Harman

# Sustainable Healthcare

Sustainability Report FY-25

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# Message from Leadership

**Mr Harpreet Singh Minhas**
Director

*Our core competencies in manufacturing and exporting essential APIs including Metformin HCl, Fenofibrate, Divalproex Sodium, Riboflavin Phosphate Sodium, and Glycopyrrolate / Glycopyrronium bromide position us as a trusted partner in the global pharmaceutical supply chain.*

## Dear Stakeholders,

It gives us immense pride to present Harman Finochem Limited's Sustainability Report FY-25, representing our unwavering commitment to responsible business practices and sustainable growth. As a leading manufacturer and exporter of Active Pharmaceutical Ingredients (APIs), sustainability is not merely a compliance requirement but integral to our business strategy and long-term success.

This commitment reflects our dedication to advancing pharmaceutical manufacturing in a manner that supports the long-term well-being of the communities we serve and our planet. Through responsible business practices, we strengthen our ability to deliver high-quality APIs while creating value for all stakeholders-our employees, customers, partners, and the environment.

Our core competencies in manufacturing and exporting essential APIs including Metformin HCl, Fenofibrate, Divalproex Sodium, Riboflavin Phosphate Sodium, and Glycopyrrolate/Glycopyrronium bromide position us as a trusted partner in the global pharmaceutical supply chain. We recognize that our success must be measured not only by financial achievements but by how responsibly and ethically we grow.

## ESG Progress and Achievements

### Environment

Achieved a significant reduction in emissions compared to the FY24 baseline.

Successfully recycled and reused 37% of total water consumption, reinforcing commitment to resource efficiency.

### Social

Expanded workforce by hiring 370 new employees in FY25, supporting growth and employment opportunities.

Over 10,000 individuals benefitted from community-focused CSR programs.

Invested INR 50+ million in Corporate Social Responsibility initiatives, strengthening social impact.

### Governance

Ensured gender diversity on the board, with 2 female directors representing approximately 40% of board composition.

Maintained strong ethical standards with zero cases of bribery or corruption reported.

Upheld workplace integrity with no incidents of discrimination or harassment during the reporting period.

We confirm that Harman Finochem Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

In this annual Communication on Progress, we disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture, and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.

Looking forward, we are committed to minimizing our environmental footprint, enhancing our social impact, and maintaining the highest standards of governance. Our focus remains on creating sustainable value while ensuring the availability of critical pharmaceutical ingredients for global healthcare needs.

We extend our sincere gratitude to all stakeholders for their continued trust and support as we embark on this journey toward a more sustainable future.

**Dr Gurpreet Singh Minhas**
Director

## Dear Stakeholders,

At Harman Finochem, our journey has always been driven by a commitment to quality, innovation, and global responsibility. Over the past three decades, we've grown from a domestic pharmaceutical manufacturer into a trusted global supplier of Active Pharmaceutical Ingredients (APIs), exporting to over 75 countries.

Our success is rooted in a culture of excellence, where every team member contributes to our shared vision. We believe in empowering people, investing in sustainable practices, and maintaining the highest standards of compliance and ethics. As we continue to expand our footprint, our focus remains on delivering value to our stakeholders while upholding our responsibility to society and the environment.

Together, we are building a future where science serves humanity with integrity and purpose

**Mr. Raju Chhadua**
Cluster Head – Manufacturing Lead

## Dear Stakeholders,

At Harman Finochem, manufacturing is not just about producing APIs—it's about delivering quality, safety, and reliability at every stage. As Site Head, I am proud to lead a team that is deeply committed to operational excellence, environmental responsibility, and continuous improvement.

Our focus remains on optimizing production processes, strengthening EHS standards, and ensuring seamless project execution. We believe that a safe and empowered workforce is the foundation of sustainable growth.

Through collaboration, innovation, and disciplined execution, we aim to uphold Harman Finochem's reputation as a trusted global pharmaceutical manufacturer.

# ESG Highlights

## Environment

**1401.79 tCO2e**
Reduction in Scope 2 Emissions
when compared with base year FY23

**134205** cubic metres of water is recycled/reused i.e **37%** of total water consumption

1729 MT of waste is recovered

All Internal Road Street lights **250** watt replaced with LED **50/100/200** watt as part of Energy saving Initiatives

## Social

**1334**
Total Employees

**370**
New Hires

**17**
Average Hours of Training per employee

**ZERO**
Fatalities

**INR 50+ Million**
Invested as part of Corporate Social Responsibility

**10k + Lives Touched**
10k+ People got benefited from our CSR Activities

## Economic & Governance

**Revenue $**
Over $146.6 Million Revenue generated

**Board of Directors**
Board Consists of 2 Female Directors (50%)

**ZERO**

**Zero**
Anti Bribery and corruption Cases

Discrimination or Harassment Cases

Harman Finochem holds **ISO 27001:2022** certification for its information security management system and has also obtained accreditations such as WHO-GMP and inspections from regulatory bodies like the USFDA

## Achievements

**Harman Finochem receives a Silver medal in Ecovadis Sustainability assessment**


## Sustainability Certifications

# About Sustainability Report FY 2025

## Sustainable Healthcare

At Harman, we are committed to creating value for our stakeholders while upholding the highest standards of governance and adverse environmental and social impact. Sustainability is essential to our Company's long-term success and sustenance, and we have accordingly integrated these principles into our business operations. This is Sustainability Report for period April 2024 to March 2025 showcasing our Environmental, Social, and Governance (ESG) performance and our sustainability framework, plans, challenges, and goals.

## Scope

This report outlines our Company's non-financial performance from April 2024 to March 2025.

We have used the GRI principles to determine the reporting boundary and we have made disclosures on all environmental, social, and governance aspects that are material to our business for.

**Unit -01:**
**API Division:**
Plot-E-7, E-8, E-9 & E-51/25, E-53, MIDC, Industrial Area, Chikalthana, Chhatrapati Sambhajinagar- 431006, Maharashtra (India)

**Unit -02:**
**API Division & Finished Dosage Form (FDF) Facility:**
Plot-A-100, A-100/1, A-100/2, A-120,A-120 (part), D-1,D-37 & P-26 Five Star MIDC, Shendra, Chhatrapati Sambhajinagar - 431154, Maharashtra (India).

## Feedback

We extend our sincere gratitude to all stakeholders for their continued interest and association with the Company. We greatly value your feedback and invite you to share your thoughts on this report with us.

**Sneha Chhavan**
ESG - Manager
snehachavan@harmanfinochem.com

# About Harman Finochem

Harman Finochem Limited is an India-based Pharmaceutical Company catering to its clients across the globe.

Established by Late Mr. Bhupinder Singh Manhas in 1983, our core competencies are in manufacturing and exporting of Active Pharmaceutical Ingredients mainly Metformin HCl, Fenofibrate, Divalproex Sodium, Riboflavin Phosphate Sodium, Glycopyrrolate/Glycopyrronium bromide and more.

At Harman Finochem, we contribute toward the UN Sustainable Development Goals (SDGs), which encompass social, economic and environmental dimensions, also called 3P – People, Planet and Profits or Triple Bottom Line in all areas of our business. We strive to be a role model and a leader in terms of sustainability performance within the Pharmaceutical sector.

## Our Vision and Values

Acquire Prominence in global market in the field of APIs

**At Harman Finochem, we contribute toward the UN Sustainable Development Goals (SDGs)**

## Leading API Manufacture

Harman Finochem Limited is a leading India-based Pharmaceutical Company which specializes in the manufacture and export of more than 45+ Active Pharmaceutical Ingredients (APIs) of which 10+ are Essential Drugs as per the WHO Model List. We deliver top quality products to more than 75+ countries across the globe.

## Quality is of Paramount Importance

Harman Finochem ensures that its customers worldwide are delighted by receiving API's which are safe, efficient and of highest quality. We adhere to principles of cGmp and our team at all levels is committed to achieving this corporate excellence goal.

## Our Operations

Harman Finochem operates state-of-the-art manufacturing facilities equipped with modern technology and quality control systems. Our production capabilities focus on:

**Metformin HCl**
Anti-diabetic API manufacturing with high purity standards

**Fenofibrate**
Lipid-regulating agent production for cardiovascular health

**Divalproex Sodium**
Anticonvulsant API for neurological applications

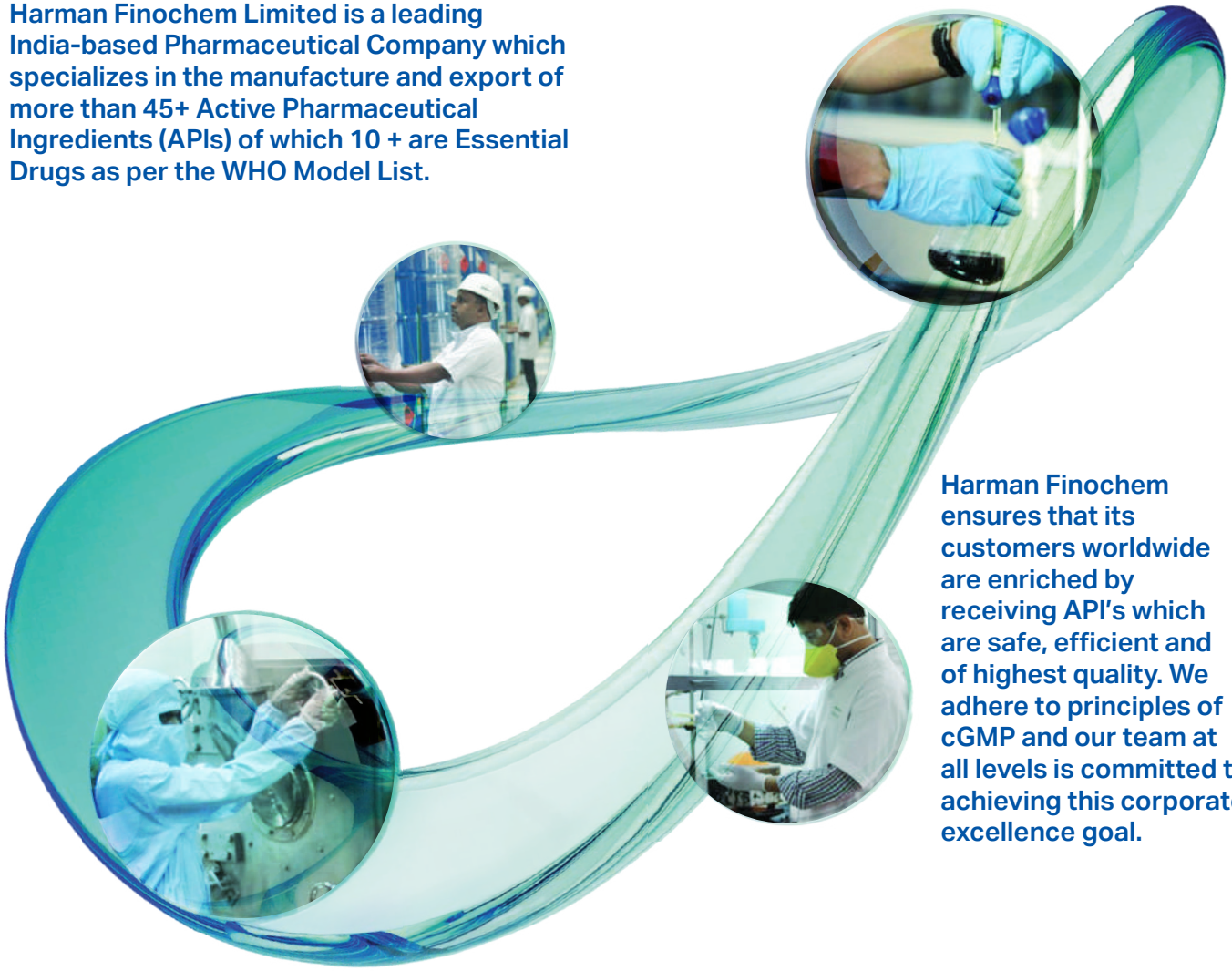
**Riboflavin Phosphate Sodium**
Essential vitamin B2 derivative manufacturing

**Glycopyrrolate / Glycopyrronium bromide**
Respiratory and gastrointestinal therapeutic APIs

Our facilities are designed to meet stringent international quality standards and regulatory requirements, enabling us to serve diverse global markets effectively.

# Our Manufacturing Capabilities

**Harman Finochem Limited is a leading India-based Pharmaceutical Company which specializes in the manufacture and export of more than 45+ Active Pharmaceutical Ingredients (APIs) of which 10 + are Essential Drugs as per the WHO Model List.**

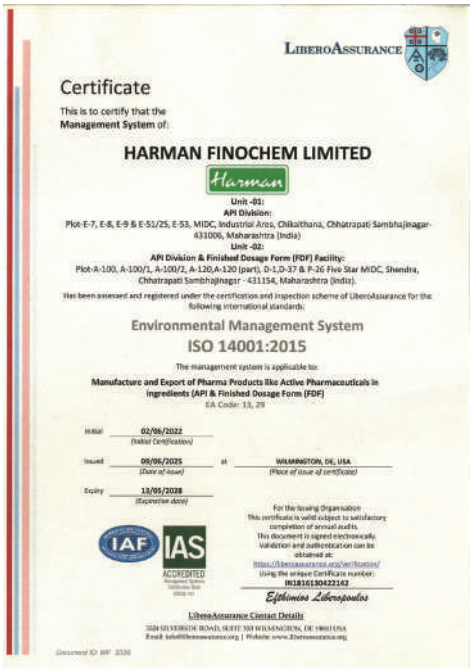


**Harman Finochem ensures that its customers worldwide are enriched by receiving API's which are safe, efficient and of highest quality. We adhere to principles of cGMP and our team at all levels is committed to achieving this corporate excellence goal.**

Harman Finochem is committed to fostering the conservation of the environment and the health and safety of its employees. Our company's growth plans are in line with environmental, health and safety policies. Awareness programs and training to all the staff and workers on safety and environment is a continuous activity across all our units and we look forward to achieving the highest standards of sustainable growth through continuous improvement in all our business processes.

Harman Finochem is accredited by various regulatory authorities like the Certificate of Suitability (COS) from European Directorate of Quality Medicines (EDQM), Pharmaceutical Inspection Convention (PIC) members countires, TGA-Australia, HPB Canada, Japanese Ministry of Health & Labour Welfare, etc. Harman Finochem is also recognised as an 'Export House' by Ministry of Commerce, Government of India.

# Sustainability certifications cover 100% of operations at Harman Finochem



LIBEROASSURANCE

Certificate

This is to certify that the
Management System of:

HARMAN FINOCHEM LIMITED

Unit -01:
API Division:
Plot-E-7, E-8, E-9 & E-51/25, E-53, MIDC, Industrial Area, Chikalthana, Chhatrapati Sambhajinagar-431006, Maharashtra (India)
Unit -02:
API Division & Finished Dosage Form (FDF) Facility:
Plot-A-100, A-100/1, A-100/2, A-120,A-120 (part), D-1,D-37 & P-26 Five Star MIDC, Shendra, Chhatrapati Sambhajinagar - 431154, Maharashtra (India).

Has been assessed and registered under the certification and inspection scheme of LiberoAssurance for the following international standards:

Environmental Management System
ISO 14001:2015

The management system is applicable to:
Manufacture and Export of Pharma Products like Active Pharmaceuticals in ingredients (API & Finished Dosage Form (FDF)
EA Code: 13, 29

Initial 02/06/2022 (Initial Certification)
Issued 09/06/2025 (Date of issue) at WILMINGTON, DE, USA (Place of issue of certificate)
Expiry 13/05/2028 (Expiration date)

For the Issuing Organisation
This certificate is valid subject to satisfactory completion of annual audits.
This document is signed electronically.
Validation and authentication can be obtained at:
https://liberoassurance.org/verification/
Using the unique Certificate number:
IN1816130422142

Efthimios Liberopoulos

LiberoAssurance Contact Details
3524 SILVERSIDE ROAD, SUITE 35B WILMINGTON, DE 19810 USA
Email: info@liberoassurance.org | Website: www.liberoassurance.org

IAF IAS ACCREDITED

Environment Management System
ISO 14001:2015

LIBEROASSURANCE

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Management System of:

HARMAN FINOCHEM LIMITED

Unit -01:
API Division:
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Plot-A-100, A-100/1, A-100/2, A-120,A-120 (part), D-1,D-37 & P-26 Five Star MIDC, Shendra, Chhatrapati Sambhajinagar - 431154, Maharashtra (India).

Has been assessed and registered under the certification and inspection scheme of LiberoAssurance for the following international standards:

Occupational Health & Safety Management System
ISO 45001:2018

The management system is applicable to:
Manufacture and Export of Pharma Products like Active Pharmaceuticals in ingredients (API & Finished Dosage Form (FDF)
EA Code: 13, 29

Initial 02/06/2022 (Initial Certification)
Issued 09/06/2025 (Date of issue) at WILMINGTON, DE, USA (Place of issue of certificate)
Expiry 13/05/2028 (Expiration date)

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https://liberoassurance.org/verification/
Using the unique Certificate number:
IN1816130422452

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Email: info@liberoassurance.org | Website: www.liberoassurance.org

IAF IAS ACCREDITED

Occupational Health & Safety Management System ISO 45001:2018


Certificate

This is to certify that the Management System of

HARMAN FINOCHEM LIMITED

Unit -01: API Division: Plot: E-7, E- 8 &E-9, MIDC, Industrial Area, Chikalthana, Aurangabad- 431006, Maharashtra, INDIA

Unit -02: API Division & Finished Dosage Form (FDF) Facility: Plot-A-100, A-100/1, A 100/2, A-120 & D-1, Five Star MIDC, Shendra, Aurangabad-431154, Maharashtra INDIA

Has been assessed and registered under the certification and inspection scheme of LiberoAssurance for the following international standards:

Information Security Management System

ISO/IEC 27001:2022

IN ACCORDANCE WITH STATEMENT OF APPLICABILITY: ISMF-PR-04-001/V-002/W.E.F. 01/09/2023

The management system is applicable to:

Manufacture and Export of Pharmaceutical Products like Active Pharmaceutical Ingredients (API) & Finished Dosage Form (FDF)

Initial 25/01/2024 (Initial Certification)

Issued 20/02/2025 (Date of issue) at PIRAEUS, GREECE (Place of issue of certificate)

Expiry 12/01/2027 (Expiration date)

For the Issuing Organisation
This certificate is valid subject to satisfacto completion of annual audits.
This document is signed electronically.
Validation and authentication can be obtai at:
https://liberoassurance.org/verification/
Using the unique Certificate number:
IN1816130422271A

Efthimios Liberopoulos

LiberoAssurance Contact Details

Information Security Management System IEC/ISO 27001:2022


Certificate

This is to certify that the Management System of:

HARMAN FINOCHEM LIMITED

Unit -01: API Division:

Plot:- E-7, E-8 &E-9, MIDC, Industrial Area, Chikalthana, Aurangabad- 431006,Maharashtra (India).

Unit -02: API Division & Finished Dosage Form (FDF) Facility:

Plot:-A-100, A-100/1, A-100/2, A-120 & D-1, Five Star MIDC, Shendra, Aurangabad-431007, Maharashtra (India).

Has been assessed and registered under the certification and inspection scheme of LiberoAssurance for the following international standards:

ISO 50001:2018

The management system is applicable to:

Manufacturing and Export of Pharmaceutical Products-API, Intermediaries & Formulation

EA Code: 13, 29

Initial 30/09/2024 (Date of issue) at WILMINGTON, DE, USA (Place of issue of certificate)

Expiry 15/09/2027 (Expiration date)

For the Issuing Organization
This certificate is valid subject to satisfactory completion of annual audits.
This document is signed electronically.
Validation and authentication can be obtained at:
https://liberoassurance.org/verification/
Using the unique Certificate number:
IN1816130422501

Efthimios Liberopoulos

LiberoAssurance Contact Details

Energy Management System ISO 50001:2018


Certificate

This is to certify that the Management System of:

HARMAN FINOCHEM LIMITED

Unit -01:
API Division:
Plot-E-7, E-8, E-9 & E-51/25, E-53, MIDC, Industrial Area, Chikalthana, Chhatrapati Sambhajinagar-431006, Maharashtra (India)
Unit -02:
API Division & Finished Dosage Form (FDF) Facility:
Plot-A-100, A-100/1, A-100/2, A-120, A-120 (part), D-1, D-37 & P-26 Five Star MIDC, Shendra, Chhatrapati Sambhajinagar - 431154, Maharashtra (India).

Has been assessed and registered under the certification and inspection scheme of LiberoAssurance for the following international standards:

Anti-Bribery Management System

ISO 37001:2016

The management system is applicable to:

Manufacture and Export of Pharma Products like Active Pharmaceutical Ingredient (API) & Finished Dosage Form (FDF)

Issued 20/10/2025 (Date of issue) at PIRAEUS, GREECE (Place of issue of certificate)

Expiry 14/10/2028 (Expiration date)

For the Issuing Organisation
This certificate is valid subject to satisfactory completion of annual audits.
This document is signed electronically.
Validation and authentication can be obtained at:
https://liberoassurance.org/verification/
Using the unique Certificate number:
IN1816130422371

Efthimios Liberopoulos

LiberoAssurance Contact Details

Anti-bribery Management System ISO 37001:2016

Certifications & Accreditions

# Harman's Journey and Milestones

**2005**
Received Certificate of Suitability from EDQM for the product Phenobarbital

**2004**
Received Generic Companies in USA, EU and Canada Site I - Aurangabad USFDA inspected

**2003**
Received Certificate of Suitability from EDQM for the product Allopurinol

**2001**
Received Certificate of Suitability from EDQM for the product Metformin HCl

**1992**
Metformin Hydrochloride Commercial Production Started

**1991**
Riboflavin Phosphate Sodium Commercial Production Started

**1984**
Paracetamol Commercial Production Started

**1983**
Inception of Harman Finochem Limited

**2007**
Accreditation of Health Canada, Korean FDA, WHO- GMP, Japanese health authorities Japanese accreditation for Site I – Aurangabad

**2008**
German Health Authorities Japanese accreditation accreditation for Site I- Aurangabad
Site II-Aurangabad USFDA inspected

**2009**
TGA Approval Site I and Site II, Both inspected by USFDA, no 483s issued
Received Certificate of Suitability from EDQM for the product Ketamine

**2010**
Received Certificate of Suitability from EDQM for the product Fenofibrate
Certificate of Suitability issued Received from EDQM for the product Oxybutynin

**2011**
Site II - Aurangabad
Korean FDA inspected

**2018**
Site I & Site II -Aurangabad USFDA inspected FDF Site EU GMP inspected

**2019**
Site II Aurangabad USFDA inspected (February and November)

**2017**
Site I Aurangabad USFDA inspected

**2016**
Established first FDF manufacturing site

**2015**
Site I and Site II, Both inspected by USFDA

**2014**
Cofepris inspection for Shendra - Aurangabad site for Divalproex Sodium

**2012**
Site I - Auranganbad USFDA inspected, no 483s issued Site II-Auranganbad USFDA inspected, no 483s issued

**2013**
German Health Authorities inspection for Site I & Site II - Aurangabad Received Certificate of Suitability from EDQM for the product Glycopyrrolate Received Certificate of Suitability from EDQM for the product Methadone HCl Received Certificate of Suitability from EDQM for the product Riboflavin Sodium phosphate

# Who We Are

Harman Finochem Limited. is a leading India-based pharmaceutical company which specializes in the manufacture and export of more than 45+ Active Pharmaceutical Ingredients (APIs) of which 10+ are Essential Drugs as per the WHO Model List. We deliver top quality products to more than 75+ countries across the globe.

With a robust manufacturing facility and a strong focus on quality and compliance, the company has established itself as a key player in the industry. In addition to serving the domestic market, Harman Finochem Ltd. also exports its products to international markets, catering to a diverse range of clients.

# Stakeholder Engagement and Materiality Assessment Practices

At the core of our materiality assessment strategy lies the fundamental practice of engaging stakeholders. This crucial process involves seeking input from a diverse array of individuals both within and outside our organization,including employees, customers, suppliers, regulators, and community representatives. Ouraim is to gather a wide spectrumof perspectives and insights on sustainability priorities and to comprehend the key issues that hold significance for those impacted by our operations.

Our stakeholder engagement initiatives encompass a range of activities, from structured interviews and surveys to collaborative workshops where stakeholders are invited to express their views on sustainability matters, the relevance of Environmental, Social, and Governance (ESG) factors for Harman Finochem, and the identification of topics that deserve prioritization. Through this inclusive approach, we are able to collect valuable feedback that ensures our sustainability endeavors are closely aligned with the expectations and requirements of our stakeholders.

In FY24, we reviewed key material topics for Harman Finochem in line with principles of 'material to stakeholders' to align with evolving stakeholder priorities and our strategic objectives. This assessment considered both the impact of these topics on our business and the broader society, allowing us to effectively identify and prioritize key Environmental, Social, and Governance (ESG) topics for Harman. To remain aligned with changing external factors-such as competition, macroeconomic trends, consumer preferences, and regulatory demands-we have established a formal process that ensures continuous review and prioritization of key material topics.

In parallel, Harman Finochem has established a robust materiality assessment framework aimed at pinpointing and ranking the social, environmental, and governance themes that carry the most significance for our business and stakeholders. This assessment process enables us to concentrate our focus on the most critical risks and opportunities, while adhering to recognized standards and frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) in accordance with evolving global sustainability practices.

Looking ahead, we are committed to incorporating the concept of double materiality into our forthcoming reporting period, further enhancing the depth and breadth of our materiality assessment approach to drive greater transparency, accountability, and stakeholder value creation.

## Significance of Materiality Assessment for Harman Finochem Ltd, manufacturing and exporting of Active Pharmaceutical Ingredients

In the dynamic landscape of the pharmaceutical industry, companies involved in the production of Active Pharmaceutical Ingredients (APIs) and participating in global export activities face a myriad of challenges and opportunities. One critical aspect that can significantly impact their sustainability and success is the implementation of materiality assessment.

# Importance of Materiality Assessment

## Regulatory Compliance

As a pharmaceutical company, compliance with regulations and standards is paramount. Materiality assessment helps Harman Finochem Ltd. identify and prioritize key environmental, social, and governance (ESG) issues that may have regulatory implications, ensuring adherence to international guidelines and requirements for export operations.

## Strategic Decision-Making

Materiality assessment provides valuable insights into the most critical issues affecting Harman Finochem's business performance and reputation. By incorporating materiality considerations into strategic decision-making processes, the company can align its goals and initiatives with the evolving needs of stakeholders and the broader industry landscape, driving sustainable growth and competitiveness.

## Risk Management

Engaging in export activities exposes Harman Finochem to various risks, including supply chain disruptions, market fluctuations, and geopolitical uncertainties. By conducting materiality assessment, the company can proactively identify and mitigate risks that may impact its operations and reputation, enhancing resilience and business continuity.

## Reputation and Brand Value

The pharmaceutical sector is highly sensitive to reputation risks, given the critical nature of its products. By conducting materiality assessment and addressing key material issues transparently and effectively, Harman Finochem can enhance its reputation as a responsible and ethical player in the industry, strengthening its brand value and market position.

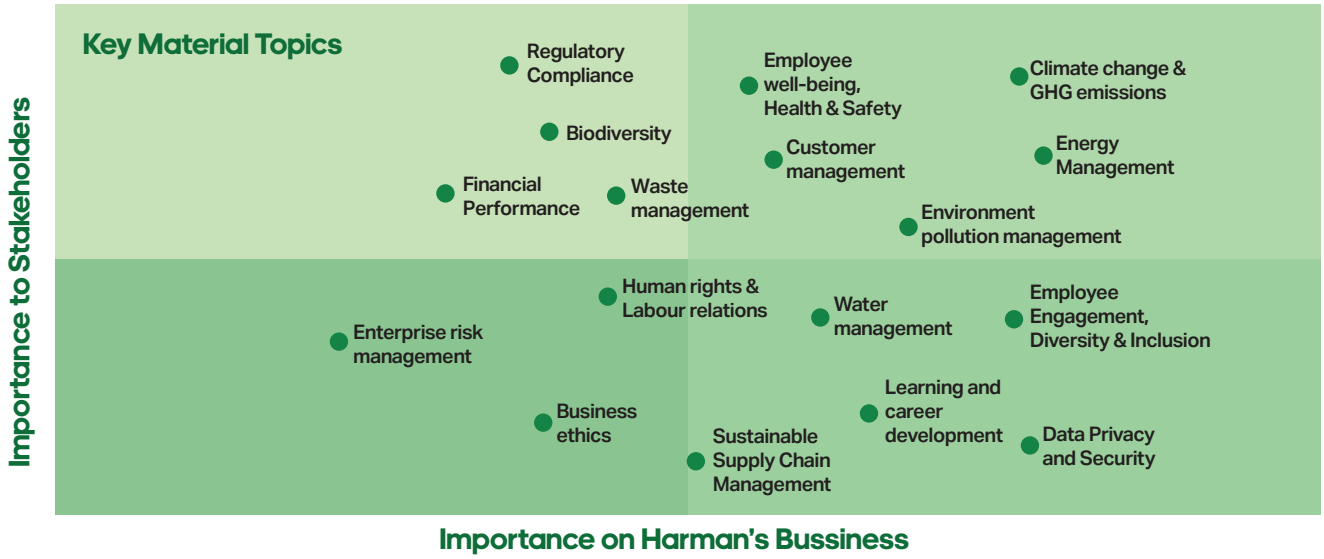
## Stakeholder Engagement

In the pharmaceutical industry, maintaining positive relationships with stakeholders, including investors, customers, and communities, is essential for long-term success. Materiality assessment enables Harman to understand the concerns and expectations of its stakeholders regarding sustainability, transparency, and ethical practices, fostering trust and credibility.

# Conclusion

In conclusion, materiality assessment plays a pivotal role in guiding the strategic direction and sustainability efforts of a pharmaceutical company manufacturing APIs and engaged in export operations. By identifying and prioritizing material issues, addressing risks, and engaging stakeholders proactively, Harman Finochem can enhance its resilience, reputation, and competitiveness in the global marketplace, ultimately driving long-term value creation and impact.

By integrating materiality assessment into its corporate strategy and operations, Harman Finochem Ltd. navigates the complexities of the pharmaceutical industry with confidence, demonstrating its commitment to excellence, compliance, and stakeholder value creation.



# Framework for Stakeholder Engagement

## Employees

Frequency: Continuous

Channel: Direct communication, team meetings, newsletters, feedback systems

Key Topics: Career development, work-life balance, safety, compensation, training opportunities

## Investors/Financial Stakeholders

Frequency: Quarterly/Annual

Channel: Financial reports, investor meetings, presentations, disclosures

Key Topics: Financial performance, growth strategy, risk management, sustainability initiatives

## Customers

Frequency: Regular

Channel: Customer meetings, technical support, quality documentation, feedback systems

Key Topics: Product quality, regulatory compliance, supply reliability, technical support

## Local Communities

Frequency: Continuous

Channel: Community meetings, CSR programs, local partnerships, feedback mechanisms

Key Topics: Environmental impact, community development, employment opportunities, health initiatives

## Suppliers

Frequency: Ongoing

Channel: Supplier meetings, audits, performance reviews, collaboration programs

Key Topics: Quality standards, ESG compliance, partnership development, risk management

## Industry Associations

Frequency: Frequency

Channel: Industry forums, conferences, collaborative initiatives, policy discussions

Key Topics: Industry standards, regulatory developments, best practices, sustainability initiatives

## Regulators

Frequency: As required

Channel: Regulatory submissions, inspections, compliance reporting, industry forums

Key Topics: Regulatory compliance, quality standards, safety protocols, documentation

**Frequency**

**Channel**

**Key Topics**

# Environment

Harman Finochem's environmental sustainability approach emphasizes regulatory compliance, continuous improvement, and employee engagement to foster a greener pharmaceutical sector.

At Harman Finochem, environmental stewardship is a core pillar of our sustainability strategy, aligned with the UN Sustainable Development Goals (SDGs) and the Triple Bottom Line framework—People, Planet, and Profits. We are committed to minimizing our ecological footprint while advancing pharmaceutical excellence.

## Environmental Management Systems

We actively manage environmental quality and biodiversity in accordance with applicable legal requirements and industry regulations. Our operations are guided by a robust Environmental Management System (EMS), which is continuously upgraded with new methodologies to enhance efficiency and control. This includes investments in cleaner technologies, waste reduction practices, and pollution prevention mechanisms.

## Conservation and Compliance

Our growth strategy is deeply integrated with environmental, health, and safety (EHS) policies. We prioritize resource conservation-especially water and energy-and ensure that all our facilities adhere to stringent environmental norms. Regular audits and monitoring help us maintain compliance and identify opportunities for improvement.

## Awareness and Training

We believe that sustainability begins with awareness. Across all our units, we conduct ongoing training programs to educate employees and workers on environmental best practices and safety protocols. These initiatives foster a culture of responsibility and empower our teams to contribute meaningfully to our sustainability goals.

## Continuous Improvement

Environmental sustainability at Harman Finochem is not a static goal but a dynamic journey. Through continuous improvement in our business processes, we aim to achieve higher standards of sustainable growth. Our efforts include optimizing energy use, reducing emissions, and exploring circular economy principles in pharmaceutical manufacturing.

Our Environmental Policy serves as the cornerstone of our sustainability efforts, providing a comprehensive framework to manage our environmental impact and continuously improve our sustainability practices in pharmaceutical manufacturing. All our API manufacturing facilities are ISO 14001:2015 certified. We strictly comply with all relevant environmental guidelines and regulatory requirements applicable to the pharmaceutical and API manufacturing sector, ensuring our operations meetthe highest environmental standards while maintaining product quality and regulatory compliance.

| Category | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|
| Total Water witdrawal | KL | 2,35,896 | 2,26,929 | 2,29,154 |
| Total water discharge | KL | - | - | - |
| Total water consumption | KL | 2,35,896 | 2,26,929 | 2,29,154 |
| Total water recycled or reused | KL | 71,351 | 1,30,587 | 1,34,205 |

| Parameter | Bio-Briquette | Coal | Advantage |
|---|---|---|---|
| Calorific Value (kcal/kg) | 4,200 | 4,800 | 12% lower |
| Ash Content (%) | 6-8 | 25-30 | 70% reduction |
| Moisture Content (%) | 8-10 | 12-15 | Better combustion |
| Sulfur Content (%) | 0.1 | 1.2 | 92% reduction |
| Bulk Density (kg/m$^3$) | 650-750 | 800-900 | Easy handling |

# Emissions

## Direct (Scope 1) Emissions

Direct emissions from owned or controlled sources, such as fuel combustion in boilers and generators.

Scope 1 (T CO2e) for the FY 2025:
**74702 T CO2e**

## Energy Indirect (Scope2) GHG Emissions

Energy Source: Grid electricity from conventional and renewable sources

Scope 2 Emissions for FY 2025:
**32789** T CO2e

## Other Indirect (Scope 3) GHG Emissions

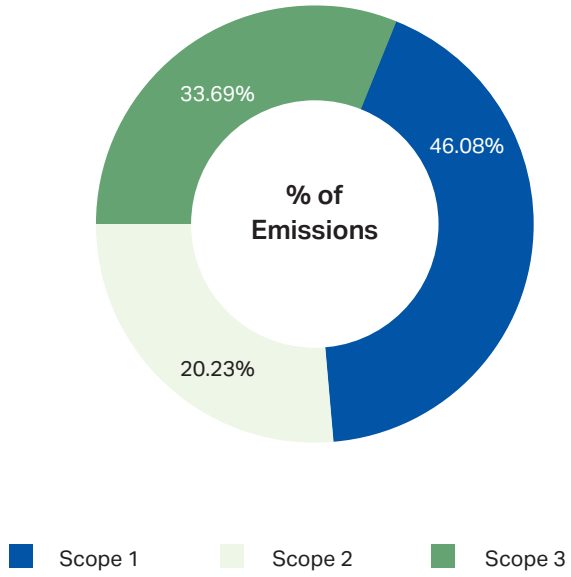
Scope 3 emissions represent indirect greenhouse gas (GHG) emissions that occur in the value chain of Harman Finochem, both upstream and downstream. These emissions are critical to understanding the company's full climate impact and are addressed as part of its broader decarbonization strategy.

Scope 3 Emissions Refers to Indirect Emissions occurred due to company's value chain like company's Upstream and Downstream Activities

Scope 3 Emissions for FY 2025:
**55098** T CO2e

**Total Emissions for the FY 2025**

| Emission Source | T CO2e |
|---|---|
| Scope 1 | 74702 |
| Scope 2 | 32789 |
| Scope 3 | 55098 |
| **Total Emissions (T CO2e)** | **162589** |



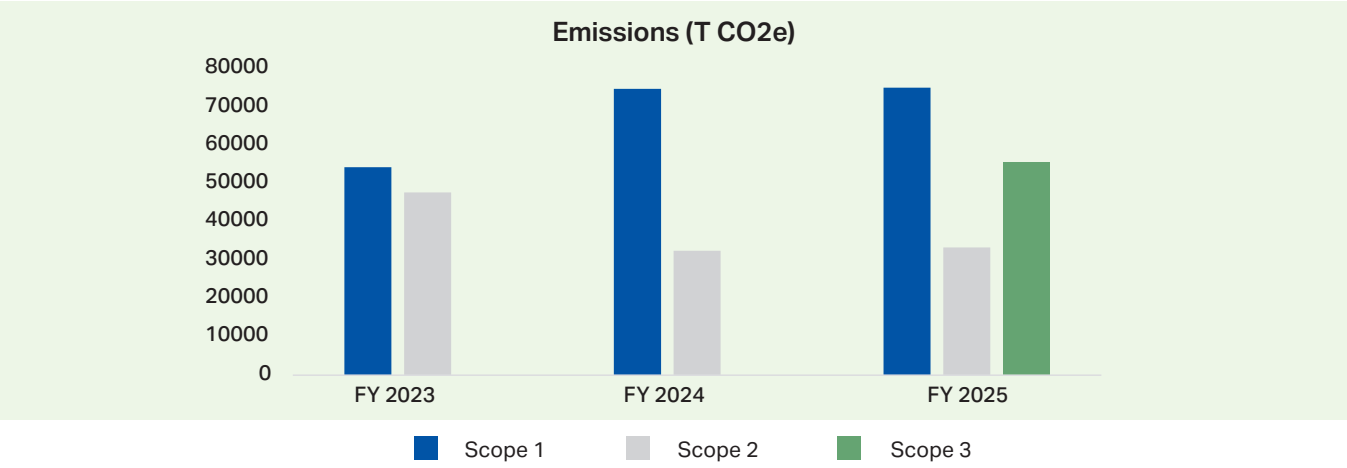
## Emissions Data for the Past Three Years

| Emissions | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|
| Scope 1 TCO2e | 55,274 | 75,664 | 74,702 |
| Scope 2 TCO2e | 46,430 | 32,066 | 32,789 |
| Scope 3 TCO2e | - | - | 55,098 |
| **Total** | **1,01,704** | **1,07,730** | **1,62,589** |

## Emission Values for FY 2025

| Emission Source | TCO2e |
|---|---|
| **Scope 1** | |
| Stationary combustion | 74,262 |
| Mobile combustion | 174 |
| Fugative emissions | 266 |
| **Scope 2** | |
| Purchased electricity | 32,789 |
| **Scope 3** | |
| Purchased goods & service | 19,845 |
| Capital goods & service | 4,089 |
| Fuel and energy related activities | 16,736 |
| Upstream transportation & distribution | 362 |
| Waste generated in operations | 2,252 |
| Business travel | 117 |
| Employee commuting | 1,273 |
| Downstream transportation & distribution | 3,693 |
| Processing of sold products | 6,705 |
| End-of life treatment of products | 27 |
| **Total** | **1,62,589** |

**Scope 3 emissions of 55098 tCO2e were mapped for the first time.**



The company has begun implementing key decarbonization measures such as solar lighting, and VFD systems, reflecting a structured approach to emission reduction

## Harman's Commitment to Greenhouse Gas (GHG) Emissions Reduction

Harman is committed to addressing climate change by actively reducing its GHG emissions. As part of this commitment, the company has calculated **Scope 1, Scope 2, and relevant Scope 3 emissions** categories in accordance with the **GHG Protocol Corporate Standard.**

**To advance this commitment, Harman has:**

- Established science-based targets for both near-term and net-zero emissions reductions.
- We have strategically initiated to submit the SBTi committment and looking forward to validation and approval of targets

### GHG Emissions Intensity

Harman Finochem monitors and reports its GHG emissions intensity to evaluate the efficiency of its operations and track progress toward decarbonization. Emissions intensity is calculated as the ratio of total GHG emissions to a relevant activity metric

GHG Emissions Intensity of Harman Finochem = 49 tCO2e/ MT

### Reduction of GHG Emissions

Harman Finochem is committed to reducing its greenhouse gas (GHG) emissions through targeted interventions in energy efficiency, process optimization, and renewable energy adoption.

**Reduction Targets and Strategy**

- **Near Term Goal:** Reduce 63% absolute Scope 1, Scope 2 and Scope 3 GHG emissions by FY2035 from a base year FY2025.
- **Net Zero:** Reduce 90% of absolute Scope 1, Scope 2 and Scope 3 emissions by 2050

## Emissions of Ozone-Depleting Substances (ODS)

Harman Finochem recognizes the environmental risks associated with ozone-depleting substances (ODS) and is committed to minimizing their use and emissions across its pharmaceutical manufacturing operations. In alignment with GRI 305-6, the company monitors ODS emissions and complies with national and international regulations

Harman Finochem does not use ozone-depleting substances in its core manufacturing processes. However, trace quantities may be present in older refrigeration or air-conditioning systems.

Total Emissions of ODS Reported During FY 2025: **Total R22 used during the reporting period = 139.6 KGs**

## Harman Finochem's GHG Accounting Methodology

Harman Finochem adopts a globally recognized framework for greenhouse gas (GHG) accounting, aligning its practices with the Greenhouse Gas Protocol - the most widely used international standard for measuring and managing emissions. This ensures consistency, transparency, and comparability across its sustainability disclosures.

### Framework and Scope

- **GHG Protocol Alignment:** Harman Finochem's methodology is based on the GHG Protocol Corporate Standard, which provides guidance for quantifying and reporting emissions from company operations.
- **Scope Coverage:**
  - **Scope 1:** Direct emissions from owned or controlled sources, such as fuel combustion in boilers and generators.
  - **Scope 2:** Indirect emissions from the consumption of purchased electricity,
  - **Scope 3:** Refers to Indirect Emissions occurred due to company's value chain like company's Upstream and Downstream Activities

### Emission Calculation Approach

- **Activity Data Collection:** Energy consumption data is collected from meters, utility bills, and operational logs across all manufacturing sites.
- **Emission Factors:** Standardized emission factors are applied based on fuel type and electricity grid mix. These factors are sourced from national inventories and international databases such as IPCC and IEA.
- **GHG Conversion:** Emissions are converted into $CO_2$-equivalents using global warming potential (GWP) values to ensure uniformity.

### Inventory Management and Reporting

- **Annual GHG Inventory:** Emissions are compiled annually and reviewed internally for accuracy and completeness.
- **Audit and Verification:** Third-party audits may be conducted to validate the GHG inventory and ensure alignment with reporting standards.
- **Data Transparency:** Emission data is disclosed in sustainability reports and may be aligned with GRI (Global Reporting Initiative) indicators for climate impact.

## Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Harman Finochem actively monitors and controls significant air emissions arising from its pharmaceutical manufacturing operations. These emissions include nitrogen oxides ($NO_x$), sulfur oxides ($SO_x$), volatile organic compounds (VOCs), and particulate matter (PM), which can impact air quality and public health.

### Sources of Air Emissions

- **Combustion Equipment:** Diesel generators, boilers, and incinerators
- **Process Emissions:** Solvent recovery units, drying operations, and chemical reactions
- **Material Handling:** Loading/unloading, grinding, and packaging areas

### Control Measures

- Installation of multi-stage scrubbers and bag filters
- Use of low-sulphur fuels and cleaner combustion technologies
- Preventive maintenance to reduce leaks and fugitive emissions
- Third-party stack monitoring by Pollution Control Board-approved agencies
- Employee training on air pollution control protocols

Scrubber monitoring report, Noise level monitoring report, and Air Quality monitoring reports available to support the above control measures implemented by Harman.

# Energy Management

Harman Finochem is committed to reducing its environmental footprint by optimizing energy use across its manufacturing units. The company's energy strategy supports SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) by promoting energy efficiency, renewable energy adoption, and continuous monitoring of energy performance.

## Energy Consumption Within the Organization

The company consumes both direct and indirect energy sources:

- **Direct Energy Sources:**
  - Diesel (for DG sets and boilers)
  - Liquefied Petroleum Gas (LPG)
  - Coal (Boiler)
  - Low Sulphur High Speed (LSHS)
- **Indirect Energy Sources:**
  - Purchased electricity from the grid

## Total Energy in consumption within the organisation

| Energy Source | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|
| Non- Renewable energy | KWh | 173,106,807 | 255,990,840 | 264,488,034 |
| Renewable energy | KWh | - | - | - |
| Total energy | KWh | 173,106,807 | 255,990,840 | 264,488,034 |
| Percentage of renewable energy | % | 0 | 0 | 0 |

## Self generated energy consumption

| Fuel Type | UOM | FY-25 |
|---|---|---|
| Non-Renewable Source | | |
| Coal | KWh | 20,35,81,030 |
| Diesel | KWh | 7,22,505 |
| LPG | KWh | 15,446 |
| LSHS | KWh | 1,50,66,908 |

## Total Energy Utilisation

| Fuel Type | UOM | Steam | Electricity | Heating | Other |
|---|---|---|---|---|---|
| Non-Renewable Source | | | | | |
| Coal | KWh | 203,581,030 | - | - | - |
| Diesel | KWh | - | 722,505 | - | - |
| LSHS | KWh | 14,277,834 | - | 789,074 | - |
| LPG | KWh | - | - | 15,446 | - |
| Electricity - Purchase | KWh | - | 45,102,146 | - | - |
| Total Energy | KWh | 217,858,864 | 45,824,651 | 804,520 | - |

## Energy Intensity

Energy intensity is tracked to assess operational efficiency: 80 MWh/ MT

This metric is reviewed quarterly to identify areas for improvement.

## Reductions in Energy Requirements of Products and Services

While Harman Finochem's core business is API manufacturing, the company ensures that its production processes are designed to minimize energy intensity through:

- Process optimization to reduce batch cycle times
- Solvent recovery systems to reduce energy-intensive distillation
- Heat integration in multi-stage operations

### Case Study-01
### Renewable Energy Adoption through Solar Lighting at Harman Finochem

**Objective**

To promote the use of renewable energy, reduce dependence on grid electricity, and lower greenhouse gas (GHG) emissions through the installation of solar-powered lighting.

**Initiative**

Harman Fino Chem installed 10 solar lights across the facility to replace conventional grid-powered outdoor lighting. These solar lights operate independently using renewable solar energy, resulting in zero electricity consumption from the grid.

**Energy and Emission Benefits**

- Annual energy savings: 4,380 kWh per year
- GHG emission reduction: 3.18 $tCO_2e$ per year due to avoided grid electricity consumption

**Impact**

- Reduction in electricity consumption and energy costs.
- Lower carbon footprint through measurable GHG emission reductions.
- Improved reliability of outdoor lighting with sustainable energy sources.
- Demonstrates commitment to renewable energy adoption and climate action.

### Case Study-02
### Energy Efficiency Improvement through LED Lighting at Harman Finochem

**Objective**

To reduce energy consumption, lower greenhouse gas (GHG) emissions, and improve overall energy efficiency by replacing conventional lighting with energy-efficient LED lights.

**Initiative**

Harman Fino Chem installed 40 LED lights across the facility by replacing conventional lighting systems. Each LED light results in an energy saving of 0.9 kWh per day, leading to significant cumulative energy savings.

**Energy and Emission Savings**

- Daily energy savings: 36 kWh/day (0.9 × 40 LEDs)
- Annual energy savings: 13,140 kWh/year
- GHG emission reduction: 9.5 $tCO_2e$ per year due to reduced electricity consumption

**Impact**

- Reduced electricity consumption and operating costs.
- Lower carbon footprint through measurable GHG emission reductions.
- Improved lighting efficiency and longer service life of LED fixtures.
- Supports Harman Fino Chem's commitment to energy conservation and climate action.

# Water


## Water Stewardship

Harman Finochem prioritizes water stewardship through daily monitoring, conservation practices, and effluent stream segregation to minimize environmental impact.

Here's a detailed look at their approach to water stewardship:

### Key Water Stewardship Practices

- **Daily Water Monitoring:** Harman Finochem maintains daily records of water input quantity and conducts periodic quality assessments. This ensures efficient usage and early detection of any anomalies.
- **Effluent Management:** Harman segregate effluent sub-streams based on characterization, allowing for targeted treatment and reducing the risk of contamination.
- **Water Conservation Priority:** The company accords high priority to water conservation across all sections of its manufacturing facilities. This includes optimizing processes to reduce water usage and recycling wherever feasible.
- **Sustainability Integration:** Harman Finochem prioritizes environmental protection and social responsibility in its Corporate Sustainability Policy, while embedding water stewardship into its wider focus on sustainable development, safety, and stakeholder engagement.

## Water Initiative

As part of Harman Finochem ongoing commitment to sustainability and environmental conservation, we have implemented several key initiatives aimed at water conservation.

- To save direct use of MIDC water, 18 KLD RO permeate is recycling to cooling towers.
- To save direct use of MIDC water, 5 KLD STP treated water is recycling to toilet flushing and 10 KLD in gardening purpose.
- To control unwanted use of water installed flow meters to all production plant water inlet lines.
- To reduction of MIDC water in boiler we have planned to recycle RO permeate in both the boilers.

## Water Risk assessment

Harman Finochem Limited, located in Shendra MIDC, Aurangabad, operates within the Godavari major basin and the Girija/Purha/Dudna minor basins.

**Tools used: AQUEDUCT**

According to the Aqueduct water risk tool, the site faces extremely high-water stress (>80%), indicating that demand for water in the region far exceeds available supply.

This level of stress highlights significant operational and sustainability challenges:

- **Resource Scarcity:** High competition for freshwater resources among industrial, agricultural, and domestic users.
- **Operational Risk:** Potential constraints on production due to limited water availability.
- **Compliance Pressure:** Need for strict adherence to water conservation and pollution control norms.
- **Climate Vulnerability:** Intensifying monsoon variability may exacerbate both scarcity and flood risks.

Harman Finochem's location in the Godavari basin places it under extremely high-water stress, making water stewardship a critical priority for long term resilience and compliance.

**Methodology:**

WRI's Aqueduct methodology combines hydrological modelling, indicator scoring, and socio-economic data to assess water risks across physical, regulatory, and reputational dimensions.

13 core indicators are used to quantify water risk like Baseline water stress, Flood Occurrence, and Ground water stress etc.,

## Management and Withdrawal of Water

Water withdrawal is monitored across all manufacturing units.

- **Total Water Withdrawal (Indicative):**
  - Municipal supply: 2,29,154 KL per year
  - Rainwater harvested: 3,300 KL per day
- **Water Use Areas:**
  - Process cooling and steam generation
  - Cleaning and sanitation
  - Laboratory and quality control operations
- **Efficiency Measures:**
  - Flow meters and automated controls
  - Low-flow fixtures and water-efficient utilities
  - Rainwater harvesting systems

## Water Discharge

All wastewater generated is treated and fully recycled within the facility under a Zero Liquid Discharge (ZLD) system, ensuring compliance with CPCB/SPCB environmental norms.

- **Treatment Facilities:**
  - Effluent Treatment Plant (ETP)
  - Sewage Treatment Plant (STP)
  - Zero Liquid Discharge (ZLD) system at all units
- **Discharge Destinations:**
  - Reuse in utilities (cooling towers, gardening)
  - No water is discharged
- **Monitoring:**
  - Monthly testing of pH, COD, BOD, TDS, and heavy metals
  - Third-party audits and Pollution Control Board reporting

## Water Consumption

Water consumption is tracked to identify opportunities for reuse and reduction.

- Total Water Consumed (Indicative): **229154 KL**
- **134205 KL** of Recycled water Consumed
- Reuse Rate: **37%** of treated water reused in non-potable applications

Reduction Initiatives:

- Employee awareness campaigns on water conservation
- Reuse of condensate and treated effluent

## Rain water Harvesting System

Harman Finochem has implemented three rainwater harvesting tank with a capacity of 1,100 KL, reinforcing our commitment to sustainable water management. This initiative is designed to capture and store rainwater, reducing dependence on external water sources and promoting responsible resource utilization.

## a) Total Water Consumption Details

| Category | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|
| Total Water witdrawal | KL | 2,35,896 | 2,26,929 | 2,29,154 |
| Total water discharge | KL | - | - | - |
| Totla water consumption | KL | 2,35,896 | 2,26,929 | 2,29,154 |
| Total water recycled or reused | KL | 71,351 | 1,30,587 | 1,34,205 |

## b) Water Balance

| Source | UOM | Withdrawal | Discharge | Consumption |
|---|---|---|---|---|
| Surface water | KL | 0 | 0 | 0 |
| Seawater | KL | 0 | 0 | 0 |
| Groundwater - renewable | KL | 0 | 0 | 0 |
| Groundwater - non-renewable | KL | 0 | 0 | 0 |
| Third party sources | KL | 2,29,154 | 0 | 2,29,154 |
| Total | | 2,29,154 | | 2,29,154 |

## c) Recycled water

| Source | UOM | Quantity | Utilised for |
|---|---|---|---|
| Steam condensate recovery | KL | 1,03,983 | Boiler input |
| STP water | KL | - | Gardening |
| RO water | KL | 27,722 | Cooling tower |
| Rain water Harvesting | KL | 2,500 | Cooling tower |
| Total | | 1,34,205 | |

# Waste

Harman Finochem is committed to responsible waste management across its pharmaceutical manufacturing operations. The company prioritizes waste minimization, segregation, safe disposal, and circularity in line with national regulations and global sustainability frameworks. These efforts support SDG 12 (Responsible Consumption and Production) and SDG 3 (Good Health and Well-being).

**3.8% of reduction in waste generation at source as part of our waste minimization hierarchy**

**22812 kgs of solid waste is recycled and reused in Packaging material**

## Waste Generation and Significant Impacts

Waste is generated from production processes, utilities, laboratories, and administrative activities.

**Key waste streams include:**

- **Hazardous Waste:** Solvent residues, process sludge, contaminated containers
- **Non-Hazardous Waste:** Packaging materials, paper, food waste, general refuse
- **Biomedical Waste:** From on-site medical facilities

**Environmental Impacts Addressed:**

- Soil and water contamination risks
- Air pollution from incineration
- Occupational health and safety concerns

## Management of Significant Waste-Related Impacts

**Harman Finochem follows a structured waste management hierarchy:**

- **Reduction at Source** – Process optimization to reduce waste generation
- **Reuse and Recycling** – Solvent recovery, material reuse, and vendor take-back programs
- **Treatment and Disposal** – Authorized third-party disposal for hazardous waste

**Key Practices:**

- Segregation at source using color-coded bins
- On-site storage in secure, labelled containers
- Regular audits and compliance with Pollution Control Board norms
- Employee training on waste handling and emergency response

## Total waste

| Waste Type | Units | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|
| Non-Hazardous waste | MT | 1,988 | 1,165 | 1,196 |
| Hazardous waste | MT | 10,357 | 13,069 | 2,980 |
| Total Waste | MT | 12,345 | 14,234 | 4,176 |
| Total waste recovered | MT | 8,488 | 10,425 | 1,729 |
| Persentage of unusd of expired mediciness collected for recyling or waste treactment out of total volume of products sold | % | 0 | 0 | 0 |

## Waste Diverted from Disposal

| Waste Type | Units | FY-25 |
|---|---|---|
| Non-Hazardous waste Diverted from Disposal | MT | 532 |
| Hazardous waste Diverted from Disposal | MT | 1,196 |

## Waste Directed to Disposal

**All waste directed to disposal is handled by authorized vendors in compliance with:**

- Hazardous Waste Management Rules, 2016
- Biomedical Waste Management Rules, 2016
- Plastic Waste Management Rules, 2016

Monitoring:

- Monthly waste tracking and reporting
- Third-party audits and Pollution Control Board submissions
- Vendor certifications and disposal receipts

## Operational Changes Implemented

**Objective**

To improve product yield and process efficiency while reducing water consumption and waste through optimization of key reaction conditions.

**Background:**

Two critical reaction stages were identified for optimization to enhance conversion efficiency and reduce resource use without affecting product quality.

**Operational Changes:**

*** Stage I:** Reaction temperature increased to 85°C, resulting in higher conversion and yield.

*** Stage II:** Reaction temperature increased to 150°C with optimized pH at 2.5, reducing product loss and improving output.

**Results & Benefits:**

* Reduced water consumption.

* Lower COD and BOD due to improved phase separation.

* Improved process efficiency with increased yield and reduced waste in both stages.

**Conclusion:**

The operational optimization led to higher yields, reduced resource consumption, and improved environmental performance, supporting sustainable manufacturing practices.

# Biodiversity

Harman Finochem recognizes the importance of biodiversity conservation as a cornerstone of sustainable development. The company is committed to minimizing its ecological impact by ensuring that its operations do not adversely affect local ecosystems, protected areas, or species of concern. These efforts align with SDG 15 (Life on Land) and SDG 13 (Climate Action).

## Operational Sites in or Near Protected Areas

- Harman Finochem's manufacturing facilities are located in designated industrial zones and do not operate within or adjacent to legally protected areas or areas of high biodiversity value.
- Environmental Impact Assessments (EIAs) are conducted prior to any new site development to ensure compliance with biodiversity protection norms.

## Significant Impacts of Activities on Biodiversity

While the company's operations are not located in ecologically sensitive zones, Harman Finochem proactively assesses and mitigates potential indirect impacts such as:

- Air and water emissions that may affect nearby flora and fauna
- Noise and light pollution from industrial activity
- Land use changes due to infrastructure expansion

**Mitigation Measures Include:**

- Green belt development around plant perimeters
- Use of low-noise equipment and shielded lighting
- Effluent treatment and zero liquid discharge (ZLD) systems
- Periodic ecological assessments and third-party audits

# Miyawaki






**Habitats Protected or Restored**

- Harman Finochem has developed green cover and landscaped areas within its campuses to support local biodiversity.
- Native plant species are prioritized in plantation drives to enhance ecological resilience.
- The company supports rainwater harvesting and groundwater recharge to sustain local hydrology.

### IUCN Red List Species and National Conservation Listings

- No IUCN Red List or nationally protected species have been identified within the immediate vicinity of Harman Finochem's operational sites.
- The company remains vigilant and conducts biodiversity screenings during site expansions or new project proposals.

## Biodiversity Assessment

We have undertaken science based International Biodiversity Assessment Tool (IBAT) to assess the existence and proximity of protected area, IUCN red species with following major outcomes.

**Boundary:** within 50 Km of Buffer area from Plant Location Protected Area consist of National, World Heritage, Ramsar etc: 0
IUCN Red List: Total 833 species out of which 7 are critically endangered, 5 endangered, 17 Vulnerable, 23 Near Threatened and 773 Least concerns

Our operations are not into any protected area but as part of our corporate responsibility, we are working continuously to increase "Green cover" through plantation, closely monitoring their survival.

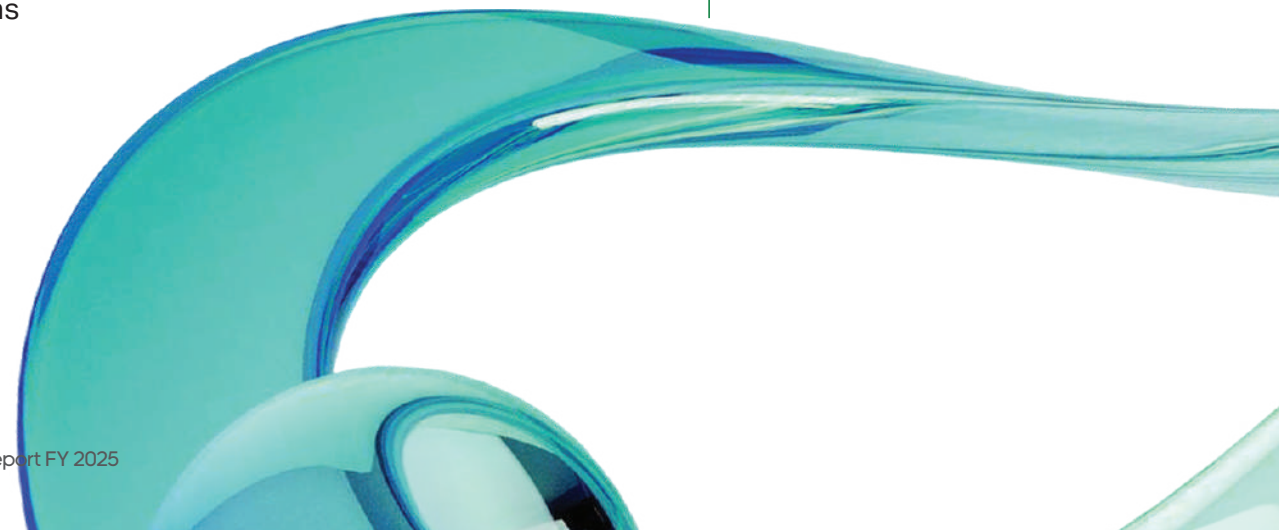
We are using **"MIYAWAKI"** technique for our Greening efforts. This technique has helped us to built dense, native forest with multi-layer plantation system due to which our plants are growing 10 time faster than and 30 times denser than normal plantation.

Harman Finochem's commitment to increasing surrounding oxygen levels and reducing carbon emissions, we have planted multiple species of trees in accordance with ecological suitability and biodiversity principles.

- We have planted total 15000 Nos tress in Harman inside & outside areas and survival rate is above 90 %
- A Miyawaki forest has been established. Planting a variety of native trees and shrubs closely together. This approach leads to rapid growth and high biodiversity, offering various environmental benefits.


Carbon dioxide absorbed per year

**330 MT**



# Sustainable goals - Harman progressed in FY 25

Harman ESG vision is intricately aligned with the United Nations Sustainable Development Goals (SDGs). Through a transparent and rigorous process, we identify and prioritize the SDGs that are most relevant to our business operations.

This alignment not only underscores our commitment to sustainability but also drives our strategic initiatives to create lasting, positive impacts on both the environment and society.

## SDG Alignment

| Name of SDG | Harman commitment |
|---|---|
| Good health and wellbeing | Achieve zero lost-time injuries (LTIR) and occupational illnesses and Total Recordable Incident Rate (TRIR). |
| Gender Equality | Achieve 25% gender diversity in our workforce by FY2033. |
| Decent work and economic growth | A fair compensation structure is maintained, aligned with living wage benchmarks |
| Responsible consumption and production | Reduction of 25% in fresh water usage by FY2033 from base year 2025. |
| Climate action | Net Zero by 2050 |

## Membership and Associations

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

Science Based Targets Initiative (SBTi)

Pharmaceutical Supply Chain Initiative (PSCI)

United Nations Global Compact (UNGC)

United Nations Sustainable Development Goals (SDGs)

CDP
Carbon Disclosure Project

# Social


5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Our commitment to our people lies at the heart of our organisational ethos. Our organisational culture, serves as a competitive advantage for our journey toward becoming a high-performing global organisation.

This chapter outlines our strategic initiatives in people management, highlighting our proactive approach to talent development as integral pillars of our corporate strategy and sustainability framework.

Our employees are central to our success, distinguishing us within the industry by bringing diverse perspectives, experiences, and skills that drive meaningful change while achieving our business objectives. We help our employees succeed everywhere we operate by offering plenty of opportunities for internal growth and career movement across different roles.

100% of operational sites are assessed for human rights impacts

# Talent Attraction and Retention

We are an employer that prioritises equal opportunity, focusing on a candidate's skills and their alignment with our organisation's core values and mission. The hiring process at Harman follows a meticulous and transparent approach to attract and select qualified candidates. This includes internships, pre- placement offers (PPOs), campus hiring & lateral hiring.

We conduct campus hiring to recruit management trainees, organise department-specific walk-in drives, and participate in job fairs to hire student trainees for self-managed teams (SMTs).

We advertise job openings both internally and externally, followed by screening, assessing and interviewing candidates.

This includes conducting panel interviews and reference checks for managerial roles. We are committed to diversity and inclusion in hiring, actively reducing bias through structured interviews. Our experienced interview panels ensure fairness and openness, while focusing on candidates' relevant skills and achievements. This approach supports our goal of fostering an inclusive workplace where talent is recognised and valued.

Once the candidate is hired, we have a Buddy Programme to prioritise continuous interaction with the new joiners to ensure a seamless onboarding transition and integration into the team.

100 persentage of operational sites are ISO 45001 certified

## Diversity, Equity, and Inclusion

Diversity and inclusivity in the workplace create an atmosphere of respect and collaboration. A culture where people wish to provide new ideas, discuss, and seek its implementation. It helps them as well as an organization to grow and flourish. We try to seek diversity in our workforce at all levels and we consistently strive to become an organization that can accommodate people beyond their gender, disabilities, religion, nationalities, etc. Leveraging the potential of our diverse workforce ensures that we remain competitively advantageous, secure economic growth and carry out our duties as a responsible corporate citizen..

In 2024, our total workforce stands at **1817 FTEs with 395 new FTE hires and 25** contractual employees joined the company.

### Total Number of Employees

| Employee Category | Units | FY-25 | | | | |
|---|---|---|---|---|---|---|
| | | <30 years | 30-50 years | >50 years | Male | Female |
| Top Management | No | 0 | 4 | 7 | 11 | 0 |
| Middle Management | No | 0 | 71 | 36 | 104 | 3 |
| Young Management | No | 64 | 219 | 21 | 296 | 8 |
| Out of management | No | 239 | 623 | 50 | 880 | 30 |
| Contractual | No | 450 | 30 | 0 | 476 | 9 |
| **Total** | **No** | **753** | **947** | **114** | **1767** | **50** |

### Total Employee Turnover Rate (including employees who retired, resigned, were laid off, and died during the year)

| Employee Category | Units | FY-25 | | | | |
|---|---|---|---|---|---|---|
| | | <30 years | 30-50 years | >50 years | Male | Female |
| Top Management | No | 0 | 0 | 3 | 3 | 0 |
| Middle Management | No | 5 | 8 | 7 | 20 | 0 |
| Young Management | No | 15 | 30 | 5 | 49 | 1 |
| Out of management | No | 88 | 78 | 2 | 157 | 11 |
| Contractual | No | 15 | 10 | 0 | 25 | 0 |
| **Total** | **No** | **123** | **126** | **17** | **254** | **12** |

### New Entrants

| Employee Category | Units | FY-25 | | | | |
|---|---|---|---|---|---|---|
| | | <30 years | 30-50 years | >50 years | Male | Female |
| Top Management | No | 0 | 0 | 4 | 4 | 0 |
| Middle Management | No | 0 | 29 | 3 | 32 | 0 |
| Young Management | No | 37 | 31 | 0 | 67 | 1 |
| Out of management | No | 130 | 135 | 1 | 254 | 12 |
| Contractual | No | 15 | 10 | 0 | 25 | 0 |
| **Total** | **No** | **182** | **205** | **8** | **382** | **13** |

## Women Empowerment

Harman organized a prize distribution ceremony to recognize the winners of the Rangoli Competition, celebrating creativity and cultural engagement at the workplace. The prizes were presented by the Site Leadership Team, who appreciated the enthusiastic participation and artistic talent displayed by employees. The event fostered team spirit, inclusivity, and a positive work culture, reinforcing Harman's commitment to employee engagement and well-being.

In FY-2025 Number of identified descrimination or harassement incidents are Zero

### Case Study: Women's Day Celebration and Women Empowerment Initiative at Harman

**Objective**

To recognize and celebrate the contribution of women employees, promote gender equality, and strengthen initiatives aimed at women empowerment and employee well-being.

**Initiative**

Harman celebrated International Women's Day in a grand manner with active participation from employees and the Site Leadership Team. The event focused on acknowledging women's achievements, encouraging inclusivity, and reinforcing the organization's commitment to diversity and empowerment.

As part of the celebrations, a Day Picnic for lady employees was organized at Fort View Resort, providing an opportunity for relaxation, team bonding, and rejuvenation outside the workplace.

**Impact**

- Enhanced morale, motivation, and sense of belonging among women employees.
- Strengthened workplace inclusivity and positive organizational culture.
- Encouraged open dialogue on gender equality and women empowerment.
- Improved employee engagement through wellness and recreational activities.

**Way Forward – Women Empowerment**

Harman remains committed to advancing women empowerment through:

- Skill development and leadership training programs for women employees.
- Creating equal opportunities for career growth and advancement.
- Strengthening policies on safety, health, and work–life balance.
- Encouraging women's participation in decision-making and leadership roles.

**Conclusion**

The Women's Day celebration and picnic initiative reflect Harman's continued focus on employee well-being, diversity, and empowerment, contributing to a more inclusive, motivated, and sustainable workforce.

## Holistic Wellness and Employee Engagement

We are committed to the holistic well-being of our employees by offering a robust suite of benefits that prioritize health and security. Full-time employees benefit from comprehensive support, including healthcare and medical insurance, disability and invalidity coverage, maternity leave, and retirement provisions. We recognize the importance of sports and cultural celebrations in fostering a positive work environment and strengthening employee connections. We actively cultivate a vibrant community through diverse clubs and sports activities such as Safety Week Programs, Environment Day celebrations and Cancer Awareness Campaigns, emphasize the well-being of our workforce.

| Indicator | FY-25 |
|---|---|
| Total number of employees that were entitled to parental leave | 04 |
| Total number of employees that took parental leave | 04 |
| Total number of employees that returned to work in the reporting period after parental leave ended | 04 |
| Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work | 04 |
| Retention rates of employees that took parental leave | 100% |
| Return to Work rate of employees that took parental leave | 100% |

## Employee Satisfaction Survey

The Employee Feedback Survey demonstrates strong organizational progress across multiple fronts at Harman Finochem. At Harman Finochem Limited, we recognize that a strong and supportive workplace culture is essential to achieving our sustainability and business goals. The recent employee survey confirms many strengths in our work environment, including positive relationships among colleagues, effective supervisor support, and a clear commitment from leadership.

At the same time, the survey highlights areas where we must improve.

We view these insights as an opportunity to take targeted actions that will further enhance employee satisfaction and strengthen our organizational culture. By implementing the suggested improvements and consistently monitoring employee feedback, we aim to foster a more engaging and supportive workplace.

This commitment not only drives higher employee satisfaction but also reinforces our long-term sustainability objectives. We believe that a motivated and empowered workforce is central to delivering value to our stakeholders and achieving organizational success.

## Focus Areas for Harman

**Canteen Services - 61% Excellent/Very Good rating (41% Satisfied)**

**Contract Manpower - 77% Excellent/Very Good rating (22% Satisfied)**

# Employee Well-being

### Case Study: Stress Management Awareness Session for Employee Well-being at Harman Fino Chem

**Objective**

To promote mental well-being, reduce workplace stress, and enhance awareness on stress management among employees as part of Harman Fino Chem's employee health and well-being.

**Initiative**

Harman Finochem organized a health awareness session on stress management conducted by Dr. Jagdish Tekale (MBBS, MD – Psychiatry). The session focused on helping employees understand the causes of stress, recognize early warning signs, and adopt practical coping strategies for managing stress effectively in both professional and personal life.

**Key Highlights**

- Awareness on mental health and its importance in overall well-being.
- Practical stress management techniques, including relaxation and lifestyle practices.
- Interactive discussion addressing common workplace stressors and solutions.
- Encouragement to seek timely professional support when required.

**Impact**

- Improved awareness of mental health and stress management among employees.
- Positive engagement and participation from employees.
- Contribution to a healthier, more supportive workplace culture.

**Conclusion**

The stress management awareness session reflects Harman Fino Chem's commitment to holistic employee well-being by addressing both physical and mental health, fostering a resilient and productive workforce.

# Training and Development

We are committed to building a culture of continuous learning across both Harman sites. Regular refresher sessions are held on critical topics, including anti-money laundering, sexual harassment prevention, and cybersecurity, to keep our workforce informed and updated on all company policies. To enhance job satisfaction and retention, we actively seek employee feedback, implement recognition programs, and offer career development opportunities. In FY-25, employees received 214785K+ Hrs of training. Our leadership upholds an open-door policy, encouraging transparency and collaboration, while engagement activities such as team-building exercises and skill development workshops empower employees to grow professionally.

Trainings were provided on anti-corruption and integrity was given to purchase, HR, production and quality department. Training Frequency : Once in year * Ethics and corruption risk assessment report is available *Anti bribery and Anti-corruption policy is in place. Multiple sessions were conducted in-house across both sites for employees to support efficiency in performance.

Total Training hours
**2,14,785**

# Employee Health and Safety

We are dedicated to ensuring a safe and healthy workplace, particularly given the handling of Active Pharmaceutical Ingredients (APIs) and hazardous chemicals inherent in pharmaceutical manufacturing. Our comprehensive Quality, Safety, Health & Environmental (QSHE) policy aims to minimize risks, prevent environmental contamination, and continuously improve occupational health and safety standards. All of our API manufacturing facilities are certified under ISO 45001:2018. This certification covers 100% of our operations, including both regular employees and our contractors.

The API manufacturing process presents unique chemical hazards, including risks from reactor operations, potential chemical exposures, solvent handling, powder processing equipment, and specialized pharmaceutical machinery operation. Preventing accidents through thorough investigations and corrective actions is crucial for maintaining both worker safety and product integrity.

Maintaining product quality is equally important, as defective APIs can cause serious health risks and regulatory non-compliance. Regular equipment maintenance, validation protocols, and strict quality control measures help minimize these risks, ensuring a safer work environment and pharmaceutical product safety.

**Robust Safety Culture**

A culture where people wish to provide new ideas, discuss, and seek its implementation. It helps them as well as an organization to grow and flourish. We try to seek diversity in our workforce at all levels and we consistently strive to become an organization that can accommodate people beyond their gender, disabilities, religion, nationalities, etc. Leveraging the potential of our diverse workforce ensures that we remain competitively advantageous, secure economic growth and carry out our duties as a responsible corporate citizen.

**Hazard Identification, Risk Assessment, and Incident Investigation**

A key aspect of our safety measures is empowering employees to remove themselves from unsafe conditions without fear of reprisal. This approach aligns with pharmaceutical industry occupational health and safety regulations while reinforcing our commitment to worker well-being. By integrating occupational health services into our safety framework, we facilitate early hazard detection, risk elimination, and overall health protection in our API manufacturing environment. Through accessible health programs and continuous safety improvements, we strive to maintain a secure and healthy workplace for all employees.

Safety Hours Training

**4,088 Hrs**

Harman systematically identifies and addresses workplace hazards through continuous monitoring, GMP inspections, and incident investigations. Regular facility assessments help detect new or recurring risks specific to API manufacturing, while investigations into injuries, illnesses, and near misses uncover underlying causes and potential shortcomings in safety programs. Trends in incidents, exposure monitoring, and risk assessments within the Occupational Health and Safety Management System (OHSMS) guide improvements, ensuring proactive risk mitigation in pharmaceutical manufacturing operations.

Employees are required to halt manufacturing processes immediately if they encounter a hazardous situation and report it to their supervisor or quality assurance manager. The company fosters open communication regarding risks through emails, mobile devices, and direct discussions, ensuring no employee faces reprisals for reporting unsafe conditions. If immediate communication fails, safety concerns are addressed in daily production meetings. The incident investigation process at our API manufacturing facilities follows a structured approach: identifying chemical and process hazards, assessing risks, implementing control measures, and reviewing their effectiveness. By prioritizing corrective actions based on incident severity and likelihood, Harman strengthens workplace safety and minimizes potential harm in pharmaceutical manufacturing operations.

**Emergency Preparedness and Response**

Harman adopts a proactive approach to Emergency Preparedness & Response through an integrated management system tailored for API manufacturing operations. Our annually updated SHE Emergency Preparedness & Response Plan is designed to address various pharmaceutical manufacturing scenarios, including chemical fires and explosions, hazardous chemical spills, solvent releases, and equipment failures. The plan incorporates lessons from past incidents and evolving pharmaceutical safety needs, ensuring an effective response to prevent environmental contamination and protect product integrity. To proactively mitigate risks, managers and supervisors conduct random SHE observations in manufacturing areas, addressing potential issues before they escalate.

**Process followed:**

- Incidents are promptly documented, and root-cause analyses are conducted to determine corrective actions
- Actions are then reviewed by department heads and the management representative
- Corrective and preventive measures are then implemented and closely monitored for effectiveness

Key corrective measures include regular training and drills for employees, emergency response teams, and safety personnel, fostering readiness for pharmaceutical manufacturing emergency situations. We also collaborate with contractors, visitors, and local regulatory authorities to enhance coordination. Post-incident reviews and annual evaluations drive continuous improvement, while safeguards like chemical waste monitoring and prompt contamination cleanup align with our pharmaceutical manufacturing sustainability commitments.


# Occupational Health and Safety Policy


| Particulars | FY23 | FY24 | FY25 |
|---|---|---|---|
| No. of safety training participants | 4,222 | 6,883 | 8,175 |
| Number of safety training hrs. | 2,112 | 3,442 | 4,088 |
| No. of LTI | - | - | - |
| No. of First Aid case treatment in OHC | 27 | 28 | 17 |
| No. of Fatal | - | - | - |
| Number of near miss | 42 | 60 | 110 |
| Safety observations | 625 | 940 | 1,741 |

## Current Practices

- **ISO 45001 Implementation:** Comprehensive occupational health and safety management system
- **Safety Training Programs:** Well-organized safety training for all employees, contractors, and temporary workers
- **Personal Protective Equipment:** Adequate PPE provision for all workers
- **Emergency Preparedness:** Regular mock drills and emergency communication channels
- **Workplace Safety:** Specific protections for female workers in risky conditions as per Ministerial Regulations

## Additional Measures

- Daily 5-minute toolbox talks for contractors
- Weekly safety training sessions
- Emergency management plans with community involvement

# Governance


12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

# Corporate Structure and Management

Late Bhupinder Singh Manhas

Harman Finochem Limited operates with a structured governance framework led by a board of directors and a professional executive team, ensuring compliance, strategic oversight, and operational excellence.

- **Founder:** The company was founded in 1983 by Late Bhupinder Singh Manhas.
- **Management:** It is a professionally managed, independent company with a Board of Directors.
- **Leadership:** Key management personnel include Directors Mr. Harpreet Singh Minhas and Dr. Gurpreet Singh Minhas, and CEO (Formulations) Surinder Raina.

## Management Team

**Inderjit Kaur**
Whole-time director

**Harpreet Singh Minhas**
Whole-time director

**Savreen Minhas**
Director

**Gurpreet Singh Minhas**
Director

## Policies and Ethical Standards

**Code of conduct:**
Harman Finochem's Code of Conduct outlines ethical, legal, and professional standards expected from all employees, management, and suppliers.

**Employee Code of Conduct and Business Ethics:** This code applies to all team members of Harman Finochem Limited and its subsidiaries.

**It emphasizes:**

- **Integrity and Compliance:** Employees must act honestly, ethically, and in compliance with all applicable laws and company policies.
- **Conflict of Interest:** Employees should avoid situations where personal interest conflict with company interests.
- **Confidentiality:** Protection of proprietary and sensitive information is mandatory.
- **Fair Dealing:** All stakeholders must be treated fairly—customers, suppliers, competitors, and colleagues.
- **Reporting Violations:** Any breach of the code or legal violations must be reported to the Chairman, Managing Director, or Compliance Officer.
- **Corporate Governance:** The code supports transparency, accountability, and ethical decision-making across all levels.

## Anti – Corruption Policies

The company's Code of Conduct and Business Ethics outlines its commitment to preventing corruption and promoting transparency:

- **Legal and Ethical Standards:** All employees and directors are expected to uphold the highest standards of integrity and comply with applicable laws, including anti-bribery and anti-corruption regulations.
- **Corporate Governance Compliance:** The policy ensures alignment with legal requirements under India's corporate governance framework.
- **Zero Tolerance for Bribery:** The company prohibits offering, giving, soliciting, or receiving any form of bribe or improper advantage.
- **Accountability and Reporting:** Employees are encouraged to report unethical behaviour or violations of the Code through designated channels, with protection against retaliation.
- **Training and Awareness:** Regular training is provided to ensure that staff understand and adhere to anti-corruption expectations.

### Whistle Blower Mechanism

Harman Finochem Limited has a whistleblower mechanism embedded within its Employee Code of Conduct, designed to encourage ethical behaviour and protect those who report misconduct. Further details can be found in our official policy document.


### Human Rights Commitments

We are committed to upholding and protecting human rights across all aspects of its operations, as outlined in its official Human Rights Policy.

### Stakeholder Engagement and Transparency

Harman Finochem actively engages with a broad range of stakeholders to ensure inclusive and responsible business practices:

- **Employees:** Regular training programs, safety awareness sessions, and open communication channels foster a culture of participation and well-being.
- **Customers:** The company maintains high standards of quality and compliance, ensuring customer satisfaction through reliable pharmaceutical products.
- **Suppliers and Partners:** Harman Finochem collaborates with vendors and partners who align with its ethical and sustainability values.
- **Regulatory Bodies:** The company adheres to stringent pharmaceutical regulations and maintains certifications such as GMP, CEP, and DMF.
- **Local Communities:** Through environmental conservation efforts and health initiatives, Harman Finochem contributes to community development and social responsibility.

**Governance structure & Function of Harman Finochem**

Harman Finochem Limited operates with a structured governance framework led by a board of directors and a professional executive team, ensuring compliance, strategic oversight, and operational excellence.

## Board of Directors

- The company is led by a Board of Directors, which includes:
  - **Dr. Gurpreet Singh Minhas** – Director
  - **Harpreet Singh Minhas** – Director
  - **Savreen Minhas** – Director
  - **Inderjeet Kaur Bhupinder Singh** – Whole-Time Director
- The board oversees strategic direction, corporate policies, and compliance with regulatory frameworks.

## Executive Leadership

- **Surinder Raina** – CEO (Formulations)
- **Sandip Ramdharne** – Chief Human Resources Officer
- **Shruti Patwardhan** – Assistant General Manager – Legal
- These executives manage day-to-day operations, HR, legal affairs, and formulation strategy.

## Departmental Heads

- The company has dedicated leadership across key departments:
  - Sales & Marketing
  - Finance
  - Human Resources
  - Legal
  - Health, Safety & Environment (HSE)
  - International Business Development

## Site Management

- Manufacturing operations are led by **Mr. Raju Chhadua,** Senior GM – Manufacturing, supported by site head, Hiren Kumar Soni, Nirav Shah and Deelip Sawant oversees production, EHS, process engineering, and project execution at the Chhatrapati Sambhajinagar site.

**Governance Functions**

- Strategic Oversight
  - The board and executive team align business objectives with regulatory and market expectations, especially in the pharmaceutical sector.
- Regulatory Compliance
  - Ensures adherence to Indian and international standards (e.g., EU GMP, FDA) for API manufacturing.
- Risk Management
  - Identifies and mitigates operational, legal, and reputational risks, particularly in global supply chains.
- Sustainability and Ethics
  - Harman Finochem's sustainability section shows a committment to responsible manufacturing and ethical practices.
- Stakeholder Engagement
  - Maintains transparent communication with clients, regulators, and employees, supporting long-term trust and growth.

# Risk Management

**Risk Management Framework at Harman**

Risk management serves as a fundamental pillar of corporate governance and operational sustainability within Harman's manufacturing operations. In the highly regulated pharmaceutical industry, it plays an essential role in protecting our manufacturing processes, regulatory compliance status, and long-term business viability. Effective risk management enables Harman to systematically identify, assess, and mitigate potential threats and uncertainties that could impact our financial stability, operational excellence, and relationships with regulatory authorities, customers, and other key stakeholders.

Through proactive risk management, we safeguard our investments in advanced manufacturing facilities, specialized equipment, and critical resources essential for API production.

Harman's Risk Management Policy establishes the comprehensive framework governing our approach to risk management across all API manufacturing operations. At the operational level, our Risk Management Committee serves as the primary governing body responsible for managing, mitigating, and coordinating risks on a continuous basis throughout our pharmaceutical manufacturing processes.

**Our Strategic Approach to Risk Management**

- **Risk Identification:** We systematically identify potential risks that could impact our API manufacturing operations or strategic objectives through comprehensive assessment and categorization based on internal and external factors. This process encompasses detailed analysis of financial performance metrics, geopolitical factors affecting pharmaceutical supply chains, workforce dynamics within our manufacturing facilities, environmental compliance requirements, and evolving regulatory trends in the pharmaceutical industry.

- **Risk Prioritization:** Identified risks are systematically ranked according to their probability of occurrence and potential impact on our API manufacturing operations. Critical factors in our prioritization process include the severity of potential consequences on product quality and patient safety, likelihood of occurrence based on historical data and industry benchmarks, and the effectiveness of our existing control measures and mitigation strategies.

- **Risk Mitigation and Management:** We develop and implement targeted strategies designed to reduce, eliminate, or transfer identified risks within our API manufacturing environment. Risks are categorized into specific groups to ensure optimal resource allocation and focused mitigation efforts that address the unique challenges of pharmaceutical manufacturing, including quality control, regulatory compliance, and supply chain management.

- **Monitoring and Reporting:** Our risk management strategies undergo continuous monitoring and evaluation to assess their effectiveness in reducing risk exposure across our API manufacturing operations. This includes regular updates to risk registers, adjustments to prioritization based on changing circumstances, and comprehensive reviews of mitigation plan efficiency to ensure ongoing effectiveness.

To cultivate a robust risk-aware culture throughout Harman's API manufacturing operations, we conduct comprehensive awareness programs with all relevant stakeholders, including employees, contractors, and business partners. These programs emphasize the critical importance of risk identification, mitigation, and management in pharmaceutical manufacturing while fostering a culture of continuous feedback and improvement in our risk management systems and processes.

# Risk Governance

Any evolving business landscape presents new uncertainties that challenge established norms. To effectively navigate these changes effectively and maintain focus, we have transitioned to an integrated risk management approach. Risk management in deeply embedded in our activities and control systems, spanning our organisation. Our goal is to promote informed decision-making aligned with our defined short-term, medium-term, and long-term strategic and business objectives.

Our risk governance framework clearly outlines roles and responsibilitie ensuringg comprehensive coverage and accountability across different levels in the Company.

**Board of Directors**

Oversees the overall governance and provides strategic direction to the management.

**Risk Managemnt committee (RMC)**

Sub-committee of the Board, tasked with overseeing the risk management process. Meets at least bi-annually and acts as a forum to oversee implementation of the risk policy, including evaluation of adequacy of risk management systems.

**Group Level Steeing committeewe (GLSC)**

Assists the RMC in evaluating key risks and the effectivenes of controls, The GLSC, comprising leaders like the CEO, and Executive Director, CFO, CQO, COO, CRO and CTO, enures a coordinated approach to indentifying and mitigating organisational risks.

**Dedicated Risk Owners**

Risk owners are tasked with implementation of the risk policy and framework, tracking the status of risks, undertaking immediate mitigation measures and highlighting any new and emerging risks arising from changes in the operating landscape in their business/functional units.

# ESG Governance


As Harman advances on its ESG journey, systematic oversight and accountability for environmental, social and governance issues is fundamental to our strategic approach. Establishing a comprehensive ESG governance framework enables us to seamlessly integrate ESG considerations into strategic decision-making, effective risk management and alignment with stakeholder expectations. To achieve this, Harman has implemented a robust top-down ESG Governance structure.

### Board of Directors

Harman's Board of Directors serves as the Company's apex governing body, responsible for defining the overall ESG framework. The Board provides strategic direction by approving ESG goals and objectives, endorsing ESG policies and strategies, and overseeing ESG-related functions throughout the organization.

## ESG Governance Structure

- Board of Directors
- Risk Management Committee
- Chief Sustainability Officer
- Internal Sustainability Team

- Corruption or Bribery
- Discrimination and Harassment
- Customer Privacy Data
- Conflicts of Interest
- Money Laundering or Insider Trading

**Zero**
Breaches in FY25

# Labor & Human Rights

Comprehensive third-party audit of Harman Finochem Limited's labor and human rights practices demonstrates the company's commitment to international best practices aligned with ISO 37000, and UN Guiding Principles on Business & Human Rights.

## Employment and Labor Law Compliance Policy

**Current Practices**

- Written Employment Contracts: All employees receive comprehensive written employment contracts with structured induction programs conducted in local languages
- Compensation Transparency: Clear pay and compensation terms are communicated to all employees with accessible HR support for clarifications
- Overtime Compliance: Full compliance with legal overtime rates, with verified records demonstrating adherence to statutory requirements
- Legal Compliance: Complete compliance with all major labor laws including Factories Act, Payment of Wages Act, Minimum Wages Act, and Employees Provident Fund Act

## Non-Discrimination and Equal Opportunity Policy

### Current Practices

- Comprehensive Non-Discrimination Policy: Covers race, language, gender, marital status, disability, religion, and personal opinions
- Equal Opportunity Framework: Implemented throughout all business processes with specific focus on women's employment and advancement
- Training and Development: Equal access to training and development opportunities verified through record examination
- Sensitization Programs: Regular Human Rights sensitization sessions conducted by HR teams in association with department heads

- Strong commitment to gender equality with active policies for increasing women's participation in the workplace
- Robust framework addressing multiple dimensions of discrimination

## Child Labor Prevention and Age Verification Policy

### Current Practices

- Strict Age Requirements: No employment of individuals under 15 years (company standard is minimum 18 years)
- Verification Process: Comprehensive age verification conducted by HR and Security teams before premises access
- Contractor Compliance: All contractors and suppliers required to maintain same age standards
- Legal Compliance: Full adherence to Child Labour (Prohibition & Regulation) Act, 1986

## Forced Labor Prevention and Voluntary Employment Policy

### Current Practices

- **Zero Tolerance Policy:** Strict policy against forced labor, physical punishment, coercion, imprisonment, threats, human trafficking, or violence
- **Voluntary Work Environment:** All work performed voluntarily by employees, contractors, and third-party workers
- **Passport Security:** No seizure of migrant worker passports or identity documents
- **Enforcement Mechanism:** Regular verification by department heads and security teams

### Compliance Status

- Fully Compliant with international standards

## Employee Privacy and Data Protection Policy

### Current Practices

- **Business Purpose Limitation:** Employee information used strictly for business purposes
- **Non-Discrimination Data Use:** Personal information maintained confidentially and not used for discriminatory purposes
- **GDPR Compliance:** Data management practices conform to GDPR guidelines and Indian IT Act provisions
- **Data Deletion Rights:** Customer and employee data deleted upon withdrawal of consent

### Grievance Mechanism

- Established committee for addressing privacy concerns

## Workplace Harassment and Discipline Policy

### Current Practices

- **Prevention of Sexual Harassment (PoSH) Policy:** Comprehensive policy with Internal Committee as per government guidelines
- **Zero Physical/Mental Punishment:** any form of physical or mental punishment is breach of conduct
- **Regular Training:** Continuous sensitization programs on harassment prevention and complaint mechanisms
- **Positive Engagement:** HR function focused on counselling and positive employee engagement
- **Complaint Mechanisms:** Established grievance handling policy and committee structure

## Freedom of Association and Collective Bargaining Policy

### Current Practices

- **Employee Groups Support:** Support for independent employee groups, including labor unions and informal discussion groups
- **Collective Representation:** Employees have collective power to raise issues with management
- **Positive Engagement:** Recent example of successful employee collective bargaining for Diwali bonuses demonstrates effective implementation
- **Open Communication:** Free discussion of work-related issues encouraged

## Contractor and Supplier Human Rights Policy

### Current Practices

- Equal Treatment: Contractors receive equal compensation and welfare benefits as permanent employees
- Facility Access: Full access to canteen, medical facilities, and restrooms without restrictions
- Safety Standards: Same occupational health and safety standards applied to all contractors
- Vendor Onboarding: Comprehensive verification of business licenses and compliance records

### Areas for Development

- Need for regular contractor audits and human rights due diligence processes
- Requirement for contractors to develop written human rights policies

## Community Relations and Environmental Stewardship Policy

### Current Practices

- Environmental Compliance: Full adherence to environmental laws with ISO 14001 certification
- Community Engagement: Annual community surveys and stakeholder engagement
- Transparency: Detailed environmental performance dashboard on company website
- Emergency Communication: Community-inclusive emergency response systems
- CSR Investment: INR 30+ million (€0.38 million) invested in community development in 2021

### Impact Areas

- Education initiatives
- Healthcare support during COVID-19 pandemic
- Environmental conservation programs

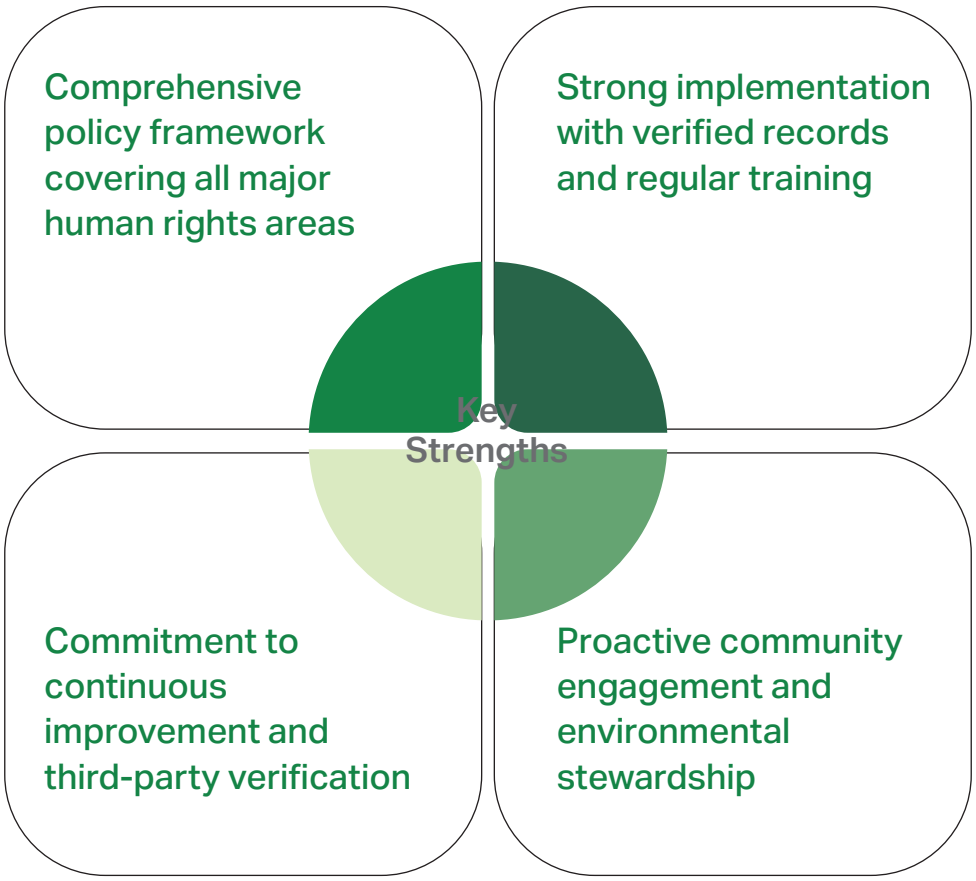
## Customer and Consumer Rights Policy

### Current Practices

- **Product Transparency:** Certificate of Analysis provided to all B2B customers
- **Consumer Protection:** Full compliance with consumer protection laws
- **Anti-Fraud Measures:** No false advertisement or misleading propaganda
- **Safety Measures:** Comprehensive safety protocols including CCTV, lighting, security, and emergency systems
- **Equal Treatment:** Non-discriminatory service to all customers regardless of nationality, language, gender, disability, or religion

## Conclusion

Harman Finochem Limited demonstrates strong commitment to labor and human rights with comprehensive policies and effective implementation across all major areas. The company exceeds legal requirements in several areas, particularly in child labor prevention and occupational safety.




This assessment was based on document verification, stakeholder interviews, physical site inspection, and record examination conducted by qualified human rights experts and legal professionals.

# Harman Finochem Supplier Audit based on Human Rights

Harman Finochem Limited conducts comprehensive third-party audits of its suppliers and contractors to ensure adherence to labor and human rights standards throughout its supply chain. This framework outlines the systematic approach used to evaluate supplier practices and identify areas for improvement.

During 2024,
**100%**
of suppliers were assessed on ESG parameters

## Supplier's Screening Criteria

| Supplier | Compensation | Worker Freedom | Safety | Women's Rights | Policies | Overall Rating |
|---|---|---|---|---|---|---|
| Supplier 1 | ☑ Strong | ☑ Compliant | ☑ Strong | ☑ Exemplary | ☑ Comprehensive | **Excellent** |
| Supplier 2 | ☑ Adequate | ☑ Compliant | ☑ Moderate | ☒ Insufficient | ☒ Basic | **Needs Improvement** |
| Supplier 3 | ☑ Adequate | ☑ Compliant | ☒ Insufficient | ☒ Insufficient | ☒ Insufficient | **Requires Intervention** |
| Supplier 4 | ☑ Adequate | ☑ Compliant | ☒ Insufficient | ☒ Insufficient | ☒ Insufficient | **Requires Intervention** |

## Supplier Performance Matrix

Harman Finochem's supplier audit approach demonstrates a comprehensive commitment to human rights throughout its supply chain. The five-area assessment framework provides systematic evaluation of critical human rights aspects, with clear differentiation between supplier performance levels and targeted improvement recommendations.

**Key Strengths of the Audit Approach:**

**Comprehensive Coverage**
All critical human rights areas addressed

**Third-party Independence**
Objective assessment by qualified experts

**Actionable Recommendations**
Specific, implementable improvement plans

**Risk-based Prioritization**
Focus on high-risk suppliers and area

| Description | Unit | FY-25 |
|---|---|---|
| Percentage of targeted suppliers that have signed the sustainable procurement charter or supplier code of conduct | % | 100 |
| Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements | % | 100 |
| Percentage of targeted suppliers that have gone through a sustainability assessment | % | 100 |
| Percentage of targeted suppliers that have gone through a sustainability on-site audit | Nos. | 5 |
| Percentage of buyers across all locations who have received training on sustainable procurement | % | 100 |
| Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building | % | 100 |

# Product Quality and Responsibility


During the reporting period, Harman conducted a Product Carbon Footprint (PCF) analysis for two key products. This assessment quantifies the cradle-to-gate greenhouse gas (GHG) emissions associated with the production of 1 kilogram (kg) of each product, covering all emissions up to the customer delivery gate.

The PCF study was conducted in accordance with the ISO 14067 standard and utilizes DEFRA 2024 emission factors.

- The total GHG emissions for 1 kg of Nicotine Polacrilex are estimated at 0.05 metric tons (MT) $CO_2e$, with the manufacturing stage contributing the most to the overall emissions.
- The total GHG emissions for 1 kg of Nicotine are estimated at 0.11 MT $CO_2e$, with the manufacturing stage again representing the highest emission share.

This analysis helps identify emission hotspots and guides future emissions reduction strategies aligned with Harman's sustainability goals.

Product Carbon Footprint Assessment in accordance with the **ISO 14067**

# Code of Conduct and Ethics


Our Code of Conduct and Ethics serves as the foundational framework that guides Harman's commitment to ethical excellence and responsible business operations, establishing clear standards that apply to every team member regardless of their role, as well as our valued external partners and stakeholders.

This comprehensive policy provides practical guidance for navigating complex business decisions while ensuring we consistently uphold the highest ethical standards. Through adherence to these principles, we strengthen Harman's reputation, foster stakeholder confidence, and maintain the integrity that defines our organization across all aspects of our operations.

Our commitment to these ethical standards reinforces the trust that clients, partners, and communities place in Harman, supporting our mission to conduct business with unwavering integrity and transparency.

## Business Ethics and Practices

- **Honest and Ethical Conduct:** Team members must deal honestly, ethically, and fairly with suppliers, customers, competitors, and employees
- **Fair Competition:** Seek competitive advantages through superior performance, never through unethical or illegal business practices
- **Truthful Communication:** Statements regarding company products and services must not be untrue, misleading, deceptive, or fraudulent
- **No Unfair Practices:** Prohibition against taking unfair advantage through manipulation, concealment, abuse of privileged information, or misrepresentation
- **Trade Secret Protection:** Stealing proprietary information or possessing trade secrets obtained without owner's consent is prohibited
- **Quality and Safety Standards:** Compliance with quality processes and safety requirements to maintain company reputation
- **Ethical Obligations:** Products and services must reflect the company's ethical obligations

## Work Environment

- **Conflict of Interest Management:** Ethical handling of conflicts of interest between personal and professional relationships
- **Professional Conduct:** Team members must conduct themselves accordingly and avoid improper behavior
- **Internal Reporting:** Prompt internal reporting of Code violations to appropriate persons
- **Consultation Process:** Clear guidance on contacting Chairman, Managing Director, or Compliance Officers for Code-related questions

## Legal and Compliance

- **Corporate Governance Compliance:** Ensures compliance with legal requirements under Corporate Governance regulations
- **Governmental Law Compliance:** Adherence to governmental laws, rules, and regulations
- **Asset Protection:** Protection and proper use of corporate assets and confidential information
- **Regulatory Compliance:** All operations must be conducted in accordance with applicable regulations
- **Legal Standards:** Sets forth legal and ethical standards of conduct for all team members
- **Compliance Officers:** Appointed under Corporate Governance Regulations to oversee compliance matters

## Sustainability Policies at Harman Finochem Ltd.

- Human Rights
- Corporate Sustainability
- Code of Conduct
- Environment, Health & Safety
- Animal Welfare
- Supplier Code of Conduct
- Diversity and Inclusion
- Anti-human Trafficking
- Employee Human Rights Policy
- Employee Code of Conduct
- Anti Human Trafficking Policy
- Diversity and Inclusion Policy
- Animal Welfare policy

| | Units | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|
| Percentage of all sites assessed or audited internally on a specific business ethics issue | % | 100 | 100 | 100 |
| Percentage of all sites with an ethics certification, such as ISO 27001 or iSO 37001 | % | 100 | 100 | 100 |

# Information Security Measures

Harman maintains a comprehensive Information Security Policy designed to protect and manage the Company's critical information assets while establishing clear roles and responsibilities for information protection and cyber incident management. This policy is structured to safeguard information security through prevention of unauthorized access, implementation of robust security controls, and ensuring strict compliance with applicable regulations.

As part of our integrated service delivery model, Harman Finochem Limited manages this policy through its dedicated information security infrastructure. Our information security framework is built upon industry best practices and is designed to address the unique challenges of the specialty chemicals sector while maintaining the highest standards of data protection and privacy.

**Zero** Information Security Breaches

With adherence to ISO 27001 standards, Harman ensures superior data security and privacy protection, building confidence in our security measures among customers, suppliers, and business partners. Our commitment to information security excellence reflects our dedication to maintaining trust and reliability in all our business operations.

Since strengthening our information security capabilities, Harman has evolved from basic IT security measures to a comprehensive security framework that encompasses specialized functions including supply chain security, regulatory compliance data protection, intellectual property safeguarding, and quality assurance data management. This evolution demonstrates our commitment to innovation and excellence in information security practices within the chemical industry.

### Compliance and Enforcement

Non-compliance with security policies, procedures, and standards may result in progressive disciplinary actions including counseling, formal warnings, or disciplinary proceedings that may extend to termination of employment. Serious violations may also lead to initiation of legal proceedings as deemed appropriate.

### Incident Reporting and Response

In the event of a cybersecurity incident, employees can report concerns via email or in person to the designated Information Security Office. Our incident response protocol ensures prompt investigation and remediation of security breaches while maintaining business continuity.

### Training and Awareness

As mandated by our Information Security Policy, regular employee training sessions are conducted on IT and cybersecurity topics, supplemented by ongoing internal communications to enhance awareness of safe practices related to data security, phishing email recognition, and social engineering threat mitigation. This continuous education approach ensures all team members remain vigilant and informed about evolving cyber threats.

# Digitalisation at Harman


In the pursuit of sustainable business practices, digital transformation has emerged as a critical enabler. Three innovative platforms—ESGDrishtii, Carbon Lens, and Resilisense—implemented at Harman Finochem represent the convergence of technology and sustainability, empowering Harman Finochem to move from compliance to meaningful impact.

ESGDrishtii provides a unified platform for comprehensive ESG management, seamlessly aligning with global frameworks including BRSR (Business Responsibility and Sustainability Reporting) and GRI (Global Reporting Initiative) standards. The platform transforms sustainability reporting from a compliance burden into a strategic advantage.

By streamlining ESG management, Harman Finochem has reduced reporting time by 60-70%, improve data quality, and enhanced stakeholders confidence. The platform enables continuous monitoring of sustainability performance, facilitating proactive decision-making and fostering a culture of accountability.

CARBON LENS

Resilisense embeds ISO 26000 principles—covering organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues, and community involvement—into supplier management.
The platform enables systematic due diligence, assessment, and continuous improvement across the supply ecosystem.

Organizations achieve responsible sourcing by systematically evaluating and improving supplier ESG performance. The platform reduces supply chain sustainability risks, enhances transparency, and drives collective impact. Companies report 40-50% improvement in supplier ESG compliance within 18 months of implementation.

resilisense

These sustainability measures have been taken at Harman Finochem to improve the efficiency in operations through complying with national and international standards.
Carbon Lens automates the entire carbon accounting lifecycle, from data capture to emissions calculation and reporting.
The platform applies internationally recognized DEFRA emission factors, ensuring accuracy and compliance with carbon accounting standards.

Harman Finochem gained transparent visibility into their carbon footprint, enabling data-driven decarbonization strategies.
The platform supports science-based target setting and progress monitoring, accelerating the transition to net-zero operations.
Companies typically identify 15-25% reduction opportunities within the first assessment cycle.

## ESG Dashboard

Environment

| S. No. | Description | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|---|
| 1 | Total energy consumption | KWH | 173,106,807 | 255,990,840 | 26,44,88,034 |
| 2 | Total renewable energy consumption | KWH | 0 | 0 | 0 |
| 3 | Percentage of total energy consumption from renewable sources | % | 0 | 0 | 0 |
| 4 | Total water consumption | KL | 2,35,896 | 2,26,929 | 2,29,154 |
| 5 | Total amount of water recycled and reused | KL | 71,351 | 1,30,587 | 1,34,205 |
| 6 | Total weight of air pollutants | Kg | 193 | 180 | 198 |
| 7 | Total weight of hazardous waste | tCO2e | 10,357 | 13,069 | 2,980 |
| 8 | Total weight of non-hazardous waste | tCO2e | 1,988 | 1,165 | 1,196 |
| 9 | Total weight of waste recovered | MT | 8,488 | 10,425 | 1,729 |
| 10 | Percentage of total waste from company operations diverted from landfills | % | 8 | 6 | 11 |
| 11 | Total gross Scope 1 GHG emissions | tCO2e | 55,274 | 75,664 | 74,702 |
| 12 | Total gross Scope 2 GHG emissions (market or location based) | tCO2e | 46,430 | 32,066 | 32,789 |
| 13 | Total gross Scope 3 GHG emissions | tCO2e | - | - | 55097.51 |
| 14 | Total gross Scope 3 Downstream GHG emissions | tCO2e | - | - | 10,425 |
| 15 | Total gross Scope 3 Upstream GHG emission | tCO2e | - | - | 44,194 |
| 16 | Percentage of employees trained on specific environmental issues | % | 100 | 100 | 100 |

## Social

| S. No. | Description | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|---|
| 17 | Number of hours worked | Hr | 3093352 | 3179955 | 3282048 |
| 18 | Number of days lost to work-related injuries, fatalities and ill healt | No | 0 | 0 | 0 |
| 19 | Number of work-related accidents | No | 0 | 0 | 0 |
| 20 | Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees | % | 95.1 | 85.2 | 81.56 |
| 21 | Average hours of training per employee | Hr | 16 | 18 | 20 |
| 22 | Percentage of women employed in the whole organization | % | 5.78% | 5.14% | 5.52% |
| 23 | Percentage of women at top management level | % | 0.29% | 0.26% | 0.23% |
| 24 | Percentage of women within the organization's board | % | 25% | 50% | 50% |
| 25 | Average unadjusted gender pay gap | % | 15 | 18 | 17 |
| 26 | Percentage of employees from a minority or vulnerable group in the whole organization | % | 0 | 0 | 0 |
| 27 | Percentage of employees from a minority or vulnerable group at top management level | % | 0 | 0 | 0 |
| 28 | Percentage of operational sites for which an employee health and safety risk assessment has been conducted | % | 100 | 100 | 100 |

| S. No. | Description | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|---|
| 29 | Percentage of employees covered by formally-elected employee representatives or collective agreements | % | 100 | 100 | 100 |
| 30 | Percentage of employees who received regular performance and career development reviews | % | 100 | 100 | 100 |
| 31 | Percentage of employees who received skills-related training | % | 100 | 100 | 100 |
| 32 | Percentage of employees trained on diversity, equity, and inclusion | % | 100 | 100 | 100 |
| 33 | Percentage of direct employees covered by a living wage benchmarking analysis | % | - | 100 | 100 |
| 34 | Percentage of direct employees paid below living wage | % | - | 0 | 0 |
| 35 | Percentage of all employees paid below living wage, including direct employees and non-employee workers | % | - | 0 | 0 |
| 36 | Percentage of average wage gap for direct employees paid below living wage against a living wage benchmark | % | - | 0 | 0 |
| 37 | No of employees' wage levels against a living wage benchmark (benchmark from a methodology recognized by IDH Living Wage Benchmark Methodologies Recognition Process) | % | - | 100 | 100 |

## Ethics

| S. No. | Description | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|---|
| 38 | Number of reports related to whistleblower procedure | No | 0 | 0 | 0 |
| 39 | Number of confirmed corruption incidents | No | 0 | 0 | 0 |
| 40 | Number of confirmed information security incidents | No | 0 | 0 | 0 |
| 41 | Percentage of employees trained on bsiness ethics | % | 100 | 100 | 100 |
| 42 | Percentage of risky trading partners covered by a due diligence process on corruption or information security | % | 0 | 0 | 100 |

## SCM

| S. No. | Description | UOM | FY-23 | FY-24 | FY-25 |
|---|---|---|---|---|---|
| 43 | Percentage of targeted suppliers that have signed the sustainable procurement charter or supplier code of conduct | % | 0 | 50 | 100 |
| 44 | Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements | % | 0 | 100 | 100 |
| 45 | Percentage of targeted suppliers that have gone through a sustainability assessment | % | 0 | 100 | 100 |
| 46 | No of targeted suppliers that have gone through a sustainability on-site audit | No | 0 | 10 | 5 |
| 47 | Percentage of buyers across all locations who have received training on sustainable procurement | % | 100 | 100 | 100 |
| 48 | Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building | % | 0 | 100 | 100 |

# Independent Assurance Statement:

## Introduction:

CETIZION Verifica Private Ltd, (CV, We) has been entrusted by the management of Harman Finochem Limited (Harman, the Company), to conduct independent assurance of Sustainability Report (the Report). All contractual contents for this assurance engagement rest entirely within the responsibility of Harman. Our task was to give a fair and adequate judgment on the Harman Sustainability Report.

The intended users of this assurance statement are stakeholders having relevance to the Harman overall sustainability performance and impacts of its business activities during year April 2024 ~ March 2025. CETIZION Verifica is a global service provider of ESG and Corporate Sustainability Services, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Climate Change, GHG, Human and Labour Rights, Supply Chain Due-diligence and Stakeholder Consultation. We have maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

## Assurance Standard:

The Independent Assurance was carried out in accordance with Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000") and with the International Standard on Assurance Engagements 3410 "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"). To achieve limited assurance, ISAE 3000 and ISAE 3410 requires that we review the processes, systems and competencies used to compile the Subject Matter, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls.

## Scope & Level of Assurance:

Our assurance engagement covers the following:

- Harman Finochem corporate sustainability performance and according to disclosure on management approach (DMAs) covering Environment, Social and Governance (ESG) disclosures
- Evaluation of disclosed information in the report as per the Assurance Standards
- Limited Assurance, ISAE 3000

**Limitation:** The assurance engagement was carried out at Harman Finochem Head Office and Manufacturing locations and discussion with concerned employees. We have not observed any significant situations to limit our assurance activity. The verification is carried out based on the data and information provided by Harman Finochem, assuming they are complete and true. We did not verify the reported financial data as same is verified by another third party.

## Assurance Methodology:

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

Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents considering contractual agreement and the factual Harman Finochem sustainability strategy & framework as mentioned in the report. Our work included consultation with over 15 Harman representatives including sustainability team, senior management and relevant employees. The

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consultations with external stakeholders were not carried out. The approach deemed to be appropriate for the purpose of assurance of the report since all data therein could be verified through original proofs, verified database entries. The Assurance was performed by our multidisciplinary team of experienced professionals in the field of Corporate Sustainability, Environment, Climate Change, GHG, Human & Labor Rights, Supply Chain Due-diligence and Stakeholder consultation.

We are of the opinion that our work offers a sufficient and substantiated basis to enable us to conclude mentioned below and based on the content of our contract.

## Conclusion:

Based on our limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the selected KPIs for the period 1st April 2024 to 31st March 2025 have not been prepared, in all material respects, in accordance with the "Basis for Reporting" as appropriate.

The Report includes statements and claims that reflects Harman Finochem achievements and challenges supported by documentary evidences and internal records

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

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

**For** CETIZION Verifica Private Limited

Ganga Charan Sharma
Digitally signed by Ganga Charan Sharma
Adobe Acrobat Reader version: 2025.001.20997

Gangaa C SHARMA
Lead Verifier

Date: December 17, 2025

In case of any clarification, please contact.
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# GRI INDEX

| | |
|---|---|
| Statement of use | Harman Finochem Pvt Ltd has reported the information cited in this GRI content index for the period 1st January 2024 to 31st December 2024 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **GRI 2: General Disclosures 2021** | 2-1 Organizational details | 12-13 |
| | 2-2 Entities included in the organization's sustainability reporting | 11 |
| | 2-3 Reporting period, frequency and contact point | 79 |
| | 2-4 Restatements of information | - |
| | 2-5 External assurance | 88-89 |
| | 2-6 Activities, value chain and other business relationships | - |
| | 2-7 Employees | 8 |
| | 2-8 Workers who are not employees | 49 |
| | 2-9 Governance structure and composition | 62 |
| | 2-10 Nomination and selection of the highest governance body | 62 |
| | 2-11Chair of the highest governance body | 62 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 62 |
| | 2-13 Delegation of responsibility for managing impacts | 62 |
| | 2-14 Role of the highest governance body in sustainability reporting | 62 |
| | 2-15 Conflicts of interest | 78 |
| | 2-16 Communication of critical concerns | 11 |
| | 2-17 Collective knowledge of the highest governance body | - |
| | 2-18 Evaluation of the performance of the highest governance body | - |
| | 2-19 Remuneration policies | - |
| | 2-20 Process todetermine remuneration | - |
| | 2-21 Annual total compensation ratio | 67 |
| | 2-22 Statement on sustainable development strategy | 5 |

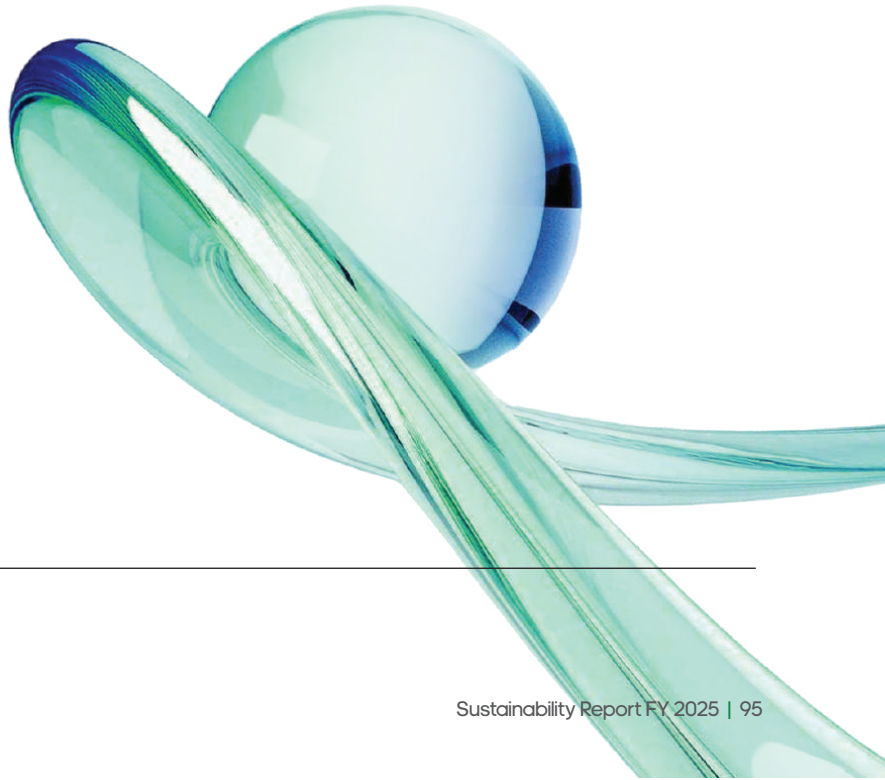
| GRI Standard | Disclosure | Location |
|---|---|---|
| | 2-23 Policy commitments | 79 |
| | 2-24 Embedding policy Commitment | - |
| | 2-25 Processes to remediate negative impacts | - |
| | 2-26 Mechanisms for seeking advice and raising concerns | - |
| | 2-27 Compliance with laws and regulations | 79 |
| | 2-28 Membership associations | 45 |
| | 2-29 Approach to stakeholder engagement | 21-22 |
| | 2-30 Collective bargaining agreements | 70 |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | 22-24 |
| | 3-2 List of material topics | 23 |
| | 3-3 Management of material topics | 23 |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | 9 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | - |
| | 201-3 Defined benefit plan obligations and other retirement plan | 51 |
| | 201-4 Financial assistance received from government | 51 |
| **GRI 202: Market Presence 2016** | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | - |
| | 202-2 Proportion of senior management hired from the local community | - |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | - |
| | 203-2 Significant indirect economic impacts | - |
| **GRI 204: Procurement Practices 2016** | 204-1 Proportion of spending on local suppliers | - |
| **GRI 205: Anti-corruption 2016** | 205-1 Operations assessed for risks related to corruption | 53&63 |
| | 205-2 Communication and training about anti-corruption policies and procedure | 53&63 |
| | 205-3 Confirmed incidents of corruption and actions taken | 9 |
| **GRI 206: Anti-competitive Behavior 2016** | 206-1 Legal actions for anti- competitive behaviors, | - |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **GRI 207: Tax 2019** | 07-1 Approach to tax | - |
| | 207-2 Tax governance, control, and risk management | - |
| | 207-3 Stakeholder engagement and management of concerns related to tax | - |
| | 207-4 Country-by-country reporting | - |
| **GRI 301: Materials 2016** | 301-1 Materials used by weight or volume | 40 |
| | 301-2 Recycled input materials used | 40 |
| | 301-3 Reclaimed products and their packaging materials | 40 |
| **GRI 302: Energy 2016** | 302-1Energy consumption within the organization | 34-35 |
| | 302-2 Energy consumption outside of the organization | 34-35 |
| | 302-3 Energy intensity | 34-35 |
| | 302-4 Reduction of energy consumption | 34-35 |
| | 302-5 Reductions in energy requirements of products and services | 34-35 |
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | 36 |
| | 303-2 Management of water discharge-related impacts | 38 |
| | 303-3 Water withdrawal | 39 |
| | 303-4 Water discharge | 39 |
| | 303-5 Water consumption | 39 |
| **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 | 42-44 |
| | 304-2 Significant impacts of activities, products and services on biodiversity | 42-44 |
| | 304-3 Habitats protected or restored | 42-44 |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | 42-44 |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | 29-30 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 29-30 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 29-30 |
| | 305-4 GHG emissions intensity | 31 |
| | 305-5 Reduction of GHG emissions | 31 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | 32 |
| | 305-7 Nitrogen oxides (NOx), Sulphur oxides (SOx), and othersignificant air emissions | 33 |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **GRI 306: Waste 2020** | 306-1 Waste generation and significant waste-related impacts | 40-10 |
| | 306-2 Management of significant waste-related impacts | 40-41 |
| | 306-3 Waste generated | 40-41 |
| | 306-4 Waste diverted from disposal | 40-41 |
| | 306-5 Waste directed to disposal | 40-41 |
| **GRI 308: Supplier Environmental Assessment 2016** | 308-1 New suppliers that were screened using environmental criteria | 74 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 74 |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | 49 |
| | 401-2 Benefits provided to full- time employees that are not provided to temporary or part-time employees | 51 |
| | 401-3 Parental leave | 51 |
| **GRI 402: Labor/Management Relations 2016** | 402-1 Minimum notice periods regarding operational changes | - |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | 54-55 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 54-57 |
| | 403-3 Occupational health services | 54-57 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 54-57 |
| | 403-5 Worker training on occupational health and safety | 54-57 |
| | 403-6 Promotion of worker health | 54-57 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 54-57 |
| | 403-8 Workers covered by an occupational health and safety management system | 54-57 |
| | 403-9 Work-related injuries | 54-57 |
| | 403-10 Work-related ill health | 54-57 |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | 8 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 53 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 86 |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | 49 |
| | 405-2 Ratio of basic salary and remuneration of women to men | - |
| **GRI 406: Non-discrimination 2016** | 406-1 Incidents of discrimination and corrective actions taken | 9 |
| **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 | 70 |
| **GRI 408: Child Labor 2016** | 408-1 Operations and suppliers at significant risk for incidents of child labor | - |
| **GRI 409: Forced or Compulsory Labor 2016** | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 69 |
| **GRI 410: Security Practices 2016** | 410-1 Security personnel trained in human rights policies or procedures | 83-84<br>- |
| **GRI 411: Rights of Indigenous Peoples 2016** | 411-1 Incidents of violations involving rights of indigenous peoples | - |
| **GRI 413: Local Communities 2016** | 413-1 Operations with local community engagement, impact assessments, and development programs | 5 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | 5 |
| **GRI 414: Supplier Social Assessment 2016** | 414-1 New suppliers that were screened using social criteria | 74 |
| | 414-2 Negative social impacts in the supply chain and actions taken | 74 |

| GRI Standard | Disclosure | Location |
|---|---|---|
| **GRI 415: Public Policy 2016** | 415-1 Political contributions | - |
| **GRI 416: Customer Health and Safety 2016** | 416-1 Assessment of the health and safety impacts of product and service categories | - |
| | 416-2 Incidents of non- compliance concerning the health and safety impacts of products and services | - |
| **GRI 417: Marketing and Labelling 2016** | 417-1 Requirements for product and service information and labelling | - |
| | 417-2 Incidents of non- compliance concerning product and service information and labelling | - |
| | 417-3 Incidents of non- compliance concerning marketing communications | - |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | - |



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