



SOLARA
Active Pharma Sciences

ILLUMINATING SUSTAINABLE PROGRESS

Advancing Health,
Empowering Sustainability

SUSTAINABILITY REPORT 2024-25



SOLARA
Active Pharma Sciences

Solara Active Pharma Sciences Limited

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TURNING PURPOSE INTO PROGRESS

Solara Efforts in Bridging the Gap Between Sustainability and Action

At Solara, we actively embrace sustainability as a duty rather than just a pledge. We have taken proactive action to turn our sustainability vision into observable results because we understand that promises alone cannot bring about significant change. Our strategy centers on incorporating social responsibility, environmental stewardship, and governance principles into all aspects of our business.

Important Projects Increasing Impact:



Green Manufacturing Practices:

To lessen our carbon footprint across all of our manufacturing sites, we have put in place energy-efficient technology and streamlined resource use.



Adoption of Renewable Energy:

Our dedication to clean energy is strengthened by the fact that a sizable amount of our energy needs are currently satisfied by renewable sources.



Waste Reduction:

We want to reduce our influence on the environment and promote a circular economy by encouraging recycling and proper waste management.



Community Involvement:

Sustainability goes beyond what we do. We provide communities with information and tools for a more sustainable future through collaborations and outreach initiatives.



Transparent Reporting:

To guarantee responsibility and ongoing development, we uphold strict sustainability reporting guidelines.

The idea that sustainability is a continuous process rather than a destination serves as our compass. Solara is creating a future where corporate expansion and environmental responsibility coexist by bridging the gap between commitment and action.

NAVIGATING THIS REPORT

Report Profile

Approach

Solara Active Pharma Sciences Limited is in the process of preparing its sustainability report for the first time, adhering to GRI guidelines and principles.

The reporting period for this sustainability report spans the entire fiscal year 2025, from April 1, 2024, to March 31, 2025. This report offers insights into our sustainability approach, including our strategy, objectives, and performance.

We have complied with the GRI Standards, and this report has been developed in accordance with the 'GRI Standards.' This marks the first report, with any restatements or modifications from previous reports clearly defined.

SCOPE AND BOUNDARY

Business Segments:

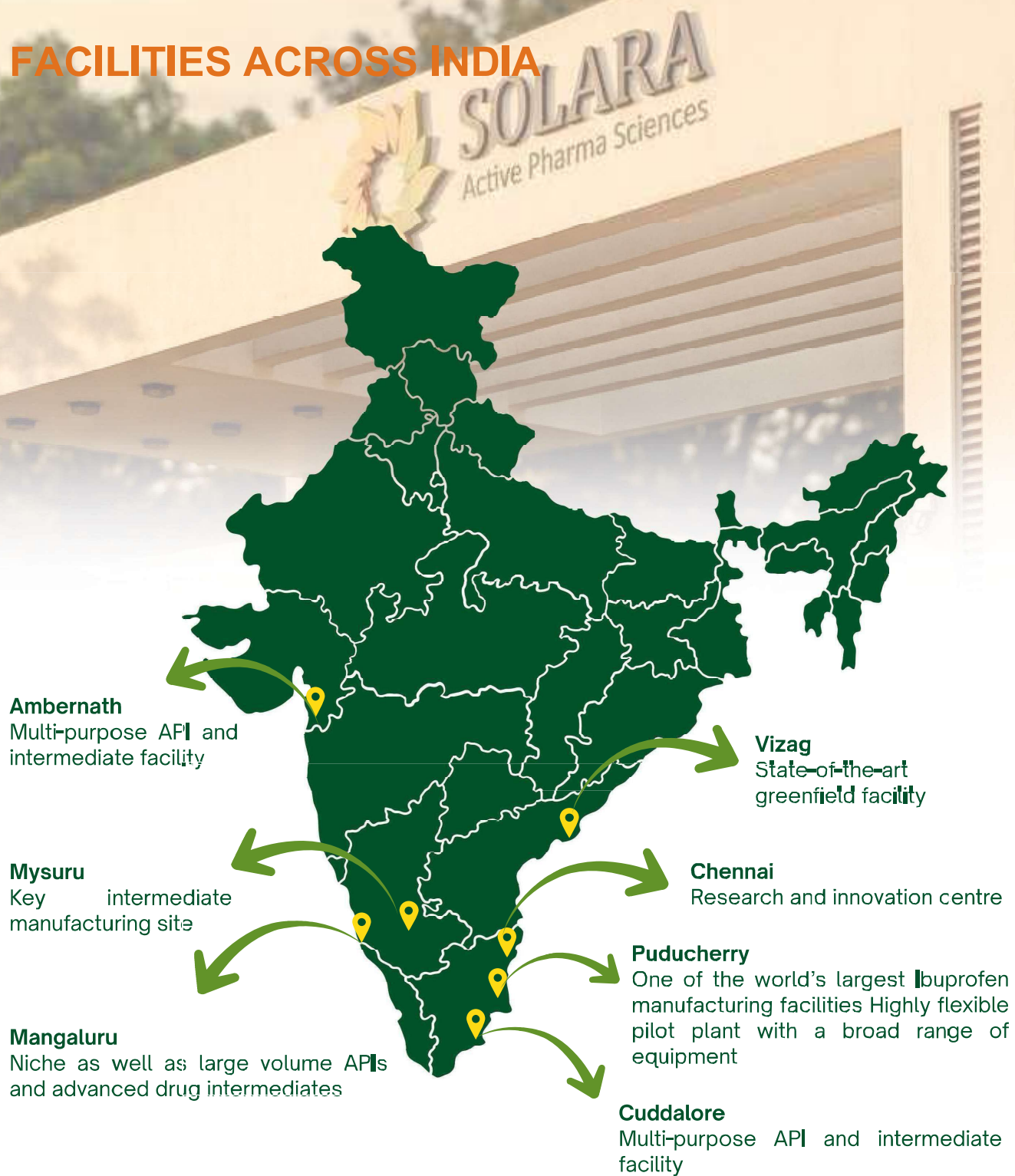
Pure Play API Business

Geographies: Covers Manufacturing sites, Marketing Office and Research & Development Centre operating within India whose details is as below

Active Pharmaceutical Ingredient (API)

- **Puducherry:** R.S. No. 33 & 34 Mathur Road, Periakalapet, Puducherry - 605 014.
- **Cuddalore:** A 1/B SIPCOT Industrial Complex, Kudikadu Village, Cuddalore - 607 005.
- **Mysore:** Plot Nos. 253 & 254, Thandya Industrial Area, Thandavapura, Mysore, Karnataka - 571 302
- **Mangalore:** Plot No. 120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore - 575011
- **Ambernath:** Plot No. N-39/ N-39-1, Anand Nagar, MIDC, Additional Ambernath, Ambernath (East), Mumbai 421506.
- **Vizag:** Plot No. 3B & 3C, APIIC, APSEZ, Atchutapuram, Vishakapatnam - 531011
- **Research & Development Centre:** No. 27, Vandaloore Kelambakkam Road, Keelakottaiyur Village, Melakottaiyur PO, Chennai 600 127
- **Marketing Office:** Embassy Vogue, Vasanth Nagar, Bangalore - 560052

FACILITIES ACROSS INDIA





EXTERNAL ASSURANCE

Solara Active Pharma Sciences Limited (SAPSL) to provide independent third-party assurance on its Sustainability Report (the "Report") for the financial year 2024-25. The Report has been prepared by SAPSL in accordance with the Global Reporting Initiative (GRI) Standards under the "in accordance" option for sustainability reporting. This assurance engagement was conducted under ALS Testing Services India Pvt Ltd (ALS), under ISAE guidelines, AA1000 principles and taking applicable UN SDGs into account.

Note: External assurance certificate from ALS testing services India Pvt Ltd (ALS) is enclosed to this report



Queries/ Feedback

For Queries, Clarifications or Feedback related to the report, write to:
Solara sustainability group
Solara Active Pharma Sciences Limited,
Email Id:
sapsustainabilitygroup@solara.co.in



Restatement of Information

Nil

Managing Director's Message



We have set the stage for Solara to experience sustainable, scalable, and profitable growth in the years to come. Through responsible operations, strong governance, and a commitment to sustainability, we continue to create enduring value for all our stakeholders.

This year has served as a demonstration of our shared commitment and dedication to fostering significant change and excellence. Fiscal Year 2025 was a year of Reset for Solara, and I am pleased with the results we have attained. We have set the stage for Solara to experience sustainable, scalable, and profitable growth in the years to come. Collectively, we have faced challenges, seized new opportunities, and reinforced our foundation for a sustainable and prosperous future.

For the fiscal year, we reported revenues amounting to '1,292.08 Crores. Our gross margin saw a significant increase, reaching '664.91 Crores, which represents a 36% rise compared to the previous year and a 51.5% improvement in gross margin percentage, up from 37.8% in FY24.

Regarding EBITDA, we encountered fierce competition within our ibuprofen product line; however, the remainder of our portfolio exceeded expectations. Our product mix continues to be strong, with a substantial portion of revenues derived from regulated markets.

In FY25, the Mangalore facility successfully obtained the EU GMP certification, whereas the Vizag facility concluded the USFDA inspection with no 483 inspectional observations. Throughout the year, the Ambernath, Mangalore, and Puducherry facilities were granted WHO GMP certification.

Our commitment to Sustainability

In alignment with our environmental commitments, we place a high priority on

optimizing power and fuel consumption. Additionally, we are focused on enhancing the processes within our Zero Liquid Discharge (ZLD) and Effluent Treatment Plants (ETP) throughout our facilities. Through these dedicated efforts, we reaffirm our commitment to sustainability and responsible resource management.

Our robust risk management framework guarantees that emerging threats are identified, evaluated, escalated, and addressed in a timely manner. By establishing and fostering a culture of accountability and ethical behaviour, we protect the long-term interests of our stakeholders and create enduring value. Furthermore, we have also enrolled in the UNGC and are members, demonstrating our commitment to sustainability.

In addition to ensuring sustainable performance at our facilities, we have actively engaged our supply chain partners in sustainability efforts, emphasizing their commitment to environmental, social, and governance principles.

Our Corporate Social Responsibility (CSR) initiatives are designed to foster an empathetic and inclusive society. We seek to generate a sustainable positive impact within the communities we serve through our significant interventions in healthcare, education, and community development, thus facilitating a pathway to sustainable living. Strong governance and a solid risk culture are essential for our organizational success, value creation, and sustainability. By adhering to the highest ethical and corporate governance standards, we

aim to cultivate a culture of ownership and accountability.

For the past five years, we have been evaluating our company's sustainability performance in collaboration with the globally recognized sustainability rating agency, Eco Vadis. We have consistently demonstrated progress in our sustainability performance, as evidenced by an increase in our score from 55 to 66 and an improvement in our percentile ranking from 62 to 79.

Way forward

As we look to the future, our emphasis will continue to be on enhancing profitability through specific cost improvement strategies, optimizing our network, reducing operating expenses, managing working capital efficiently, and decreasing debt as the organization shifts from a phase of reset to one of growth.

In summary, we express our heartfelt appreciation to our shareholders, customers, employees, and partners for their steadfast support and trust in Solara. We are highly confident that the Company will persist in promoting innovation, maintaining the highest standards of quality and sustainability, and achieving its vision of enhancing global health outcomes.

Warm regards,

SANDEEP SHASHIKANTHA RAO

Managing Director & CEO

ORGANIZATION PROFILE

Company Profile:

Solara Active Pharma Sciences offers a diversified portfolio of high-value commercial APIs across more than 70 countries. Our robust manufacturing base comprises six state-of-the art API manufacturing facilities that comply with stringent global standards. These facilities have received approvals from major regulatory authorities, including the United States Food and Drug Administration (USFDA), the European Union Good Manufacturing Practices (EU GMP), and the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan.

Our objective is to meet the changing needs of our clients while enhancing stakeholder value through operational efficiency, continuous innovation, and rigorous regulatory compliance. As a specialist in APIs, we remain dedicated to advancing our product development capabilities and achieving technological breakthroughs, thereby strengthening our competitive position in the global pharmaceutical landscape.

Solara at a Glance



**Present over 70
countries
worldwide**



**Operating 6 globally
approved manufacturing
facilities**



**completed 33
successful USFDA
across different
sites till date**



**backed by a
dedicated team of
60+ scientist**



**A State-of-the-art
research centre
driving innovation**



**Offer more 60
commercial
products**



**Supported by a
workforce of over
1,700 professionals**

Road ahead

As we repivot the business from reset to a profitable, sustainable and scalable growth we will be further developing on the foundation set during FY25 and will add new focus areas to work upon as we work towards building a stronger FY26.



OUR VISION

To be among the Top 10 Pure-Play global API companies that build significant value for our partners, stakeholders, and shareholders committed to protecting human life and the environment.



OUR MISSION

To be a customer-centric organisation delivering APIs of high quality



OUR PURPOSE

Together for a healthier tomorrow

Solara Active Pharma Sciences manufacturer of high-value commercial APIs main purpose is to work. Together for a healthier tomorrow with the mission to be a customer-centric organization delivering APIs of high quality with the vision to be among the Top 10 Pure-Play global API companies that build significant value for our partners, stakeholders, and shareholders committed to protecting human life and the environment.

THE ECONOMICS OF GROWTH

Financial Performance

Consolidated profit and loss metrics (₹ in crores)

Particulars	FY 24	FY 25
Revenue	1,294.29	1,292.08
R&D cost	49.5	34.5
EBITDA*	-92.03	213.84
EBITDA margins	-7.1%	16.5%

Key highlights

FY25 served as a reset year for Solara, during which we remained committed to prioritising profitable, high margin, and high-quality business segments. For the year, we recorded revenues of ₹1,292.08 Crores. Our gross margin expanded significantly to ₹664.91 Crores, marking a 36% year-on-year increase and a gross margin percentage of 51.5%, up from 37.8% in FY24. EBITDA demonstrated a strong turnaround as well, reaching ₹213.84 Crores with a margin of 16.5%, compared to a negative margin of -7.1% in the prior year.



Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.



Foreign currency risk management

The Company is exposed to foreign exchange risk due to debt availed in foreign currency - exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency (i.e. Indian rupees). The impact on profit has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position.



Finance and climate change

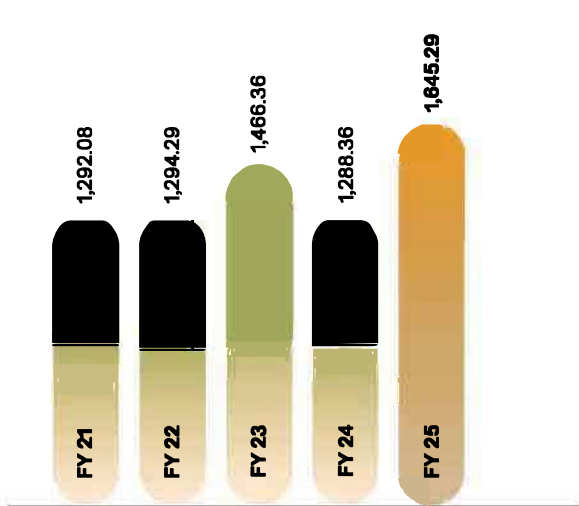
We had a detailed assessment of climate change risks analysed and are briefed under strategic risk management, we have the opportunity to work on the reduction of the GHG emissions and energy optimization due to the business needs in view of the ongoing COP under UN Climate change conferences. We pinned this opportunity and are discussed elaborately under the environment, highlighting the progress.



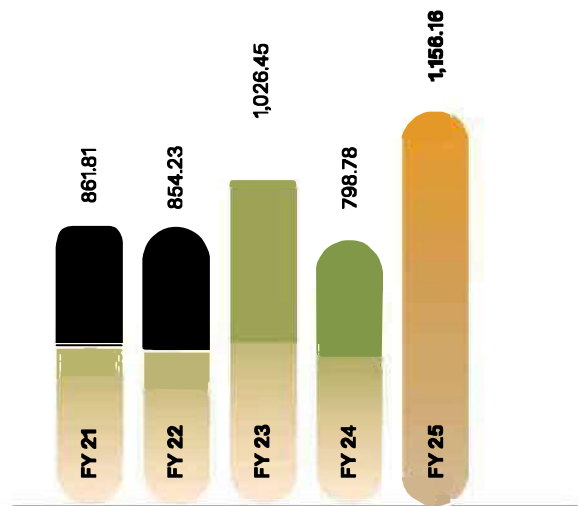
Financial assistance received from government.

No assistance received from government this year.

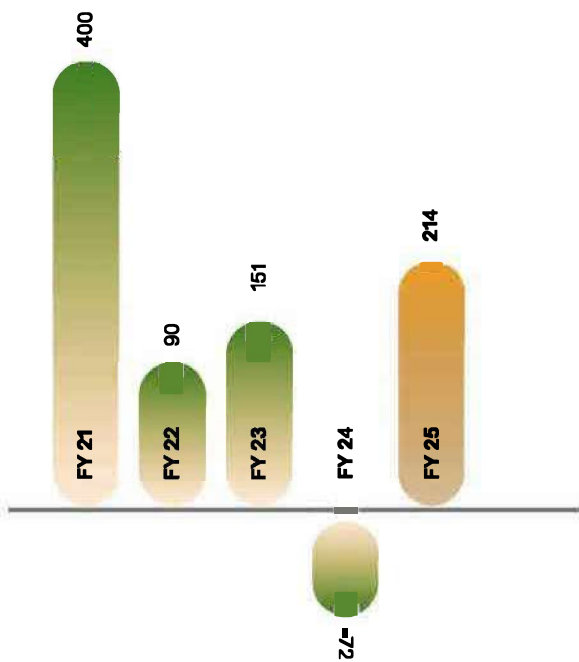
Revenue Detail (In Crores)



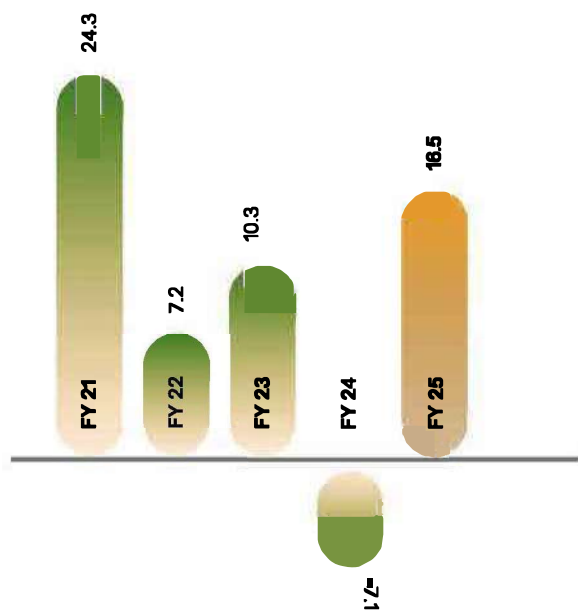
Regulated Market Revenue Detail (in Crores)



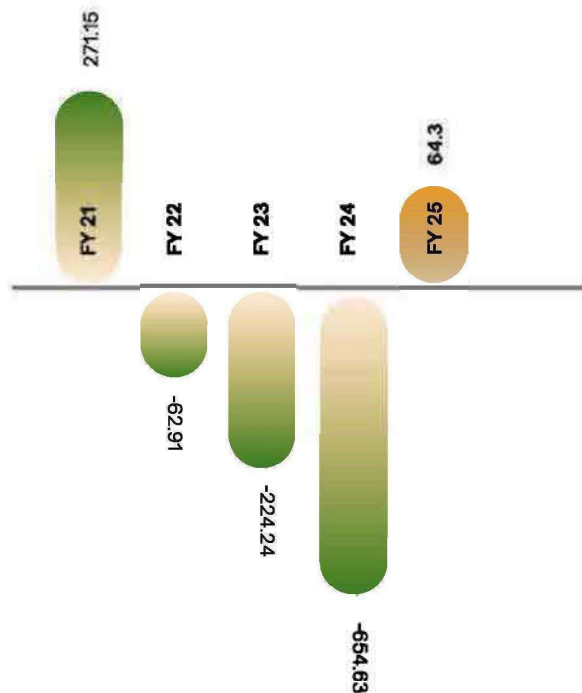
EBITDA Trend (in Crores)



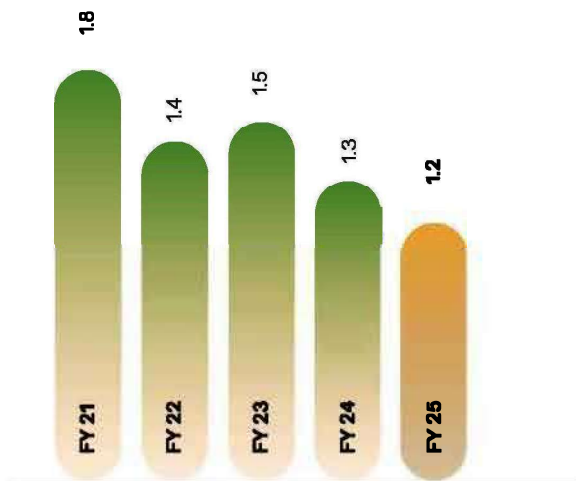
EBITDA in %



Profit after tax (in Crores)

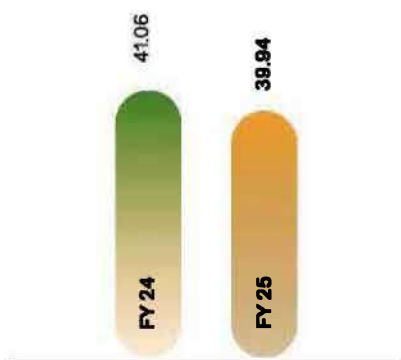


Fixed asset turnover ratio (in Crores)



Solara Infrastructure investments (in Crores)

Capital expenditure for property, plant and equipment and intangible assets, including capital advances



FY 24–25 MILESTONES



**30136 man-hours spent
on safety training**



**EBITDA Rs. 213.84 crores
increased 332.4%
against FY 24.**



**₹41.45 crores investment
in R&D which is 3.2% of the
total revenue made**



**₹1292.08 crores
Revenue, down by 0.2%
against FY 24**



**1775 employees are
working across Solara
sites.**



RECOGNITION THROUGH EXCELLENCE



Maharashtra Chapter has awarded Solara Active Pharma Sciences Ltd, Ambernath for its meritorious performance in industrial safety in Industrial Group A 06 (Papers, Sugar & Pharmaceuticals) for consecutive 12th time for achieving Zero Accident Frequency Rate during the year 2024

Solara-Ambarnath site awarded for achieving Zero Accident Frequency Rate during the year 2024.



We are pleased to announce that our Cuddalore site has been recognized with a Silver Award at the CII-EHS Excellence Awards 2024 for EHS Excellence from the CII-Southern Region.

Solara-Puducherry site awarded Silver at the CII-EHS Excellence Awards 2024 for EHS Excellence.



Solara has been recognized as the “Sustainability Excellence Team of the Year” at the Bharat CSR & Sustainability Summit & Awards



We are proud to share that Solara Active Pharma Sciences Limited, Ambarnath site, had been honoured with the “Gold Award” in “17th EXCEED OHS & Security Award 2024” in Occupational Health & Safety category under ‘Pharmaceutical’ sector’



GUIDED BY GLOBAL STANDARDS, DRIVEN BY PURPOSE

About GRI:

GRI is an independent international organization that has pioneered sustainability reporting since 1997.

Pioneer of Sustainability Reporting

GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

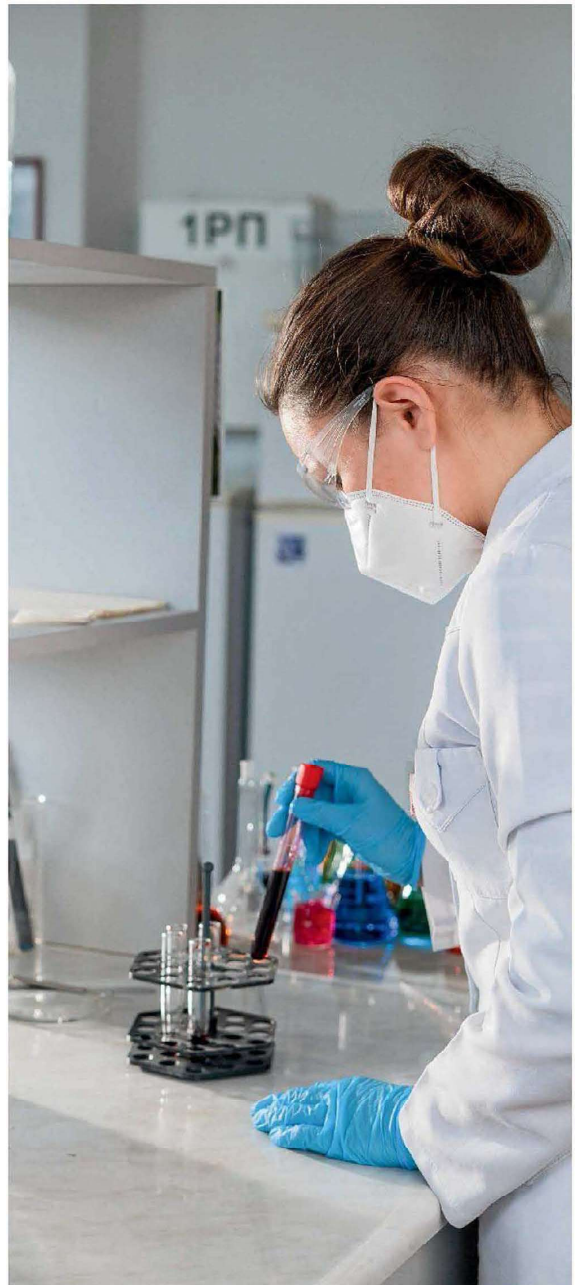
Mission and Vision

Its Vision is “thriving global community that lifts humanity and enhances the resources on which all life depends”.

Its Mission is “To empower decisions that create social, environmental and economic benefits for everyone”.

Scope of the Report

This report covers the R&D, Manufacturing sites and the marketing offices within the India for the FY 25 (April, 1st 2024 to March 31st 2025)



LEADING WITH INTEGRITY AND ACCOUNTABILITY

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is set out below:

Company’s Philosophy on Code of Governance

Our Company believes in balancing the interests of many stakeholders, such as shareholders, management, customers, suppliers, financiers and government. Our Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction. Adequate and timely information is critical to accountability. The Company believes to act in the spirit of law. We aim at providing complete transparency in our operations.

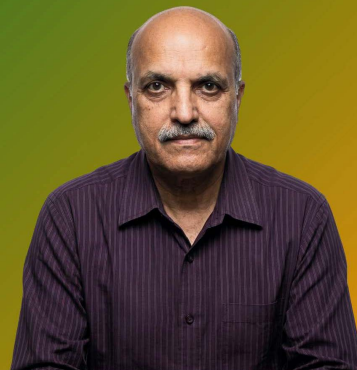
Board of Directors (As on 31 March 2025)



Mr. Rajendra Kumar Srivastava
Independent Director



Mr. Rajiv Vijay Nabar
Independent Director



Mr. Arun Kumar Pillai
Non-Executive Director



Mr. Kartheek Raju Chintalapati
Non-Executive Director



Mr. Manish Gupta
Non-Executive Director



Mr. Sandeep Shashikantha Rao
Managing Director & CEO





Board constitutes with a female director on board with a diversity ratio of 11% to the total board composition.

Solara Leadership Team



Mr. Sandeep Shashikantha Rao
Managing Director & CEO



Mr. Mohan Muthunarayanan
Whole time Director & COO



Mr. Sarat Kumar
Chief Financial Officer



Mr. Sundara Moorthy
Chief Quality Officer



Vishal Mathur
Chief Commercial Officer



Dr. Hero Velladurai
Chief Scientific Officer

There are nine directors on the board as of the date of this report: two executive directors, four independent directors, and three non-executive directors. Each of the Board's directors has extensive expertise in their specialized industries. A proper mix of executive and non-executive directors makes up the company's board of directors with appropriate knowledge. Independent Directors of the Company have received a formal letter of appointment in accordance with the Act and the Listing Regulations. The terms and conditions of the selection of directors, performance of this highest governance body and remuneration for the directors are detailed in the policy and available in the portal [Solara Active Pharma Sciences – A Pure Play API Company](#) in corporate governance section.

Board committees

Our Board has established statutory committees to address critical issues and the sustainability governances with each committee formally approved by the Board and assigned distinct responsibilities. These committees monitor specific areas to ensure efficient oversight. Regular reports, updates, and feedback are provided to the Board, fostering open communication and encouraging suggestions.

List of Governance Committees

The Board has constituted the following Committees as prescribed under the Companies Act, 2013 and Listing Regulations:



Audit Committee



Nomination and Remuneration Committee



Stakeholders' Relationship Committee



Corporate Social Responsibility Committee



Risk Management Committee



Sustainability committee

LIST OF POLICIES ENABLING THE ESG GOVERNANCE

List of Policies

SOCIAL AND GOVERNANCE POLICIES

	Code of Conduct for Directors
	Code of Conduct for Senior Management
	Code of practices and procedure for fair disclosures of UPSI
	Familiarisation Programme Non-Executive Directors
	Solara-Code of conduct for prohibition of insider Trading
	Solara Policy on Board Diversity
	Policy for Determination of Materiality
	Policy for Governance of Related Party Transactions
	Solara CSR Policy
	Policy for Preservation of Documents
	Whistle Blower Policy
	Public Policy Advocacy
	Social security measures policy
	Stakeholder Engagement policy

ENVIRONMENTAL POLICIES

-  Environment Health and Safety Policy
-  Sustainability Policy
-  Process Safety Policy
-  Energy policy
-  Greenhouse Gases Policy
-  Water Policy
-  Biodiversity Policy
-  Air and Noise management Policy
-  Handling of Hazardous Materials & Chemicals policy
-  Waste Handling Storage and Disposal Policy
-  Policy on Product end of life
-  Policy on Pharmaceutical in the Environment
-  Customer Health and safety policy
-  Sustainability Procurement Policy

Conflict of interest

When there is a chance for a direct or indirect benefit that might influence your business practices, you have a conflict of interest. The Code of Conduct goes into depth on conflict-of-interest situations.

Furthermore, copies of the Code of Conduct are readily available to all of our workers through Solara Active Pharma Sciences Limited no case of Conflict of interest reported this year. The detail of the same are captured in the annual report in page No 87

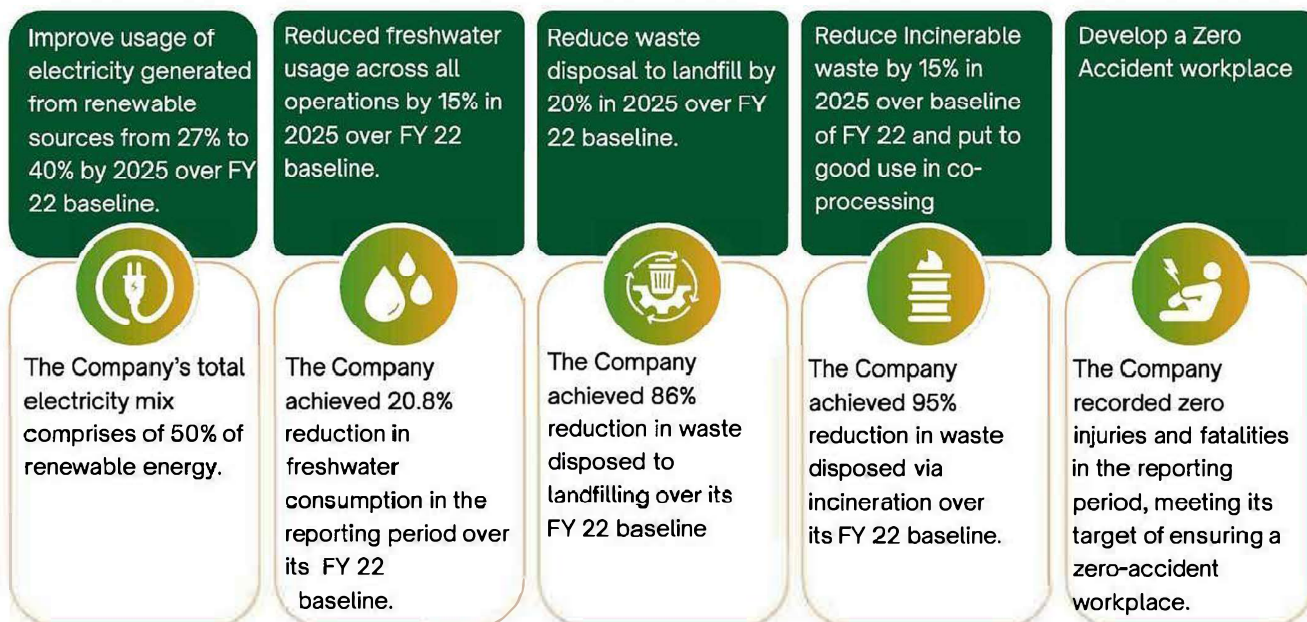
Statement on sustainable development strategy



Solara, meanwhile, continues to advance its core API business with renewed clarity and conviction. Looking ahead, we are poised to build on our strong foundation and sharpened strategy to capture emerging opportunities, drive growth that is sustainable, scalable and profitable, and deliver life-saving solutions that make a lasting impact on global healthcare.

In line with our commitment and sustainable development strategy Solara had framed method statements through policies

Accomplished Goals



With the successful completion of the initial goals, a new set of objectives has been defined, as outlined below.

5% reduction in fresh Water consumption on year-on-year basis.

Zero waste to landfill by FY40 over FY24 baseline.

Improve usage of electricity generated from renewable sources from 39% to 92% by 2050 over FY 24 baseline.

42% reduction of scope-1 and scope-2 emission by FY30 as short-term goals and 90% reduction by FY50 as long-term goal over the base year FY24 baseline emissions

Zero reportable incidents

Ethics and Integrity

Our guiding principles and values serve as both a roadmap for sustainability and the basis for all of our business choices and worldwide operations. We understand that creating excellent goods is only one aspect of our business; another is developing trust with our stakeholders, which is essential to our success and consistent with our core values. Our organization is dedicated to ethical business behavior, integrity and dedication to principles, openness, and accountability essential components of good corporate governance in order to build and maintain the confidence of its stakeholders. Every decision is made with the interests of the shareholders in mind. The Board and management are cognizant of the interests of minority shareholders and take all necessary steps to increase the value of shareholders. Accountability in making decisions and ethics in

Enhance gender diversity across R&D and corporate functions to promote inclusivity.

100% communication of requirements on sustainable practices to all the suppliers by 2030

100% employees covered for Environmental, Social and Governance training.

ISO 37001 for all our Manufacturing sites by 2027.

carrying them out are therefore highly valued. To guarantee strong governance and workplace ethics, the company has put in place a number of policies and guidelines. The details of these policies are available on our website [Solara Active Pharma Sciences - A Pure Play API Company](#) in corporate governance section. The Board of Directors sets the example for ethical behavior in our organization as it is dedicated to upholding the highest standards of morality and the law while carrying out its duties. The Code of Conduct outlines the company's rules and procedures, and all directors and employees are required to act morally at all times. All of our workers have easy access to copies of the POSH policy and Code of Conduct via Solara Active Pharma Limited and whistleblower policy, Code of Conduct for Board of Directors, Code of Conduct for Senior Management in policies and guideline section.

Solara Active Pharma Sciences – A Pure Play API Company. We have done business risk on ethics for all our operational footprints covering the elements such as child labor, fair trade practices and abuse.

Robust policies and practices are enforced to ensure compliance with our ethical policies. In FY 25, We have zero cases reported on ethical issues across all our Solara business process.

Grievance Redressal

The company has a grievance redressal procedure in place to handle complaints from stakeholders regarding the policies and communication of important issues. The rules and guidelines are appropriate for the organization's size. We have policies that allow Solara employees, Internal and external whistleblowers to disclose misbehavior without fear of reprisal, victimization, or discrimination is the Whistle Blower Policy. During the fiscal year, no shareholder lawsuits were made alleging unethical business practices or careless product promotion.

The Board of Directors sets the example for ethical behaviour in our organization as it is dedicated to upholding the highest standards of morality and the law while carrying out its duties. The Board of Directors sets the example for

ethical behaviour in our organization as it is dedicated to upholding the highest standards of morality and the law while carrying out its duties. The Code of Conduct outlines the company's rules and procedures, and all directors and employees are required to act morally at all times. All of our employees have easy access to copies of the POSH policy and Code of Conduct via Solara Active Pharma Sciences – A Pure Play API Company, and whistleblower policy, Code of Conduct for Board of Directors , Code of Conduct for Senior Management in policies and guideline section via Solara Active Pharma Sciences – A Pure Play API Company. important issues. The rules and guidelines are appropriate for the organization's size. During the fiscal year, no lawsuits or whistle blow were made alleging unethical business practices or careless product promotion.

Compliance with laws and regulations

Solara has procedures in place to guarantee the accuracy and dependability of our financial statements and takes internal controls very seriously.

Our senior management and internal auditors regularly assess the internal controls, and we have made investments in cutting-edge infrastructure to offer comprehensive control over corporate procedures and practices.

Our robust internal audit program routinely examines a range of activities. In order to make sure our internal control system offers a fair level of assurance, the Audit Committee also routinely examines internal audit observations.

We did not receive any fines from any regulatory body for violation of any laws or regulations in the reporting period.

STRATEGIC RISK MANAGEMENT

Key Impacts, Risk Management and Opportunities

As mandated by the SEBI Listing Regulations, the organization has established a Risk Management Committee (RMC) that includes Board members and crucial managerial personnel. This committee is responsible for pinpointing, assessing, and reducing operational, strategic, and environmental dangers. The Risk Management Committee holds the primary duty of supervising and endorsing the Company's Risk Policies along with their related procedures.

During the period under examination, specifically on May 29, 2024, October 21, 2024, and January 24, 2025, the Committee convened on three separate occasions. The RMC is tasked with the responsibility of managing strategic, operational, and financial threats encountered by the company, and it also evaluates the effectiveness of strategies designed to lessen adverse effects stemming from these risks.

Enterprise risk assessment

Principal risk	What it means	How we mitigate
External environment risk	Fluctuations in India's macroeconomic indicators, global market conditions, and geopolitical events can impact business operations	Continuous investments to enhance supply m; diversification across products and geographies to reduce dependence on any single market.
Operational risk	Manufacturing or quality control issues may damage our reputation and financial performance	Regular inspections for compliance with quality and environmental standards; updated audit methods ;systematic assessments to optimize facility utilization
Research and Development risk	Delays in developing and commercializing new APIs can affect future growth.	Focused R&D for new product development and portfolio expansion; robust product selection to avoid over-reliance on a single approach.
Suppliers risk	Volatility in raw material prices and operational costs may impact profitability and margins.	Long-term contracts with approved vendors; inhouse manufacturing of critical intermediates; implementation of cost-control programs for key APIs.

Competition risk	Intense competition in the pharmaceutical sector could affect business performance and market share.	Global operational benchmarking; cost optimization initiatives; expanded API distribution network; portfolio reorganization to drive efficiency.
Safety risk	Unforeseen incidents can harm reputation and operational results.	Regular facility inspections; implementation of risk based process safety systems; Risk Buckets program for preventive actions; continuous monitoring and CAPA implementation.
Patent Compliance risk	Non-compliance with patent requirements could damage client relationships and lead to contract cancellations.	Rigorous patent compliance during custom synthesis activities to maintain client trust and safeguard reputation.
Concentration risk	Heavy dependence on top 10 molecules, especially ibuprofen and its line extensions.	Diversification of product pipeline; addition of new DMFs; expansion into new markets to reduce reliance on specific products and customers.
USFDA Regulatory Compliance risk	Non-compliance during inspections can lead to warning Letters or Import Alerts, delaying sales and commercialization.	Strict adherence to global cGMP standards; proactive audit readiness; rapid remediation of observations to maintain regulatory compliance
API market Pricing risk	Price competition from Chinese suppliers may impact margins.	Operational efficiency improvements; product differentiation strategies; focus on building long term customer relationships.
Currency volatility risk	Fluctuations in foreign exchange rates could impact export revenues and margins	Active hedging strategies to manage forex risks and protect profitability.

·The Risk Management Committee's responsibilities, among other things, consist of the point outlined below:

To offer Guidance to the board regarding pinpointing, conveying, and handling all significant potential risks encountered by business

To supervise the creation and putting into practice of an all-encompassing risk management structure and a sensible method for handling risks throughout the company.

The company's overall risk management structure is reviewed and ratified regularly. The risk management environment, procedures and methods used by the company is examined and endorsed by the committee.

The risk management culture, processes, and practices of the organization should be reviewed and approved by the committee, as should the company Enterprise Risk Management frame on regular basis.

Keep an eye on the significant risks to which the company is exposed, and assess how well management is equipped to handle the risk and any related events.

Examine and give your approval to the enterprise risk management (ERM) strategy for using risk to the company's advantage in the market, and put it to use

Supervise and direct the creation and application of ERM-related policies, procedures, and guidelines.

Supervising the internal and external risks that the Company is exposed to, including financial, operational, sectoral, sustainability (ESG), information, cyber security risks, and any other risks that the Committee may identify.

Provide the Board with advice on all ERM-related matters. When necessary, involve other parties in the risk management procedure. Make ERM information easier to share.

Inform the company of the potential advantages and opportunities that risk can offer, as opposed to the conventional view of "risk as hazard".

The Risk Management Committee may establish and delegate authority to a sub-committee, which will help the Committee manage the ERM project.



SUSTAINABILITY APPROACH

Stakeholder Engagement

We collaborate closely with our stakeholders, which enables us to consistently tackle sustainability-related issues. We are always aware of the expectations and goals of stakeholders. We collaborate closely with our stakeholders, which enables us to consistently tackle sustainability-related issues. Top management makes decisions based on these formal and informal engagement outcomes, which are discussed at internal meetings.

Stakeholder Engagement and Prioritisation

In order to identify issues relevant to the business's long-term sustainable business, Solara Active Pharma Sciences Limited consistently emphasizes a targeted and organized approach to stakeholder engagement. Established, long-term connections with important stakeholders, including investors and shareholders, clients, suppliers and vendors, workers, local communities, and regulatory agencies, form the foundation of the stakeholder engagement framework. Ethics, labor and human rights, pay and benefits, health and safety, and the environment surrounding the purchase or service are all aspects of sustainable sourcing that we take into consideration. In an effort to include sustainability into our product and service procurement process, we have made sure that these conditions are explained to our vendors and suppliers and defined in our "Supplier Code of Conduct" (SCC).

In FY 25 continued the audit of our critical suppliers .No complaints were received from shareholders of the company during this financial year.

Stakeholder and Mode of engagement

Customers: Customer meets, Direct visits, Feedback calls

Investors and Shareholders: Investors meet, interactions, Shareholders/Investors, Grievance

Employees: Town Hall Meets, site level committee meetings, Survey feedback forms

Suppliers and Vendors: Annual Suppliers' Meet, Vendor Council, Vendor meetings, Online Forums, Supply Chain Contract, Manufacturer's site audits

Regulatory bodies: One on one meetings, Industry bodies and other related platforms

Community: Continual community engagements, public hearings

Relationship with third parties

Employee cannot gain personally from a company or individual in which Solara has shareholder economic interests.

MATERIALITY ASSESSMENT

Material Topics Identification

This year, the company worked with key officials from Solara's corporate office and manufacturing sites including plant heads, department and functional heads, and senior leadership, as part of the materiality assessment. The Microsoft assessment form was released to employees, share to supplier and customer to identify, specific material challenges pertaining to places, business, and firm .The identified material concerns were ranked in order of potential impact and likelihood of occurrence. Key material themes for the company were discovered by further prioritizing all of the issues based on their connection to the long-term sustainability of the firm and/or connectivity to other regional or worldwide sustainability challenges. The list of significant flaws that were found for the company and covered in detail throughout the study is as follows.

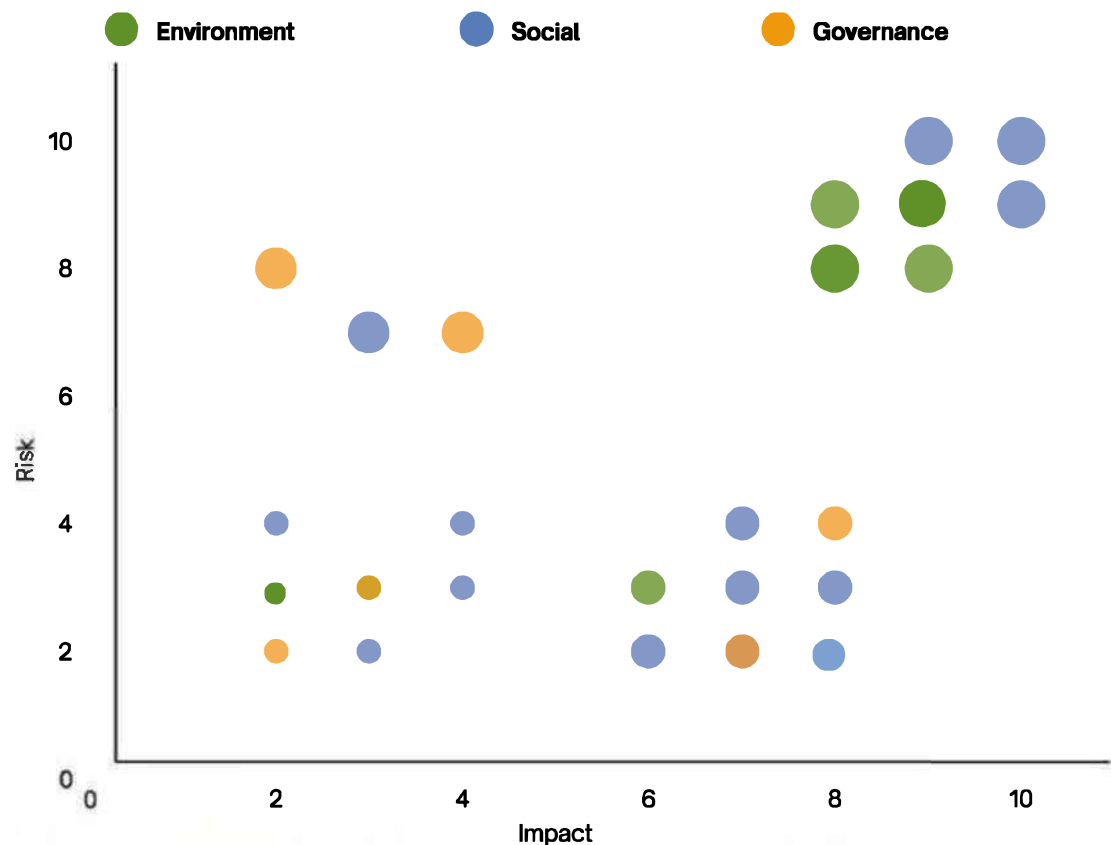
List of Material Topics

Material Topics (SAPS)	Relevant stakeholders
Economic Performance, Procurement Practices, Anti-corruption, Energy, Water, Biodiversity, Emissions, Waste, Employment, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Local Communities, Access to Medicines at affordable pricing, Drug Safety, Human rights, Innovative Treatments, Product Quality and Safety, Labor / Management Relations, Economic Impact, Responsible governance practices	Investors and shareholders, employees, regulatory bodies and customers, Investors and shareholders, customers, community and regulatory bodies Regulatory bodies, investors and shareholders, customers and employees Employees and community Customer and regulatory bodies

The Important Material Topics



Illustration of Material Topic



SUSTAINABILITY FOR CUSTOMERS



Customers Health & Safety:

Adding value to our customers' expectations is the essence of our business success, and our customers are the most significant stakeholders. As a pharmaceutical company, Solara is very concerned about maintaining product safety across its supply chain. The company is dedicated to minimizing risks to people and the environment in the design, development, manufacturing, handling, storage, and transportation of its goods.

Chief commercial officer (Head of Business) and functional heads are responsible for addressing the issues related to product quality for their respective businesses. They are supported by Sales, Marketing, Research & Development (R&D), Quality Assurance (QA), Quality Control (QC) and Regulatory Affairs teams. The employees are trained on a continuous basis to manage these issues both internally and externally based on the needs identified through annual performance management. In the annual report page 105. During the reporting period, Solara did not receive any unresolved customer complaints related to product quality, health, or safety. The Company incurred no fines, penalties, or sanctions concerning customer health and safety, and no product recalls were undertaken due to safety-related concerns. To proactively assess and manage product impacts throughout their life cycle, Solara conducts Life Cycle Assessments (LCAs), enabling the evaluation of environmental and sustainability impacts from product development through end-of-life stages.



Safety Data Sheets (SDS)

We guarantee the health and safety of our customers throughout product handling, shipping, and usage, depending on the kind and nature of the product. Information on the health and safety of the product is disseminated by SDS, which is accessible in the production office and shop floor. There were no instances of significant regulatory violations that resulted in fines or penalties concerning the safety effects of goods and services during this reporting period.



Product and Service Labelling

When appropriate, the items are packaged with appropriate labelling. International labelling criteria are adhered to while communicating dangers, contingent upon client requirements and legislation. Typically, we use the Global Harmonized System (GHS) for global labelling.



Transportation

During the transportation we provide the hazard information's, as per the International Air shipping Association (IATA) regulations for shipments by air and the International Maritime Dangerous Goods (IMDG) regulations for shipments by sea dictate the shipping labels that the company follows.

During FY 25, there was no instance of non-compliance with voluntary norms or laws pertaining to product and service information and labelling in our company. In the annual report page 105



Marketing Communication

Regarding marketing communications, the company complies with all applicable laws, regulations, and voluntary guidelines. The company doesn't sell any items that are prohibited or under dispute. Every member of the sales team receives professional sales training at the sales meeting. Regulations and voluntary guidelines pertaining to marketing communications have prevented any product recalls during this reporting period. As a result, throughout this reporting period, there have been no instances of fines with a substantial monetary value related to the supply and use of goods and services, nor have there been any complaints about customer privacy violations or data loss.



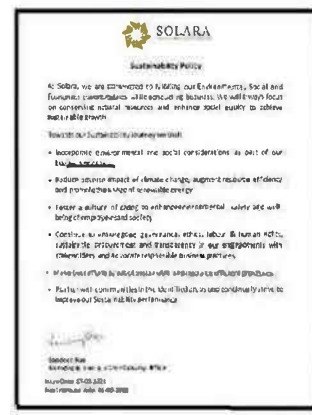
Intellectual Rights and Data Privacy

The Company pays special attention for protecting its customers' intellectual rights and privacy.. All our service provider related to information technology and data management are certified by ISO 27001 -Information Security Management Systems accordingly our internal practice are made in line with the standard. There have been no incidences of any material breach of customer privacy and loss of customer data. In the annual report page 106

At Solara, sustainability is deeply woven into our business ethos. It permeates our core values and fuels our purpose of empowering people to rise. We make every decision with sustainability in mind, forging a path guided by our unwavering commitment. To achieve our commitment, we had framed a policy we have set medium term sustainability Goal targeting FY 25 List of EHS policies

In this endeavour company has created organization structure with highest leadership committee members of Solara driving sustainability across operations and business units.

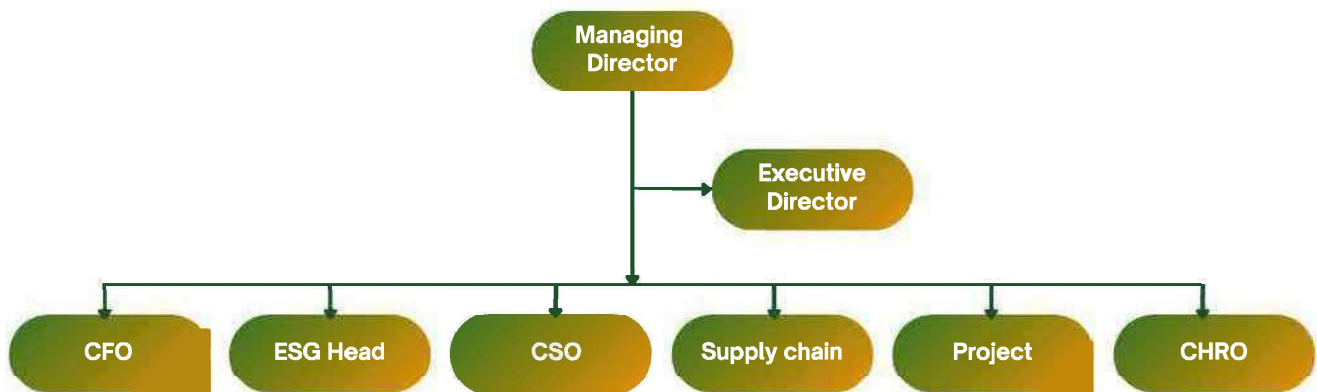
To achieve our goal by FY 25, we follow a comprehensive top-down sustainability approach. Our commitment is backed by stringent monitoring, robust policies, and transparent communication with stakeholders. Our Sustainability Policy guides our operational activities. We have also established a Sustainability Structure to assess and improve our sustainability performance. To emphasise the importance of Environmental, Social, and Governance (ESG) aspects.



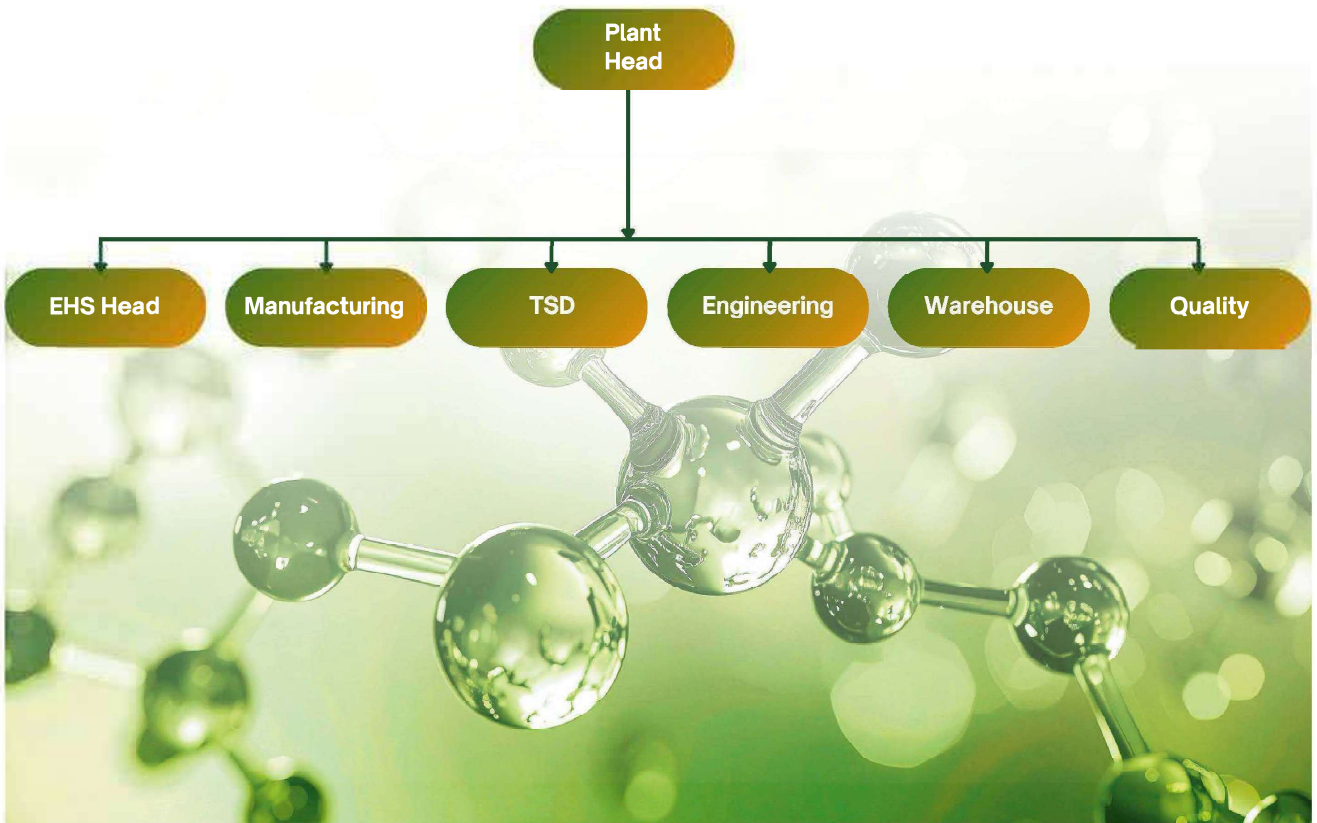
ESG / Sustainability Management

ESG committees at Corporate and Site level

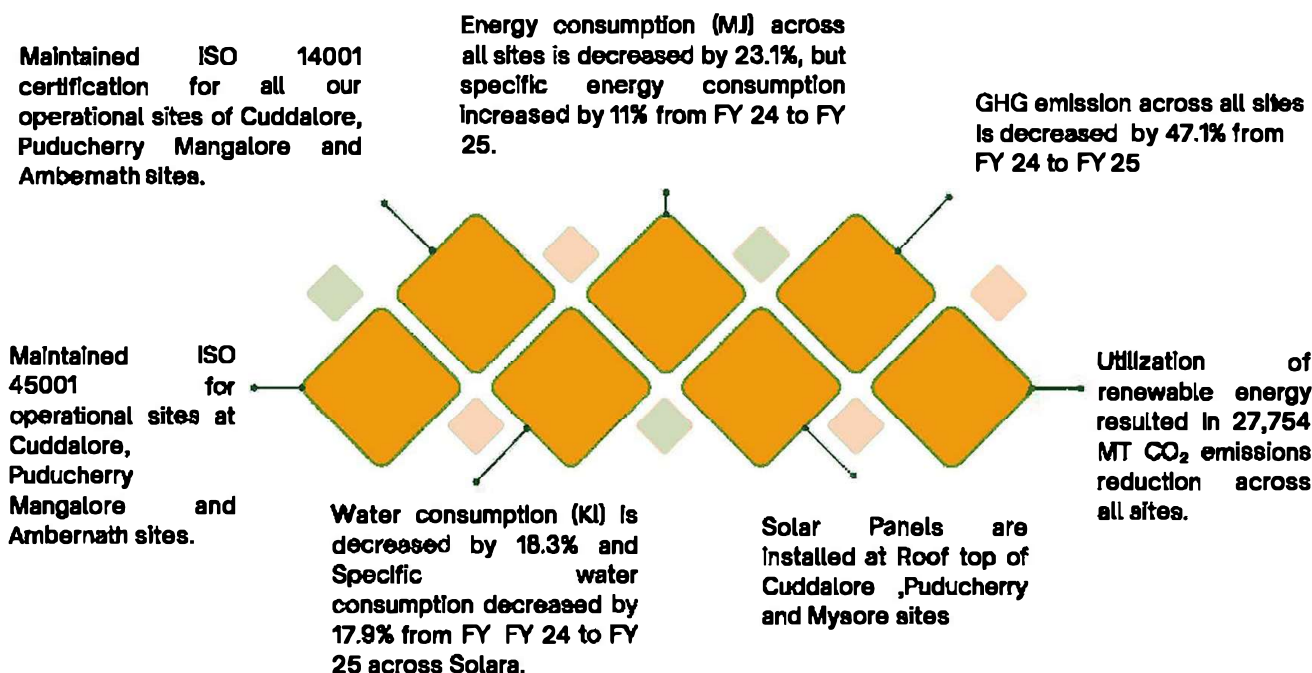
CORPORATE COMMITTEES



SITE LEVEL COMMITTEES



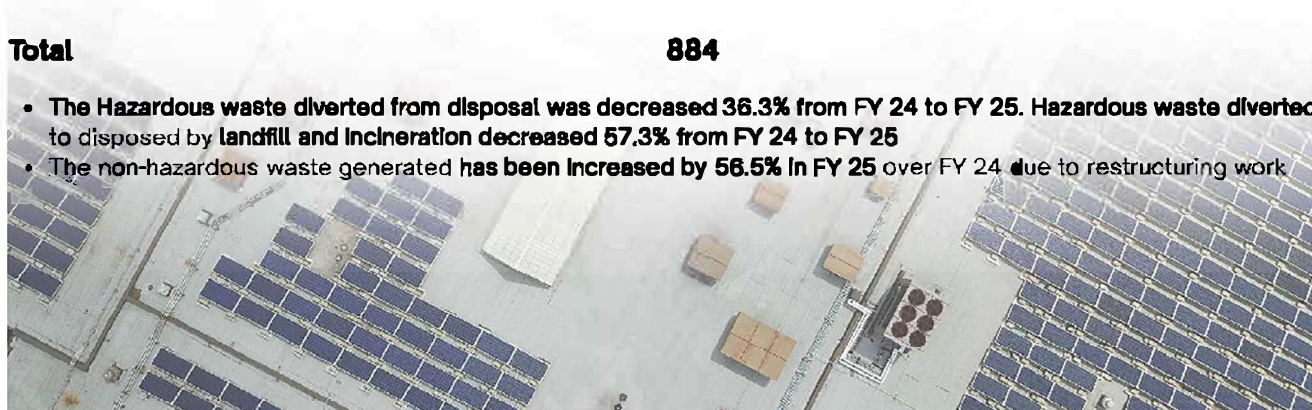
Every Step Counts: Our Environmental Highlights



Roof top Solar Panels Capacity:

Plant Name	Capacity (kW)
Puducherry	335
Mysore	167
Cuddalore	382
Total	884

- The Hazardous waste diverted from disposal was decreased 36.3% from FY 24 to FY 25. Hazardous waste diverted to disposed by landfill and incineration decreased 57.3% from FY 24 to FY 25
- The non-hazardous waste generated has been increased by 56.5% in FY 25 over FY 24 due to restructuring work



SOLARA'S ENVIRONMENTAL PERFORMANCE

We are committed to minimizing our environmental effect through a disciplined and risk-based strategy. Our efforts focus on five material factors throughout worldwide operations:



Carbon Footprint Reduction



Energy Efficiency and Transition to Renewable Energy



Water Management: Efficient utilization, recycling, and rainwater harvesting



Waste Management



Reduction, Reuse and Recycling

Our environmental management systems are directed by the Plan-Do-Check-Act (PDCA) approach, assuring continual improvement and compliance with worldwide standards. We assess, monitor, and report performance across these areas to promote openness and accountability.

Materials

To remain cost-competitive, Solara prioritizes efficient use of quality materials and optimizes processes to recycle inputs and enable reuse. We reclaim products and packaging materials when quality issues are addressed by customers.

All non-hazardous waste is recycled or reused through third-party partners. Major contributors include fly ash, metal scrap, plastic scrap, paper, and wooden material.¹

PERFORMANCE

ENERGY

Solara is focused on continuous improving energy efficiency and finding alternate sources of uninterrupted low-cost energy and increasing the percentage of renewable energy. Solar, biomass briquette and direct renewable energy sources used by the Company at present. The Company has implemented energy saving projects that have directly contributed towards reduction of non-renewable energy consumption.

The total energy from conventional and non-conventional source is 94,93,76,738 MJ for FY 25 and decreased by 23.1% against FY 24. Specific energy consumption increased by 11% against FY 24

The details of total energy consumptions for FY 24 and FY 25 are provided below:

	FY 24	FY 25
Total Power Consumption MJ	1,23,36,93,506	94,93,76,738
Specific Energy Consumption MJ/Tons	1,74,275	1,93,513
Production (Ton) across the sites	7,080	4906

Power consumption from the grid decreased by 32.8% from FY 24 to FY 25

Renewable energy consumption for year FY 25 is 139546417 MJ against FY 24 140005515 MJ. The total energy consumption is decreased to 23.1% in FY 25 compared FY 24 and specific energy consumption increased to 11.0% in the FY 25 against FY 24.

Total energy consumption from renewable and non-renewable source detailed below .

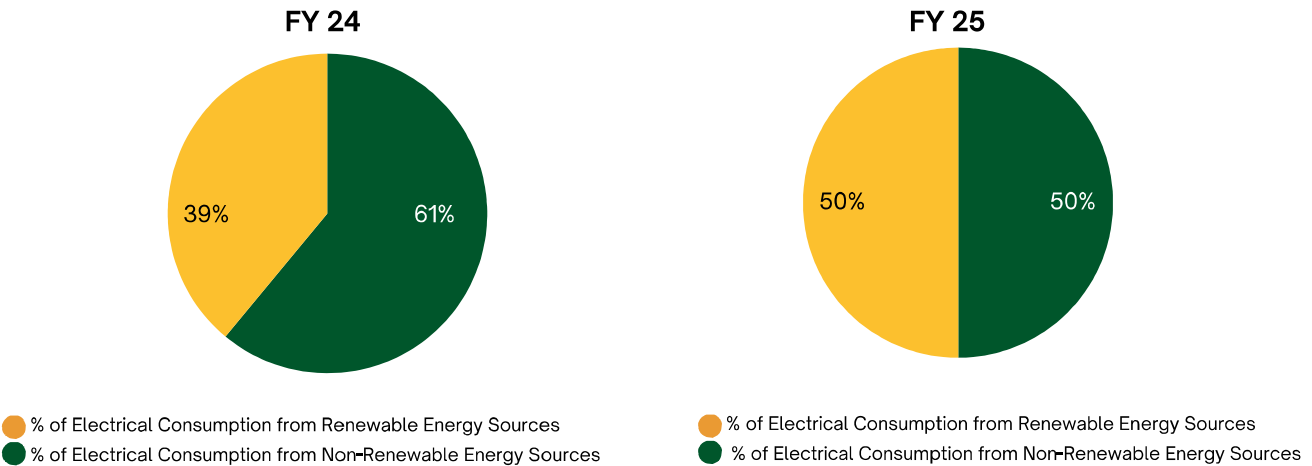
Parameter in MJ	FY 25	FY 24
From renewable sources	-	-
Total electricity consumption (A)	13,95,46,417	14,00,05,515
Total fuel consumption (B)	63,00,09,570	72,02,87,457
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	76,95,55,987	86,02,92,972
From non-renewable sources	-	-
Total electricity consumption (D)	14,19,22,020	21,93,27,807
Total fuel consumption (E)	3,78,98,731	15,40,72,727
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	17,98,20,750.90	37,34,00,534
Total energy consumed (A+B+C+D+E+F) in MJ	94,93,76,738	1,23,36,93,506
Total energy consumed (A+B+C+D+E+F) in GJ	949377	1233694

The renewable consumption is detail is provided below

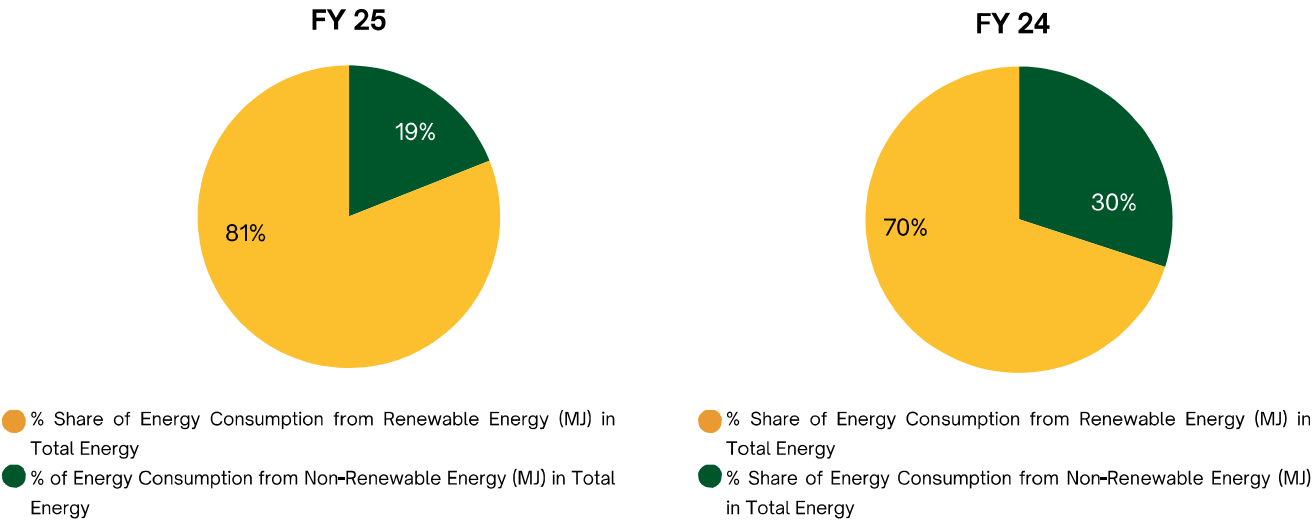
	FY 24	FY 25
Renewable Energy Consumption (MJ)	140005515	139546417

The values provided are excluding the biogenic fuels (Like Bio briquettes)

Graph showing electrical consumption from renewable & non-renewable mix for the current year and previous year excluding from the fuel



Graph below the % share of energy consumption from Renewable Energy (MJ) and non-renewable energy in total energy for FY 25 and FY24



The details of Energy Intensity for FY 24 and FY 25 provided below:

	FY 24	FY 25
Total Turnover In Cr	1,294.29	1,292.08
Turnover in	12,94,29,00,000	12,92,08,00,000
Total Energy	1233474506	94,93,76,738
Energy Intensity for Mega Joules of energy utilized for every rupees of turnover	0.095	0.073

Energy Intensity decrease in FY 25 against FY 24 We have not calculated Energy consumption outside of the organization but have calculated emission due to upstream and downstream categories of scope-3 emission in accordance with GHG protocol.

EXAMPLE OF ENERGY EFFICIENCY INTERVENTIONS

Reduction in power consumption in Cooling tower

How did we achieve:

- The pump operation was automated based on the cooling tower water make-up line valve (ON/OFF)

Key outcome/results

- Total energy saved from this project: 74880 kWh/ year



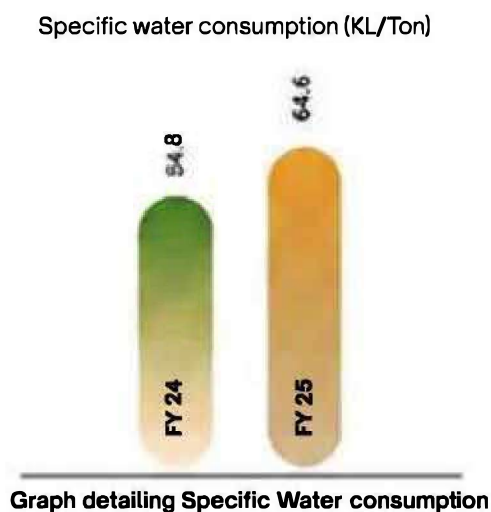
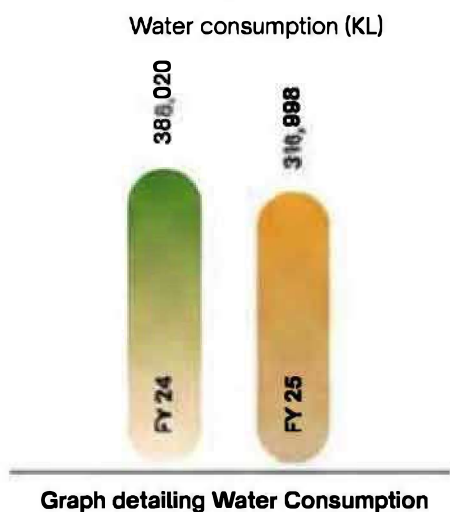
WATER CONSERVATION

Solara implements advanced water conservation measures, including Zero Liquid Discharge (ZLD), sewage treatment and reuse, and rainwater harvesting, ensuring no untreated water leaves its premises. During the reporting period, Solara did not identify or report any significant impacts related to water discharges. The Company's operations did not result in water discharge-related incidents, non-compliance, or adverse environmental impacts. Company's operations did not result in water discharge-related incidents, non-compliance, or adverse environmental impacts. Regulatory compliance for effluent quality is strictly maintained. Through process optimization and employee engagement, Solara aims to reduce water consumption by 15% by FY 25 (baseline FY 22), with FY25 usage at 3,16,998KL—86% sourced from industrial authorities. Water consumption values are provided below:

Water Consumption detail for FY 24 and FY 25

	FY 24	FY 25
Specific Water consumption (KL/Ton of production)	54.8	64.6
Water usage (KL)	388020	3,16,998
Water consumption (ML)	388.0	316.9
Production (Ton) across the sites	7,079	4906.0

The water consumed for the FY 25 is **3,16,998 KL** which is decreased against FY 24 is **388020 KL**. Water consumption is **decreased by 18.3%** in FY 25 against FY 24 and specific water consumption increased to 17.9% due to decrease in the production by 30.7%, since one of the site underwent operational restructuring.



Water Withdrawal values detailed below:

	FY 24	FY 25
Water withdrawal (KL)	397280	3,17,477
Water withdrawal (ML)	397	317

The water withdrawal for the FY 25 is 3,17,477 KL which is decreased against FY 24 is 397280 KL. Water withdrawal is decreased by 20% in FY 25 against FY 24.

Water discharge values detailed below:

	FY 24	FY 25
Water discharge (KL)	9260	479
Water discharge (ML)	9.3	0.479

EXAMPLE OF WATER EFFICIENCY INTERVENTION

Treated Water from ETP is further treated in an RO Plant and the RO permeate water generated is reused in process and MEE cooling tower.

How did we achieve:

- Low TDS from Process segregated and treated separately in pre - treatment system followed by dedicated RO Plant.

Key outcome/results

- Water savings is 40 KL per month.



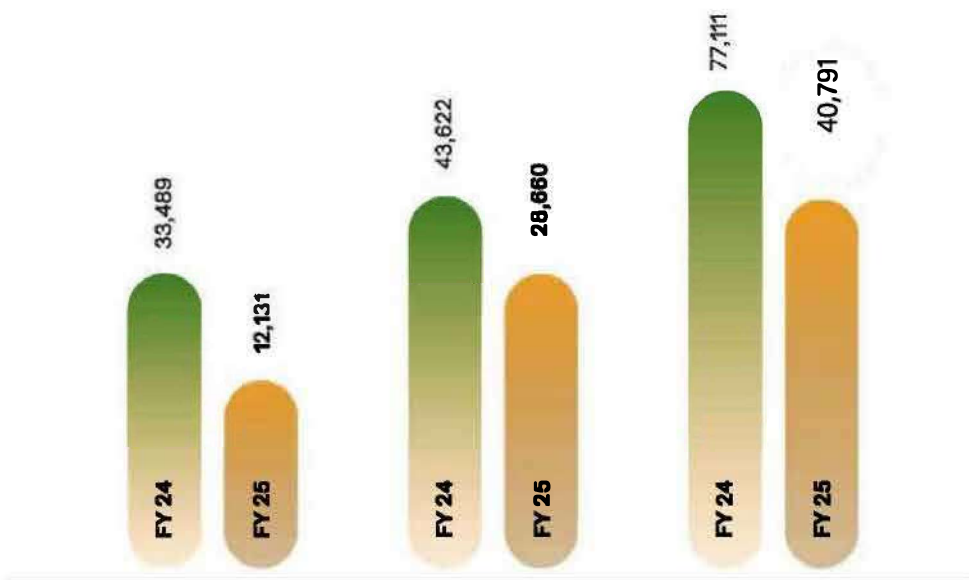
GREEN HOUSE GASES EMISSIONS

In FY 24, Our combined GHG emission (Scope 1 + Scope 2) was 77111tCO₂/annum; In FY 25 Our combined GHG emission (Scope 1 + Scope 2) was 40791 tCO₂/annum; 47.1% decrease than previous year.

Scope 1 & 2 GHG emissions are charted in below table

GHG Emissions	FY 24	FY 25
Scope 1 tCO ₂	33489	12,131
Scope 2 tCO ₂	43622	28,660
Total Emissions tCO₂	77111	40791

Graph on Scope 1 & 2 GHG emissions



The specific emission intensity with respect to production details as follows:

Sox & NOx emissions	FY 24	FY 25
Scope 1 tCO ₂	33489	12,131
Scope 2 tCO ₂	43622	28,660
Total Scope-1 + Scope-2 Emissions tCO₂	77111	40791

Sox & NOx emissions data for all the sites are tabulated below

Sox & NOx emissions	FY 24 (kg)	FY 25 (kg)
Sox Emissions	27,756.21	40000
NOx Emissions	1,03,001	10000

SOx & NOx emissions from DG stack, boiler stack and scrubber stack was monitored since FY 24.

The emission from Ozone Depleting Substances is 2,607.78 tCO₂e

Detail of Refrigerant gas Usage

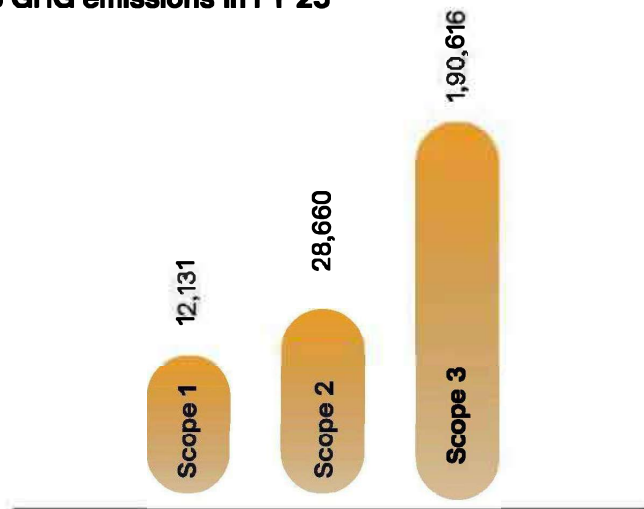
Refrigerant Use		FY 24	FY 25
R410A	tons of CO2 eq.	18	27.066
R22	tons of CO2 eq.	2,745	2,607.78
R407C	tons of CO2 eq.	559	154.5423
R32	tons of CO2 eq.	43	16.96200
R-134A	tons of CO2 eq.	2,158	3,125.7900
R-404a	tons of CO2 eq.	10,374	3,248.1360
SF6	tons of CO2 eq.	-	-
R 23	tons of CO2 eq.	3,957	438.00
R-600A	tons of CO2 eq.	0	0
Total Fugitive Emissions	tons of CO2 eq.	19,853	9,618.3

The details of GHG emissions intensity for FY 24 and FY 25 are provided below:

	FY 24	FY 25
Total Turnover	12942900000	12920800000
Total GHG Emissions	77111	40791
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover	0.0000060	0.0000032

GHG emissions intensity decreased in FY 25 against FY 24
The Scope-3 emission in FY 24-25 was 1,90,616 tCO₂e
The scope-3 emission from Upstream categories: 1,90,303 tCO₂e
The scope-3 emission from downstream categories: 312 tCO₂e

Graph on Scope 1, 2 &3 GHG emissions in FY 25



Detail on the major contributor for Scope -3 emissions in FY 25

Category No.	Category Name	Type of method adopted	Total emissions (tCO ₂ e)	% of total
Category 1	Purchased goods and services	Other raw materials calculated by spend basis	12,965	7%
	Purchased goods and services	Top 39 raw materials (calculated by weight basis)	146509	77%
Category 3	Fuel- and energy-related activities	Hybrid approach (Average method)	21,754	11%

The category 1 and Category 3 are the major contributors for the Scope-3 and we have made the plans to reduce the emission from these categories

EXAMPLE OF GHG EFFICIENCY INTERVENTIONS

Reduction in refrigerant gas usage

How did we achieve:

- Optimization of AC and chiller operations based on process requirements and site restructuring, leak prevention mechanism

Key outcome/results

- Reduction of GHG emission

Total GHG emission reduced from this project: 10245Tons of CO₂ e

WASTE MANAGEMENT

As a pharmaceutical company, we produce both hazardous and non-hazardous waste that endangers the environment and living things, such as process waste, expired products, electronic trash, lead-acid batteries, and waste lubricant oil. We disposed of 20,648 tons of hazardous waste and 818 tons of non-hazardous waste in FY 25; overall waste creation decreased dramatically from 33,726 tons in FY 24 to 20,417 tons in FY 25.

Waste minimization, waste recovery and reuse, and scientific disposal for all waste streams—hazardous or non-hazardous—are the three main tenets of Solara's organized waste management approach. Reducing waste production at the source continues to be the key priority.

Fly ash, metal scrap, plastic scrap, paper, and wood material are examples of non-hazardous wastes that are recycled or repurposed by approved third-party suppliers. No major spills were recorded throughout the reporting period, and all spills are quickly collected and disposed of in accordance with legal regulations. In order to fully conform to environmental and safety requirements, hazardous waste produced at our facilities is managed using scientifically certified disposal techniques that are chosen depending on the trash's composition and relevant local legislation.



Recycle and reuse
through authorized
third party



Co-processing at
cement kiln

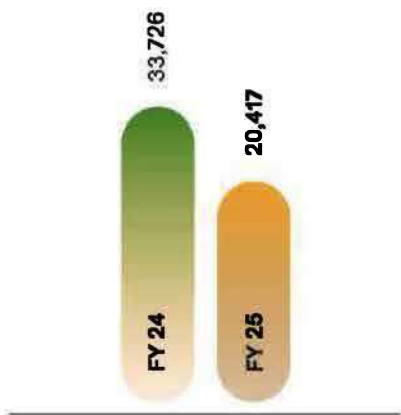


Secured land fill



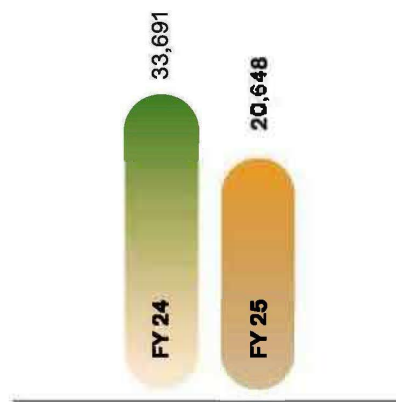
Incineration (solid and
liquid)

Total Hazardous waste Generated



Graph on Hazardous waste Generated

Total Hazardous waste Disposed



Graph on Hazardous waste Disposed

In annual report FY 24 and FY 25 total waste account for hazardous + non-hazardous waste hence we FY 25 total waste disposed was 21488 MT and FY 24 total waste disposed was 34235 MT.

For each category of waste generated, total waste diverted from disposal recovered through recycling, re-using or other recovery operations in (in metric tonnes)

Total waste diverted from disposal

Category of waste	FY 24	FY 25
Recycle	28125	17,962
Reuse	0	9
Other recovery operation	4591	2,876
Total	32716	20,847.0

Total waste diverted from disposal in FY 24 was 32716 MT and FY 25 was 20847MT. Hazardous waste diverted from disposal was decreased 36.3% from FY 24 to FY 25

For each category of waste generated, total waste to disposed by nature of disposal in (in metric tonnes)

Total waste disposed

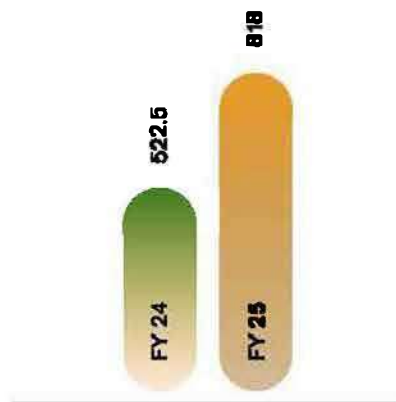
Category of waste	FY 24	FY 25
Incineration	120	12
Landfill	1399	637
Other disposal operation	0	0
Total	1519	649

Total waste diverted to disposed by landfill and Incineration in FY 24 was 1519 MT and FY 25 was 649MT. Hazardous waste diverted to disposed by landfill and Incineration decreased 57.3% from FY 24 to FY 25

The total non-hazardous waste generated has been increased by 56.5% In FY 25 over FY 24 due to restructuring work

Graph on Non-Hazardous waste Disposed

Total Non-Hazardous waste Disposed

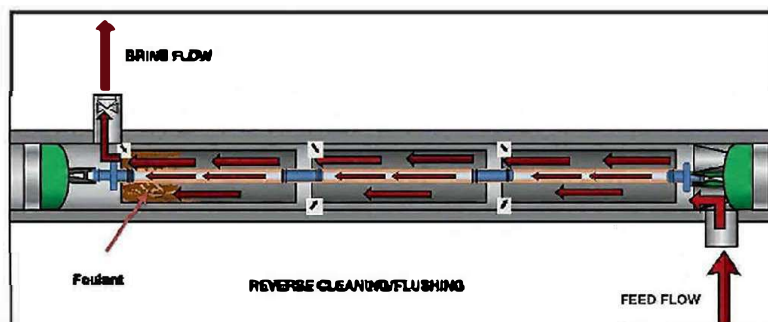


EXAMPLE OF WASTE EFFICIENCY INTERVENTIONS

Reduction of internal wastes ZLD RO membranes reuse .

How did we achieve:

- A skid constructed in September 2023, Solara Active Pharma Sciences Limited in Puducherry, for reverse cleaning of Zero Liquid Discharge (ZLD) RO membranes



SKID FOR REVERSE CLEANING

Key outcome/results:

- Efficient cleaning reduces waste generation and the environmental impact of cleaning processes,

CLIMATE CHANGE IMPACT

The effects of climate change on the earth are clearly visible and widespread. This also applies to our business. As a responsible organisation we had assessed the immediate and long-term impact on climate changes due to our manufacturing footprints. Though our climate change impacts are minor, management is continuously gauging the changes in global, regional and national level policies and regulations on climate change and its mitigation.

To be a partner to this global drive for climate action the Company is striving to reduce its carbon footprint in all possible means by using Bio-mass briquettes as a fuel for Boiler replacing Coal in site of use. Growing cost of energy and its linkage with climate change impact is a major business concern like any other industry. To tackle this issue, Solara has decided to focus on improving process energy efficiency, finding alternate sources of uninterrupted low-cost energy and increasing the percentage of renewable energy in present energy.

ROOF TOP SOLAR PANEL AT PUDUCHERRY AND MYSURU



Solar Panels are installed at Roof top of Puducherry of capacity 364 kW



Solar Panels are installed at Roof top of Mysuru of capacity 164 kW

BIODIVERSITY

The none of the operational sites of Solara are managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. No species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List was found to exist in or near the manufacturing operations of the Company. We have no biodiversity threat raised in FY 25 due to any of our operation activity. This year we performed internal biodiversity assessment for one of the site Mysuru, and found the flora and fauna biodiversity index is less than one and not significant

ENVIRONMENT COMPLIANCE

There were no fines across the sites and no non-compliance on environmental laws in FY 25.



SUPPLIER EHS ASSESSMENT

SUPPLY CHAIN

Solara is keen to take its partners along in sustainability journey. This is how we create shared value for our stakeholders. The guiding principles for our supply chain have been set under our sustainable procurement Policy. The Solara declare that product it manufacture or outsource any no tin, tantalum, tungsten, or gold remaining in the product nor palm and/or palm-based derivatives are use for the manufacturing/production process of the products

Supplier Assessments

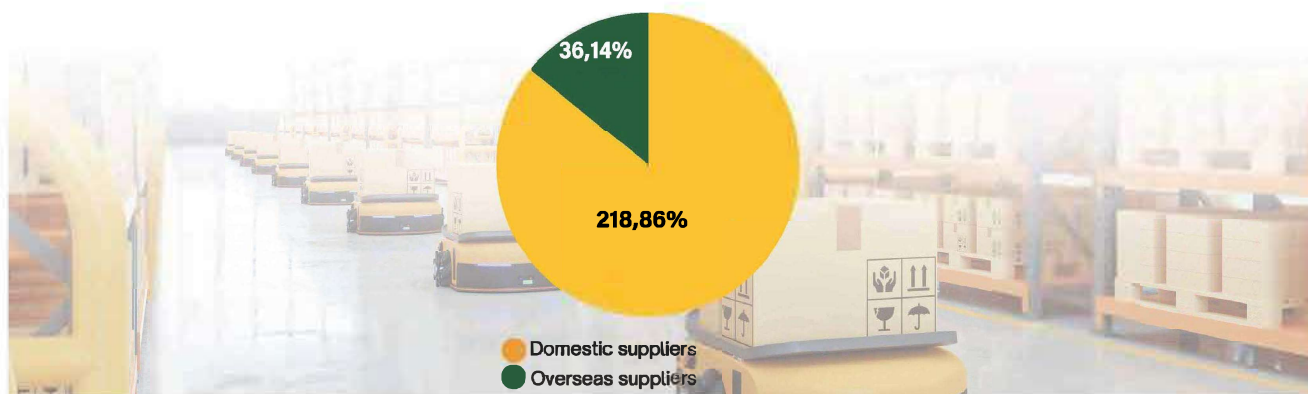
In 2025, we continued EHS assess as per new Supplier Assessment – EHS& Sustainability questionnaires In FY 25 we audited one supplier one site . For few of our suppliers we considered their EcoVadis score to assess their EHS& Sustainability performance

No new or existing suppliers were delisted due to environment or social impact in FY 25

Sourcing from local and small producers

The Company procures goods from local and small producers, who comply with its quality requirements. We follow required statutory obligation in furthering our sustainability story with the micro, small and medium enterprises as our associates. As part of the supply chain strategy management of the company, we facilitate local economic growth by encouraging and supporting local suppliers around our areas of operation. Local sourcing also helps us in reducing air emissions from vehicular movement. In FY 25, we procured from 254 vendors, in which a part of our required materials we purchased from overseas suppliers (14%) compare to last year (11%). We have not added any new suppliers in supplier list in this FY 24. We also educate our vendors and suppliers on the current needs of quality standards and regulatory compliances to be adhered to and share good industry practices with them. We have not discontinued the suppliers due to any negative social impacts in the supply chain Domestic Vs Overseas supplier spread is as given below.

Details of Domestic and Overseas suppliers



ECOVADIS ASSESSMENT

EcoVadis is a collaborative platform that enables companies to reduce risk, drive innovation and foster transparency and trust between trading partners. EcoVadis provides holistic sustainability ratings service of companies, delivered via a global cloud-based SaaS platform. The EcoVadis Rating covers a broad range of non-financial management systems.

Solara's EcoVadis journey started in the year 2019. Solara has a strong strategy. To improve sustainability management system through policies, actions and results for the four themes:



Environment



Labor & Human Rights



Ethics

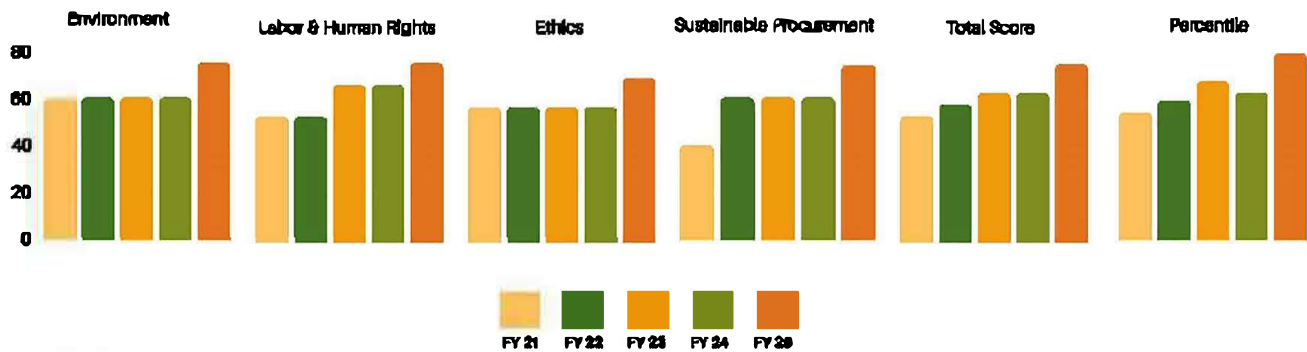


Sustainable Procurement

Latest assessment we sustained bronze but improved the score from 55 to 66 score and percentile from 62 to 79.

Ecovadis Year wise growth last six years

EcoVadis PERFORMANCE TREND



SOLARA'S SOCIAL PERFORMANCE

WORKPLACE SAFETY

Occupational Health & Safety Performance

The company's dedication to upholding a strong health and safety system by identifying and removing the reasons behind accidents and injuries. Procedures for period monitoring and investigations

We have not reported any work-related incidents or illnesses this year.

Detail of Leading Indicators

Sl No.	Category of waste	Unit	Quantity FY 24	Quantity FY 25
1	Training Man hours - Employees	Man hour	14444	30136
2	Near Misses	Nos	945	1203.00
3	HOD power rounds	Nos	647	311
4	Safety inspections	Nos	1161	434.

Leading indicator reporting decreased in FY 25, mostly as a result of a high attrition rate. One leading indicator however, indicated better reporting than in the prior time frame.

Strengthening near-miss reporting to proactively address safety hazards and improve performance under EcoVadis and Sustainability KPIs was emphasized at the management review. Additionally, this project sought to boost employee self-esteem and ownership while bolstering stakeholder trust, including that of consumers and legal bodies.



OCCUPATIONAL HEALTH AND SAFETY

As stated in our EHS Policy, every sites' environmental, health, and safety (EHS) performance is measured against industry best practices and standards. Since the previous fiscal year, all department heads and senior leadership have incorporated safety objectives into their Key Performance Indicators (KPIs) in recognition of the vital relevance of occupational health and safety. All levels of management will continue to prioritize safety strategically thanks to this integration.

In every site, Solara makes sure that all employees are represented on health and safety committees. At manufacturing plants, local agreements with trade unions explicitly include health and safety issues. In order to assist workers' general well-being, the business also actively supports non-occupational healthcare programs and makes Occupational Health Center (OHC) services accessible.

A competent health and safety management team has been stationed at every location to monitor, oversee, and handle possible situations since Solara recognizes the occupational and safety hazards connected to its activities. Our dedication to global safety standards is demonstrated by the ISO 45001 certification held by all four of our manufacturing facilities and While not all sites are formally certified, the Environmental Management System (EMS) framework is actively followed across all locations.

First aid case reporting increased from 8 instances in FY 24 to 19 cases in FY 25, a Throughout the year We have not reported any work-related incidents or illnesses this year.

OCCUPATIONAL HEALTH AND SAFETY TRAININGS

To avoid and reduce unsafe acts and situations, OHS training and awareness workshops are conducted regularly for both permanent and contractual employees. This year total 30136 man-hours were spent on safety training covering only permanent employees for all manufacturing facilities.

RISK ASSESSMENT

To protect workers and property, the company regularly performs risk assessments in accordance with ISO 31000, both internally and through outside subject matter experts. Dedicated corporate safety audits were conducted throughout all facilities in an effort to continuously enhance occupational health and safety, with an emphasis on finding hazardous situations and process-related infractions. The goal of these initiatives is to avoid and lessen the negative effects that corporate activities have on health and safety.

EMPLOYEE WELLBEING

Every industrial facility has a well-equipped occupational health center installed by the company. Solara has implemented routine pre-employment and periodic medical examinations for its personnel in order to prevent any kind of occupational health danger or disease. Additionally, every six months, employees who operate in dangerous areas have a medical assessment. Regular wellness programs covering a range of health-related subjects are held at various locations. Every industrial facility keeps a record of every employee's health.

PEOPLE:

Our people strengthen us and make us exceptional

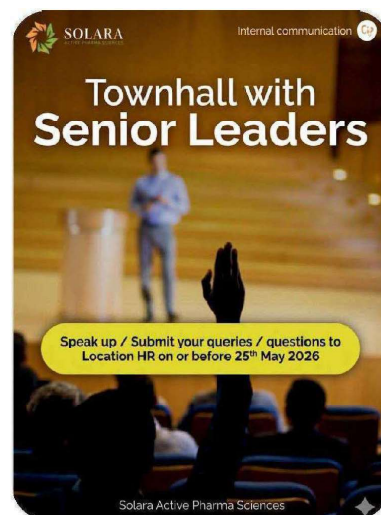
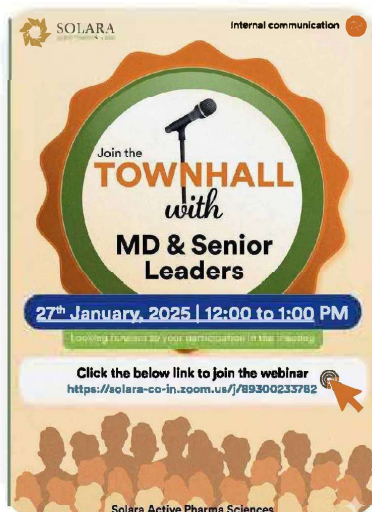
At Solara, we prioritize our people, considering them vital to our exceptional performance and nurturing ethos. We empower employees with global opportunities, a high-performance culture, and continuous learning.

Our diverse, inclusive workplace is fostered through well-structured HR departments, global HR policies, and local HRBP engagement.

We continued New Joiners Meet This year we launch new app “Darwinbox” to do things with speed and efficiency so to discover we can discover the time for great things at work. One Platform to manage Recruitment, employee management and on boarding, leave and attendance, performance management system, E-separation.

We continued the virtual Townhall by MD & SLC, facilitated by HR, encouraged employee participation and queries. We celebrate success through Rewards and Recognition, fostering a positive work environment.

Communication of Townhall meet



Glimpse of Town hall by MD and SLC



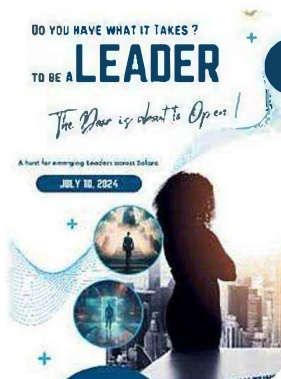
In FY 25 we discontinued e-learning programs for management employees and Introduced new SEEK platform that evaluates, implement and measures organisation wide change

Communication of SEEK platform launch



In FY 25 management launched new program from employees below 40 leaders to be .The 100- applicant applied for the program 50 wereshort listed and trained by the external mentor.

Communication on Leader to be



HUMAN RESOURCE PERFORMANCE

Benefits

Our benefits apply to all employees at various sites and grades, differing due to local regulations. They include maternity and paternity leave, flexi work hours, meal cards, car lease options for certain grades, optional holidays, disability coverage, and Group Medclaim Insurance for employees and dependents. Long-term benefits consist of Pension, Provident Fund, NPS, and Gratuity, which are essential for post-retirement support in India. The 100% of women and men who availed maternity and paternity leave, are returned back to work .

Performance Management

Employee motivation is guaranteed by Solara, which also rewards excellent work and fosters potential. Through an Darwin box, a system for managing performance is developed using the balanced scorecard method, which clearly connects organizational and personal goals. For the relevant group of employees, the yearly performance reviews lead to promotions and merit increases, as well as performance-related bonuses and incentives. In accordance with the Factories Act and the Industrial Dispute Act, the corporation also has wage agreements with workers' committees and trade unions at its manufacturing plants. All confirmed employees are subject to performance assessments, and 100% of employees (excluding the employees who are under notice period and those who are joined below the eligible period) were covered for FY 25.

Communication on Annual Performance



TRAINING AND DEVELOPMENT

All of our locations participate in our extensive training and development programs, which enhance managers' collaboration and professional and personal skills. Thoroughly determining the training needs leads to focused delivery via online and classroom modules. We utilized the compliancewire@eduneering.com platform during FY25, incorporating module-based surveys to assess the efficacy of training. The efficiency and quality of the employees are continually enhanced by this systematic strategy. During the fiscal year, 2.8 man-days of training were allocated to soft skills, at an average of 2.8 man-days per employee. Our workforce's proficiency and ongoing improvement are guaranteed by this promise.

LOCAL HIRING

Solara prioritises both internal transfers and local hiring. We pay equally to each of our employees, irrespective of gender, caste, or religion, and our salaries always exceed greater than the minimum wages required by local regulations.

DIVERSITY AND EQUAL OPPORTUNITY

We pay equally to each of our employees, irrespective of gender, caste, or religion, and our salaries always exceed greater than the minimum wages required by local regulations. In our board constitution 11% of total member are female, similarly the female workers contribute to 7% of the total work force and detail composition is as below.



Location wise & Gender wise Permanent Employee and Contract Employee Headcount

Site Name	Permanent		Total	Contract		Total
	Men	Women		Men	Women	
Ambernath	98	8	106	111	3	114
Bangalore Office	23	4	27	0	0	0
Chennai Office	69	16	85	0	0	0
Cuddalore – API	584	17	601	308	20	328
Mangalore	228	26	254	166	20	186
Mysore	94	1	95	9	2	11
Pondy - API	475	9	484	402	39	441
>Solara R&D	70	13	83	41	14	55
Vizag	38	2	40	1	4	5
Total	1679	96	1775	1038	102	1140

Age wise Headcount Breakup

30, 30-50, <50 years

Row Labels	>30		Total	<50		Total	31-50		Total	Grand Total
	Male	Female		Male	Female		Male	Female		
Ambernath	13	-	13	1	1	2	84	7	91	106
Bangalore Office	4	2	6	4	1	5	15	1	16	27
Chennai Office	4	3	7	26	4	30	39	9	48	85
Cuddalore – API	49	4	53	166	-	166	369	13	382	601
Mangalore	51	8	59	28	3	31	149	15	164	254
Mysore	6	1	7	12	-	12	76	-	76	95
Pondy - API	29	1	30	151	1	152	295	7	302	484
SRC – DTA	15	6	21	7	1	8	48	6	54	83
Vizag	9	2	11	1	-	1	28	-	28	40
Grand Total	180	27	207	396	11	407	1103	58	1161	1775

Location wise Employee Attrition 2024-25

Site Name	Permanent		Total
	Men	Women	
Ambernath	33	1	34
Bangalore Office	2	6	8
Chennai Office	14	1	15
Cuddalore – API	46	1	47
Mangalore	33	4	37
Mysore	9	0	9
Pondy - API	41	3	44
>Solara R&D	82	5	87
Vizag	174	7	181
Total	434	28	462

Location wise Male and Female Employee availed for Parental and Maternity leave

Site Name	Permanent		Total
	Men	Women	
Ambernath	5	1	6
Bangalore Office	0	0	0
Chennai Office	0	0	0
Cuddalore – API	32	3	35
Mangalore	0	8	8
Mysore	8	0	8
Pondy - API	31	0	31
>Solara R&D	0	0	0
Vizag	0	0	0
Total	76	12	88

HUMAN RIGHTS

The Company recognizes the significance of encouraging and safeguarding human rights in the workplace as a responsible organization. We strive to align our policies and practices with international guidelines, such as those set forth by the ILO, which ensure adherence with local human rights laws and the associated guidelines. These guidelines include freedom of association and expression, prohibition on child labor, zero tolerance for discrimination, protection of indigenous rights, and a grievance mechanism to address any violations.

Through the policy, recurring training, and new hire orientation, all staff members and stakeholders are well informed about the grievance reporting and redressal process. Employees and stakeholders can get in touch with local HR representatives if they have any questions or need clarification. Human rights violations are discouraged by our Code of Conduct, which also offers a fair and open way to report any that occur. During the reporting period, there were no complaints about human rights violations. In FY 25 we have restructured the human Right policy

ANTI-CORRUPTION

Solara is committed to zero tolerance for corruption in all facets of its business operations. The corporation has anti-corruption and anti-bribery policies in its code of conduct. The company's code of conduct is communicated to 100% of the workers through new recruit orientation and quarterly training. The rules and Code of Conduct documents are also accessible through the Darwin box portal. The policy prohibits recruiting commissions, financial transactions with internal or external stakeholders, gifts of any type, and incorrect or fraudulent travel or entertainment bills. Violations of the grievance policy are reported and handled accordingly. Employees utilize regular training as a communication strategy. We have continuous review mechanism under the preview of audit committees, no complaints or cases involving breaches of anti-corruption and anti-bribery laws were filed during the reporting period FY 25.

FREE OF DISCRIMINATION AND HARASSMENT

The company is committed to being sure that there is no discrimination of any kind at work. Age, nationality, ethnicity, caste, creed, religion, or gender are all grounds for breach of the company's code of conduct, workplace harassment, and POSH policy. Sexual harassment and discrimination of any kind are also strictly prohibited. The company's goal is to prevent and address sexual harassment in the workplace so that employees may perform at their highest level without worrying about discrimination, gender bias, or redistribution. Both male and female employees receive the same compensation for doing equivalent tasks. There were no documented instances of discrimination in FY 25

CHILD LABOUR

The firm guarantees that no child is employed by adhering to local labor laws and ILO norms. Every employee, whether full-time or part-time, including contract laborers, consultants, and trainees, must present a government-issued ID card and KYC documentation to prove their age as part of governance to assure compliance. In order to reinforce the message that child labor are prohibited, the firm also makes sure that there is communication signage at the main entrance and regular training. Additionally, the company urges its partners and suppliers to follow local and ILO labor rules pertaining to child labor. During FY 25, no instances of child labor were recorded inside the company or brought to the attention of the company's suppliers.

FORCED AND COMPULSORY LABOUR

The company opposes all types of forced and compelled labor and supports the dignity of workers. In a consequence, the company make sure that employment terms are open and optional. The company urges its service providers and suppliers to follow a labor code that prohibits forced labor. During this reporting period, the company was not aware of any instances of forced or coercive labor on the part of the supplier.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

According to the company's human rights policy and code of conduct, it encourages its employees to join any group that complies with local legislation. At its manufacturing plants, the company has open and ongoing discussions with the employee associations.

SECURITY PRACTICES

Every security guard receives training on the company's pertinent policies, which provide the groundwork for their efficient operation. At every industrial facility, they also receive training in fire safety and first aid response. Additionally, the security staff receive behavioural training on body language, how to interact with guests and staff, and other relevant topics for problem escalation.

INDIGENOUS RIGHTS

The business operates in a number of places in India. The local customs of the numerous areas where Solara operates are respected and welcomed. During the reporting period, Solara has not experienced any human rights or indigenous right-related breaches.

PUBLIC POLICY

The government, regulatory bodies, non-profit organizations, and industry associations are just a few of the stakeholders that the company interacts with. The Company finds possibilities and takes part in defining public policy issues through its discussions with different stakeholders. The company additionally shares its views in forums run by associations in the industry.

% of plants and offices assessed for business respect and Humanright

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

ANTI-COMPETITIVE BEHAVIOUR

Our Code of Conduct serves as the foundation for our anti-competitive behaviour policy. Considering the increasing significance of adhering to anti-competitive behaviour on a worldwide scale. This year, we revised a policy on anti-competitive behavior and provided training to all Solara workers. During FY 25, no charges were brought by stakeholders against careless product promotion or unethical business activities.

COMPLIANCE

There has been no incidence recorded pertaining to human rights, corruption, labour practices during this reporting period.

LABOUR MANAGEMENT AND LABOUR RELATIONS

For both contract and permanent employees, the organization promotes constructive negotiation techniques and good employee relations. In order to provide services and activities that guarantee a positive work environment, local human resource professionals regularly interact with contractors and employees. All collective bargaining and trade union agreements are subject to compliance with applicable legislation. The fact that all employees are represented in official joint management-worker health and safety committees at Solara demonstrates our dedication to upholding legal requirements while maintaining a positive work environment.

MINIMUM NOTICE PERIOD

All Solara employees are required to provide 90 days' notice, albeit the length of time they are allowed to leave depends on their stated circumstances or reasons for leaving. The appointment letter mentions the notice period. The notice period and/or Voluntary Retirement Schemes (VRS) are decided in accordance with local regulations and directives from the local regulatory authority in the event of a major operational change that could have an important effect on employment.

OUR COMMUNITY

The key external Stakeholders is the community that surrounds our operational facility. The impact of the human rights due to the operations were studied and has been found to be positive impact with increased infrastructure, educational, health facilities and employment opportunities. The organization being the member of the UNGC is committed to continue the inclusive growth alongside them. Better health and hygiene facilities, greater local job prospects, improved educational and infrastructural amenities, and other community expectations are all recognized by the company through its community involvement initiatives. A crucial component of the company's sustainability structure is corporate social responsibility, or CSR. The Company's CSR initiatives are set up in compliance with Section 135 read with Schedule VII of the Act. The company invests all of their CSR budget in the community. CSR activity details, pages 61–63. In FY 25, no operations had any possible adverse effects on nearby populations.

The Sustainable development goals adhered at Solara Active Pharma Sciences Limited as part of Corporate social responsibility. Compliance to CSR is disclosed not only in annual report every year but also, its shared in public domain on our website. Past CSR covering sustainability goals can be seen at below URL: [CSR Initiatives – Solara Active Pharma Sciences](#).

SUMMARY OF BUDGET ALLOCATION

Detail of CSR spent

CSR Spent in FY 24 in Cr	CSR Spent in FY 25 in Cr
1.27	0.65

There is a slight decrease in the CSR expenditure, However there is a balance available of 1.3 crores which shall be carried to the future years

Below document indicates various efforts and impact made on communities in last year (FY 25) in reference to various SDG'S goals.



GOAL 1: No Poverty:
NA



GOAL 2: Zero Hunger:
NA



GOAL 3: Good Health and Well-being:

1. The Puducherry facility provided OPD services to 6,645 patients in FY25, acting as a crucial healthcare hub for the surrounding communities. With the assistance of SLIMS Hospital, a general medical camp was held in March 2025 and offered counseling, medications, diagnostic testing, and consultations. To ensure continuity of care, 85 patients in total were screened; those in need of more advanced care were sent to SLIMS Hospital.
2. Total 15,980 patients from different neighboring villages used the Cuddalore dispensary's OPD facility in FY25. In March 2025, a General Medical Camp was held in association with Puducherry's Aarupadai Veedu Medical College & Hospital. The elderly, women, and children from the nearby villages of Kudikadu, Karaikadu, Sangilikuppam, Pachayankuppam, and Alapakkam were the main target of the camp. General medicine, pulmonology, gynecology, pediatrics, orthopedics, cancer screening, non-communicable disease (NCD) screening, and dental treatments were all covered. 51 of the 132 villages that benefited were female.

CSR activity with related to Good Health and Well-being





GOAL 4: Quality Education

1. In FY 25 continued our focus on Education, with an intention to provide quality learning environment.
2. Support for education continued with financial assistance extended to an MBBS student for the third consecutive year. A grant of ₹50,000 was provided in FY25, and the support will continue for one more year until the student completes her graduation. Educational Grant



GOAL 6: Clean Water and Sanitation

1. In Cuddalore, two communities in Kudikadu were given access to clean drinking water. More than 800 homes benefited from the monthly delivery of more than 600 KL of water made possible by this program.
2. Six RO water plants operated seamlessly across Puducherry, delivering safe drinking water to six villages. This initiative provided clean water access to over 4,200 families, significantly enhancing health and hygiene standards in the community. Construction of Over Head Tank to provide water to 250 families @ Poondiyankuppam, Cuddalore.



GOAL 7: Affordable and Clean Energy



GOAL 13: Climate Action



GOAL 17: Partnership for the goals NA



SDG ALIGNMENT



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- 5,980 patients from different neighbouring villages used the Cuddalore dispensary's OPD facility in FY25. In March 2025, a General Medical Camp was held in association with Puducherry's Aarupadai Veedu Medical College & Hospital. The elderly, women, and children from the nearby villages of Kudikadu, Karaikadu, Sangilikuppam, Pachayankuppam, and Alapakkam were the main target of the camp. General medicine, pulmonology, gynecology, pediatrics, orthopaedics, cancer screening, non-communicable disease (NCD) screening, and dental treatments were all covered. 51 of the 132 villages that benefitted were female.



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UNGC “THE TEN PRINCIPLES ALIGNMENT ”

Area	Principle	Statement	Page No.
Human Rights	Principle 1	- Businesses should support and respect the protection of internationally proclaimed human rights; - Businesses should make sure that they are not complicit in human rights abuses	59
	Principle 2		
Labour	Principle 3	- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining - The elimination of all forms of forced and compulsory labour - The effective abolition of child labour; and - The elimination of discrimination in respect of employment and occupation	60
	Principle 4		60
	Principle 5		59
	Principle 6		59
Environment	Principle 6	- Businesses should support a precautionary approach to environmental challenges - Businesses should undertake initiatives to promote greater environmental responsibility; - Businesses should encourage the development and diffusion of environmentally friendly technologies	37,39,43,45
	Principle 8		
	Principle 9		37,39
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	45
			59

MEMBERSHIP ASSOCIATIONS



Indian chemical council



NATIONAL SAFETY COUNCIL OF INDIA



Confederation of Indian Industry

Confederation of Indian Industry



EcoVadis



United Nation Global Compact

GRI CONTENT INDEX

Our Sustainability Report, is aligned with the Global Reporting Initiatives' GRI Standards for sustainability reporting

<u>GRI Standard</u>	<u>Disclosure</u>	<u>Page No.</u>
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2.3	Reporting period, frequency and contact point	2
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ECONOMIC

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GRI 201: Economic Performance 2016

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417.3	Incidents of non-compliance concerning marketing communications	32
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418.1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	32



Independent Assurance Statement

ASSURANCE STATEMENT

Introduction

ALS Testing Services India Pvt Ltd (ALS) was engaged by Solara Active Pharma Sciences Limited (SAPSL) to provide independent third-party assurance on its Sustainability Report (the "Report") for the financial year 2024-25. The Report has been prepared by SAPSL in accordance with the Global Reporting Initiative (GRI) Standards under the "in accordance" option for sustainability reporting. This assurance engagement was conducted under ISAE guidelines, AA1000 principles and taking applicable UN SDGs into account.

The assurance statement is intended for SAPSL's stakeholders as identified in the Report.

Type and Level of Assurance

- This engagement has been performed as a moderate level assurance in line with Assurance standards. Under this type and level:
- ALS evaluated SAPSL's adherence to the principles of Inclusivity, Materiality, Responsiveness, and Impact.
- ALS additionally assessed the reliability and quality of specified sustainability information disclosed in the Report that is relevant to these principles and to the agreed scope of work.

Responsibilities of the Reporting Organization

SAPSL is responsible for:

- Preparing the Sustainability Report in accordance with the GRI Standards and other applicable internal policies and frameworks.
- Ensuring that the information and data presented in the Report are accurate, complete, and free from material misstatement, whether due to fraud or error, and that underlying records are maintained and retained for a reasonable period.
- These responsibilities remained unchanged during the course of the engagement.

Responsibilities of the Assurance Provider

ALS's responsibility is to:

- Plan and perform a limited assurance engagement to obtain limited but meaningful assurance on SAPSL's adherence to the Assurance principles and on the reliability of specified sustainability performance information.
- Express a conclusion based on the evidence obtained and the work performed within the agreed scope.

ALS did not perform:

- An audit of financial information.
- An assessment of the adequacy or effectiveness of SAPSL's sustainability strategy, governance, or management systems, except as they relate to adherence to Sustainability Assurance standards and guidelines and the reliability of reported information within scope.
- An assessment of the overall sufficiency of the Report against all GRI principles beyond those disclosures and indicators included in the scope.

The authenticity of the underlying data, and the processes for generating and archiving such data, remain the responsibility of SAPSL.

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Reference to the Use of Assurance standards

The assurance engagement was conducted with reference to Assurance standards AA1000 and ISAE guidelines for evaluating sustainability management, performance, and reporting, with a focus on:

- Inclusivity
- Materiality
- Responsiveness
- Impact

The GRI Standards were applied as complementary reporting criteria for assessing the consistency and completeness of SAPSL's sustainability disclosures in line with the agreed scope.

Scope of Work

The assurance scope covered:

- Disclosures presented in the Sustainability Report for the reporting year 2024-25.
- Selected environmental, social, and governance (ESG) indicators and GRI disclosures identified as material to SAPSL and its stakeholders.

Within this scope, ALS:

- Verified the application of the Report content in line with SAPSL's identified material topics and related GRI principles.
- Reviewed the policies, initiatives, management approaches, practices, and performance information presented in the Report.
- Reviewed the ESG disclosures reported with reference to GRI Standards, focusing on the specified environmental and social topics and their relevance to Assurance standards and guidelines.

The specified information was selected on the basis of materiality and its meaningfulness to intended users in line with Assurance standards and guidelines.

Verification Methodology

ALS adopted a risk-based and principles-driven approach prioritizing issues and disclosures of higher material relevance to SAPSL's business and stakeholders. The procedures included, but were not limited to:

- Reviewing SAPSL's stakeholder engagement approach and materiality determination process against the ESG principles and GRI materiality requirements.
- Verifying statements and claims in the Report and evaluating the robustness of data management systems, information flows, and internal controls for the indicators within scope.
- Examining and reviewing documents, records, data, and supporting information provided by SAPSL for the disclosed management approaches and performance indicators.
- Conducting interviews (onsite and/or remote) with key SAPSL representatives, including data owners and functional decision-makers.

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- Performing sample-based testing of the implementation of relevant policies, procedures, and controls.
- Conducting sample-based checks on data collection, consolidation, calculation methods, conversions, and reporting for selected quantitative and qualitative indicators.

Evaluation against Accountability Principles

- **Inclusivity:** Extent to which SAPSL identifies, engages, and involves stakeholders in developing its sustainability priorities and responses.
- **Materiality:** Process to identify and prioritize sustainability topics reflecting SAPSL's significant economic, environmental, and social impacts, and key stakeholder concerns.
- **Responsiveness:** Quality and timeliness of SAPSL's responses to material topics, including policies, actions, performance, and reporting.
- **Impact:** Extent to which SAPSL understands, monitors, and reports the actual and potential impacts of its activities, products, and services on the broader ecosystem, including any positive and negative outcomes.

Findings and Conclusions

- **Materiality:** Material sustainability issues are clearly identified and well-defined through SAPSL's materiality process and supporting documentation.
- **Responsiveness:** Stakeholder concerns and material topics are addressed through governance mechanisms, policies, and initiatives; the Report reflects prompt and transparent responses to key issues.
- **Neutrality/Fair Presentation (within the Responsiveness and Impact perspective):** The Report presents both achievements and challenges, including transparency around limitations in Scope 3 GHG emissions reporting, supporting a balanced and fair representation of performance.

Reliability and Quality of Specified Performance Information

For the indicators and disclosures within the agreed scope, ALS observed that:

- The specified KPIs were generally reliable and supported by appropriate documentation and internal controls.
- Emissions data under GRI 305 were reliable for Scope 1 and Scope 2, with Scope 3 emissions currently limited and dependent on supplier-provided data, which introduces inherent constraints and uncertainties.



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Evaluation of Disclosures

ALS is of the opinion that SAPSL's sustainability disclosures covered by this engagement generally meet the requirements of the GRI Standards.

Universal Standards

- GRI 1: Foundation 2021 – Requirements and principles for using the GRI Standards.
- GRI 2: General Disclosures 2021 – Organizational profile, strategy, ethics and integrity, governance, stakeholder engagement, and reporting practices.
- GRI 3: Material Topics 2021 – Identification and management of material topics.

Topic-Specific Standards

- GRI 100 Series (Climate-related topics).
- GRI 200 Series (Economic/Governance topics as applicable).
- GRI 300 Series (Environmental topics).
- GRI 400 Series (Social topics).

ALS finds that material topics and the related Topic-specific GRI Standards have been appropriately identified and addressed in SAPSL's ESG disclosures within the scope of this assurance.

Conclusion of the Assurance Procedures

Based on the procedures performed and the evidence obtained in accordance with Assurance standard and guidelines, moderate level assurance engagement, nothing has come to our attention that causes us to believe that:

- SAPSL has not adhered, in all material respects, to the principles of Inclusivity, Materiality, Responsiveness, and Impact; or
- The specified sustainability information within the scope of this engagement has not been prepared, in all material respects, in accordance with the stated reporting criteria (including relevant GRI Standards and internal methodologies).

SAPSL demonstrates strong alignment with recognized sustainability principles and can further enhance its performance and reporting by implementing the improvement opportunities outlined above. The reliability of disclosed performance information within the scope of this engagement is assessed as high for the reporting year 2024-25.

Note on Materiality Determination and Data Changes

Materiality has been determined based solely on the data and information provided by SAPSL for this engagement. ALS provides assurance only on the data and disclosures submitted at the time of our work. If SAPSL subsequently changes, updates, or corrects the underlying data, ALS cannot be held responsible for any resulting differences in the disclosed information. ALS reserves the right to revise, withdraw, or re-issue this assurance statement if significant changes to SAPSL's data or disclosures occur after completion of the assurance procedures.

ALS's Competence and Independence

ALS is a global provider of testing, audit, assurance, and certification services, with operations in more than 65 countries. The assurance team for this engagement comprised qualified and competent sustainability assurance professionals experienced in ESG Assurance engagements. Team members were not involved in the preparation or collection of SAPSL's data and maintained complete impartiality throughout the engagement.

ALS has no other relationships with SAPSL that could compromise independence or objectivity. The assurance procedures were conducted in line with the principles of impartiality, fair presentation, and appropriate documentation, and the documentation reviewed supports the conclusions expressed in this assurance statement.

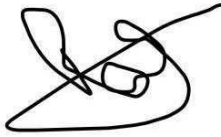


Prepared by

Pradeepkumar Raju

Assessor

CSAP Id: A12052505



Reviewed by

Ragesh Joshi

Lead Verifier

PCSAP Id: C06022601

Pooja
Ahuja

Digitally signed
by Pooja Ahuja
Date: 2026.03.25
12:56:41 +05'30'

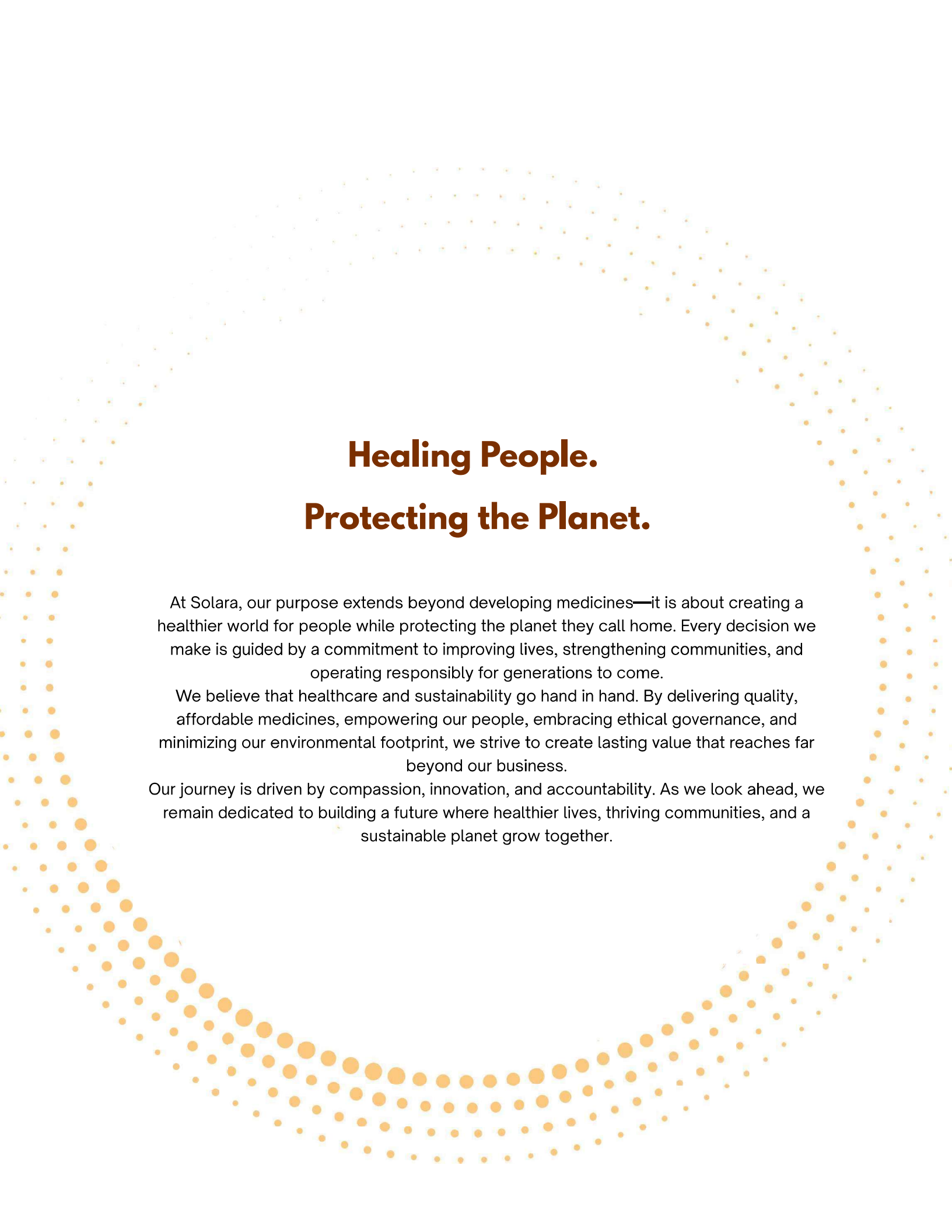
Approved by

Dr. Pooja Ahuja

Director – Certification & Training

ALS Testing Services India Private Limited

No.65 Bommasandra Jigani Link Road,
KIADB Industrial Area, Bangalore – 560105,
Karnataka, India



Healing People. Protecting the Planet.

At Solara, our purpose extends beyond developing medicines—it is about creating a healthier world for people while protecting the planet they call home. Every decision we make is guided by a commitment to improving lives, strengthening communities, and operating responsibly for generations to come.

We believe that healthcare and sustainability go hand in hand. By delivering quality, affordable medicines, empowering our people, embracing ethical governance, and minimizing our environmental footprint, we strive to create lasting value that reaches far beyond our business.

Our journey is driven by compassion, innovation, and accountability. As we look ahead, we remain dedicated to building a future where healthier lives, thriving communities, and a sustainable planet grow together.