

# GEM AROMATICS LIMITED SUSTAINABILITY REPORT FY 2024-25

Prepared with reference to  
the GRI Standards



Driving responsible  
growth through  
transparency,  
compliance, and  
sustainable  
innovation in the  
aroma and specialty  
chemical sector



## MR. YASH VIPUL PAREKH

Managing Director & CEO  
GEM Aromatics Limited

### CEO Message

At GEM, responsible manufacturing and ethical business practices have long been central to how we operate and grow. As a manufacturer of fragrance compounds, essential oils, and aroma chemicals serving global markets, we recognise that sustainable business performance depends on maintaining strong environmental stewardship, operational discipline, and transparent governance.

Over the years, we have continued to strengthen our systems to ensure that environmental impacts are responsibly managed, our people are supported, and our products meet the quality and safety expectations of global customers. These principles guide how we manage our operations, supply chain relationships, and long-term business strategy.

During FY 2024-25, we further advanced our sustainability efforts by strengthening data management systems and developing a structured greenhouse gas (GHG) emissions inventory covering Scope 1, Scope 2, and selected Scope 3 categories. This provides a clearer understanding of our emissions profile and supports a more data-driven approach to improving operational efficiency and environmental performance.

As expectations around responsible business and transparency continue to evolve, we are aligning our disclosures with internationally recognised frameworks such as the Global Reporting Initiative (GRI) Standards. Through this report, we aim to communicate our progress while continuing to strengthen our practices across environmental management, responsible operations, and long-term value creation.

At GEM, sustainability is closely linked to operational excellence and continuous improvement. We remain committed to building a resilient organisation that delivers value for customers, employees, and the communities connected to our business.

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## OUR IDENTITY

# ORGANISATIONAL PROFILE & OPERATING FOOTPRINT



Our operations are guided by responsible manufacturing, ethical business practices, and a commitment to supporting innovation across the global fragrance and aroma ingredients industry.

- ❖ GEM is an Indian manufacturer of essential oils, aroma chemicals, and value-added derivatives serving the flavour, fragrance, personal care, wellness, and pharmaceutical sectors.
- ❖ Established in 1997 and headquartered in Mumbai, GEM operates manufacturing facilities across Maharashtra, Uttar Pradesh, Dadra & Nagar Haveli, and Gujarat. These sites support diversified processing capabilities, including distillation, chemical transformation, blending, and quality testing across multiple product lines.
- ❖ GEM's portfolio spans natural extracts, mint and clove derivatives, eucalyptus oils, and specialty aromatic compounds supplied to domestic and international customers.

### OUR IDENTITY AND MISSION



GEM's mission is to develop and deliver high-quality aroma ingredients that meet the evolving needs of global customers while maintaining consistent operational and regulatory standards. The company combines technical expertise in aromatic chemistry with disciplined manufacturing practices to ensure reliable and high-performance products across multiple industries.



GEM's operations are supported by structured management systems, including ISO 9001, ISO 14001, and ISO 45001, which guide quality, environmental management, and occupational health and safety across applicable facilities.

### GLOBAL REACH AND MARKET POSITION



GEM serves customers across domestic and international markets, supplying essential oils, aroma chemicals, and value-added derivatives that are incorporated into products across the flavour, fragrance, personal care, wellness, and pharmaceutical sectors. Through its manufacturing operations in India and established relationships with global partners and distributors, GEM supports customers across multiple regions while maintaining consistent quality, supply reliability, and regulatory compliance.

## 2024 AT A GLANCE



5,039.53 million Rupees from operations



All manufacturing facilities certified under ISO 14001 (EMS) and ISO 45001 (OHS)



Greenhouse gas (CO<sub>2</sub>e) emissions baseline established



18% of total energy consumption from renewable sources



2,000+ employee training hours completed



Zero reported cases of Corruption or Whistleblower Violations



60% of key raw materials sourced through sustainable supply chains



Eco-certified / sustainability-assessed farms within supply network<sup>1</sup>





## MR. VIPUL PAREKH

Whole-Time Director

### SUPPORTING COMMUNITIES & CORPORATE RESPONSIBILITY

At GEM, responsible operations and community engagement are supported through structured governance and oversight across the organisation. Our leadership team plays an active role in ensuring that operational practices, risk management, and compliance frameworks are aligned with the company's long-term commitment to responsible growth.

We place strong emphasis on maintaining safe and efficient operations, strengthening environmental and safety management systems, and ensuring ethical conduct across our business activities and partnerships. These priorities are embedded within our operational processes and supported by internal controls, policies, and management systems.

Alongside our operational focus, GEM continues to contribute to community development through its Corporate Social Responsibility initiatives. These programmes focus on areas such as education, healthcare access, and local development, and are implemented through credible partner organisations to support meaningful social outcomes.

As expectations around responsible business continue to evolve, we remain focused on strengthening governance practices, enhancing transparency, and ensuring that our operations contribute positively to the communities and environments in which we operate.



## MRS. KAKSHA VIPUL PAREKH

Chairperson & CFO

### SUSTAINABILITY THROUGH FINANCIAL LEADERSHIP

At GEM, long-term value creation is closely linked to disciplined financial management, responsible governance, and a forward-looking approach to sustainability. The Board and leadership team work together to ensure that environmental, social, and governance considerations are reflected in strategic planning, investment decisions, and risk management processes.

As expectations from customers, regulators, and investors continue to evolve, strengthening transparency and accountability remains a priority. Through structured measurement, improved reporting practices, and alignment with recognised frameworks, we are building greater visibility into our environmental and social performance while reinforcing sound financial oversight.

Sustainability considerations are increasingly integrated into how we evaluate opportunities, allocate resources, and manage long-term risks. By maintaining strong governance and responsible financial stewardship, we aim to support resilient growth and create lasting value for our stakeholders.

## OUR OPERATIONS



GEM's manufacturing footprint is anchored by two primary production facilities located in Budaun (Uttar Pradesh) and Silvassa (Dadra & Nagar Haveli), supported by the company's head office in Mumbai. Together, these locations form the core of GEM's production, operational management, and supply capabilities.

The Budaun facility is strategically located within India's key mint cultivation region, enabling close proximity to agricultural raw material sources and supporting efficient sourcing of mint-based ingredients. The Silvassa facility complements this footprint with strong manufacturing infrastructure and logistics connectivity that supports production for both domestic and international markets.

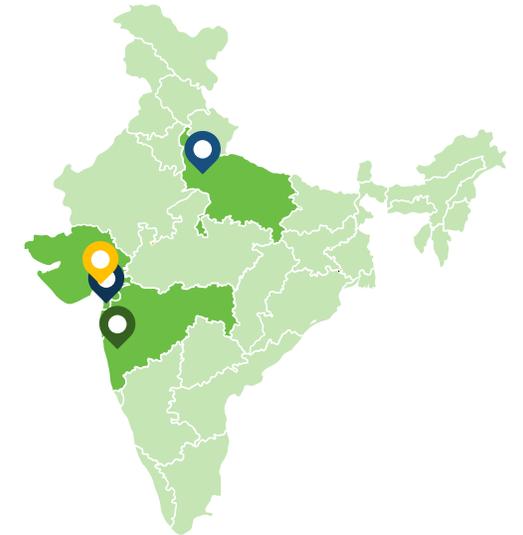
Across these facilities, GEM manufactures a diversified range of aroma ingredients including mint derivatives, clove-based products, cooling agents, and specialty aromatic compounds used across multiple end-use industries.

GEM's operational capabilities are further supported by in-house research and development facilities focused on process optimisation, product development, and quality improvement. The R&D team works closely with manufacturing and commercial teams to support new product development, enhance process efficiency, and respond to evolving customer requirements.

GEM operates within a broader specialty chemicals value chain that connects agricultural raw material suppliers, chemical intermediates, and downstream manufacturers. Its products are supplied to formulation houses, consumer goods manufacturers, and pharmaceutical companies that incorporate these ingredients into finished products distributed across global markets.

The location of GEM's manufacturing facilities supports operational efficiency by maintaining proximity to key raw material sources and customer markets. This helps optimise logistics, strengthen supply reliability, and support responsible manufacturing practices across operations.

### Our Locations



-  Head Office - Mumbai
-  Manufacturing Facility - Budaun, Uttar Pradesh
-  Manufacturing Facility – Silvassa , Dadra & Nagar Haveli
-  R&D Facility- Dahej Gujarat

## MISSION, PURPOSE & VALUES

GEM's purpose is to develop high-quality aroma ingredients that support innovation across the fragrance, flavour, personal care, wellness, and pharmaceutical industries. Through technical expertise in aromatic chemistry and disciplined manufacturing practices, we aim to deliver consistent product performance and reliability for our customers.

Our approach is guided by a strong focus on operational excellence, product integrity, and long-term partnerships across the value chain. By combining industry experience with a culture of innovation and continuous improvement, GEM seeks to deliver solutions that meet evolving customer requirements while maintaining high standards of quality.

The principles represented in our core values-expertise, responsible sourcing, innovation, and product integrity - how we operate, collaborate with partners, and develop products across our business.



## OUR CORE VALUES



### EXPERTISE

Technical knowledge and disciplined manufacturing practices developed through years of industry experience.



### RESPONSIBLE SOURCING

A strong connection to agricultural raw materials and responsible sourcing practices.



### INNOVATION

A strong connection to agricultural raw materials and responsible sourcing practices.



### PRODUCT INTEGRITY

A strong connection to agricultural raw materials and responsible sourcing practices.

# SUSTAINABILITY VISION AND STRATEGY

## Our ESG Approach

GEM integrates environmental, social, and governance (ESG) considerations into its operational practices to support responsible and resilient growth. As a manufacturer of aroma ingredients and specialty chemicals, the company focuses on managing environmental impacts, maintaining safe and ethical operations, and supporting the well-being of employees and communities connected to its value chain.

### PLANET AND CLIMATE



Environmental stewardship is an important aspect of GEM's operational management. The company works to minimise environmental impacts associated with manufacturing activities through resource efficiency, emissions management, responsible fuel use, and regulatory compliance.



Operational initiatives focus on improving energy efficiency, monitoring emissions, and strengthening environmental management systems across facilities. These actions support long-term operational resilience while aligning with evolving environmental expectations in the specialty chemicals sector.

### OUR PEOPLE AND PARTNERS



GEM's sustainability strategy recognises that people are central to long-term business success. The company aims to maintain a safe, inclusive, and engaging workplace that supports employee well-being, skill development, and equal opportunity.



By fostering a culture of continuous learning and collaboration, GEM seeks to support workforce capability while strengthening relationships with suppliers, partners, and stakeholders across its value chain.

### OPERATING WITH PURPOSE



Responsible governance underpins GEM's approach to sustainability. The company maintains policies and management systems that guide ethical conduct, regulatory compliance, and responsible decision-making.



Key governance mechanisms include a Code of Ethics, policies addressing anti-corruption and conflict of interest, and a formal whistle-blower framework that enables confidential reporting of concerns. These systems support transparency, accountability, and responsible business practices across the organization.

### KEY SUSTAINABILITY FOCUS AREAS

- ❖ Climate Action
- ❖ Circularity
- ❖ Pollution Prevention
- ❖ Employee Experience & Wellbeing
- ❖ Health, Safety, and Security
- ❖ Community Development
- ❖ ESG Governance & Responsible Business Practices
- ❖ Reputation, Communication, and Awareness

# OUR GOALS



## Environmental Pillar

1

Reduce Purchased Electricity Consumption by **15%**

2

Achieve **30%** Renewable Electricity Consumption

3

Reduce Energy Intensity by **5%**

4

Increase Rainwater Harvesting Capacity by **10%**

5

Reduce Overall Water Consumption by **5%**

6

Reduce GHG Emissions by **10%**

7

Divert **100%** of Operational Waste from Landfill



## Social Pillar

1

Ensure **100%** of Employees receive a Living Wage

2

Resolve **100%** of Employee Grievances within 30 days

3

Maintain Zero Fatal Workplace Incidents

4

Deliver **≥ 2,500** Employee Training Hours Annually



## Governance Pillar

1

Investigate and Close **100%** of Whistleblower Cases

2

Train **100%** of Managerial Employees on Business Ethics

3

Achieve **75%** Responsible Sourcing of Raw Materials



## OPERATING WITH PURPOSE

**2**

*Sustainability is embedded within GEM’s governance framework and operational approach. The Company maintains structured management systems, including ISO 9001, ISO 14001, and ISO 45001, to support responsible manufacturing, regulatory compliance, and effective risk management. Oversight of sustainability and ESG-related matters is provided by the Board of Directors, while senior management and functional leaders are responsible for implementing sustainability initiatives across operations.*

*GEM conducts a structured materiality assessment to identify and prioritize key environmental, social, and governance topics relevant to its operations and stakeholders. The process incorporates industry guidance, stakeholder expectations, and internal business priorities to determine the most significant ESG issues and align them with the Company’s strategy and performance monitoring.*

*The Company also promotes transparent communication and accountability through grievance management and whistle-blower mechanisms that allow employees and stakeholders to report concerns confidentially, supporting ethical conduct, compliance, and responsible business practices across the organization.*

## SUSTAINABILITY EMBEDDED



At GEM, sustainability is integrated into our purpose, values, and operational approach. Responsible manufacturing, ethical conduct, and environmental stewardship guide how we manage our operations and engage with stakeholders across our value chain.



Sustainability commitments are implemented through GEM's management systems, including ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety). These frameworks support structured processes for identifying risks, setting objectives, monitoring performance, and driving continuous improvement.



Oversight of sustainability initiatives is supported by the Board of Directors and senior management, who review policies, monitor performance, and guide the implementation of responsible business practices across operations.



Employees and contractors are expected to comply with company policies and operate in alignment with GEM's ethical standards. Training, internal communication, and site-level management systems help ensure consistent implementation.



GEM also engages suppliers and partners to promote responsible sourcing and ethical business practices. Issues identified through audits, inspections, or stakeholder feedback are addressed through corrective and preventive actions.



# ORGANISATION & GOVERNANCE

## GOVERNANCE FRAMEWORK

Effective governance supports GEM’s commitment to responsible business practices, regulatory compliance, and long-term value creation. As a family-owned enterprise, the company emphasises strong oversight, transparency, and accountability to support sound decision-making and maintain stakeholder trust.

## GOVERNANCE STRUCTURE AND COMPOSITION

The Board of Directors is the highest governance body of GEM and is responsible for overseeing the company’s strategic direction, performance, and risk management. The Board comprises executive, non-executive, and independent directors who bring diverse expertise across manufacturing, finance, compliance, and corporate governance.

This balanced composition supports effective oversight while ensuring alignment with regulatory requirements and ethical business standards.

The Board is supported by the senior leadership team and functional heads who are responsible for executing the company’s strategy and managing day-to-day operations.

The Chairperson leads the Board and plays a key role in guiding governance processes, facilitating informed decision-making, and strengthening engagement between the Board and management. Sustainability, risk management, and compliance considerations are regularly reviewed as part of Board oversight.

## OUR BOARD MEMBERS

### EXECUTIVE BOARD



**Mrs. Kaksha Parekh**  
CHAIRPERSON & CFO



**Mr. Vipul Parekh**  
WHOLE-TIME DIRECTOR



**Mr. Yash Parekh**  
MANAGING DIRECTOR & CEO

### MANAGEMENT



**Mr. Dinesh TV**  
CHIEF OPERATING OFFICER



**Mr. Shrenik Vora**  
DIRECTOR



**Dr. Ajay Sahai**  
INDEPENDENT DIRECTOR

### BOARD OF DIRECTORS



**Mrs. Vishakaha Bhagvat**  
INDEPENDENT DIRECTOR



**Dr. Shubhangi Umbarkar**  
INDEPENDENT DIRECTOR



**Dr. Parag R. Gogate**  
INDEPENDENT DIRECTOR

The board is responsible for all the sustainability related decision.

## ORGANISATION & GOVERNANCE



The Board of Directors holds ultimate oversight responsibility for the management of the Company's economic, environmental, and social impacts. This includes supervision of corporate strategy, enterprise risk management, statutory compliance, ethical conduct, and sustainability-related performance.



The Board receives regular updates from senior management on key ESG and operational matters, including environmental performance, occupational health and safety, workforce practices, regulatory compliance, and governance controls. These updates support informed decision-making and enable the Board to review progress and guide improvement actions.



The Board reviews and approves the publication of the Sustainability Report to ensure the accuracy, completeness, and integrity of disclosed information and to maintain accountability in sustainability reporting.



As a family-owned enterprise, the nomination and appointment of Board members considers long-term business objectives, governance needs, and professional expertise. Directors are selected based on industry knowledge, professional competence, integrity, and alignment with the Company's values.



The senior leadership team is appointed by the Board and is responsible for executing strategy and managing day-to-day operations. Leadership succession planning is undertaken with a long-term perspective to support continuity and effective governance.



While the Board retains overall accountability, implementation of sustainability-related responsibilities is delegated to senior management and functional leaders. Key areas such as environmental management, occupational health and safety, human resources, regulatory compliance, and ethical conduct are overseen by designated leaders.



Clear reporting structures and management systems support the integration of sustainability considerations into daily operations and decision-making processes.



The Company maintains policies to manage conflicts of interest. Directors and senior management are expected to act in the best interests of the Company and disclose any actual or potential conflicts. Appropriate measures are implemented to ensure transparency, objectivity, and compliance with governance standards.

## COMMUNICATION OF CRITICAL CONCERNS



GEM maintains structured procedures to ensure that significant concerns are communicated promptly to senior management and, where necessary, to the Board of Directors. These procedures support timely identification, escalation, and resolution of issues related to ethics, compliance, workplace conduct, occupational health and safety, and regulatory matters.



Employees and contract workers may raise concerns through the Company’s internal grievance management system. The system follows a defined escalation framework, enabling issues to be addressed at the operational level and escalated to senior management or the Board when required.



External stakeholders, including suppliers, customers, and community members, may report concerns through the Company’s whistle-blower mechanism. This process enables confidential reporting of unethical conduct, regulatory breaches, or other serious issues, while ensuring independence, confidentiality, and protection against retaliation.



Senior management monitors reported concerns to identify recurring issues and implement corrective or preventive actions. Key incidents and trends are periodically reported to the Board of Directors, which provides oversight and guidance to strengthen internal controls and governance practices.

## TRAINING AND REMUNERATION



At GEM, employee development and responsible remuneration practices form an important part of the Company’s governance framework. Continuous learning initiatives support operational excellence, ethical conduct, and effective people management across the organization.



The Company follows a structured Train-the-Trainer model, enabling trained internal instructors to deliver function-specific training across departments. An annual training calendar is developed based on organizational priorities, regulatory requirements, and employee development needs. Training programmes cover health and safety, quality systems, operational procedures, workplace conduct, communication skills, and leadership development.



The Board of Directors oversees governance practices and periodically reviews organisational performance, strategic priorities, and risk management considerations. Board effectiveness is assessed through internal evaluations to support continuous improvement in governance processes.



The Board of Directors oversees governance practices and periodically reviews organisational performance, strategic priorities, and risk management considerations. Board effectiveness is assessed through internal evaluations to support continuous improvement in governance processes.



GEM remains committed to compliance with applicable labour, employment, remuneration, and corporate governance regulations. Training and remuneration practices are regularly reviewed to support legal compliance, ethical conduct, and accountability across the organisation.

# MATERIALITY & ESG PRIORITIZATION

## OUR MATERIALITY APPROACH

GEM identifies material ESG topics to focus on the environmental, social, and governance issues that most influence our long-term resilience and value creation. These topics guide our sustainability strategy and help align our disclosures with recognized global standards.

Our materiality assessment began with the SASB Materiality Map to identify ESG issues relevant to the specialty chemicals sector. From this baseline, we evaluated 26 potential ESG topics across environmental, social, and governance dimensions to determine their relevance to our operations and stakeholders.

## HOW WE IDENTIFY OUR MATERIAL TOPICS



### Establish SASB as the Baseline

We begin with SASB’s industry-specific materiality guidance to ensure global relevance.



### Integrate Market and Stakeholder Priorities

Regulatory developments, customer expectations, and market trends are incorporated to ensure alignment with evolving sustainability requirements.



### Add GEM’s Internal Business Priorities

Insights from leadership, operational teams, and stakeholder engagement help ensure the assessment reflects GEM’s operational context.



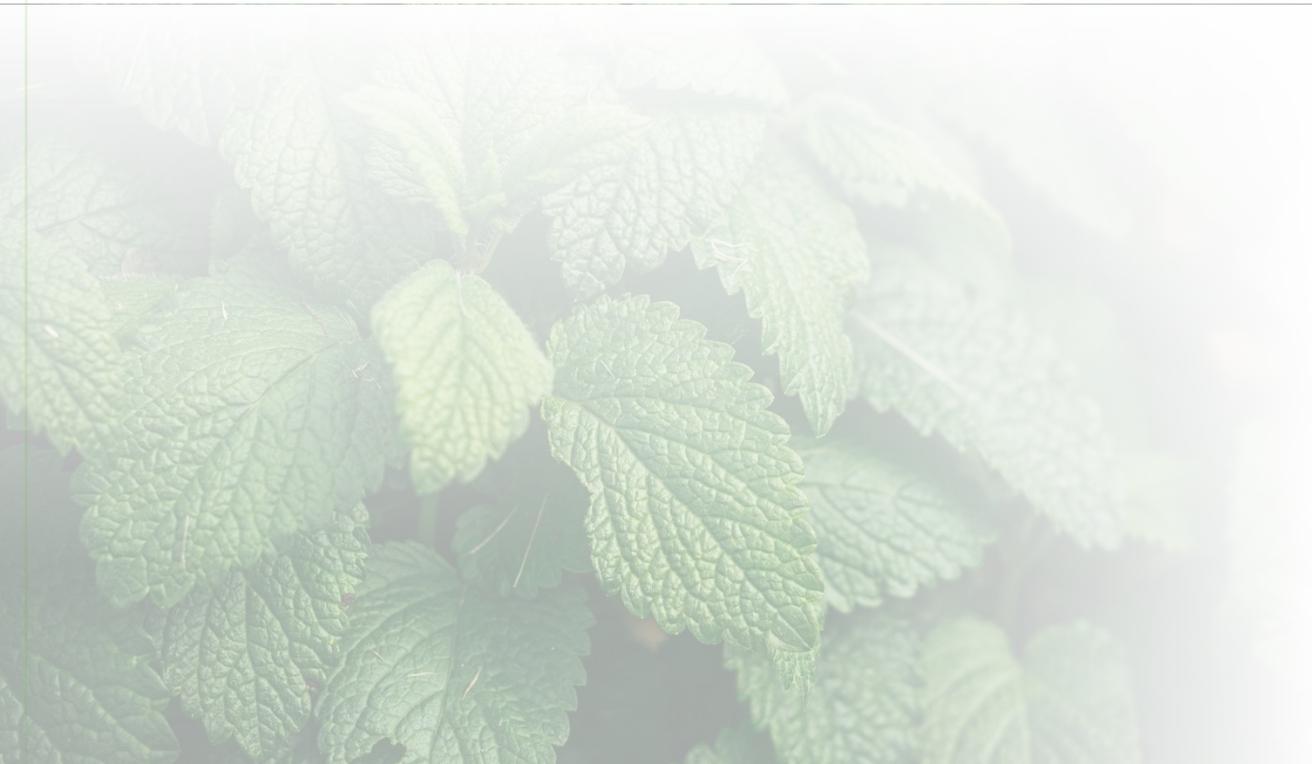
### Consolidate and Prioritize Key Topics

The identified topics are evaluated based on their potential business impact and stakeholder importance to determine the most material ESG issues.



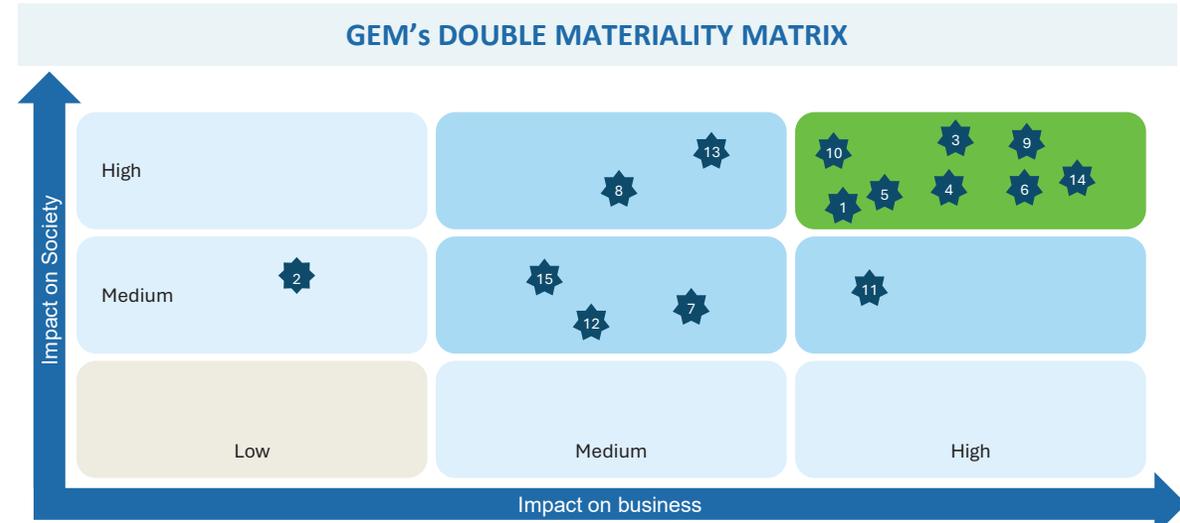
### Link Topics to KPIs and Targets

Material topics are mapped to ESG goals, KPIs, and management processes to support accountability and measurable progress.



**MATERIAL TOPICS PROCESS**

- ❖ To identify GEM’s most significant ESG topics, we conducted a double materiality assessment, evaluating both the impact of our operations on society and the environment, and the potential financial or operational impact of ESG issues on the business.
- ❖ The assessment combined internal analysis with input from key stakeholders, including employees, suppliers, customers, and senior leadership. This approach ensured that the identified topics reflect both operational priorities and stakeholder expectations.
- ❖ The outcome is a prioritized set of ESG topics mapped onto a two-dimensional materiality matrix. These topics guide GEM’s sustainability strategy and inform the development of ESG targets, KPIs, and management initiatives.
- ❖ The most material topics identified for GEM include GHG Emission, Employee health & safety, Supply Chain Management, Product Design & Lifecycle Management, Water & Wastewater Management, Waste & Hazardous Materials Management, Management of the Legal & Regulatory Environment, Critical Incident Risk Management and Customer Welfare.



- |   |   |                        |
|---|---|------------------------|
| 1. GHG Emissions                          | 7. Employee Health & Safety                         | 13. Ecological Impacts |
| 2. Air Quality                            | 8. Product Design & Lifecycle Management            | 14. Customer Welfare   |
| 3. Energy Management                      | 9. Management of the Legal & Regulatory Environment | 15. Business Ethics    |
| 4. Water & Wastewater Management          | 10. Critical Incident Risk Management               |                        |
| 5. Waste & Hazardous Materials Management | 11. Supply Chain Management                         |                        |
| 6. Human Rights & Community Relations     | 12. Employee Engagement, Diversity & Inclusion      |                        |

**X-Axis (Impact on Business):**

This axis evaluates how ESG topics may influence GEM’s financial performance or strategic position, including potential impacts related to costs, supply chain continuity, regulatory developments, operational risks, and evolving customer expectations.

**Y-Axis (Impact on Society):**

This axis evaluates how GEM’s activities and value chain affect society and the environment, including impacts related to emissions, resource use, labour conditions, community wellbeing, and environmental stewardship.

## ENGAGING WITH STAKEHOLDERS

At GEM, engaging with stakeholders helps us understand expectations, strengthen relationships, and improve decision-making. Regular dialogue enables us to identify emerging risks, respond to stakeholder concerns, and align our sustainability priorities with business and societal needs.

Stakeholders are identified based on their relationship with our operations and their potential influence on business performance and sustainability outcomes. Engagement takes place through structured and informal channels such as meetings, consultations, training programmes, audits, and community initiatives. Feedback gathered through these interactions helps guide our strategy, operational improvements, and sustainability initiatives.



### Board of Directors

Engagement occurs through Board meetings, strategic reviews, and management reporting. Key topics include business performance, risk management, sustainability priorities, and long-term strategic direction.



### Employees

Employees are engaged through internal communications, training programmes, performance discussions, and regular interaction with leadership. Key topics include workplace safety, skill development, employee wellbeing, and organisational culture.



### Customers

Customer engagement takes place through technical discussions, audits, product development collaboration, and ongoing communication. Key topics include product quality, innovation, regulatory compliance, and sustainability performance.



### Suppliers

Suppliers are engaged through procurement processes, assessments, audits, and continuous dialogue. Key topics include responsible sourcing, supply reliability, environmental performance, and compliance with company standards.



### Community

GEM engages with local communities through CSR initiatives and site-level outreach programmes focused on education, healthcare, and social wellbeing.



### Law enforcers & regulators

Engagement with regulators takes place through statutory reporting, inspections, and regulatory consultations to ensure compliance with applicable laws and industry requirements.



### Non-Governmental Organizations

Collaboration with NGOs supports social and environmental initiatives, particularly in community development and sustainability awareness programmes.

## REPORTING PROCESS AND FEEDBACK



### ABOUT THIS SUSTAINABILITY REPORT

- ❖ This Sustainability Report covers the reporting period 1 April 2024 to 31 March 2025 and presents GEM Aromatics Limited's environmental, social, and governance (ESG) performance.
- ❖ The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and reflects the Company's commitment to transparent disclosure of sustainability practices, performance, and progress.
- ❖ As GEM's ESG reporting framework continues to evolve, the Company aims to strengthen its data systems, governance processes, and disclosure practices in future reporting cycles.
- ❖ This report may contain forward-looking statements regarding the Company's sustainability priorities, plans, and expectations. These statements are based on current assumptions and are subject to risks and uncertainties, including changes in regulatory requirements, market conditions, and operational factors.



### Feedback and Contact

GEM welcomes feedback and stakeholder input to strengthen future sustainability disclosures.

For enquiries or additional information regarding this report, please contact - [sustainability@gemaromatics.in](mailto:sustainability@gemaromatics.in)

### REPORTING BOUNDARY AND SCOPE

The scope of this report covers the two primary operational facilities under the operational control of GEM Aromatics Limited:

Manufacturing Facility  
Silvassa: Plot No. 2, Survey  
No. 16/4/2, Near Alok  
Industries, Village Rakholi,  
Silvassa - 396230, Dadra &  
Nagar Haveli, India

Manufacturing Facility  
Budaun: Khasara No. 8, 9, 10,  
126, Village Gathona, Ujhani  
Budaun Road, District Budaun  
- 243639, Uttar Pradesh, India

These facilities represent the core manufacturing operations of the Company and form the primary basis for environmental, social, and governance disclosures in this report.

Joint ventures, subsidiaries, and non-operational entities are not included within the reporting boundary. Financial information referenced in the report is aligned with the Company's consolidated financial statements.



## PLANET AND CLIMATE

**3**

*At GEM, environmental stewardship is an integral part of our operational approach and sustainability strategy. As a manufacturer of aroma ingredients and specialty chemicals, the Company recognizes the importance of managing resource use and reducing environmental impacts across its manufacturing facilities.*

*Our environmental management approach focuses on improving energy efficiency, monitoring and reducing greenhouse gas emissions, promoting responsible water stewardship, and managing waste through structured segregation, treatment, and disposal practices. Renewable energy adoption, efficient thermal energy use, wastewater treatment, and recycling initiatives form key components of our environmental management framework.*

*Through continuous monitoring, regulatory compliance, and operational improvements, GEM aims to enhance resource efficiency and minimize environmental impacts. These initiatives support the Company's commitment to responsible manufacturing while strengthening environmental performance and long-term business resilience.*

# ENERGY & EMISSIONS

## RENEWABLE ENERGY

Energy use is a key component of GEM’s environmental performance. The Company focuses on improving energy efficiency across manufacturing operations while gradually increasing the share of renewable energy in its energy mix.

During FY 2024-25, renewable electricity generated through onsite solar installations contributed 281,837 kWh of energy across the Budaun and Silvassa facilities, helping offset a portion of grid electricity consumption.

Total electricity consumption across both facilities during the reporting period was approximately 2.18 million kWh, sourced primarily from grid electricity, onsite solar generation, and diesel generator backup.

In addition to electricity use, biomass-based thermal energy is utilised in manufacturing processes. During the reporting period, approximately 1.89 million kg of wood fuel was used in boilers, supporting thermal energy requirements while reducing reliance on conventional fossil-fuel-based fuels.

GEM continues to evaluate opportunities to improve energy efficiency, expand renewable energy use, and optimise its energy mix to support the reduction of operational greenhouse gas emissions.

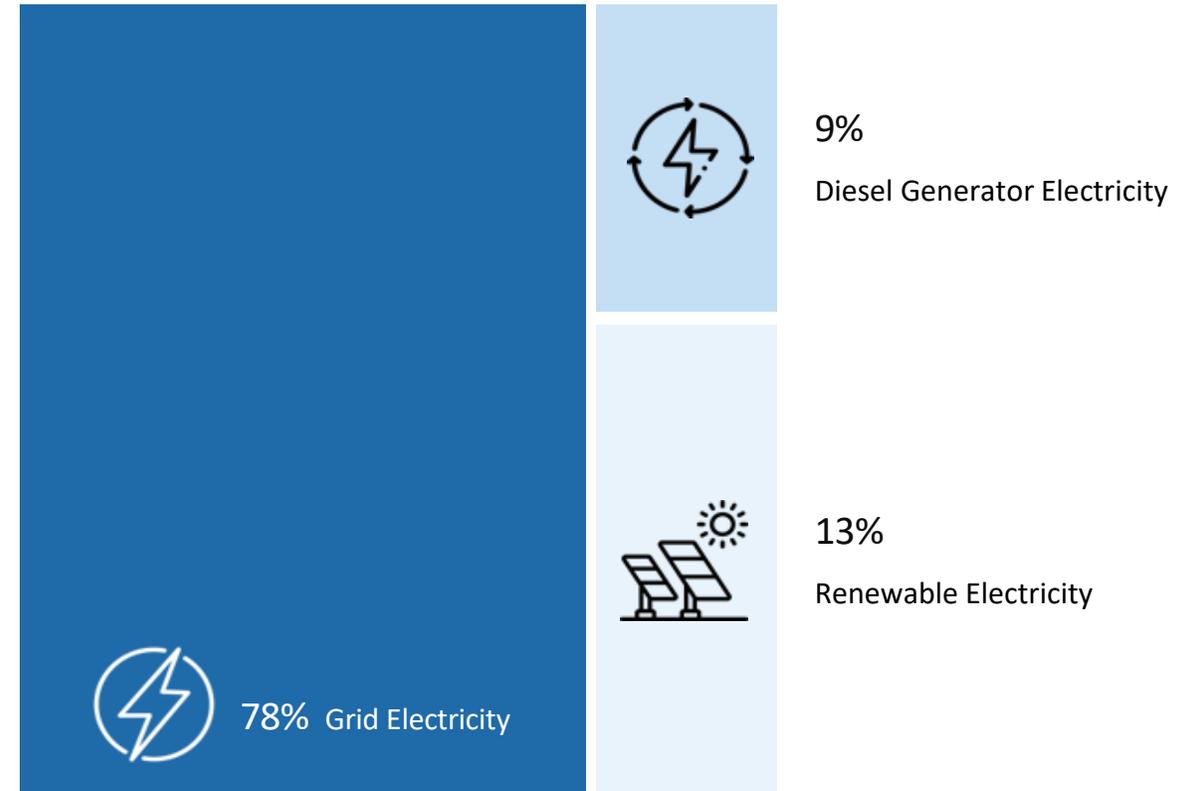
## SOURCE OF ELECTRICITY BREAKDOWN

Electricity	Budaun	Silvassa
Grid Electricity	1,187.9 MWh	509.6 MWh
Diesel Generator Electricity	196.9 MWh	-
Renewable Electricity	281.8 MWh	-
<b>Total</b>	<b>1,666.9 MWh</b>	<b>509.6 MWh</b>

## ENERGY THROUGH COMBUSTION

Energy	Budaun	Silvassa
Wood / Natural Gas	1,894 tonne	51,362 SCM
Diesel	1,450 L	-

## % SHARE OF ELECTRICITY SOURCE



# ENERGY & EMISSIONS

## OPERATIONAL EMISSIONS

During FY 2024-25, GEM completed its first consolidated greenhouse gas (GHG) emissions inventory, establishing a baseline for measuring and managing its carbon footprint. The inventory covers Scope 1, Scope 2, and selected Scope 3 emissions across the Company’s two manufacturing facilities in Budaun (Uttar Pradesh) and Silvassa (Dadra & Nagar Haveli).

The assessment was conducted in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and provides a foundation for tracking emissions performance and identifying opportunities for future reductions.

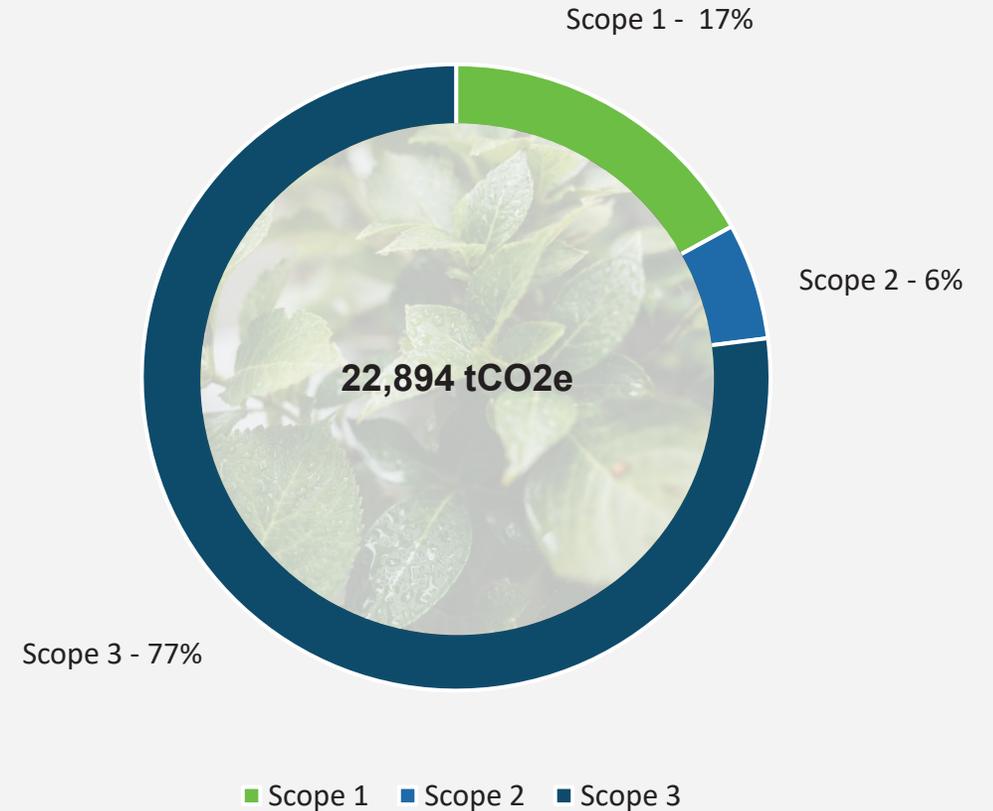
### Scope 1 Emissions

- ❖ Scope 1 emissions primarily arise from fuel combustion used for thermal energy in manufacturing processes, particularly at the Budaun facility. These emissions are largely associated with energy used in boilers and processing operations. Emissions from company vehicles, on-site logistics equipment, and refrigerant leakage represent a very small share of total direct emissions.
- ❖ Improving energy efficiency and optimizing thermal energy use remain key opportunities for reducing direct operational emissions.

### Scope 2 Emissions

- ❖ Scope 2 emissions result from purchased electricity consumption across both manufacturing facilities. In FY 2024-25, Scope 2 emissions totalled 1,288 tCO<sub>2</sub>e, accounting for approximately 6% of the Company’s total emissions.
- ❖ Continued improvements in energy efficiency and the gradual expansion of renewable electricity are expected to support the reduction of indirect emissions over time.

## TOTAL EMISSIONS BY SCOPE



# SCOPE 3 EMISSIONS

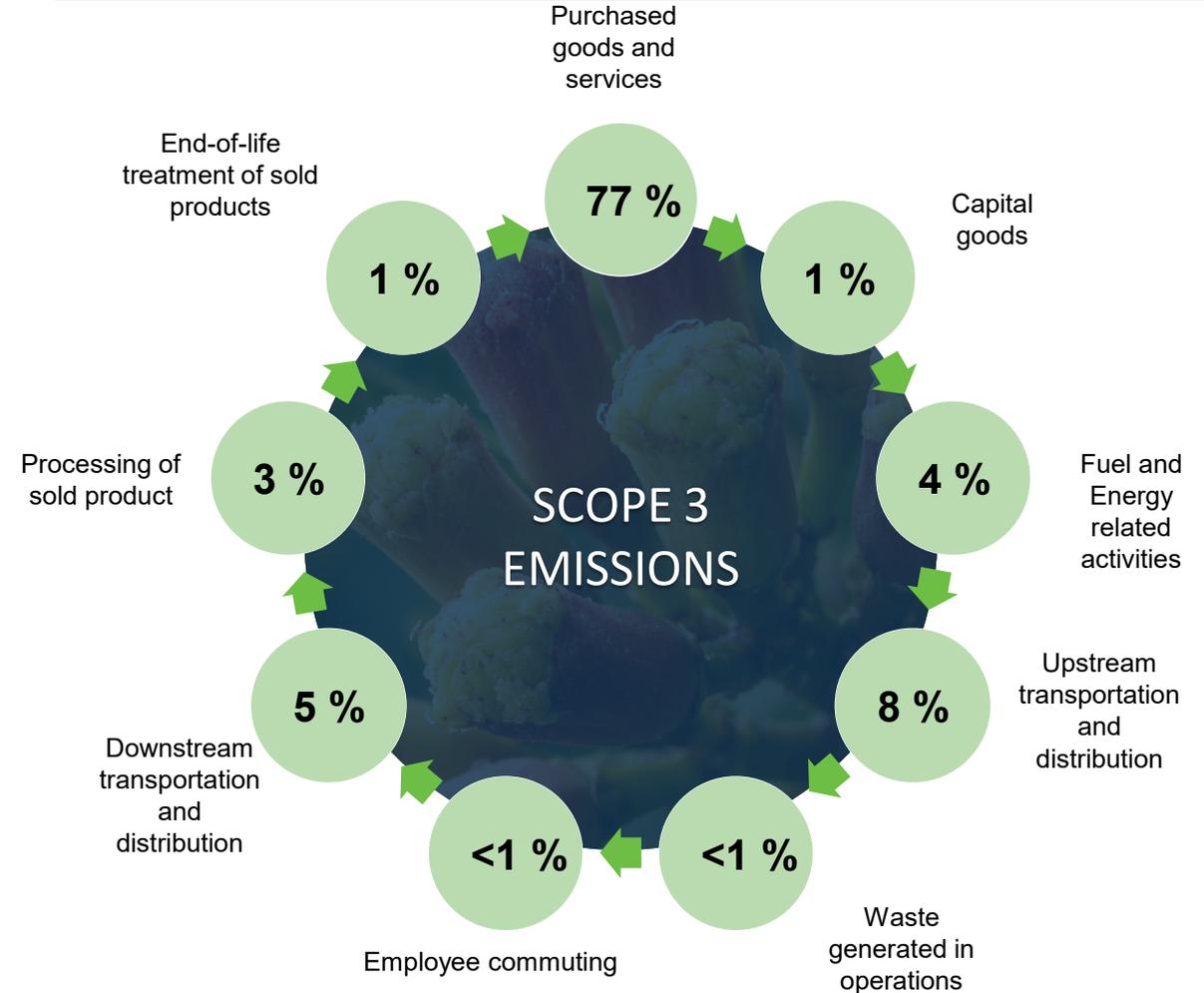
## Scope 3 Emissions

- ❖ Scope 3 emissions represent the largest share of GEM’s overall carbon footprint. In FY 2024-25, Scope 3 emissions totaled approximately 17,695 tCO<sub>2</sub>e, accounting for 77% of total emissions.
- ❖ These emissions arise from activities across the upstream and downstream value chain that are not directly owned or controlled by the Company, including raw material sourcing, logistics, and product lifecycle impacts.
- ❖ The largest contributor to Scope 3 emissions is purchased goods and services, which account for approximately 77% of Scope 3 emissions. This reflects the material-intensive nature of GEM’s operations, particularly the procurement of natural raw materials, chemical inputs, and packaging materials.
- ❖ The second largest contributor is transportation and distribution, including both upstream and downstream logistics, which together represent approximately 13% of Scope 3 emissions.
- ❖ Other categories - including capital goods, fuel- and energy-related activities, waste generated in operations, employee commuting, product processing, and end-of-life treatment - contribute smaller individual shares.

## The Decarbonization Journey Ahead

- ❖ Establishing this GHG baseline provides GEM with a clearer understanding of the emissions profile across its operations and value chain.
- ❖ Going forward, the Company will focus on improving energy efficiency, expanding renewable energy use, optimizing production processes, and strengthening engagement with suppliers and logistics partners to support emissions reduction across the value chain.
- ❖ Progress against these initiatives will be monitored and disclosed as GEM continues to strengthen its climate and sustainability strategy.

## SCOPE 3 EMISSION BREAKUP BY %



# WATER STEWARDSHIP



## WATER MANAGEMENT

Water is an essential resource for GEM’s manufacturing operations. The Company monitors water withdrawal and usage across its facilities to support responsible resource management and regulatory compliance.

Water used in operations is primarily sourced from groundwater through borewells, with municipal water supply used at the Silvassa facility. Rainwater harvesting is also utilized where feasible to supplement water availability and reduce freshwater withdrawal.

Water consumption is tracked regularly through internal monitoring systems, enabling operational teams to identify efficiency opportunities and ensure responsible use across manufacturing activities.

## WATER USE AND PROCESS MAPPING

Water in GEM’s operations is primarily used for industrial cleaning, utility processes, and employee domestic use. Industrial cleaning activities account for the largest share of total water consumption, followed by potable and domestic water requirements.

Monitoring of water consumption helps identify variations in usage patterns and supports operational improvements aimed at maintaining efficient and responsible water use across facilities.

## WATER WITHDRAWAL BY SOURCE

Source	Budaun	Silvassa
Borewell	1,178 m <sup>3</sup>	0
Municipal	0	194.63 m <sup>3</sup>

\*Silvassa has lower water withdrawal as it does not have any water-intensive operations or an ETP/STP plant. 25

## WATER STEWARDSHIP

### WASTEWATER TREATMENT, TESTING AND REUSE

- ❖ Wastewater generated from operations is treated through Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) at GEM's facilities. Treated water quality is periodically tested by NABL-accredited laboratories to ensure compliance with applicable regulatory discharge standards.
- ❖ Treatment performance is monitored internally to verify operational efficiency and environmental compliance.
- ❖ Treated water is reused for gardening and other non-potable applications, helping reduce freshwater withdrawal. Water reuse volumes are tracked as part of routine water management and operational monitoring.

### GROUNDWATER RECHARGE AND CONSERVATION

- ❖ GEM also supports groundwater recharge through rainwater harvesting systems implemented at its facilities. Rainwater collected on-site is directed toward groundwater recharge structures to support aquifer replenishment.
- ❖ These measures help maintain local water balance while strengthening the Company's responsible water management practices.
- ❖ Water use, treatment, and recharge activities are regularly monitored to ensure effective water stewardship across operations.

**90%**  
of Treated water is  
used inside the  
facilities

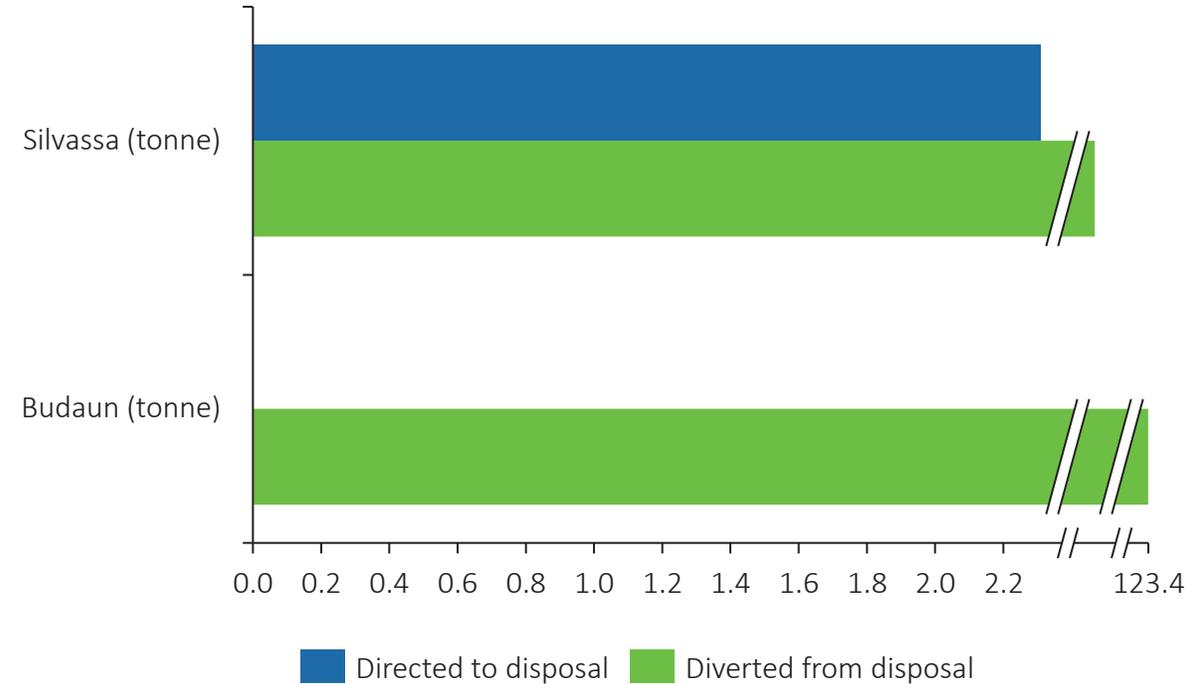
**100 %**  
of Rainwater  
used for the  
Ground water  
recharge



## WASTE MANAGEMENT

- ❖ GEM manages waste generated from manufacturing, utilities, laboratories, and support functions through structured site-level monitoring and segregation processes. Waste streams are classified as hazardous or non-hazardous and recorded through internal tracking systems to ensure traceability and regulatory compliance.
- ❖ Non-hazardous waste, including paper, plastic, metal scrap, and organic waste, is segregated at source and routed to authorized recyclers or composting facilities wherever feasible.
- ❖ Hazardous waste, such as used oil, chemical containers, and treatment sludge, is handled in accordance with applicable environmental regulations and transferred only to authorized treatment, storage, and disposal facilities (TSDFs).
- ❖ Through systematic tracking and segregation of waste streams, GEM aims to improve recycling and recovery rates, minimize landfill disposal, and strengthen responsible waste management practices across its operations.

### WASTE DIVERSION AND DISPOSAL BY FACILITY



### WASTE TYPE BREAKDOWN BY FACILITY

Waste Disposal (T)	Budaun (tonne)	Silvassa (tonne)
Hazardous Waste	-	2.31 tonne
Non-Hazardous Waste	123.4 tonne	20.2 tonne
<b>Total Waste</b>	<b>123.4 tonne</b>	<b>22.5 tonne</b>

## OUR PEOPLE, OUR PARTNERS

4



*At GEM, people are central to delivering operational excellence and sustaining long-term business growth. The Company is committed to maintaining fair employment practices, safe working conditions, and a supportive workplace that encourages respect, collaboration, and professional development.*

*GEM focuses on building a capable workforce through structured training programmes, skill development initiatives, and continuous learning opportunities. Clear employment policies, transparent compensation practices, and compliance with labor regulations help ensure fairness and accountability across operations.*

*The Company also promotes employee engagement through open communication, performance discussions, and career development planning. By investing in workforce capability, wellbeing, and responsible employment practices, GEM aims to create a motivated and resilient workforce that supports sustainable growth and operational success.*



# EMPLOYMENT OF PEOPLE



- ❖ GEM’s workforce plays a vital role in supporting manufacturing operations, product quality, and day-to-day business activities. Employees and contract workers contribute across production, quality assurance, technical services, supply chain, and corporate functions.
- ❖ The Company is committed to maintaining fair employment practices, providing safe working conditions, and supporting employee capability development. Clear policies and operational procedures help ensure compliance with labour regulations and promote responsible workplace practices.
- ❖ GEM’s workforce reflects a mix of experienced professionals and early-career employees, enabling knowledge transfer and operational continuity. The Company supports skill development through structured training, on-the-job learning, and opportunities for professional growth.
- ❖ Workforce data for the reporting period is presented below, including employee composition, hiring activity, and overall turnover.

## EMPLOYEE COUNT BREAKDOWN DETAILS

Metrics	Male	Female	Total
NUMBER OF EMPLOYEES	220	33	253
PERMANENT EMPLOYEES	190	25	215
TEMPORARY EMPLOYEES	29	0	29
NEW EMPLOYEES HIRED	94	22	116
TURNOVER RATE	39.13 %		

## EMPLOYEE COMPENSATION, DEVELOPMENT AND SOCIAL DIALOGUE



- ❖ GEM aims to provide fair compensation, opportunities for skill development, and open communication channels that support a stable and engaged workforce. Employment practices are designed to comply with applicable labour laws while promoting transparency, fairness, and long-term employee development.
- ❖ The Company supports employees across different stages of their careers through structured training, performance discussions, and opportunities to strengthen technical and professional capabilities.

### COMPENSATION, BENEFITS AND OVERTIME

GEM provides remuneration in accordance with applicable labour regulations and internal compensation policies. Employees receive wages, statutory benefits, and social security coverage as required under relevant legislation.

Overtime is compensated in line with statutory requirements and internal procedures. Working hours, overtime eligibility, and payments are monitored through payroll and attendance systems to ensure transparency and compliance.

Employee compensation practices are periodically reviewed to maintain internal equity and alignment with legal and regulatory requirements.

Employee benefit practices include:

- ❖ Coverage under statutory healthcare and social security schemes
- ❖ Overtime compensation in accordance with labour laws
- ❖ Periodic review of compensation practices

Employee overtime is monitored through digital attendance systems to ensure accurate tracking and timely compensation.

## TRAINING, SKILLS DEVELOPMENT AND CAREER GROWTH



- ❖ At GEM, continuous learning and capability building support operational excellence, product quality, and long-term workforce development. The Company provides structured training programmes designed to strengthen employees' technical, operational, and leadership competencies.
- ❖ Training programmes are aligned with operational requirements, regulatory standards, and individual development needs. Learning is delivered through a combination of classroom sessions, on-the-job learning, internal knowledge sharing, and digital resources.
- ❖ GEM also follows a Train-the-Trainer model, enabling experienced employees to transfer knowledge across teams and sites. Training materials, procedures, and reference resources are maintained in internal knowledge repositories accessible to employees.
- ❖ Managers play an important role in supporting employee growth through performance discussions, capability assessments, and career development planning, helping employees strengthen skills and prepare for expanded responsibilities within the organisation.

### LEARNING AND DEVELOPMENT FRAMEWORK



**Technical and Operational Training**  
Role-specific training covering manufacturing processes, equipment operations, and quality management.



**Safety and Compliance Training**  
Programmes focused on occupational health and safety, environmental management, and regulatory compliance.



**Leadership and Management Development**  
Training for supervisors and managers to strengthen leadership capability, decision-making, and team management.



**Professional Skills Development**  
Programmes supporting communication, collaboration, and functional skill enhancement.

# WORKFORCE LEARNING AND DEVELOPMENT



## TRAINING DELIVERY APPROACH



Classroom training sessions



On-the-job learning and mentoring



Internal knowledge sharing through the Train-the-Trainer model



Digital learning resources and reference materials

## TRAINING AND CAREER DEVELOPMENT INDICATORS

GEM tracks key indicators to strengthen workforce capability and engagement



Number of training programmes conducted



Employee participation in training activities



Career development and performance discussions



Internal role changes or expanded responsibilities

**Target: Achieve a 20% increase in average training hours per employee by 2030.**



## CARING FOR PEOPLE

5



*At GEM, respect for human rights, ethical conduct, and employee well-being form an essential part of the Company's responsible business practices. GEM is committed to maintaining a workplace that promotes fairness, dignity, and equal opportunity for all employees, contractors, and stakeholders across its operations and value chain.*

*The Company's policies prohibit discrimination, harassment, child labor, and forced labor, while supporting freedom of association and compliance with applicable labor laws and recognized international principles. Clear grievance and whistleblower mechanisms enable employees to report concerns confidentially and support a culture of transparency and accountability.*

*GEM also promotes diversity, employee engagement, workplace safety, and well-being through structured safety management systems, health initiatives, and continuous dialogue with employees, helping create a safe, inclusive, and supportive working environment.*

## HUMAN RIGHTS & ETHICS



- ❖ GEM is committed to respecting human rights and maintaining high standards of ethical business conduct across its operations and value chain. The Company's Labour & Human Rights Policy outlines expectations for fair employment practices, safe working conditions, and respectful treatment of all individuals associated with its activities.
- ❖ The policy prohibits child labour, forced labour, discrimination, harassment, and unsafe working conditions, and applies to employees, contract workers, contractors, and service providers. GEM supports freedom of association and fair labour practices in accordance with applicable laws.
- ❖ The Company's approach is aligned with recognized frameworks including the ILO Core Conventions, UN Global Compact Principles, and relevant Indian labour and employment regulations.
- ❖ Ethical conduct is further reinforced through the Anti-Bribery and Anti-Corruption Policy, which establishes a zero-tolerance approach to bribery, facilitation payments, improper gifts, and other corrupt practices across business operations and third-party engagements.
- ❖ Employees and stakeholders can report concerns related to human rights or unethical conduct through confidential whistle-blower and grievance mechanisms, which ensure protection against retaliation.
- ❖ During the reporting period, no material incidents related to corruption, discrimination, or harassment were confirmed.

## HUMAN RIGHTS & ETHICS



### SOCIAL DIALOGUE AND EMPLOYEE REPRESENTATION

- ❖ GEM promotes open communication and constructive engagement with employees across its operations. The Company encourages employee participation through management interactions, grievance redressal channels, and site-level communication forums.
- ❖ Where applicable, GEM recognizes employee representatives or representative bodies in accordance with local legal requirements. While formal collective bargaining agreements are not currently in place, the Company respects freedom of association and the right of employees to express concerns through lawful and transparent mechanisms. Working conditions, wages, and benefits are managed in compliance with applicable labour regulations and industry standards.

### EMPLOYEE ENGAGEMENT AND CONTINUOUS IMPROVEMENT

- ❖ GEM Aromatics supports employee engagement by maintaining clear communication channels and encouraging participation in workplace improvement initiatives. Regular interactions between employees and management help identify operational issues, strengthen workplace practices, and support continuous improvement across operations.
- ❖ Safety committees and employee forums provide structured opportunities for employees to contribute to workplace safety discussions and operational enhancements.

Safety committees enable employee participation in identifying and improving workplace safety practices.

Regular meetings between employee representatives and management support transparent communication and collaborative decision-making.

## DIVERSITY & EQUAL OPPORTUNITY

- ❖ GEM promotes a workplace culture that values diversity, inclusion, and equal opportunity. The Company aims to create an environment where employees from different backgrounds can contribute their skills and perspectives while working collaboratively toward shared goals.
- ❖ Through its Diversity & Inclusion Policy, GEM encourages merit-based employment practices and strives to ensure equal access to opportunities across recruitment, career progression, and professional development.
- ❖ The Company values diversity across dimensions such as gender, age, experience, and cultural background, and seeks to foster an inclusive workplace culture built on respect, collaboration, and mutual understanding.
- ❖ By strengthening inclusive workplace practices, GEM aims to support employee engagement, innovation, and long-term organizational resilience.



## HEALTH & SAFETY

- ❖ At GEM, protecting the health and safety of employees, contractors, visitors, and business partners is a core operational priority. The Company maintains an Occupational Health & Safety (OHS) management framework aligned with applicable Indian regulations and the principles of ISO 45001.
- ❖ Workplace hazards are systematically identified and assessed through structured risk assessment processes. Control measures follow the hierarchy of controls, including engineering safeguards, administrative procedures, and appropriate use of personal protective equipment (PPE). Risk assessments are periodically reviewed to incorporate operational changes and lessons learned from safety observations and incident reviews.
- ❖ Responsibility for health and safety is shared across the organization. Senior leadership provides oversight of the OHS framework, while plant management, supervisors, and employees are responsible for implementing and maintaining safe work practices across operations.

### INCIDENT MANAGEMENT AND EMPLOYEE PARTICIPATION

- ❖ GEM Aromatics maintains structured processes for incident and near-miss reporting, ensuring that workplace incidents are promptly reported, investigated, and documented. Investigations focus on identifying root causes and implementing corrective and preventive actions to reduce recurrence.
- ❖ Employee participation is an important component of the Company's safety culture. Employees are encouraged to raise safety concerns through established grievance and whistleblower mechanisms, and to contribute to safety improvements through inspections, risk assessments, and safety meetings.
- ❖ Regular safety communication, toolbox talks, and awareness initiatives support a strong culture of hazard awareness and responsible workplace practices.

### PRODUCT SAFETY

- ❖ In addition to workplace safety, GEM manages health and safety risks associated with its products. Operations comply with applicable chemical safety, classification, and labelling regulations, and Safety Data Sheets (SDS) are maintained and shared with customers where required.
- ❖ Supplier assessments also include verification of health and safety practices to support responsible sourcing expectations across the value chain.



**336** training hours completed on Occupational Health & Safety management practices

## WELLBEING

- ❖ GEM promotes employee well-being by supporting both physical and mental health across its operations. The Company aims to maintain a workplace environment where employees feel supported, respected, and able to perform their roles safely and effectively.
- ❖ Employee health is supported through periodic health check-up programmes, which help promote early detection of health concerns and encourage employees to maintain healthy lifestyles. Awareness initiatives and internal communications are also used to promote workplace health, stress management, and safe work practices.
- ❖ Managers play an important role in maintaining a positive work environment. Through regular team engagement and communication, supervisors are encouraged to identify early signs of fatigue, stress, or workplace concerns and guide employees toward appropriate support channels where needed.
- ❖ GEM also promotes well-being through open communication and accessible support mechanisms, enabling employees to raise concerns related to workplace conditions, safety, or personal well-being. These channels help foster a culture of trust and early intervention.
- ❖ Well-being initiatives complement the Company's broader health and safety practices and contribute to maintaining a healthy, engaged, and productive workforce.

No injuries  
resulted in absence  
from work for at  
least one full shift/day  
following the  
incident





## SOURCING RESPONSIBLY

6



*At GEM Aromatics Limited, responsible sourcing and product integrity are integral to the Company's approach to sustainable business growth. GEM works closely with suppliers and partners to promote ethical, transparent, and environmentally responsible practices across its supply chain.*

*The Company focuses on sourcing traceable and responsibly produced raw materials, particularly for agricultural and natural ingredients used in essential oils and aroma chemicals. Supplier engagement, periodic assessments, and clear procurement standards help ensure compliance with environmental, social, and regulatory requirements.*

*GEM also supports sustainable product development through certified manufacturing systems, regulatory compliance, and quality assurance processes that ensure safe and reliable products for global markets. Through collaboration with suppliers and continuous improvement initiatives, the Company aims to strengthen supply chain resilience while supporting responsible and sustainable sourcing practices.*

# ECONOMIC PERFORMANCE



During the reporting period, GEM delivered consistent business performance despite operating in a challenging macroeconomic environment marked by fluctuations in raw material prices, inflationary pressures, and evolving supply chain conditions. The Company continued to serve a diversified customer base across domestic and international markets, supporting reliable operations and long-term customer relationships.



Operational efficiency and disciplined financial management remained key priorities. GEM focused on cost control, working capital management, and maintaining reliable supply to customers while navigating market volatility.



The Company also invested in process improvements, capacity enhancement, and operational efficiency across its manufacturing facilities in Silvassa and Budaun. These initiatives support productivity improvements, strengthen customer service capabilities, and reinforce GEM’s long-term competitiveness.



Alongside operational growth, GEM continued to advance initiatives aligned with its broader ESG roadmap, reflecting the Company’s commitment to responsible business practices and long-term value creation.

## REVENUE FROM OPERATIONS

Particulars	FY 2024-25	FY 2023-24	FY 2023-24
Revenue from operations	5,039.53	4,524.52	4,247.93

INR in millions

## CERTIFIED, RESPONSIBLE AND SUSTAINABLE PRODUCT SOLUTIONS



- ❖ GEM develops products through responsible sourcing, certified manufacturing systems, and strict regulatory compliance. The Company focuses on maintaining high standards of product safety, quality, and traceability to support customers operating in regulated global markets.
- ❖ Manufacturing operations are supported by FSSC 22000 certification, covering the production of essential oils, aroma chemicals, and menthol crystals used in food and related applications. This certification strengthens controls related to hygiene, traceability, and process safety across operations.
- ❖ GEM also holds FSSAI Central Licenses for food-related manufacturing activities, ensuring compliance with Indian food safety regulations and product labelling requirements.

### CERTIFIED SUSTAINABLE AND ORGANIC INGREDIENTS

- ❖ GEM supports responsible agricultural sourcing through certified supply chains. Its mint supply chain is verified under the SAI Platform Farm Sustainability Assessment (FSA) v3.0, with a significant portion of *Mentha arvensis* production achieving Silver Level performance. This certification supports sustainable farming practices, environmental stewardship, and responsible cultivation.
- ❖ In addition, selected products are certified under USDA-NOP Organic and India's National Programme for Organic Production (NPOP), enabling traceable organic ingredients for customers seeking certified sustainable formulations. Certified organic offerings include products such as organic castor oil used in clean-label and sustainability-focused applications.



# SUSTAINABLE PRODUCT INNOVATION



GEM develops products that align with evolving regulatory, safety, and sustainability expectations across global markets. By integrating certified raw materials, traceable supply chains, and responsible manufacturing practices, the Company supports customers seeking compliant and sustainability-focused ingredient solutions.

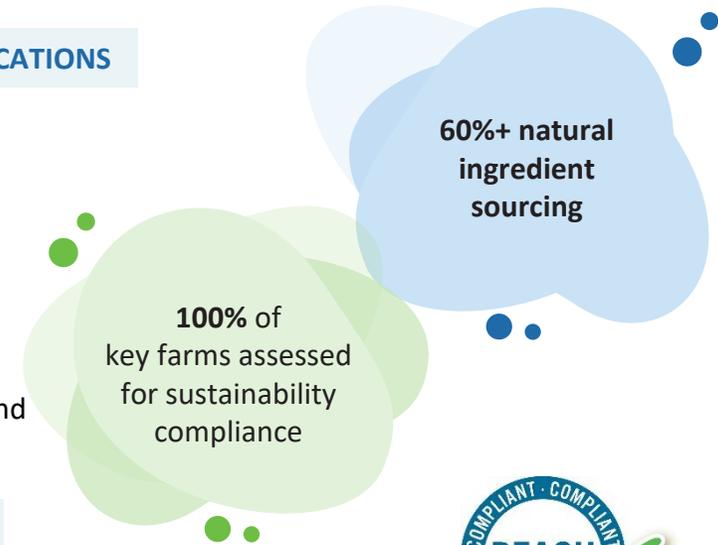
## REGULATORY-COMPLIANT AND SPECIALTY CERTIFICATIONS

GEM maintains regulatory registrations and specialty certifications that support global market access and product safety. Key products such as L-Menthol and Mentha arvensis extract are registered under the EU REACH Regulation, enabling compliant supply to European markets.

Several products are also Kosher-certified, allowing their use in markets requiring religious compliance and specialized consumer standards.

## SUPPORTING CUSTOMER SUSTAINABILITY GOALS

Through certification-led sourcing and responsible manufacturing practices, GEM enables customers to strengthen transparency and sustainability across their ingredient supply chains. This approach helps support responsible product development, regulatory compliance, and evolving consumer expectations for sustainably produced ingredients.



## PRODUCT SAFETY AND LABELLING



### MANUFACTURING STANDARDS

- ❖ At GEM, product quality and safety are embedded across manufacturing operations. Aroma ingredients are produced in accordance with applicable safety, regulatory, and customer requirements to ensure consistent product performance and reliability.
- ❖ Operations follow structured management systems aligned with ISO 9001 (Quality), ISO 14001 (Environmental), and ISO 45001 (Occupational Health and Safety) frameworks. These systems support disciplined process control, environmental management, and workplace safety across manufacturing facilities.



### REGULATORY COMPLIANCE AND PRODUCT INFORMATION

- ❖ Dedicated regulatory and quality teams oversee compliance with national and international regulations governing chemical safety and product handling.
- ❖ Raw materials and finished products are reviewed, classified, and labelled in accordance with applicable regulatory requirements. Safety Data Sheets (SDS) are maintained and regularly updated to provide clear guidance on safe handling, storage, and transportation. Compliance is supported through internal audits, documentation controls, and ongoing employee training.



### QUALITY ASSURANCE

- ❖ Quality assurance processes extend across sourcing, production, testing, and product dispatch to ensure consistent adherence to safety and regulatory standards.
- ❖ During the reporting period, no product recalls were recorded, reflecting the effectiveness of GEM's quality management systems and its commitment to delivering safe and reliable products to customers.

## RESPONSIBLE RAW MATERIAL SOURCING



- ❖ GEM focuses on responsible sourcing practices to strengthen sustainability across its upstream supply chain. Through its Sustainable Procurement Policy, the Company promotes the use of traceable and responsibly produced raw materials used in essential oils, agricultural inputs, and aroma chemical intermediates.
- ❖ Procurement processes emphasize collaboration with suppliers that demonstrate strong environmental, social, and ethical practices. Supplier expectations cover areas such as labor standards, workplace health and safety, environmental protection, regulatory compliance, and ethical conduct. These standards are communicated through supplier onboarding, contractual requirements, and periodic evaluations.

### UPCYCLED AND RESOURCE-EFFICIENT INGREDIENTS

- ❖ GEM promotes resource efficiency and circular material use across its manufacturing processes. Where feasible, process residues, spent plant materials, and distillation by-products are repurposed or reused, reducing waste generation and improving overall material efficiency.
- ❖ Through responsible sourcing, supplier engagement, and circular material practices, GEM continues to strengthen supply chain sustainability while supporting long-term environmental stewardship.

## REDUCING IMPACT IN OUR SUPPLY CHAINS

- ❖ GEM works closely with its supplier network to strengthen environmental and social performance across its upstream value chain. Recognizing that a significant share of sustainability impacts occurs in the sourcing and production of agricultural inputs and aroma ingredients, the Company focuses on collaborative approaches to improving supply chain practices.
- ❖ Supplier engagement includes regular assessments, information sharing, and ongoing dialogue to address sustainability risks and improvement opportunities across raw material cultivation, extraction, processing, and distribution. Key areas of focus include environmental management, product quality and safety, labor standards, regulatory compliance, and ethical business conduct.
- ❖ To support responsible sourcing, GEM encourages suppliers to adopt recognized sustainability standards and verification mechanisms, particularly for agricultural and natural raw materials. Insights from supplier evaluations are used to guide corrective actions and strengthen long-term supplier partnerships.
- ❖ Through continuous engagement and monitoring, GEM aims to progressively improve supply chain transparency, reduce environmental impacts, and promote responsible practices throughout its sourcing ecosystem.



# ESG ROADMAP

- GEM, as a leading manufacturer of fragrance compounds, essential oils, and aroma chemicals, recognizes that long-term business success depends on environmental and social responsibility. Operating across global fragrance, personal care, home care, and FMCG value chains, we understand the need to embed sustainability across every stage of our operations.
- In line with this commitment, we have developed a comprehensive Environmental, Social, and Governance (ESG) roadmap as part of our broader sustainability strategy. Guided by the principle that “sustainability thrives when innovation and responsibility work together,” we aim to set clear targets that reinforce responsible manufacturing, ethical sourcing, and circular processes.
- We are committed to transparent reporting aligned with internationally recognized frameworks and will publish our progress annually, including achievements, challenges, and opportunities for improvement. This ensures stakeholders, customers, and partners remain informed and engaged in our sustainability journey.
- Going forward, we will continue advancing sustainable innovation, deepening collaboration with growers, suppliers, and customers, and contributing to a fragrance industry that protects the environment, enables positive social impact, and creates long-term value for the communities we serve.



2029

Continuous Improvement  
2028  
2029

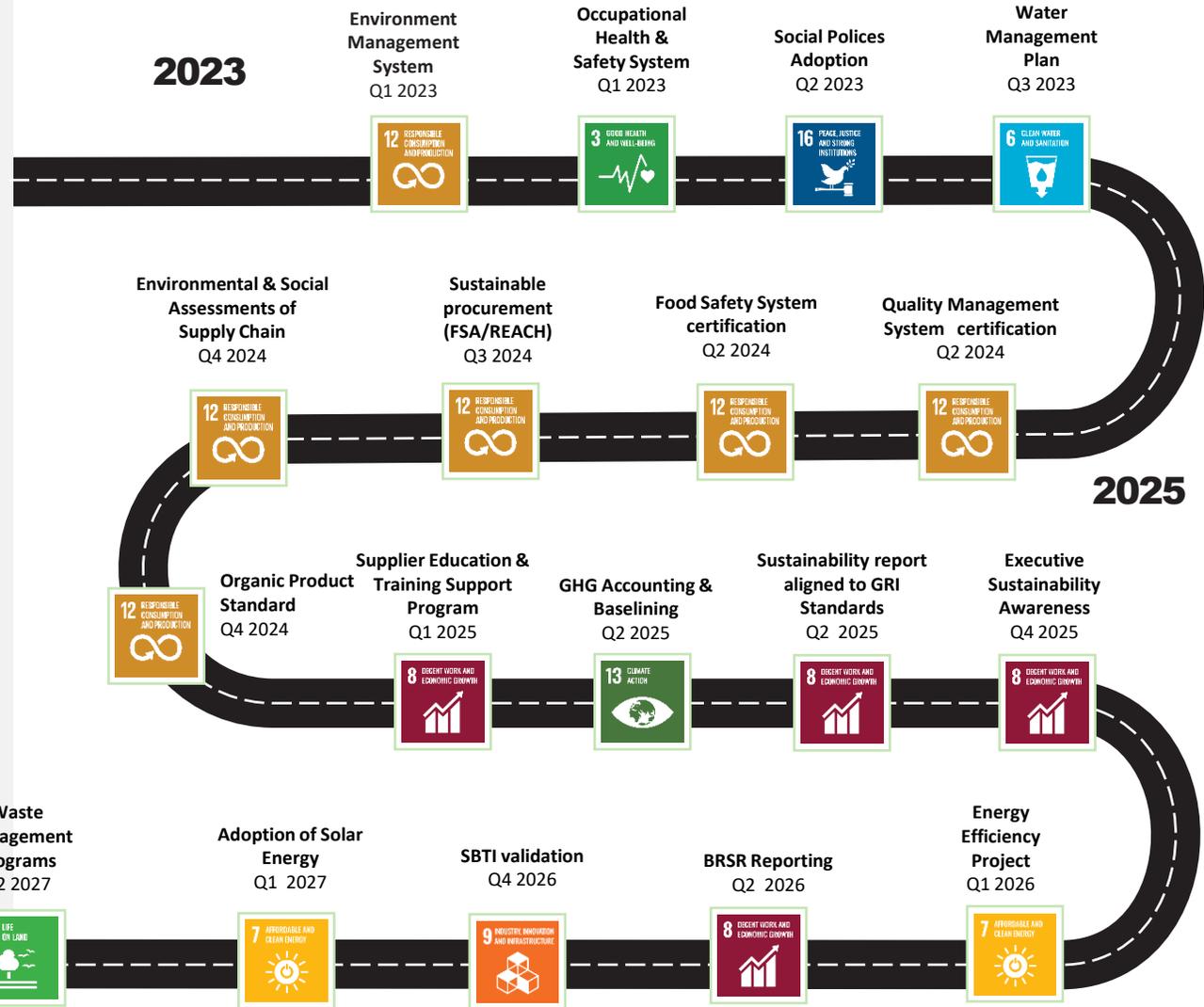
Waste Management Programs  
Q2 2027

Adoption of Solar Energy  
Q1 2027

SBTi validation  
Q4 2026

BRSR Reporting  
Q2 2026

Energy Efficiency Project  
Q1 2026



## CERTIFICATIONS



### KOSHER CHECK

**GEM** is certified by **Kosher Check**, confirming that selected products and processes comply with recognized Kosher requirements and are regularly reviewed to ensure adherence to applicable religious and quality standards.



### FARM SUSTAINABILITY ASSESSMENT (FSA)

**GEM** participates in the **Farm Sustainability Assessment (FSA) by SAI Platform**, supporting responsible agricultural practices through verified sustainability performance across its agricultural raw material supply chains.



### FSSC 22000

**GEM** is certified to **FSSC 22000**, demonstrating compliance with internationally recognized food safety management system requirements and ensuring robust controls across the manufacture and handling of food-grade aroma ingredients.



### NPOP (NATIONAL PROGRAMME FOR ORGANIC PRODUCTION)

**GEM** is certified under **NPOP (National Programme for Organic Production)**, confirming compliance with accredited organic standards for the handling and processing of certified organic products.



### USDA ORGANIC

**GEM** holds **USDA Organic** certification, verifying that selected products meet stringent organic standards and are processed in accordance with recognized organic regulations.



### HALAL CERTIFICATION

**GEM** holds **Halal certification** from a recognized authority, confirming that selected products and processes comply with Halal requirements and applicable religious standards.



ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018

### GRI STANDARDS

Throughout our operations globally, we work in line with ISO 9001, 14001 and 45001 to ensure we are working in line with best practice in quality, environmental and safety management standards.

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## GRI 205: Anti-corruption 2016

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## GRI CONTEXT INDEX

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## SUMMARY OF PERFORMANCE

Environment	Budaun	Silvassa
<b>Emissions: Scope 1 &amp; 2 (tCO2e)</b>		
Scope 1 emissions	3,779	133
Scope 2 emissions	905	383
Combined Scope 1 & 2 emissions	4,684	516
Combined Scope 1,2 & 3 emissions (per tonne produced)	16,624 6 tonne CO2e/tonne product	6,270 7.8 tonne CO2e/tonne product
<b>Energy (GJ)</b>		
Total Energy Consumption (per tonne produced)	1,674.7 MWh 0.6 MWh /per tonne	509.6 MWh 0.6 MWh /per tonne
% of renewable energy	16.8 %	-
Renewable Direct Energy (solar panels)	281.8 MWh	-
Natural Gas / Wood	1,894 tonne	51,362 SCM
<b>Water withdrawal (L)</b>		
Borewell/Municipal (per tonne produced)	1,178 m3 0.4 m3 /per tonne	194.63 m3 0.2 m3 /per tonne
<b>Waste Generation (T)</b>		
Total Waste	123.4 tonne	22.5 tonne
Hazardous Waste	-	2.31 tonne
Non-Hazardous Waste	123.4 tonne	20.2 tonne

Waste Disposal (T)	Budaun	Silvassa
Diverted from disposal	123.4 tonne	20.2 tonne
Directed to disposal	-	2.31 tonne
<b>Emissions: Scope 3 (t CO2e)</b>		
<b>Upstream</b>		
Category 1: purchased goods and services	9,183	4,364
Category 2: capital goods	200	23
Category 3: fuel and energy related activities	575	108
Category 4: upstream transportation & distribution	843	634
Category 5: waste	25	8
Category 7: employee commuting	68	5
<b>Downstream</b>		
Category 9: downstream transportation & distribution	499	471
Category 10: processing of sold	350	113
Category 12: End-of-life treatment of sold products	197	29
Total Scope 3	11,939	5,755

People	Budaun	Silvassa
<b>Community Partnerships &amp; CSR</b>		
Amount Spent		83,68,900 INR
Amount spent in excess		4,49,173 INR

Innovation	Budaun	Silvassa
<b>Financial Disclosures</b>		
Total Tonnage produced	2,773.34	807.06

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