apcotex
Bonds Beyond Chemistry

BONDS BEYOND CHEMISTRY

Apcotex Sustainability Report 2025–26



Our inaugural sustainability report

Apcotex Industries Limited · Prepared with reference to the GRI Universal Standards 2021

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Apcotex is reporting its sustainability performance in a standalone publication for the first time. This report brings our environmental, social and governance disclosures together in one place, so that every stakeholder can see clearly where the Company stands.

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CHAPTER 00

Bonds Beyond Chemistry

00

At Apcotex, we have always believed that the bonds we create extend far beyond the molecular. While our emulsion polymer solutions enable performance across industries, from automotive and construction to healthcare, textiles, and paper, the bonds that truly define us are those we build with people, communities, ecosystems, and our value chain. "Bonds Beyond Chemistry" is not merely a tagline. It reflects how we think, operate, and grow. It shapes the way we make decisions, improve our processes, and engage with every stakeholder connected to our business.

The specialty chemicals industry today is at a critical inflection point. Climate imperatives, evolving regulatory expectations, and increasing stakeholder awareness are redefining what responsible growth looks like. As a company rooted in the petrochemical value chain, we recognise both the responsibility and the opportunity this presents. Our approach is grounded in using science responsibly, strengthening trust across our ecosystem, and continuously improving the way we create value.

Our Sustainability journey is anchored in three strategic pillars: Product Stewardship, Stakeholders' Delight, and Responsible Business. These pillars are embedded into our operations through a robust management system framework aligned with globally recognised standards, ensuring that sustainability is not a parallel initiative, but an integral part of how we operate.

We focus on designing and manufacturing products that are safe, efficient, and aligned with evolving customer and regulatory expectations. At the same time, we invest in operational excellence by enhancing resource efficiency, strengthening process reliability, and reducing environmental impact across our facilities.

Our commitment to people is reflected in our emphasis on safety, capability building, and fostering a culture of accountability and care. We believe that a resilient organisation is built on an empowered workforce, supported by structured systems and continuous learning.

Beyond our operations, we actively engage with communities around our plants through partnerships and programmes that address local needs in areas such as education, healthcare, skill development, and environmental conservation. These initiatives are designed to create long-term, meaningful impact.

Strong governance remains the foundation of our approach. Sustainability is integrated into our decision-making processes, supported by Board-level oversight, risk management frameworks, and transparent reporting practices. This ensures that our commitments are not only defined clearly but are also consistently monitored and strengthened.

Chemistry gives us the ability to create products the world needs. What we do beyond that, how we operate, how we engage, and how we take responsibility, defines the strength of our bonds. We are happy to share our inaugural Sustainability Report, which allows us to showcase these bonds with integrity, purpose, and a long-term perspective.







CHAPTER 01

About the Report

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Reporting History and Framework

Apcotex Industries Limited is among the top 1,000 listed companies in India by market capitalisation. As mandated by the Securities and Exchange Board of India (SEBI) under the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, we publish our Business Responsibility and Sustainability Report (BRSR) annually.

This is our inaugural standalone Sustainability Report. It supplements and expands upon our BRSR disclosures, providing a more detailed, narrative-driven, and internationally comparable account of our ESG performance. The report has been prepared with reference to the GRI Universal Standards 2021, and is also aligned with the UN Sustainable Development Goals (SDGs).

This report covers the financial year 1 April 2025 to 31 March 2026 (FY 2025-26). Comparative data for FY 2024-25 is provided where available.

Scope and Boundary

This report covers the standalone operations of Apcotex Industries Limited, encompassing:

Location	Type	State
C-403/404, 4th Level, Wing C, Tower 1, Seawoods Grand Central, Sector 40, Navi Mumbai – 400706, Maharashtra, India	Registered Office	Maharashtra
Plot No. 3/1, MIDC Industrial Area, Taloja, Dist. Raigad - 410208, Maharashtra, India	Manufacturing Plant (Taloja Factory)	Maharashtra
Village Dungri, Taluka Valia, Ankleshwar - 393135, Dist. Bharuch, Gujarat, India	Manufacturing Plant (Valia Factory)	Gujarat

The Company has no subsidiaries, associates, holding companies, or joint ventures. The reporting boundary is consistent with the financial reporting boundary used in the Company's standalone financial statements. The Company operates exclusively within India, with products exported to 48 countries.

External Assurance

This Sustainability Report has undergone a limited assurance by ISSPL Limited as per ISAE 3000 (Revised). The assurance statement is attached at the end of this report.

Contact for Queries

For any queries, feedback, or suggestions regarding this report, please write to us at:

Name - Vivek Thakur

Designation - Chief Financial Officer (CFO)

Email - vivek.thakur@apcotex.com

Leadership Messages

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Message from our Chairman

Dear Stakeholders,

The specialty chemicals industry sits at the intersection of industrial progress and environmental responsibility. The materials we produce find their way into products that touch everyday life - from paper, construction and textiles to gloves and various rubber goods. That reach comes with an obligation. How we source, manufacture, and deliver these materials matters as much as the materials themselves.

Apcotex was built on a simple conviction: that a company must create value for everyone it touches; our employees, our customers, our suppliers, our shareholders, the communities around our facilities, and the environment we operate within. This conviction has guided us for years. What has changed is not the principle, but the effort and precision with which we now measure, report, and improve our performance against it.

With this inaugural standalone Sustainability Report, we bring our effort and results to our stakeholders, beyond regulatory compliance requirements. This report is a formalisation of our commitment to all our stakeholders who have shaped our operations since our founding. Our ESG journey is defined by three strategic pillars: Product Stewardship, Stakeholders' Delight, and Responsible Business. These pillars, along with our five core values - Respect and Care, Transparency and Openness, Proactive and Responsive, Innovate to Excel, and Collaborative Ownership - have guided us through this process. This report gives them a measurable expression.

The substance of what we report gives me confidence that our approach is working. We have made meaningful progress in reducing our greenhouse gas emissions, well ahead of our own timelines.

I am equally proud of the work that does not produce headline numbers. Our community engagement programmes in healthcare, education, skill development, and sanitation continue to deepen their reach and impact. The Miyawaki forest and Butterfly garden at our Taloja plant are living testaments to our belief that industrial operations and ecological restoration can coexist. These efforts are guided by genuine partnership and rooted in the specific needs of the communities near our plants.

Looking ahead, the Board of Directors and Risk Management Committee will continue to provide robust governance and oversight of our ESG strategy. We will ensure that short, medium, and long-term commitments translate into measurable action. And we will maintain the transparency that our stakeholders rightly expect.

I thank every individual and organisation that has contributed to this journey. This inaugural Sustainability Report is not a destination. It is a waypoint - an honest record of progress made and a commitment to the work that remains.

Warm regards,

Atul C. Choksey
Chairman



CHAIRMAN

Message from our Vice-Chairman and Managing Director

Dear Stakeholders,

Our tagline, "Bonds Beyond Chemistry," captures something essential about how we see our business. The bonds we create are not limited to polymer chains. They extend to the relationships we build with our customers, the trust we earn from our employees, and the responsibility we carry towards the environment and communities around us.

FY 2025-26 has been a year of tangible progress. We achieved a 50% reduction in specific Scope 1 and Scope 2 greenhouse gas emissions (per tonne of production) against our FY 2022-23 baseline, exceeding our target of a 40% reduction by FY 2031-32, six years ahead of schedule. Our energy intensity (energy used per tonne of production) fell by 6.6% compared with FY 2024-25, and by 19.4% compared with our FY 2022-23 baseline, supported by investment in high-efficiency motors, variable frequency drives and process optimisation. We achieved a 10.23% reduction in specific freshwater withdrawal against our FY 2022-23 baseline. In addition, we diverted 73.9% of our waste from disposal and cut landfill volumes by 43%, largely by sending ETP sludge to cement kilns for co-processing through authorised partners.

These numbers are not the result of a single year's effort. They reflect a sustained, multi-year investment in operational excellence. Our ISO 50001-certified energy management system, our Responsible Care commitments, and our TPM-driven approach to plant-level efficiency have created a culture where sustainability improvements are embedded in everyday operations.

On product stewardship, we completed Life Cycle Assessments for five major product lines: VP Latex, CMA Latex, High Styrene Rubber, XNB Latex, and NB Rubber. These assessments, conducted on a cradle-to-customer-gate basis by an independent agency, give us and our customers a clear picture of the environmental impact embedded in each product.

We are now working on reducing energy requirements across these product lines.

We also conducted our first comprehensive Scope 3 greenhouse gas assessment, screening all 15 categories of the GHG Protocol Corporate Value Chain Standard and calculating emissions for the 7 categories relevant to our operations. This represents a significant step in understanding and managing our full value chain footprint.

On the social front, our integrated safety management programme continues to reinforce a culture of discipline, care and accountability across the organisation. During the year, we experienced a fatal incident. We have treated it as a critical learning: a detailed root cause analysis was conducted, and robust corrective measures have been implemented to prevent any recurrence across our operations. Our community engagement programmes, focused on education, healthcare, sanitation, and women's empowerment, reached over 2,450 direct beneficiaries through partnerships with the EdelGive Foundation, Seva Sadan Society, and Deepak Foundation.

Looking ahead, our priorities are clear. We will continue to expand renewable energy capacity. We will advance our water neutrality programme. We will deepen supplier engagement on ESG criteria.

I am proud of what our team has accomplished this year. Sustainability at Apcotex is not the responsibility of a single department. It is a company-wide commitment, from the shop floor to the boardroom.

Warm regards,

Abhiraj Choksey
Vice-Chairman and Managing Director



VICE-CHAIRMAN & MANAGING DIRECTOR

CHAPTER 03

Corporate Snapshot

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Who We Are

With over four decades of expertise in emulsion polymers, Apcotex Industries Limited has grown from a pioneering Indian manufacturer into a globally trusted specialty chemicals company. Founded in 1980 as a division of Asian Paints, it introduced Vinyl Pyridine and Carboxylated Styrene Butadiene latex to India.

Today, Apcotex manufactures synthetic latex under the Apcotex brand and synthetic rubber under Apcoflex, serving applications across paper, tyre cord, construction, gloves, footwear, automotive, insulation and textiles.

Backed by DSIR-approved R&D, advanced process controls, application laboratories and REACH-registered products, the company serves customers across 48 countries.

OUR VISION

To be the **best company globally** in our business area of specialty chemicals, known for:

- Our product **excellence**
- Customer **delight**
- **Sustainable** practices



OUR MISSION

- To create the **best products and solutions** for our customers.
- To ensure our people are **cared for, safe and well-trained** in a stimulating environment.
- To give back to the **community** with impactful **CSR initiatives**.
- To maximise the value addition for our stakeholders through **high governance and responsible management** practices.
- To promote **sustainable use of resources** through environmental consciousness and world-class safety standards.

OUR VALUES

- **Respect and Care**
- **Collaborative Ownership**
- **Innovate to Excel**
- **Proactive and Responsive**
- **Transparency & Openness**

OUR PURPOSE

To use science responsibly to benefit our planet, country, society, and stakeholders.

Aligned with our commitment to the Sustainable Development Goals

Product Portfolio

Apcotex operates across two primary product segments, both rooted in styrene-butadiene and butadiene-acrylonitrile chemistry:

SYNTHETIC LATEX APCOTEX

SB and XSB Latex
Waterproofing, bonding agents, elastomer paints, structural repair, paper and paperboard, construction, tufted/woven/non-woven carpets, textile finishing and coating, geotextile

XNB (Nitrile) Latex
Examination gloves, industrial gloves, supported gloves

Vinyl Pyridine (VP) Latex
Dipping of nylon, rayon, and polyester fabric for tyre cord and belting applications

Pure Acrylic and Styrene-Acrylic Latex
Paper and paperboard, carpet backing (tufted, tertiary, automotive), waterproofing, china mosaic, textiles, construction

NBR Latex
Jointing sheets, brake pads and lining, binder for cork sheets



Apcotex synthetic latex range

SYNTHETIC RUBBER APCOFLEX

NBR (Nitrile Butadiene Rubber)
Auto components, hoses, rice dehusking rollers, LPG hoses, insulation foam, textile cots and aprons, jointing sheets

NBR-PVC Polyblends
LPG hoses, printing and industrial rollers, auto components, fuel management systems

HSR (High Styrene Rubber)
Footwear, micro-cellular sheets, high hardness rubber goods

PNBR (Powdered Nitrile Butadiene Rubber)
PVC modifications, footwear, jointing sheets, gaskets, brake liners and pads



Apcoflex synthetic rubber range

Company Journey

1980

Started as a division of Asian Paints. Pioneered the manufacturing of Vinyl Pyridine latex and Carboxylated Styrene Butadiene latex in India.

1998

Started High Styrene Rubber production with 10,000 MT p.a. (dry) capacity.

2013

Installed capacity of saleable latex increased at Taloja from 40,000 MT p.a. to 55,000 MT p.a. (wet).

2016

Completed acquisition of Omnova Solutions India Pvt. Ltd. with NBR Nitrile Rubber of 16,000 MT p.a. (dry).

2019

Entered into Nitrile Latex business for Gloves application.

2021

Taloja Latex plant capacity increased to 65,000 MT p.a. (wet) and Valia plant NBR capacity to 21,000 MT p.a. (dry).

2023

New Nitrile Latex capacity of 50,000 MT p.a. (wet) at Valia will be further expanded to 80,000 MT p.a. (wet) in the next phase. Taloja Latex plant swing capacity increased to 100,000 MT p.a. (wet).

Research and Development

The Company operates a DSIR-approved R&D facility (recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India). Key R&D capabilities include:

- **In-house pilot reactors** for new product development and scale-up operations
- **Specialised application laboratories** for customer-specific formulation and testing
- **Advanced Distributed Control Systems (DCS)** for precision monitoring and process control
- **Contractual tie-ups with research institutes** for independent performance evaluation
- **Regular consultancies with experienced international experts** for continual improvement

The R&D function supports both product innovation and process optimisation, enabling the Company to develop customised polymer solutions tailored to specific customer applications and end-use requirements.

Geographical Presence



Global presence · products exported to 48 countries

MANUFACTURING FACILITIES

Both plants are strategically located near major ports, enabling efficient multimodal logistics for export shipments. The Company maintains tie-ups with all major shipping lines.

Taloja Plant, Maharashtra

Located in the MIDC Industrial Area, the facility manufactures synthetic latex (VP, SB, Acrylic, XSB) and High Styrene Rubber.

PRODUCT LINE	INSTALLED CAPACITY
Swing Latex Capacity	1,00,000 MT p.a. (wet)
HSR (High Styrene Rubber)	10,000 MT p.a. (dry)

Valia Plant, Gujarat

Located in Valia, the facility manufactures Nitrile Butadiene Rubber and Carboxylated Nitrile Latex.

PRODUCT LINE	INSTALLED CAPACITY
NBR, Polyblend, PNBR	21,000 MT p.a. (dry)
Carboxylated Nitrile Latex	50,000 MT p.a. (wet), expanding to 80,000 MT p.a. (wet)

ESG Strategy Framework

VISION

OUR VISION

To be the best company globally in our business area of specialty chemicals, known for our product excellence, customer delight and sustainable practices.

STRATEGIC PILLARS

FOCUS AREAS

PRODUCT STEWARDSHIP

- Energy and Emissions Management
- Waste Management
- Water Stewardship
- Product Quality and Safety
- Materials Management

STAKEHOLDER DELIGHT

- Occupational Health and Safety
- Customer Relationship
- Supply Chain Management
- Community Engagement
- Human Capital Development

RESPONSIBLE BUSINESS

- Research and Development
- Data Security and Data Privacy
- Regulatory Compliances
- Risk Management
- Ethical Business Conduct
- Technology and Automation

TOTAL 16 FOCUS AREAS AND 50 KPIS

Key Highlights: FY 2025-26

Revenue (₹ Million) **14,415.0** FY 2025-26 13,923.6 FY 2024-25	**Net Worth (₹ Million)** **6,209.9** FY 2025-26 5,531.8 FY 2024-25	**Total Employees** **459** FY 2025-26 415 FY 2024-25	**Total Workers** **628** FY 2025-26 623 FY 2024-25	**Women on Board** **22.2% (2 of 9)** FY 2025-26 22.2% (2 of 9) FY 2024-25
Total Energy Consumption (GJ) **3,95,292.20** FY 2025-26 4,35,941.79 FY 2024-25	**Renewable Energy Share** **5.9%** FY 2025-26 5.4% FY 2024-25	**Scope 1 + 2 Emissions (tCO2e)** **54,001.08** FY 2025-26 55,239 FY 2024-25	**Water Consumption (KL)** **4,24,867.59** FY 2025-26 3,99,094 FY 2024-25	**Waste Generated (MT)** **2,082.27** FY 2025-26 2,296.99 FY 2024-25
Waste Diverted from Disposal (MT) **1,538.77** FY 2025-26 1,693.15 FY 2024-25	**LTIFR (Employees) | (Workers)** **0 | 0.665** FY 2025-26 0 | 0 FY 2024-25	**Safety Training Coverage** **100%** FY 2025-26 100% FY 2024-25	**Inputs Sourced Sustainably** **>91% *** FY 2025-26 ~39% FY 2024-25	**CSR Beneficiaries** **2,450+**** FY 2025-26 5,103 FY 2024-25

*The increase in the percentage of inputs sourced sustainably is a result of continuous follow-up with vendors, supported by a clear requirement that environmental certification is a condition for continued business with Apcotex.
**The decline in CSR beneficiaries reflects a change in village selection under our partnership with EdelGive Foundation: the villages covered in FY 2024-25 had larger populations than those selected in FY 2025-26.

Certifications & Standards

Quality Management System	**Environmental Management System**	**Occupational Health & Safety Management System**	**Energy Management System**	**Information Security Management System**	**Chemical industry sustainability standard**	**Global sustainability rating**	**Total Productive Maintenance**
Both plants	Both plants	Both plants	Both plants	Organisation-wide	Indian Chemical Council	EcoVadis	Japan Institute of Plant Maintenance (JIPM)

Certifications and standards held across both manufacturing facilities.

Awards & Recognition

Forbes Asia Best Under A Billion (2022 and 2023)

TPM Excellence Awards for operational excellence at manufacturing facilities

EcoVadis Silver Rating achieved, reflecting strong ESG performance across environment, labour practices, ethics, and sustainable procurement

Responsible Care verified every three years by the Indian Chemical Council, demonstrating commitment to continuous improvement in health, safety, and environmental performance

Recognition received in the current reporting period.







CHAPTER 04

Sustainability for All

04

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Sustainability Governance



Sustainability governance at Apcotex operates at three levels: Board-level oversight, management-level execution, and plant-level implementation.

Board-level oversight. The Vice-Chairman and Managing Director holds overall accountability for sustainability and ESG performance. The Risk Management Committee reviews ESG KPIs half-yearly and reports to the Board. The Board of Directors reviews and approves all sustainability targets and the annual sustainability report.

Management-level execution. The Executive Director, Chief Financial Officer, and Company Secretary are jointly responsible for implementing the Business Responsibility Policy. Senior Management and the Risk Management Committee deliberate on the progress of ESG goals on a half-yearly basis. Subject matter experts from environment, safety, operations, procurement, HR, quality, finance, legal, and IT contribute to sustainability planning and execution.

Plant-level implementation. Each manufacturing facility has dedicated EHS (Environment, Health, and Safety) teams responsible for day-to-day implementation of environmental and safety programmes. Plant managers are accountable for site-level KPIs, including energy consumption, emissions, water usage, waste management, and safety performance. Regular internal audits, management reviews, and ISO certification audits ensure compliance and continuous improvement.

Policies and Commitments

Our policies provide the formal framework through which sustainability commitments are translated into operational standards. Each policy is approved by the Board, periodically reviewed, and publicly accessible.

Key policies include:

- Environmental Policy covering pollution prevention, resource conservation, legal compliance, and continual improvement across all operations.
- Energy Policy covering energy efficiency, renewable energy, and systematic energy management aligned with ISO 50001.
- Occupational Health, Safety and Wellbeing Policy covering hazard prevention, worker participation, and continual improvement under ISO 45001.
- Business Responsibility Policy covering ethical conduct, anti-corruption, human rights, and stakeholder engagement aligned with the NGRBC principles.
- Supplier Code of Conduct covering environmental compliance, ethical practices, labour standards, and health and safety requirements for all vendors.
- Whistleblower Policy covering confidential reporting mechanisms for employees and stakeholders.
- Code of Conduct covering ethical behaviour, conflict of interest, insider trading, and fair competition for all directors, KMPs, and employees.

All policies covering these standards are Board-approved, extend to value chain partners, and are publicly available on the company website.

All policies are available at: https://apcotex.com/investor-corporate-policy

Industry Associations and External Frameworks

We participate in industry associations and align our practices with globally recognised frameworks to benchmark performance and contribute to sector-wide sustainability improvements.

Industry Memberships:

- Bombay Chamber of Commerce and Industry
- Confederation of Indian Industry (CII)
- Indian Chemical Council

Approach to Sustainability

05

Stakeholder Engagement 15 Grievance Mechanisms 16

GRI 2-29 · GRI 2-25, 2-26

Stakeholder Engagement

GRI 2-29

Sustainability is not shaped in isolation. Our approach to sustainability is informed by ongoing dialogue with the stakeholders who are affected by our operations and whose expectations shape our priorities. We identify stakeholders based on their relationship with our business, their influence on our strategic direction, and their exposure to the impacts of our activities. Stakeholder feedback directly informs our materiality assessment, sustainability targets, and reporting priorities.







Stakeholder Group	Engagement Channels	Frequency	Key Topics Raised
Board of Directors and Senior Management	Board meetings, Risk Management Committee reviews, strategy sessions	Quarterly and half-yearly	ESG strategy, sustainability targets, climate risk, governance, regulatory compliance
Employees and Workers	Safety Committee meetings, toolbox talks, employee engagement surveys, suggestion schemes, training programmes, HR interactions, grievance mechanisms	Ongoing and monthly	Workplace safety, training and development, fair remuneration, career growth, wellbeing, diversity
Customers	Technical service interactions, product specifications, customer feedback, satisfaction surveys, complaint resolution	Ongoing	Product quality, carbon footprint, lifecycle impact, REACH compliance, delivery reliability, sustainable product innovation
Investors and Shareholders	Annual General Meetings, investor presentations, stock exchange filings, sustainability disclosures	Annual and quarterly	Financial performance, ESG performance, governance, risk management, long-term value creation
Suppliers and Value Chain Partners	Supplier assessments, audits, Supplier Code of Conduct, procurement interactions, awareness programmes	Annual	Quality requirements, ESG criteria, ethical practices, timely payments, capacity building
Local Communities	Community consultations, CSR programme implementation, village representative meetings, NGO partnerships	As required	Healthcare, education, sanitation, livelihood support, environmental impact, employment
Regulatory Authorities	Compliance filings, audit interactions, permit applications, regulatory consultations	As required	Environmental compliance, occupational safety, statutory obligations, chemical management

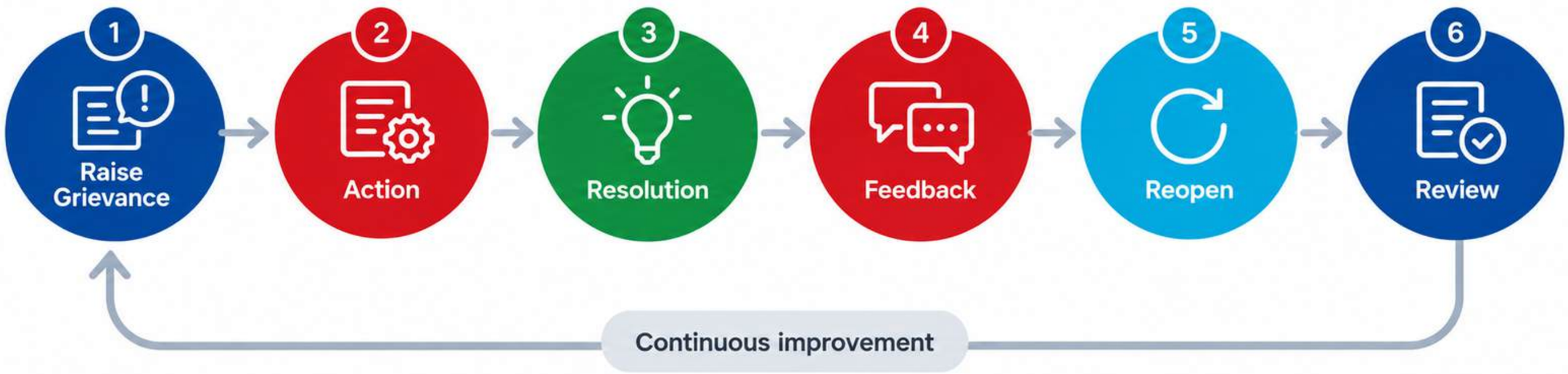
Grievance Mechanisms

GRI 2-25, 2-26

We maintain formal grievance redressal mechanisms for all stakeholder groups. An employee grievance mechanism is available internally for all employees and workers. Designated workmen committees at both the Taloja and Valia plants address worker concerns. For permanent and non-permanent employees, grievances are raised through managers and the HR department for investigation and resolution. A whistleblower policy enables confidential reporting of ethical concerns.

For external stakeholders, a formal complaint redressal process is in place.

Stakeholder Group	Complaints Filed (FY 2025-26)	Pending at Year End	Complaints Filed (FY 2024-25)
Communities	0	0	0
Investors	0	0	0
Shareholders	10	0	9
Employees and Workers	0	0	0
Customers	66	22	39
Value Chain Partners	0	0	0



CHAPTER 06

Materiality Assessment

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Why Materiality Matters 17 Our Process 17 Our Material Topics 18 Materiality Matrix 19

GRI 3-1 · GRI 3-1, 3-2

Why Materiality Matters

A sustainability report is only useful if it focuses on the topics that matter most. Materiality assessment is the process through which we identify, evaluate, and prioritise the sustainability topics that have the most significant actual or potential impacts on the economy, environment, and people, including impacts across our value chain.

Our materiality assessment follows the GRI Universal Standards 2021 approach, which defines material topics based on the significance of the organisation's impacts rather than solely on financial materiality. This means we evaluate topics not just by their effect on our bottom line, but by their effect on the world around us.

Our Process

GRI 3-1

We follow a structured nine-step process to determine our material topics. This process is documented, repeatable, and designed to incorporate multiple perspectives from across the organisation and our stakeholder ecosystem.

Step 1: Define Scope and Reporting Framework. The Sustainability Team defines the reporting boundary (Corporate Office, Taloja Plant, Valia Plant, and the upstream and downstream value chain), the reporting period, and the applicable frameworks, including GRI, NGRBC, Responsible Care, EcoVadis, TFS, and the UN SDGs.

Step 2: Identify Potential Material Topics. We develop a comprehensive list of potential material topics through multiple inputs: business strategy and objectives, the Enterprise Risk Register, regulatory and legal requirements, customer and investor expectations, industry trends and peer benchmarking, previous materiality assessments, and emerging ESG issues. This produces a long list spanning environmental, social, governance, and product-related topics.

Step 3: Identify Actual and Potential Impacts. Each topic is evaluated to determine its actual and potential impacts, both positive and negative. We assess impacts within our own operations and across the value chain. Evaluation criteria include severity (scale, scope, and irremediability), likelihood of occurrence, and the financial, operational, environmental, and social consequences.

Step 4: Stakeholder Engagement. We gather input from a broad range of stakeholders to understand their priorities and concerns. Inputs are obtained from the Board of Directors, Risk Management Committee, Senior Management, employees, customers, suppliers and contractors, investors, local communities, regulatory authorities, and industry associations. Engagement methods include surveys, interviews, meetings, workshops, audits, grievance mechanisms, customer feedback, supplier assessments, and community interactions.

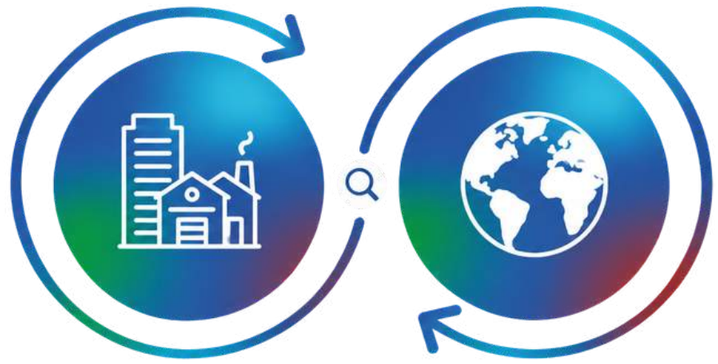
Step 5: Expert Review. The assessment is validated by subject matter experts from across the organisation, covering environment, occupational health and safety, operations, manufacturing, human resources, procurement, quality, finance, legal and compliance, risk management, information security, and sustainability. External ESG consultants and technical experts are consulted where appropriate.

Step 6: Prioritisation. Material topics are prioritised based on the significance of actual and potential impacts, stakeholder importance, strategic relevance to Apcotex, regulatory expectations, and business risks and opportunities.

Step 7: Review and Approval. The prioritised material topics are reviewed by Senior Management and the Risk Management Committee before being presented to the Board of Directors for oversight and approval.

Step 8: Integration. Approved material topics are integrated into corporate strategy, ESG objectives and targets, enterprise risk management, sustainability KPIs, operational plans, and the annual Sustainability Report.

Step 9: Periodic Review. The materiality assessment is reviewed at least once every two years, or earlier in response to significant changes in business operations, stakeholder expectations, regulations, acquisitions, new products, or emerging ESG risks.



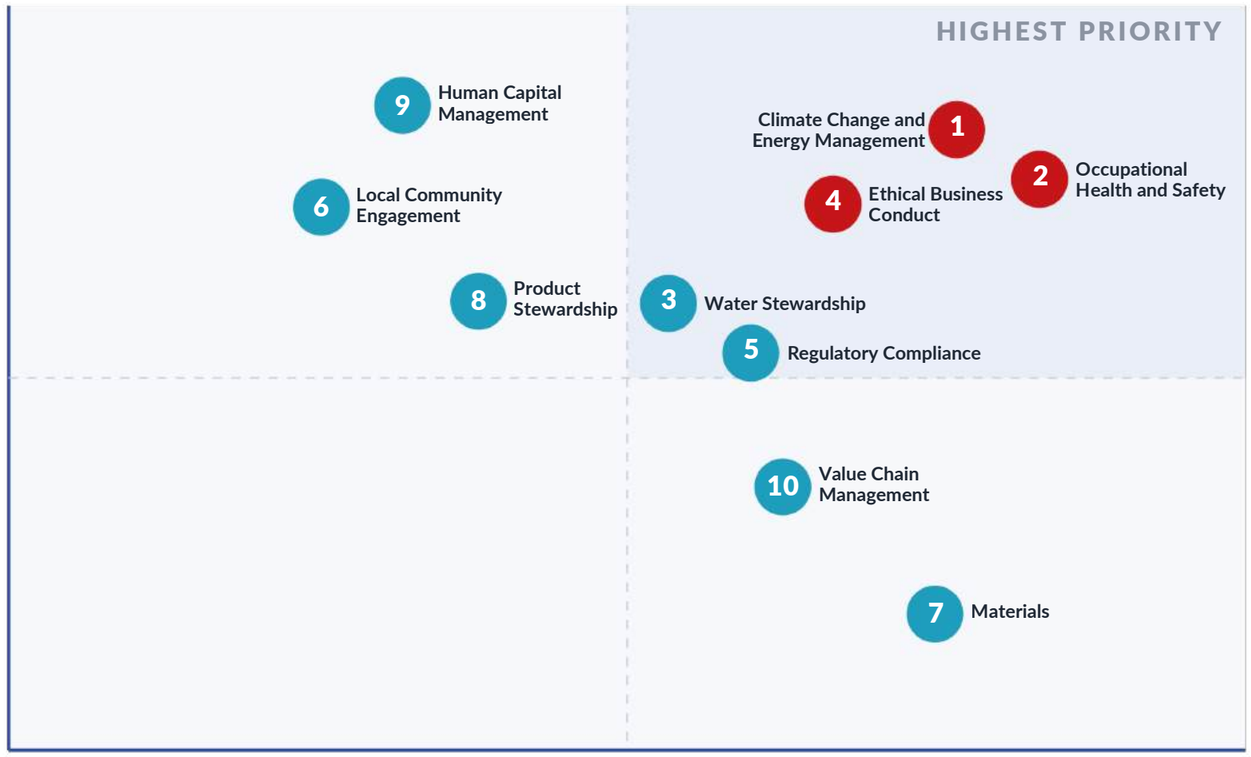
Our Material Topics

GRI 3-1, 3-2

Through this process, we identified 10 material topics that define the scope and depth of this report. Each topic has a defined purpose, governing policies, management actions, performance indicators, and stakeholder engagement mechanisms.

No.	Material Topic	Risk or Opportunity	Rationale	Approach to Adapt or Mitigate	Financial Implications
1	Climate Change and Energy Management	Transition and Physical Risk; Opportunity for energy efficiency and renewables	Regulatory changes, extreme weather, and market expectations may impact operations and costs.	Mitigated through energy efficiency, renewable energy adoption, climate-resilient infrastructure, and ESG integration.	Negative: Increased compliance and operational costs. Positive: Cost savings, improved efficiency, access to green finance, enhanced market competitiveness.
2	Occupational Health and Safety	Operational and Compliance Risk; Opportunity for improved productivity and workforce well-being	Our operations involve working with hazardous chemicals, which may lead to injuries, incidents, or non-compliances.	We have adopted a structured integrated safety management programme. The programme focuses on behaviour-based safety, asset integrity, and automation. All operations are ISO 45001:2018 and Responsible Care certified.	Negative: Costs from incidents, legal liabilities, insurance. Positive: Reduced incidents, improved productivity, lower insurance costs, enhanced employee morale and retention.
3	Water Stewardship	Physical and Regulatory Risk; Opportunity for water efficiency and resource security	Water scarcity and increasing regulatory controls pose operational risks, especially for the chemical industry.	Mitigated through water efficiency measures, zero liquid discharge (ZLD) systems, ISO 46001 certification (Valia plant), and planned rainwater harvesting.	Negative: Capital and operational expenditure for ZLD and water management systems. Positive: Reduced dependence on external water sources, long-term cost savings, improved compliance.
4	Ethical Business Conduct	Reputational and Legal Risk	Multi-stakeholder and multi-geography operations expose chemical companies to risks of corruption, conflict of interest, and other unethical practices.	All directors, KMPs, and employees are trained in ethical business practices. Robust systems ensure ethical and fair conduct, including annual independence declarations.	Negative: Potential reputational damage with customers and the broader community.
5	Regulatory Compliance	Operational and Legal Risk	The external regulatory environment is dynamic. Multi-geographical operations mean a variety of regulations are applicable.	The Company has adopted a compliance tool that tracks all applicable compliances and helps ensure adherence. Regular training and management reviews support ongoing compliance.	Negative: Disruption of services due to non-compliance, cost incurred on tracking and managing compliances.
6	Local Community Engagement	Risk and Opportunity for social licence and inclusive development	The nature of the chemical business creates a major impact on the surrounding environment and local communities.	We engage with local communities near areas of operation in Gujarat and Maharashtra. The Company contributes through CSR investments in education, healthcare, WASH, skill development, and environmental conservation.	Negative: CSR expenditure. Positive: Strengthened community relationships, social licence to operate.
7	Materials	Cost and Environmental Risk; Opportunity for yield improvement and biomaterial development	Raw materials are predominantly sourced from the crude oil value chain. Climate-related risks can affect supply chain and business. Customer demand for biomaterials is growing.	The Company focuses on increasing yield and achieving material efficiency. We are partnering with other organisations to research biomaterials to create long-term options away from fossil fuels.	Negative: High dependence on oil and gas industry, capital expenditure on R&D. Positive: Higher yield in the short run, long-term value if successful in derisking from crude oil.
8	Product Stewardship	Risk and Opportunity for customer satisfaction and market access	Technological advances can enhance product quality and safety. Product stewardship helps minimise the lifecycle impact of products.	We have implemented TPM at operating sites and adhere to Responsible Care standards. ISO 9001, REACH registration, GHS labelling, and Life Cycle Assessment support product safety and quality.	Negative: Increased capital expenditure. Positive: Better plant management, improved customer service, strategic relationships.
9	Human Capital Management	Risk and Opportunity for talent, innovation, and operational excellence	Maintaining a talent pool equipped with relevant skillsets is critical for operations. India's demographic dividend provides an opportunity to scale up.	We engage with employees through several initiatives to build a great place to work with an inclusive culture. Employee engagement surveys and upskilling programmes run on a regular basis.	Negative: Disruption of services from ill-managed human capital, expenditure on training initiatives. Positive: Higher productivity, talent retention.
10	Value Chain Management	Supply chain disruption risk; Opportunity for resilience and ESG performance	Any form of disruption in the value chain can directly affect the bottom line. Supplier stability and compliance are necessary for sustainable business operations.	We regularly interact with suppliers and assess them on product quality and ESG aspects. The Company conducts awareness and capacity building programmes.	Negative: Potential disruption of operations from supply chain failures. Positive: Reliable sourcing, improved ESG ratings.

Materiality Matrix



The initial list of topics is shown below; the highlighted ones are our material topics.

ENVIRONMENTAL

- **1 Climate Change and Energy Management**
- **3 Water Stewardship**
- Waste and Circular Economy
- Air Emissions
- Biodiversity
- Hazardous Chemicals and Process Safety
- **7 Materials**

SOCIAL

- **2 Occupational Health and Safety**
- Employee Health and Mental Wellbeing
- **9 Human Capital Management**
- Diversity, Equity and Inclusion
- Employee Engagement
- Human Rights
- Labour Practices
- **6 Local Community Engagement**

GOVERNANCE

- **4 Ethical Business Conduct**
- **5 Regulatory Compliance**
- Corporate Governance
- Risk Management
- Cybersecurity and Information Security
- Data Privacy
- Responsible Procurement
- **10 Value Chain Management**

PRODUCT & CUSTOMERS

- Product Quality
- **8 Product Stewardship**
- Product Safety
- Innovation and Sustainable Products
- Customer Satisfaction



CHAPTER 07

Economic Performance

07

1.1 Economic Value Generated and Distributed 21 · 1.2 Indirect Economic Impacts 22 · 1.3 Anti-Competitive Behaviour 23 · 1.4 Approach to Tax 23

GRI 201 · GRI 203 · GRI 206 · GRI 207

FY 2025-26 was a year of strong financial performance for Apcotex. We delivered robust revenue growth, significant margin expansion and a near-doubling of profit after tax. Higher volumes, led by specialty grades, lifted capacity utilisation and delivered operating leverage, improving contribution across our segments and creating meaningful value for stakeholders.

Our revenue growth was driven by record high production volumes, capacity utilisation, operating leverage, and improving contribution across our segments, which resulted in stronger presence in both domestic and international markets. The Company was named among the Top 100 Most Innovative Companies in India by CII and received the Acharya P.C. Ray Award from the Indian Chemical Council for indigenous technology.

The figures in this chapter are drawn from the Company's audited standalone financial statements for FY 2025-26.

FINANCIAL PERFORMANCE HIGHLIGHTS

₹ 1,774 Mn
EBITDA 42.1% YoY

12.31%
EBITDA Margin 335 Bps YoY

₹ 1,014 Mn
Net Profit 87.5% YoY

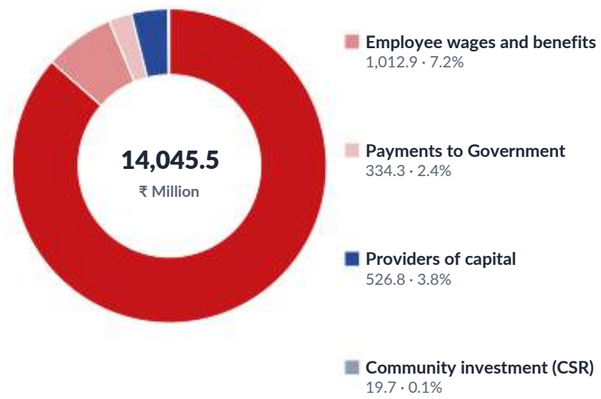
7.03%
Net Profit Margin 314 Bps YoY

₹ 19.56/ share
EPS 87.5% YoY

ECONOMIC HIGHLIGHTS AT A GLANCE (FY 2025-26)

Parameter	Unit	FY 2025-26	Change
Total economic value generated	**₹ Million**	**14,644.9**	**+4.4%**
Revenue from operations	₹ Million	14,415.0	–
Other income (investments and other sources)	₹ Million	229.9	–
Total economic value distributed	**₹ Million**	**14,045.5**	**–**
Economic value retained	₹ Million	599.4	–
Dividend declared	₹ per equity share	8.00	–

Economic value distributed · ₹ Million



Economic value distributed · ₹ Million. Figures as tabulated in this section.

1.1 Economic Value Generated and Distributed



Economic performance is the foundation on which the commitments in this report rest: the value the business generates funds the capacity expansion, research and development, and environmental capital expenditure described in the chapters that follow. We generated a total economic value of ₹ 14,644.9 million during FY 2025-26, comprising ₹ 14,415.0 million from revenue from operations and ₹ 229.9 million from other income sources. This represents growth of 4.4% over the previous year's income.

APPROACH

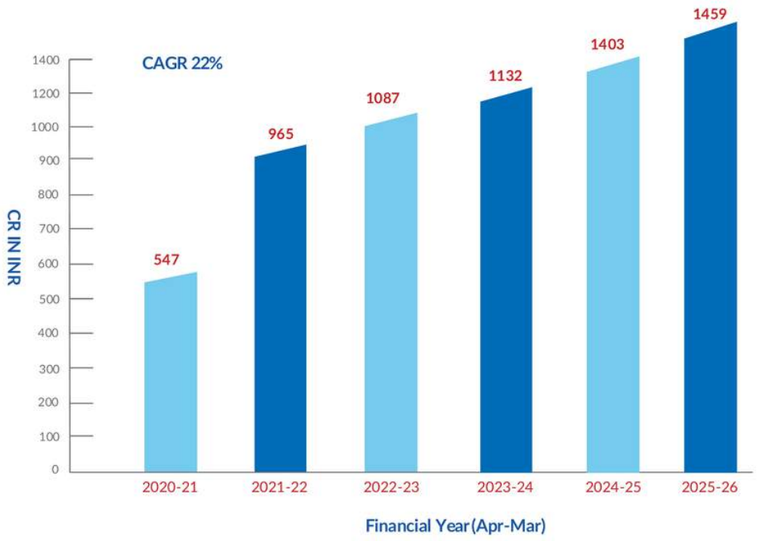
Our revenue growth was driven by record high production volumes, capacity utilisation, operating leverage, and improving contribution across our segments, which resulted in stronger presence in both domestic and international markets.

The Company was named among the Top 100 Most Innovative Companies in India by CII and received the Acharya P.C. Ray Award from the Indian Chemical Council for indigenous technology.

We maintain a conservative balance sheet as a matter of policy and return a share of the value generated to shareholders each year. The figures in this section are drawn from the Company's audited standalone financial statements for FY 2025-26.

PERFORMANCE

- Delivered record-high sales volumes, registering a growth of 14% year-on-year, reflecting strong demand across markets.
- Achieved the highest export sales volume to date, also growing 14% year-on-year, underscoring our expanding global footprint.
- Operating EBITDA reached a new peak, increasing from ₹ 1,248 million in FY25 to ₹ 1,774 million in FY26, reflecting a growth of 42% year-on-year, driven by higher volumes, margin expansion, and improved capacity utilisation.
- Maintained a strong balance sheet position, remaining net cash positive with cash and investments exceeding borrowings by ₹ 700 million.
- The Board has announced a total dividend of ₹ 8 per equity share, subject to shareholder approval.



ECONOMIC VALUE GENERATED

Particulars	Unit	FY 2025-26
Total Revenue from Operations	**₹ Million**	**14,415.0**
Other Income (from investments and other sources)	₹ Million	229.9
Total Economic Value Generated	**₹ Million**	**14,644.9**

ECONOMIC VALUE DISTRIBUTED

Stakeholder Group	₹ Million
Operating Costs	12,151.8
Employee Wages and Benefits	1,012.9
Payments to Government	334.3
Payments to Providers of Capital	526.8
Community Investments (CSR)	19.7
Total Economic Value Distributed	**14,045.5**

Our economic value retained (the difference between value generated and value distributed) for FY 2025-26 was approximately ₹ 599.4 million. This retained value supports reinvestment in capacity expansion, R&D, and sustainability initiatives.

INITIATIVES

The most significant initiative under this topic during the year was the strengthening of retirement benefits and employee plans. We provide comprehensive retirement benefits to all employees. Our defined benefit plan contributions during FY 2025-26 totalled ₹ 118.6 million, covering provident fund, gratuity, and ESI contributions.

100% of our retirement plan obligations are covered by plan assets, and all employees participate in our retirement benefit schemes.

RETIREMENT BENEFITS AND EMPLOYEE PLANS

Retirement Benefit	FY 2025-26 (₹ Million)
Provident Fund Contribution	28.7
Gratuity Fund Contribution	89.7
ESI Contribution	0.2
Total	**118.6**

OUTLOOK

The ₹ 599.4 million retained during the year will be redeployed into capacity expansion, research and development, and the sustainability initiatives described in the chapters that follow.

We will continue to report economic value generated and distributed on the same basis each year, so that the split between stakeholder groups can be tracked over time, and to keep our retirement plan obligations fully funded by plan assets.

1.2 Indirect Economic Impacts

GRI 203

CONTEXT

During FY 2025-26, we invested ₹ 19.7 million in community development through our CSR programme under Section 135 of the Companies Act, 2013. Our CSR initiatives focus on rural development, sanitation, women's empowerment, and community welfare. We partner with organisations including EdelGive Foundation, Seva Sadan Society, and Deepak Foundation to deliver these programmes.



Our manufacturing sites at Taloja, Maharashtra and Valia, Gujarat draw a large share of their workforce and their supplier base from the surrounding districts. The economic influence of the business therefore extends well beyond our own payroll, through the wages we pay, the local enterprises we buy from, and the community programmes we fund.

APPROACH

Our operations contribute to local economic development through employment generation, supply chain engagement, and community programmes. Our workforce distribution reflects our commitment to economic inclusion across geographies: 44.48% of our employees are based in rural areas, 9.52% in semi-urban areas, 23.13% in urban areas, and 22.87% in metropolitan areas.

Through our procurement practices, we support MSMEs and local suppliers. 19.33% of our total procurement spend goes to MSMEs, and 53.28% is sourced from suppliers within the district and neighbouring districts. This procurement approach supports local economic activity and small business development in the communities around our manufacturing facilities.



PERFORMANCE

Indicator	FY 2025-26
Employees based in rural areas	44.48%
Employees based in semi-urban areas	9.52%
Employees based in urban areas	23.13%
Employees based in metropolitan areas	22.87%
Procurement spend with MSMEs	19.33%
Spend with suppliers in the district and neighbouring districts	53.28%
CSR investment under Section 135	**₹ 19.7 Million**

OUTLOOK

We will continue to route community investment through Section 135 programmes delivered with our partner organisations, focusing on rural development, sanitation, women's empowerment and community welfare.

On procurement, we will keep prioritising MSMEs and suppliers within the district and neighbouring districts wherever quality and reliability requirements allow.

1.3 Anti-Competitive Behaviour

GRI 206

CONTEXT

We are committed to fair competition and ethical market conduct. Our Code of Conduct and Ethics Policy provides clear guidance on anti-competitive behaviour, anti-trust practices, and monopolistic conduct.

APPROACH

We compete in specialty polymer markets with a small number of established manufacturers and serve customers across the 48 countries we export to. In markets of this structure, conduct on pricing, market allocation and dealings with distributors carries real legal and reputational risk.

All directors, key managerial personnel and employees are trained in ethical business practices, and our systems for ensuring fair conduct include annual independence declarations.

PERFORMANCE

During FY 2025-26, there were no legal actions pending or completed regarding anti-competitive behaviour, anti-trust violations, or monopoly practices. The Company has not been subject to any investigations or proceedings related to these matters.

Metric	FY 2025-26
Legal actions for anti-competitive behaviour	Nil
Anti-trust proceedings	Nil
Monopoly practice investigations	Nil
Fines or penalties imposed	Nil

OUTLOOK

We will continue annual ethics training and independence declarations across the Board, key managerial personnel and employees, and will report any legal action concerning anti-competitive behaviour, anti-trust practices or monopoly practices in the year it arises.

1.4 Approach to Tax

GRI 207

CONTEXT

We are committed to full compliance with all applicable tax laws and regulations. Our approach to tax is guided by the principles of transparency, accountability, and compliance with both the spirit and letter of tax legislation. Tax is the most direct financial contribution the business makes to the public finances of the jurisdictions in which it operates. During FY 2025-26, payments to government accounted for ₹ 334.3 million of the economic value we distributed.

APPROACH

Tax matters are reviewed as part of the quarterly and annual financial reporting process. The Company's statutory auditors independently verify tax computations and filings.

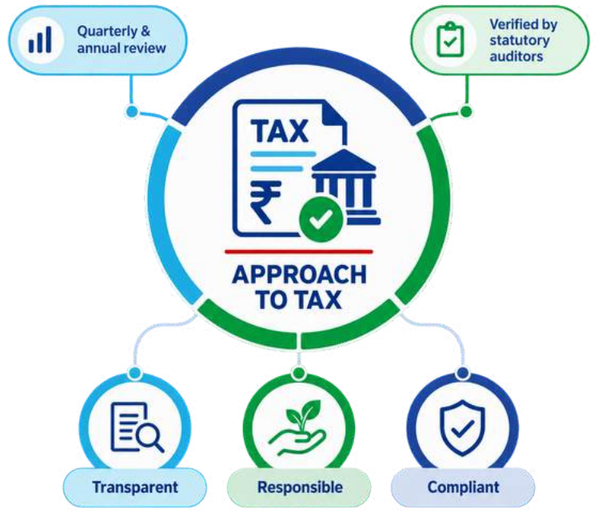
We do not engage in aggressive tax planning or use artificial structures to reduce tax liability. Our tax strategy is aligned with our broader business strategy and is consistent with the jurisdictions in which we operate.

OUTLOOK

We will maintain full compliance with applicable tax laws in every jurisdiction in which we operate, and will continue to have tax computations and filings independently verified by our statutory auditors as part of the annual reporting cycle.

PERFORMANCE

Tax governance indicator	FY 2025-26
Payments to government	**₹ 334.3 Million**
Review of tax matters	Quarterly and annual
Independent verification of tax computations and filings	Statutory auditors
Aggressive tax planning or artificial structures	None
Instances of non-compliance with tax legislation	Nil



CHAPTER 08

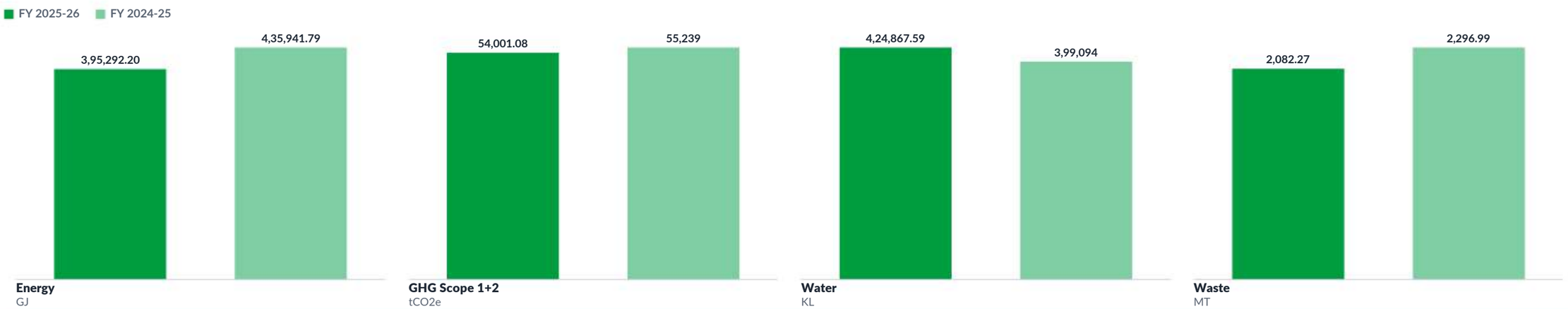
Environmental Responsibility

The specialty chemicals industry occupies a unique position in the sustainability landscape. Our products, synthetic rubber, latexes, and nitrile polymers, are invisible to the end consumer yet essential to industries that touch everyday life: tyres that grip the road, gloves that protect healthcare workers, coatings that extend the life of buildings, and textiles that perform under stress. This downstream utility carries an upstream cost. Manufacturing these products requires petrochemical feedstocks derived from crude oil and natural gas, energy-intensive polymerisation processes, substantial water use, and careful management of hazardous and non-hazardous waste streams. How we manage this trade-off between the value our products create and the environmental footprint of making them defines our credibility as a responsible manufacturer.

2.1 Materials Use 25 **2.2** Energy Management 26 **2.3** Water Stewardship 29 **2.4** Biodiversity Conservation 31 **2.5** Emissions Management 32 **2.6** Waste Management 35

GRI 301 · GRI 302 · GRI 303 · GRI 304 · GRI 305 · GRI 306

Environmental performance, year on year



Environmental performance, year on year.

We manufacture across two facilities in western India: Valia in Gujarat and Taloja in Maharashtra, each with a distinct environmental profile. Our Valia plant operates a Zero Liquid Discharge system for complete wastewater recovery and is in the process of implementing rainwater harvesting. The Taloja plant incorporates biomass (briquettes) within its fuel portfolio and prioritises its use over fossil-based fuels, where operationally feasible, as part of its ongoing energy transition strategy toward lower-carbon energy sources. Both facilities are transitioning to renewable energy through solar and wind sources. This diversity in site-level infrastructure means our environmental strategy cannot be one-size-fits-all; it requires tailored interventions at each location while maintaining consistent standards across the organisation.

BOARD-LEVEL ENVIRONMENTAL TARGETS AND PROGRESS

Target	Baseline	Timeline	Status
Net Zero	-	2045	On track
40% reduction in Scope 1+2 GHG emissions	FY 2022-23	FY 2031-32	Achieved: 50% reduction in specific GHG emissions in FY 2025-26 against baseline
3% YoY energy efficiency improvement	-	Through FY 2030	Achieved: 6.6% reduction in FY 2025-26 vs FY 2024-25, and 19.4% reduction vs the FY 2022-23 baseline
10% reduction in specific freshwater withdrawal	FY 2022-23	FY 2025-26	Achieved (10.23%)
Water neutrality	-	2030	In progress
Zero Waste to Landfill	FY 2022-23	-	In progress
100% recycling of Non hazardous waste	FY 2022-23	-	Achieved

Environmental Highlights at a glance (FY 2025-26)

Parameter	FY 2025-26	FY 2024-25
Total energy consumed	**3,95,292.20 GJ**	**4,35,941.79 GJ**
GHG emissions (Scope 1 + 2)	54,001.08 tCO2e	55,239 tCO2e
Water consumption	4,24,867.59 KL	3,99,094 KL
Total waste generated	**2,082.27 MT**	**2,296.99 MT**
Waste diverted from disposal	73.9%	73.7%

2.1 Materials Use

GRI 301

CONTEXT

For a manufacturer of synthetic rubber and latexes, raw material choices shape our entire environmental trajectory. Our primary inputs, monomers (butadiene, acrylonitrile, styrene, vinyl pyridine), chemical additives (emulsifiers, stabilisers, catalysts, modifiers), solvents, and packaging materials, are predominantly petrochemical-derived. This defines both our resource dependence and our transition challenge. As the global economy decarbonises, fossil-derived feedstock availability and pricing will shift, making material strategy a question of long-term business resilience. Simultaneously, downstream manufacturers across our key segments, from tyre cord dipping and paper coating to medical gloves and automotive components, are increasingly demanding products with lower embedded carbon, reduced VOC content, and lifecycle transparency, particularly across the 48 countries we export to.

We recognise that transitioning to bio-based and chemically recycled feedstocks will take time. Specialty applications like medical-grade nitrile latex (XNB) and tyre-cord-grade VP latex require extremely tight quality specifications where even trace contamination from recycled inputs is unacceptable. Our material strategy balances the urgency of transition with the reality of these quality constraints.

APPROACH

Our approach to materials management operates on three levels: procurement standards, operational efficiency, and forward-looking R&D.

At the procurement level, raw material sourcing is governed by our Supplier Code of Conduct, which mandates environmental compliance, pollution prevention, and resource efficiency from all vendors. Over 91% of our raw material purchases (by value) come from suppliers with ISO 14001 or equivalent environmental management systems. We actively encourage suppliers to pursue REACH certification and ISO IMS (14001) certification. Our purchasing patterns show 40.18% of total purchases from 83 trading houses, with the top 10 accounting for 83.66%. We procure 19.33% of input materials from MSMEs and small producers, and 53.28% from within the district and neighboring districts, reflecting a conscious local sourcing approach that reduces transportation emissions and supports regional economies.

Focus Area	Details
Reduce	Formulations revised to lower VOC content. Yield improvement and cycle time reduction achieved in Apcotex latex grades, directly reducing carbon footprint
Reprocess	Processes modified and optimised for blending or recycling of latexes and rubber, reducing further chemical consumption
Redesign	All products redesigned with optimum water-based chemicals. Non-ecofriendly surfactants replaced in processes. Product quality improved with lower processing temperatures and reduced rejection rates
Pilot facility (CAPEX)	Smaller pilot facility established to reduce chemical and energy consumption during development. Pilot plants at both sites modified for minimum batch sizes. Developmental latexes reused in commercial products

At the operational level, we focus on maximising material efficiency. Off-specification latex and rubber are reprocessed back into commercial production rather than discarded. Process modifications have optimised blending ratios to reduce virgin chemical consumption. At Taloja, we have shifted to bulk tanker delivery for major raw materials, eliminating thousands of plastic drums annually. For chemicals consumed in smaller quantities, drums are decontaminated and recycled through authorised agencies.

At the R&D level, we are investing in reformulation to reduce the environmental intensity of our products. During FY 2025-26, 17% of R&D expenditure and 76% of CAPEX was directed towards environmental and social improvements. We have completed Life Cycle Assessments (cradle-to-customer-gate) for five major products: VP Latex, CMA Latex, High Styrene Rubber (HSR), XNB Latex, and NB Rubber. These assessments, conducted independently, identify hotspots in our value chain and inform our product development roadmap.

R&D and CAPEX investment in environmental improvement

During FY 2025-26, 17% of R&D expenditure (previous year: 78%) and 76% of CAPEX (previous year: 24%) was directed towards environmental and social improvements. Key R&D initiatives include:







INITIATIVES

The most impactful materials initiative during the year was the completion of Life Cycle Assessments for five major products: VP Latex, CMA Latex, High Styrene Rubber (HSR), XNB Latex, and NB Rubber. These cradle-to-customer-gate assessments, conducted independently, provide a granular understanding of where environmental impacts are concentrated in our value chain and inform our product development roadmap. The LCA findings have already guided decisions on batch cycle time optimisation, biomass usage targets, and water leakage reduction priorities.

On the procurement side, the shift to bulk tanker delivery at Taloja continues to reduce plastic packaging waste at source by eliminating thousands of drums annually. We are implementing a raw material tracking system that will enable exact tonnage disclosure by material type and renewable/non-renewable classification, moving us from approximate categories to precise, auditable data.

Looking further ahead, we are actively monitoring bio-based monomer developments and chemically recycled feedstock alternatives. We have initiated research collaboration with external organisations on bio-based materials to develop long-term pathways away from fossil-derived feedstocks. While commercial viability for many of these alternatives is still several years away, early engagement positions us to act quickly when the technology matures.

OUTLOOK

We plan to complete implementation of the material tracking system by FY 2027-28, enabling granular weight and volume disclosure by individual material category. This will provide the foundation for setting quantitative targets for material efficiency and circular input use. In parallel, we are monitoring bio-based monomer alternatives and chemically recycled feedstocks, and will evaluate them as they reach commercial viability. Supplier engagement on REACH certification and environmental management will continue, with a particular focus on encouraging ISO 14001 adoption among smaller suppliers. We will also explore chemical recycling as feedstock for product lines where quality requirements permit, and progressively improve pilot facility efficiency to reduce resource consumption during the development stage.

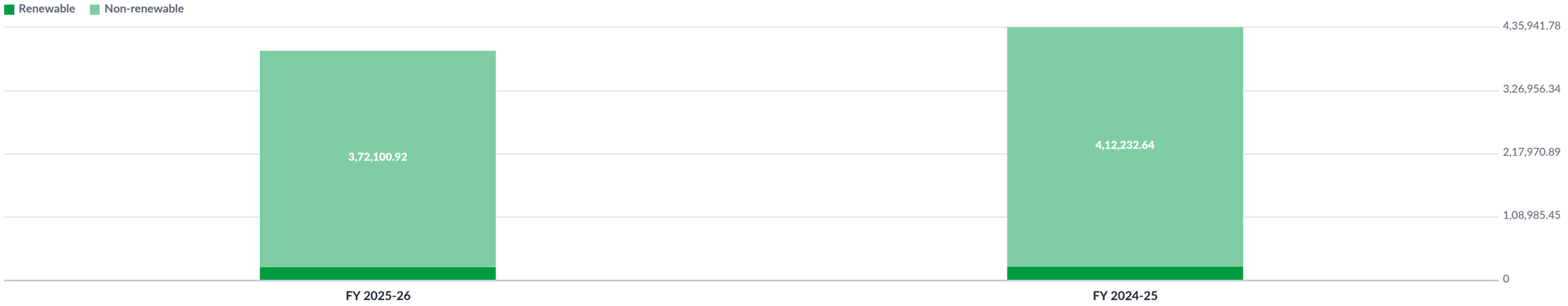
2.2 Energy Management

GRI 302

CONTEXT

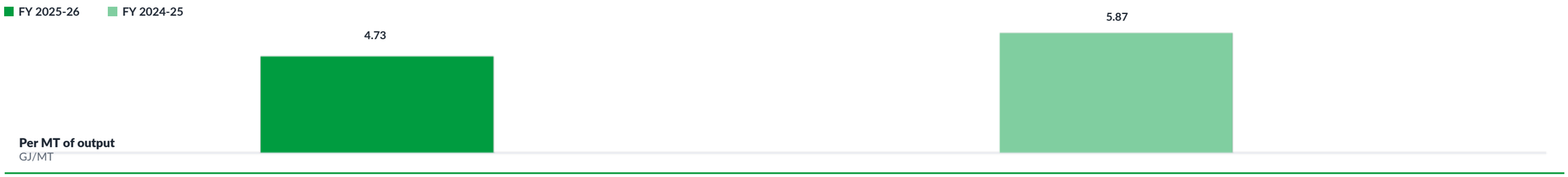
Energy is our largest environmental lever and the single biggest determinant of our carbon footprint: polymerisation reactions require sustained heat, pumps, compressors, and cooling systems run continuously on electricity, and drying and finishing operations draw on both, so even incremental efficiency gains translate into meaningful reductions in emissions and cost. At Taloja, the energy mix relies largely on grid electricity supplemented by on-site solar panels and a windmill.

Energy consumption by source · GJ



Energy consumption by source · GJ.

Energy intensity · GJ/MT



Energy intensity · GJ/MT.

APPROACH

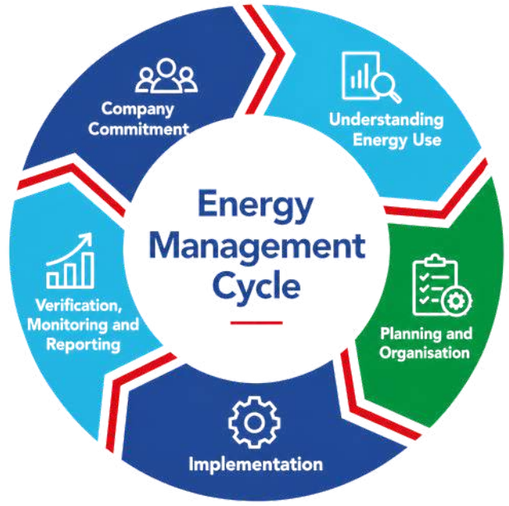
Energy management at both facilities operates within our ISO 50001:2018 Energy Management System, which provides a structured framework for continuous improvement. The system requires energy baselines and performance indicators for each major process, objectives and action plans reviewed through management reviews, internal energy audits twice yearly by trained auditors. Energy considerations are integrated into all capital expenditure decisions, process design, and equipment procurement.



PERFORMANCE

Specific energy consumption, measured in gigajoules per metric tonne of production (GJ/MT), is our primary performance indicator. It captures both efficiency gains and production mix effects in a single metric. We set a Board-level target of 3% year-on-year energy intensity improvement through FY 2030, a target we have consistently exceeded.





ENERGY CONSUMPTION

Parameter	Unit	FY 2025-26	FY 2024-25
RENEWABLE SOURCES			
Renewable electricity (solar panels, windmill)	GJ	6,767.77	5,572.32
Biomass fuel (briquettes)	GJ	16,423.50	18,136.82
Total Renewable	**GJ**	**23,191.27**	**23,709.14**
NON-RENEWABLE SOURCES			
Grid electricity	GJ	1,31,530.27	1,20,025.10
Fossil fuel (coal, diesel, natural gas)	GJ	2,40,570.53	2,92,207.55
Total Non-Renewable	**GJ**	**3,72,100.92**	**4,12,232.64**
Total Energy Consumed	**GJ**	**3,95,292.20**	**4,35,941.79**
Renewable share of total energy	%	5.9%	5.4%

Total energy consumption fell 9.3% year-on-year, driven primarily by a 17.7% reduction in fossil fuel use. We have been aligning our energy mix towards renewable energy and electrification of processes, reducing dependence on fossil fuels (coal, diesel, natural gas). The renewable share increased to 5.9%. Solar panels and a windmill contribute to renewable electricity generation. The overall reduction reflects both fuel switching and operational efficiency gains across the two plants.

ENERGY INTENSITY

Parameter	Unit	FY 2025-26	FY 2024-25
Energy intensity per rupee of revenue	GJ/INR	0.0000274	0.0000313
Energy intensity per rupee (PPP adjusted)	GJ/INR	0.0000013	0.0000015
Energy intensity per MT of output	**GJ/MT**	**4.73**	**5.87**

The Board-level commitment of 3% YoY reduction in energy efficiency was exceeded, achieving 6.6% reduction in FY 2025-26 in comparison to FY 2024-25. This reflects both efficiency improvements and higher capacity utilisation during the year. Energy intensity includes both renewable and non-renewable energy consumed within the organisation boundary.

ENERGY REDUCTION INITIATIVES

During FY 2025-26, we achieved a total energy reduction of 1,496.76 GJ through conservation and efficiency improvement initiatives. These measured savings equal 0.4% of total energy use; the rest of the reduction came through replacement of electric motors with energy-efficient equipment and the installation of engineering controls such as VFDs on compressors and chilled water pumps.

Initiative	Location	Energy Saved (GJ)	Description
IE4/IE5 motor replacement	Both plants	158.00	Replaced electric motors on significant energy-consuming equipment with IE4 and IE5 high-efficiency type motors
VFDs on chilled water pumps	Taloja	1,147.00	Running chilled water secondary pumps at set pressure with same RPM logic using Variable Frequency Drives. Pumps previously ran at fixed speed regardless of demand; VFDs now adjust speed in real time based on process load
VFDs on air compressors	Both plants	191.76	Compressed air delivery matched to actual load rather than running at constant output
Total		**1,496.76**	

FY 2024-25 was considered as the baseline for comparison. Energy savings were calculated by comparing baseline energy consumption of equipment prior to implementation with actual post-implementation consumption. Calculations were normalised for operating hours and production levels to ensure comparability. The methodology follows ISO 50001:2018 procedures using calibrated energy meters, equipment operating records, and electricity consumption data.

REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

We have completed independent Life Cycle Assessments (cradle-to-customer-gate) for five major products: VP Latex, CMA Latex, High Styrene Rubber, XNB Latex, and NB Rubber. These assessments provide a comprehensive understanding of the environmental impact of each product across its lifecycle and serve as the foundation for targeted improvement. Key actions identified through the LCAs, including optimising batch cycle times, increasing biomass usage, and automating processes, are already underway. We are actively working on reducing the energy requirements of our products through formulation redesign, lower processing temperatures, and the replacement of solvent-based chemistry with water-based alternatives.





INITIATIVES

The headline achievement was a 17.7% reduction in fossil fuel consumption in a single year, driven by fuel switching and operational efficiency improvements.

Our equipment upgrade programme delivered 1,496.76 GJ in measured energy savings. The largest single intervention was the installation of variable frequency drives on chilled water pumps at Taloja, which saved 1,147 GJ by matching pump speed to actual process demand. IE4 and IE5 high-efficiency motors replaced older units across both plants, saving an additional 158 GJ. VFDs on air compressors contributed 191.76 GJ in savings by matching compressed air delivery to real-time load requirements.

Solar panels and the windmill contribute to on-site renewable electricity, increasing the renewable share to 5.9%. Process automation across both plants optimises energy use by reducing manual variability and enabling tighter process control. ISO 50001:2018 certification was maintained at both facilities, with internal energy audits conducted twice yearly by trained auditors.

OUTLOOK

We will maintain our Board-level target of 3% year-on-year energy intensity reduction through FY 2030, a target we have consistently exceeded. On the supply side, we plan to expand rooftop solar capacity and explore open-access renewable power procurement to increase our renewable share significantly beyond the current 5.9%. We are evaluating progressive electrification of thermal processes that currently depend on fossil fuels, beginning with lower-temperature applications where electric alternatives are commercially viable. The applicability of green hydrogen for chemical manufacturing is also being assessed, though we recognise this is a longer-term option that depends on infrastructure and cost developments. Our Scope 3 energy footprint assessment is expected to be completed by FY 2026-27, providing the first comprehensive picture of upstream and downstream energy consumption across our value chain.

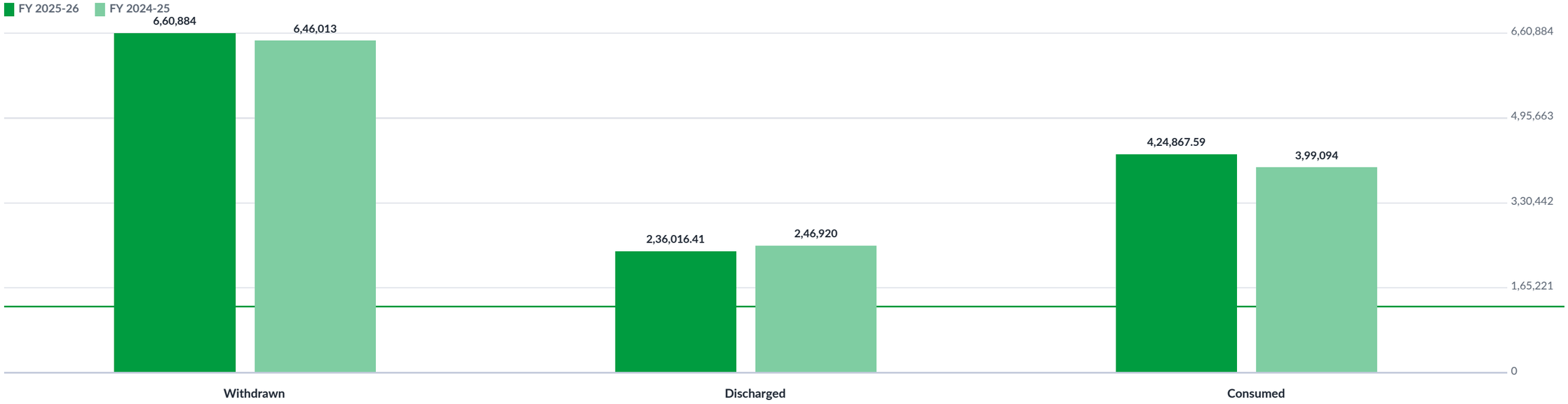
2.3 Water Stewardship

GRI 303

CONTEXT

Water is not merely an input for us; it is the medium in which our products exist. Synthetic latexes are water-based emulsions, typically comprising 45-55% water by volume. This means water is literally embedded in everything we sell. Beyond its role as a product carrier, water serves as a reaction medium during polymerisation, a coolant for exothermic processes, and a cleaning agent between production batches. The intimate relationship between our products and water makes responsible water management both an environmental imperative and a business necessity.

Water withdrawn, discharged and consumed · KL



Water withdrawn, discharged and consumed · KL.



Our two manufacturing facilities have distinct water profiles and challenges. The Valia plant in Gujarat operates a Zero Liquid Discharge (ZLD) system during the monsoon season, recovering and reusing all treated wastewater within the facility. All treated effluent is reused within the facility and utilised for greenbelt development. No industrial wastewater leaves the premises during ZLD operation. The Taloja plant in Maharashtra discharges treated effluent to the MIDC common infrastructure after processing through the on-site Effluent Treatment Plant (ETP), which employs physical, chemical, and biological treatment processes.

APPROACH

Both facilities source water exclusively from authorised third-party suppliers (MIDC industrial water supply). We do not withdraw surface water, groundwater, or seawater. According to the Central Ground Water Board's IN-GRES assessment, both locations are classified "Safe" for groundwater availability. Our water risk assessment confirmed no adverse basin-level impacts during the reporting period.

Water management operates within two certified management systems: ISO 14001 (Environmental Management) and ISO 46001 (Water Efficiency Management). The ISO 46001 framework at the Valia plant provides a structured approach to water efficiency improvement including water baselines, efficiency indicators, and action plans specific to water use.

No effluent is discharged to any natural water body (surface water, groundwater, or seawater). All discharge is either to MIDC common infrastructure (Taloja, after treatment) or zero (Valia, ZLD). Zero non-compliance incidents in FY 2025-26. Effluent discharge standards are set by the conditions specified in the Consent to Operate issued by the respective State Pollution Control Boards (SPCBs) and applicable CPCB requirements.

WATER WITHDRAWAL

Source	Unit	FY 2025-26	FY 2024-25
Surface water	KL	Nil	Nil
Groundwater	KL	Nil	Nil
Third-party water (MIDC/GIDC)	KL	6,60,884	6,46,013
Seawater / desalinated water	KL	Nil	Nil
Others	KL	Nil	Nil
Total withdrawal	**KL**	**6,60,884**	**6,46,013**

All water withdrawn is freshwater from a single source type (third-party municipal/industrial supply). The 2.3% increase in absolute withdrawal reflects higher production volumes during the year.

WATER DISCHARGE

Parameter	Unit	FY 2025-26	FY 2024-25
Treated before discharge	KL	2,36,016.41	2,46,920
Total discharged	**KL**	**2,36,016.41**	**2,46,920**
Discharge to surface water	KL	Nil	Nil
Discharge to groundwater	KL	Nil	Nil
Discharge to seawater	KL	Nil	Nil

100% of discharged water is treated through dedicated ETPs before discharge. Treatment includes physical, chemical, and biological processes as applicable. The Valia plant contributes zero to the discharge figure due to ZLD operations. Effluent quality is routinely monitored for pH, TSS, COD, BOD, Oil & Grease, TDS, and other parameters specified in the Consent to Operate.

WATER CONSUMPTION

Parameter	Unit	FY 2025-26	FY 2024-25
Total consumption	**KL**	**4,24,867.59**	**3,99,094**
Water intensity per MT of output (dry basis)	KL/MT	5.00	5.37
Water intensity per INR revenue	KL/INR	0.0000295	0.0000287
Water intensity per INR (PPP adjusted)	KL/INR	0.0000014	0.0000014

Absolute water consumption increased 6.5%, driven by higher production volumes. However, water intensity per tonne of output improved by 6.9%, from 5.37 KL/MT to 5.00 KL/MT. We achieved a 10.23% reduction in specific freshwater withdrawal against our FY 2022-23 baseline, meeting the Board-level target of 10% reduction by FY 2025-26.

INITIATIVES

The Zero Liquid Discharge system at Valia is our most significant water stewardship achievement. During monsoon season, the ZLD system recovers and reuses 100% of treated wastewater within the facility, ensuring that no industrial effluent leaves the premises. This represents a level of water management that goes well beyond regulatory requirements and demonstrates the kind of closed-loop thinking that we aim to extend across all our operations.

Both plants operate continuous leak detection and repair programmes, identified as a priority through our Life Cycle Assessment findings. Water leakage, often invisible and unmetered, can represent a significant share of total consumption in chemical manufacturing. Our programme uses systematic monitoring to identify and repair leaks promptly, preventing both water loss and potential contamination.

Water consumption is tracked through metered systems and periodic water balance assessments that account for every kilolitre from withdrawal through to discharge, evaporation, and product incorporation. Internal effluent standards are set significantly tighter than regulatory limits across all key parameters, creating a self-imposed discipline that drives continuous improvement even when compliance is assured.

OUTLOOK

Our target is water neutrality by 2030, an ambitious goal that will require a combination of consumption reduction, expanded recycling and reuse, rainwater harvesting, and community water replenishment initiatives. Rainwater harvesting systems are planned for both Valia and Taloja in the near term. We will evaluate advanced water treatment technologies, including membrane-based systems, to increase recovery rates beyond current levels and potentially extend ZLD operation at Valia beyond the monsoon period. Engagement with third-party water suppliers on supply resilience planning will help ensure operational continuity as water availability patterns shift with climate change.

2.4 Biodiversity Conservation

GRI 304

CONTEXT

The chemical industry's relationship with biodiversity is primarily indirect but significant. The raw materials we consume originate in the oil and gas extraction value chain, where habitat disruption, land use change, and ecosystem degradation are well-documented concerns. At the manufacturing level, our potential impacts are through air emissions, water discharge, and waste disposal, each of which can affect local ecosystems if not properly managed.











Both our manufacturing facilities are located within designated industrial zones: Taloja (MIDC Industrial Area, Raigad, Maharashtra) and Valia (Bharuch District, Gujarat). Neither site is in or adjacent to any national park, wildlife sanctuary, biosphere reserve, wetland, biodiversity hotspot, forest, or coastal regulation zone. This industrial-zone location limits our direct biodiversity footprint, but it does not absolve us of responsibility. Industrial zones themselves can be corridors of ecological impact if pollution, noise, and effluent are not carefully controlled.

APPROACH

Our approach to biodiversity management currently operates through the broader environmental controls embedded in our ISO 14001 Environmental Management System. Air emissions are controlled through electrostatic precipitators on the stacks at Valia and regular stack emission monitoring. Water discharge is fully treated at Taloja through the ETP and minimised through Zero Liquid Discharge during the monsoon at Valia.

Beyond these operational controls, we address upstream biodiversity impacts through our Supplier Code of Conduct, which mandates environmental compliance and pollution prevention from all vendors. Given that the most significant biodiversity impacts in our value chain occur at the raw material extraction stage, supplier engagement is a critical lever.

On-site, we have taken initial steps to enhance local biodiversity. The Miyawaki forest at Taloja is our main biodiversity initiative. Both plants maintain continuous plantation programmes to increase green cover within factory boundaries. These are modest beginnings, and we intend to scale our efforts as we build expertise and partnerships in this area.

Significant impacts on biodiversity

Based on current assessments, we have not identified any material adverse environmental impacts from our operations on biodiversity. Our operations do not involve direct land use change in natural habitats. Air emissions, water discharge, and waste disposal are managed within regulatory limits. The chemical nature of our raw materials (petrochemical monomers) means the most significant biodiversity impacts occur upstream in the oil and gas extraction value chain, not at our manufacturing sites. We address this through our Supplier Code of Conduct mandating environmental compliance, pollution prevention, and resource efficiency.

INITIATIVES

Our biodiversity initiative is the 500 sq.m Miyawaki forest established within the Taloja plant boundary. The Miyawaki method uses dense, multi-layered planting of native and indigenous species selected for local ecological conditions, creating forests that grow up to 10 times faster than conventional plantations and become self- sustaining within three years. While modest in scale, this initiative represents our investment in biodiversity enhancement and provides a model for expansion.

Both plants maintain continuous plantation programmes to increase green cover within factory boundaries. These programmes serve a dual purpose: they improve the aesthetic and microclimate of our facilities while creating habitat for local species. Our environmental controls, including electrostatic precipitators on the stacks, fully treated effluent discharge at Taloja, and Zero Liquid Discharge at Valia, prevent pollution-related impacts on surrounding ecosystems. Zero environmental non-compliance incidents during the year means no regulatory actions that could indicate biodiversity harm.

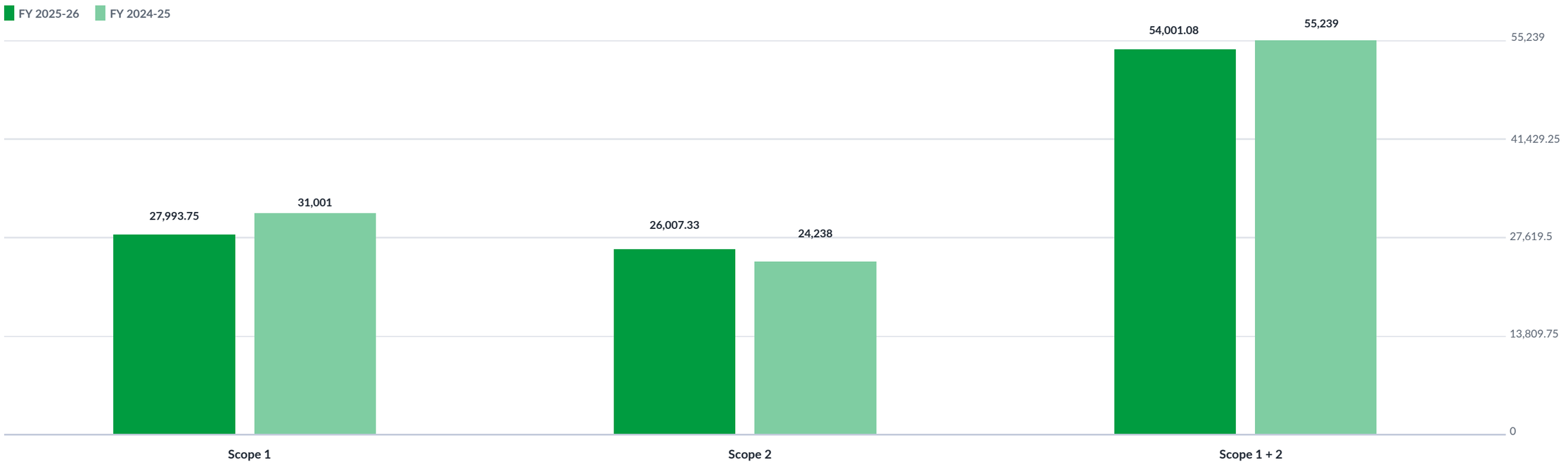
2.5 Emissions Management

GRI 305

CONTEXT

Climate change is the defining challenge of our time, and the chemical industry sits at the centre of the transition. Our products enable a wide range of downstream applications, from energy-efficient building materials to lightweight automotive components, but the manufacturing process itself is carbon-intensive. Recognising this reality, we have set a Net Zero target of 2045, twenty-five years ahead of India's national commitment of 2070.

GHG emissions by scope · tCO2e



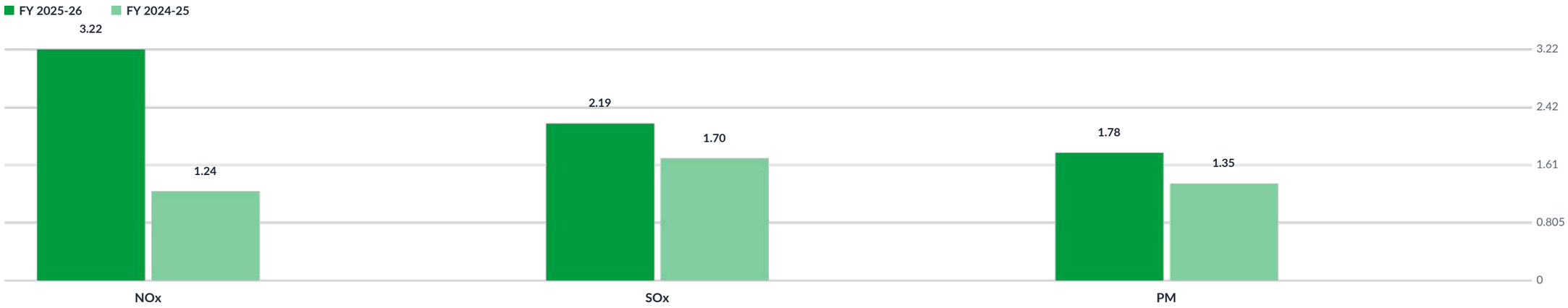
GHG emissions by scope · tCO2e.

Emission intensity · tCO2e/MT



Emission intensity · tCO2e/MT.

Air emissions · MT



Air emissions · MT.







Boiler stacks at dusk, Valia

Our emissions profile is shaped by two dominant factors. Scope 1 emissions come primarily from boilers, diesel generators, and process heating equipment at both plants. Scope 2 emissions arise from purchased grid electricity, which in India still carries a high carbon intensity due to the coal-dominated generation mix. Together, these two scopes accounted for 54,001.08 tCO2e in FY 2025-26.

The trajectory is encouraging. In FY 2021-22, we formulated an enterprise-level sustainability strategy with a medium-term target of 40% reduction in Scope 1 and 2 emissions by FY 2031-32, against an FY 2022-23 baseline. As of FY 2025-26, we have achieved a 50% reduction in specific GHG emissions (Scope 1+2), surpassing the 40% target six years ahead of schedule. This was not achieved through production curtailment; our output increased during this period. The reductions reflect genuine efficiency gains, fuel switching, and process optimisation.

Beyond our direct operations, we recognise that our upstream value chain, particularly petrochemical feedstock procurement and transportation, likely carries a significant carbon footprint. We are assessing Scope 3 emissions across all relevant categories to develop a complete picture of our climate impact.

APPROACH

Our emissions management is structured around three scopes, each with distinct strategies and measurement methodologies.

Scope 1 (Direct emissions)

These arise from fuel combustion across our facilities. The primary fuels used include coal, biomass briquettes, piped natural gas (PNG), light diesel oil (LDO), high speed diesel (HSD), and small quantities of biofuel. Process emissions from chemical reactions also contribute to our Scope 1 profile. We use the operational control consolidation approach and currently quantify Scope 1 emissions primarily as CO2 from fuel combustion and process sources. We plan to progressively enhance our GHG inventory to separately quantify CH4, N2O, and other gases.

The primary levers for Scope 1 reduction are fuel switching (coal to biomass, diesel to electrification, increasing the share of natural gas), process efficiency (reducing the energy required per tonne of output), and equipment upgrades (high-efficiency motors, VFDs, heat recovery systems). Further gains are possible through improved combustion control and gradual fuel transition.

Scope 2 (Energy indirect emissions)

Our Scope 2 emissions arise from purchased grid electricity, which remains the largest single source of electrical energy across our operations. We use the location-based method with the latest CEA (Central Electricity Authority) grid emission factor for quantification. India's grid still carries a high carbon intensity due to the coal-dominated generation mix, which means Scope 2 is significantly influenced by factors outside our direct control. We supplement grid electricity with on-site renewable generation from solar panels and a windmill, though the renewable share remains modest at 5.9% of total energy. Market-based Scope 2 accounting is not currently applicable as we do not use contractual instruments such as RECs, I-RECs, Green Tariffs, or renewable PPAs. As we expand our renewable energy procurement, we expect to adopt market-based reporting in future periods.

Scope 3 (Value chain emissions)

We have adopted the GHG Protocol Corporate Value Chain (Scope 3) Standard to assess our indirect emissions. As a first step, we screened all 15 Scope 3 categories for relevance to our operations and business model, and identified seven relevant categories covering both upstream and downstream activities across our value chain.

This is our first Scope 3 assessment, and the figure reported for FY 2025-26 should be read as a preliminary estimate. Our methodology and data coverage are still being refined, and as data quality from our suppliers and logistics partners improves, we expect the estimate to change and may restate it in future reports. We aim to complete full Scope 3 reporting for all relevant categories by FY 2026-27.

PERFORMANCE

Parameter	Unit	FY 2025-26	FY 2024-25
Scope 1 Emissions	tCO2e	27,993.75	31,001
Scope 2 Emissions	tCO2e	26,007.33	24,238
Total Scope 1 + 2 Emissions	**tCO2e**	**54,001.08**	**55,239**
Scope 3 Emissions	tCO2e	**~2,50,100 (estimate)**	-

The numbers tell a story of meaningful but uneven progress. Scope 1 emissions fell 9.7%, a direct consequence of the 17.7% reduction in fossil fuel consumption achieved through fuel switching and operational efficiency improvements. This is a structurally important shift because Scope 1 represents the emissions we control most directly. Scope 2 rose 7.3%, reflecting a 9.6% increase in grid electricity purchases as production expanded. The net result was a 2.2% reduction in combined Scope 1 and 2 emissions.

We acknowledge the Scope 2 increase and are actively pursuing renewable energy procurement to address this gap. Gases included are CO2 (primary); CH4 and N2O from combustion are not yet separately quantified.

Parameter	Unit	FY 2025-26	FY 2024-25
Emission intensity per INR revenue	tCO2e/INR	0.0000037	0.0000040
Emission intensity per INR (PPP adjusted)	tCO2e/INR	0.0000002	0.0000002
Emission intensity per MT of output (dry basis)	tCO2e/MT	0.66	0.74

Intensity is arguably the more meaningful measure for a growing company. Every tonne of product now carries a 10.8% lower carbon footprint than last year.

GHG EMISSION REDUCTIONS

Milestone	Value
Base year Scope 1+2 emissions (FY 2022-23)	70,391 tCO2e
Scope 1+2 emissions (FY 2025-26)	54,001 tCO2e
Specific reduction from base year	50%
Absolute reduction in Scope 1+2 emissions	16,390 tCO2e
Intensity reduction vs FY 2022-23	0.65 tCO2e/MT improvement
Target: 40% reduction by FY 2031-32	Achieved 6 years early
Long-term target	Net Zero by 2045

The 50% reduction in specific GHG emissions from the FY 2022-23 baseline is a milestone we are proud of, achieved six years ahead of our FY 2031-32 target. It reflects the cumulative impact of fuel switching, energy efficiency improvements, process optimisation, and renewable energy integration. The reductions are quantified through organisation-wide GHG inventories using an inventory-based methodology. For year-on-year comparison, FY 2022-23 serves as the base year. Our priority now shifts to sustaining these gains while pursuing the deeper, harder reductions needed to reach Net Zero by 2045.

AIR EMISSIONS, NON-GHG

Parameter	Unit	FY 2025-26	FY 2024-25
NOx	MT	3.22	1.24
SOx	MT	2.19	1.70
Particulate Matter	MT	1.78	1.35

INITIATIVES

The most consequential initiative during the year was fuel switching at Taloja, which drove a 17.7% reduction in fossil fuel consumption in a single year. By blending biomass briquettes with coal and optimising the fuel-air ratio, we achieved meaningful Scope 1 reductions.

On the equipment side, our motor replacement programme continued with IE4 and IE5 high-efficiency motors and variable frequency drives installed across both plants. These upgrades saved 1,496.76 GJ of energy during the year. Process optimisation efforts improved yield rates, reducing the energy and emissions required per tonne of output.

We completed organisation-wide GHG accounting under ISO 14064-1, providing a verified baseline for tracking progress. We also initiated Scope 3 assessment across seven categories, a significant step toward understanding our full value chain carbon footprint. Renewable energy generation from solar panels and the windmill continues, though its contribution remains modest relative to our total consumption.

OUTLOOK

Our decarbonisation roadmap for the next three years centres on three priorities. First, we expect to complete Scope 3 emissions reporting for all material categories by FY 2026-27, providing a comprehensive view of our value chain carbon footprint and enabling targeted supplier engagement on emissions reduction. Second, we will enhance our GHG inventory to separately quantify CH4, N2O, and biogenic CO2, alongside completing the ODS inventory and CFC-11 equivalent reporting. Third, we are evaluating Science Based Targets (SBTi) for independent validation of our emissions trajectory, which would align our targets with the Paris Agreement's 1.5 degree pathway.

Addressing the Scope 2 increase will require expanding renewable energy procurement, potentially through I-RECs, green tariffs, or dedicated renewable PPAs. Our long-term commitment remains Net Zero by 2045, and every initiative we undertake is measured against its contribution to that goal.

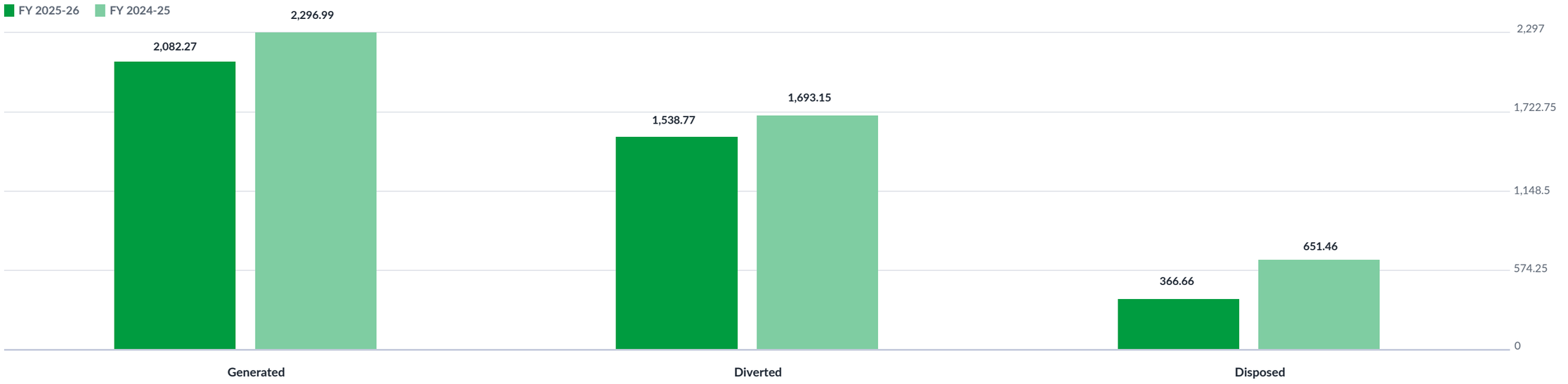
2.6 Waste Management

GRI 306

CONTEXT

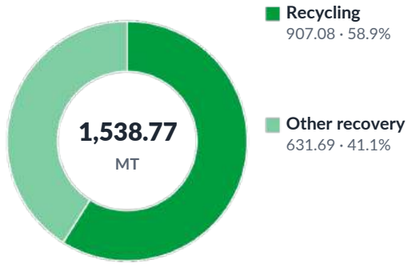
Specialty chemical manufacturing is, by its nature, a waste-generating activity. Our emulsion polymers, synthetic rubber, and latex products require multiple reaction steps, each producing residual streams that must be managed responsibly. The largest waste stream is ETP sludge from wastewater treatment, followed by other non-hazardous waste, discarded containers and barrels, and process waste. In total, our operations generated 2,082.27 MT of waste during FY 2025-26.

Waste generated, diverted and disposed · MT



Waste generated, diverted and disposed · MT.

Waste diverted, by pathway · MT



Waste diverted, by pathway · MT.

We approach waste not as an inevitable byproduct but as a resource management challenge. Our goal is zero waste to landfill, driven by the conviction that every kilogram of material leaving our plants as waste represents both an environmental impact and an economic inefficiency. During FY 2025-26, we achieved zero incineration and reduced landfill volumes by 43.3%, while maintaining a diversion rate of 73.9% through recycling and co-processing pathways.

The chemical industry's waste challenge is distinct from general manufacturing because many waste streams carry hazardous characteristics that limit disposal options. ETP sludge, contaminated containers, process residues, and spent oils all require specialised handling. Our response has been to invest in partnerships with co-processors and recyclers who can extract value from these streams rather than simply disposing of them.

APPROACH

Our waste management strategy follows the waste hierarchy: reduce, reuse, recycle, recover, and dispose. This hierarchy is embedded within our ISO 14001 Environmental Management System and Responsible Care programme. Both plants follow site-specific standard operating procedures for segregation at source, storage in designated areas with appropriate containment, and responsible handling and transportation.

The most impactful intervention is upstream waste prevention. At Taloja, we receive bulk raw materials in tankers rather than drums wherever possible, eliminating packaging waste at source. For chemicals with lower consumption volumes, plastic drums serve as containers and are decontaminated and recycled after use. Within operations, advanced manufacturing technology and automation improve yield rates, reducing waste generated per tonne of output. Off-specification latex and rubber are reprocessed and recycled back into commercial production rather than being discarded.

Site-specific waste management practices:

Waste Type	Taloja Plant	Valia Plant
Plastics (packaging)	Bulk tanker delivery reduces drum usage. Remaining drums decontaminated and sent to authorised recycler	Disposed through authorised vendor
E-waste	Disposed to authorised recycling agency	Disposed through authorised vendor
Hazardous waste	Treated at on-site ETP. Partly disposed to Mumbai Waste Management Ltd, partly to authorised vendor for co-processing	Disposed through authorised vendor
ETP sludge / Process waste	Sent to third party for co-processing (waste as raw material). Oil waste sent for co-incineration with energy recovery	Disposed through authorised vendor
Paper waste	Disposed to paper recycler	Disposed through authorised vendor
Used/spent oil	Recycled through authorised agency	Disposed through authorised vendor

All hazardous waste is handled exclusively through authorised recyclers, co-processors, Treatment, Storage and Disposal Facilities (TSDFs), or other authorised agencies. We are registered with CPCB for Extended Producer Responsibility (EPR) at both plants, and EPR credits are procured from authorised plastic waste processors. The most significant strategic shift during the year was redirecting ETP sludge from landfill to cement kilns for co-processing, where it serves as alternative fuel and raw material. This single change drove a 68.6% increase in co-processing volumes and was the largest improvement in our waste management during the year.

WASTE GENERATED

Category	Unit	FY 2025-26	FY 2024-25
ETP sludge	MT	1,118.715	881.93
Other non-hazardous waste	MT	578.168	1,006.52
Discarded containers and barrels	MT	248.961	283.51
Process waste	MT	96.099	84.79
Plastic waste	MT	20.808	17.46
Used/spent oil	MT	6.692	12.82
E-waste	MT	6.613	4.38
Waste residue containing oil	MT	5.835	5.58
Construction and demolition waste	MT	0.38	0
Bio-medical waste	MT	0.002	0.009
Battery waste	MT	0	0
Radioactive waste	MT	0	0
Total	**MT**	**2,082.27**	**2,296.99**

WASTE INTENSITY

Parameter	Unit	FY 2025-26	FY 2024-25
Waste intensity per INR revenue	MT/INR	0.0000001	0.0000002
Waste intensity per INR (PPP adjusted)	MT/INR	0.00000007	0.00000008
Waste intensity per MT of output (dry basis)	MT/MT	0.0250	0.0309

WASTE DIVERTED FROM DISPOSAL

Pathway	Unit	FY 2025-26	FY 2024-25
Recycling	MT	907.08	1,318.55
Re-used	MT	0	0
Other recovery (co-processing + co-incineration)	MT	631.69	374.61
Total diverted	**MT**	**1,538.77**	**1,693.15**
Diversion rate	%	73.9%	73.7%

The 68.6% increase in co-processing volumes reflects our strategic shift of ETP sludge from landfill to cement kilns, where it serves as alternative fuel and raw material (co-processing). This is the single largest improvement in our waste management during the year.

WASTE DIRECTED TO DISPOSAL

Method	Unit	FY 2025-26	FY 2024-25
Incineration	MT	0	3.785
Landfilling	MT	366.66	647.67
Other disposal (co-processing)	MT	0	0
Total disposed	**MT**	**366.66**	**651.46**

The overall waste picture improved significantly. Total waste generated fell 9.3%, from 2,297 MT to 2,082 MT, even as production volumes grew. Landfill volumes dropped 43.3%, from 648 MT to 367 MT, reflecting our strategic shift toward co-processing pathways. No waste was sent for incineration without energy recovery. The diversion rate held steady at 73.9%, and we expect this to rise as additional waste streams are redirected from landfill.

We are transparent about the areas requiring attention. ETP sludge, our largest waste stream, increased 26.9% to 1,118.7 MT. Root cause analysis is ongoing, and we suspect a combination of higher throughput, changes in raw material composition, and wastewater chemistry variability. E-waste also rose 51%, though this partly reflects improved categorisation and tracking rather than actual generation increase. These increases were more than offset by a 42.6% reduction in other non-hazardous waste and a 47.8% reduction in used/spent oil.

Waste intensity improved from 0.0309 to 0.0250 MT per MT of output, a 19.1% reduction, confirming that our waste reduction efforts are outpacing production growth.

INITIATIVES

The standout initiative was the strategic redirection of ETP sludge from landfill to co-processing in cement kilns. In these facilities, our waste serves as alternative fuel and raw material, displacing virgin resources. This single change drove a 68.6% increase in co-processing volumes and was the primary reason landfill quantities fell 43.3%. The shift required building partnerships with authorised co-processors, ensuring waste characterisation met cement kiln acceptance criteria, and establishing reliable logistics.

Upstream waste prevention continued through bulk tanker delivery at Taloja, which reduced discarded containers and barrels by 12.2%. Within operations, off-specification latex and rubber are reprocessed and recycled back into commercial production, recovering both the material and the energy embedded in its manufacture. Advanced manufacturing technology and automation further improve yield, reducing waste generated per unit of output.

EPR compliance was maintained at both plants, with credits procured from authorised plastic waste processors.

OUTLOOK

Our medium-term priority is achieving zero waste to landfill, which will require continued redirection of waste streams to co-processing and recycling pathways and, more fundamentally, reducing waste generation at source. We plan to engage suppliers on expanded bulk delivery arrangements to further reduce container waste, and improve on-site segregation to increase recycling quality and recovery rates. The ETP sludge increase is under active investigation, and we will implement corrective measures once root cause analysis is complete. Potential interventions include optimising ETP chemistry, adjusting raw material specifications, and exploring alternative sludge treatment technologies.





CHAPTER 09

Social Commitment

A specialty chemical company's social performance is measured in the safety of every person who walks through the factory gate, the skills its workforce develops, the equity it embeds in its practices, and the trust it earns from communities and customers. Our operations involve hazardous chemicals, high-temperature processes, and complex supply chains. Managing these responsibly requires robust systems, consistent investment, and a culture where every individual feels safe, valued, and heard.

3.1 Employment 38 · 3.2 Labor/Management Relations 40 · 3.3 Occupational Health and Safety 41 · 3.4 Training and Education 43 · 3.5 Diversity and Equal Opportunity 45 · 3.6 Human Rights 47 · 3.7 Security Practices 48 · 3.8 Local Communities 48
3.9 Value Chain Management 50 · 3.10 Product Stewardship 51 · 3.11 Customer Health and Safety 51 · 3.12 Customer Privacy 53

GRI 401 · GRI 402 · GRI 403 · GRI 404 · GRI 405 · GRI 410 · GRI 413 · GRI 416 · GRI 418

We employ 459 people and engage 628 workers across two manufacturing facilities at Taloja (Maharashtra) and Valia (Gujarat) and our corporate office in Mumbai. Our workforce operates the reactors, laboratories, warehouses, and logistics that produce synthetic rubber and latexes for customers in 48 countries. The performance, well-being, and development of this workforce is central to everything we do.

Our social strategy is guided by the "Stakeholders' Delight" pillar of our ESG framework, which focuses on employee safety and development, customer satisfaction, community engagement, and investor transparency. The Vice-Chairman and Managing Director holds overall accountability for social and ESG performance. The Risk Management Committee reviews social KPIs half-yearly and reports to the Board. Our management systems, including ISO 45001:2018 (Occupational Health and Safety) and the Responsible Care programme, provide the operational backbone for social performance.

SOCIAL PERFORMANCE AT A GLANCE

Parameter	FY 2025-26	FY 2024-25
Total employees	**459 (418 male, 41 female)**	**415 (390 male, 25 female)**
Total workers	**628 (194 permanent, 434 non-permanent)**	**623 (216 permanent, 407 non-permanent)**
New hires	97	-
Employee LTIFR	0	0
Worker LTIFR	0.665	0
Average training hours (permanent employees)	9.15	-
Average training hours (permanent workers)	17.62	-
Performance reviews completed	99.04%	100%
Women on Board	22.2% (2 of 9)	22.2% (2 of 9)
Human rights complaints	0	0
CSR beneficiaries	2,457	5,103
Data breaches	0	0

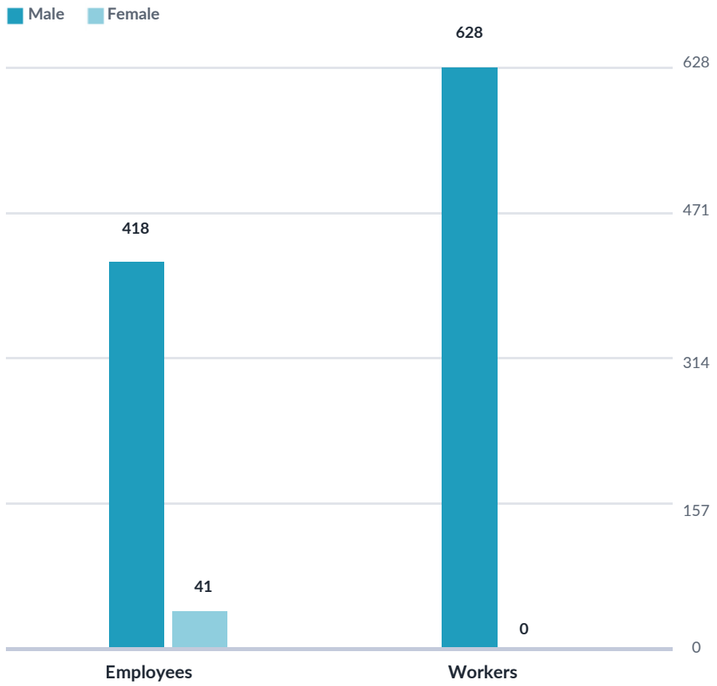
3.1 Employment

GRI 401

CONTEXT

Attracting and retaining skilled people is a competitive challenge for specialty chemical manufacturers. The sector demands specialised technical knowledge, from polymer chemistry and process engineering to quality control and logistics, in locations that compete with larger cities for talent. Our two manufacturing plants are in industrial zones outside major metropolitan centres, making talent acquisition a sustained strategic priority.

Workforce by gender



Workforce by gender.







The Indian chemical industry benefits from a large and evolving talent pool. At the same time, increasing demand for skilled professionals has intensified competition for talent across the chemical sector and adjacent industries requiring similar engineering, analytical, technical and operations management capabilities. We recognise human capital as an important enabler of business continuity, operational excellence and long-term value creation.

APPROACH

Our approach to talent management focuses on transparent and merit-based recruitment, competitive and equitable remuneration, employee well-being, safe working conditions, social security benefits, and opportunities for learning and career development. These practices are intended to support the attraction, development and retention of a diverse and capable workforce.

Compensation is benchmarked to ensure all employees and workers earn above minimum wage. During FY 2025-26, 100% of permanent and non-permanent employees across all categories were paid more than minimum wage. All 194 permanent workers and 434 non-permanent workers also received compensation exceeding the applicable minimum wage thresholds.

PERFORMANCE

	FY 2025-26			FY 2024-25		
Category	Total	Male	Female	Total	Male	Female
Permanent employees	418	386	32	380	359	21
Other than permanent	41	32	9	35	31	4
Total employees	**459**	**418**	**41**	**415**	**390**	**25**
Permanent workers	194	194	0	216	216	0
Other than permanent	434	434	0	407	407	0
Total workers	**628**	**628**	**0**	**623**	**623**	**0**
Grand total	1,087	1,046	41	1,038	1,013	25

Our total workforce comprises 1,087 people: 459 employees and 628 workers across two manufacturing plants and corporate offices, up from 1,038 in FY 2024-25.

Most of our workers are local hires, and there is one differently abled permanent worker is part of our workforce.

New employee hires (GRI 401-1) and Employee turnover (GRI 401-1)

- New hire rate: 23.2% (97 new hires against 418 permanent employees).
- Turnover rate: Permanent employee turnover decreased from 21.1% in FY 2024-25 (male 20.0%, female 26.3%) to 17.8% (male 15.59%, female 1.46%) in the current year. Turnover rate for permanent workers for FY 2025-26 stood at 2.44%, compared to 1.4% in FY 2024-25.

Parental leave (GRI 401-3)	FY 2025-26		FY 2024-25	
Parameter	Male	Female	Male	Female
Return-to-work rate	100%	100%	100%	50%
Retention rate	100%	100%	100%	50%

EMPLOYEE WELLBEING AND BENEFITS COVERAGE (GRI 401-2)

Category	Health Insurance	Accident Insurance	Maternity Benefits	Paternity Benefits
Male permanent employees	100%	100%	NA	100%
Female permanent employees	100%	100%	100%	NA
Male permanent workers	100%	100%	NA	NA

We spent 0.02% of total revenue on employee wellbeing measures during FY 2025-26 (0.03% in FY 2024-25).

INITIATIVES

We provide a comprehensive benefits framework to support the health, safety, financial security and well-being of our employees. All permanent employees are covered by health insurance, accident insurance, provident fund, gratuity and Employees' State Insurance (ESI), as applicable.

We also support employees through significant life events. Female employees are provided statutory maternity benefits, while male employees are eligible for paternity benefits. During FY 2025–26, the return-to-work rate following parental leave was 100% for both male and female employees. Further, 100% of employees who returned from parental leave remained with the organisation 12 months after their return, demonstrating strong post-leave workforce continuity.

OUTLOOK

We will continue to focus on improving gender diversity in hiring and retention. Our target is to progressively increase female representation across all employment categories. We plan to strengthen employee engagement through periodic surveys, enhanced career development pathways, and targeted retention programmes for critical roles. Compensation benchmarking will remain an annual exercise to ensure our packages stay competitive within the specialty chemicals sector.

3.2 Labor/Management Relations

GRI 402

CONTEXT

Constructive relationships between management and workers underpin operational stability and workplace trust. In a chemical manufacturing environment, where safety depends on clear communication and collective discipline, the quality of labor-management dialogue directly affects outcomes.

APPROACH

We respect the right of all employees and workers to freedom of association and collective bargaining. 100% of eligible workers at our manufacturing facilities are covered under collective bargaining arrangements. All employment terms are documented and comply with applicable labor laws, including the Industrial Disputes Act, 1947.

PERFORMANCE

Minimum notice periods regarding operational changes (GRI 402-1)

Parameter	Details
Minimum notice period for significant operational changes	6 months (as specified in collective bargaining agreements)
Statutory requirement	21 days under Section 9A of the Industrial Disputes Act, 1947
Coverage	All workers covered under collective bargaining arrangements

Our notice period of six months substantially exceeds the statutory minimum of 21 days, reflecting our commitment to transparent communication on operational changes that affect workers.

	FY 2025-26		FY 2024-25	
Category	Total	Union Members	Total	Union Members
Permanent workers	194	194	216	216
Permanent employees	418	-	380	-

UNION MEMBERSHIP

All 194 permanent workers are members of recognized trade unions at both plants (216 of 216 in FY 2024-25), maintaining 100% union coverage. We respect the rights of employees and workers to form unions and associations and do not restrict membership of any trade union.

INITIATIVES

We maintain regular dialogue with worker representatives through formal safety committee meetings (quarterly), management reviews, and direct engagement channels. These forums cover not just operational changes but also safety performance, working conditions, training needs, and worker suggestions for improvement.

OUTLOOK

We will continue to maintain minimum notice periods that exceed statutory requirements. Our engagement with worker representatives will expand to include sustainability-related topics, ensuring that our ESG commitments are understood and supported across the workforce.

3.3 Occupational Health and Safety

GRI 403

CONTEXT

Safety is non-negotiable in the chemical industry. Our operations involve hazardous chemicals, high-temperature polymerisation reactions, pressurised systems, and complex material handling. A single lapse in safety protocols can result in serious injury, environmental contamination, or worse. We approach safety not as a compliance exercise but as a fundamental obligation to every person who enters our facilities.



The specialty chemicals sector presents distinct safety challenges. Unlike commodity chemical plants that run a limited number of standardised processes, our facilities produce multiple product lines with frequent batch changeovers. Each changeover introduces risk if not managed through rigorous protocols. The combination of chemical hazards, rotating shifts, contractor workforce, and continuous operations requires a safety culture that is embedded in everyday behaviour, not just written procedures.

APPROACH

Our occupational health and safety management operates within an integrated framework built on ISO 45001:2018 and the Responsible Care programme. Our safety management covers five interconnected elements:

- Hazard identification and risk assessment: We use HAZOP (Hazard and Operability) studies, HIRA (Hazard Identification and Risk Assessment), and Management of Change (MOC) protocols to identify and control risks before they materialise. A Permit to Work system governs all non-routine activities. Third-party qualitative risk assessments supplement internal reviews.
- Worker participation: Joint Management-Worker Safety Committees operate at both manufacturing facilities. These committees comprise representatives from management and workers, meeting at least quarterly to review workplace hazards, incident investigations, corrective and preventive actions, safety performance, behavioural safety initiatives, and occupational health programmes. Worker representatives are nominated or elected in accordance with statutory requirements to ensure balanced participation.
- Occupational health services: Both plants maintain occupational health centres with visiting factory medical officers, 24/7 paramedical staff, and fully equipped ambulances. Pre-employment and periodic health check-ups are mandatory. Employees and workers have access to non-occupational medical services, health insurance, annual health check-ups, vaccination drives, and wellness programmes.
- Safety Training and Capability Building: The Company ensures 100% coverage of safety training for all employees and workers. During FY 2025–26, a total of 134 training programmes were conducted for employees and 110 for workers, encompassing key areas such as toolbox talks, process safety, chemical handling, emergency response, fire safety, and behavior-based safety (BBS). In addition, all permanent employees received an average of 9.24 person-hours of safety training during the year, reinforcing a strong safety culture and continuous competency development.
- Process safety: Our chemical process safety framework includes HIRA, HAZOP, MOC, operational controls, and emergency preparedness plans. Both plants maintain fire safety systems, chemical spill containment, and emergency response equipment. Regular mock drills are conducted.







PERFORMANCE

Work-related injuries (GRI 403-9)

	FY 2025-26		FY 2024-25	
Parameter	Employees	Workers	Employees	Workers
Fatalities	0	1	0	0
High-consequence injuries (excl. fatalities)	0	0	0	0
Recordable work-related injuries	0	1	0	0
LTIFR	0	0.665	0	0

Employee LTIFR remained at zero for the third consecutive year. Among workers, we regret to report one fatality during project activities in FY 2025-26, resulting in a worker LTIFR of 0.665 per million person-hours worked (zero in FY 2024-25). We conducted a detailed root cause analysis and have implemented corrective and preventive measures across both plants, including stronger contractor safety management, to prevent any recurrence.

OHS management system coverage (GRI 403-8)

Parameter	Coverage
Manufacturing facilities certified (ISO 45001:2018)	100% (both plants)
Employees covered by OHSMS	100%
Workers covered by OHSMS	100%
Responsible Care certification	Both plants





The Joint Management-Worker Safety Committees met at least quarterly at both plants. These committees reviewed incident investigations, tracked corrective actions to closure, and provided a structured platform for worker input on safety improvements. Minutes are documented and communicated across departments.

We maintained 100% safety training coverage across all categories. The 134 training programmes for employees and 110 for workers covered both generic and hazard-specific content.

Emergency preparedness was tested through regular mock drills covering fire, chemical spill, and medical emergency scenarios at both plants. Equipment and systems were maintained in accordance with statutory requirements and manufacturer specifications.



NEAR-MISS REPORTING

We reported 3,039 near misses during FY 2025-26 (3,295 in FY 2024-25), of which 85% were closed effectively through root cause analysis and corrective action. Near-miss reporting is a cornerstone of our proactive safety culture, helping identify and address hazards before they result in incidents.

Zero complaints were filed by employees or workers on working conditions or health and safety during the year.

INITIATIVES

Our integrated safety management programme delivered zero lost-time injuries for employees during the year. The programme centres on behaviour-based safety, which shifts focus from reactive incident response to proactive identification of unsafe behaviours and conditions. Regular safety observations, near-miss reporting, and toolbox talks reinforce safe practices at the operational level.

OUTLOOK

The worker fatality during the year underscores the need for continued vigilance and improvement. Our priorities are to complete the root cause analysis and implement all corrective actions arising from the investigation, strengthen contractor safety management and supervision, expand behaviour-based safety observations to achieve broader coverage across all shifts, and maintain our target of zero lost-time injuries for employees while driving worker LTIFR towards zero. We will continue to invest in safety infrastructure, training, and culture.

3.4 Training and Education

GRI 404

CONTEXT

In the chemical industry, competence is not optional. The complexity of our processes, the hazards inherent in our materials, and the precision required in our products all demand a workforce that is continuously learning. Training is not a discretionary investment; it is the mechanism through which we maintain safety, quality, and operational reliability.

Average training hours per person · hrs



Average training hours per person · hrs. Figures as tabulated in this section.



Our training needs span a wide spectrum. New entrants require foundational training in chemical safety, process operations, and quality standards. Experienced operators need refresher training, cross-skilling, and exposure to new technologies. Engineers and technical staff require development in polymer science, process optimisation, and sustainability management. Managers need leadership, people management, and strategic capabilities. Meeting all of these needs requires a structured, systematic approach.

APPROACH

Our training framework follows the 70:20:10 principle: 70% of learning happens on the job through supervised work, problem-solving, and project assignments; 20% through coaching, mentoring, and peer learning; and 10% through formal classroom and online training. Training is organised across three categories: behavioural (leadership development, sales negotiation skills), technical (process operations, equipment handling), and functional (Power BI, project management, certification programmes). Each employee and worker has a training plan aligned with their role, competency gaps, and career development goals. We do not currently have transition assistance programmes for employees approaching retirement or career endings.

PERFORMANCE

Average hours of training per year per employee (GRI 404-1)

Category	Male	Female
Board of Directors	56 hrs	0
Key Management Personnel	22 hrs	0
Permanent Employees	9 hrs	15 hrs
Non-Permanent Employees	0	0
Permanent Workers	18 hrs	0
Non-Permanent Workers	9 hrs	9 hrs

TRAINING PROGRAMMES CONDUCTED

Category	Number of Programmes
Board of Directors	7
Key Management Personnel	8
Employee training programmes	134
Worker training programmes (safety, toolbox)	110
Total	**259**

Performance and career development reviews (GRI 404-3)

Category	Total	Review Received	Coverage
Male permanent employees	386	382	98.9%
Female permanent employees	32	32	100%
Total permanent employees	**418**	**414**	99.0%
Permanent workers	-	-	-

Programmes for upgrading employee skills (GRI 404-2). We provide skill development programmes across technical, behavioural, and functional domains. Key programmes include:

- Process safety and chemical handling training for plant operators Advanced polymer science training for R&D and quality staff
- Leadership and people management programmes for mid-level managers Digital literacy and ERP system training for administrative staff
- ESG awareness and sustainability training across all levels

INITIATIVES

During FY 2025-26, we conducted 244 training programmes covering all employee and worker categories. Training coverage remained at 100% for both employees and workers. Our training programme mix reflects the operational priorities of the year: safety and process training for workers, technical and managerial development for employees, and sustainability awareness across the organisation.

The performance review process achieved near-universal coverage at 99.04%. These reviews provide a structured mechanism for career development planning, competency assessment, goal setting, and feedback. All female permanent employees received reviews, reflecting our commitment to equitable development opportunities.

OUTLOOK

We plan to enhance our training data systems to enable more granular reporting of training hours by employee category, department, and training type. We will expand our sustainability training programme to include supply chain ESG awareness for procurement teams and product stewardship training for sales and technical service staff. Digital learning platforms will complement classroom training, improving accessibility for shift workers and employees at remote locations.



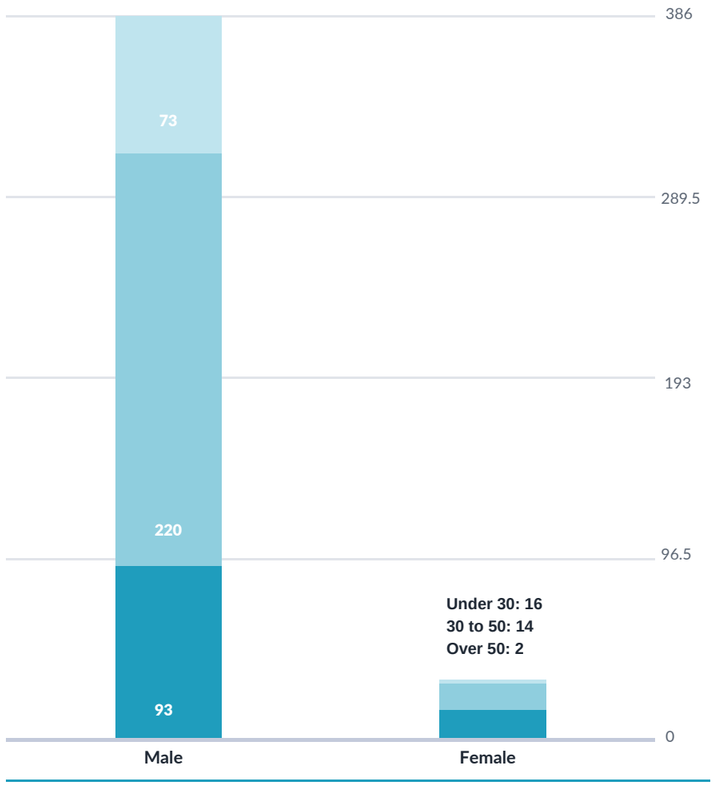
GRI 405

3.5 Diversity and Equal Opportunity

CONTEXT

Diversity strengthens decision-making, drives innovation, and builds organisational resilience. The chemical industry in India has traditionally been male-dominated, particularly at the plant level where operations require shift work and involve hazardous conditions. Changing this requires deliberate action on recruitment, workplace infrastructure, development pathways, and cultural norms.

Permanent employees by age band



Permanent employees by age band. Figures as tabulated in this section.



APPROACH

Our approach to diversity and equal opportunity operates across governance, workforce, and compensation. At the Board level, two of nine directors (22.2%) are female. Across the workforce, we focus on increasing female representation through targeted recruitment, equitable development opportunities, and equal pay practices. Our policies explicitly prohibit discrimination on the basis of gender, age, caste, religion, or any other protected characteristic.

PERFORMANCE

Diversity of governance body (GRI 405-1)

Category	Male	Female	Total
Board of Directors	7 (77.8%)	2 (22.2%)	9

Workforce composition by age and gender (GRI 405-1)

Category	Under 30	30 to 50	Over 50	Total
PERMANENT EMPLOYEES				
Male	93	220	73	386
Female	16	14	2	32
NON-PERMANENT EMPLOYEES				
Male	28	2	2	32
Female	9	0	0	9
PERMANENT WORKERS				
Male	18	94	82	194
Female	0	0	0	0
NON-PERMANENT WORKERS				
Male	223	126	56	405
Female	8	7	4	19

Women hold 7.66% of permanent employee positions (32 of 418). All four Key Management Personnel are male. Among non-permanent employees, women represent 21.95% (9 of 41). The permanent worker category has no female representation.

We recognize the need to improve gender diversity, particularly at the board, leadership, and worker levels, and are working to strengthen inclusive hiring and development practices.

Incidents of discrimination (Parameters)	FY 2025-26	FY 2024-25
Complaints of discrimination at workplace	0	0
Plants assessed for discrimination	100%	100%
Complaints reported under POSH Act	0	0
Complaints on POSH upheld	0	0

Annual total compensation ratio (GRI 2-21)

Parameter	Value
Highest-paid individual annual compensation	INR 2,71,49,700
Median employee annual compensation	INR 6,55,350
Ratio	41.82:1

INITIATIVES

The proportion of gross wages paid to females increased from 3.58% in FY 2023-24 to 4.08% in FY 2024-25 and further to 6.00% in FY 2025-26, reflecting both increased female headcount and competitive compensation. Among new hires during the year, 17.5% were female, exceeding the overall female representation in the permanent workforce (7.7%).

At the Board level, female directors are represented in oversight committees, contributing to governance diversity. The parity in Board-level median remuneration (male Rs. 16,00,000 vs female Rs. 16,15,000) confirms equal treatment at the governance level.

OUTLOOK

We recognise that female representation at 7.7% of permanent employees, and zero among permanent workers, requires sustained attention. We will focus on increasing female recruitment across all categories, including plant-level roles where representation is currently absent. Workplace infrastructure improvements, flexible work arrangements where operationally feasible, and targeted development programmes will support this objective. We plan to set measurable diversity targets and report progress annually.



3.6 Human Rights

CONTEXT

Chemical manufacturing involves complex operations with large workforces spanning permanent employees, contractual workers, and service providers. Ensuring respect for human rights across this ecosystem requires clear policies, consistent training, accessible grievance mechanisms, and regular assessments. The Chief Human Resources Officer serves as the focal point for addressing human rights impacts and issues across the organization.

APPROACH

Our human rights framework covers all employees, workers, contractors, and value chain partners. Human rights requirements form part of all business agreements and contracts with new suppliers and business partners, including clauses on labour law compliance, fair wages, timely payment of statutory dues, and prohibition of child labour and forced labour. All partners are required to adhere to our Supplier Code of Conduct.

We maintain an Internal Complaints Committee established in accordance with the Prevention of Sexual Harassment of Women at Workplace Act, 2013. Whistle-blower protection mechanisms are available for reporting any form of discrimination, harassment, or human rights violation. All complaints are investigated by the CHRO, with confidentiality maintained throughout the process.

PERFORMANCE

Human rights training (GRI 412-2)

We provide human rights training to 100% of our employees and workers across all categories.

	FY 2025-26			FY 2024-25		
Category	Total	Covered	% Coverage	Total	Covered	% Coverage
Permanent employees	418	418	100%	380	380	100%
Other than permanent employees	41	41	100%	35	35	100%
Total employees	**459**	**459**	**100%**	**415**	**415**	**100%**
Permanent workers	194	194	100%	216	216	100%
Other than permanent workers	434	434	100%	407	407	100%
Total workers	**628**	**628**	**100%**	**623**	**623**	**100%**

Wages and equal remuneration

100% of our employees and workers, including permanent and contractual, earn above the applicable minimum wage. Gross wages paid to female employees accounted for 6.00% of total wages in FY 2025-26, up from 4.08% in FY 2024-25.

MEDIAN SALARY BY CATEGORY

Category	Median Salary - Male (INR)	Median Salary - Female (INR)
Board of Directors	16,00,000	16,15,000
Key Management Personnel	1,10,47,550	0
Permanent Employees	6,01,900	6,59,710
Permanent Workers	7,04,362	0

Child labour and forced labour (GRI 408-1, GRI 409-1)

Parameter	FY 2025-26	FY 2024-25
Complaints related to child labour	0	0
Complaints related to forced/involuntary labour	0	0
Plants and offices assessed by statutory authorities	100%	100%

We have zero tolerance for child labour and forced or compulsory labour. Age verification is mandatory during the employee onboarding process. We do not retain original identity documents, require security deposits, or engage in any practice that restricts freedom of movement or employment. Voluntary employment is ensured through documented contracts, fair wages, compliance with statutory working hours and benefits, and accessible grievance mechanisms. Regular factory inspections are conducted across 100% of our plants and offices.

HUMAN RIGHTS COMPLAINTS

Category	Filed (FY 2025-26)	Pending (FY 2025-26)	Filed (FY 2024-25)	Pending (FY 2024-25)
Sexual harassment	0	0	0	0
Discrimination at workplace	0	0	0	0

HUMAN RIGHTS COMPLAINTS (CONTINUED)

Category	Filed (FY 2025-26)	Pending (FY 2025-26)	Filed (FY 2024-25)	Pending (FY 2024-25)
Child labour	0	0	0	0
Forced/involuntary labour	0	0	0	0
Wages	0	0	0	0
Other human rights issues	0	0	0	0

Zero complaints were filed or pending across all human rights categories in FY 2025-26, consistent with FY 2024-25. All suppliers, contractors, and service providers are required to comply with applicable labour laws. During the reporting period, 14 suppliers were audited on human rights aspects covering more than 90% of our raw material purchases by value. No significant risks or concerns were identified.

3.7 Security Practices

GRI 410

Security personnel trained in human rights (GRI 410-1)

Parameter	FY 2025-26
Total security personnel	**6**
Trained on human rights policies	100%
Training frequency	Annual
Coverage of third-party security	Included

All six security personnel, including those provided by third-party agencies, have received formal training on the Company's human rights policies and procedures.

Training is conducted annually and covers topics relevant to the operational context, including respectful treatment, use of force limitations, and reporting procedures.

All security personnel at our facilities have received training on the organization's human rights policies and procedures. We ensure that security practices align with international human rights standards.

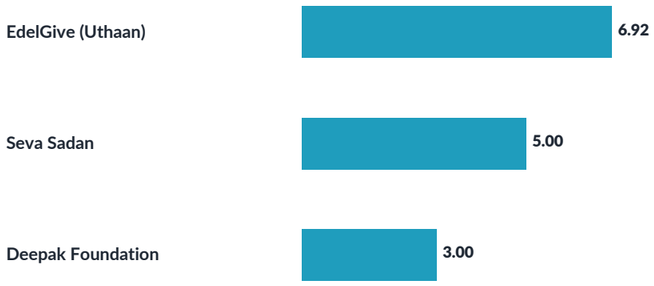
3.8 Local Communities

GRI 413

CONTEXT

Chemical manufacturing creates a direct interface between industrial activity and the communities that surround it. The trust of these communities is not a given; it must be earned through consistent engagement, genuine investment, and transparent communication. For a company operating in Valia (Bharuch, Gujarat) and Taloja (Raigad, Maharashtra), community engagement is both a social responsibility and a strategic imperative for maintaining our social licence to operate.

CSR contribution by partner · ₹ Million



CSR contribution by partner · ₹ Million. Figures as tabulated in this section.











Our CSR philosophy is guided by a detailed community engagement plan that identifies both short-term and long-term needs. We work through established NGO and foundation partners who bring local knowledge, implementation capacity, and accountability. Our programmes focus on areas where our investment can create lasting, measurable impact: education, healthcare, sanitation, women's empowerment, and skill development.

APPROACH

We have established a structured grievance redressal mechanism for communities, including plant-level grievance systems, dedicated contact channels, and regular stakeholder engagement. All grievances are systematically recorded, tracked, and resolved within defined timelines. Escalation and periodic review processes ensure effectiveness and continuous improvement.

Community engagement operates near both manufacturing facilities through three long-standing partnerships:

EdelGive Foundation (NGO Uthaan): Now in its seventh year, this partnership focuses on empowering women in six villages in the Valia block of Bharuch District, Gujarat. During FY 2025-26, we contributed ₹ 6.92 million to Uthaan.

Seva Sadan Society: We support Seva Sadan Society's English School in Mumbai (Standards 1 to 10), with a contribution of ₹ 5 million during the year.

Deepak Foundation: A five-year collaboration focused on skill development for women and youth under the Annapurna and Swasth projects near the Taloja plant. We contributed ₹ 3 million during the year.

PERFORMANCE

Operations with community engagement (GRI 413-1)

Parameter	Details
Operations with community engagement programmes	100% (both Taloja and Valia)
Operations with impact assessments	Monitored through grievance mechanisms
Significant negative impacts on local communities (GRI 413-2)	None identified

CSR PROJECT BENEFICIARIES

CSR Project	Partner	Beneficiaries	Focus Area
EdelGive Foundation (Uthaan)	NGO Uthaan	2,125	Women's empowerment, WASH, health
Seva Sadan Society	Seva Sadan Society	206 students	Education (Standards 1-10)
Deepak Foundation	Deepak Foundation	126 candidates	Skill development, placement
Total		**2,457**	

CSR EXPENDITURE

CSR Partner	Contribution (₹ Million)	Focus Area
EdelGive Foundation (Uthaan)	6.92	Women's empowerment, WASH, health
Seva Sadan Society	5.00	Education (Standards 1-10)
Deepak Foundation	3.00	Skill development, placement
Total	**14.92**	

100% of CSR beneficiaries come from vulnerable and marginalized groups.

100% of CSR beneficiaries come from vulnerable and marginalized groups. Our programmes mainly serve communities near our plants in Valia and Taloja; our education partnership with Seva Sadan Society supports a school in Mumbai.

Parameter	FY 2025-26	FY 2024-25
Inputs from MSMEs/small producers	19.33%	17.79%
Sourced from within district and neighbouring districts	53.28%	48.32%
Share of wages by Location	**FY 2025-26**	**FY 2024-25**
Rural	44.48%	40.36%
Semi-urban	9.52%	7.84%
Urban	23.13%	28.76%
Metropolitan	22.87%	23.04%

LOCAL SOURCING

Our procurement continues to support smaller enterprises and the regions around our plants. Purchases from MSMEs and small producers rose to 19.33% of input materials, from 17.79% in FY 2024-25, and sourcing from within our plant districts and neighbouring districts increased to 53.28%, from 48.32%.

JOB CREATION

We also track where the jobs we create are located, measured as the share of our total wage cost paid to people employed in rural, semi-urban, urban and metropolitan locations. Of our total wage cost of ₹66,87,97,167 in FY 2025-26, ₹29,74,70,589 (44.48%) was paid to people employed in rural locations, up from 40.36% in FY 2024-25. Together, rural and semi-urban locations accounted for 54.00% of wages paid, compared with 48.20% in FY 2024-25, while the urban share fell from 28.76% to 23.13%. With both our plants located outside major metropolitan centres, this reflects the employment and income our operations generate in the smaller towns and villages around Taloja and Valia.

OUTLOOK

We will continue to deepen our existing CSR partnerships while evaluating additional areas of community investment. Infrastructure programmes in Valia will expand based on village-level needs assessments. Education support through Seva Sadan Society will extend as the school grows its student body and academic programmes. Skill development near Taloja will focus on increasing placement rates and diversifying the range of vocations covered. We plan to introduce formal social impact assessment processes for our CSR programmes to measure outcomes more rigorously and guide future investment decisions.

3.9 Value Chain Management

CONTEXT

Our supply chain extends across multiple geographies and involves a wide range of raw material suppliers, logistics providers, and service contractors. The petrochemical feedstocks, monomers, and additives we purchase are themselves products of energy-intensive processes, from crude oil refining to chemical synthesis, carrying environmental impacts that can rival those of our direct operations. Equally, the social practices of our partners, from labour conditions and safety standards to human rights compliance, reflect directly on our business.

APPROACH

Our supply chain sustainability programme is built on three pillars. The first is our Supplier Code of Conduct, which requires environmental compliance, pollution prevention, resource efficiency, labour law compliance, fair wages, and timely payment of statutory dues from all vendors. It extends to all value chain partners and is publicly available on our website.

The second pillar is ESG screening and assessment at onboarding. New suppliers undergo screening covering ISO 14001 certification, regulatory compliance, hazardous substance management, REACH registration, health and safety practices, working conditions, and human rights compliance. Human rights requirements form part of all business agreements and contracts with new suppliers and business partners.

The third pillar is ongoing supplier engagement and audits. We conduct two quality meetings annually with selected suppliers and customers covering product safety, quality standards, and EHS topics. Periodic supplier audits assess adherence to health, safety, and environmental requirements. ESG-based capacity building programmes have been conducted for 25% of our top vendors.





PERFORMANCE

SUPPLIERS SCREENED USING ENVIRONMENTAL AND SOCIAL CRITERIA

Dimension	FY 2025-26
Raw materials from suppliers with ISO 14001 or equivalent	>91% (by value)
Sustainable procurement practices in place	Yes (Supplier Code of Conduct + ESG screening)
REACH certification encouraged	Yes
Vendors assessed on environmental/ESG performance	14 (covering >90% of raw material purchases by value)
Value chain partners assessed on Health & Safety practices	>93% (by value of business)
Value chain partners assessed on working conditions	>93% (by value of business)
Suppliers assessed on human rights	>90% (by value, 14 key vendors)

OUTLOOK

We plan to expand our supplier assessment programme beyond the current 14 key vendors and develop a formalised scoring framework that enables year-on-year tracking of social performance across our supply base. Human rights due diligence will be strengthened through deeper integration of ESG criteria into procurement decisions and supplier scorecards.

3.10 Product Stewardship

CONTEXT

We directed 17% of our R&D investment and 76% of our capital expenditure during FY 2025-26 toward improving the environmental and social performance of our products and processes. Key outcomes include formulations revised to lower VOC content, replacement of non-ecofriendly surfactants with water-based alternatives, and lower processing temperatures to reduce energy intensity.

We completed independent Life Cycle Assessments (cradle-to-customer-gate) for five major products - VP Latex, CMA Latex, High Styrene Rubber, XNB Latex, and NB Rubber. These assessments identify environmental hotspots across the product lifecycle and are already informing process improvements and our product development roadmap. All our products are supported by Safety Data Sheets and GHS-compliant labelling, and all applicable products are REACH registered for European market access.

Looking ahead, we are developing a structured product stewardship KPI framework to track our progress. We plan to measure the percentage of bio-based and renewable raw materials in our product portfolio, and are working toward quantifying our environmental footprint at the product level, including carbon intensity (kg CO_2e per kg of product), VOC content, and water consumption per unit of output. We already hold product certifications including OEKO-TEX, REACH, and GOTS for our product lines, and will continue to expand certification coverage as we deepen our commitment to sustainable product design.





3.11 Customer Health and Safety

GRI 416

CONTEXT

Our products are intermediate industrial chemicals used across diverse applications, from tyre cord dipping and paper coating to medical gloves and construction waterproofing. The health and safety implications of our products span their entire lifecycle: from safe manufacturing and handling through customer processing to end-use applications. Product stewardship is therefore a responsibility we share with our customers and their downstream users.



APPROACH

Product safety management is anchored in our ISO 9001:2015 quality management system, TPM (Total Productive Maintenance) practices, and the Responsible Care programme. 100% of our products are covered by Material Safety Data Sheets (MSDS) and GHS-compliant labelling, providing customers with comprehensive information on hazard identification, safe handling, storage, transportation, and disposal.

During FY 2025-26, we completed Life Cycle Assessments (cradle-to-customer-gate) for five major products: VP Latex, CMA Latex, High Styrene Rubber (HSR), XNB Latex, and NB Rubber. These independent assessments evaluate health, safety, and environmental impacts across the product lifecycle.

Consumer complaints are received through a dedicated complaint portal and communicated to the QC/QA department. After thorough investigation, corrective and preventive actions (CAPA) are issued and verified through three consecutive supplies before closure.

PERFORMANCE

Assessment of H&S impacts (GRI 416-1)

Parameter	FY 2025-26
Products assessed for H&S improvement	100%
Products with MSDS	100%
Products with GHS-compliant labelling	100%
Products with LCA completed	5 major product lines
REACH registration (European market access)	100% of applicable products

Incidents of non-compliance (GRI 416-2)

Parameter	FY 2025-26	FY 2024-25
Non-compliance resulting in fine or penalty	0	0
Non-compliance resulting in warning	0	0
Voluntary product recalls	0	0
Forced product recalls	0	0

Marketing and labelling (GRI 417-1, 417-2, 417-3)

100% of products are covered by product information and labelling requirements. Safety Data Sheets are provided to all customers. All products are classified and labelled in accordance with the Globally Harmonized System (GHS). No incidents of non-compliance were reported concerning product information, labelling, or marketing communications during FY 2025-26.

Category	FY 2025-26 (Received)	FY 2025-26 (Pending)	FY 2024-25 (Received)	FY 2024-25 (Pending)
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive trade practices	0	0	0	0
Product quality	66	22	39	0

CONSUMER COMPLAINTS

We received 66 quality-related complaints during the year, with 22 pending resolutions at year-end. No complaints were received on data privacy, advertising, cyber-security, or trade practices. Our QC/QA department investigates each complaint and implements Corrective and Preventive Actions (CAPA). We verify CAPA effectiveness after three continuous supplies before closing the complaint.

No voluntary or forced product recalls occurred during the year.

CUSTOMER SATISFACTION

We conduct periodic customer satisfaction surveys through an independent agency. Our most recent survey achieved a satisfaction rate of 5.23 out of 6 (87%). We use survey results to identify strengths and improvement areas across product quality and delivery service.

INITIATIVES

The completion of Life Cycle Assessments for five major products represents a significant step in our product stewardship journey. These assessments provide customers with transparent information on the environmental and health impacts embedded in our products, supporting their own sustainability reporting and procurement decisions.

Our CAPA process ensures that every quality complaint drives systematic improvement. After investigation, corrective actions are implemented and their effectiveness verified through three consecutive supplies before the complaint is closed. Product information is available through brochures, product catalogues, and our website.

OUTLOOK

We plan to extend Life Cycle Assessments to additional product lines, with the goal of covering all major product categories. Product Carbon Footprint measurement is underway and will provide product-level emissions data to support customers' Scope 3 reporting. We will enhance our complaint management system to reduce resolution times and improve the tracking of systemic quality trends. Customer satisfaction surveys will be conducted more frequently to provide timely feedback for improvement.

3.12 Customer Privacy

GRI 418

CONTEXT

As a B2B manufacturer, our customer data primarily consists of commercial and technical information rather than personal consumer data. However, the protection of customer information, commercial terms, and business relationships is critical to maintaining trust. The increasing sophistication of cyber threats and the growing importance of data protection regulations make information security a strategic priority.

APPROACH

We have implemented a robust information security framework covering data protection and cyber-attack prevention. During FY 2025-26, we completed ISO 27001:2022 certification for our Information Security Management System, covering the entire organisation. Key elements of our information security framework include:

- End-to-end encryption technology
- Periodic Vulnerability Assessment and Penetration Testing (VAPT) with SIEM services
- Training and capacity building for all directors, KMPs, SMPs, and employees
- Access control mechanisms
- Internal IT policy covering employees and workers
- Privacy policy published at apcotex.com/privacy-policy

PERFORMANCE

Customer privacy (GRI 418-1)

Parameter	FY 2025-26
Data breaches with impact	0
Percentage of customer PII breached	0%
Complaints from external parties	0
Complaints from regulatory bodies	0

During the reporting period, we recorded zero data breaches involving customer personally identifiable information. No complaints were received from external parties or regulatory bodies concerning data privacy. Our information security framework includes end-to-end encryption, periodic vulnerability assessment and penetration testing, access control mechanisms, and capacity building for all employees.

OUTLOOK

We will maintain and continuously improve our ISO 27001:2022 certified ISMS. Periodic vulnerability assessments and penetration testing will continue. Employee awareness training on information security will be refreshed annually. We will monitor evolving data protection regulations, including the Digital Personal Data Protection Act, and adapt our practices to ensure compliance.





Governance & Ethics

10

4.1 Board Structure and Composition 54 4.2 Anti-Corruption and Anti-Bribery 57 4.3 Grievance Mechanisms and Whistleblower Protection 57 4.4 Regulatory Compliance 58

GRI 205 · GRI 2-27 · GRI 2-25, 2-26 · GRI 2-9 to 2-21

4.1 Board Structure and Composition

GRI 2-9 TO 2-21

Strong leadership and governance secure the confidence of our stakeholders. Our Board of Directors is formed in line with the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This stringent compliance with regulatory standards guarantees the honesty and responsibility of our leadership.



The Board comprises nine members with a balanced mix of executive, non-executive, and independent directors. Five of the nine directors (56%) are independent, exceeding the statutory requirement. To promote inclusivity, the company maintains a policy framework for diversity of it's board of directors that encourages a mix of experience and gender.

BOARD COMPOSITION AS ON 31 MARCH 2026

Director	Designation
Mr. Atul C. Choksey	Chairman
Mr. Abhiraj A. Choksey	Vice-Chairman & Managing Director
Mr. Ravishankar Sharma	Executive Director
Mr. Amit C. Choksey	Non-Executive Director
Mr. Udayan D. Choksi	Independent Director
Dr. Achala Danait	Independent Director
Ms. Priti Savla	Independent Director
Mr. Dinanath Kholkar	Independent Director
Mr. Rajendra Mariwala	Independent Director

BOARD OF DIRECTORS

The board comprises of nine members with a balanced mix of executive, non-executive, and independent directors. Five of the nine directors (56%) are independent, exceeding the statutory requirement. To promote inclusivity we have adopted a Board of Diversity that encourages a mix of experience and gender.



Mr. Atul C. Choksey
Chairman
NRC CSR



Mr. Abhiraj A. Choksey
Vice-Chairman & Managing Director
SRC CSR RMC



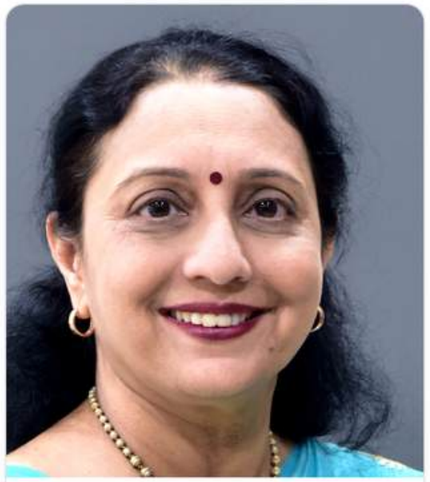
Mr. Ravishankar Sharma
Executive Director
SRC RMC



Mr. Amit C. Choksey
Non-Executive Director



Mr. Udayan D. Choksi
Independent Director
AUDIT SRC



Dr. Achala Danait
Independent Director
NRC CSR RMC



Ms. Priti Savla
Independent Director
AUDIT



Mr. Dinanath Kholkar
Independent Director
AUDIT NRC RMC



Mr. Rajendra Mariwala
Independent Director
NRC

AUDIT Audit Committee | NRC Nomination & Remuneration | SRC Stakeholders Relationship | CSR CSR Committee | RMC Risk Management | Chairperson

During FY 2025-26, the Board met five times. All meetings maintained the required quorum, and the gaps between meetings were within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

COMMITTEES OF THE BOARD

The Board has established five committees, each with a clearly defined charter. These committees bring a balanced and focused approach to managing the Company responsibly and efficiently.

Committee	Chairperson	Members	Meetings Held
Audit Committee	Mr. Udayan Choksi	Ms. Priti Savla, Mr. Dinanath Kholkar	4
Nomination & Remuneration Committee	Mr. Dinanath Kholkar	Mr. Atul Choksey, Dr. Achala Danait, Mr. Rajendra Mariwala	3
Stakeholders Relationship Committee	Mr. Udayan Choksi	Mr. Abhiraj Choksey, Mr. Ravishankar Sharma	1
Corporate Social Responsibility Committee	Mr. Atul Choksey	Mr. Abhiraj Choksey, Dr. Achala Danait	2
Risk Management Committee	Dr. Achala Danait	Mr. Abhiraj Choksey, Mr. Ravishankar Sharma, Mr. Dinanath Kholkar	2

The Audit Committee oversees the Company's financial reporting and ensures the accuracy, adequacy, and reliability of financial statements. It reviews quarterly and annual financial outcomes and scrutinises the Limited Review/Auditors Report. The Committee also recommends the appointment and compensation of Statutory Auditors, reviews Related Party Transactions, and examines the findings of internal audits. During the reporting period, the Board accepted all recommendations made by the Audit Committee.

The Nomination and Remuneration Committee approves the remuneration for Directors and Senior Management based on standard industry practices and the Company's remuneration policy. It evaluates performance-based remuneration, formulates succession planning processes, and identifies suitable candidates for Board vacancies. The Nomination and Remuneration Policy was revised and approved by the Board on 28 January 2025.

BOARD EVALUATION

We conduct an annual Board evaluation in compliance with the Companies Act, 2013 and SEBI Listing Regulations. A structured questionnaire covers Board composition, communication, timeliness of information, Board culture, and execution of duties. Individual directors are evaluated on attendance, participation, understanding of their role, and demonstration of knowledge. The Independent Directors evaluate the performance of the Chairman and Non-Executive Directors separately. All Directors expressed satisfaction with the evaluation process during FY 2025-26.

The Stakeholders Relationship Committee oversees the resolution of investor grievances and ensures timely redressal of complaints related to share transfers, dividends, and other shareholder concerns. The Committee monitors correspondences received through the Registrar, reviews the status of pending investor complaints, and ensures that the Company maintains effective communication channels with its shareholders and investors.

The Corporate Social Responsibility Committee formulates and recommends the CSR Policy and annual action plan to the Board for approval. It recommends the annual CSR expenditure budget, identifies ongoing projects, approves unbudgeted CSR outlays within prescribed limits, reviews implementation of CSR activities within the applicable framework, and sets monitoring mechanisms to track the progress of each project.

During FY 2025-26, various familiarization programmes were imparted to the Board of Directors covering topics like Corporate Governance, the Company's Core Values, Regulatory updates, Safety Statistics, ESG Reporting and the purpose and business context the Company operates in. All directors were covered by these awareness programmes. The evaluation process is conducted internally. We will continue to strengthen Board diversity and ensure that directors have access to training on emerging sustainability and climate-related matters.

The Risk Management Committee identifies and manages a wide range of internal and external risks, including financial, operational, legal, regulatory, cybersecurity, and sustainability risks. It supervises the execution of the Risk Management Policy and reviews risk classification methodologies. The Committee met twice during FY 2025-26.

NOMINATION AND SELECTION

Directors are nominated by the Nomination and Remuneration Committee based on competence, integrity, diversity, independence, industry experience, governance capability, and leadership qualities. Appointments comply with the Companies Act, 2013 and SEBI (LODR) Regulations while supporting long-term business sustainability and stakeholder interests.

ESG OVERSIGHT AND DELEGATION

The Board provides overall oversight of the Company's ESG governance framework. It reviews ESG strategy, material sustainability risks, ESG performance, and the effectiveness of ESG impact management. The Risk Management Committee reviews ESG KPIs, regulatory developments, and the implementation of ESG due diligence processes, including the identification, assessment, mitigation, and monitoring of environmental, social, governance, human rights, health and safety, and business ethics impacts. Significant ESG matters and mitigation actions are reported to the Board for review.

The Vice-Chairman and Managing Director (VC&MD) has overall accountability for sustainability and ESG performance. The Executive Director, Chief Financial Officer, and Company Secretary support the implementation of ESG strategy within their respective functional areas. Department Heads execute, monitor, and report on ESG initiatives and KPIs. ESG performance and material sustainability issues are reviewed by the Risk Management Committee on a half-yearly basis and reported to the Board for oversight and strategic guidance.

The Board reviews and approves the Business Responsibility and Sustainability Report (BRSR) prior to its publication, ensuring appropriate governance, accountability, and regulatory compliance.

CONFLICTS OF INTEREST

We have established processes to identify, disclose, and manage actual or potential conflicts of interest involving Directors and Key Managerial Personnel. Directors and KMPs provide periodic disclosures of their interests, and any potential conflict is reviewed and managed in accordance with the Company's Code of Conduct, applicable policies, and statutory requirements. During FY 2025-26, no complaints relating to conflicts of interest were received. Details of Directors' interests, shareholding, and related party transactions are provided in the Corporate Governance Report.

REMUNERATION POLICIES

Our remuneration policy is designed to attract, retain, and motivate competent talent while ensuring fairness, competitiveness, and alignment with business objectives. The remuneration of Executive Directors and Key Managerial Personnel comprises fixed and performance-linked variable components, determined based on individual performance, business results, market benchmarks, and the recommendations of the Nomination and Remuneration Committee. The remuneration of Non-Executive Directors is governed by applicable statutory provisions and shareholder approvals. The Nomination and Remuneration Policy is available on the Company's website.

4.2 Anti-Corruption and Anti-Bribery

GRI 205

We maintain a zero-tolerance approach to corruption and bribery across all operations. Our Anti-Bribery and Anti-Corruption Policy establishes clear expectations for directors, employees, and business partners. The Audit Committee of the Board oversees the implementation and effectiveness of anti-corruption controls.

During FY 2025-26, we conducted corruption risk assessments for four key departments: Human Resources, Marketing, Procurement, and Accounts. These departments were identified based on their interaction with external parties and the nature of transactions they handle.

Nil
Confirmed Corruption Incidents

Nil
Anti-Competitive Actions

4
Departments Assessed

4.3 Grievance Mechanisms and Whistleblower Protection

We provide accessible and confidential channels for all stakeholders to raise concerns, report grievances, or flag unethical conduct. The Company has established a Vigil Mechanism and Whistle-Blower Policy in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations. The policy provides a mechanism for directors and employees to report genuine concerns regarding unethical behaviour, fraud, or violation of the Company's Code of Conduct.

GRI 2-25, 2-26

The Whistle-Blower Policy was revised and approved by the Board on 28 January 2025. The updated policy is hosted on the Company's website. The Audit Committee oversees the functioning of this mechanism and provides direct access to the Chairperson of the Audit Committee in appropriate cases. We affirm that no employee was denied access to the Audit Committee during FY 2025-26.

STAKEHOLDER GRIEVANCE STATUS - FY 2025-26

Stakeholder Group	Filed During Year	Pending
Shareholders / Investors	10	0
Employees	0	0
Workers	0	0
Communities	0	0
Customers	66	22

4.4 Regulatory Compliance

GRI 2-27

We operate in a highly regulated industry and remain committed to full compliance with all applicable laws and regulations. During FY 2025-26, no fines, penalties, or strictures were imposed on us by SEBI, the stock exchanges, or any other statutory authority. No monetary or non-monetary sanctions were levied by any regulatory or enforcement agency during the year.

We have adopted a compliance tracking tool that monitors adherence to all applicable regulations across our operations. This system helps us track statutory requirements in real time and ensures timely action on compliance obligations. Our policies cover all nine principles of the National Guidelines on Responsible Business Conduct (NGRBC), and each has been approved by the Board.

On the environmental front, we are compliant with Extended Producer Responsibility (EPR) regulations and are registered with the Central Pollution Control Board. Our operations are certified under ISO 9001, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, ISO 27001, ISO 46001 (Valia plant), and Responsible Care, reflecting our commitment to regulatory standards across quality, environment, health and safety, energy, and information security.



CHAPTER 11

Indices

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5.2 Sustainable Development Goal (SDG) Mapping 62

5.1 Global Reporting Initiative (GRI) Content Index

GRI Standard	Disclosure	Disclosure title	Location in this report
GRI 2: General Disclosures 2021	2-1	Organizational details	About the Report > Scope and Boundary; Corporate Snapshot > Who We Are
	2-2	Entities included in the organization's sustainability reporting	About the Report > Scope and Boundary
	2-3	Reporting period, frequency and contact point	About the Report > Reporting History and Framework; About the Report > Contact for Queries
	2-6	Activities, value chain and other business relationships	Corporate Snapshot > Who We Are; Product Portfolio; Geographical Presence; Value Chain Management
	2-5	External Assurance	About the Report > External Assurance
	2-7	Employees	Employment > Performance (Workforce composition)
	2-8	Workers who are not employees	Employment > Performance (Workforce composition, worker categories)
	2-9	Governance structure and composition	Board Structure and Composition; Committees of the Board; Sustainability for All > Sustainability Governance
	2-10	Nomination and selection of the highest governance body	Board Structure and Composition > Nomination and Selection
	2-11	Chair of the highest governance body	Board Structure and Composition (Board composition table)
	2-12	Role of the highest governance body in overseeing the management of impacts	Board Structure and Composition > ESG Oversight and Delegation; Sustainability for All > Sustainability Governance
	2-13	Delegation of responsibility for managing impacts	Board Structure and Composition > ESG Oversight and Delegation; Sustainability for All > Sustainability Governance
	2-14	Role of the highest governance body in sustainability reporting	Board Structure and Composition > ESG Oversight and Delegation
	2-15	Conflicts of interest	Board Structure and Composition > Conflicts of Interest
	2-16	Communication of critical concerns	Grievance Mechanisms and Whistleblower Protection
	2-17	Collective knowledge of the highest governance body	Board Structure and Composition (Board training programmes)
	2-18	Evaluation of the performance of the highest governance body	Board Structure and Composition > Board Evaluation
	2-19	Remuneration policies	Board Structure and Composition > Remuneration Policies
	2-20	Process to determine remuneration	Board Structure and Composition > Remuneration Policies; Committees of the Board (Nomination & Remuneration Committee)
	2-21	Annual total compensation ratio	Diversity and Equal Opportunity > Annual total compensation ratio
	2-22	Statement on sustainable development strategy	Theme Overview: Bonds Beyond Chemistry; Leadership Messages
	2-23	Policy commitments	Sustainability for All > Policies and Commitments; Human Rights > Approach
	2-24	Embedding policy commitments	Sustainability for All > Policies and Commitments; Sustainability Governance
	2-25	Processes to remediate negative impacts	Grievance Mechanisms and Whistleblower Protection; Approach to Sustainability > Grievance Mechanisms; Local Communities > Approach
	2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanisms and Whistleblower Protection; Approach to Sustainability > Grievance Mechanisms
	2-27	Compliance with laws and regulations	Regulatory Compliance; Anti-Competitive Behaviour
	2-28	Membership associations	Sustainability for All > Industry Associations and External Frameworks

GRI Standard	Disclosure	Disclosure title	Location in this report
	2-29	Approach to stakeholder engagement	Approach to Sustainability > Stakeholder Engagement
	2-30	Collective bargaining agreements	Labor/Management Relations > Approach; Union membership
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment > Why Materiality Matters; Our Process
	3-2	List of material topics	Materiality Assessment > Our Material Topics
	3-3	Management of material topics	Materiality Assessment > Our Material Topics
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Value Generated and Distributed
	201-3	Defined benefit plan obligations and other retirement plans	Economic Value Generated and Distributed > Retirement Benefits and Employee Plans
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employment > Approach; Human Rights > Wages and equal remuneration
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Local Communities > Approach; CSR expenditure
	203-2	Significant indirect economic impacts	Indirect Economic Impacts; Local Communities > Local sourcing and job creation
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Indirect Economic Impacts; Local Communities > Local sourcing and job creation
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-Corruption and Anti-Bribery
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption and Anti-Bribery
	205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption and Anti-Bribery
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-Competitive Behaviour
GRI 207: Tax 2019	207-1	Approach to tax	Approach to Tax
	207-2	Tax governance, control, and risk management	Approach to Tax
GRI 301: Materials 2016	301-2	Recycled input materials used	Materials Use > Approach
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management > Performance (Energy consumption)
	302-3	Energy intensity	Energy Management > Performance (Energy intensity)
	302-4	Reduction of energy consumption	Energy Management > Performance (Energy reduction initiatives)
	302-5	Reductions in energy requirements of products and services	Energy Management > Performance (Reductions in energy requirements of products and services)
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Stewardship > Context; Approach
	303-2	Management of water discharge-related impacts	Water Stewardship > Approach
	303-3	Water withdrawal	Water Stewardship > Performance (Water withdrawal)
	303-4	Water discharge	Water Stewardship > Performance (Water discharge)
	303-5	Water consumption	Water Stewardship > Performance (Water consumption)
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Conservation > Context
	304-3	Habitats protected or restored	Biodiversity Conservation > Initiatives
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Emissions Management > Approach (Scope 1); Performance (GHG emissions)
	305-2	Energy indirect (Scope 2) GHG emissions	Emissions Management > Approach (Scope 2); Performance (GHG emissions)
	305-3	Other indirect (Scope 3) GHG emissions	Emissions Management > Approach (Scope 3); Performance (GHG emissions)
	305-4	GHG emissions intensity	Emissions Management > Performance (GHG emissions intensity)
	305-5	Reduction of GHG emissions	Emissions Management > Performance (GHG emission reductions)
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions Management > Performance (Air emissions, non-GHG)
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management > Context; Approach
	306-2	Management of significant waste-related impacts	Waste Management > Approach (site-specific waste management practices)
	306-3	Waste generated	Waste Management > Performance (Waste generated)
	306-4	Waste diverted from disposal	Waste Management > Performance (Waste diverted from disposal)

GRI Standard	Disclosure	Disclosure title	Location in this report
	306-5	Waste directed to disposal	Waste Management > Performance (Waste directed to disposal)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Value Chain Management > Approach; Performance
	308-2	Negative environmental impacts in the supply chain and actions taken	Value Chain Management > Performance
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employment > Performance (New employee hires and Employee turnover)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment > Employee wellbeing and benefits coverage
	401-3	Parental leave	Employment > Performance (Parental leave)
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Labor/Management Relations > Performance
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety > Approach
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety > Approach (Hazard identification and risk assessment)
	403-3	Occupational health services	Occupational Health and Safety > Approach (Occupational health services)
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety > Approach (Worker participation)
	403-5	Worker training on occupational health and safety	Occupational Health and Safety > Approach (Safety training); Training and Education
	403-6	Promotion of worker health	Occupational Health and Safety > Approach (Occupational health services); Employment > Employee wellbeing and benefits coverage
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Value Chain Management > Performance; Occupational Health and Safety > Outlook
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety > Performance (OHS management system coverage)
	403-9	Work-related injuries	Occupational Health and Safety > Performance (Work-related injuries)
	403-10	Work-related ill health	Occupational Health and Safety > Performance (Work-related ill health)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training and Education > Performance (Average hours of training)
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Education > Approach; Performance (Programmes for upgrading employee skills)
	404-3	Percentage of employees receiving regular performance and career development reviews	Training and Education > Performance (Performance and career development reviews)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity > Performance (Diversity of governance body; Workforce composition by age and gender)
	405-2	Ratio of basic salary and remuneration of women to men	Human Rights > Median remuneration by category
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Diversity and Equal Opportunity > Performance (Incidents of discrimination); Human Rights > Human rights complaints
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor/Management Relations > Approach; Human Rights > Approach
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights > Performance (Child labour and forced labour)
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights > Performance (Child labour and forced labour)
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Security Practices
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities > Performance (Operations with community engagement)
	413-2	Operations with significant actual and potential negative impacts on local communities	Local Communities > Performance
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Value Chain Management > Approach; Performance
	414-2	Negative social impacts in the supply chain and actions taken	Value Chain Management > Performance; Outlook
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Customer Health and Safety > Performance (Assessment of H&S impacts)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety > Performance (Incidents of non-compliance)
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Customer Health and Safety > Performance (Marketing and labelling)
	417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Health and Safety > Performance (Marketing and labelling)

GRI Standard	Disclosure	Disclosure title	Location in this report
	417-3	Incidents of non-compliance concerning marketing communications	3.11 Customer Health and Safety > Performance (Marketing and labelling)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.12 Customer Privacy > Performance (Customer privacy)

5.2 Sustainable Development Goal (SDG) Mapping

SDG	Report section	Basis of the contribution
SDG 1 No Poverty	Local Communities	CSR programmes in women's empowerment, WASH, health and livelihood skilling; 100% of 2,457 beneficiaries are from vulnerable and marginalised groups
	Indirect Economic Impacts	44.48% of total wage cost paid in rural locations; MSME sourcing at 19.33% of procurement spend
SDG 3 Good Health and Well-being	Occupational Health and Safety	ISO 45001 at both plants, occupational health centres, pre-employment and periodic health checks, 3,039 near misses reported
	Employment	100% health and accident insurance coverage for permanent employees and workers
	Customer Health and Safety	100% MSDS and GHS-compliant labelling; Life Cycle Assessments for five product lines
	Local Communities	Health programmes delivered through EdelGive Foundation and Deepak Foundation
SDG 4 Quality Education	Training and Education	259 training programmes across Board, KMP, employees and workers on the 70:20:10 framework
	Local Communities	Seva Sadan Society English School, Standards 1 to 10, 206 students; Deepak Foundation skilling for 126 candidates
SDG 5 Gender Equality	Diversity and Equal Opportunity	Diversified Board; two of nine directors are women; zero discrimination complaints
	Human Rights	Internal Complaints Committee under the POSH Act 2013; zero complaints filed
	Board Structure and Composition	Diversified Board encouraging a mix of experience and gender
	Local Communities	EdelGive Foundation women's empowerment programme across six villages in Valia block, 2,125 beneficiaries
SDG 6 Clean Water and Sanitation	Water Stewardship	10.23% reduction in specific freshwater withdrawal against the FY 2022-23 baseline; ZLD at Valia; 100% of discharge treated through ETPs; water neutrality target for 2030
	Local Communities	WASH programmes in communities near the Valia plant
SDG 7 Affordable and Clean Energy	Energy Management	ISO 50001 at both plants; 5.9% renewable share; solar and windmill at Taloja; 1,496.76 GJ saved through efficiency initiatives
SDG 8 Decent Work and Economic Growth	Economic Value Generated and Distributed	Economic value generated and distributed across stakeholder groups
	Employment	1,087 total workforce; 97 new hires; benefits and parental leave disclosure
	Labor/Management Relations	100% of eligible workers covered by collective bargaining; six-month notice period against a 21-day statutory minimum
	Occupational Health and Safety	Joint Management-Worker Safety Committees at both plants; 100% OHSMS coverage
	Diversity and Equal Opportunity	Equal opportunity and remuneration disclosures
	Human Rights	Zero child labour and forced labour complaints; 100% paid above minimum wage
	Value Chain Management	Supplier Code of Conduct covering labour standards; 14 vendors assessed on ESG criteria
SDG 9 Industry, Innovation and Infrastructure	Materials Use	17% of R&D spend and 76% of CAPEX directed to environmental and social improvement; VOC reduction and surfactant substitution
	Energy Management	IE4 and IE5 motor replacement and variable frequency drives across both plants
	Product Stewardship	LCAs for five major products; OEKO-TEX, REACH and GOTS certifications
	Research and Development	DSIR-approved R&D facility, pilot reactors and application laboratories
SDG 10 Reduced Inequalities	Diversity and Equal Opportunity	Workforce composition by age and gender; annual total compensation ratio
	Human Rights	Median remuneration by category and gender; 100% above minimum wage
	Indirect Economic Impacts	Wage distribution across rural, semi-urban, urban and metropolitan locations
SDG 11 Sustainable Cities and Communities	Waste Management	Landfill volumes down 43.3%; 73.7% of waste diverted from disposal; EPR registration with CPCB
	Water Stewardship	Treated effluent routed to MIDC common infrastructure at Taloja; no discharge to any natural water body
SDG 12 Responsible Consumption and Production	Materials Use	Supplier Code of Conduct on resource efficiency; reprocessing of off-specification latex and rubber; bulk tanker delivery replacing drums
	Waste Management	Waste hierarchy under ISO 14001; ETP sludge redirected to cement-kiln co-processing, up 68.6%

SDG	Report section	Basis of the contribution
	Value Chain Management	Over 91% of raw materials by value from ISO 14001-certified supply chains
	Product Stewardship	VOC reduction across all product lines; water-based surfactant substitution; product carbon footprint work underway
	Customer Health and Safety	100% MSDS coverage and GHS-compliant labelling
	About the Report	Inaugural standalone sustainability report prepared with reference to the GRI Standards
SDG 13 Climate Action	Emissions Management	Scope 1, 2 and 3 inventory; 40% Scope 1+2 reduction target for FY 2031-32; Net Zero by 2045
	Energy Management	Fuel switching from coal to biomass; 17.7% reduction in fossil fuel consumption
	Sustainability for All > Sustainability Governance	Board-level climate and energy targets reviewed half-yearly
SDG 15 Life on Land	Biodiversity Conservation	500 sq.m Miyawaki forest at Taloja; continuous plantation programmes at both plants; neither site in or adjacent to a protected area
SDG 16 Peace, Justice and Strong Institutions	Anti-Corruption and Anti-Bribery	Zero confirmed corruption incidents; corruption risk assessment across four departments
	Board Structure and Composition	Nine-member Board, five independent directors, five committees, annual Board evaluation
	Grievance Mechanisms and Whistleblower Protection	Vigil Mechanism and Whistle-Blower Policy under Section 177 of the Companies Act, with Audit Committee oversight
	Regulatory Compliance	No fines, penalties or strictures during the year; compliance tracking tool
	Anti-Competitive Behaviour	Nil legal actions on anti-competitive conduct
	Approach to Tax	Tax governance under Audit Committee oversight
	Customer Privacy	ISO 27001 ISMS; zero data breaches; zero privacy complaints
	Security Practices	100% of security personnel trained on human rights policies
SDG 17 Partnerships for the Goals	Local Communities	Long-standing partnerships with EdelGive Foundation, Seva Sadan Society and Deepak Foundation
	Sustainability for All > Industry Associations and External Frameworks	Membership of the Indian Chemical Council, Confederation of Indian Industry (CII), and Bombay Chamber of Commerce and Industry
	Approach to Sustainability > Stakeholder Engagement	Structured engagement across eight stakeholder groups feeding the materiality assessment

Indian Register Quality Systems

ISSPL LIMITED

Independent Assurance Statement

APCOTEX INDUSTRIES LIMITED

LIMITED ASSURANCE STATEMENT ON SUSTAINABILITY INFORMATION AND DISCLOSURES OF APCOTEX INDUSTRIES LIMITED WITH REFERENCE TO THE GRI STANDARDS 2021

For

Reporting Period:

April 01, 2025 – March 31, 2026

Assurance Statement No.: IRQS/254201501

Indian Register Quality Systems
[A Division of ISSPL Limited (formerly known as IRCLASS Systems and Solutions Limited and IRCLASS Systems and Solutions Private Limited)]
Head Office: 52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai - 400 072, India. Phone no.: +91 22 71199800
Website: www.irqs.co.in, www.isspl.com CIN: U74120MH2014PLC254091

Introduction and Objective of Work

INDIAN REGISTER QUALITY SYSTEMS (IRQS) was engaged by **Apcotex Industries Limited** (hereinafter referred to as "Apcotex Industries Limited" or "the Company") to conduct an **independent limited assurance engagement** on the sustainability parameters disclosed in its Sustainability Report, prepared with reference to the **Global Reporting Initiative (GRI) Standards**. The assurance covers the reporting period from **01 April 2025 to 31 March 2026** and forms part of the Company's annual disclosures. This assurance statement applies to the related information included within the scope of work described below.

The selection of reporting criteria (**GRI Standards 2021**), determination of the reporting boundary, definition of the reporting period, monitoring and measurement of data, and the preparation and presentation of sustainability disclosures are the sole responsibility of the management of **Apcotex Industries Limited** ("the Company"). **Indian Register Quality Systems (IRQS)** was not involved in the development of the disclosures or in the preparation of the underlying data. Our responsibility is limited to providing **independent limited assurance** on the selected sustainability information for the reporting period **01 April 2025 to 31 March 2026**.

Materiality for the purpose of this assurance engagement was determined based on both quantitative thresholds (relative significance of reported data to the organization's overall environmental and social footprint) and qualitative factors (relevance to stakeholders, regulatory significance, and risk exposure). Misstatements, including omissions, are considered material if they could reasonably be expected to influence the decisions of intended users based on the Sustainability Report.

Intended User

This assurance statement is made solely for **Apcotex Industries Limited and its stakeholders** as per the governing contractual terms and conditions of the assurance engagement contract between **Apcotex Industries Limited** and **Indian Register Quality Systems (IRQS)**.

To the extent that the law permits, we owe no responsibility and do not accept any liability to any party other than **Apcotex Industries Limited** for the work we have performed for this assurance report or our conclusions stated in the paragraph below.

Scope of Work (Reference to GRI Standards)

- Verify that the data and information included in the Sustainability Report for the period **01.04.2025 to 31.03.2026** are fairly presented and free from material misrepresentation, with reference to the relevant **Global Reporting Initiative (GRI) Standards 2021**.
- Assess the appropriateness and robustness of the underlying reporting systems and processes used by **Apcotex Industries Limited** to collect, analyze, consolidate and review the disclosed sustainability information.
- Ensure that the Sustainability Report aligns with the **GRI Reporting Principles** (accuracy, balance, clarity, comparability, verifiability, and timeliness) and the relevant **GRI Standards 2021** disclosures applicable to the organization's operations.

Reporting Criteria

The assurance covers GRI disclosures for the reporting period **01/04/2025 – 31/03/2026** across the following reporting locations:

1. **Registered Office** – C-403/404, 4th Level, Wing C, Tower 1, Seawoods Grand Central, Sector 40, Navi Mumbai – 400706, Maharashtra, India. **(*The registered office was not operational during the reporting period*)**
2. **Manufacturing Plant (Taloja Factory)** – Plot No. 3/1, MIDC Industrial Area, Taloja, Dist. Raigad – 410208,

Maharashtra, India.

3. **Manufacturing Plant (Valia Factory)** – Village Dungri, Taluka Valia, Ankleshwar – 393135, Dist. Bharuch, Gujarat, India.

The assurance includes verification of the selected material topics:

- Climate-related Risks – GHG (Scope 1 and Scope 2)
- Water Management
- Energy Consumption
- Waste Management
- Local Community Engagement
- Occupational Health & Safety
- Value Chain Management
- Ethics & Anti-Corruption
- Regulatory Compliance
- Product Stewardship
- Human Capital Management

This engagement covers selected **GRI 2: General Disclosures** and the topic-specific GRI Standards listed in the table below, as identified through **Apcotex Industries Limited's** materiality assessment. Disclosures not listed in the table, or for which data was unavailable, omitted, or not applicable, are outside the scope of this assurance engagement and are excluded in accordance with the limitations set out below.

The assurance was conducted at a **Limited Assurance** level for the Sustainability Report prepared with reference to the **Global Reporting Initiative (GRI) Standards 2021**.

Sr. No.	Attribute	Parameter
1	Climate-related Risks & Carbon Emissions (Refer GRI 201-2 & GRI 305)	The total **Scope 1 Emissions** reported include direct GHG emissions from operations under the organization's control. The emissions are calculated and reported in **carbon dioxide equivalent (CO_2e)** in accordance with the **Greenhouse Gas (GHG) Protocol**.
	*Greenhouse gas emissions are quantified with reference to the **Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard**, as applicable to the relevant emission sources and reporting boundaries.*	The total **Scope 2 Emissions** represent indirect greenhouse gas (GHG) emissions associated with the consumption of purchased electricity. Emissions are reported in **carbon dioxide equivalent (CO_2e)**, where applicable. Scope 2 emissions have been quantified using the **location-based approach**, in accordance with **GRI 305-2** and the **Greenhouse Gas (GHG) Protocol**.
	*The **emission factors** applied for the calculation of Scope 1 and Scope 2 GHG emissions are sourced from relevant and recognized references applicable to the respective emission sources and categories, including **DEFRA 2025**, where applicable.*	**GHG Emission Intensity:** The Company reports GHG emissions intensity using multiple organization-specific metrics, including **GHG emissions intensity per INR of revenue (tCO_2e/INR)**, **GHG emissions intensity per INR of revenue on a PPP-adjusted basis (tCO_2e/INR)**, and **GHG emissions intensity per MT of output on a dry basis (tCO_2e/MT)**. The Company also presents comparative intensity information for the previous reporting period to demonstrate changes in GHG emissions intensity.
2	Water Management (Refer GRI 303)	**Water Withdrawal in kL**
		i.Surface Water
		ii. Groundwater

Sr. No.	Attribute	Parameter
		iii.Third-Party Sources
		Total Water Withdrawal
		Water Consumption in kL
		Water Recycled and Reused in kL
		Water Discharge in kL
		i.Treated before discharge
		ii.Discharge to surface water
		iii.Discharge to groundwater
		iv.Discharge to seawater
		Water Intensity is reported based on water consumption and operational output/revenue metrics, including **KL/MT of output (dry basis), KL/INR of revenue, and KL/INR of revenue on a PPP-adjusted basis**.
3	Energy Management (Refer GRI 302)	**Energy consumption within the organization:** Renewable and non-renewable energy consumption from electricity and fuels, reported in GJ**.**
		Total energy consumption: Total consumption of renewable and non-renewable energy sources.
		Renewable energy: Renewable electricity from solar panels and windmill, along with biomass fuel consumption, and the corresponding share of total energy consumption.
		Non-renewable energy: Grid electricity and fossil fuel consumption, including coal, diesel and natural gas.
		Energy Use Intensity (EUI): Energy intensity is reported based on revenue, PPP-adjusted revenue and production output.
		Energy intensity: Energy consumption per MT of output (GJ/MT) is used as a key performance indicator.
		Energy efficiency: Energy efficiency is supported through fuel switching, process electrification and operational efficiency measures.
		Renewable energy share: The Company reports the percentage contribution of renewable energy to total energy consumption.
4	Waste & Hazardous Material Management (Refer GRI -306)	Plastic waste (A).
		E-waste (B).
		Bio-medical waste (C).
		Construction and demolition waste (D).
		Battery waste (E).
		Radioactive waste (F).
		Other hazardous waste, if any (G).
		Other non-hazardous waste generated (H), with break-up by composition, where applicable.
		Total waste generated: Total waste generated across hazardous and non-hazardous waste categories (A + B + C + D + E + F + G + H) in MT.
		Waste diverted from disposal: Waste is diverted through recycling, reuse and other recovery pathways, including co-processing and co-incineration.
		Waste directed to disposal: Waste directed to disposal is managed through applicable disposal pathways, including landfilling and incineration.

Sr. No.	Attribute	Parameter
		Waste intensity: Waste intensity is reported based on revenue, PPP-adjusted revenue, and output on a dry basis.
5	Local Community Engagement (Refer GRI 413)	Community consultation and stakeholder engagement mechanisms. CSR initiatives in education, healthcare and community wellbeing. WASH and sanitation programmes. Skill development and livelihood initiatives. Environmental conservation and community development programmes. Community grievance and feedback mechanisms.
6	Occupational Health & Safety (Refer GRI 403)	OHS management system (ISO 45001:2018, legal requirements, Responsible Care). Hazard identification, risk assessment and incident investigation Worker participation, consultation, and communication OHS training and promotion of worker health Work-related injuries/ill health (fatalities, high-consequence, recordable) % of workforce covered by OHS management system.
7	Value Chain Management (Refer GRI 414)	Supplier onboarding and assessment. Vendor Code of Conduct. Responsible procurement practices. Supplier ESG compliance and engagement. Supplier performance monitoring across the value chain.
8	Ethics & Anti-Corruption (Refer GRI 205)	Anti-Bribery and Anti-Corruption Policy. Code of Conduct. Communication and training on anti-corruption. Whistleblower mechanism. Compliance with applicable laws and regulations. Confirmed incidents of corruption and actions taken.
9	Regulatory Compliance (Refer GRI 2-27)	Significant fines and non-monetary sanctions for non-compliance. Number and nature of significant instances of non-compliance. Regulatory compliance management systems and monitoring mechanisms. Management review and periodic evaluation of applicable regulatory requirements. Training and awareness programmes related to regulatory compliance.
10	Product Stewardship (Refer GRI 416 & GRI 417)	Assessment of the health and safety impacts of product and service categories. Incidents of non-compliance concerning health and safety impacts of products and services. Requirements for product and service information and labelling. Incidents of non-compliance concerning product and service information and labelling. Incidents of non-compliance concerning marketing communications (GRI 417-3), where applicable. Product quality and safety management systems. REACH registration and GHS labelling, where applicable. Life Cycle Assessment (LCA) and product environmental impact assessment. Product stewardship and lifecycle-impact reduction initiatives.

Sr. No.	Attribute	Parameter
		TPM and operational excellence initiatives supporting product quality and reliability.
11	Human Capital Management (Refer GRI 401, GRI 404 & GRI 405)	New employee hires and employee turnover. Benefits provided to full-time employees, where applicable. Parental leave. Average hours of training per year per employee. Programmes for upgrading employee skills and transition assistance. Percentage of employees receiving regular performance and career development reviews. Diversity of governance bodies and employees. Ratio of basic salary and remuneration of women to men, where applicable. Employee engagement surveys and workplace culture initiatives. Upskilling, reskilling and capability-development programmes.

Assurance Standards Used

Indian Register Quality Systems (IRQS) conducted **Limited Assurance** of the **FY 2025–26 Sustainability Report of Apcotex Industries Limited** with reference to the **Global Reporting Initiative (GRI) Standards 2021** for sustainability reporting. The engagement was carried out following the requirements of **ISAE 3000 (Revised)** to provide independent assurance on the selected non-financial disclosures related to the environmental, social, and governance (ESG) performance presented in the Sustainability Report.

The engagement included evaluation of data management systems, review of supporting evidence, verification of calculations, assessment of reporting processes and testing of selected disclosures to determine whether the sustainability information has been prepared, in all material respects, **with reference to the Global Reporting Initiative (GRI) Standards 2021** and the applicable reporting criteria.

Scope, Boundary and Limitations of Assurance

The scope of this assurance engagement covers the sustainability performance and non-financial disclosures (both General and Topic-Specific) of **Apcotex Industries Limited** for the reporting period **01 April 2025 to 31 March 2026**, prepared with reference to the **Global Reporting Initiative (GRI) Standards 2021**.

Reporting Boundary

The assurance engagement is limited to the following reporting locations included within the defined reporting boundary of Apcotex Industries Limited:

Reporting Location: Registered Office

· **C-403/404, 4th Level, Wing C, Tower 1, Seawoods Grand Central, Sector 40, Navi Mumbai – 400706, Maharashtra, India (*The registered office was not operational during the reporting period*)**

Reporting Location: Manufacturing Plant – Taloja Factory

· **Plot No. 3/1, MIDC Industrial Area, Taloja, Dist. Raigad – 410208, Maharashtra, India**

Reporting Location: Manufacturing Plant – Valia Factory

· **Village Dungri, Taluka Valia, Ankleshwar – 393135, Dist. Bharuch, Gujarat, India**

The consolidation of sustainability data across the above reporting locations has been undertaken **by Apcotex Industries Limited** on an **operational control basis**, consistent with the approach applied in the Company's Sustainability Report and the applicable GRI 2 disclosures.

The review of sustainability performance and non-financial disclosures applies only to the reporting locations stated above and included within the defined reporting boundary of the Sustainability Report.

The reported qualitative and quantitative information was assessed through the review of supporting documentation, management records, source data, calculations and evidence maintained by Apcotex Industries Limited. Selected non-financial data and disclosures were verified through sampling techniques, interviews with responsible personnel, review of management systems, and examination of supporting evidence.

Indian Register Quality Systems (IRQS) evaluated the methodologies, assumptions, calculation approaches, emission factors, reporting processes and data consolidation methods used by Apcotex Industries Limited for monitoring, quantifying, consolidating, and reporting sustainability performance indicators and found them to be consistent with the applicable reporting criteria and the Global Reporting Initiative (GRI) Standards 2021, where referenced.

The assurance engagement was conducted in accordance with the applicable requirements of International Standard on Assurance Engagements (ISAE 3000 (Revised)). The assurance process also included an Independent Technical Review to ensure the appropriateness of the assurance approach, conclusions, and compliance with the applicable assurance requirements.

Limitations of Assurance

The assurance engagement was limited to the defined scope, reporting boundary, reporting period and selected sustainability information identified in this assurance statement. The following were outside the scope of the engagement:

- Data and information relating to the Company's financial statements and financial performance disclosures.
- Activities, events, transactions and practices occurring outside the reporting period of **01 April 2025 to 31 March 2026**.
- Forward-looking statements, future commitments, projections, targets, aspirations, strategic plans, and statements of opinion, belief or intent made by the Company.
- Activities, operations, facilities, subsidiaries, joint ventures, suppliers, contractors or business partners falling outside the defined reporting boundary and assurance scope.
- Assessment of compliance with applicable legal, statutory, regulatory or contractual requirements, except to the extent specifically included within the selected sustainability disclosures covered by the assurance engagement.
- Statements relating to corporate reputation, brand value, market position or other subjective assessments.

The **limited assurance conclusion** is based on the information, data, records, explanations and supporting evidence made available to **Indian Register Quality Systems (IRQS)** during the course of the assurance engagement. Non-financial information is subject to inherent limitations arising from the use of estimation techniques, assumptions, measurement methodologies, emission and conversion factors, data availability and reporting practices.

Accordingly, the assurance procedures performed provide a **limited level of assurance** and do not provide the same level of assurance as a reasonable assurance engagement. The assurance conclusion should therefore be read together with the defined scope, criteria, methodology, observations and limitations stated in this assurance report.

Methodology Adopted for Assurance

Indian Register Quality Systems (IRQS) conducted the **Limited Assurance engagement** in accordance with the applicable requirements of the **Global Reporting Initiative (GRI) Standards 2021** and **International Standard on Assurance**

Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The assurance process involved obtaining sufficient and appropriate evidence to evaluate the accuracy, completeness, consistency and reliability of the selected sustainability information and disclosures reported by **Apcotex Industries Limited** for the reporting period from **01 April 2025 to 31 March 2026**, within the defined assurance scope.

The assurance procedures included, but were not limited to, the following:

- Review of the scope of assurance, reporting boundaries, applicable GRI disclosure requirements, material topics and reporting criteria adopted by the organization.
- Understanding the organizational structure, operational activities, sustainability governance framework, ESG management systems and sustainability reporting processes established by **Apcotex Industries Limited**.
- Review of relevant policies, procedures, management systems, internal guidelines and documented information related to the environmental, social and governance aspects covered within the assurance scope.
- Assessment of systems and processes established for the collection, compilation, validation, aggregation, monitoring and reporting of selected sustainability information.
- Evaluation of relevant internal controls and data management mechanisms implemented to support the accuracy, completeness, consistency, traceability and reliability of the reported sustainability information.
- Review of the methodologies, assumptions, emission factors, conversion factors, calculation approaches and estimation techniques applied for the quantification of selected sustainability performance indicators, where applicable.
- Verification of selected quantitative and qualitative disclosures through examination of supporting documents, source records, calculations, management representations and other relevant evidence on a sample basis.
- Assessment of month-wise sustainability data and trend analysis for selected indicators, where applicable, to evaluate the consistency and reasonableness of the reported information.
- Discussions and interviews with relevant personnel responsible for sustainability data management, operational controls and sustainability reporting processes.
- Verification of selected sustainability data and supporting evidentiary documentation maintained by **Apcotex Industries Limited**, to the extent falling within the defined assurance scope.
- Performance of sample-based audit trail verification to assess the traceability of selected reported information from source records to the disclosures presented in the Sustainability Report.
- **Desktop-based review of the information and supporting documents for the reporting locations within the assurance boundary was conducted on 22 & 23 September 2026.**
- **Online verification was conducted on and 24 & 25 September 2026.**
- Remote and online verification activities were conducted for all the locations included within the defined assurance boundary, as applicable.
- **Technical review of the assurance work, supporting evidence, observations and proposed assurance conclusion was conducted on 29 September 2026.**

The assurance procedures were designed to obtain **limited assurance** regarding whether anything had come to the attention of IRQS that caused it to believe that the selected sustainability information and disclosures reported by **Apcotex Industries Limited**, within the defined assurance scope, had not been prepared, in all material respects, in

accordance with the applicable **GRI Standards 2021** and the agreed assurance criteria.

Conclusions

Based on the methodology adopted and the assurance procedures performed as described above, nothing has come to our attention that causes us to believe that the selected sustainability information and disclosures of **Apcotex Industries Limited** for **FY 2025–26**, covering the reporting and disclosure of applicable Environmental, Social and Governance (ESG) parameters within the defined reporting boundary and reporting period, have not been prepared, in all material respects, in accordance with the applicable requirements of the **GRI Standards 2021** and the defined assurance criteria.

During the course of the assurance engagement, observations identified were communicated to the management of **Apcotex Industries Limited**. The findings requiring corrections were addressed by the Company, and the revised disclosures and supporting evidence were reviewed by **Indian Register Quality Systems (IRQS)** prior to the issuance of this Assurance Statement.

Based on the evidence obtained and the limited assurance procedures performed, we conclude that nothing has come to our attention that causes us to believe that the selected sustainability information and disclosures of **Apcotex Industries Limited** within the defined assurance scope are not fairly presented, in all material respects, in accordance with the applicable **GRI Standards 2021** and the agreed assurance criteria.

Accordingly, we issue a **Limited Assurance Conclusion** on the selected sustainability information and disclosures of **Apcotex Industries Limited** for **FY 2025–26**

Responsibilities

Apcotex Industries Limited is responsible for the preparation and presentation of its **sustainability information and disclosures**, including the identification of material topics, establishment of reporting boundaries, selection of reporting criteria, maintenance of appropriate records, and the design and implementation of systems and processes for collecting, monitoring, measuring, consolidating, and reporting sustainability information.

The management of **Apcotex Industries Limited** is solely responsible for the accuracy, completeness, and presentation of the information and data included in the **sustainability disclosures** for the reporting period from **01 April 2025 to 31 March 2026**.

Indian Register Quality Systems (IRQS) was not involved in the preparation of the **sustainability disclosures** or the underlying source data. Our responsibility was to perform an independent **Limited Assurance** engagement on the selected sustainability information and disclosures within the defined scope and to express an assurance conclusion based on the procedures performed and evidence obtained.

The assurance engagement was conducted on the basis that the information and explanations provided by **Apcotex Industries Limited** were complete and accurate in all material respects. **IRQS** does not accept responsibility for any decisions made by stakeholders or any other third parties based on this Assurance Statement.

Users of this Assurance Statement should read it in conjunction with the **Scope of Assurance, Reporting Criteria, Methodology Adopted for Assurance, and Limitations and Exclusions** described herein and recognize the inherent limitations associated with sustainability data, estimation techniques, and reporting practices.

Uncertainty

The reliability of assurance is subject to uncertainty(ies) that is inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions, or data conversion factors used or may be present in the estimation of data used to arrive at results. Our conclusions with respect of this assurance are naturally subject to any

inherent uncertainty(ies) involved in the assurance process.

Note: *For further details, refer to the* ***IRQS Audit Report (GRI Assurance_57)*** *and supporting documents reviewed during the assurance engagement.*

Statement of independence, impartiality and competence

Indian Register Quality Systems (IRQS) is an independent assurance and certification body with extensive experience in providing assurance, verification, certification, and sustainability-related assessment services across various industry sectors.

IRQS has established policies and procedures to maintain the highest standards of professional integrity, independence, impartiality, and ethical conduct in all assurance engagements. These requirements are embedded within our management systems and are applied throughout the assurance process to prevent any actual or perceived conflicts of interest.

The assurance engagement team involved in this assignment was independent of **Apcotex Industries Limited**, its management, and personnel responsible for the preparation of the sustainability information and disclosures. No member of the assurance team has any business relationship with the Company beyond that required for the execution of this assurance engagement. The engagement was conducted objectively and independently, and no conflict of interest was identified during the course of the assurance process.

IRQS confirms that it possesses the necessary competence, resources, and experience to undertake this assurance engagement. The assurance team comprised qualified professionals with expertise in sustainability reporting, ESG performance assessment, greenhouse gas accounting, environmental management, social performance evaluation, and assurance methodologies. The engagement team has experience in conducting sustainability assurance engagements in accordance with the **GRI Standards 2021** and applicable assurance requirements.

IRQS further confirms that this assurance engagement was performed in accordance with its established assurance methodologies, quality management procedures, and professional standards to ensure the reliability, credibility, and integrity of the assurance conclusion presented in this Assurance Statement.

Technical Assessment by:

Dr. Anand Hiremath & Mr. Navin Kumar Gupta

Authorized Signatory

ISSPL LIMITED MUMBAI

Shashi Nath Mishra
Chief Operating Officer
01-10-2026
Mumbai

Bonds Beyond Chemistry

Apcotex Industries Limited · Sustainability Report FY 2025–26 · Prepared with reference
Reporting period 1 April 2025 to 31 March 2026.

REGISTERED OFFICE
C-403/404, 4th Level, Wing C, Tower 1,
Seawoods Grand Central, Sector 40,
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India

MANUFACTURING
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Village Dungri, Taluka Valia, Ankleshwar
393135, Dist. Bharuch, Gujarat