

METROCHEM API PRIVATE LIMITED

ESG
REPORT

FY 2024-25



METROCHEM



Dr. N. Venkateswara Rao
PhD in Organic Chemistry

Dear Stakeholders,

Metrochem is committed and contribute toward the Sustainable Development Goals (SDGs), which encompass social, economic and environmental dimensions, in all areas of our business. We strive to be a role model and a leader in terms of sustainability performance within the pharmaceutical sector.

This is our report with an aim to collect, compare and disclose our Environment, Social & Governance performance of our manufacturing units during the period FY 24-25.

It summarises the result of the activities which we have carried out as Metrochem API Pvt Ltd. in Environmental, Social and Governance areas with an attempt to align it with Global Reporting Initiative major performance indicators. We presented the impact of our company on 3 Pillars (People, Planet & Profit) together with our management approach and our performance outputs to the information of our stakeholders through this report.

Looking ahead to 2026 and beyond, we are committed to enhancing the scope and depth of our reporting as part of our ongoing dedication to transparency. Our disclosures will continue to be aligned with the Global Reporting Initiative (GRI) Standard, while also reflecting our adherence to the Ten Principles of the United Nations Global Compact and our alignment with the Science Based Targets initiative (SBTi).

We look forward to your feedback so that we can review and incorporate in our sustainability programs and future reporting.

On behalf of METROCHEM MANAGEMENT TEAM

Dr. N. Venkateswara Rao

About Metrochem API

Metrochem API Pvt. Ltd. was established by Dr. N.V. Rao, Chairman & Managing Director, in 2004, with the grand vision of being the “most preferred supply partner to pharmaceutical customers worldwide”. Dr. Rao holds a PhD in Organic Chemistry with more than 30 years of experience in the Pharmaceutical Industry. His main research work focuses on Bulk Drugs. Intermediates. He built this research after years of experience in research, evaluation, teaching both in education and industry.

The management aimed to achieve this vision with a clear focus on quality and affordable products. Metrochem API Private Limited is one of the fastest growing manufacturers of Active Pharmaceutical Ingredients (APIs), Pellets (Semi finished Formulations) and Intermediates.

Dr. Rao's passion towards chemistry & especially research in developing new molecules has driven Metrochem's growth to this stage, a passion that always keeps us one step ahead. He has been instrumental in taking Metrochem's operations worldwide to achieve this global footprint, and in being known as the most preferred & reliable partners in the industry.



Our Milestones

<https://www.metroapi.com/our-milestones>

Patents:

- Process Patent granted for Preparing Prazole Precursors.
- Process Patent granted for Preparing 4-Chloro Pyridine Derivatives. Process Patent granted for Preparing Prazole Compounds.
- Process Patent granted for Preparing Esomeprazole Magnesium Salts.

Mission Vision Values

At Metrochem,
we believe that we have a role
to play in enriching lives
through increased access to
affordable healthcare.

Our Values

Learning, Aspiration, Excellence,
Action Oriented, Discipline, Ethics
and Integrity, Respect.

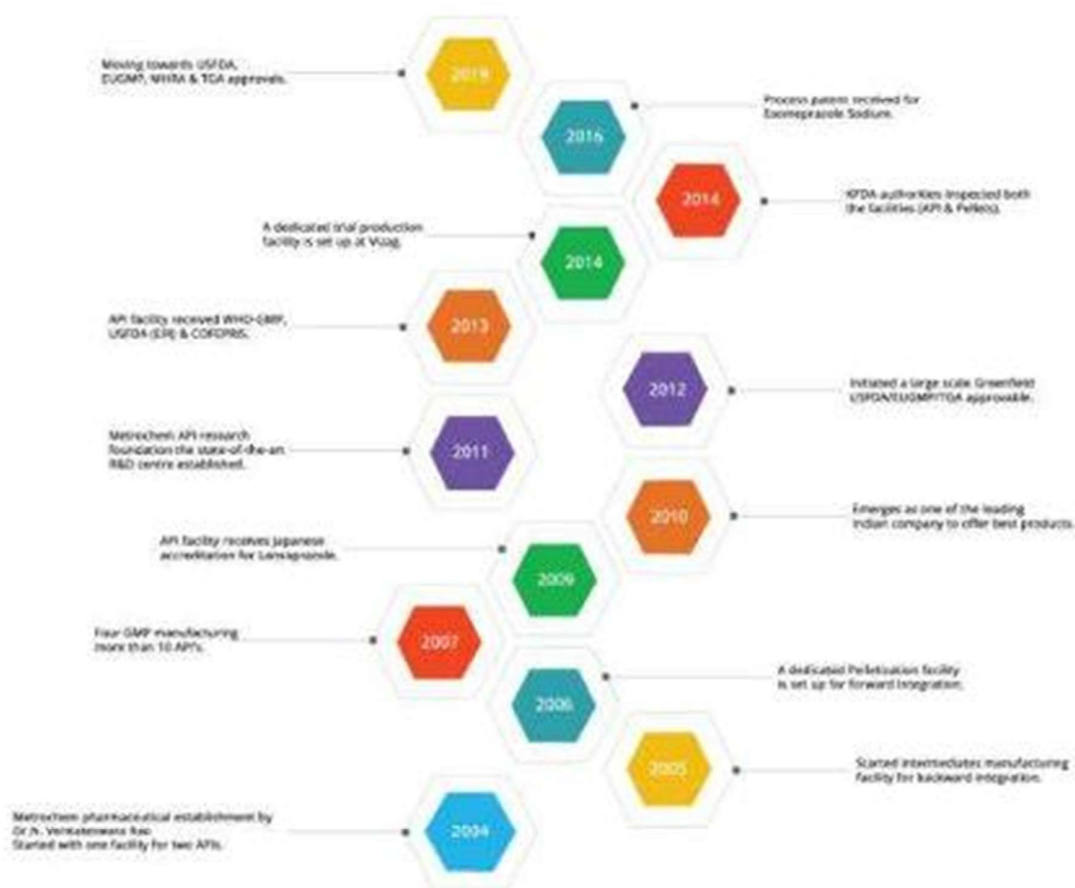


Our Mission

To ensure Operational Excellence,
excellent Customer Service on time,
Operate in a Safe & Environment-
friendly Atmosphere, conduct
business with Integrity, and ensure
employees are well trained,
motivated and satisfied.

Our Vision

Our vision is to become the most
preferred supply partner to our
customers worldwide. We aim to
achieve sustained growth through
consistent delivery of innovative,
customer-centric, world-class
products. To be a World Class,
Research driven, Vertically
Integrated Manufacturer of APIs.



Our Core Values

Innovation

Innovation gives an organization its competitive edge. Here at Metrochem we focus on innovation across people, process, products and technology, through knowledge sharing and cross functional collaboration.

Focus

We respect the trust our stakeholders have invested in us, and we strive to that the community has put in us to develop products that safe-guard the health, we have to carry out our actions with integrity.

Integrity

We are servant leaders. We are here to serve. If the opportunity to serve isn't there we wouldn't be in business. Our customers are a platform to serve our purpose. Therefore, we give them importance.

Safety

To do something, we have to be present. Safety promotes positivity which begets efficiency. Be it patient safety by maintaining high standards of Quality, environmental safety by properly adhering to it.



Accessible Management Team

Metrochem API Pvt Ltd management team includes key leaders across operations, supply chain, regulatory affairs, and business development.



Dear Stakeholders,

It is with great pride that we present Metrochem API Industries for a ESG Report FY 24-25. This publication reflects our unwavering commitment to environmental stewardship, social responsibility, and ethical governance.

At the core of our achievements lie innovation, operational excellence, and customer satisfaction all firmly rooted in our dedication to sustainable practices. We have taken significant strides to optimize operations, reduce costs, and invest in research and development for cutting-edge products and technologies. Our emphasis on efficient inventory management and transparent pricing has empowered us to make strategic investments, broaden our product portfolio, and strengthen our market presence. These advancements underscore our commitment to sound governance and transparency.

As conscientious custodians of the environment, we have embedded sustainability into our business ethos. By adopting energy-efficient methods, harnessing renewable energy, and implementing waste reduction initiatives, we have significantly reduced our ecological footprint.

Our social responsibility efforts focus on empowering our workforce, fostering diversity and inclusion, and uplifting the communities we serve. Through ambitious goal-setting and collaborative engagement, we are driving meaningful change and delivering long-term value to all stakeholders.

I extend heartfelt appreciation to our employees, customers, shareholders, and partners for their steadfast support of our shared sustainability vision. Together, we are shaping a brighter, more sustainable future.

Warm regards,

Harsha Vardhan Nandepu
COO - Corporate Office

Dear Stakeholders,

As we continue our pursuit of excellence in Environmental, Social, and Governance (ESG) practices, it is with great pride and a deep sense of responsibility that we present the Metrochem API Industries ESG Report for FY 2024-25.

This report marks a significant milestone our first standalone publication featuring enhanced transparency in environmental data, a goal we set for 2025. It not only reflects our unwavering commitment to sustainable development but also lays the foundation for our future ESG ambitions. Reflecting on our accomplishments in FY 2024 and looking ahead, sustainability remains central to our business strategy. We firmly believe that true success is measured not just by financial performance, but by the positive impact we create for society and the environment.

Our achievement of the EcoVadis Bronze Rating in 2024, placing us among the top 25% globally in our industry, is a testament to this belief and reinforces our dedication to ESG excellence. Looking forward, we aim to build on this success by advancing our sustainability journey. This report outlines our ESG goals and the strategies we are implementing to achieve them. We are actively working to reduce Scope 1 and Scope 2 emissions from operations and energy use, and we are developing a comprehensive plan to address Scope 3 emissions across our supply chain and product lifecycle demonstrating our proactive stance on climate action.

We recognize that our people are our greatest strength. We remain committed to their well-being and to the communities we serve through initiatives in occupational health and safety, employee engagement, and community development creating meaningful social impact.

Governance remains the cornerstone of our ESG framework. We have reinforced our governance structures and policies to uphold the highest standards of integrity, transparency, and accountability, fostering a culture of trust both within and beyond our organization.

Thank you for your continued support and partnership in our sustainability journey. Together, we can shape a more sustainable, inclusive, and prosperous future.

Warm regards,

Hardev Nandepu
CSO- Corporate Office

Departmental Leadership

Metrochem also has dedicated heads across:

- Marketing/Business Excellence
- HR
- Legal
- Environmental Health & Safety
- ESG & Sustainability
- Operations
- Process
- Procurement & Supply chain Management
- Finance & Accounts



Commitment towards Environment & Sustainability

Metrochem group, a responsible manufacturer of Active Pharmaceutical Ingredients and Intermediates, places environment management amongst its highest corporate priorities and is committed to environment conservation as well as sustainability of its employees. The company is committed to conducting all business operations as conscientious stewards of the environment by aligning growth plans with our Environment Sustainability policy. To support this vision, Metrochem has established a documented framework for setting and implementing environmental objectives and targets. It actively integrates principles and practices aimed at conserving natural resources and minimizing pollution, recognizing these as core components of its environmental management strategy. is a continuous activity for the sustainability growth. The company communicates this policy clearly to all personnel and makes it publicly accessible to reinforce transparency & accountability, and conducts regular awareness programs and trainings for all the staff and workers on safety and environment.

Metrochem ensures full compliance with applicable environmental laws and regulations, while maintaining a strong commitment to continual improvement. We actively engage with stakeholders, from suppliers to customers, to build a resilient and transparent value chain.

Our teams are empowered to think sustainably whether it's through eco-friendly packaging, water conservation, or community outreach programs.





Reducing our Carbon Footprint and Going Green



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As we look ahead, Metrochem remains committed to aligning with global sustainability goals, including the UN Sustainable Development Goals (SDGs). Together, we can create a healthier planet and a more equitable future.

Let's continue to lead with purpose, act with integrity, and grow responsibly.

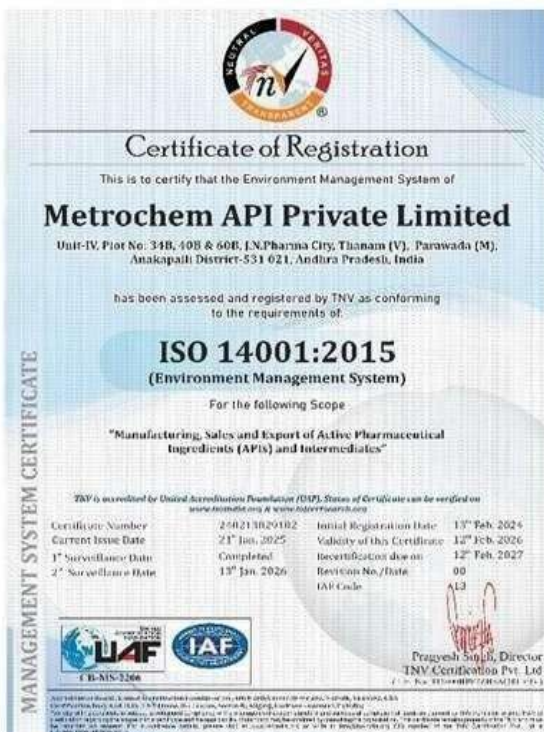
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Santosh Kumar Gandupalli

(ESG & Sustainability Expert)



Accreditation and Awards



Regulatory Compliance

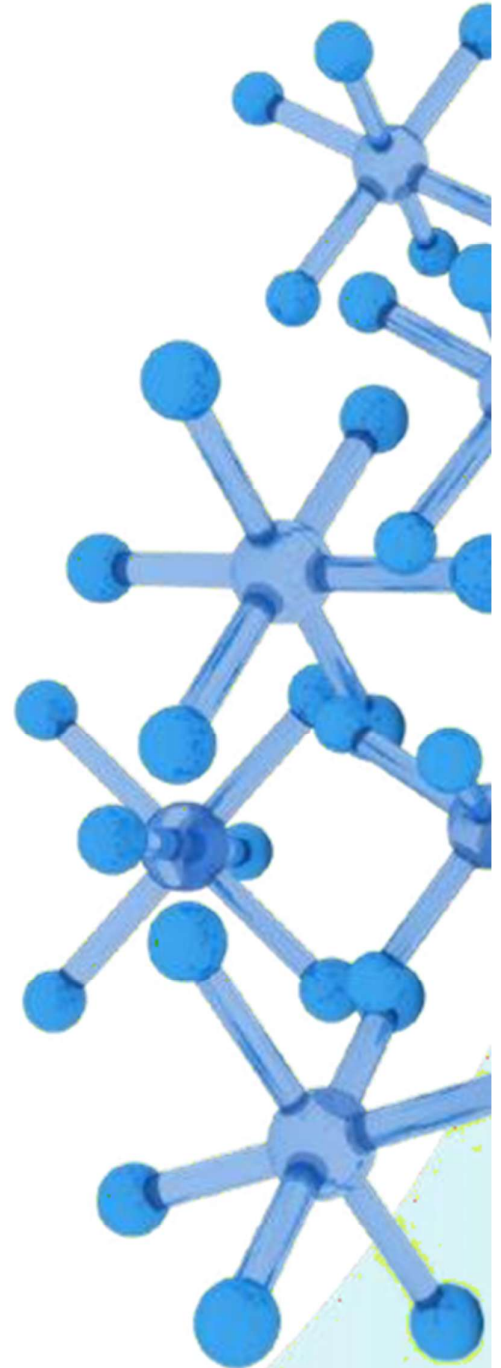


Materiality Analysis

We are addressing a wide group of stakeholders as part of our business activities. We proactively engage and consult with our stakeholders in order to identify the material topics from sustainability perspective.

As a result of this evaluation, the subjects which influence the sustainability subjects are gathered together following below quadrant approach. The material topics written in the box below are identified and gathered as per our status quo and future plans to mitigate associated risks arising out of such material topics.

The sustainability priorities of our company are specified by means of engaging all of our stakeholders in the process and the steps to be taken by us in the future shall be managed in line with these priorities.



Governance and Compliances

We have a routine practice to identify and evaluate our compliance status with applicable legal and customer requirements. Some of the major Environmental approvals/permits implemented and maintained in valid status are the followings.

- Environment Protection
- Fire safety
- Business Licence
- Explosive licence for storage of chemical/flammable substances.
- Equipment safety like Boilers, Reactors, Forklifts, Compressors etc.

We do not have any case of legal violation or penalty

Beyond Legal compliances

Odour management:

We have invested and installed fume collection system from effluent storage area in order to prevent bad odour to dispersed in work environment

Management Approach and Structure

We adopt international way of management system approach in establishing, developing, implementation, monitoring and continually improve our sustainability performance.



Monitoring & Stakeholder Communication of Environment Performance

We conduct periodic monitoring both internally and externally as per licence conditions to ensure that our operational performance meets the expected environment performance.

In case of Volatile Organic Compounds (VOCs), there is continuous and real time monitoring being carried out and reported to Government authorities.

We transparently communicate about our environment performance through LED display board outside our plant area, to inform all stakeholders and interested parties.

Our ESG Commitment

Metrochem handles an extremely wide array of products that require specialized skills in handling complex chemistry, developing robust scalable processes, and safe handling of challenging reactions and chemicals, at both grams to multi ton scale. Metrochem API's state-of-the-art manufacturing sites are built to global standards, driving innovation, compliance, and quality at scale.

Our State of the art Manufacturing Sites



Full fledged API Development R&D



We believe that trust is earned through clarity, accountability, and consistent action. Our commitment to Environmental, Social, and Governance (ESG) principles is not just a policy it's a promise. We embed transparency into every layer of our operations, from sustainable manufacturing practices and ethical sourcing to employee wellbeing and community engagement.

We actively disclose our ESG goals, progress, and challenges, ensuring stakeholders are informed and empowered. By aligning our business strategy with material ESG topics, we foster long-term value creation while contributing to a healthier planet and society.

Our ESG journey and corporate values can be found at: <https://www.metroapi.com/sustainability>



Our Environmental, Social, and Governance (ESG) stewardship reflects a deep-rooted commitment to decarbonization, ethical governance, and sustainable innovation driving responsible growth for a resilient future.



Decarbonization Strategy

Transition to low-carbon technologies across manufacturing units. adoption of renewable energy sources (solar, wind, biomass). carbon footprint measurement and reduction targets (Scope 1, 2, and 3 emissions)

Resource Efficiency

Waste minimization and circular economy initiatives. energy-efficient equipment and process optimization.

Biodiversity & Ecosystem Protection

Green belt development around facilities. for the Environmental impact assessments of new projects

Social Responsibility

Robust occupational health and safety protocols and skill development and training programs. Additionally, diversity, equity, and inclusion initiatives Community

Regulatory Adherence

Transparent reporting and disclosures (e.g., ESG scorecards, sustainability reports) and Internal audits and third-party assessments.

In 2024, Metrochem API Pvt Ltd was awarded the Bronze EcoVadis medal, recognizing its commitment to sustainability, ethical business practices, and responsible supply chain management. This certification reflects Metrochem's alignment with global ESG standards and its dedication to continuous improvement in environmental, social, and governance performance. Metrochem API Pvt Ltd drives sustainability through energy-efficient manufacturing, zero-discharge facilities, and strong ESG alignment across operations for last two financial years.



Energy & Greenhouse Gas (GHG) emission Performance

Our main source of energy is electricity supplied by the Government authorities and captive electricity through diesel generators during disruption in external electric supply, we are exploring options to generate solar based renewable power to meet part of our electricity demand as well external sourcing in coming years.

We have undertaken energy efficiency programs such as replacing conventional lights with more energy efficient lighting (LEDs), variable frequency drive, and awareness among employees to avoid wastage. The thermal energy utilized in coal fired Boiler has the highest contribution in Scope-1 GHG emission, and we are exploring environment-friendly alternative fuels to reduce our overall Greenhouse gas (GHG) inventory.

Metrochem API Pvt Ltd champions transformative initiatives in green chemistry, regulatory compliance, digital innovation, and community upliftment while implementing targeted GHG emission interventions across its manufacturing sites to drive sustainable growth in the pharmaceutical sector.

ESG – GHG Emission key interventions

Energy Conservation Projects: Major Investment



LEDs & Proximity Sensors

- Implemented across the site in all production blocks, and common areas etc.
- Considering it all upcoming new projects as well



Variable Frequency Drives (VFDs)

- Installed in all HVAC systems, CT fans and other pumping applications.
- Shown significant reduction in energy consumption by up to 10%.



Screw Compressors

- Replaced the screw Air Compressors for existing projects and also for upcoming projects.

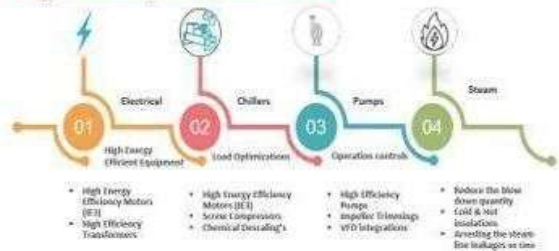


5 - Star Air Conditioners

- Replaced all 3 star air conditioners with 5 star smart inverter air conditioners.
- Reducing the total energy consumption on the air conditioners.

ESG – GHG Emission key interventions

Energy Conservation Projects: Low / Moderate Investment



Metrochem API Pvt Ltd is deeply committed to corporate social responsibility, actively contributing to community development, environmental sustainability, and inclusive progress. Our initiatives span tree plantation drives, blood donation camps, educational sponsorships, and support for marginalized groups reflecting our dedication to meaningful impact beyond business.

Corporate Social Responsibility

CSR amount spend FY 2022-23: 84.40 Lacs (INR)

CSR Committee led by Top Management

CSR Projects are aligned with UN Sustainable Development Goals (SDGs)



Corporate Social Responsibility



We comprise a variety of employee engagement activities, recognition, and reward programs a few examples are listed below. Additionally, we organize several employee welfare activities, with some examples provided below.



The Social Performance as a socially responsible employer, we have established, documented and implemented various human rights policies in accordance with National and International norms such as ILO, OECD guidelines, India Labour Laws. We do provide trainings both induction and periodic/refresher to our all employees including contractor about social and labour policies and create a work environment where each employees feel free to raise any grievance encountered and even suggestion for improvements.

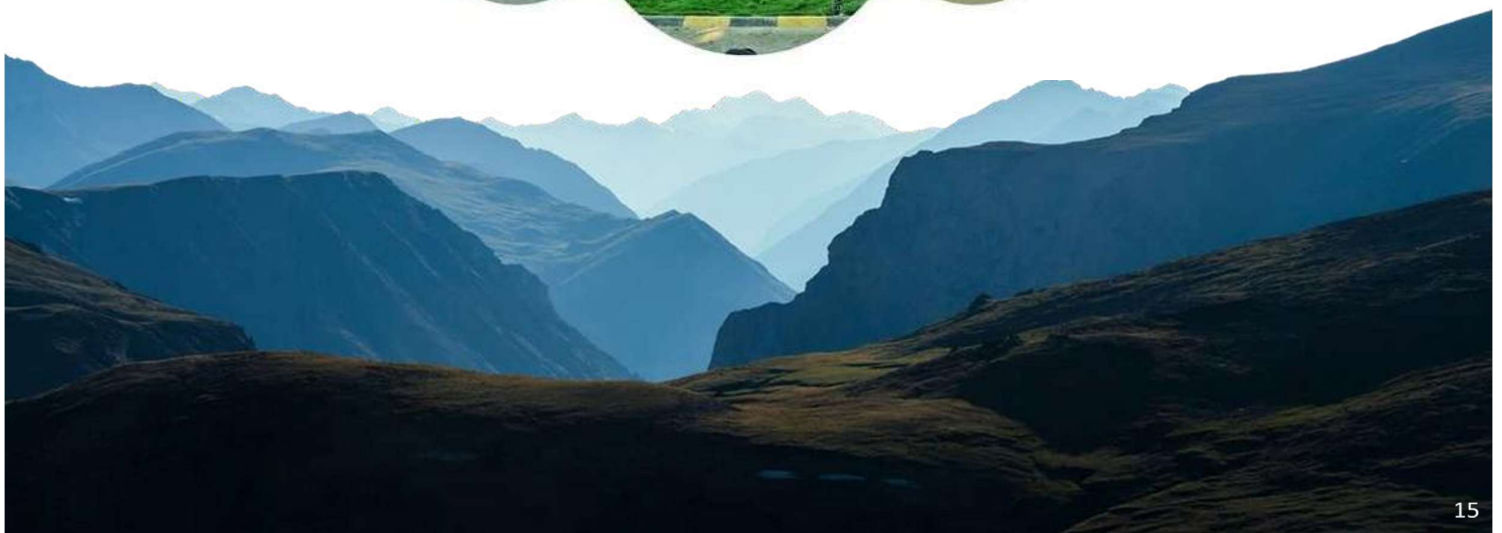
We do provide open door communication policies, encourage employees to share their suggestion and various committees having representation from both workers and management to discussion work related issues such as works committee, safety committee. We do monitor our social performance on various international parameters such as gender ratio, pay gap, employees engagement activities, training hours etc.

ESG- Social Performance

Performance Area	Y2024	Y2025	Status
Total Training hours per employees per year (FTE) (excluding Induction)	31	40	Improved
Percentage of women employed in relation to the whole organization (Including Contractual workers)	25	45	Improved
Rate of absenteeism (%)	6.2	4.1	Improved
Number of external stakeholder-communities, NGO, CSR activities	6	8	Improved
Percentage of the total workforce across all locations who received training on diversity, discrimination and/or harassment	42	45	Improved

Metrochem API Pvt Ltd is committed to reducing its carbon footprint through strategic green initiatives that not only benefit the environment but also uplift surrounding communities. Our 'Go Green' approach includes energy-efficient manufacturing, adoption of renewable energy sources, afforestation drives, and zero-discharge protocols across our facilities. These efforts are closely linked to our social performance creating healthier ecosystems, improving air and water quality for local populations, and fostering environmental awareness through employee and community engagement programs. By integrating sustainability into our social responsibility framework, we ensure that our growth contributes positively to both people and the planet.

Reducing our Carbon Footprint and Going Green



Metrochem API Industries – ESG Report FY 24-25 Report

Metrochem API Industries ("Metrochem") is committed to becoming a leading provider of customized solutions for the pharmaceutical sector, with a vision to foster a Healthier, Happier, and Joyful world.

This ESG report FY 24-25 presents a transparent and comprehensive overview of our Environmental, Social, and Governance (ESG) performance and initiatives. While we strive to ensure the accuracy and reliability of the information provided, this report is intended solely for informational purposes. It may contain forward-looking statements based on current expectations and projections, which are subject to change as new data emerges.

Metrochem remains dedicated to continuous improvement and open communication. We will keep our stakeholders informed as developments occur. Please note that this report does not constitute legal, financial, or investment advice. We encourage readers to use this document as a valuable resource and to consult professional advisors when appropriate.



FY 2024-25

ESG REPORT



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