



Environmental, Social and Governance



Environmental, Social and Governance (ESG) responsibility has become a key enabler of sustainable and responsible business growth across industries worldwide.

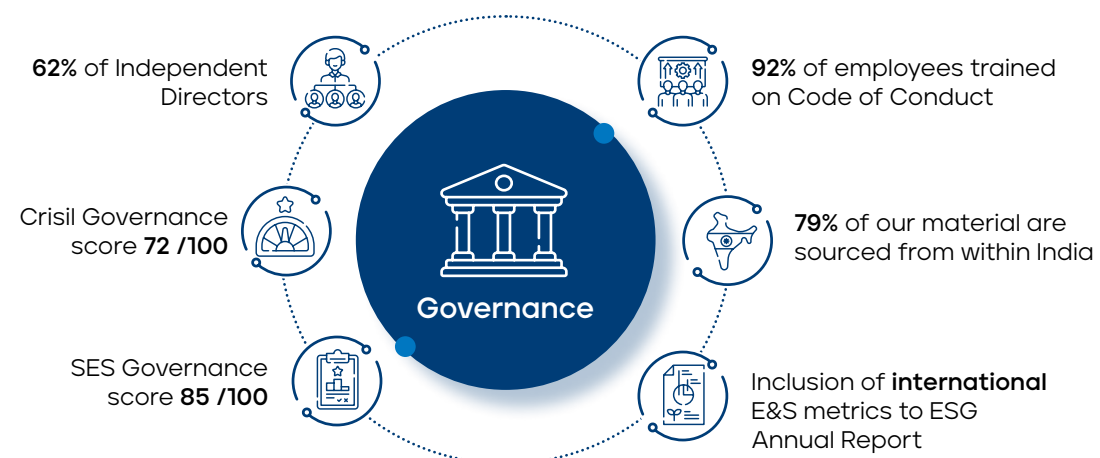
Integrating ESG principles into business operations not only supports environmental and social progress but also strengthens resilience, enhances stakeholder trust, and creates long-term value.

At GMM Pfaudler, our **ESG vision** is "To emerge as an industry leader promoting responsible manufacturing, employee safety, environmental and social welfare with effective corporate governance practices to nurture long-term business sustainability."

We believe that achieving meaningful ESG outcomes requires a focused and structured approach. Guided by the SMART framework - Specific, Measurable, Achievable, Relevant, and Time-bound, our ESG initiatives are designed to drive measurable progress while ensuring accountability and continuous improvement.

This report highlights our ESG journey, showcasing the initiatives, performance, and progress made towards advancing our sustainability commitments and building a more responsible future.

ESG Highlights - India



Note: Refer to Reporting Boundary on page no. 58

ESG Highlights - International



Note: Refer to Reporting Boundary on page no. 58

OUR PURPOSE

ESG is at the core of GMM Pfaudler's (The Company) long-term vision, guiding our efforts to create sustainable value for our employees, communities, stakeholders, and the environment.

OUR APPROACH

GMM Pfaudler continues to strengthen its commitment to sustainable and responsible business practices through the implementation of its ESG Policy and the integration of environmental, social, and governance principles across its

operations. Our ESG framework embeds environmental stewardship, social responsibility, and strong governance practices into business operations and strategic decision-making, enabling long-term value creation for stakeholders.

As sustainability expectations, regulatory requirements, and business priorities continue to evolve, we periodically review and enhance our ESG approach to ensure it remains relevant, effective, and aligned with global best practices. This enables us to strengthen our focus on material ESG priorities while driving

measurable progress across the organization.

Our ESG initiatives are guided by a robust governance framework that emphasizes accountability, ethical conduct, transparency, innovation, and continuous improvement across our operations and value chain. We remain committed to advancing responsible manufacturing practices, safeguarding employee health, safety, and well-being, promoting environmental sustainability, and strengthening governance standards across the organization.



Reporting Boundary

Our reporting boundary reflects our commitment to providing transparent and comprehensive sustainability disclosures. As in the previous financial years, GMM Pfaudler's ESG activities covered the Indian operations, including the manufacturing plants, as well as our sales and corporate offices. Our disclosures have been prepared in accordance with the Business Responsibility & Sustainability Reporting (BRSR), Global Reporting Initiative (GRI) standards and from the current reporting year, we have also aligned with the United Nations Global Compact (UNGC). Further strengthening our commitment to globally recognized sustainability and responsible business practices in FY26, we have expanded the reporting

boundary to include a total of 18 subsidiaries (legal entities) within the GMM International S.à.r.l. Group. Due to lower operational relevance, Gasteel Parts and Services Inc. (USA) and Pfaudler Private Limited (Singapore) have been excluded from the reporting scope. Accordingly, the reporting boundary include 21 international reporting units, encompassing both manufacturing and non-manufacturing operations.

The operations of two subsidiaries—GMM Inox S.p. Zoo (Poland) and SEMCO Tecnologia em Processos Ltda. (Brazil)—established in 2025, have not been included in the reporting scope. The international scope comprises of six units in America (Canada, the United States, Brazil and Mexico), twelve units in

Europe (the United Kingdom, the Netherlands, Luxembourg, France, Germany, and Italy), and three units in China. Data collection for these subsidiaries has been aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) and includes key environmental and social indicators such as energy and water consumption, resource inflows and outflows, and social KPIs. The information pertaining to international operations is highlighted in green for environment data and blue for social data in the report. This expanded reporting boundary enhances the completeness, consistency, and transparency of our sustainability disclosures across our global operations.

Creating a sustainable future for our Company and our stakeholders



RELIABLE & DYNAMIC

We continuously uphold our commitment to technological expertise, systems, and services by proactively addressing the changing needs and expectations of our customers



INNOVATIVE TECHNOLOGIES

We deliver advanced technologies, systems, and services that create meaningful value and effective solutions for our customers



LONGER LIFESPAN

Our equipment is engineered for a lifespan of 10-15 years, and through our refurbishment services, we extend product usability, reducing replacement needs and minimizing waste generation



INCLUSIVE CULTURE

Our employees are the driving force behind our continued success and progress. We foster a diverse and inclusive workplace that encourages collaboration, growth, and meaningful relationships



SUSTAINABLE & ENVIRONMENT FRIENDLY WORKING PRACTICES

Expanding our product portfolio while safeguarding stakeholder interests and reducing our environmental footprint

ESG POLICY

GMM Pfaudler's ESG Policy outlines the Company's commitment to integrating environmental, social and governance principles across its operations and business practices. The Policy focuses on promoting responsible manufacturing, environmental stewardship, employee well-being, ethical business conduct and strong corporate governance while supporting long-term sustainable growth. It defines key focus areas across the Environment, Social and Governance pillars, supported by measurable goals, stakeholder

engagement and continuous improvement initiatives.

The Policy also establishes a structured sustainability governance framework led by the Board of Directors and the ESG Steering Committee, while ensuring transparent disclosures aligned with recognized reporting frameworks such as GRI, BRSR, UNGC and UN SDGs. The Policy was originally adopted in June 2021 and was subsequently revised in November 2022 and August 2025 to strengthen its alignment with evolving ESG priorities, regulatory expectations and global best practices.

As part of our continuous improvement journey, we transitioned to ESG Strategy 2.0, a three-year strategy for FY26-FY28, revisiting and refining our ESG priorities to align with evolving stakeholder expectations and emerging sustainability requirements.

From this reporting year onwards, we have also adopted the United Nations Global Compact (UNGC) framework, further strengthening our commitment to globally recognized sustainability principles and responsible business practices.

For more details on our ESG Policy, please visit the following link:
<https://www.gmmpfaudler.com/file/EnvironmentSocialGovernancePolicy.pdf>

GMM Pfaudler supports the U.N. Sustainable Development Goals

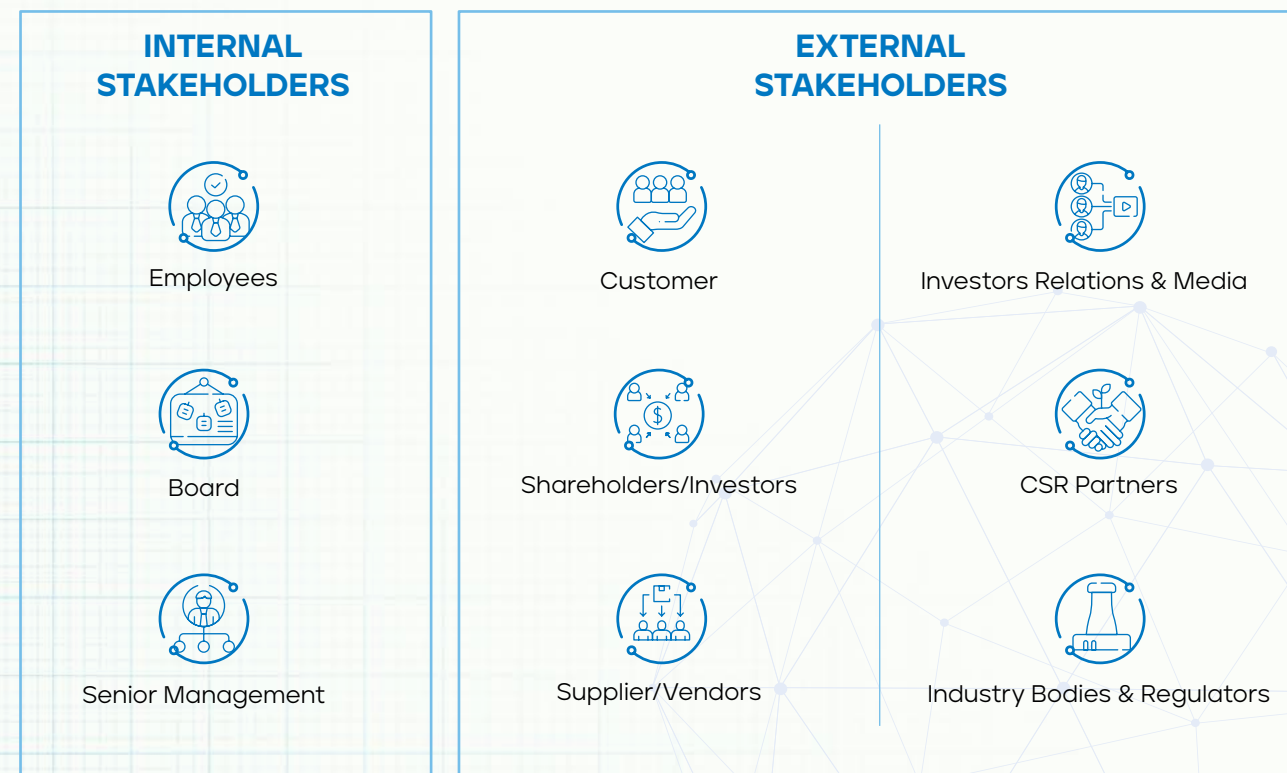


STAKEHOLDER APPROACH

At GMM Pfau

stakeholders through focused and meaningful interactions tailored to their expectations and areas of influence. Within the organization, we actively engage employees and leadership teams through initiatives focused on

learning and development, fair and equitable remuneration, performance feedback, employee well-being, and fostering an inclusive workplace culture.



We engage with our stakeholders through multiple channels, including meetings, surveys, digital platforms, social media, and formal reporting mechanisms.

These interactions are conducted regularly through continuous communication, periodic reviews, assessments, and engagement initiatives. This structured

approach enables transparent communication, strengthens stakeholder relationships, and supports alignment with our long-term sustainability goals.

Triple Bottom Line

In line with our commitment to sustainability, we follow the Triple Bottom Line (TBL) approach - People, Planet, and Profit to guide our stakeholder engagement and ESG initiatives. The People dimension reflects our focus on employee well-being, customer relationships, and community development. The Planet dimension emphasizes environmental stewardship through responsible operations

and collaboration with suppliers, CSR partners, and regulatory bodies. The Profit dimension focuses on sustainable growth, ethical governance, and long-term value creation for shareholders, investors, customers, suppliers, media and other stakeholders.

Through continuous stakeholder engagement, we gain valuable insights that help

strengthen our operations, enhance transparency, reduce environmental impact, and support long-term business resilience. This collaborative approach enables us to align our actions with stakeholder expectations and broader sustainability objectives.

Our Stakeholders mapped across the TBL:



Stakeholder Engagement

To ensure transparent and effective communication, we regularly engage with our stakeholders and share updates on key matters through the communication channels outlined below:

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 Employees & Senior Management	- Emphasizing growth and improvement through learning and development opportunities - Ensuring fair and competitive compensation based on industry standards - Providing objective and timely feedback for performance reviews - Supporting and encouraging career advancement - Fostering a welcoming and inclusive work environment - Cultivating a culture that promotes innovation	- Having a skilled workforce is essential for achieving business goals and ensuring long-term sustainability - Engaged employees enhance efficiency and strengthen competitive advantage	- Internal communication is facilitated through various channels, such as leadership messages, town halls, shop floor meetings, & newsletters - Internal network - Channels for addressing complaints	Continuous: Website, Employee portal, HR helpdesk, Rewards & Recognition programs & employee engagement survey, Webinars, and awareness sessions Quarterly: GMM Pfaudler's Newsletter Annual: Townhalls	- Health & Safety - Training & Development - Product Quality & Customer Satisfaction - Corporate Governance - Responsible Supply Chain - Climate Change, Emissions, and Waste
 Customers	- High-quality products - Offering seamless and hassle-free pre-sales and after-sales service - Opportunity to provide feedback about products and services - Excellent value for money	- Our recurring revenues are driven by satisfied customers - Word of mouth and recommendations from satisfied customers can help attract new customers	- Personalized interactions and meetings - Surveys to gauge customer satisfaction - Websites - Helpline numbers and a system to record grievances	Continuous: GMM Pfaudler's website, social media (LinkedIn, Twitter, YouTube) sponsored events, mailers, newsletters, brochures Half-yearly: Relationship meetings, customer satisfaction surveys & customer visits Annual: Events and Exhibitions	- Product Quality - Customer satisfaction - Material Sourcing
 Shareholders / Investors	- Updates on the latest Company developments - Information about long-term plans - Clarifications regarding any potentially concerning events	- Shareholders provide the Company with its capital - As part owners, it is only fair that they have a voice in the tactical and strategic plans of the Company	- Website - Media - Email - Quarterly conference call - Analyst & Investor meetings - General meetings - LinkedIn - Investor day	Continuous: Investors page on the GMM Pfaudler's website, social media (LinkedIn, Twitter, YouTube) Quarterly: Financial statements, earnings call, press conferences, investor calls Annual: Annual General Meeting, Annual Report	- Corporate governance, Ethics & Integrity - Climate change, Emissions - Water usage & waste disposal - CSR

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 Suppliers / Vendors	- Revenue generation - Driving business growth - Fostering innovation - Cultivating brand loyalty - Essential for meeting the demand for a sustainable supply of equipment and materials	- An effective tool for improving operational and cost efficiencies - Ensuring high-quality deliverables - Completing both new and ongoing projects promptly and within budget - Embracing and advancing technology throughout the value chain - Incorporating ESG parameters into operations - Minimizing carbon emissions	- One-to-one discussions - Online surveys - Supplier meets - Review and audits - Contractual agreements - Capacity building and training	Quarterly: Meetings/calls, Half-yearly: Assessments, site visits and inspections	- Product Stewardship - Responsible Sourcing
 Investor Relations & Media	- Latest updates on Company developments - Providing transparent and timely information on events that may raise concerns	- Improving financial and brand reputation - Increasing visibility among potential customers and investors - Making a lasting impact	- One-to-one discussions - Online surveys - Quarterly Investor Meets - Media announcements - Interviews - Annual Events	Quarterly: Financial statement, earnings call, press conferences	- Ensuring high-quality products & happy customers - Prioritizing the well-being & safety of our employees - Implementing strong corporate governance practices
 CSR Partners	We prioritize partnerships that contribute to the sustainable development of the communities surrounding our operations, creating a positive ripple effect for the ecosystem	- Enhancing societal support for operations - Building a strong sense of community is essential for conducting business smoothly and without any interruptions - Develop an ecosystem that is more environmentally friendly and can be maintained for the long term	- CSR programs - Face-to-face meetings - Online surveys - Community meets - Review & Impact studies	Quarterly: Project Progress Annual: Review Need-based	- Community Development - Training & Education - Occupational Health & Safety
 Industry bodies, Regulators	- Sustainability - Make in India	Ensuring compliance, interpreting regulations and maintaining uninterrupted operations while obtaining/ granting permissions are key factors	- Discussions on applicable regulations - Making necessary changes and conducting routine inspections	Need-based	- Timely approvals - Adjusting to evolving regulations - Corporate Governance

MATERIALITY ASSESSMENT

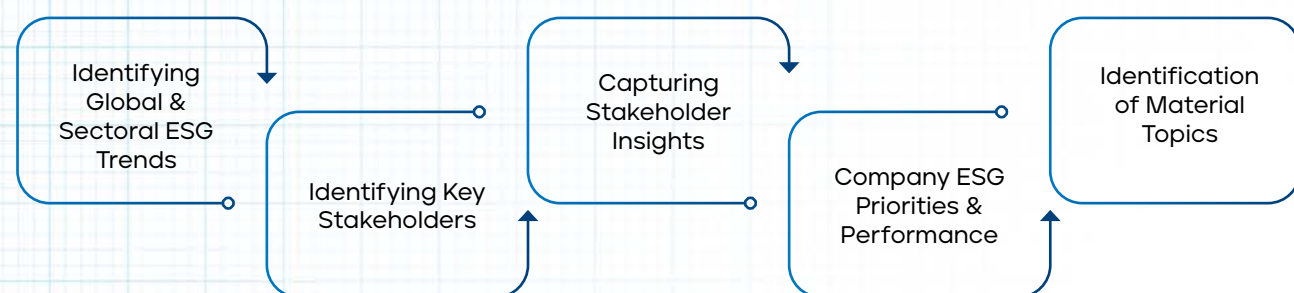
Identifying and prioritizing material ESG topics is the core aspect of our sustainability journey and helps us align business activities with stakeholder expectations, emerging industry trends and long-term Company objectives.

For the materiality assessment process, we adopted an

“External Focus to Internal Focus” approach to identify ESG topics most relevant to the organization and its stakeholders. The assessment incorporated an analysis of global and sectoral ESG trends, Company priorities, performance across key environmental and social parameters, along with

interviews conducted with key stakeholders. Insights gathered through this process contributed to the identification of Material Topics, which were subsequently prioritized and finalized through leadership deliberations and strategic insights.

MATERIALITY ASSESSMENT PROCESS



The following topics were identified through the materiality assessment process as potentially significant ESG

considerations for the Company. These themes represent the broader universe of material topics evaluated and do not

constitute the final set of material topics for the current reporting period.

Universe of material topics

Environment	Social	Governance
Climate Change & Sustainability Regulation	Diversity Equity & Inclusivity (DE&I)	Supply Chain Management
Decarbonization	Employee Well-being	Responsible Use of AI & Data Governance
Biodiversity Protection	Occupational Health & Safety (OHS)	Sustainability & Geopolitics
Energy & Emissions	Human Rights	Business Ethics & Corporate Governance
Waste Management	CSR	Information Technology
Water Management	Employee Development & Retention	Sustainability Reporting
Sustainable Product		

Key Considerations for Selection of Material ESG Topics

Our selection of key ESG material topics consists of six essential phases, beginning with our core business priority



Alignment with long-term business strategy, organizational priorities and sustainability objectives



Relevance of ESG topics to key stakeholder expectations and interview insights



Impact of Material topics on environmental, social and operational performance indicators



Significance of emerging global and sectoral ESG trends, market expectations and regulatory developments



Potential of ESG topics to strengthen long-term business resilience, risk management and corporate reputation



Contribution of material topics towards broader societal welfare, environmental stewardship and sustainable value creation

The final selection was aligned with business priorities, long-term sustainability objectives and the broader welfare of society and the environment. This leadership review helped identify the ESG priorities most relevant to both the organization and its stakeholders.

Based on this review, the following material topics were identified as relevant and applicable for the current reporting period:



ENVIRONMENTAL STEWARDSHIP

- Energy & Emissions
- Water Management
- Waste Management



SOCIAL IMPACT & HUMAN CAPITAL

- DE&I
- Employee Well-being
- Employee Development & Retention
- Occupational Health & Safety
- Human Rights



CORPORATE GOVERNANCE & OVERSIGHT

- Supply Chain Management
- Business Ethics
- Sustainability Reporting

These material topics continue to guide our ESG strategy, target-setting, performance monitoring, and sustainability initiatives across the organization.

ESG STRATEGY 2.0

The Company developed an ESG roadmap in FY22 for FY23–FY25 to translate its sustainability priorities into actionable strategies that drove business performance, strengthened resilience, and supported talent development, employee well-being, and environmental stewardship.

Building on the same, in FY26 we launched our ESG Strategy 2.0 for FY26–FY28, representing the next phase of our sustainability journey. The refreshed strategy adopts a more focused and

forward-looking approach to ESG integration, aligned with evolving stakeholder expectations, emerging sustainability trends, and changing regulatory requirements.

The selected material topics across the three key ESG pillars – Environmental Stewardship, Social Impact & Human Capital, and Corporate Governance & Oversight, form the foundation of our ESG Strategy 2.0 and long-term value creation approach.

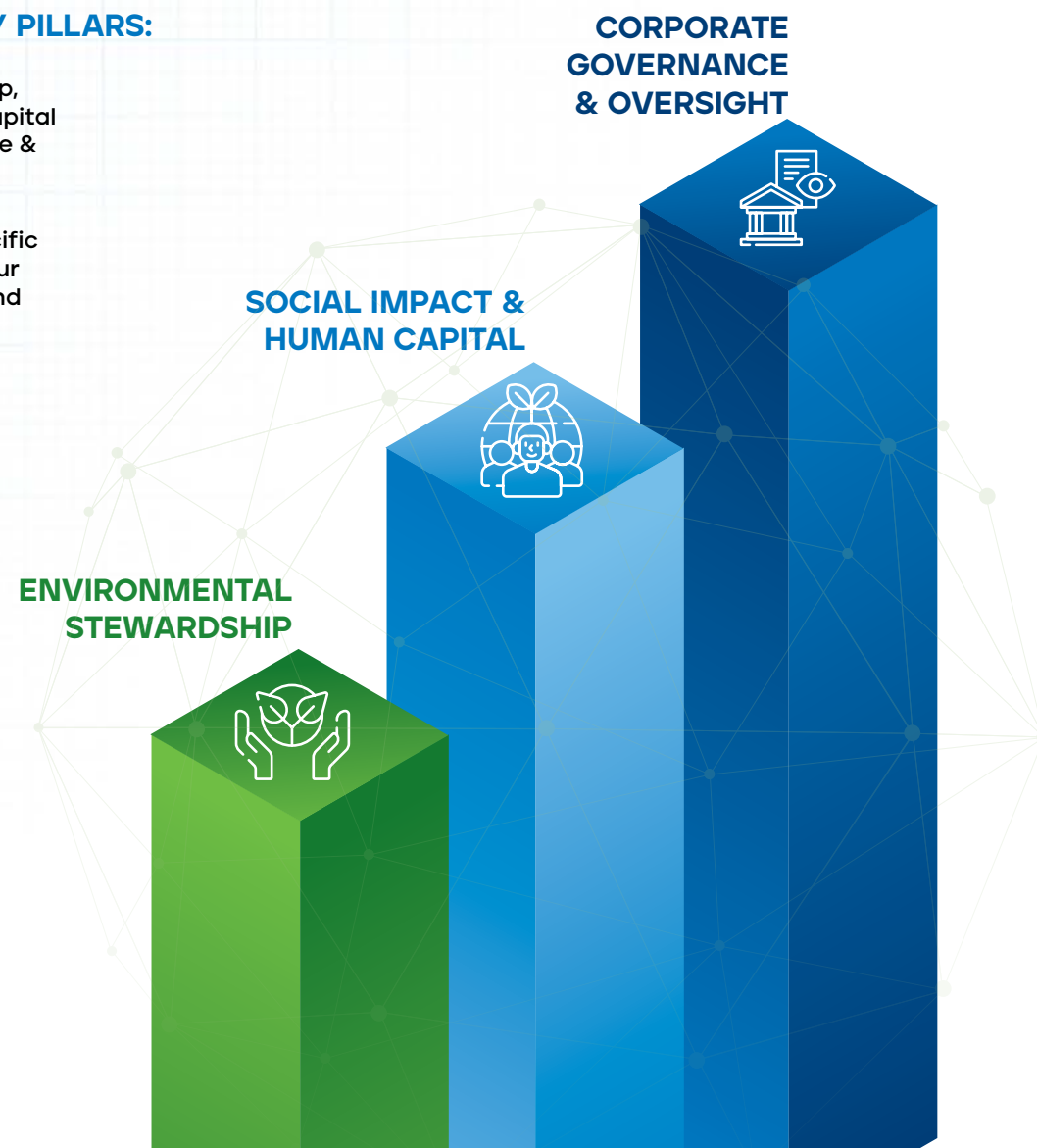
Under ESG Strategy 2.0, we reassessed and strengthened

our material priorities, defined clearer long-term ambitions and measurable year-on-year targets, and developed focused action plans across key ESG areas. The strategy further reinforces accountability, data-driven decision-making, cross-functional collaboration, and the integration of sustainability into core business operations to deliver meaningful and measurable outcomes over the next three years.

OUR ESG STRATEGY 2.0 IS CENTERED AROUND THREE KEY PILLARS:

Environmental Stewardship, Social Impact & Human Capital and Corporate Governance & Oversight.

In addition, the strategy encompassed eleven specific focus areas that guided our sustainability initiatives and long-term value creation approach.



ESG STRATEGIC PILLAR 1: ENVIRONMENTAL STEWARDSHIP

Our Environmental Stewardship pillar is centred on environmental protection, responsible water management, and waste management, with a strong focus on reducing the environmental footprint and carbon emissions associated with our operations.

Through responsible resource management and sustainable

operational practices, we aim to improve resource efficiency, optimize water consumption, minimize waste generation, and strengthen the organization's resilience to climate-related challenges.

During the reporting period, we continued to focus on key environmental material

topics identified under our ESG Strategy 2.0 framework. To drive measurable progress and strengthen environmental performance, specific targets and action plans were established across these priority areas. The key environmental focus areas and corresponding targets are summarized below:

Material Topics	3 Year Target (FY 2028)
Energy & Emissions	35% reduction in scope 1+2 emissions intensity* - Disclose Scope 3 emissions
Water Management	- Zero liquid discharge 30% increase in water recycling* 10% reduction in water intensity*
Waste Management	Attain Zero Waste to Landfill Certificate for one manufacturing plant

*FY25 has been considered as the baseline year for measuring performance

GMM Pfaudler continued to make measurable progress across key environmental focus areas under its ESG Strategy 2.0 framework. Emission intensity reduced by 11% during the year, supported by operationalization of the Solar Plant and commencement of the Power Purchase Agreement, contributing towards a 96% increase in renewable energy

consumption and avoidance of approximately 1,696 tCO₂e emissions. Scope 3 emissions assessment was also initiated covering waste generated in operations, employee commute and business travel. Under Water Management, water intensity reduced by approximately 2%, while installation of a Sewage Treatment Plant (STP) supported

water recycling efforts, with recycling reaching 7% during FY26. Under Waste Management, waste intensity reduced by 2%, while waste vendor screening activities continued as part of the Company's Zero Waste to Landfill initiative.



ESG STRATEGIC PILLAR 2: SOCIAL IMPACT & HUMAN CAPITAL

Our continued business success and the trust we have built with our stakeholders are driven by the skills, expertise, and commitment of our employees.

At GMM Pfaudler, we are committed to fostering a safe, inclusive, and supportive work environment that empowers our workforce and promotes equal opportunities for growth

and development. We continue to strengthen a workplace culture built on diversity, equity, and inclusion, while prioritizing employee well-being, professional development and retention, and occupational health & safety across all levels of the organization.

During the reporting period, we continued to focus on key social

material topics identified under our ESG Strategy 2.0 framework. To strengthen employee well-being, workplace culture and broader social performance, specific targets and action plans were established across these priority areas. The key social focus areas and corresponding targets are summarized below:

Focus Area	3 Year Target (FY 2028)
Human Rights	100% Training on Human Rights
DE&I	25% female representation in BOD* 10% female representation among officers & above*
Employee Well-being	100% coverage of Employees under well-being Programs
Employee Development & Retention	- Disclose Employee Development Program - Reduce Attrition rate by 5%*
OHS	- Zero reportable injury and accident - Sustain ISO 14001 & ISO 45001 certifications - Compliance with British Safety Council Standards

*FY25 has been considered as the baseline year for measuring performance

FY26 witnessed progress across key social material topics. Diversity, Equity & Inclusion (DEI), the Company maintained 25% female representation on the Board of Directors, while women representation in officer-level and above roles stood at 6%. As part of employee well-being initiatives, 12 sessions were conducted, reaching approximately 250 officer-level

and above employees. Employee Development & Retention initiatives contributed towards reduction in employee attrition from 28% in FY25 to 20% in FY26. The Talent League Leadership Journey concluded with elevation of six leaders into new roles, while over 7,417 training hours were completed during the year. Under OHS, the Company sustained its zero reportable

injury and accident record while maintaining ISO 14001 and ISO 45001 certifications across both plants. Under Human Rights, 92% of permanent employees completed Code of Conduct training covering Human Rights-related topics.

ESG STRATEGIC PILLAR 3: CORPORATE GOVERNANCE & OVERSIGHT

Our business objectives are closely aligned with our vision to become the industry-leading provider of high-quality engineered products and services to valued customers.

In pursuit of this aspiration, we remain committed to conducting our operations

with the highest standards of ethics and transparency, fostering stakeholder trust, enhancing brand reputation, and strengthening customer loyalty.

During the reporting period, we continued to focus on key governance material topics identified under our ESG Strategy

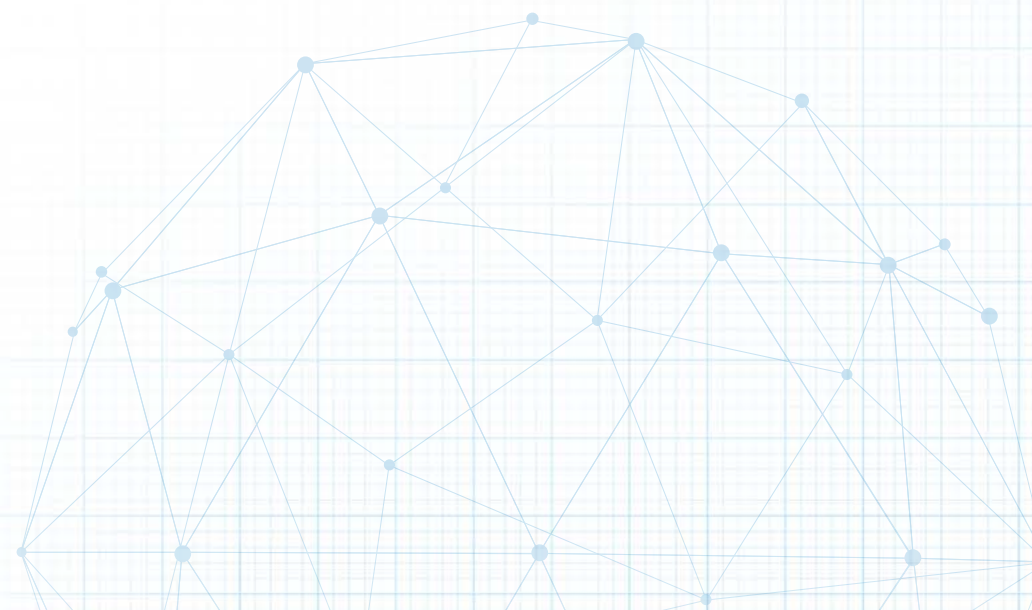
2.0 framework. To strengthen ethical business practices, accountability and responsible governance, specific targets and action plans were established across these priority areas. The key governance focus areas and corresponding targets are summarized below:

Focus Area	3 Year Target (FY 2028)
Supply Chain Management	100% coverage of BRSR Core Suppliers in sustainability initiatives 100% sustainability evaluation of all new material suppliers
Business Ethics	- Identify and disclose Code of Conduct breaches 100% Training on Code of Conduct
Sustainability Reporting	Strengthen Sustainability Reporting

Within this pillar we witnessed continued progress. Under Supply Chain Management, BRSR Core vendors were identified during the year, while a vendor sustainability evaluation framework continued to be developed to strengthen sustainable procurement and

supplier assessment practices. Under Business Ethics, 92% of permanent employees completed training on the Code of Conduct (CoC), while training initiatives for workers were undertaken and completed by May 2026. During the year, two CoC cases,

and four whistleblower cases were reported and effectively addressed through established governance mechanisms.



Environment



At GMM Pfaudler, environmental stewardship is embedded within our ESG framework and guides the way we manage our operations.

We are committed to minimizing our environmental footprint through efficient resource utilization, renewable energy integration, water conservation efforts, and robust waste reduction & recycling practices. Our manufacturing operations are designed to enhance operational efficiency while supporting sustainable environmental outcomes. To strengthen our environmental performance, we align our practices with internationally accepted environmental standards. We regularly conduct environmental reviews and assessments to identify risks, evaluate opportunities for improvement, and drive continuous progress toward our sustainability goals.

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ENERGY AND EMISSIONS

GMM Pfaudler continues to promote an energy-efficient culture through various focused initiatives aimed at improving operational efficiency, implementing energy conservation measures and increasing the adoption of renewable energy sources.

Indian Operations

Our energy consumption comprised a mix of fuels, including liquefied petroleum gas, high-speed diesel, petrol, and piped natural gas. Electricity requirements were met through

a combination of grid power, on-site solar energy generation, and renewable electricity sourced under a Wind-Solar Hybrid Group Power Purchase Agreement. This diversified energy mix supports

our transition towards cleaner energy sources while enhancing environmental performance and reducing the carbon footprint of our operations.

Energy Consumption

(Units-GJ)

Source	FY23	FY24	FY25	FY26
Total Grid Energy (as grid electricity)	90,934	68,807	58,542	52,161
Total Renewable Energy (as electricity)	6,472	4,337	4,392	8,602
Total Electricity (A)	97,406	73,144	62,934	60,763
Total Fuel Energy (B)	1,45,308	1,62,199	1,40,576	1,66,715
Total Energy (A+B)	2,42,714	2,35,343	2,03,510	2,27,478

In FY26, our energy management efforts continued to deliver positive results, supported by a strong focus on efficiency and renewable energy adoption. While targeted conservation measures and process enhancements helped optimize energy consumption across

operations, renewable electricity consumption increased by 96% from 4,392 GJ in FY25 to 8,602 GJ in FY26. This significant increase reflects our commitment to transitioning towards cleaner energy sources, reducing our carbon footprint, and strengthening the sustainability

of our operations. Through a combination of energy efficiency initiatives and increased renewable energy procurement, we continue to advance our decarbonization and climate goals.

GHG Emissions

(Unit- tCO₂e)

Scope	FY23	FY24	FY25	FY26
Scope 1 Emissions	8,518	9,929	8,589	10,049
Scope 2 Emissions	20,460	13,685	11,822	10,283
Scope 3 Emissions				1,073
Total	28,978	23,614	20,411	21,405

In FY26, our Scope 2 GHG emissions declined by 13% compared to FY25, while emission intensity decreased by 11%, reflecting continued improvements in energy efficiency across operations. Additionally, emissions avoided increased by 91% over the previous year, demonstrating the positive impact of our

sustainability initiatives and low-carbon interventions. These improvements were driven by focused energy conservation measures, process optimization efforts, and enhanced operational efficiencies, contributing to reduced environmental impact and stronger climate performance. In addition, FY26

marked a significant milestone in our climate journey with the commencement of Scope 3 emissions quantification, strengthening our understanding of value chain emissions and supporting the development of a more comprehensive decarbonization strategy.

SCOPE 3 CATEGORIES

In our climate management journey with the initiation of Scope 3 emissions quantification, we are covering key categories including waste generated in operations, employee commuting, and business travel. This assessment enhances our understanding of value chain emissions and lays the foundation for future emissions reduction strategies and comprehensive climate disclosures.



Category 5:
Waste Generated in operations

179
(Unit-tCO₂e)



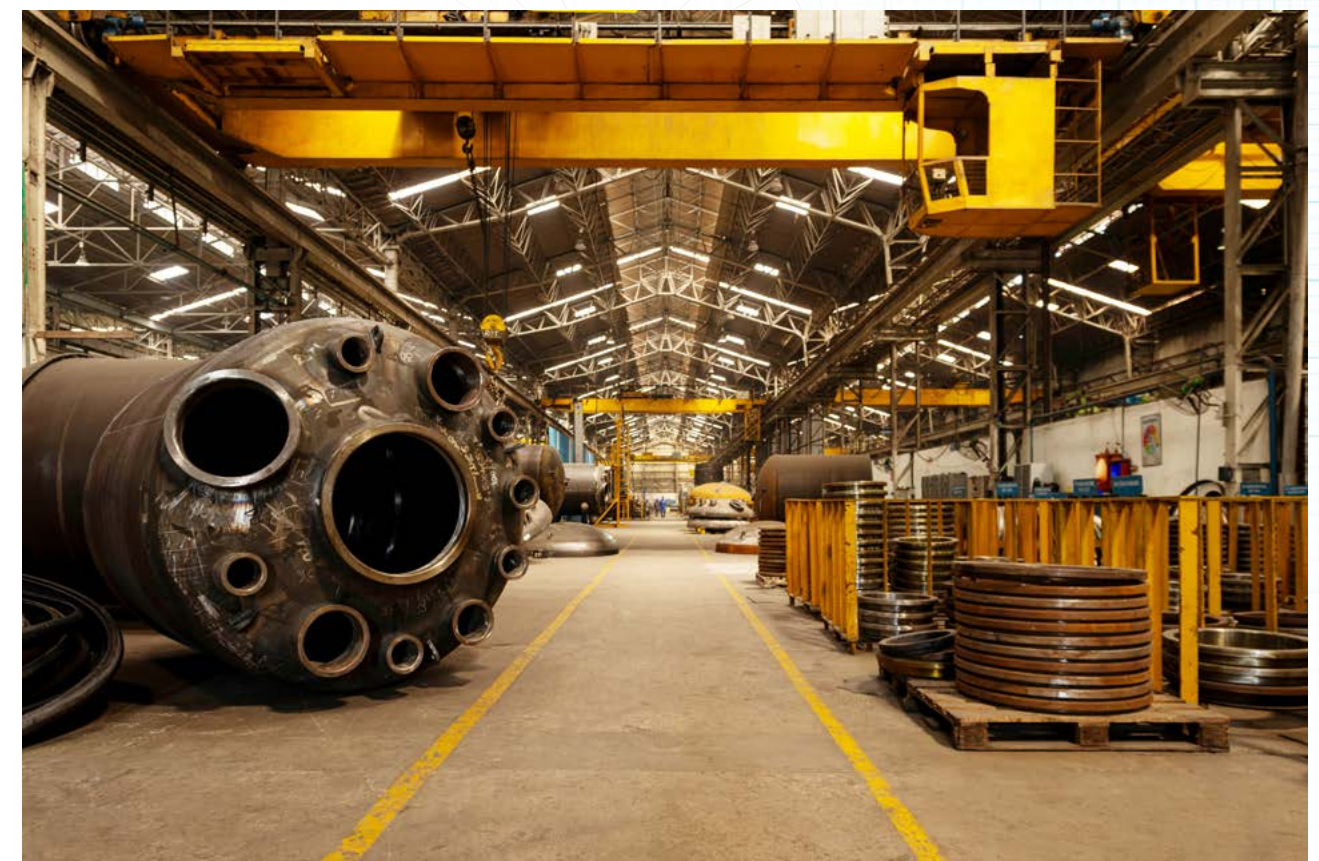
Category 6:
Business Travel

453
(Unit-tCO₂e)



Category 7:
Employee Commuting

441
(Unit-tCO₂e)



Reducing Impact

During the year, GMM Pfaudler continued to strengthen its sustainability efforts by enhancing energy efficiency

across operations through targeted process improvements, equipment upgrades, and optimized energy management

practices, while also advancing the adoption of renewable energy solutions across its facilities.



ENERGY EFFICIENCY

We continued to strengthen our energy management efforts through targeted initiatives aimed at reducing electricity and fuel consumption while improving operational efficiency. During FY26, our energy efficiency projects collectively delivered 5,14,473 kWh of energy savings, reduced natural gas consumption by 1,07,525 SCM, and contributed to the avoidance of approximately 582 tCO₂e emissions. Key initiatives included the deployment of inverter-based TIG/MIG and SAW welding machines, optimization

of the 500 CFM air compressor system, baking furnace rectification, optimization of the NG-to-Air ratio in combustion processes, and the implementation of a FITCH catalyst to improve fuel utilization.

Together, these projects enhanced resource efficiency, reduced energy intensity, lowered emissions, and reinforced our commitment to sustainable manufacturing and continuous operational improvement.



PROCESS IMPROVEMENT

To further improve workplace conditions and environmental compliance under our process improvement, we installed a Portable Blasting Chamber (30m x 5m x 5m) for shot blasting and painting operations. The enclosed facility significantly reduces dust dispersion on the shop floor, supporting compliance with environmental norms and improving housekeeping, cleanliness, and employee working conditions. The initiative also eliminated the need for temporary structures during blasting activities, reducing operational disruptions and improving shop floor productivity.

Another key focus area was the optimization of the average glassing

coat through process standardization, enhanced workmanship, stricter quality controls, and continuous monitoring. These measures reduced excess coating applications while maintaining product quality, resulting in a 10% reduction in natural gas consumption, saving approximately 3,88,704 SCM of natural gas. Additionally, consumable usage decreased by 1%, equivalent to 3 MT. Collectively, these improvements contributed to the avoidance of approximately 784 tCO₂e in FY26, while enhancing resource efficiency and operational performance.



RENEWABLE ENERGY

We continued to expand our renewable energy portfolio to support the transition toward cleaner energy sources and reduce our operational carbon footprint. Building on our commitment to renewable energy, the 3 MW wind-solar hybrid group captive project in Karamsad Gujarat, developed under an open access model, commenced operations in February 2026 following the Power Purchase Agreement signed in FY25. During the year, the project generated 11,29,578 kWh energy savings, helping avoid approximately 802 tCO₂e emissions. Our 1 MW rooftop solar plant at the Karamsad manufacturing facility continued to contribute to our renewable energy goals, generating 11,72,896 kWh energy savings and avoiding

approximately 832 tCO₂e emissions during FY26.

Further strengthening our renewable energy infrastructure, we commissioned a 999 kWp rooftop solar plant at our Vatva facility in March 2026. The installation generated 86,860 kWh of energy savings during the year, contributing to the avoidance of approximately 62 tCO₂e emissions.

Collectively, these renewable energy initiatives generated approximately 23,89,334 kWh of energy savings in FY26 and helped avoid nearly 1,696 tCO₂e emissions, reinforcing our commitment to decarbonization, energy resilience, and long-term sustainability.

SUCCESS STORY

VALUE ENGINEERING FOR SUSTAINABLE PRODUCT DESIGN

Initiated in FY25 and now embedded within our engineering & manufacturing culture, value engineering plays a key role in advancing both operational excellence and sustainability. By integrating sustainability considerations into product design and process improvement decisions, we enhance resource efficiency, reduce material consumption, and improve product performance throughout the lifecycle of our equipment. In FY26, we implemented several value engineering initiatives across our glass-lined equipment portfolio, including optimization of the length-to-diameter (L/D) ratio of glass-lined reactors, redesign of baffles and bottom outlet valve (BOV) components to eliminate failure-prone tantalum tips, introduction of alternative nozzle configurations on tank manhole covers, and redesign of transportation support frames to reduce overall weight. These improvements not only enhanced manufacturability, reliability, and customer value but also contributed to more efficient use of

materials, reduced resource intensity, and a lower environmental footprint, demonstrating how engineering innovation can drive sustainable business outcomes.

The initiatives delivered multiple sustainability and operational benefits, including reduced raw material consumption, lower equipment weight, streamlined manufacturing processes, and improved resource efficiency. Design modifications helped minimize issues such as glass chipping and gasket leakage, reducing maintenance requirements and improving product durability and customer satisfaction. The optimized reactor designs also enhanced operational performance through improved sensing and stirring capabilities, while lighter transportation frames reduced material intensity. Together, these innovations support more efficient manufacturing, improved product lifecycle performance, and a lower environmental footprint across operations.



SUCCESS STORY

INNOVATION IN VERTICAL CONICAL FILTER DRYER (VCFD)

Innovation remains central to GMM Pfaudler's approach to developing solutions that enhance operational efficiency while supporting customers' sustainability objectives. Manufactured in India, VCFD integrates filtration, washing, drying, and product discharge into a single enclosed system, reducing process complexity, energy use, and material handling.

The latest VCFD incorporates advanced agitator designs, energy-efficient heating systems, optimized solvent recovery, automated discharge, and Industry 4.0-enabled monitoring to improve process performance and resource efficiency. A pilot study at a customer site demonstrated the potential of these advancements to reduce resource consumption, lower operating costs, and improve process efficiency. The key benefits observed are presented below.

up to **35%**
lower energy
consumption

50%
shorter batch
cycle times

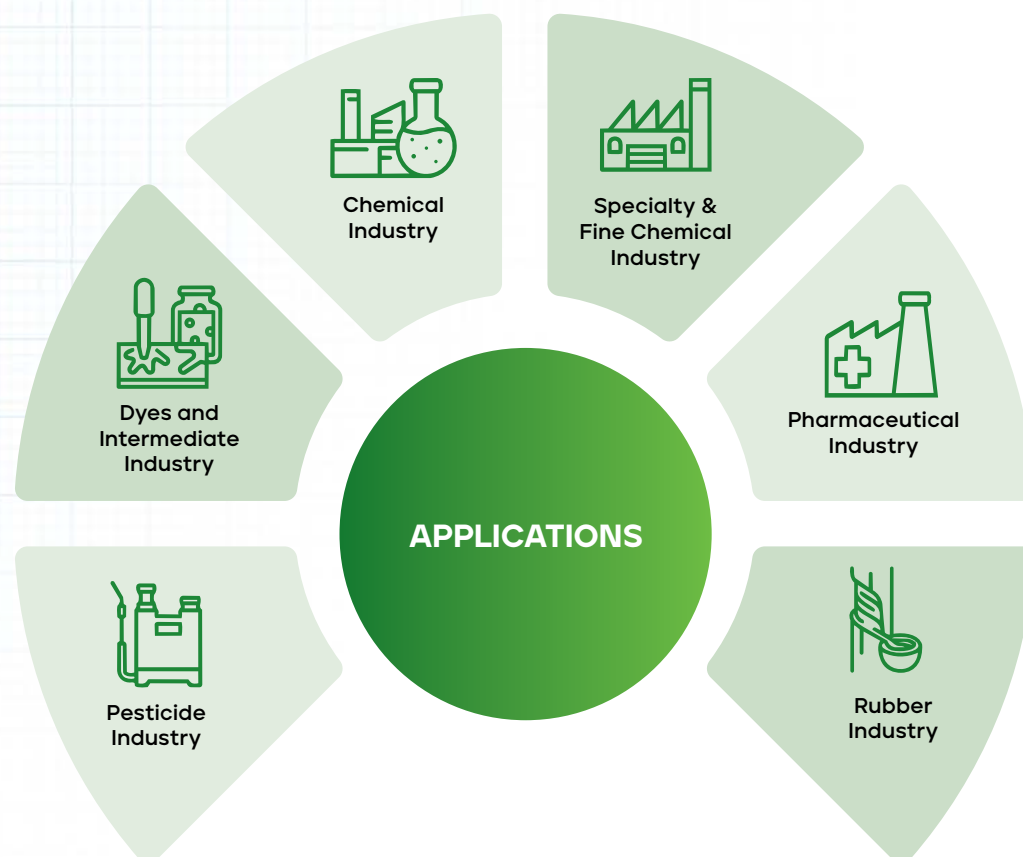
40%
higher
productivity

60%
lower labour
requirements

5%
higher
product yield

50%
lower cleaning
costs

In recognition of its innovation-driven culture, GMM Pfaudler was named among India's Top 100 Innovative Companies at the CII Industrial Innovation Awards 2025.



SUCCESS STORY

RE-GLASSING

Started as an initiative in FY25, our Re-glassing Service has become a key component of our circular economy and resource efficiency efforts. By refurbishing and restoring existing glass-lined equipment through repair and reapplication of glass lining, the service extends equipment life by 10–15 years, reducing the need for new steel-intensive manufacturing and supporting more sustainable asset utilization.

Since the initiative began, we have re-glassed a total of 958 tonnes of steel across FY25 and FY26, and helped avoid approximately 2,443 tCO₂e emissions. Through this approach, we continue to conserve resources, reduce waste, and deliver tangible environmental benefits while creating long-term value for our customers through circular manufacturing solutions.



INTERNATIONAL OPERATIONS

Energy consumption and energy mix metrics for our international subsidiaries are reported on a consolidated basis and include data from both manufacturing operations and service and sales activities, where available.

During the reporting period, GMM International recorded a total energy consumption

of 2,62,333 GJ. Renewable energy accounted for 64,664 GJ representing 25% of the Company's total energy mix, while an additional 4% which is 10,768 GJ was sourced from nuclear energy. Total electricity consumption amounted to 1,28,700 GJ.

Given the nature of our manufacturing processes,

which involve the processing of steel and steel-based components, enamelling operations using electrically heated high-temperature ovens, and welding activities utilizing acetylene, our international operations are inherently energy intensive.

Fossil Fuel Consumption

(Unit-GJ)

Parameter	FY26
Fuel consumption from coal and coal products	-
Fuel consumption from crude oil and petroleum products	6,233
Fuel consumption from natural gas	1,26,155
Fuel consumption from other fossil sources	1,246
Total Fuel Consumption	1,33,633
Purchased electricity/heat/steam/cooling from fossil	53,268
Total Fossil Energy Consumption	1,86,901
Share of fossil sources in total energy consumption	71%
Consumption from nuclear sources	10,768
Share of nuclear in total energy consumption	4%
Purchased electricity/heat/steam/cooling from renewables	64,664
Self-generated non-fuel renewable energy	-
Total Renewable Energy Consumption	64,664
Share of Renewable in Total Energy Consumption	25%
Total Electricity Consumption	1,28,700
Total Energy Consumption	2,62,333

Note: Energy consumption data is collected at the reporting-unit level based on supplier invoices or metered data and aggregated annually. Where available, supplier-specific energy mix information is used; where such data is unavailable, regional proxy datasets are applied. Where only calendar-year data is available from

suppliers, it is used without adjustment, resulting in minor and non-material timing differences at the Group level. The International business does not currently generate renewable or non-renewable energy for its own use.

Energy consumption in China is conservatively classified

as fossil-based due to limited data availability, while energy mix factors for American and European operations are derived from recognized international and regional databases using country- or state-specific data, as applicable.

ADVANCING ENERGY EFFICIENCY THROUGH LED LIGHTING

Our global transition to LED lighting demonstrates how best practices can be successfully scaled across operations to improve energy efficiency and reduce energy consumption. The journey began in Brazil, which pioneered the shift to LED lighting in 2016 and completed a full transition nearly a decade ago. The success achieved at this site established an internal benchmark and provided valuable insights for implementation across other locations.

Building on this foundation, Italy incorporated LED lighting as a key criterion during the selection and development of its new facilities. LED lighting installed in Germany in 2022 reduced annual lighting electricity consumption from approximately 4,75,000 kWh to 1,40,000 kWh, representing a reduction of nearly 71%. In Brazil, the transition to LED lighting has delivered estimated annual electricity savings of approximately 1,42,261 kWh. The rollout continues across our international operations,

with facilities in China and the United States. Since commencing LED upgrades in 2025, China has reported a reduction of approximately 30,33,888 kWh in electricity consumption, equivalent to 40% energy savings, while the United States has achieved a reduction of approximately 35,99,853 kWh, representing 24% savings compared to the previous year.

Our Global LED Coverage



USA

Gradual conversion to LED lighting since 2025

BRAZIL

Location with 100% LED coverage since 2016

ITALY

Location with ~95% LED coverage since 2017

GERMANY

Location with 100% LED coverage since 2022

CHINA

100% LED coverage and infrared sensor switches since 2025

INDIA

100% LED coverage and timer-based systems at the plants since 2016

Collectively, these initiatives across our operations in Germany, Brazil, China, and the USA have generated estimated annual energy savings of

approximately 71,11,002 kWh. By embedding energy-efficient technologies into facility design and operations, we continue to enhance operational efficiency,

lower energy consumption, and reduce the environmental impact of our manufacturing footprint.

WATER MANAGEMENT

Water remained a critical resource across our operations, supporting manufacturing activities, office functions and other operational requirements. At GMM Pfaudler, we continued to focus on the responsible and efficient management of water resources across all locations.

Indian Operations

To fulfill operational requirements, water was sourced through on-site groundwater extraction as well as authorized third-party suppliers. We also recognized that manufacturing processes generated wastewater, making water conservation,

efficient usage and effective wastewater management key operational priorities. To strengthen responsible water management practices, we implemented protocols aligned with the guidelines prescribed by the Pollution Control Board

of India. These measures supported the treatment, recycling and safe disposal of wastewater in an environmentally responsible manner, helping reduce environmental impact while contributing to our broader sustainability objectives.

Total Water Withdrawal & Consumption

(Unit-KL)

Type of source (e.g. groundwater, surface water, tankers etc.)	FY23	FY24	FY25	FY26
Groundwater	25,685	20,595	20,537	16,722
Third-party water	18,985	13,563	30,575*	39,381
Total water withdrawal	44,670	34,158	51,112	56,103
Total Water Discharge	5,190	420	135	-
Total Water Consumption	39,480	33,738	50,977	56,103

*FY25 data has been restated

In FY26, our water stewardship efforts contributed to a reduction in freshwater dependence and improved water-use efficiency across operations. Groundwater consumption decreased by 19% to 16,722 KL, reflecting measures to

optimize water use and enhance resource management practices. Additionally, water intensity improved by 2%, indicating more efficient utilization of water relative to business output. These improvements were supported

by ongoing efforts to strengthen operational efficiency, promote responsible water management, and reduce reliance on freshwater resources.

Reducing Impact

As part of our commitment to responsible water management, we commissioned a 35 KLD Sewage Treatment Plant (STP) at our facility to enhance wastewater treatment and promote water reuse. The plant

treated an average of 6 KL of wastewater per day during FY26, resulting in the recycling and reuse of approximately 1,753 KL of treated water for gardening and landscaping purposes. By reducing dependence

on freshwater sources and maximizing the use of treated wastewater, the initiative supports water conservation, improves resource efficiency, and contributes to sustainable site operations.



INTERNATIONAL OPERATIONS

GMM International's total water consumption was slightly over 34 thousand KL during the reporting period. Water consumption within our manufacturing processes is limited, as water is primarily used for pressure testing to verify the integrity and tightness of products.

This water is subsequently reused wherever feasible, minimizing freshwater demand. Across both manufacturing and sales and service facilities, water is predominantly utilized for domestic purposes, including sanitation and general consumption.

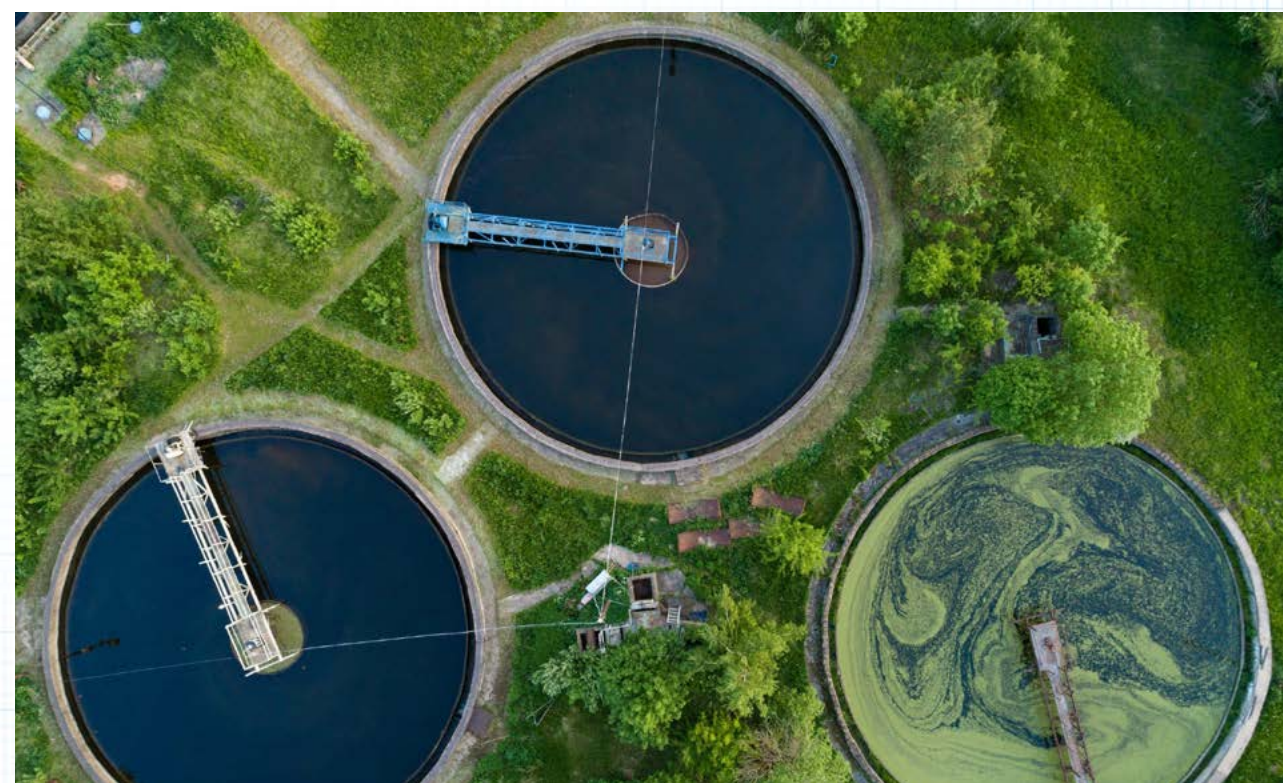
During the reporting period, GMM International recorded a total water consumption of 34,261 KL across its manufacturing and sales & service facilities. Notably, the Company reported no water consumption in areas identified as high water-stress regions, reflecting the geographical profile of its operations. We also continued to support responsible water management practices, with 50 KL of water recycled & reused and 90 KL of water stored across selected facilities. These efforts demonstrate GMM International's commitment to the efficient use of water resources and the ongoing enhancement of sustainable water management practices across its operations.

(Unit-KL)

Parameter	Value
Total water consumption	34,261
Water consumption in areas at water risk	-
Water recycled and reused	50
Water stored and changes in storage	90

Note: Water consumption data is collected at the reporting-unit level based on supplier invoices or metered data and aggregated annually. Where data is not directly available, reasonable estimates are applied using operational information to ensure

completeness of reporting. The environmental data presented covers all manufacturing units and selected sales and service facilities, based on data availability and relevance to the reporting scope.





WASTE MANAGEMENT

Our operations and manufacturing processes generated both hazardous and non-hazardous waste across various facilities. Non-hazardous waste primarily included paper, food waste, metal scrap, rubber and wood, while hazardous waste comprised materials such as aluminium oxide, used oil and paint sludge.

Indian Operations

To strengthen waste management practices, we continued to enhance operational processes and implement measures focused on reducing waste generation

at source. This included improving operational controls, strengthening infrastructure for the safe handling and storage of waste and engaging authorized agencies for environmentally

responsible disposal practices. These initiatives supported our commitment towards effective and sustainable waste management across all locations.

Total Waste Generated

(Unit-MT)

Parameter	FY23	FY24	FY25*	FY26
Plastic waste	1	-	-	-
E-waste	3	-	7	-
Bio-medical waste	-	-	-	-
Construction and demolition waste	310	33	80	-
Battery waste	-	1	-	-
Radioactive waste	-	-	-	-
Hazardous waste	22	9	65	25
Non-hazardous waste	4,450	2,812	2,267	2,626
Total	4,786	2,855	2,419	2,651

*FY25 data has been restated

In FY26, we continued to strengthen our waste management practices, resulting in a significant reduction in waste generation from certain hazardous waste streams.

Other Hazardous Waste decreased by 62%, reflecting improved material management, process efficiencies, and waste minimization initiatives across operations. Furthermore, waste

intensity improved by 2%, demonstrating our continued focus on reducing waste generation relative to business output.

Waste Diverted*

(Unit-MT)

Category of waste	FY23	FY24	FY25	FY26
Recycled	3	1	7	2
Re-used	310	71	80	-
Incinerated	-	-	-	-
Landfill	20	8	11	22
Other Disposal	4,452	2,775	2,321	2,626
Total	4,785	2,855	2,419	2,650

*Waste diverted data has been restated

Reducing Impact

In FY26, GMM Pfaudler strengthened its waste management approach by enhancing the traceability of waste beyond collection and transportation to its final treatment and recovery stage. As part of this exercise, the Company

restated its waste data to more accurately reflect verified end-stage outcomes. Building on these findings, GMM Pfaudler is working closely with its waste processing partners to improve traceability and maximize recycling and material recovery across all

waste streams. Throughout this process, the Company remained compliant with all applicable regulatory requirements, including the Hazardous and Other Wastes Rules, Battery Waste Management Rules, and E-Waste Management Rules.

INTERNATIONAL OPERATIONS

Waste generated across our international operations comprises a diverse range of materials, including metals, wood, paper and cardboard, plastics, and mineral residues such as sand, glass, and slag. Additional waste streams include biomass, chemicals such as paints and lubricants, and smaller quantities of specialized materials, including textiles, ceramics, and production-related residues.

The Company successfully diverted 872 tonnes of waste from disposal through reuse, recycling, and other recovery operations, with recycling accounting for the largest share of recovered waste. A total of 526 tonnes of non-hazardous waste and 11 tonnes of hazardous waste were recycled during the year, demonstrating the Company's continued focus on resource recovery and circular waste management practices. These efforts support GMM International's commitment to reducing environmental impacts, maximizing material recovery, and advancing sustainable waste management across its operations.

Hazardous and Non-Hazardous Waste Management

(Unit-MT)

Parameters	Hazardous Waste FY26	Non-hazardous Waste FY26
Preparation for reuse	-	156
Recycling	11	526
Other recovery operations	2	177
Total weight - Diverted from disposal	13	859
Incineration	34	27
Landfill	56	405
Other disposal operations	-	3
Final destination is unknown	-	158
Total weight - Directed to disposal	90	593
Totals	103	1,452
Total amount of waste generated	1,555	
Total amount of non-recycled waste	1,018	
Percentage of non-recycled waste	65%	

Note: Packaging data for FY26 covers manufacturing facilities only, as packaging-related information from sales and service locations was not collected due to its lower relevance. Based on data derived from ERP systems, purchase orders, and reporting unit-level information, packaging materials used across operations are estimated to

have a recyclability rate of 64%, reflecting the predominance of recyclable materials such as wood, wood chips, and cardboard.

Waste data is compiled from internal waste reports and information provided by authorized waste management service providers. Where direct measurements are unavailable, estimates are derived based on container volumes, collection

frequency, and standard conversion factors to ensure consistency in reporting. The recyclability rate and packaging material data are based on a combination of ERP-extracted information and operational estimates, with ongoing efforts focused on improving data availability and reporting accuracy across international operations.

SUCCESS STORY

ENABLING CIRCULAR RESOURCE MANAGEMENT: ACID RECOVERY SYSTEMS

For industries such as chemicals, pharmaceuticals and specialty manufacturing, spent acids generated during production are often neutralized and treated as waste, resulting in the loss of valuable raw materials, increased wastewater treatment requirements and a larger environmental footprint. As industries increasingly transition towards circular manufacturing and stricter environmental regulations, recovering and reusing these acid streams has become a critical sustainability priority.

GMM Pfaudler addresses this challenge through its advanced Acid Recovery Systems, enabling customers to recover, concentrate and reuse valuable inorganic acids instead of treating them as waste. The Company

offers integrated process solutions for sulfuric, nitric, hydrochloric, acetic and formic acids, as well as spent acids and acidic wastewater, supported by decades of expertise in corrosion-resistant technologies such as glass-lined steel, fluoropolymer-lined equipment, silicon carbide and tantalum. Designed with energy-efficient evaporation technologies, heat recovery systems and advanced process controls, these solutions enhance operational efficiency while ensuring safe and reliable handling of highly corrosive process streams.

Complementing its technology portfolio, GMM Pfaudler delivers complete end-to-end process system design, covering engineering, fabrication, installation and commissioning to ensure

seamless integration and optimum plant performance. Dedicated pilot testing facilities enable customers to validate and optimize process performance before commercial-scale implementation, reducing technical risk and improving efficiency. Backed by a global manufacturing and service network spanning over 75 countries across four continents, GMM Pfaudler provides customized acid recovery solutions that help customers reduce hazardous waste, conserve raw materials, improve resource efficiency and advance circular economy practices.



SPENT ACID
GENERATED

RECOVERY
PROCESS

PURIFIED &
RENEWED

RETURN TO
PROCESS

CLIMATE CHANGE

Climate change presents one of the defining challenges of our time, with far-reaching implications for businesses, communities, and the environment. At GMM Pfaudler, we recognise our responsibility

to manage climate-related impacts while strengthening the resilience of our operations and value chain. Guided by our ESG Strategy 2.0, we are integrating climate considerations into our business planning through

focused decarbonisation initiatives, improved energy efficiency, renewable energy adoption, and enhanced climate risk management.

Climate Risk & Resilience

Building climate resilience is an integral part of our long-term sustainability strategy. In FY25, we conducted a Climate Change Risk Assessment (CCRA) for our manufacturing facilities at Karamsad and Vatva, Gujarat, to better understand the potential impacts of changing climatic conditions on our operations.

The assessment evaluated key physical climate risks—including extreme heat, changing rainfall patterns, flooding, water stress, and severe weather events—using globally recognised tools such as the World Resources

Institute's Aqueeduct platform and ThinkHazard. Multiple climate scenarios (RCP 4.5 and RCP 8.5) were considered to assess potential risk exposures over different time horizons.

The findings provide valuable insights for strengthening site-level resilience and integrating climate considerations into operational planning and investment decisions. The assessment also supports the development of targeted adaptation and mitigation measures, enabling us to proactively address emerging

risks while safeguarding business continuity.

As climate science and regulatory expectations continue to evolve, we remain committed to periodically reviewing our climate risk assessments, refining our mitigation strategies, and embedding climate resilience across our operations. Through this approach, we aim to reduce our environmental impact, strengthen long-term business resilience, and contribute meaningfully to the transition towards a low-carbon future.

Climate Mitigation

Our decarbonisation journey is centred on reducing greenhouse gas emissions across our operations while continuously improving energy performance. We are focused on lowering our Scope 1 and Scope 2 emissions through operational efficiency initiatives, increased use of renewable energy, process

optimisation, and responsible resource management.

Recognising that climate action extends beyond our own operations, we initiated the quantification of Scope 3 emissions, covering key categories such as waste generated in operations,

employee commuting, and business travel. This assessment provides a stronger understanding of our value chain emissions and establishes the foundation for future reduction strategies, target setting, and enhanced climate disclosures.



ENVIRONMENTAL SUSTAINABILITY

GMM Pfaudler is committed to maintaining environmental responsibility and protecting biodiversity. We are fully aware of the environmental impact of our operations and are committed to being a positive force for change. Our proactive approach in mitigating risks and protecting

biodiversity is evident through projects like Urban Afforestation, Marine Megafauna Rescue, and coral reef restoration. With these initiatives, GMM Pfaudler demonstrates their dedication to protecting the environment and creating a beneficial influence on ecosystems. The Company

has instituted a dedicated entity, GMM Pfaudler Foundation (The Foundation), to drive its CSR initiatives, including the implementation, monitoring, and evaluation of projects, with a focus on advancing its sustainability objectives.

Restoration of Coral reefs in Andaman Islands

The Foundation partnered with ReefWatch Marine Conservation under the Re(ef) Generate initiative to support the restoration and protection of coral reefs in the Andaman Islands through active rehabilitation and adaptive reef management practices. The initiative continued to focus on strengthening reef resilience and enhancing marine biodiversity in ecologically sensitive coastal regions.

During FY26, monitoring activities indicated encouraging improvements in coral growth across both artificial and natural reef structures. Artificial reef structures recorded growth from 4.8 cm in May 2025 to 9.4 cm in March 2026, while natural reef structures showed growth from 3.8 cm to 6.6 cm during the same period. Among restoration structures, the donut-shaped reef structure recorded overall coral growth of 61 cm by March 2026, while dome structures demonstrated significant growth reaching 210 cm.

The January to March 2026 period recorded the highest coral growth rates observed during the year, indicating improved adaptation and reef recovery. The coral survival rate stood at 55%, demonstrating enhanced resilience of restored coral structures under the rehabilitation initiative.

Biodiversity monitoring also reflected positive ecosystem development across the reef sites. The diversity of cryptic species increased from 9 species

in May 2025 to 12 species by March 2026. Similarly, non-cryptic species diversity improved from 47 species in May 2025 to 54 species in December 2025, highlighting the growing ecological activity around the restored reef habitats.

Community engagement continued to remain an integral part of the program. During the year, a total of nine Ocean Art Sunday sessions were conducted, engaging students

between the ages of 5 and 17 years. These sessions focused on marine awareness, environmental education and fostering greater community participation in ocean conservation efforts. Through scientific restoration practices and community-led engagement, the initiative continued to strengthen marine ecosystem restoration efforts while promoting long-term conservation awareness in the Andaman Islands.



Marine Megafauna Rescue at Karnataka Coast

The Foundation partnered with ReefWatch Marine Conservation to strengthen marine megafauna rescue and coastal biodiversity conservation efforts along the Karnataka coastline. The initiative focused on building response infrastructure, developing rescue expertise and engaging local communities to support the protection of marine species such as sea turtles and cetaceans.

During FY26, the program attended a total of 155 marine stranding cases, bringing the cumulative number of documented cases since inception to 549. The current year included 37 live strandings and 118 dead strandings. Sea turtles accounted for 116 cases, comprising 65 Olive Ridley, 42 Green Sea Turtles and 9 Hawksbill Sea Turtles. Cetacean strandings included 20 Indian

Ocean Humpback Dolphins, 5 Indo-Pacific Finless Porpoises, 1 Indo-Pacific Bottlenose Dolphin, 1 Striped Dolphin, 1 Pilot Whale and 1 Baleen Whale. The program also recorded 3 Brown Booby and 1 Masked Booby, along with 6 unidentified marine megafauna cases. The initiative also continued to focus on sea turtle conservation and nest monitoring activities. During FY26, 67 sea turtle nests were monitored across Kodi, Someshwara and Gangavalli beaches, facilitating the safe release of 3,354 hatchlings into the sea, including 2,889 hatchlings from 59 hatchery-managed nests at Gangavalli.

In one notable rescue case, approximately 1 kg of fishing net material was recovered from the stomach of a stranded dolphin, highlighting the growing threat of marine

debris and plastic pollution to marine life. Community awareness and stakeholder engagement remained key pillars of the program. During FY26, 16 educational sessions on marine conservation were conducted, reaching more than 1,192 students across schools and educational institutions. In addition, two beach clean-up drives were organized to promote environmental stewardship and strengthen awareness regarding coastal ecosystem conservation. Through collaborative conservation efforts, scientific rescue practices and community participation, the initiative continued to contribute towards the long-term protection of marine megafauna and coastal biodiversity in Karnataka.



Decarbonization solutions for Indian Pharmaceuticals, Fine & Specialty Chemical Industries

The Foundation, in partnership with the Council of Scientific & Industrial Research – National Chemical Laboratory (CSIR-NCL), continued its efforts to advance decarbonization solutions for the pharmaceutical, fine chemical, and specialty chemical industries. Through the Centre for Sustainable and Continuous Manufacturing (Living Lab), the initiative focuses on developing and demonstrating continuous manufacturing technologies that improve resource efficiency, reduce emissions, enhance process safety, and support the transition towards more sustainable production systems. During FY26, the project achieved significant progress through the evaluation of 10 reactor configurations, installation of a fully operational hydrogenation modular unit, and deployment of pilot-scale continuous manufacturing infrastructure. The facility was utilized by



Research Lab

industry partners for process studies and batch-to-flow conversion projects, while an industry training program on Continuous Flow Synthesis was conducted to promote wider adoption of sustainable manufacturing practices. The project also contributed to research advancement through the publication of a paper on

guided compact reactor design. Key technical outcomes included achieving 100% acid conversion in less than five minutes and reducing reaction times by over 90%, demonstrating the potential of continuous manufacturing to improve efficiency, lower resource consumption, and accelerate industry decarbonization.



Animal Rescue

Through funds mobilized from external donations, the GMM Pfaudler Foundation provides financial support towards the operational expenses of Dr. Iyer's Animal Rescue Center in Vajreshwari, Maharashtra. The support contributes towards the nutrition, shelter, medical care, and overall well-being of abandoned, injured, and stray animals housed at the facility. The rescue center currently provides care and rehabilitation for over 100 animals, including cows, bulls, dogs, and other domestic animals. The animals are accommodated in maintained shelters and open enclosures designed to ensure their safety, comfort, and protection.

Urban Afforestation

The Foundation continued to promote the development of urban green spaces in alignment with India's national goal of achieving 33% forest cover. Our Urban Afforestation initiative

in Secunderabad, Telangana, reflected this commitment by supporting long-term ecological restoration and sustainable urban greening efforts. The saplings planted during FY23

demonstrated healthy growth, highlighting the effectiveness of the planned plantation approach and continuous maintenance activities.



2023



2026

Tree Plantation Program in Secunderabad, Telangana



TOTAL SAPLINGS PLANTED: 2,000

A diverse mix of native and adaptive plant species was introduced to strengthen ecological resilience and support sustained vegetation growth. The project's progress



NUMBER OF SPECIES: 45+

continued to be monitored through parameters such as plant survival rates, growth performance and improvements in local biodiversity. Beyond plantation activities, the initiative



SURVIVAL RATE: 90%

also focused on enhancing soil health and supporting biodiversity conservation, contributing towards the development of a healthier and more balanced urban ecosystem.



AREA COVERED: 750 SQUARE METERS

Environmental Compliance

At GMM Pfaudler, we continued to maintain a strong commitment towards regulatory compliance across all operational locations. All required approvals and permissions from relevant local authorities were in place across

our sites, and no incidents of environmental non-compliance or regulatory penalties were reported during the year. Our manufacturing facilities also remained certified under ISO 14001, demonstrating our

systematic approach towards environmental management and our continued focus on integrating sustainable practices into everyday operations.

Social



At GMM Pfaudler, the vision for sustainable growth extends beyond business performance to creating long-term value for all stakeholders.

The organization remains committed to fostering an inclusive, safe, and people-centric workplace through focused initiatives on diversity, employee well-being, capability development, human rights, and occupational health & safety. By encouraging active participation and collaboration among employees, business partners, customers, and communities, the Company continues to strengthen its social sustainability agenda and drive responsible growth.

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EMPLOYEES

At GMM Pfaudler, our employees are the driving force behind our growth and innovation. We strive to build a workplace where individuals are respected, empowered, and provided

with opportunities to develop their skills and advance their careers. By nurturing an inclusive culture, supporting physical and mental well-being, and investing in learning and leadership

development, we create an environment where our people can perform at their best while contributing to the Company's long-term success.

Indian Operations

By maintaining a stable and inclusive work environment, we aim to attract, develop, and retain talent while upholding high standards of ethical conduct, human rights, and workplace safety across our operations. Our

focused initiatives on diversity, employee development, retention, and human rights enable us to build a more engaged, resilient, and future-ready workforce.

Supported by robust policies, structured training programs, and

strong governance frameworks, we are committed to providing a safe, supportive, and responsible work environment across our operations and value chain.

Employee type & Gender Break-up:

GMM Pfaudler continues to maintain a stable and inclusive workforce base, with total permanent headcount growing to 807 in FY26. The Company remains focused

on strengthening female representation across the organization, supported by targeted initiatives such as the WINGS program and an Employee Referral Policy that places

special emphasis on increasing female hiring — with 12 women professionals onboarded in FY26.

Year	Employee Type	Employee	Gender (no.)	
			Male	Female
FY23	Permanent	809	779	30
FY24	Permanent	784	755	29
FY25	Permanent	744	712	32
FY26	Permanent	807	772	35

Workforce composition by Age Group

GMM Pfaudler's workforce reflects a healthy balance of experience and emerging talent. The core 30-50 age group has strengthened over the years, growing from 567 employees in

FY23 to 606 in FY26, reinforcing a stable base of technical proficiency and institutional knowledge. At the same time, the Company continued to bring in fresh talent, with under-30

hiring picking up momentum in FY26, while the over-50 segment continues to contribute valuable experience and mentorship to the organization.

Employee Age Break-up:

Year	Employee	Age Group (no.)		
		<30 yrs	30-50 yrs	>50 yrs
FY23	809	194	567	48
FY24	784	158	585	41
FY25	744	110	582	52
FY26	807	153	606	48



INTERNATIONAL OPERATIONS

As part of the expansion of our ESG reporting boundary in FY26, we have, included workforce-related disclosures from our international operations. Our employees are integral to our success, and we remain committed to fostering a stable, inclusive, and supportive workplace across all geographies in which we operate.

As of 31 March 2026, our international operations employed a total of 1,026 employees. Workforce metrics include gender information voluntarily provided by employees. Our employment structure is characterized by a high proportion of permanent employment, reflecting our focus on long-term workforce stability and employee retention. Less than 14% of employees are engaged on temporary contracts, and no employees are employed under non-guaranteed working-hour arrangements.

Employee Gender Break-up:

Gender	FY26
Male	823
Female	203
Other	0
Not reported	0
Total employees	1,026

Female employees represented 203 employees, of whom 161 were permanent and 42 were temporary, while male employees accounted for 823 employees, including 722 permanent and 101 temporary employees.

Employee Type Break-up:

Contract type	Female	Male	Total
Total Number of employees	203	823	1,026
Number of permanent employees	161	722	883
Number of temporary employees	42	101	143
Number of non-guaranteed hours employees	-	-	-

Employment type	Female	Male	Total
Total Number of employees	203	823	1,026
Number of full-time employees	169	805	974
Number of part-time employees	34	18	52

The workforce is predominantly employed on a full-time basis, with 974 full-time employees and 52 part-time employees across operations. Among female employees, 169 were employed full-time and 34 part-time, while male employees comprised 805 full-time and 18 part-time employees. No employees were engaged under non-guaranteed working-hour arrangements during the reporting period, reflecting our commitment to stable and predictable employment practices.

Note: The workforce figures presented in this report are based on employee headcount and include permanent and temporary employees, as well as trainees and apprentices. Employees engaged through third-party organizations are currently excluded from the reported workforce figures, although such information is tracked separately through internal reporting processes.

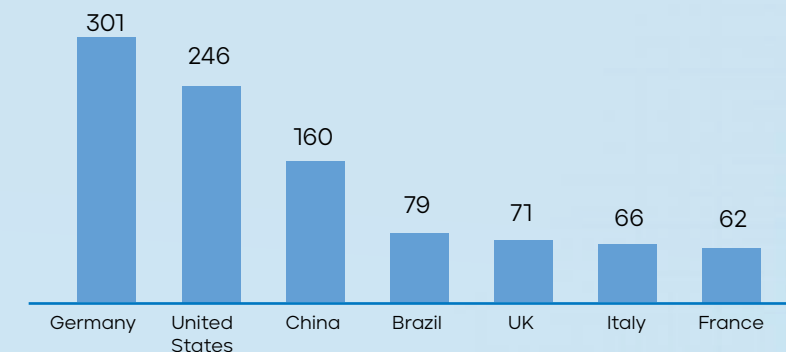
Our Geographical Presence

Our international workforce is distributed across several key markets, reflecting the global footprint of our operations.

Germany represents the largest employee base, followed by the United States and China. Other significant employee

populations are in Brazil, the United Kingdom, Italy, and France.

Employee Geographical Break-up*



*Only includes countries with 50 or more employees

The geographic distribution of employees aligns with the scale and operational presence of our manufacturing, service, and commercial activities across these regions. This

diverse workforce enables us to support customers effectively, maintain operational excellence, and leverage a broad range of skills and expertise across our global

operations. During FY26, a total of 155 employees separated from the organization, resulting in an employee turnover rate of 15%.

Workforce Composition by Age Group

The age profile of our international workforce reflects a balanced mix of experience, expertise, and developing talent. The largest proportion of employees falls within the 30-50 years age group, representing a strong core workforce that combines technical proficiency

with ongoing professional development. Employees aged over 50 years constitute the second-largest age group and continue to contribute valuable experience, institutional knowledge, and specialized skills across our operations. Employees under the age of 30 represent a smaller proportion

of the workforce. Overall, the age distribution reflects a gradual rebalancing of the workforce while maintaining the technical capabilities, operational expertise, and long-term employment patterns characteristic of our industry.

Employee Age Break-up:

Category	Headcount	%
<30 years	141	14
30 - 50 years	479	47
> 50 years	406	39
Total Number of Employees	1,026	100



EMPLOYEE DEVELOPMENT AND RETENTION

At GMM Pfaudler, we view our employees as a key driver of long-term business success. We are committed to attracting, developing, and retaining talent by creating an environment that

supports continuous learning, professional growth, and meaningful career opportunities. Through focused investments in capability building, leadership development, performance

management, and employee engagement, we strive to cultivate a high-performing and future-ready workforce while strengthening employee retention and organizational resilience.

Indian operations

The Company remains committed to strengthening employee capabilities through structured learning initiatives, leadership

development programs, performance management processes and engagement-driven practices that support

long-term career growth and organizational success.

Hiring:

Year	New Hire	Age Group			Permanent Employees	
	Total	<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY23	183	95	88	-	179	4
FY24	165	106	55	4	161	4
FY25	184	114	66	4	175	9
FY26	176	79	97	-	164	12

Attrition for Permanent Employees

Year	Attrition	Gender (no.)	
		Male	Female
FY23	122	112	10
FY24	124	119	5
FY25	161	155	6
FY26	118	110	8

Employee Engagement Survey

Employee engagement at GMM Pfaudler continued to be strengthened through initiatives focused on open communication, employee recognition, collaboration and performance alignment. The Company conducted annual performance reviews and the "Parivartan" Employee Engagement Survey to better understand employee perspectives, identify improvement areas and further

strengthen workplace culture.

During the year, the survey witnessed participation from 91% employees, with key focus areas emerging around training and development, inter-department collaboration and enabling employees with the necessary resources to perform effectively. The Company recorded an overall employee engagement score of 82 in the Parivartan

Survey, reflecting positive employee sentiment and the Company's continued focus on workplace engagement and organizational culture. Based on the survey findings, organization-wide analysis and department-level action planning workshops were undertaken to support continuous improvement and align employee priorities with business objectives.

TRAINING AND SKILL DEVELOPMENT

At GMM Pfaudler, we recognize that a skilled and future-ready workforce is essential to delivering operational excellence and meeting evolving business needs. Accordingly, we continue to strengthen employee capability through focused learning and development initiatives covering technical, functional, behavioural, and leadership competencies.

During FY26, the Company recorded over 7,417 hours completed, achieving an average of 2.3 man-days training per employee. Leadership development initiatives and structured capability-building programs were also undertaken to nurture high-potential talent, strengthen internal growth opportunities, and support long-term employee development and retention.



Talent League Leadership Journey

The Talent League a blended learning initiative designed to accelerate leadership development and build future-ready capabilities continues to play a key role in nurturing

high-potential talent. The program integrated coaching, strategic projects, experiential learning and masterclasses led by industry experts to support comprehensive leadership

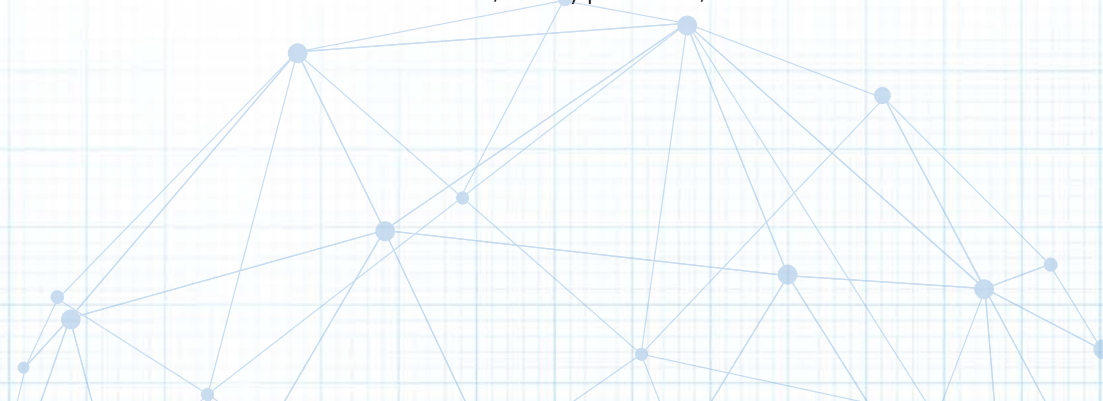
development. In FY26, the Talent League Leadership Journey was successfully concluded, resulting in the elevation of six leaders into new roles across the organization.

Workmen Training Program

As part of its continued focus on employee well-being, workplace discipline, and operational excellence, GMM Pfaudler introduced a dedicated Workmen Training Program for permanent workers beginning in FY27. The program is designed to strengthen awareness and adherence to workplace hygiene, 5S practices, basic workplace conduct, safety practices, and

organizational policies. Proposed to be conducted on a quarterly basis with support from external trainers, the initiative aims to enhance workforce awareness, promote a safe and disciplined work environment, and reinforce responsible workplace practices across operations.

Alongside operational and professional development training, focused learning modules were also conducted on ethics, human rights, workplace conduct, and inclusion through structured Code of Conduct-related trainings. These initiatives reflect the Company's continued commitment to employee growth, capability enhancement, and long-term organizational success.



INTERNATIONAL OPERATIONS

Continuous learning and building of capability are essential to strengthening employee performance, supporting career development, and preparing our workforce for future business needs. We remain committed to providing employees with access to learning opportunities that enhance technical, functional, and leadership capabilities while fostering a culture of continuous improvement and professional growth.



Training and Workforce Development

During the year, employees completed a total of 4,469 training hours, including 3,816 hours undertaken by male employees and 652 hours by female employees. On average, employees received 4.4 hours of training during the reporting period, with average training hours of 4.6 hours for male employees and 3.2 hours for

female employees. Through continued investments in learning and development, we aim to strengthen workforce capabilities, enhance employee engagement, and support the development of a skilled and future-ready workforce. We invest in employee learning and capability building through

structured training programs and regular performance and career development reviews. We continue to strengthen training data collection processes across our operations to improve the completeness and consistency of workforce development reporting.

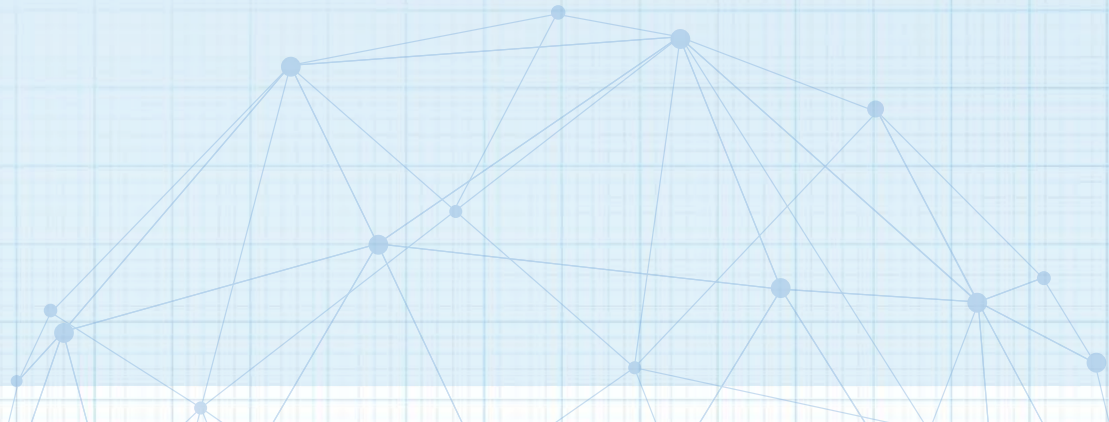
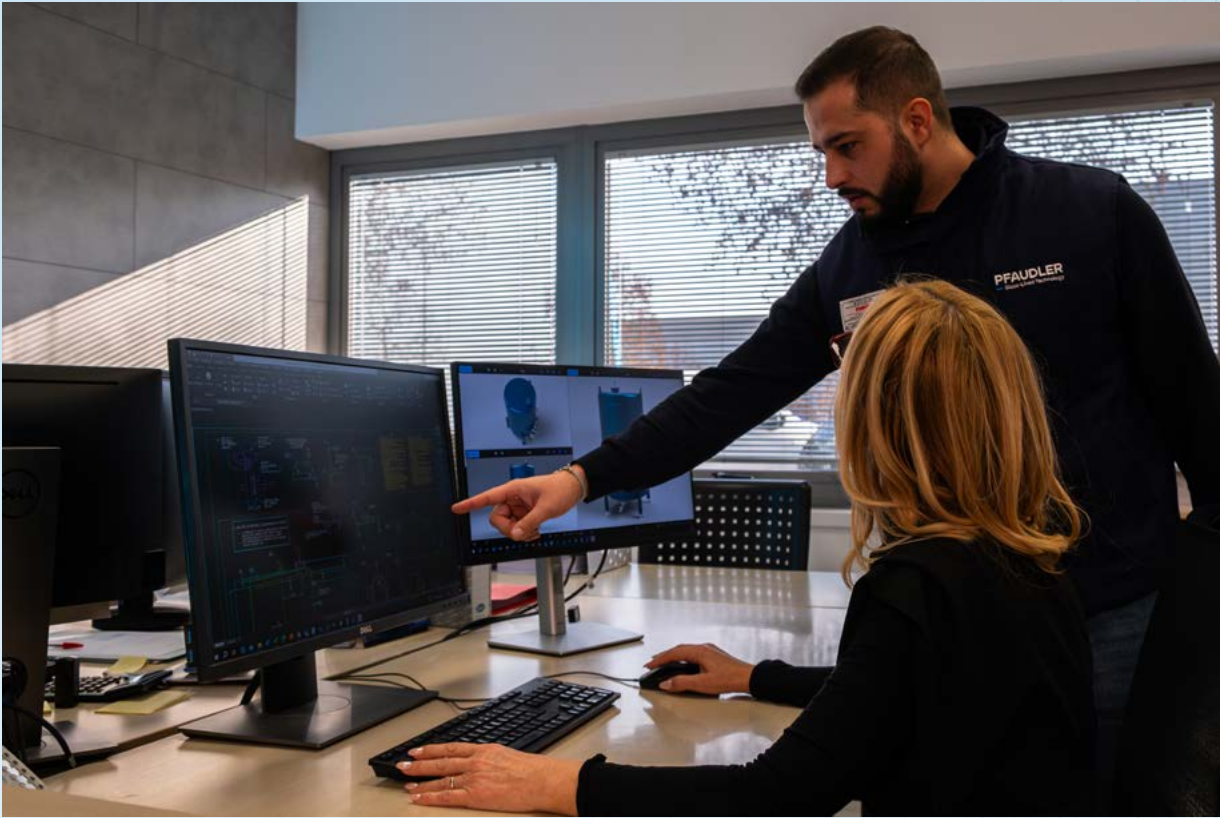
Training and Skill development metrics

Category	Male	Female	Total
Employees that participated in regular performance and career development reviews	364	78	442
% of employees that participated in regular performance and career development reviews	44%	38%	-
Training hours	3,816	652	4,469
Average training hours per employee	4.6	3.2	4.4

During FY26, a total of 442 employees participated in performance and career development reviews, comprising 364 male

employees and 78 female employees. These reviews provide a structured platform for performance assessment, career planning, and

development discussions, supporting employee growth and long-term career progression.



DE&I AND WELL-BEING

At GMM Pfaudler, building a diverse, equitable, and inclusive workplace, and supporting the wellbeing of our people, remain key pillars of our people strategy, with continued focus on strengthening female representation across leadership and workforce categories and on maintaining a safe and supportive work environment, reflecting our belief that diverse and well-supported teams drive innovation and resilience.



Indian Operations

The Company remains focused on improving workforce diversity and employee wellbeing through

equitable practices, inclusive policies, and health, safety, and work-life balance initiatives that

foster a supportive and equal-opportunity culture.

WINGS Programme

To further advance gender inclusion, the Company launched the WINGS (Women in New Generation) program, an internal initiative focused on supporting women employees through structured learning, development, and engagement sessions, with nearly 90% participation from women employees across quarterly interactions. During FY26, the Company strengthened its diversity and inclusion efforts through the hiring of 12 women professionals across various functions.

Equal Opportunities & Pay

At GMM Pfaudler, hiring practices are guided by competency-based assessments that promote fairness, meritocracy, and equal opportunity for all candidates. The Company's compensation framework is designed to recognize performance, experience, and individual contribution through competitive

remuneration and performance-linked benefits.

Aligned with its commitment to fair remuneration and inclusive growth, female employees and workers accounted for approximately 5% of the total wages paid to permanent and non-permanent employees

and workers during FY26. The Company also continued to uphold fair wage practices by ensuring that all on-roll employees are compensated above applicable minimum wage requirements, supporting dignified livelihoods and responsible workplace practices.

Ratio of Basic Salary and Remuneration of Women to Men

Employee Category	Staff
Ratio of Basic Remuneration of Women to Men	1.33

As part of our efforts to enhance equal opportunities for our future employees, we have cultivated an Employee Referral Policy which places special emphasis on increasing female representation across the organization, reflecting our broader commitment to equity and inclusive growth.

Inclusive Work Environment

The Company has ensured to create an accessible and inclusive workplace environment. Most facilities are equipped with ramps and accessible entry points to support ease of movement for differently abled employees and workers. In addition, the Code of Conduct

and Ethics Policy reinforce the Company's commitment towards equal opportunity, non-discrimination, and maintaining a workplace free from harassment or unfair treatment.

Further reflecting the Company's commitment to workplace dignity and inclusion, no complaints

related to sexual harassment under the POSH Act were reported during FY26. Awareness programs and grievance redressal mechanisms continue to support a respectful, safe, and inclusive work culture aligned with broader human rights and UNGC principles.

Employee Benefits

All permanent employees and workers are covered under health, life, and accident insurance schemes, in addition to

receiving statutory benefits such as provident fund and gratuity. The Company also extends parental benefits and workplace

support facilities to encourage an inclusive, supportive, and balanced work environment.

Health Talk Series

As part of its ongoing employee well-being and engagement efforts, the Company continued to prioritize employee health through regular health awareness and wellness sessions conducted by qualified medical professionals onboarded through a specialized healthcare partner. One to two sessions were organized each month for officer-level and above employees, with participation ranging from 180 to 200 employees per session. The sessions focused on preventive healthcare, early identification of health concerns, lifestyle management, nutrition, age- and gender-specific health issues, and practical measures to support overall well-being. Employees were also provided guidance on recognizing when medical intervention may be required. In addition, yoga sessions were conducted to promote physical fitness, stress management, and mental wellness. The Company intends to further expand these initiatives to include workerlevel employees, reinforcing its commitment to fostering a healthy, engaged, and resilient workforce.

INTERNATIONAL OPERATIONS

Across our international operations we are committed to maintaining constructive employee relations, ensuring compliance with applicable labour regulations, and providing compensation and benefits that support employee well-being and financial security.

Fair and Adequate Compensation

We aim to provide a fair and adequate remuneration across our operations. All employees are paid an adequate wage

in accordance with applicable legal requirements. Employees receive compensation that meets or exceeds statutory

minimum wage requirements, helping to support a fair standard of living and financial well-being.

Collective bargaining and Social Dialogue

More than half of our international workforce (54%) is covered by collective bargaining agreements, which establish key terms and conditions of employment,

including wages, working hours, and employee benefits. These agreements play an important role in supporting effective employee representation and constructive engagement

between employees and management.

Percentage	Employees - EEA (For countries with >50 empl. Representing >10% total empl.)	Employees - EEA (Estimate for regions with >50 empl. Representing >10% total empl.)	Workplace representation (EEA only) (For countries with >50 empl. Representing >10% total empl.)
0-19%	Germany, France, Italy	China, Brazil, United States	-

Collective bargaining coverage is primarily concentrated within our European operations, particularly in Germany, France, and Italy, where collective agreements form an established part of labour

relations frameworks. In other key regions, including China, Brazil, and the United States, employee engagement and labour relations are managed through local employment practices and applicable

regulatory requirements. The distribution of collective bargaining coverage reflects the diverse labour market structures and industrial relations frameworks across the countries in which we operate.

Gender Pay Equity

For FY26, the gender pay gap, calculated based on the average gross hourly pay of male and female employees,

was 27%. We continue to monitor remuneration practices across our operations and remain committed to fostering

equitable and inclusive workplaces that support equal opportunities for all employees.

WORKPLACE HEALTH AND SAFETY

GMM Pfaudler remains committed to fostering a strong safety culture across all its manufacturing sites. Aligned

with its ESG priorities and UNGC principles relating to employee health, safety, and well-being, the Company provides

comprehensive health, life, and accident insurance coverage for employees and workers.

Indian Operations

Reflecting on the effectiveness of its occupational health and safety management systems, preventive safety practices and employee engagement initiatives, the Company recorded zero reportable accidents or injuries during FY26. In addition, zero

fatalities, zero high-consequence work-related injuries and zero employee loss-time injuries were reported during the year, reinforcing GMM Pfaudler's continued commitment towards providing a safe, healthy and responsible workplace for

all employees and workers. Structured mechanisms for reporting and investigating near misses, unsafe acts and unsafe conditions continued to support timely corrective and preventive actions.

Safety Awareness & Employee Engagement

Safety awareness continued to be reinforced through regular HSE trainings, Behaviour Based Safety (BBS) programs, toolbox talks, Gemba walks, shop-floor monitoring and safety communication initiatives across operational sites. Focused safety awareness trainings were conducted on areas such as EOT crane operations, material handling, firefighting, work permit systems, electrical safety and health & safety practices to strengthen employee awareness and operational discipline.

Safety orientation programs were also conducted for new contract employees and visitors to enhance awareness regarding workplace safety standards and responsible operational practices. In addition, Safety Week was celebrated across facilities, during which awards were distributed to employees and teams demonstrating exemplary safety performance and commitment towards workplace safety.

The "5S" culture was maintained across manufacturing facilities

and audited by external third-party agencies. To further strengthen workplace organization and safety culture, the Company launched the "Abhiyaan-6S" campaign in February 2026, integrating safety practices within existing workplace management systems. Periodic occupational health check-ups for plant employees were also completed during FY26 as part of the Company's continued focus on employee well-being and preventive healthcare.

Safety Risk Management & Infrastructure Enhancement

Dedicated monitoring committees, contractor safety assessments, risk evaluations and ongoing monitoring activities reinforced the Company's safety governance processes. Several operational safety improvement measures were implemented during FY26 to enhance workplace safety infrastructure and minimize operational risks. These included implementation of guards for rotating equipment,

installation of safety latches for crane hooks, emergency lighting systems, leak detectors in LPG yards and fire alarm systems in LT panel rooms. Fire hydrant points were also installed in scrap yards to strengthen emergency preparedness measures.

The Company continued to follow the LOTO system for energy isolation during maintenance activities to prevent accidental equipment energization and

strengthen maintenance safety practices. Gas cutting trolleys across sites were upgraded with NRVs and Flashback Arrestors, while lifting tools, tackles, air receivers and safety valves were inspected, hydrotested and certified for safe operations. Additional infrastructure enhancements included installation of shrouded-type DSL systems for Goliath cranes operating in open yards.

INTERNATIONAL OPERATIONS

The health, safety, and well-being of employees remain a key priority for GMM International. The Company is committed to providing a safe and healthy working environment through robust

occupational health and safety management systems, risk assessment processes, employee training, and continuous monitoring of workplace conditions. By fostering a strong safety

culture and encouraging proactive reporting and prevention measures, the Company aims to minimize workplace risks and ensure the well-being of its workforce across all operations.

Workplace Safety Performance

During the reporting period, no fatalities resulting from work-related injuries or work-related illnesses were recorded. A total of 29 recordable work-related accidents involving employees were reported across the organization.

Employees collectively worked 1.53 million hours during the year, resulting in a recordable work-related accident rate of 18.96 per million hours worked. The Company continues to strengthen its safety culture through ongoing awareness,

training, and risk management initiatives, with a focus on achieving safer workplaces and further improving health and safety performance across all operations.

Health and Safety Metrics

Category	Total
Number of fatalities as a result of work-related injuries and work-related illness	-
Number of recordable work-related accidents by employees	29
Number of total hours worked by employees	15,29,821
Rate of recordable work-related accidents by employees	18.96
Amount of employees who are covered by the undertaking's health and safety management system	1,021
Percentage of employees who are covered by the undertaking's health and safety management system	99.50%

Health and Safety Management System Coverage

Our health and safety management system covered 1,021 employees, representing 99.5% of the total workforce. This high level of coverage demonstrates GMM International's commitment to integrating health and safety practices across its operations and ensuring that employees benefit from structured safety management, training, and risk mitigation measures. Continuous efforts are undertaken to strengthen workplace safety performance and promote a culture of prevention and accountability throughout the organization.



HUMAN RIGHTS

Respect for human rights remains integral to GMM Pfaudler's governance framework and people practices. Aligned with the principles of the United Nations Global Compact (UNGC), the Company continues to strengthen responsible workplace practices focused on dignity, equality, inclusion, and employee well-being across its operations and value chain.

Key Human Rights Elements:

	RESPECT FOR HUMAN DIGNITY	We uphold human dignity and promote human rights in line with the UN's Universal Declaration of Human Rights. We strictly prohibit unlawful child labor and exploitation of children and	adolescents. We respect employees' rights to join labor unions and ensure fair compensation, benefits, reasonable working hours and paid leave.
	EQUAL OPPORTUNITY AND PROHIBITION OF DISCRIMINATION	We provide equal opportunities to all our employees and to all eligible applicants for employment in our Company, without discriminating based on race,	caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other legally protected category.
	NON-HARASSMENT	We do not tolerate harassment of any kind. Our commitment is to ensure a safe and respectful workplace for	everyone. Any behavior that undermines this standard is addressed promptly and effectively.

Indian Operations

GMM Pfaudler strives to foster a workplace culture built on dignity, equality, inclusion, and mutual respect, while ensuring fair and ethical treatment of all employees and associated

stakeholders. Through its policies, management systems, training initiatives, and monitoring mechanisms, the Company works to promote safe working conditions, prevent discrimination

and harassment, and support responsible labour practices. This commitment forms an integral part of GMM Pfaudler's broader approach to sustainable and responsible business conduct.

Human Rights Policy

GMM Pfaudler's Human Rights Policy reflects the Company's commitment to respecting and upholding human rights, dignity and fair labour practices across its operations and value chain. Policy coverage includes employees, contract workers, apprentices, trainees, suppliers, contractors and third-party personnel associated with the Company's operations across India.

The Policy is aligned with applicable labour, employment, social security and human rights-related laws and standards in India. It is further supported by the Company's broader governance frameworks,

including the, POSH Policy and Whistleblower Mechanism. Awareness sessions, compliance oversight processes and grievance redressal channels further support the effective implementation of the Policy across operations.

The Policy is guided by principles focused on promoting equality, diversity and non-discrimination, while fostering a respectful and harassment-free workplace environment. The Policy supports freedom of association and lawful worker representation, fair wages and working conditions, employee health, safety and well-being, and the provision of welfare facilities across operations. It also reinforces

the prohibition of forced labour, bonded labour and child labour, while emphasizing responsible management of personal data and privacy protection. In addition, the Policy promotes equal access to training, development and growth opportunities and supports broader community well-being and environmental responsibility as part of the Company's commitment towards responsible business practices.

For further information on the Human Rights Policy, please visit:

<https://www.gmmpfaudler.com/file/HumanRightsPolicy.pdf>

Human Rights Awareness and Training

To strengthen employee awareness, Human Rights-related learning modules were integrated

into the Code of Conduct training framework during the year. As part of these efforts, 92% of

permanent employees received Human Rights-related training.

INTERNATIONAL OPERATIONS

The Company promotes a workplace culture founded on dignity, equality, inclusion, and ethical conduct, while maintaining robust policies, grievance mechanisms, and

monitoring processes to identify and address potential human rights risks. Through continuous awareness, oversight, and stakeholder engagement, GMM International strives

to ensure a safe, respectful, and accountable working environment for all employees and business partners.

Human Rights Incidents and Grievances

During the reporting period, one incident of discrimination, including harassment, was reported. In addition, one complaint was raised through grievance channels. No fines, penalties, or compensation payments were incurred because of the reported incident or complaint. The Company remains committed to addressing concerns promptly and fairly through established grievance and remediation mechanisms,

while fostering a workplace environment built on trust, respect, and accountability.

No severe human rights incidents were identified in FY26, including, no complaints related to human rights or labour practices, no confirmed cases of severe human rights impacts, and no sanctions, fines, or compensation payments associated with human rights violations.

These outcomes reflect

GMM International's strong compliance culture and proactive approach to managing human rights risks through policies, training, regular monitoring, and accessible reporting channels. The Company continues to promote transparency and accountability by maintaining effective mechanisms for employees and stakeholders to raise concerns and seek resolution where required.



CUSTOMERS

At GMM Pfaudler, fostering long-term and value-oriented customer relationships remains an integral part of the Company's business philosophy. Backed by strong technological expertise,

advanced manufacturing capabilities, and a widespread global presence, the Company collaborates closely with customers to understand their changing requirements and

provide reliable, customized solutions that support their operational efficiency and business objectives.

Customer Engagement

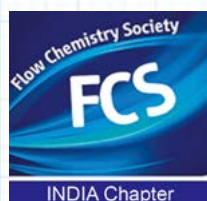
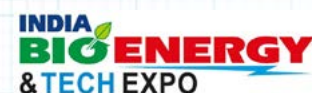
Customer engagement is facilitated through various communication and feedback channels, including customer meetings, technical assistance, surveys, helplines, dedicated service platforms, and structured grievance redressal mechanisms. These channels enable effective communication, timely resolution of concerns, and continuous enhancement of service quality. The Company also remains committed to upholding customer trust through responsible business

conduct and robust data privacy practices.

During FY26, the Company actively participated in several industry exhibitions, conferences, and customer engagement forums to strengthen stakeholder relationships, showcase technological capabilities, and gain insights into evolving customer expectations and market trends.

Key engagements included the Hyderabad Customer Seminar attended by over

250 participants, along with participation in Purify West, Power Gen India, Flow Chemistry Conference, India Bioenergy & Tech Expo, AllPack Indonesia, ADIPEC, CPHI & PMEC India, Purify Chromatology, Global Chem Show, and India Energy Week. These interactions, along with customer seminars and regional engagement initiatives, helped foster stronger partnerships and support continuous improvement in products and services.



Quality Assurance and Responsible Business Practices

The Company adheres to internationally recognized quality standards, including ISO 9000 (Quality Management), and regularly evaluates customer feedback to strengthen processes, improve policies,

and enhance overall service delivery. Insights gathered through complaint analysis and customer interactions contribute towards minimizing recurrence of issues and improving customer satisfaction. During the reporting

period, no complaints relating to data privacy, cybersecurity, advertising, restrictive trade practices, unfair trade practices, or disruption in delivery of essential services were reported.

Complaint Management

Customer satisfaction continues to remain a key focus area for GMM Pfaudler. The Company has established a structured complaint management framework aligned with its quality management systems to ensure efficient handling and timely resolution of customer concerns through dedicated service teams and cross-functional coordination. The customer service team works closely with management and business verticals to review feedback

and identify opportunities for continuous improvement in processes, policies, and service delivery.

The After Sales team continues to provide comprehensive lifecycle support to customers through installation, commissioning, maintenance services, refurbishment support, spare parts supply, and operational training, ensuring safe and efficient utilization of equipment. Operational

manuals are provided along with the equipment, while multiple interactive training sessions are conducted at customer sites to educate users on the safe and responsible use of products and services. The Company also has mechanisms in place to notify customers of any anticipated service disruptions or discontinuation of essential services through email or telephonic communication.

Customer Trust and Satisfaction

At GMM Pfaudler, customer satisfaction remains central to our commitment to quality, reliability, and operational excellence. During FY26, we received multiple letters of appreciation from customers recognizing our timely deliveries, product quality, project

execution capabilities, and responsive support. Customers acknowledged our ability to successfully deliver critical equipment within challenging timelines, support commissioning and production requirements, and provide solutions that met their operational needs.

These recognitions reflect the dedication of our teams, strong customer relationships, and our continued focus on delivering value through quality products, dependable service, and consistent project execution.





SUCCESS STORY

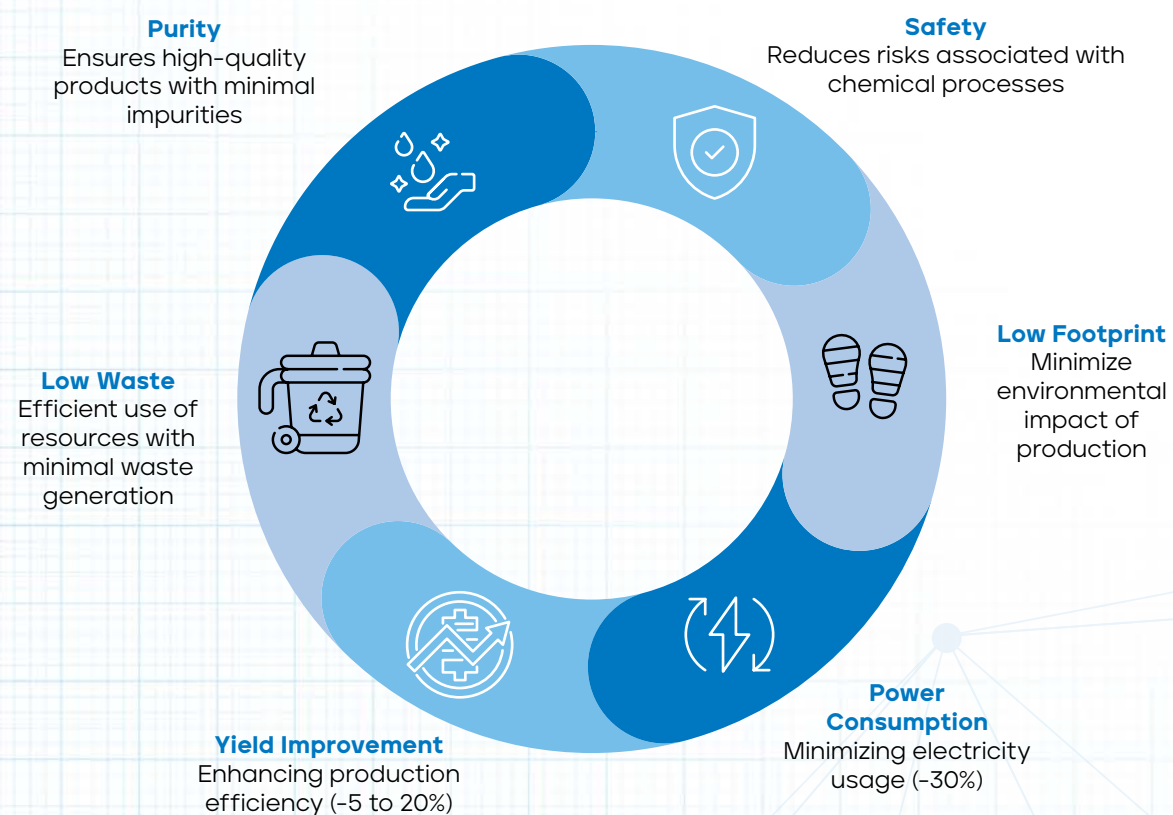
CONTINUOUS MANUFACTURING: THE FUTURE OF GREEN & EFFICIENT PRODUCTION

The chemical, API, specialty chemical, and agrochemical industries are shifting from batch to continuous manufacturing. Batch processing suffers from inconsistent quality, poor heat/mass transfer, long cycle times, high solvent use, and safety risks from hazardous reactions — raising costs and limiting scale.

Flow chemistry, grounded in green chemistry, enables continuous, tightly controlled reactions with steady-state operation and superior temperature control — driving higher yields, better safety, less waste, and greater automation.

Converting batch to continuous requires deep expertise across reaction, extraction, evaporation, crystallization, filtration, drying, distillation, and acid recovery. GMM Pfaudler brings this end-to-end capability, helping customers build processes that are more productive, controlled, and sustainable.

GMM Pfaudler's upcoming Flow Chemistry Pilot Solutions offer a scalable alternative to batch processing — specialized flow reactors improving control, mixing, safety, and scalability across pharma, specialty chemical, and agrochemical applications, while tackling high solvent use, long cycles, and safety risks. The platform cuts power, utility, solvent, and manpower needs while boosting efficiency and consistency — supporting lower waste, improved safety, a smaller footprint, and stronger ESG performance.



SUCCESS STORY

CONTINUOUS FLOW CRYSTALLIZER

As part of its commitment to delivering innovative and sustainable manufacturing solutions, GMM Pfaudler is currently in the process of incorporating advanced continuous flow crystallization technology into its product portfolio. The GFO Continuous Flow Crystallizer is designed to provide efficient, scalable, and sustainable crystallization for chemical and pharmaceutical manufacturing applications. Featuring a multi-jacketed design with independent thermal zones, the system enables precise control over nucleation and crystal growth, ensuring consistent crystal quality, stable slurry density, and reliable product performance. Its continuous mode of operation eliminates batch-to-batch variability while allowing seamless integration with upstream and downstream processing systems.

The technology offers significant operational and environmental benefits, including a 20–80% increase in production throughput, a 30–60% reduction in processing time, a 10–40% reduction in energy consumption, and a 10–30% decrease in solvent usage. It also enhances product yield, improves crystal size consistency, reduces waste generation, and lowers the overall manufacturing footprint. Through advanced automation, continuous monitoring, and optimized process control, the crystallizer supports safer operations, greater resource efficiency, and more sustainable manufacturing outcomes for customers.

PEPTIDE MANUFACTURING SOLUTIONS

GMM Pfaudler provides end-to-end turnkey manufacturing solutions for Solid Phase Peptide Synthesis (SPPS), supporting efficient, scalable, and sustainable peptide production. The solution combines specialized SPPS reactors, advanced automation, modular plant design, and digital process controls to improve mixing efficiency, enhance peptide yield, and ensure consistent product quality.

Designed with sustainability in mind, the platform reduces energy, solvent, and reagent consumption through optimized reactor design, automated dosing, and closed-loop utility controls. Automation minimizes manual intervention, improves process reliability, and enhances operational safety, while the modular and scalable architecture enables efficient deployment and resource utilization across peptide manufacturing facilities.



SOCIAL INITIATIVES

Through the Foundation, the Company continued to undertake focused CSR initiatives aimed at creating sustainable social impact across communities. The Foundation's CSR approach is centered around improving access to healthcare, promoting education and skill development, strengthening community well-being and supporting social inclusion through long-term partnerships and need-based interventions.

Indian Operations

GMM Pfaudler works to address local development needs and improve quality of life for underserved communities. These initiatives are designed

to promote inclusive growth, strengthen access to essential services, build future-ready skills, and encourage employee participation in social

development efforts, contributing to long-term and meaningful community impact.

HEALTHCARE

Healthcare continues to remain a key focus area of the CSR initiatives undertaken by the Foundation, with emphasis on preventive healthcare, community well-being, and strengthening healthcare infrastructure. The Company has supported multiple healthcare initiatives including infrastructure upgradation projects and community health programs aimed at improving access to quality healthcare services.



NCD health check-up camp for villagers under SPARSH 3.0

SPARSH 3.0 - Non-Communicable Disease

As part of these efforts, Project SPARSH 3.0, implemented in partnership with Charutar Arogya Mandal in Karamsad, was renewed for a further three-year period in FY26.

The renewed phase of the project continues to focus on improving rural healthcare access and addressing non-communicable disease (NCD) risk factors through medical

camp, awareness sessions, home healthcare support, and early intervention initiatives, with an added emphasis on NCD risk screening for early diagnosis and patient support.

Project Sparsh 3.0 beneficiaries

700+ Health camps conducted in FY26

21,000+ Patients consulted in camps in FY26

3,400+ Health camps conducted in the last 9 years

1,00,000+ Patients consulted in camps till date in the last 9 years

SPARSH 3.0 - Mother & Child Healthcare

The project also introduced a pilot initiative focused on Mother & Child Health (MCH) care for female beneficiaries. Through trained village health

workers and strengthened local healthcare networks, the program continues to contribute toward improved health awareness and long-term community well-

being. The initiative focused on identifying high-risk pregnancies and connecting mothers with specialized medical care for timely intervention and support.

~600 Pregnant mothers identified through community outreach & screening activities in FY26

~200 High-risk pregnant mothers referred for specialized healthcare and treatment support in FY26

Strengthening Mother and Child Health Services at ESIC Hospital, Hyderabad

The Foundation continued to strengthen healthcare infrastructure through focused interventions aimed at improving maternal, neonatal and women's healthcare services. Between FY23 and FY25, the Foundation supported the upgradation of the maternity ward at ESIC Hospital, Nacharam, Hyderabad, through the donation of essential medical equipment units, including scanners, analyzers, warmers, CPAP systems and patient monitors. The initiative contributed towards strengthening maternal and newborn care by enabling enhanced neonatal support, faster and more accurate diagnosis, and improved treatment facilities.



Neonatal Intensive Care Unit (NICU) - Infant Warmers and Monitoring Equipment

64,000+ Scans/Tests conducted in FY26

32,000+ Patients benefited in FY26

15+ Equipment donated till FY25

Gynecology Operation Theatre at Shree Krishna Hospital in Karamsad

In FY26, the Foundation further expanded its healthcare support initiatives through the renovation and modernization of the Gynaecology Operation Theatre (OT) at Shree Krishna Hospital, Karamsad. The 40-year-old OT facility was upgraded to NABH standards to improve surgical quality, patient safety and healthcare outcomes. The renovated OT was operationalized in July 2025, following completion of the modernization activities.



Renovated Gynecology Operation Theatre

The upgraded healthcare facilities is supporting specialized gynaecological and maternal healthcare services, including management of high-risk pregnancies, obstetric emergencies, premature births and neonatal care. The initiative

also strengthened access to specialized gynaecological treatments and surgical interventions related to gynaecological cancers, fibroids, ovarian cysts, hormonal disorders and reproductive healthcare. Through these interventions,

the Foundation continued to contribute towards safer and more advanced healthcare services for women while supporting improved clinical outcomes and access to quality healthcare infrastructure for high-need beneficiaries.

1,200+ patients served in FY26

150+ average Surgeries/Month in FY26

EDUCATION & SKILL DEVELOPMENT

JV Patel Industrial Training Institute

The Foundation, through its collaboration with JV Patel Industrial Training Institute (JVP ITI), continues to strengthen vocational education and skill development by providing quality education and industry-relevant training to local youth. The institute currently offers nine courses, including NCVT and TEB trades, along with an Executive Assistant course under Kaushalya – The Skill University (KSU).

During FY26, the institute achieved strong enrollment levels across all programs. NCVT courses recorded 100% admissions with all 164 seats filled, while TEB and KSU achieved admission rates of 96% and 95% respectively. The institute recorded 80 new enrollments in one-year NCVT courses and 84 enrollments in two-year NCVT programs, along with 24 enrollments under TEB and 19 under KSU, taking the total student strength to 332.



Skill development training at JV Patel ITI

The institute also focused on improving student employability through placement initiatives. During the year, 14 companies participated in on-campus placement drives and 21 companies participated in off-campus recruitment, resulting in

117 placements out of 148 eligible students. To further enhance learning infrastructure and expand career opportunities for students, JVP ITI completed the construction of a new wing during FY26.



Children learning with instructor at Sangli CCI

Project Adopt a Home

As part of its commitment to child welfare and community development, the GMM Pfaunder Foundation partnered with Catalyst for Social Action under the "Project Adopt a Home" initiative to support underprivileged children across two Child Care Institutions (CCIs) in

Sangli, Maharashtra. The initiative focused on three key areas: Health & Necessities, Learning & Development, and Emotional Well-being which is benefiting 60 girls across the two institutions.

Under the health and necessities component, health and nutrition screenings were conducted for all children, followed by medical

treatment and nutritional support, including dietary supplements, milk, snacks, and seasonal fruits. WaSH initiatives such as hygiene kit distribution and awareness sessions were also conducted to promote better hygiene practices.

To support learning and development, the program provided daily tuition support, digital learning assistance, and teacher training programs. Five girls completed the MSC-IT course, and all students who appeared for board examinations successfully passed. Academic assessments also reflected encouraging literacy and numeracy outcomes across grade levels.

The initiative further promoted emotional well-being through life skill sessions, recreational activities, camps, tournaments, and children's committees that encouraged participation, self-expression, and confidence building.

Walk-through Exhibit at Sardar Patel Memorial, Karamsad

The Foundation has contributed towards the preservation of cultural heritage and history by supporting the development of a walk-through exhibit on the life and legacy of Sardar Vallabhbhai Patel at the Sardar Patel Memorial in Karamsad. The initiative is part of a broader effort to commemorate and create awareness about the contributions of one of India's foremost national leaders and his role in the unification of the country. The project has also received financial support from the Gujarat Government's Ministry of Tourism, further strengthening the initiative. Designed as an interactive and educational experience, the exhibit aims to provide visitors with deeper insights into the life, achievements, and enduring impact of Sardar Vallabhbhai Patel.



Walkthrough exhibit of Sardar Patel

EMPLOYEE VOLUNTEERING

The Company encourages employee participation in community engagement initiatives as part of its commitment to social responsibility and employee citizenship. Through collaborations with local healthcare institutions and community partners, employees actively contribute

their time and support to programs that promote health, well-being, and social development.

In partnership with Shree Krishna Hospital, the GMM Pfaunder Foundation organized health-focused awareness and engagement initiatives, including blood donation drives and health

check-up camps, encouraging participation from both employees and community members. These initiatives reflect the Company's ongoing commitment to strengthening community health, fostering social responsibility, and creating positive impact beyond its operations.



INTERNATIONAL OPERATIONS

Across its global operations, GMM International continues to advance positive social impact through initiatives tailored to local community needs. Through locally relevant

initiatives focused on health, education, inclusion, and employee engagement, the Company seeks to contribute to community well-being while fostering meaningful

connections with stakeholders. We continue to support sustainable community development and strengthen its role as a responsible corporate citizen.

Healthcare and Well-being

GMM International continues to support employee and community well-being through health-focused initiatives across its global operations a total of 166 beneficiaries in FY26. In Brazil, the Company partnered with a local university to conduct annual breast and prostate cancer awareness

campaigns, with a total of 79 beneficiaries, Achieving 100% employee participation and strengthening preventive healthcare awareness.

In China, the Company continued to support community well-being, with 57 beneficiaries in FY26 through blood donation drives and

safety education programs conducted in partnership with local communities. These efforts contributed to raising awareness, promoting public safety, and fostering a culture of social responsibility and community engagement.



Education & Skill Development

The Company contributes to education and community development through programs that promote learning, awareness, and future opportunities. In Germany, participation in Girls' Day encouraged young girls to explore careers in STEM (Science, Technology, Engineering, and Mathematics), helping foster greater gender diversity in technical fields across 30 beneficiaries.



Governance



GMM Pfaudler integrates ESG principles into the foundation of its governance framework, positioning us to proactively address risks, unlock new opportunities, and deliver lasting environmental and social value.

Our governance philosophy is anchored in transparency, accountability, and ethical leadership, helping us build stakeholder trust and create long-term sustainable value.

We continuously strive to uphold the highest standards of corporate integrity, responsible decision-making, and efficient resource utilization. By aligning our governance practices with evolving stakeholder expectations, we strengthen organizational resilience and reinforce our commitment to sustainable growth. This section of the sustainability report provides an overview of the frameworks, policies, and governance mechanisms that guide our operations and demonstrate our dedication to responsible business practices and a sustainable future.

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CORPORATE GOVERNANCE

We at GMM Pfaudler view corporate governance as a key driver of ethical business conduct and sustainable value creation. Our governance practices are built on the principles of transparency, accountability, integrity, and fairness, enabling us to operate responsibly while addressing the interests of all stakeholders. Building trust with investors, partners, and shareholders remains a cornerstone to our governance approach.

Our Board of Directors maintain a strong oversight of the Company's governance framework and fulfil its fiduciary responsibilities through policies and practices aligned with international standards. Through responsible leadership,

transparent disclosures, and effective governance processes, we are committed to protecting shareholder interests, including minority stakeholders, and fostering sustainable growth across the organization.

For more details, refer to the Corporate Governance section at: <https://www.gmmpfaudler.com/investors/corporate-governance-and-compliance>

Enabling Governance structure

The Company's governance framework is driven by its core values and strengthened through the functioning of the Board's standing committees.

These committees support the alignment of operational performance with strategic goals across all horizons, while promoting ethical conduct,

transparency, and sound corporate governance practices. By integrating ESG priorities into business strategies and oversight mechanisms, the committees help

foster responsible governance and sustainable value creation across the organization.

Corporate Governance Framework



Board of Directors

The Board of Directors and its Committees play a pivotal role in guiding the Company's strategic direction and overseeing operational performance, while safeguarding the long-term interests of all stakeholders. The Board ensures compliance with applicable laws and regulatory requirements and promotes

adherence to the Company's Code of Conduct (CoC) and ethical business practices across all operations and subsidiaries.

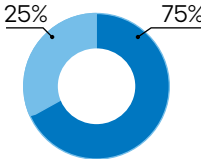
With a diverse mix of experienced professionals and industry expertise, the Board provides strong leadership and strategic oversight to support sustainable

growth and advance the Company's ESG commitments. In FY26, the Board convened six times, with a 96% attendance rate, reflecting a strong commitment to effective governance and oversight.

Board Statistics

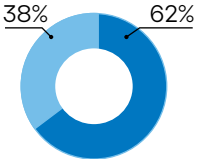
BOARD DIVERSITY

■ Male
■ Female



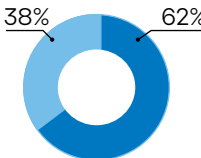
BOARD INDEPENDENCE

■ Independent
■ Non-Independent



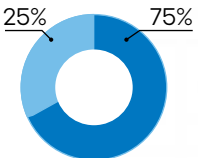
BOARD AGE PROFILE

■ >50 years
■ 40 - 50 years



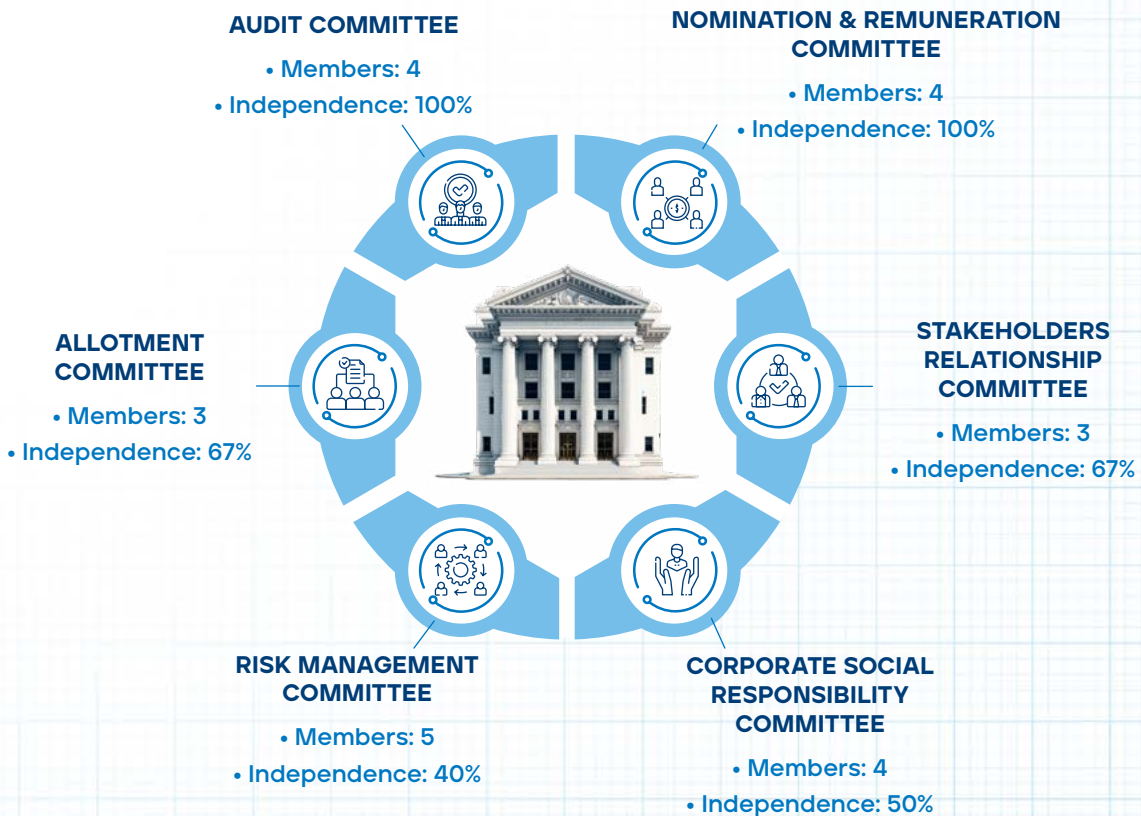
BOARD EXPERIENCE

■ >25 Years
■ 20-25 Years



Board Committees as on April 1, 2026

Our Board Committees strengthen the effectiveness of the Board by providing focused oversight, specialized expertise and strategic guidance on key governance matters. These committees play an important role in supporting governance policies, strengthening accountability, and enabling informed decision-making across the organization.



ALL COMMITTEES ARE CHAIRED BY INDEPENDENT DIRECTORS

ROLE OF OUR COMMITTEES



Audit Committee: Oversees financial reporting, internal controls and audit processes to ensure transparency and accuracy in financial disclosures.



Nomination & Remuneration Committee: Identifies and nominates qualified candidates for Board and leadership positions, while overseeing succession planning and remuneration policies.



Stakeholders Relationship Committee: Facilitates effective communication and engagement with stakeholders and addresses concerns to strengthen stakeholder relationships.



Risk Management Committee: Oversees the identification, assessment and mitigation of geopolitical & macroeconomic, strategic, operational, financial, and other risk areas, to ensure robust and effective risk management practices.



Corporate Social Responsibility Committee: Develops and oversees the CSR initiatives aligned with the Company's values.



Allotment Committee: Oversees the allotment of shares during capital-raising activities while ensuring regulatory compliance.

All our committees form the core of our governance framework by promoting transparency, accountability, ethical business conduct, and sustainable long-term growth while ensuring compliance with applicable regulatory requirements.

Management

Our Managing Director (MD) leads the Company's strategic vision and oversees its overall management and governance. Key responsibilities include guiding corporate strategy,

planning initiatives, brand development, external relations, and critical business decisions. Working alongside the MD, Group Chief Executive Officer (CEO), Group Chief Financial Officer (CFO), Company Secretary & Compliance Officer along with

the senior management team collaborate to ensure smooth execution of business strategies and operational excellence aligned with the organization's long-term objectives.

OUR POLICIES

Our policies act as the foundation for translating governance principles into practice, ensuring clear, consistent and transparent conduct in all internal operations and external interactions.



Scan the QR Code to see our policies

A Snapshot of Our Policies

Anti-Bribery & Anti-Corruption Policy	Human Rights Policy
Anti-Sexual Harassment Policy	Nomination, Remuneration & Evaluation Policy
Antitrust Guidelines	Policy & Procedure for enquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information
Board Diversity Policy	Policy for determining Material Subsidiaries
Code of Conduct & Ethics Policy	Policy on determination of Material Events
Code of Conduct for Prevention of Insider Trading	Preservation of Documents & Archival of Documents Policy
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Prevention & Redressal of Harassment at Workplace Policy
Corporate Social Responsibility Policy	Related Party Transactions Policy
Dividend Distribution Policy	Risk Management Policy
Environment, Social & Governance Policy	Supplier's Code of Conduct
Familiarization Policy	Whistle Blower Policy

Business Ethics

Ethical business conduct, integrity and transparency form the foundation of our governance framework and business operations. The Company remains committed to conducting business responsibly and in compliance with applicable laws, regulations and internal policies while fostering a culture of accountability, fairness and mutual respect.

The Company upholds high ethical standards across its operations and value chain through a robust governance framework, comprehensive policies, and effective compliance processes. By fostering a culture of integrity and responsible conduct, it builds trust among employees, customers, business partners, and other stakeholders, while supporting long-term sustainable growth. Ongoing governance initiatives, employee awareness programs, and strong compliance mechanisms further reinforce ethical decision-making and stakeholder confidence.

Code of Conduct and Ethics Policy

The Company has established a CoC and Ethics Policy applicable to all Directors and employees to promote integrity, transparency, accountability and responsible business practices. The Code sets out the principles and standards expected in the conduct of business and supports ethical and compliant decision-making across the organization.

Together with supporting policies, the Code addresses matters relating to anti-bribery and anti-corruption, anti-money laundering, conflicts of interest, insider trading, fair competition, equal opportunity, human rights, prevention of harassment, information security and data privacy, workplace health and safety and environmental responsibility.

Awareness and Compliance Training

As part of our continued focus on strengthening governance awareness and fostering an ethical culture, GMM Pfaudler invested in organization-wide capacity-building initiatives. Through Learning Management System (LMS) and instructor-led sessions, employees underwent structured training and awareness programs covering key topics such as CoC, Prevention of Insider Trading, Human Rights, PoSH, Anti-Bribery & Anti-Corruption, Information Security. In FY 26, around 92% of our employees completed the CoC training through the LMS platform.

Reporting and Governance Oversight

During FY26, two cases related to the CoC and four whistleblower cases were reported, all of which were effectively resolved, with updates provided to the Board on a quarterly basis. This approach is focused on strengthening responsible business practices, improving regulatory compliance, and enabling employees to actively support the Company's ESG commitments and core values in their day-to-day responsibilities.

Anti-Bribery & Anti-Corruption Policy

At GMM Pfaudler, ethical business conduct, integrity and transparency form the foundation of our governance framework. The Company remains committed to conducting business responsibly and maintaining a zero-tolerance approach towards bribery, corruption and unethical practices across all operations and stakeholder interactions. Through strong policies, internal controls, employee awareness initiatives and compliance mechanisms, we continue to strengthen a culture of accountability and reinforce adherence to applicable legal and regulatory requirements.

Our Anti-Bribery & Anti-Corruption Policy outlines

commitment to conducting business with integrity, transparency and the highest ethical standards. Applicable to all relevant stakeholders, the Policy prohibits bribery, corruption, facilitation payments, kickbacks and other unethical business practices, while providing clear guidance on dealings with government officials, gifts and hospitality, charitable contributions, third-party engagements and the prevention of money laundering. It also emphasizes accurate record-keeping, robust internal controls, whistleblower protection and compliance monitoring to ensure adherence to applicable Anti-Bribery & Anti-Corruption laws, including the Prevention of Corruption Act, UK Bribery Act and Foreign Corrupt Practices Act. The Policy has been periodically revised, with the latest amendment approved in FY26, reflecting the Company's continued focus on strengthening ethical governance and compliance practices.

Additionally, during FY26, awareness and training sessions on Anti-Corruption practices were conducted across the organization. In addition, regular flyers and mailers were circulated to strengthen employee awareness and reinforce compliance with ethical and regulatory requirements.

Prevention and Redressal of Harassment at Workplace

GMM Pfaudler maintains a zero-tolerance approach to workplace harassment, including sexual harassment, reinforcing its commitment to a safe, respectful and inclusive work environment. We believe that an inclusive workplace is founded on dignity, mutual respect and equal protection for all employees.

The Company continues to implement its gender-neutral Policy on Prevention and Redressal of Harassment at Workplace, ensuring protection across all employee groups. This Policy operates alongside the Anti-Sexual Harassment Policy, which remains aligned with the Prevention of Sexual Harassment (PoSH) Act, 2013.

To reinforce awareness and compliance, the Company conducted training programs through experts and in-person sessions, covering PoSH compliance, ethical conduct and grievance redressal mechanisms. Regular internal communications further supported employee awareness.

The Company continues its efforts to foster a safe, respectful and bias-free workplace where employees feel secure and empowered to perform at their best.

We are pleased to report that no complaints related to workplace harassment or sexual harassment were recorded in FY26. This reflects our continued efforts to foster a workplace culture where all employees feel secure, valued, and empowered to thrive.

SUSTAINABILITY GOVERNANCE

GMM Pfaudler's sustainability governance framework continues to play a key role in driving our ESG agenda. The Board provides strategic oversight and guidance, while the ESG Steering Committee, comprising senior leadership, is responsible for shaping ESG priorities and embedding them into day-to-day operations. The Committee also leads stakeholder engagement efforts and promotes cross-functional collaboration to support sustainable value creation across the organization.

FY26 marked the first year of implementation of our new ESG 2.0 Strategy, launched

with enhanced ambition and a sharper focus on measurable impact across material ESG topics. The strategy focused on key Environmental priorities including Energy & Emissions, Water Management and Waste Management; Social priorities comprising Diversity, Equity & Inclusion, Employee Well-being, Employee Development & Retention, Occupational Health & Safety and Human Rights; and Governance priorities including Business Ethics and Supply Chain Management.

As part of this strategy, various action plans were developed and executed across functions

to drive year-on-year progress toward our defined three-year sustainability targets. Department heads and their teams continued to play an integral role in the execution of the strategy by providing operational insights, monitoring performance and supplying relevant data to support transparent reporting, informed decision-making and effective target tracking. This collaborative and structured approach enabled consistent integration of ESG priorities across the organization and strengthened accountability toward achieving our long-term sustainability goals.

ESG Steering Committee

The ESG Steering Committee plays a pivotal role in advancing Company's sustainability agenda and strengthening the integration of ESG principles across the organization.

Comprising members of senior leadership, the Committee is responsible for defining sustainability priorities, shaping execution strategies, and driving implementation in alignment with the Company's broader ESG vision and long-term business

objectives. It provides strategic direction and operational support to ESG Working Groups while promoting collaboration across functions to ensure effective and consistent execution of ESG initiatives.

The Committee is also responsible for monitoring the progress of key sustainability initiatives and reviewing ESG-related disclosures, including the ESG Report, policies, and other public communications, prior to their submission for

leadership or Board's review and approval. In addition, it actively engages with external stakeholders such as auditors, rating agencies, and other partners on ESG-related matters. The ESG Steering Committee meets quarterly to review progress against established goals, assess emerging priorities, and refine action plans where necessary to support continuous improvement.

Key responsibilities of the ESG Steering Committee include:

- Oversees the Company's ESG strategy, including Policy implementation, target setting, performance monitoring and integration of sustainability principles into business decisions
- Developing execution plans aligned with the Company's sustainability vision and ESG 2.0 strategy
- Setting annual sustainability targets for the organization
- Assigning ownership of ESG KPIs and defining clear roles and responsibilities across functions
- Providing guidance and operational support to KPI owners and ESG Working Groups
- Monitoring KPI performance and reviewing progress on a quarterly basis
- Reviewing and submitting ESG disclosures for leadership or Board approval
- Oversees the preparation of ESG-related disclosures and publications (including reports and policies)
- Engaging with external stakeholders, including auditors, rating agencies, on ESG matters

CSR GOVERNANCE

We at GMM Pfaudler strive to create meaningful social impact by implementing initiatives that support inclusive development and empower communities. Through a collaborative and community-driven approach, we design programs that contribute to long-term social and environmental sustainability. Our core focus areas include healthcare, education, and environmental stewardship, where we partner with local communities and institutions to drive positive change.

Impact created with our CSR projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Healthcare	55,000+	100%
2	Education	1,400+	100%

In the Environment section, the Company supports initiatives such as coral reef restoration in the Andaman Islands, marine megafauna rescue along the Karnataka Coast, and decarbonization efforts across India's pharmaceutical, fine & specialty chemical industries and

animal rescue programs. While the impact of these initiatives is reflected through environmental conservation, biodiversity protection and ecosystem restoration, their nature does not lend itself to quantification in terms of direct beneficiaries.

For details of our CSR Policy, please log on to:

<https://www.gmmpfaudler.com/file/CorporateSocialResponsibilityPolicy.pdf>

GMM Pfaudler Foundation:

Our Foundation serves as the dedicated philanthropic arm of GMM Pfaudler Limited, established under the Companies Act, 2013, to implement CSR initiatives for GMM Pfaudler. The Foundation's mission is to drive positive transformation in individuals and communities

across India by promoting sustainable development and inclusive growth.

GMM Pfaudler's CSR approach reflects its commitment to creating enduring social value through impactful programs in healthcare, education, community development, and environmental sustainability. These initiatives

are conducted with transparency and accountability, reinforced by active community involvement and a grievance tracking system to ensure impactful and sustainable outcomes.

For more details, visit: <https://gmmpfaudlerfoundation.org/>

RISK MANAGEMENT

GMM Pfaudler has implemented a robust Enterprise Risk Management (ERM) framework designed to proactively identify, evaluate, and mitigate risks that may affect the organization. To strengthen oversight of this framework, the Board of Directors has constituted a dedicated Risk Management Committee (RMC) in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI Listing Regulations).

The ERM framework is reviewed periodically and aligned with industry best practices to ensure a systematic and consistent process for risk identification, assessment, mitigation, and monitoring. This framework supports the Company's long-term value creation objectives by enhancing resilience against a broad spectrum of risks.

The RMC consistently monitors the identification, evaluation, and mitigation of geopolitical and macroeconomic, strategic, operational, financial, and other risks to ensure strong and effective risk management practices.

Supporting the RMC is the Executive Risk Management Council (ERMC), which plays a crucial role in implementing and operationalizing risk management processes. The ERMC continuously monitors changes in the business environment, emerging risks, and other factors influencing the Company's risk profile. It also oversees the progress of mitigation plans and reports updates to the RMC, which subsequently informs the Board of Directors. The Members of ERMC is decided by the MD and Chief Risk Officer (CRO) from time to time. The RMC has designated the Group CFO as the CRO of GMM Pfaudler to work closely with the ERMC and designated risk owners, to identify and develop effective risk mitigation strategies.

The RMC and ERMC jointly focus on critical areas such as crisis management, business continuity planning, and the ongoing assessment of complex geopolitical challenges, including wars, sanctions, and disruptions in global trade. This coordinated approach strengthens the Company's preparedness and responsiveness to rapidly changing domestic and international risk scenarios.

In accordance with the Companies Act, 2013, and SEBI Listing Regulations, the Audit Committee continues to oversee financial risk management practices, including the review of internal financial controls and the effectiveness of the risk management system on an annual basis.

GMM Pfaudler's risk governance framework is integrated across all organizational levels, ensuring a holistic and enterprise-wide approach to risk management. Further details are available in the Management Discussion & Analysis section of the Annual Report. For details of our RMC Policy please log on to: https://www.gmmpfaudler.com/file/RiskManagement_Policy.pdf

Cyber Risk Management

At GMM Pfaudler, cyber risk management is a key component of our governance framework, supported by a comprehensive and layered approach to protecting our systems, networks, and data. We conduct regular risk assessments to identify vulnerabilities proactively and strengthen our cybersecurity posture through robust security policies, strict access controls, periodic system updates, and employee awareness programs.

Advanced security tools, including firewalls, intrusion detection systems, and continuous monitoring mechanisms, help defend against cyber threats and unauthorized activities. To ensure business continuity, we maintain critical data backup systems and disaster recovery plans capable of minimizing operational disruptions in the event of a cyber incident. In addition, regular security audits and penetration testing support continuous improvement, while ongoing engagement with industry developments helps us stay

prepared for emerging threats. Through these measures, we aim to safeguard our digital assets, maintain regulatory compliance, and reinforce stakeholder trust.

DATA PRIVACY

The Company recognizes the increasing importance of data privacy and information security in an evolving digital landscape and remains committed to protecting the confidentiality, integrity and availability of information entrusted to it. With the introduction of India's digital personal data protection framework, the Company is proactively strengthening its data governance practices to align with the evolving regulatory requirements.

Data access is governed through defined authorization protocols, supported by robust technological safeguards, continuous monitoring and periodic reviews to prevent unauthorized access, use, disclosure, alteration or loss of information. By continuously enhancing its data privacy and cybersecurity framework in line with legal, regulatory and industry expectations, the Company seeks to foster responsible data management and maintain the trust and confidence of its stakeholders.

SUPPLY CHAIN MANAGEMENT

At GMM Pfaudler, responsible supply chain management forms an integral part of our sustainability approach. The

Company engages with suppliers through regular assessments, site visits, and performance reviews to encourage ethical, social, and

environmental practices across the value chain.

Indian Operations

Supplier's Code of Conduct

The Company expects suppliers, contractors, consultants and other business partners to uphold principles consistent with its ethical standards through contractual commitments and adherence to the Supplier's Code of Conduct.

To strengthen transparency and accountability, multiple

accessible reporting channels are maintained through which employees and stakeholders can report actual or suspected misconduct, unethical behaviour or violations of the Code without fear of retaliation. The policy was also updated during FY26 to reflect evolving regulatory requirements, governance

priorities and business practices.

For further details about our Supplier's Code of Conduct, please refer to the link below:

https://www.gmmpfaudler.com/file/Suppliers_Code_of_Conduct.pdf

Supplier Sustainability and Responsible Procurement

During FY26, BRSR Core suppliers were identified and action plans for supplier sustainability initiatives were developed, while sustainability evaluation criteria for new material suppliers continued to be strengthened. The Company also promotes responsible sourcing practices, including support for local vendors and MSMEs, and encourages the use of recyclable packaging materials across the supply chain.

Type of Supplier	FY25*	FY26
Directly sourced from MSMEs/small producers	31%	24%
Directly from within India	95%	79%

* FY25 data has been restated

The Company encourages suppliers to adopt environmentally responsible packaging materials and sustainable operating practices

through its Supplier's Code of Conduct and procurement requirements. Initiatives such as the use of recyclable packaging materials, reduction in plastic

and thermocol usage, and reuse of wooden waste support the Company's efforts towards waste minimization and resource efficiency.



DIGITAL SOLUTIONS

Indian Operations

At GMM Pfaudler, digital innovation remains integral to our ESG vision by enabling smarter operations, improving governance, and enhancing efficiency across business functions. During FY26, we strengthened our digital transformation journey through several technology-driven initiatives focused on process innovation, workload reduction, and improved customer responsiveness.

Projects completed



Commercial Review (AI) Platform

We implemented an AI-powered Commercial Review Platform that automates contract analysis, compliance validation, and risk assessment. The platform reviews clauses against governing documents, identifies non-compliant provisions, provides AI-enabled document insights, and centralizes contract management to improve traceability and audit readiness.



AI-Assisted Engineering Validation Platform

As part of its digital innovation initiatives, GMM Pfaudler implemented an AI-assisted engineering validation platform to automate the comparison and validation of OFN drawings, GA drawings, and Bill of Materials data. The platform intelligently identifies discrepancies and presents them for engineering review, replacing manual spreadsheet-based validation with a standardized, accurate, and efficient process.

The solution has significantly reduced document validation time from approximately one hour to 5-10 minutes per document, delivering an estimated 90% reduction in review effort. With engineering teams validating multiple drawings each day, the platform has substantially improved productivity, accelerated project execution, and enhanced overall operational efficiency.

By minimizing manual intervention, reducing the risk of human error, and improving consistency in engineering validation, the platform enables engineers to focus on higher-value analytical and design activities. This AI-driven solution strengthens quality, scalability, and operational excellence while reinforcing GMM Pfaudler's commitment to leveraging advanced technologies to drive business transformation.



Document Management System

To enhance operational efficiency and strengthen document governance, GMM Pfaudler implemented a centralized Document Management System, replacing manual document exchange through emails with a structured digital workflow.

The platform provides a secure repository for various departments, enabling automated document management, report generation, workflow notifications, and version control. By improving document traceability, accessibility, and process standardization, the system has reduced manual effort, accelerated document retrieval, and enhanced cross-functional collaboration.

The implementation has strengthened operational transparency, improved compliance with document control requirements, and enabled timely information sharing across key business functions, supporting the Company's broader digital transformation initiatives.



Upgrade of LN

As part of its ongoing digital transformation agenda, GMM Pfaudler successfully upgraded its Enterprise Resource Planning platform from LN 10.4, which was nearing the end of OEM support, to the latest cloud-enabled version which is Infor CloudSuite. The implementation commenced in July 2025 and was completed with a successful go-live in April 2026, ensuring business continuity with minimal disruption.

The upgraded platform provides a modern multi-tenant cloud architecture, improved scalability, enhanced security, and automated updates, enabling the Company to leverage future innovations while reducing the complexity of major upgrade cycles.

The transformation also introduced several advanced capabilities, including business process mapping, contract lifecycle management, real-time activity tracking, and end-to-end process visibility. These enhancements have strengthened cross-functional collaboration, improved operational efficiency and transparency, and enabled faster, data-driven decision-making through enhanced visibility across key business processes align with its newly introduced Infor GENAI. This strategic investment reinforces GMM Pfaudler's commitment to building a resilient, future-ready digital ecosystem that supports sustainable growth, operational excellence, and an enhanced customer experience.