence, valuation coordination with Big 4 firms, and end-to-end financial oversight for high-growth businesses. After significant leadership stints in manufacturing, pharmaceuticals, and IT, he has since 2011 focused on portfolio management and strategic advisory. He works closely with regulators and auditors, including the RBI, Enforcement Directorate, and global audit firms, contributing to complex tax, compliance, and integration mandates.



### Ms. Hithaishi Paraselli

*Non-Executive Director*

Ms. Hithaishi Paraselli brings over five years of experience in data analysis, software engineering, and cross-functional project leadership in the pharmaceutical and biotech industries. She holds a Master of Business Administration from The University of Chicago Booth School of Business, specialising in Entrepreneurship, Healthcare, Strategic Management, and Finance, and a Bachelor of Science in Oceanography and Informatics from the University of Washington.

Throughout her career at Vertex Pharmaceuticals, Ms. Paraselli has led initiatives to design user-centric data platforms, streamline lab automation processes, and drive digital transformation efforts, significantly enhancing experimental productivity and data analysis capabilities. She has evaluated electronic lab notebook software options that informed significant purchasing decisions and developed AI-powered tools that boosted Laboratory experiment output significantly.

Ms. Paraselli has worked closely with engineers, scientists, and external partners to bring these projects to life while also supporting STEM education through community programmes. Her technical competencies span Java, JavaScript, Python, SQL, and various modern frameworks and tools, underscoring her versatility in combining scientific insight with technological innovation.



### Board Industry Experience

Name of Director	Healthcare/Pharma, Science & Technology	Manufacturing, Quality & Supply chain	Risk Management	ESG	Finance	Information Technology
Dr. Bheema Rao Paraselli	✓	✓	✓	✓	✓	-
Ms. Pratyusha Guntupalli	✓	✓	✓	✓	✓	-
Mr. Veera Venkata Rama Rao Remella	✓	-	✓	-	✓	-
Miss. Hithaishi Paraselli	✓	-	✓	-	-	✓

<sup>37</sup>GRI 2-11

## Our Scientific Advisory Board

Our Scientific Advisory Board plays a defining role in shaping the long-term scientific direction of the company. In an industry where science, regulation, and market needs evolve quickly, they function as an independent source of judgment, challenge, and foresight. Our scientific advisory

board members bring decades of work at the frontiers of synthetic chemistry, catalysis, and complex molecule design - fields that sit at the core of our business. We benefit from this range because it forces us to look beyond our immediate priorities and consider the long-term implications of the

choices we make. This balance of viewpoints helps us navigate the space between discovery and manufacturability, a space where CRDMOs often operate under pressure to do things fast rather than do them right.

### A Collective of Leaders in Chemistry

“ Our SAB brings together six globally recognised scientists whose combined experience covers leading academic institutions, globally-recognised research environments, and major pharmaceutical R&D ecosystems. Their guidance keeps our work credible and anchored in the responsibilities we carry as a partner in global healthcare. ”



**Prof. K.C. Nicolaou**

Harry C. & Olga K. Wiess Chemistry Professor, Rice University



**Prof. Phil S. Baran**

Darlene Shiley Chair In Chemistry, The Scripps Research Institute



**Prof. Jin-Quan Yu**

2016 MacArthur Fellow, The Scripps Research Institute



**Prof. Scott Snyder**

The University of Chicago



**Prof. David Yu-Kai Chen**

Seoul National University



**Prof. David Sarlah**

University of Illinois at Urbana-Champaign

## Our ESG Governance Policies

Robust ESG governance policies are essential to ensure sustainable growth, regulatory compliance, and stakeholder trust. These policies provide a structured framework to manage environmental impact, uphold social responsibility, and maintain transparent, ethical business practices. Effective

ESG governance mitigates risks related to supply chain disruptions, labour practices, and environmental regulations, while enhancing operational efficiency and innovation. By embedding ESG principles into decision-making, we look to demonstrate a commitment to long-term value creation, attracting investors,

clients, and talent aligned with sustainability goals, ultimately strengthening our competitive position in the biotech and pharmaceutical sectors. With this, we have rolled out the policies across the environment, social, and governance pillars which can be found on our website<sup>38,39</sup>.



## Economic Performance

Enhancing stakeholder value by delivering best-in-class solutions is central to our value creation strategy as a CRDMO. We are committed to growing and strengthening our profitability while deepening our relationships with shareholders through consistent, sustainable performance, and operational excellence<sup>40</sup>.

## Risk Management

Our work sits at the intersection of research complexity, geopolitical uncertainty, and fast-evolving technologies. In this environment, risks arise not only from scientific execution, but from funding cycles in key markets, supply chain fragilities, talent availability, and the growing sophistication of cyber threats. Managing these forces with clarity and discipline is essential to sustaining the confidence clients place in us.

### Resilience, not Reaction.

We aim to stay ahead of volatility by strengthening the foundations that support scientific excellence—supply chain stability, skilled talent, secure systems, and diversified revenue streams. Cross-functional teams track emerging trends ensuring that mitigation measures evolve ahead of exposure. Regular engagement with our clients, suppliers, and strategic partners further strengthens our situational awareness and enhances our ability to respond with speed. Our

framework ensures that as the outsourcing landscape evolves, we remain a trusted partner capable of delivering reliable, high-quality chemistry on a scale.

Given below is a summary of our risk register that highlights the principal risks we monitor and the mitigation measures in place to manage them. It is intended to give a high-level understanding and should not be viewed as an exhaustive list of risks within our broader risk universe.

<sup>38</sup>GRI 2-23

<sup>39</sup>GRI 2-24

<sup>40</sup>GRI 3-3, 201-1, 201-2, 201-3, 201-4

Key Risks and Mitigation Measures<sup>41</sup>

Risk	Risk Description	Mitigation Measures
<b>Strategic Risks</b>		
Macroeconomic Volatility	Macroeconomic volatility in the United States, our largest market, continues to influence the predictability of our business. When funding cycles shift due to venture capital movements, changes in public research grants, or adjustments in corporate R&D budgets, we experience delays in client decisions, reduced visibility on project pipelines, and slower conversion of new opportunities. Political or regulatory changes in the US further shape project timelines and overall cost structures, adding another layer of uncertainty to our operations.	We have deliberately diversified our business across sectors such as biotech, pharma, agrochemicals, animal health, specialty chemicals, and cosmeceuticals. We are also broadening our geographic footprint across Europe and Asia to balance our exposure. Contractual clarity helps us protect margins during client funding disruptions, and ongoing monitoring of regulatory and policy developments allows us to respond quickly and adjust our operating plans.  Explicit contractual terms
<b>Operational Risks</b>		
Supply Chain Disruptions	This is a critical operational risk for us, given our reliance on global networks for raw materials, reagents, consumables, and specialised research equipment. Geopolitical tensions, trade restrictions, pandemics, and logistics delays can quickly affect availability or pricing, while customs bottlenecks may extend lead times. These factors can disrupt project schedules, raise procurement costs, and challenge our ability to maintain consistent quality standards.	We are diversifying our supplier base across multiple regions, developing dual- and multi-sourcing arrangements, and maintaining strategic inventory buffers for key materials. Strengthening long-term supplier partnerships has improved our visibility and reliability, while our focus on local sourcing for high-risk and high-lead-time items is helping us reduce external dependencies. Where appropriate, we are also evaluating backward integration measures.
Talent & Capability Constraints	The pace of technological advancement in pharmaceutical R&D has created a rising demand for highly skilled scientific and technical talent. Although India has a strong chemistry ecosystem, the supply of advanced, cross-disciplinary talent is tightening. This shortage can slow project execution, delay adoption of new technologies, and impact our growth and client retention.	We continue to invest in our people through continuous training, structured upskilling programmes, and exposure to emerging technologies. We have strengthened our compensation framework, career development pathways, and mentorship initiatives to improve engagement and retention. Our knowledge-sharing systems ensure that critical expertise is built and preserved within the organisation.

Technology & Information Security Risks

Cybersecurity & Data Protection	This remains one of our highest priorities due to the sensitive and confidential nature of the data we handle. As a CRDMO, we manage proprietary chemical structures, analytical data, and research intelligence from clients around the world. Any unauthorised access, data loss, or system compromise would damage client trust, expose us to legal and regulatory consequences, and impact our reputation and long-term business sustainability.	We maintain a structured cybersecurity and information-governance framework that includes access controls, authentication standards, firewalls, network monitoring, restricted device usage, and regular vulnerability assessments. We promote secure data practices through electronic lab notebooks and controlled shared-drive systems. Employees receive ongoing awareness training, and we maintain established reporting, backup, and recovery processes to support continuity.
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The risks outlined above reflect the realities of operating in an environment where uncertainty is constant, and risks take many forms. While we have established measures to manage these effectively, we acknowledge that ongoing learning, adaptation, and refinement of our approach is essential to uncover new opportunities and deliver greater value to our clients.

Uncertainty accelerates the Shift toward Strategic Outsourcing

How We See Opportunity in the US Market Shift

Funding swings in the US are reshaping how companies run research. As companies rebalance budgets and streamline R&D operations, they increasingly seek trusted, high-quality partners who can deliver predictable outcomes at competitive economics. This environment favours Chemveda's strengths, enabling us to secure increased outsourcing volumes, expand into differentiated chemistry niches, and strengthen multi-year client collaborations.



<sup>41</sup>GRI 2-25

# Our Growth Strategy

Our growth journey is guided by four clear priorities that reflect where the industry is headed and where we can create the greatest value for our partners.

1

## Expanding into Specialised Platforms and Emerging Modalities

We are strengthening our leadership in high-potential areas such as peptides, oligonucleotides, ADCs, and radiopharmaceuticals. Each of our divisions is being built to handle increasingly sophisticated chemistry, allowing us to partner on projects that carry greater scientific and commercial value.

2

## Delivering on Complex, High-Value Programmes

Our teams consistently tackle scientific and cost challenges that commonly stall complex programmes, including many considered difficult for leading Indian CRDMOs. We focus on developing robust, scalable, and cost-efficient processes that help move assets forward with confidence.

3

## Building a Pipeline Designed for Scale

We offer an end-to-end pathway, from early discovery through development and GMP supply. We consistently help clients convert promising early-stage programmes into manufacturable, scalable assets across multiple modalities.

4

## Broadening Our Client Base Across Life Sciences

Our client base continues to grow steadily, reflecting the trust we've earned across biotech, pharma, and life sciences innovators. We remain focused on deepening collaborations and expanding the impact we create for partners globally.

“Progress for us is simple: tackle what's challenging, scale what works, and create lasting value for our clients.”

# Our 5-Year Roadmap

Our five-year roadmap reflects where our science, our teams, and our partnerships are headed. It captures how we plan to expand into emerging modalities, take on more complex programmes, and build the scale our clients will need in the years ahead. Each phase strengthens the foundation for the next, guiding us toward a fully integrated model that brings discovery, development, and manufacturing closer together. Above all, this roadmap is a commitment to stay curious, to invest boldly, and to create meaningful value for the innovators who trust us with their most important work.

## Phase 1

Near-Term Initiatives

- Strengthen advanced capabilities in oligonucleotides and peptides at the newly operational US R&D centre and upcoming UK R&D centre.
- Expand into offering biology services to enable integrated drug discovery collaborations (strategic acquisition in advanced stages).
- Establish a dedicated CRDMO business team with global BD outreach targeting pharma and life sciences industries.

## Phase 2

Mid-Term Initiatives:

- Invest in specialty platforms and capabilities to broaden the service portfolio.
- Build a state-of-the-art API pilot block and enhance R&D infrastructure to boost value proposition for large and mid-sized pharma customers.
- Scale operations significantly to meet high-volume demand for NCE APIs and RSMs - in Phase 3 and post-commercialisation.

## Phase 3

Integrated CRDMO Vision:

- Achieve a fully integrated CRDMO model by FY30 with end-to-end capabilities across peptides, ADCs, radioligands, oligonucleotides, and OELs.
- Expand to 6 R&D centres with a 500+ scientist team.
- Operate 2 manufacturing facilities with ~150KL production capacity and a cGMP API pilot facility.

# Our Approach to Tax

Our approach is closely aligned with our business objectives and our commitment to sustainable development<sup>42</sup>.

From a business perspective, responsible tax practices support transparent operations, help manage financial risk, and strengthen the trust our clients and investors place in us as a CRDMO partner. They ensure that our growth is stable, ethical, and aligned with good governance. From a sustainability standpoint, we recognise that paying our fair share enables the economic and social progress of the communities in which we operate. This mindset aligns with key UN

Sustainable Development Goals, including promoting strong institutions (SDG 16) and reducing inequalities (SDG 10).

We ensure full compliance with all applicable tax laws, including the Income Tax Act and related regulations. Our Legal and Compliance Team leads this effort, supported closely by senior leadership. We maintain clear internal policies, run regular training programmes for employees, and use monitoring systems to ensure consistent adherence to laws and industry standards in every location where we operate. The organisation upholds a firm dedication to

ethical governance and political impartiality. Consistent with this principle, we did not provide any financial or in-kind political donations, either directly or indirectly, to political parties, candidates, or affiliated groups in any country throughout the reporting period<sup>43</sup>.

As we continue to grow, we recognise the value of documenting our approach to further strengthen our governance framework. Developing a formal tax strategy is part of our long-term plan to enhance clarity for stakeholders and reinforce our commitment to responsible business.



## Our Tax Governance and Control Framework<sup>44</sup>

### Governance body or executive-level accountability for tax compliance

Tax governance at our organisation is overseen by the Board of Directors. Day-to-day responsibility rests with our Finance team, who works closely with our external auditors to ensure full compliance with all tax obligations and regulatory requirements.

### How the approach to tax is embedded within the organisation

Employees involved in finance, procurement, and related functions receive regular updates and training on relevant tax regulations. Clear internal policies, supported by robust systems, help guide consistent and compliant practices across the organisation.

### Approach to tax risks

Potential risks such as regulatory changes, compliance gaps, or issues that could impact our reputation are identified through routine reviews, cross-functional discussions, and periodic assessments conducted by our finance and compliance teams.

To manage these risks effectively, we rely on well-defined internal controls, regularly updated policies, and expert guidance from external tax advisors when needed.

## Evaluation of Compliance with the Tax Governance and Control Framework

Compliance with our tax governance framework is evaluated through both internal and external mechanisms. Our senior management and the Board of Directors regularly review compliance reports to assess performance and address any gaps through corrective action plans. External audits, when conducted, provide an added layer of assurance, helping us validate our adherence to tax laws.

## Stakeholder Engagement and Management of Concerns related to Tax<sup>45</sup>

- Engagement with tax authorities: We maintain timely communication with the Indian Income Tax and GST authorities. We respond promptly to any requests, and address questions as they arise. This helps maintain trust and ensures our tax responsibilities are met without delays or disputes.
- Collecting and considering stakeholder views: We gather and consider tax-related concerns from employees, investors, suppliers, customers, and communities through surveys, meetings, and communication channels. This input is reviewed by our tax and governance teams and is used to guide our compliance activities and disclosures.

<sup>42</sup>GRI 207-1

<sup>43</sup>GRI 415-1

<sup>44</sup>GRI 207-2

<sup>45</sup>GRI 207-3

# Information Security and Data Privacy

As a partner to global brands, our responsibility extends beyond delivering quality products. It includes protecting proprietary formulations and handling sensitive client data with care. Ensuring the confidentiality,

integrity, and availability of such information is therefore a core operational priority. While our current systems provide a solid foundation, we recognise the importance of strengthening our information security and data

privacy practices to meet evolving expectations and regulatory standards. This chapter outlines our approach to building a more structured and resilient framework for safeguarding digital assets and ensuring operational integrity.



## Policy Framework

The organisation's approach to information security is guided by a formal Information Security Policy, which defines the principles and practices for protecting business systems and data from unauthorised access, loss, or misuse.

The Company also has a publicly available Privacy Policy that outlines its approach to data handling and protection.

To further strengthen our security posture, we are in the process of introducing additional supporting policies, including:

- Access Control Policy – to govern user access based on role and responsibility, ensuring that data and systems are accessible only to authorised personnel.
- Data Classification Policy – to categorise and protect information based on sensitivity and criticality.
- Disaster Recovery and Business Continuity Plan – to ensure rapid recovery and minimal disruption in case of data loss, system failure, or other unforeseen incidents.

### Business Continuity at Chemveda

Our Business Continuity Plan (BCP) provides a structured approach for maintaining operations during network disruptions or system incidents. The plan outlines recovery timelines, data restoration processes, and communication protocols to ensure minimal downtime and protect client interests. We also maintain SOPs covering data handling, classification, and system recovery, which guide day-to-day implementation of security practices.

“

*Our Business Continuity Plan ensures that even in the face of disruption, our teams know exactly what to do, how to recover, and how to keep client operations running without compromise.*

”

These collectively aim to embed security considerations across day-to-day operations, technology management, and data handling practices.

## Governance and Oversight

Information security governance is currently overseen by the Vice President – Operations, who provides executive-level oversight on IT and data protection matters. The IT Team, led by the IT Manager, is responsible for implementing and maintaining the organisation's information security controls.

Data privacy responsibilities are also managed by the IT team and employees can raise concerns through designated contacts listed in the Privacy Policy.

Recognising the growing importance of data protection and privacy, we plan to develop a Data Protection & Privacy Policy

aligned with emerging regulations and industry practices. This will be complemented by ongoing enhancements to infrastructure, employee awareness, and incident response capabilities, ensuring a balanced, risk-based approach to information security.

## Information Security Measures

We take a practical and proactive approach to protecting information across all aspects of our operations. Our systems cover key areas of data handling, IT infrastructure, and endpoint

security, ensuring that sensitive information is well-managed. Through ongoing improvements and regular monitoring, we strengthen the reliability and resilience of our information

security practices. The following measures illustrate how these safeguards are applied in practice.

### How We Manage Data and System Safety

#### Data Protection and Leak Prevention

We use Acronis Cybersecurity and Endpoint Device Response tool to safeguard sensitive data. These tools monitor emails, block unauthorised transfers to external devices, and encrypt stored data to prevent leaks or misuse.

#### System and Network Security

Our systems are regularly updated with critical security patches for Windows clients and servers. Multi-factor authentication, network IP restrictions, and DMARC protocols are implemented to secure email communication and reduce phishing or spoofing risks.

#### Secure Access and Data Sharing

Access to external data-sharing platforms is restricted through secure e-Rooms (Citrix). These controlled environments allow only authorised users to share or retrieve information, maintaining confidentiality and traceability of all shared data.

## Operational Safeguards

- **Endpoint Security:** All laptops and desktops are secured using Endpoint Detection and Response (EDR) systems that monitor and analyse behaviour to detect and contain threats in real time.
- **Email and Internet Security:** Advanced email gateways filter and block suspicious content, preventing phishing and malware attacks. Our email and system domain policies prevent the transfer of sensitive data through emails, USB drives, or unsecured networks.
- **Mobile and Remote Security:** We use secure IT and mobile solutions to protect information accessed remotely. These measures are designed to safeguard data from unauthorised access and maintain the same level of protection outside the company network.
- **Access Control:** We have implemented strict access controls for data-sharing environments such as our e-Rooms, which are used to store and exchange data externally. Access to these platforms is managed through our e-Room Portal, which authenticates users and records activity logs to maintain traceability.
- **Data Management:** Secure data lifecycle practices are in place, including controlled data access, periodic backups, and secure disposal procedures.
- **Confidentiality Protection:** Use of Confidentiality Disclosure Agreements (CDAs) and assignment of invention rights ensure intellectual property protection. Confidentiality obligations are embedded within employment and client contracts, ensuring that all parties handling sensitive data are bound by non-disclosure requirements.

## Information Security Controls and Audits

Information security controls include restricted access to sensitive systems, data encryption, authentication mechanisms, and endpoint protection measures. Sensitive files are encrypted using AES-256, and data in

transit is secured with TLS 1.2 encryption protocols. We conduct internal information security audits every six months to assess system compliance and control effectiveness. In addition, Network Vulnerability Assessment

and Penetration Testing (VAPT) is performed by a third-party agency, using a combination of automated scans and manual testing methodologies to identify and remediate vulnerabilities.

**The Company has reported zero information security incidents in FY25 and have not recorded any data breaches or privacy violations to date, reflecting the effectiveness of its preventive controls and ongoing vigilance<sup>46</sup>.**

Parameter	FY 2024-2025
Total Number of Substantiated Complaints received from Outside Parties and Substantiated by the Organisation	0
Complaints from Regulatory Bodies	0
Total Number of Identified Leaks, Thefts, or Losses of Customer Data	0

## Employee Awareness and Training

We conduct Cybersecurity Awareness Training for employees during induction, delivered through external trainers as part of the company's SOP on Employee Training. The programme covers

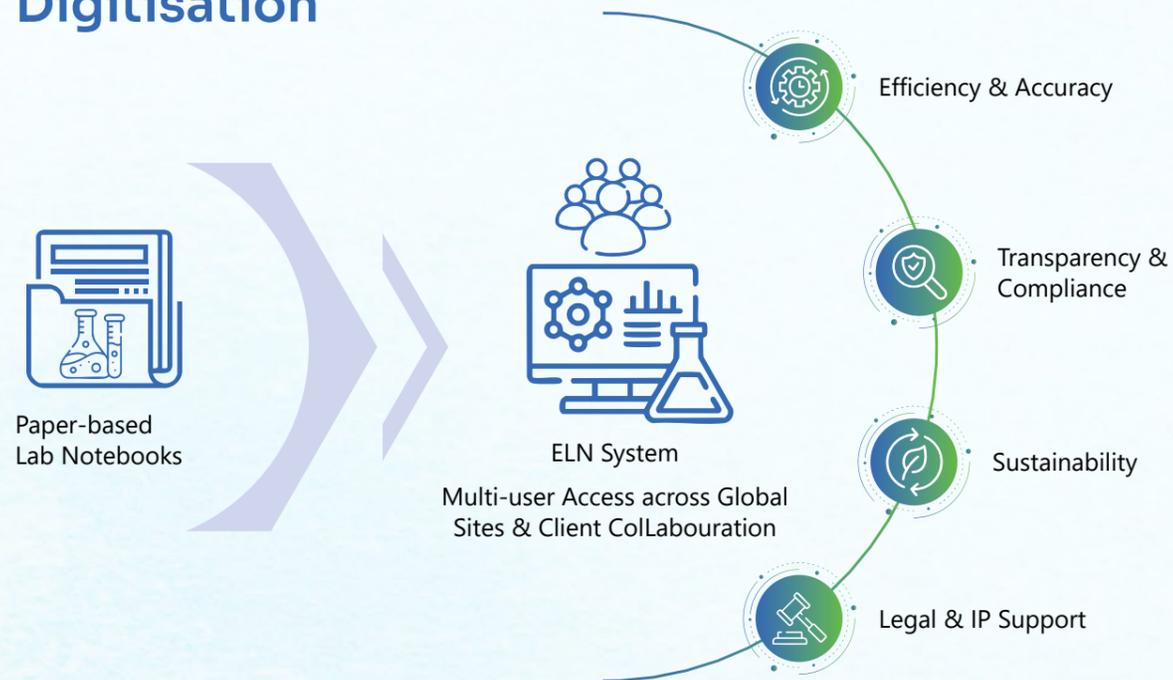
topics such as responsible system use, recognising phishing attempts, password hygiene, and handling confidential information. Phishing simulation exercises are conducted periodically

to test employee readiness and reinforce cyber resilience. Refresher or need-based sessions are conducted when there are updates to systems or policies.

<sup>46</sup>GRI 418-1



## Digitisation



Ensuring reliable client deliverables, regulatory compliance, and reproducibility across global projects demands robust scientific recordkeeping.

### Electronic Laboratory Notebooks (ELNs)

As part of our ongoing digitisation of Laboratory operations, we have implemented Electronic Laboratory Notebooks across our scientific units. ELNs provide multi-user access with controlled permissions across multiple global sites and client collaborations, offering a secure, centralised, and searchable digital platform that replaces traditional paper-based lab notebooks. This enables seamless data transfer, reduces transcription errors, and ensures

that records are complete and easily retrievable.

We are also integrating ELNs with inventory and reagent management systems to track stock levels, monitor storage locations, prevent duplicate orders, and improve overall Laboratory efficiency.

### Sci-Sample Platform

To streamline sample tracking and data workflows, we have internally developed and implemented the Sci-Sample tool across our R&D, Analytical Department (AD),

and Project Management (PM) functions. The platform is used to electronically collect, process, and analyse scientific data, supporting consistent documentation and informed decision-making. Teams use Sci-Sample for sample management, data analysis, reporting, and collaboration, with built-in modules for quality control and compliance. The e-Analytical module is specifically deployed for CRDMO projects, enabling centralised access to analytical records and improving traceability across project phases.

### Data Privacy Measures

#### Technical Safeguards

Access to mobile data is restricted to authorised personnel via secure mail services. VPN access is tightly controlled to prevent unauthorised data exposure and ensure secure remote connectivity.

#### Stakeholder Communication

If any external stakeholder has a privacy concern, they can reach out to their Chemveda contact, who will forward it to our IT team for resolution.

#### Employee Awareness and Training

Employee training on data security and privacy is embedded within the Company's Infosec programme, ensuring staff are equipped to handle sensitive data responsibly.

## Sustainable Supply Chain

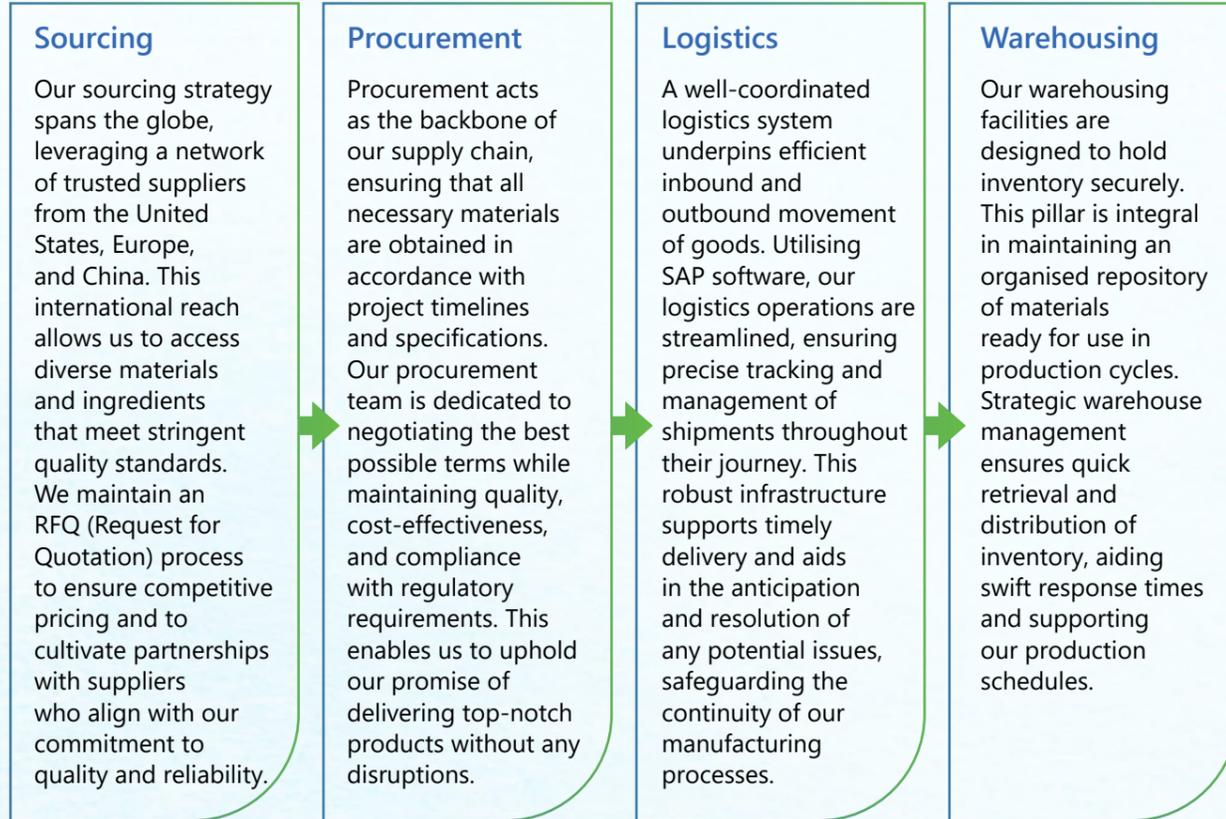
At Chemveda, we hold the conviction that responsible management of the supply chain is crucial for ensuring business continuity, optimising resource usage, and maintaining competitive costs. Our devoted teams manage various areas such as logistics, procurement, planning, and inventory management. To foster continuous improvement within our management system, we have established Key Performance

Indicators (KPIs) for each of these functions. Furthermore, we undertake supplier risk assessments to effectively monitor our supply chain activities and initiatives.

Effective supply chain management is critical for the success of Chemveda. At the heart of this management are four essential pillars: Sourcing, Procurement, Logistics, and Warehousing. Each pillar is

carefully structured to ensure seamless operations, optimised resource usage, and timely delivery of high-quality products. By leveraging these pillars, we ensure a resilient, efficient, and competitive supply chain capable of meeting market demands and client needs with precision. Through collaborative efforts across these domains, we uphold our reputation for excellence and reliability in the industry.





We manage a complex supply chain that involves over 1400+ suppliers, ensuring that we consistently deliver products on time while maintaining strict standards for quality and regulatory compliance to meet diverse requirements. Furthermore, from October 2024 to March 2025, we successfully

reduced our imports from 50% to 16%, while increasing reliance on local suppliers within the state of Telangana from 50% to 79%<sup>47</sup>.

At Chemveda, we are focusing on formulating a strong sustainable supply chain mechanism in the coming years. With this, we have rolled out our [Supplier Code of Conduct](#) and a [Sustainable](#)

[Procurement Policy](#). Additionally, we are working towards the inclusion of ESG criteria into the selection of our suppliers. These initiatives are pivotal in building a resilient supply chain that is not only efficient and reliable but also sustainable, ensuring long-term stability and growth for Chemveda and our stakeholders.

<sup>47</sup>GRI 204-1

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