

SECTION A: GENERAL DISCLOSURES

i) Details of the Listed Entity

| Sr. | Particulars | Details |
|-----|--|--|
| 1 | Corporate Identity Number (CIN) | L99999GJ1987PLC022333 |
| 2 | Name of the Company | HESTER BIOSCIENCES LIMITED |
| 3 | Year of incorporation | 1987 |
| 4 | Registered office address | Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441 |
| 5 | Corporate address | Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441 |
| 6 | E-mail | cs@hester.in |
| 7 | Telephone | +91 2764 285502 |
| 8 | Website | www.hester.in |
| 9 | Financial year for which reporting is being done | 2025-2026 |
| 10 | Name of the Stock Exchange(s) where shares are listed | a) National Stock Exchange of India Limited b) BSE Limited |
| 11 | Paid-up Capital | INR 85.07 million |
| 12 | Name and contact details of the person who may be contacted in case of any queries on the BRSR report | Mr. Vinod Mali, Company Secretary & Compliance Officer Address: Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441 Tel.: +91 2764 285502 Email: cs@hester.in |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis or on a consolidated basis | The disclosures made in this report are on a standalone basis |
| 14 | Name of assurance provider | Not Applicable |
| 15 | Type of assurance obtained | Not Applicable |

ii) Products/services :

16. Details of business activities (accounting for 90% of the turnover) :

| Sr. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---------|--|--|-----------------------------|
| 1 | Manufacturing and trading of veterinary vaccines and health products | Manufacturing and trading of veterinary vaccines and health products | 100% |

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

| Sr. No. | Product/services | NIC Code | % of total turnover contributed |
|---------|--|----------|---------------------------------|
| 1 | Manufacture of pharmaceuticals, medicinal chemical and botanical products. | 2100 | 78% |
| 2 | Wholesale of pharmaceutical and medical goods | 46497 | 22% |

iii) Operations:

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 1 | 4 | 5 |
| International | - | - | - |

19. Markets served by the entity :

a) Number of locations:

| Locations | Number |
|----------------------------------|---------------|
| National (No. of States) | Pan India |
| International (No. of Countries) | 35+ Countries |

b) What is the contribution of exports as a percentage of the total turnover of the entity?:

Contribution of exports is 11% of our total turnover during the financial year 2025-26.

c) A brief on types of customers :

Hester is the second largest poultry vaccine manufacturer in India. Its customer base in India includes stockists, retailers, dairy farms, pharmaceutical companies, veterinary professionals, government bodies, and farmer community. The Company also provides vaccines to other countries government and global bodies like FAO, UN etc. as part of global PPR and other vaccination initiatives. Additionally, as part of its pet care range, the Company also services household customers pan-India.

iv) Employees:

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------------|------------|------------|------------|-----------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 483 | 440 | 91% | 43 | 9% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total employees (D + E) | 483 | 440 | 91% | 43 | 9% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 61 | 60 | 98% | 1 | 2% |
| 5. | Other than Permanent (G) | 260 | 251 | 97% | 9 | 3% |
| 6. | Total workers (F + G) | 321 | 311 | 97% | 10 | 3% |

b) Differently abled employees and workers:

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|----------|-----------|----------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | - | - | - | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total differently abled employees (D + E) | - | - | - | - | - |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | - | - | - | - | - |
| 5. | Other than Permanent (G) | - | - | - | - | - |
| 6. | Total differently abled workers (F + G) | - | - | - | - | - |

21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of females | |
|-----------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors * | 10 | 2 | 20% |
| Key Management Personnel ** | 2 | - | - |

* Excluding the one Alternate Director

** Key Management Personnel other than Board of Directors

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

| Particulars | FY 2025-26 | | | FY 2024-25 | | | FY 2023-24 | | |
|---------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 39.58% | 34.67% | 39.04% | 34.48% | 27.40% | 34.05% | 34.32% | 46.15% | 35.05% |
| Permanent Workers | 1.59% | - | 1.56% | 7.30% | 66.67% | 8.57% | 1.40% | - | 1.36% |

v) Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

| Sr. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ subsidiary / associate / joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---------|---|--|-----------------------------------|--|
| 1 | Hester Biosciences Africa Limited | Subsidiary | 100% | No |
| 2 | Hester Biosciences Nepal Private Limited | Subsidiary | 65% | No |
| 3 | Hester Biosciences Kenya Limited | Subsidiary | 100% | No |
| 4 | Hester Biosciences Tanzania Limited | Subsidiary | 100% | No |
| 5 | Thrishool Exim Limited | Joint Venture | 50% | No |

vi) CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - YES

(ii) Turnover: INR 2,921.36 million

(iii) Net worth: INR 3,851.82 million

A detailed report on CSR projects undertaken during the Financial Year 2025-26 has been provided in 'Annexure - 3' to the Board's report.

vii) Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy) | FY 2025-26 | | | FY 2024-25 | | |
|---|--|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | Nil | Nil | | Nil | Nil | |
| Investors (other than shareholders) | Yes | Nil | Nil | | Nil | Nil | |
| Shareholders | Yes | 1 | Nil | | 4 | Nil | |
| Employees and workers | Yes | Nil | Nil | | Nil | Nil | |
| Customers | Yes | Nil | Nil | | Nil | Nil | |
| Value Chain Partners | Yes | Nil | Nil | | Nil | Nil | |

The Company has a grievance redressal mechanism in place for all internal and external stakeholders of the business. The policy can be accessed from website at <https://www.hester.in/corporate-governance>

26. Overview of the entity’s material responsible business conduct issues:

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---------------------------|--|--|--|--|
| 1 | GHG Emissions | Risk | GHG emissions arise from the use of energy, materials and production processes. If not managed effectively, they can increase the Company’s environmental footprint and exposure to climate-related regulatory and transition risks | <p>a) Improved the energy efficiency across operations and equipments to reduce overall energy consumption.</p> <p>b) Implemented solar power generation at manufacturing site to renewable energy use.</p> | Negative |
| 2 | Waste Management | Risk | Inadequate waste management can create environmental, operational and compliance risks for the Company, employees, communities and regulators. Rising waste volumes further increase the need for structured waste reduction and disposal practices. | <p>a) Strengthen process optimisation and material efficiency to reduce waste generation.</p> <p>b) Implemented robust waste segregation to support recycling and safe disposal in line with local regulations.</p> <p>c) Conducted regular employee awareness programmes on waste handling and reduction.</p> <p>d) Partnered with authorised waste-management vendors and evaluated waste-to-energy and circular-economy solutions.</p> <p>e) Established waste tracking systems to monitor quantities, types and disposal methods, enabling data-driven decisions and transparency in sustainability reporting.</p> | Negative |

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---|--|---|---|--|
| 3 | Water Management | Risk | Water is a shared and finite resource, making efficient use and responsible discharge essential to sustainable operations. Compliance with wastewater reuse and recycling requirements also creates operational and regulatory risk. | <p>a) Deployed technologies and process improvements to reduce overall water consumption.</p> <p>b) Continue investing in waste water treatment infrastructure to meet or exceed discharge and reuse requirements.</p> <p>c) Strengthen ETP laboratory monitoring for real-time compliance and quality checks.</p> <p>d) Pursue a zero-liquid-discharge (ZLD) approach to recycle and reuse treated water within operations, reducing freshwater intake.</p> <p>e) Engaged internal teams and external partners through awareness programmes on water conservation and responsible use.</p> | Negative |
| 4 | Attracting / retaining talent and workforce welfare | Risk & Opportunity | <p>Risk: The animal healthcare industry competes intensely for skilled professionals. A shortage of qualified talent or high attrition could affect product innovation, marketing activities, regulatory compliance etc.</p> <p>Opportunity: A strong focus on employee welfare, development and engagement can help the Company attract and retain talent, strengthen capability building and support innovation and operational excellence.</p> | The Company aims to retain employees through progressive, employee-friendly practices. Targeted training and upskilling programmes help build internal capability, deepen expertise and support long-term innovation and sustainability goals. | Both positive and negative |
| 5 | Responsible supply chain management | Risk | The Company depends on suppliers and service providers across multiple locations for timely delivery of raw materials, products, services and capital goods. Any disruption in their performance or sustainability can affect business continuity, operational resilience, and stakeholder confidence. | To mitigate supply chain disruption risks, the Company prioritizes enhancing its supply chain programs and policies, focusing on sustainable and effective management practices. By implementing robust policies and processes, Hester aims to ensure business continuity and protect shareholder value through responsible supply chain management. | Negative |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | |
| 1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b) Has the policy been approved by the Board? (Yes/No) | Yes, the Company has developed comprehensive policies covering these principles. Some of the Policies have been approved by the Board as per relevant statutory requirements. | | | | | | | | |
| c) Web Link of the Policies, if available | Policies are uploaded on the website of the Company at https://www.hester.in/corporate-governance | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes / certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <ul style="list-style-type: none"> • National Guidelines on Responsible Business Conduct (NGRBC) • Product quality - ISO 9001: 2015 • Environment Management System- ISO 14001: 2015 • Health and Safety- ISO 45001: 2018 • Good Manufacturing Practices (GMP) • Good Laboratory Practices (GLP) • DSIR approved R&D Center <p>All relevant policies have been developed in line with requirements of national standards acts like Factories Act, 1948, Companies Act, 2013, the Listing Regulations and various other applicable statutes.</p> | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Even though the Company does not currently have any targets or goals related to ESG concerns, it constantly works to improve its environmental and social impact through a variety of initiatives and improvements based on best practises from across the world and the industry. | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Not Applicable | | | | | | | | |

Governance, leadership and oversight

| | |
|---|--|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | A statement and details on ESG aspects of the business are part of this Annual report. |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Rajiv Gandhi CEO & Managing Director |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The responsibility for the day-to-day decision making on ESG & wider sustainability related issues is with respective functional heads of the Company. |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other - Please specify) | | | | | | | | | |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-------------------------|----|----|----|----|----|----|----|--|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
| Performance against above policies and follow up action. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Periodically/Need basis | | | | | | | | |
| Compliance with statutory requirements of relevances to the principles, and, rectification of any non-compliances. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Ongoing basis | | | | | | | | |

Note: In line with Code of Conduct, all Board level meetings and business meetings are led by the CEO & Managing Director, where sustainability and business responsibility aspects material to the business are discussed on an ongoing basis. The Directors and Senior Management members affirm compliance with the Code of Conduct on annual basis.

The Company publishes the Business Responsibility and Sustainability Report in its Annual Report. The Corporate Social Responsibility (CSR) Committee of the Company is responsible for formulating, implementing and monitoring the CSR Policy of the Company under the guidance of the Board. The CEO & Managing Director is a chairman of this Committee. The CSR Committee meets at least twice a year to review progress on various CSR initiatives. The CSR Committee also approves Annual CSR Report as per the provisions of the Act. CSR Report is part of the Board's Report.

| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| | Most of our policies are internal policies which are adopted by the Company. They are reviewed internally on a periodic basis depending on business requirements and/or change in applicable regulations and evolving best practice. No review is conducted through external partners. | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping companies demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every Company that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Our employees have lived up to the highest standard of business integrity, transparency, ethics and compliance. Our values are aligned with code of conducts and operations. To further enhance this and ensure that the competency of our workforce is at par with the best industry practices, we provide online as well as offline training programmes and capacity building workshop to our entire workforce covering all various principles given by NGRBC. The coverage of our training programmes can be understood as follows:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|---|
| Board of Directors | 4 | The Company conducts familiarisation programmes for its Board of Directors at regular intervals which covers topics such as ESG parameters and their impact, corporate governance practices, and various other industry, business and regulatory updates. | 100% |
| Key Managerial Personnel* | 4 | The Company also provide ongoing trainings and updates to the Board and KMP on multiple topics including: <ul style="list-style-type: none"> - Internal Controls and Compliances update - Various Policies, Cyber Security and Internal controls on Risk Management Strategy and Framework. - Regulatory Updates and its implications. - Various parameters of NGRBC principles and its related trainings. | 100% |
| Employees other than BoD and KMPs | 12 | Curated training programmes for employees span a wide range of subjects that fall under all guiding principles, including (but not limited to) Code of Conduct, PoSH, skill development, health, safety and the environment. | 100% |
| Workers | 16 | In addition to trainings on health and safety and skill upgradation, the Company provides training to workers on various topics such as, <ul style="list-style-type: none"> - Good Documentation Practices - IMS awareness - Data Integrity - Technical and Management Trainings - Manufacturing related Standard Operating Procedures (SOPs). | 100% |

*2 out of 4 KMPs are Board Members.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

| Monetary | | | | | |
|-----------------|-----------------|---|-----------------|-------------------|--|
| Particulars | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | | | NIL | | |
| Settlement | | | | | |
| Compounding fee | | | | | |
| Non-Monetary | | | | | |
| Particulars | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | | | NIL | | |
| Punishment | | | | | |

During the financial year 2025-26, no fines / penalties / award / compounding fees / settlement amount was paid in proceedings by the Company or by its Directors / KMPs as per the materiality policy and SEBI Regulations.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---|
| Not Applicable | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has 'zero tolerance' towards corruption or bribery. The Company has a Code of Conduct (applicable to Board Members, Directors & Senior Management) and an Employee policy handbook, which applies to all employees as well as to associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. The Code of Conduct of the Company is available on its website at: <https://www.hester.in/corporate-governance>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| Particulars | FY 2025-26 | FY 2024-25 |
|-------------|------------|------------|
| Directors | NIL | NIL |
| KMPs | | |
| Employees | | |
| Workers | | |

During the financial year 2025-26, no disciplinary action has been taken by any law enforcement agency or the charges of bribery/ corruption against any Directors/KMPs/ employees/workers.

6. Details of complaints with regard to conflict of interest:

| Particulars | FY 2025-26 | | FY 2024-25 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | | NIL | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | | NIL | |

During the financial year 2025-26, no complaints were recorded with regard to conflict of interest.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable*365) / Cost of goods/services procured):

| Particulars | FY 2025-26 | FY 2024-25 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 54 | 72 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

| Parameter | Metrics | FY 2025-26 | FY 2024-25 |
|----------------------------|--|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | - | - |
| | b. Number of trading houses where purchases are made from | - | - |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | - | - |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | 63% | 53% |
| | b. Number of dealers / distributors to whom sales are made | 1,000+ | 1,000+ |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 35% | 34% |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 17% | 20% |
| | b. Sales (Sales to related parties / Total Sales) | 3% | 2% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | - | - |
| | d. Investments (Investments in related parties / Total Investments made) | - | - |

Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Particulars | FY 2025-26 | FY 2024-25 | Details of Improvement in environmental and social impacts |
|-------------|------------|------------|---|
| R&D | 50.83% | 64.25% | Investments in research and development were focused on the development of products and processes designed to deliver improved environmental and social outcomes. Key efforts are directed toward addressing critical and high-impact animal diseases, which supports animal health and welfare, enhances livestock productivity, and reduces the risk of disease transmission. These initiatives contribute to improved food security, support rural livelihoods, and promote responsible and sustainable agricultural practices, thereby generating positive environmental and societal impact. |
| Capex | 9.19% | 23.24% | Capital investments were focused on strengthening sustainable infrastructure and improving resource efficiency. Key initiatives include centralized chiller water supply and distribution systems to enable water recycling and reuse, enhancement of fire safety systems, installation of energy-efficient LED lighting, and replacement of AHU fan motors with EC fan motors. These measures help reduce environmental impact, improve energy and resource efficiency, and support safer and more sustainable operations. |

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company follows a structured procedure for sustainable sourcing. All new supply chain partners undergo mandatory evaluation on environmental, health & safety and sustainability Factors before onboarding. Existing partners are regularly assessed through quality checks, inspections and audits. Suppliers are required to meet the international or applicable domestic accreditation/certifications. Supplier selection incorporates WHO, GMP and cGMP standards within standard operating procedures and protocols. Rigorous measures are taken to maintain stringent quality standards, with periodic audits assessing product stability. Additionally, all suppliers must obtain environmental audit certifications from ISO and OHSAS.

The Company has established a standalone sustainable supply mechanism and Supplier Code of Conduct, integrating sustainability parameters into its supply chain framework. To minimize the carbon footprint of logistics, the Company prioritises suppliers from nearby locations/districts. For waste management, only government-accredited suppliers are selected to ensure the highest compliance standards.

b) If yes, what percentage of inputs were sourced sustainably?

100% of inputs from critical suppliers are sourced sustainably by the Company.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for a) Plastics (including packaging) b) E-waste c) Hazardous waste and d) Other waste

The Company's operations generate minimal recoverable waste, limited primarily to packaging materials such as thermocol, plastic wrapping, gel-packs, bottles and vials. These materials are routinely collected by end-customers and transferred to third-party recyclers for reuse or environmentally responsible disposal. No other specific waste streams arise from our processes that warrant internal reclamation.

All hazardous and biological by-products of our manufacturing activities are managed under rigorously enforced protocols that comply fully with the State Pollution Control Board's regulations. We engage only SPCB-approved waste-management partners to oversee the safe collection, treatment and final disposal of these materials. Detailed documentation is maintained at every stage to ensure complete traceability and regulatory adherence.

Furthermore, our internal Waste Management SOPs and Policy establishes clear guidelines for handling end-of-life electronic equipment and machinery. The Asset Team conducts periodic reviews to identify assets that have reached the end of their service life, and the Procurement Department then arranges for their transfer to certified waste dealers. Wherever feasible, components are salvaged for recycling or repurposing before any residual materials are sent for final disposal.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the Company. The waste collection plan is aligned with the EPR plan and annual returns filed with the Pollution Control Boards, as per applicable requirements.

Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains:

Essential Indicators

1. a) Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|-------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 440 | 440 | 100% | 440 | 100% | - | - | 440 | 100% | 440 | 100% |
| Female | 43 | 43 | 100% | 43 | 100% | 43 | 100% | - | - | 43 | 100% |
| Total | 483 | 483 | 100% | 483 | 100% | 43 | 100% | 440 | 100% | 483 | 100% |
| Other than Permanent employees | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |

b) Details of measures for the well-being of workers:

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|-------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 60 | 60 | 100% | 60 | 100% | - | - | 60 | 100% | 60 | 100% |
| Female | 1 | 1 | 100% | 1 | 100% | 1 | 100% | - | - | 1 | 100% |
| Total | 61 | 61 | 100% | 61 | 100% | 1 | 100% | 60 | 100% | 61 | 100% |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 251 | - | - | 251 | 100% | - | - | - | - | - | - |
| Female | 9 | - | - | 9 | 100% | - | - | - | - | 9 | 100% |
| Total | 260 | - | - | 260 | 100% | - | - | - | - | 9 | 100% |

c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent):

| | FY 2025-26 | FY 2024-25 |
|--|------------|------------|
| Cost incurred on wellbeing measures as a % of total revenue of the company | 1.16% | 1.08% |

Note: The costs disclosed above includes amount spent on health insurance, medical check-ups and various staff welfare activities and initiatives.

2. Details of retirement benefits, for Current and Previous Financial Year

| Benefits | FY 2025-26 | | | FY 2024-25 | | |
|--------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Yes |
| ESI* | 100% | 100% | Yes | 100% | 100% | Yes |
| Others - NPS | 4% | - | Yes | 7% | - | Yes |

Notes:

a) All eligible employees are enrolled in the Provident Fund (PF) and are entitled to Gratuity.

b) Employees' State Insurance (ESI) coverage applies only to those who meet the statutory criteria.

c) Participation in the National Pension System (NPS) is limited to employees who have expressly opted in.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company's plant and offices are fully accessible to employees with disabilities, in accordance with the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

At Hester, we are dedicated to fostering an inclusive workplace and providing equal opportunities for all employees. Our Employee Manual and HR policies strictly prohibit discrimination based on race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other characteristic protected by law.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| Category | Yes/No (If Yes, then give details of the mechanism in brief) |
|--|--|
| Permanent Employees and Workers | Yes, the Company has a grievance redressal mechanism in place, allowing employees and workers to raise concerns with the relevant department head for resolution within 24-48 hours, depending on the nature of the grievance, if necessary, issues can be escalated to senior management. Additionally, the Company's Whistle Blower Policy encourages reporting of any unethical behavior, misconduct, fraud or policy violations. Employees and workers can directly contact HR department by writing to human.resources@hester.in to share the concerns. |
| Other than Permanent Employees and Workers | Yes, the Company has a grievance redressal mechanism in place for non-permanent employees and workers. They may raise concerns with the relevant supervisors within the prescribed timeframe, depending on the nature of the grievance and if necessary, issues can be escalated to the function head or senior management. Additionally, the Company's Whistle Blower Policy encourages reporting of any unethical behavior, misconduct, fraud, or policy violations. Other than permanent employees and workers can directly contact HR department by writing to human.resources@hester.in to share the concerns. |

7. Membership of employees and worker in association(s) or unions recognised by the listed entity:

At present, no employees are represented by any association or union. Nevertheless, the Company regards every individual on its payroll as a vital stakeholder and is committed to cultivating a culture of mutual trust, respect and interdependence through meaningful engagement. By embracing this inclusive approach, we will build, strengthen and sustain harmonious employee relations across the organization.

| Category | FY 2025-26 | | | FY 2024-25 | | |
|----------------------------------|--|--|-----------|--|--|-----------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) |
| Total Permanent Employees | 483 | - | - | 562 | - | - |
| - Male | 440 | - | - | 530 | - | - |
| - Female | 43 | - | - | 32 | - | - |
| Total Permanent Workers | 61 | - | - | 67 | - | - |
| - Male | 60 | - | - | 66 | - | - |
| - Female | 1 | - | - | 1 | - | - |

8. Details of training given to employees and workers:

| Category | FY 2025-26 | | | | | FY 2024-25 | | | | |
|------------------|------------|-------------------------------|-------------|----------------------|------------|------------|-------------------------------|-------------|----------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 440 | 440 | 100% | 389 | 88% | 530 | 530 | 100% | 439 | 83% |
| Female | 43 | 43 | 100% | 40 | 93% | 32 | 32 | 100% | 32 | 100% |
| Total | 483 | 483 | 100% | 429 | 89% | 562 | 562 | 100% | 471 | 84% |
| Workers | | | | | | | | | | |
| Male | 311 | 311 | 100% | 264 | 85% | 319 | 319 | 100% | 273 | 86% |
| Female | 10 | 10 | 100% | 10 | 100% | 10 | 10 | 100% | 9 | 90% |
| Total | 321 | 321 | 100% | 274 | 85% | 329 | 329 | 100% | 282 | 86% |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2025-26 | | | FY 2024-25 | | |
|------------------|------------|------------|-------------|------------|------------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 440 | 292 | 66% | 530 | 351 | 66% |
| Female | 43 | 30 | 70% | 32 | 24 | 75% |
| Total | 483 | 322 | 67% | 562 | 375 | 67% |
| Workers | | | | | | |
| Male | 311 | 311 | 100% | 319 | 319 | 100% |
| Female | 10 | 10 | 100% | 10 | 10 | 100% |
| Total | 321 | 321 | 100% | 329 | 329 | 100% |

The Company conducts a formal year-end and mid-year performance assessment and career-development review for all permanent employees and contract workers.

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the occupational health and safety (OHS) management system comprehensively addresses all aspects of workplace safety, including hazard identification, risk assessment, emergency procedures, employee trainings, health surveillance and continuous safety performance monitoring.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company uses a Hazard Identification and Risk Assessment (HIRA) process to identify workplace hazards and assess risks for both routine and non-routine activities. This is carried out by the Safety Manager along with technical teams.

Health and safety professionals are present on-site to regularly monitor activities, and periodic safety checks and maintenance of equipment are conducted. Employees also receive regular training and safety communication to ensure awareness and reduce safety related risks.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes in place for workers to report work-related hazards and remove themselves from such risks. Workers can raise safety concerns through Safety Committee meetings, where their observations are discussed and corrective actions are taken.

Employees and workers are regularly trained on identifying hazards, assessing risks and taking steps to mitigate them. Safety and emergency drills are also conducted to train them on handling situations and safely removing themselves from risk.

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, employees and workers have access to comprehensive healthcare services, including mental health support and wellness programs, as part of the Company's employee benefits package.

11. Details of safety related incidents:

| Safety Incident/Number | Category | FY 2025-26 | FY 2024-25 |
|--|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | - | - |
| | Workers | - | - |
| Total recordable work-related injuries | Employees | - | - |
| | Workers | - | - |
| No. of fatalities | Employees | - | - |
| | Workers | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | - | - |
| | Workers | - | - |

During the financial year 2025-26, there have been no safety related incidents involving any workers or employees.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company ensures workplace safety through regular risk assessments, safety audits, and hazard identification for both routine and non-routine activities. These checks help in identifying and addressing potential risks early.

Employees are trained on safety practices, including the use of personal protective equipment (PPE), emergency procedures, and safe ways of working. PPE is provided based on job requirements, and its proper use is monitored.

Emergency response plans are in place, and regular drills are conducted to prepare employees for situations like fire or spills. The Company also supports employee well-being through health check-ups, ergonomic assessments, and wellness programs.

There is a system for reporting accidents and unsafe conditions, and corrective actions are taken to prevent recurrence. Safety awareness is maintained through regular meetings, signage, and initiatives such as Safety Week.

13. Number of Complaints on the following made by employees and workers:

| Category | FY 2025-26 | | | FY 2024-25 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | - | - | | - | - | |
| Health & Safety | - | - | | - | - | |

During the financial year 2025-26, there were no complaints filed by the employees and workers on the Company's working conditions, health and safety parameters.

14. Assessments for the year:

| Category | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No such significant risks or concerns were identified from the assessments of health and safety practices and working conditions. However, the Company has undertaken continuous improvement measures to strengthen workplace safety, including regular safety inspections, upgrading PPE and safety equipment, conducting emergency mock drills and providing employee training on safety practices and emergency response. The Company also reviews safety procedures periodically to ensure a safe and healthy working environment.

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has conducted a comprehensive stakeholder engagement exercise to identify its key stakeholders and gain insights into their key concerns. Stakeholder identification and classification is based on their impact and involvement in the Company operations, as well as their engagement in environmental, social and governance matters. This exercise has fostered a meaningful dialogue with all the stakeholders, enabling the Company to align its ESG approach and reporting with topics which are most material to its operations and its stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Methods of stakeholder engagement includes surveys (such as supplier, customer, employee surveys), workshops, online video calls, regular interactions with the CSR teams and impact assessments, periodic updates, investors meetings & calls and interactions with team members. The table below provides a more detailed overview in relation to how the Company engages with both its internal and external stakeholder groups.

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|---|---|--|---|
| Suppliers / Vendor / Third party manufacturers | No | <ul style="list-style-type: none"> Vendor meetings Virtual modes such as e-mail, telephonically | Continuous | Responsible supply chain practices are critically important for Company. Engagement with suppliers, vendors enable the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are: <ul style="list-style-type: none"> Timely payments Promoting local suppliers Ensuring business continuity Address any grievances Promoting shared growth |

| | | | | |
|----------------------------|----|--|-----------------------------------|---|
| Customers | No | <ul style="list-style-type: none"> • Product catalogues • Customer meets and visits • Corporate film • News releases • Social media platform | Continuous | <p>Customers form a vital part of the Company's stakeholder engagement group to ensure quality services. The key areas of interest for Customer are:</p> <ul style="list-style-type: none"> • Product quality, access and pricing • Create awareness • Ensure availability of products • Understanding of requirements and benefits of products |
| Shareholders and Investors | No | <ul style="list-style-type: none"> • Website • Investors/ Analyst meetings or calls • Stock Exchange Announcements • Press Releases • Quarterly results announcements • Timely disclosures • Notice of the Shareholder's General Meetings • Corporate profile • Annual Report • Social media platforms | Annually / Quarterly / Need based | <p>Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for Shareholders / Investors are:</p> <ul style="list-style-type: none"> • Financial Performance • Corporate governance • Communication of strategy • Enhancing enterprise value as per expectation • Regulatory compliance |
| Employees/Workers | No | <ul style="list-style-type: none"> • Intranet • Training and performance management • Employee engagement events • Corporate film • Regular update through email communication | Continuous | <p>Employees are a key stakeholder of the group and an important part of the Company's long-term growth. The Company engages with employees through regular interactions, feedback mechanisms, training programmes and communication channels to understand their needs and expectations.</p> <p>The key topics raised during employee engagement include:</p> <ul style="list-style-type: none"> • Training, learning, professional growth and career development opportunities • Employee wellbeing initiatives, health programs and feedback mechanisms • Fair remuneration • Work-life balance and employee support initiatives • Safe, inclusive and nurturing work environment • Employee engagement, effective communication and organisational culture <p>The Company addresses these concerns through employee wellbeing initiatives, performance management processes, employee engagement activities ,regular communication channels and further enhancing to strengthen through structured learning and development programmes to foster a positive, inclusive and growth-oriented workplace.</p> |

| | | | | |
|-------------|-----|---|------------|---|
| Communities | Yes | <ul style="list-style-type: none"> In-person meetings Engagement through NGO partners | Continuous | <p>Community development programs initiated by the Company's CSR activities enables driving a positive impact on the community members. The key areas of interest for community are:</p> <ul style="list-style-type: none"> Community development programs with a focus on health, education, sanitation and infrastructure development To develop a sustainable ecosystem for our communities Understanding the social & development challenges / needs of the local communities and working towards mitigating/ achieving them |
|-------------|-----|---|------------|---|

Principle 5:
Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

| Category | FY 2025-26 | | | FY 2024-25 | | |
|------------------------|------------|--|-------------|------------|--|-------------|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 483 | 483 | 100% | 562 | 562 | 100% |
| Other than Permanent | - | - | - | - | - | - |
| Total Employees | 483 | 483 | 100% | 562 | 562 | 100% |
| Workers | | | | | | |
| Permanent | 61 | 61 | 100% | 67 | 67 | 100% |
| Other than Permanent | 260 | 260 | 100% | 262 | 262 | 100% |
| Total Workers | 321 | 321 | 100% | 329 | 329 | 100% |

2. Details of minimum wages paid to employees and workers:

| Category | FY 2025-26 | | | | | FY 2024-25 | | | | |
|-----------------------------|------------|-----------------------|---------|------------------------|---------|------------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 483 | 120 | 25% | 363 | 75% | 562 | 204 | 36% | 358 | 64% |
| Male | 440 | 106 | 24% | 334 | 76% | 530 | 192 | 36% | 338 | 64% |
| Female | 43 | 14 | 33% | 29 | 67% | 32 | 12 | 38% | 20 | 62% |
| Other than Permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Workers | | | | | | | | | | |
| Permanent | 61 | 1 | 2% | 60 | 98% | 67 | 1 | 1% | 66 | 99% |
| Male | 60 | 1 | 2% | 59 | 98% | 66 | - | - | 66 | 100% |
| Female | 1 | - | - | 1 | 100% | 1 | 1 | 100% | - | - |
| Other than Permanent | 260 | 260 | 100% | - | - | 262 | 238 | 91% | 24 | 9% |
| Male | 251 | 251 | 100% | - | - | 253 | 229 | 91% | 24 | 9% |
| Female | 9 | 9 | 100% | - | - | 9 | 9 | 100% | - | - |

3. Details of remuneration/salary/wages:

a. Median remuneration / wages:

| Particulars | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category (INR million) | Number | Median remuneration/ salary/ wages of respective category (INR million) |
| Executive Directors | 1 | 50.25 | 1 | 10.08 |
| Non- Executive Directors | 7 | 0.18 | 1 | 0.45 |
| Key Managerial Personnel * | 2 | 2.84 | - | - |
| Employees other than BoD and KMP | 437 | 0.29 | 42 | 0.32 |
| Workers | 60 | 0.25 | 1 | 0.20 |

* Other than Board Members

b. Gross wages paid to females as % of total wages paid by the entity:

| | FY 2025-26 | FY 2024-25 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 9% | 6% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has internal mechanisms to address human rights grievances through email and other open communication channels. Employees can raise concerns directly, ensuring easy access to grievance reporting.

The Human Rights Policy outlines the process, including escalation through the Ombudsman under the Whistleblower Policy. The Ombudsman maintains confidentiality of all complaints.

Grievances related to human rights can be reported via email at: human.resources@hester.in

6. Number of Complaints on the following made by employees and workers:

| Category | FY 2025-26 | | | FY 2024-25 | | |
|------------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | | Nil | Nil | |
| Discrimination at workplace | Nil | Nil | | Nil | Nil | |
| Child Labour | Nil | Nil | | Nil | Nil | |
| Forced Labour / Involuntary Labour | Nil | Nil | | Nil | Nil | |
| Wages | Nil | Nil | | Nil | Nil | |
| Other human rights related issues | Nil | Nil | | Nil | Nil | |

During the financial year 2025-26, there have been no complaints made by workers or employees on any human rights issues.

7. Gross wages paid to females as % of total wages paid by the entity:

| | FY 2025-26 | FY 2024-25 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil | Nil |
| Complaints on POSH as a % of female employees / workers | Nil | Nil |
| Complaints on POSH upheld | Nil | Nil |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein all employees can report, without fear of retaliation, any wrong practices or unethical behaviour on discrimination or harassment which may have a detrimental effect on the organisation, including financial damage and impact on brand image.

The details of the complainant are kept confidential and the authenticity of the complainant's report is investigated by the assigned committee/ officer. The details regarding the investigation are also limited to the committee and kept confidential. The complainant is protected from any discrimination and harassment until the issue is resolved.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements are part of the Company's business agreements and contracts. Third parties are required to comply with applicable human rights standards and labour laws, including those related to child labour, forced labour, discrimination and sexual harassment. These requirements also extend to sub-contractors.

10. Assessments for the year:

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

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There were no significant risks/ concerns arising from the above assessments.

Principle 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Tera Joules) and energy intensity:

| Parameter | FY 2025-26 | FY 2024-25 |
|--|-----------------|-----------------|
| From renewable sources | | |
| Total electricity consumption (A) | 0.35 | 0.39 |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) | 0.35 | 0.39 |
| From non-renewable sources | | |
| Total electricity consumption (D) | 38.82 | 41.68 |
| Total fuel consumption (E) | 13.92 | 15.43 |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 52.74 | 57.11 |
| Total energy consumed (A+B+C+D+E+F) | 53.09 | 57.50 |
| Turnover (INR million) | 2,921.36 | 2,864.66 |
| Energy intensity per rupee of turnover (Total energy consumption in Tera Joules/ turnover in INR million) | 0.02 | 0.02 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in Tera Joules / Revenue from operations in INR million adjusted for PPP) | 0.37 | 0.40 |
| Energy intensity in terms of physical output (Total energy consumption in Tera Joules/ total output in billion doses) | 14.85 | 20.66 |

Notes:

- The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by IMF for 2026 which is 20.34.
- The energy intensity in terms of physical output is based on the total number of doses manufactured by the Company which is calculated based on the average utilisation rate achieved during the financial year 2025-26.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:- No, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company is not identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water:

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---------------|---------------|
| Water withdrawal by source (in kilolitres 'KL') | | |
| (i) Surface water | - | - |
| (ii) Ground water | 34,336 | 42,322 |
| (iii) Third party water | 2,252 | 5,408 |
| (iv) Seawater/ desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in KL) (i + ii + iii + iv + v) | 36,588 | 47,730 |
| Total volume of water consumption (in KL) | 36,588 | 47,730 |
| Water intensity per rupee of turnover (Water consumed (KL)/ turnover in INR million) | 12.52 | 16.66 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Water consumed (KL) / Revenue from operations in INR million adjusted for PPP) | 254.74 | 334.57 |
| Water intensity in terms of physical output (Water consumed (KL)/ total output in billion doses) | 0.00001 | 0.00002 |

Notes:

- The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by IMF for 2026 which is 20.34.
- The energy intensity in terms of physical output is based on the total number of doses manufactured by the Company which is calculated based on the average utilisation rate achieved during the financial year 2025-26.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:- No, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

4. Details related to water discharged:

| Parameter | FY 2025-26 | FY 2024-25 |
|--|---------------|---------------|
| Water discharge by destination and level of treatment (in KL) | | |
| Others - Landscape/Garden Area | | |
| - No treatment | 598 | 576 |
| - With treatment | 18,227 | 17,130 |
| Total water discharged (in KL) | 18,825 | 17,706 |

The Company has implemented a robust water treatment mechanism. As part of this, all used water from the production process is collected and treated through different processes to ensure there is no residual harmful/hazardous components. This treated water is subsequently used by the Company for gardening purposes in the factory premises.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:- No, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company adheres to Zero Liquid Discharge (ZLD) by treating, recycling and reusing all wastewater, ensuring no discharge into the environment. The process includes advanced treatment methods such as effluent treatment, reverse osmosis, Multiple Effect Evaporation (MEE), and Agitated Thin Film Drying (ATFD). This helps in conserving water, meeting regulatory requirements and reducing environmental impact.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

| Parameter | Please specify unit | FY 2025-26 | FY 2024-25 |
|-------------------------------------|---------------------|------------|------------|
| NOx | | | |
| SOx | | | |
| Particulate matter (PM) | | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. :- No, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

The Company regularly engages government-accredited third-party agencies to monitor air emissions at its manufacturing facility, in line with local pollution control requirements. Air emissions during FY2025–26 were within permissible limits. The Company will continue ongoing monitoring and implement measures and technologies to further reduce emissions.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|--|---|-----------------|-----------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 1,035 | 1,147 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 7,591 | 8,387 |
| Total Scope 1 & Scope 2 emissions | Metric tonnes of CO ₂ equivalent | 8,626 | 9,534 |
| Total Scope 1 and Scope 2 emissions per INR of turnover (Metric tonnes of CO ₂ equivalent/ turnover in INR million) | | 2.95 | 3.33 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations in INR million adjusted for PPP) | | 60.06 | 66.83 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output (Metric tonnes of CO ₂ equivalent/ total output in billion doses) | | 2,413.42 | 3,426.32 |

Notes:

- The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by IMF for 2026 which is 20.34.
- The energy intensity in terms of physical output is based on the total number of doses manufactured by the Company which is calculated based on the average utilisation rate achieved during the financial year 2025-26.

Scope 1 and Scope 2 emissions are from the consumption of electricity, fuel, and other energy sources at the corporate office, the manufacturing facility, poultry farm and offices in India. Scope 1 calculations are undertaken using guidelines and emissions factors prescribed by the IPCC (2006 version). The latest GWP factors published as part of AR6 are used for the calculations. Scope 2 calculations are undertaken using the emission factors prescribed by the Central Electricity Authority (version 21 dated November 2025).

The Company's manufacturing activities do not involve any process or fugitive emissions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. :- No, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company has initiatives to reduce greenhouse gas emissions. It has installed a 100 kW rooftop solar power system, strengthening its shift towards cleaner energy sources and reducing dependence on fossil fuels.

The Company has also improved energy efficiency through measures such as centralized compressed air and chilled water systems, along with continuous monitoring of water treatment processes. These steps help optimize resource use and lower emissions.

In addition, the Company undertakes tree plantation and afforestation activities to increase green cover and support carbon absorption, contributing to its overall sustainability efforts.

9. Provide details related to waste management by the entity:

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---------------|---------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 0.99 | 1.10 |
| E-waste (B) | - | 0.40 |
| Bio-medical waste (C) | 829.65 | 606.91 |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| Hazardous waste (G) | 14.16 | 14.02 |
| Other Hazardous waste ETP Sludge (H) | 6.15 | 5.75 |
| Other Non-hazardous waste generated - Paper & Box waste, Egg tray waste, Glass and Drum waste (I) | 98.54 | 88.11 |
| Total (A + B + C + D + E + F + G+ H + I) | 949.50 | 716.29 |
| Waste intensity per rupee of turnover (Total waste generated in MT / turnover in INR million) | 0.33 | 0.25 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated in MT/ Revenue from operations in INR million adjusted for PPP) | 6.61 | 5.02 |
| Waste intensity in terms of physical output (Total waste generated in MT/ total output in billion doses) | 265.65 | 257.41 |

Notes:

- The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by IMF for 2026 which is 20.34.
- The energy intensity in terms of physical output is based on the total number of doses manufactured by the Company which is calculated based on the average utilisation rate achieved during the financial year 2025-26.

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

| Category of waste | | |
|---|-------|-------|
| (i) Recycled (Plastic + E-waste + Paper & Box + Glass + Egg tray waste + Drums) | 99.53 | 89.61 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | - | - |

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

| Category of waste | | |
|--|---------------|---------------|
| (i) Incineration (Bio-medical waste + Hazardous waste) | 843.81 | 620.93 |
| (ii) Landfilling (Hazardous waste + ETP sludge) | 7.74 | 7.12 |
| (iii) Other disposal operations | - | - |
| Total | 851.55 | 628.05 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:- No, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows a structured waste management system that includes segregation, recycling, and safe disposal of waste in compliance with environmental regulations. Waste such as biomedical, plastic, e-waste, and sludge from wastewater treatment is handled through authorized agencies for recycling, reuse, incineration, or landfill, as applicable.

To reduce the use of hazardous and toxic chemicals, the Company focuses on minimizing chemical usage, adopting safer alternatives where possible, and improving process efficiency. Hazardous waste is treated and disposed of through approved partners, ensuring safe handling at every stage.

The Company has also set up an in-house ETP testing facility for continuous monitoring of treated water and is implementing additional initiatives to further reduce waste and improve overall environmental performance.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

The Company's manufacturing facility and offices are not located in or near ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During the financial year 2025-26, the Company has not conducted an environmental impact assessment.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes, the Company is compliant with applicable environmental laws and regulations in India, including the Water Act, Air Act and Environment Protection Act. The company conducts regular audits and follows prescribed environmental norms.

During FY 2025–26, there were no instances of non-compliance. The manufacturing facility holds a valid Consent to operate from the Gujarat State Pollution Control Board.

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company has affiliations with 5 (Five) national and state level trade and industry associations/ chambers.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---------|--|---|
| 1 | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 2 | The Indian Drug Manufacturers Association | National |
| 3 | Gujarat Chamber of Commerce & Industry | State |
| 4 | Indian Federation of Animal Health Companies (INFAH) | National |
| 5 | Veterinary Vaccine India Manufacturers Association (VVIMA) | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

During the financial year 2025-26, no adverse orders from any regulatory authorities have been received in relation anti-competitive conduct.

Principle 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

During the financial year 2025-26, the Company did not undertake any Social Impact Assessment.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

During the financial year 2025-26, the Company did not undertake any projects which involve any form of Rehabilitation and Resettlement (R&R).

3. Describe the mechanisms to receive and redress grievances of the community.

The Company interacts with members of the community through local panchayat and in-person meetings. These avenues of contact make it easier to receive and address local community issues. In addition, the Company uses several community programmes to reach out to areas near its manufacturing location. The grievance register, which is handled at the manufacturing facility, is open to all community members for the purpose of raising grievances and questions as a written communication channel. Concerned authority members of the Company addresses the grievances received from the communities through the register.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Parameter | FY 2025-26 | FY 2024-25 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 64% | 48% |
| Directly from within India | 100% | 99% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

| Location | FY 2025-26 | FY 2024-25 |
|--------------|------------|------------|
| Rural | 24% | 23% |
| Semi-Urban | 12% | 15% |
| Urban | 16% | 11% |
| Metropolitan | 48% | 52% |

Principle 9:

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a defined process to receive, track, and resolve consumer complaints and feedback. Complaints received through customer service channels, email, or direct submissions are recorded, acknowledged, and assigned a unique reference number for tracking.

Each complaint is reviewed and directed to the relevant function, such as Quality Assurance, Technical Services, or Regulatory Affairs-based on its nature and risk. Complaints received through consumer forums or regulatory authorities are escalated and handled in line with applicable legal and regulatory requirements.

Product-related complaints, particularly those involving quality or safety, are investigated by the Quality Assurance team. The process includes risk assessment, sample evaluation (where applicable), and technical review to identify root cause. Consumers are kept informed during the process.

Corrective and preventive actions are implemented based on investigation findings. Complaints are formally closed following documentation of outcomes, final risk assessment, and communication of the resolution to the complainant.

The Company also conducts periodic consumer satisfaction surveys and post-marketing surveillance. Insights from these activities are used to identify trends, improve product quality, and strengthen customer experience.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| Particulars | As a percentage to total turnover |
|---|--|
| Environmental and social parameters relevant to the product | 100% of the Company's products include information on their environmental and social impact. |
| Safe and responsible usage | 100% of the Company's products provide details on responsible and safe usage. Given the critical importance of vaccine safety, relevant information is prominently displayed on product labels in compliance with national and international drug regulatory requirements. |
| Recycling and/or safe disposal | 100% of the Company's products include recycling and safe disposal instructions in accordance with statutory regulations set by the Pollution Control Boards. |

3. Number of consumer complaints in respect of the following:

| Particulars | FY 2025-26 | | | FY 2024-25 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | Nil | | Nil | Nil | |
| Advertising | Nil | Nil | | Nil | Nil | |
| Cyber-security | Nil | Nil | | Nil | Nil | |
| Delivery of essential services | Nil | Nil | | Nil | Nil | |
| Restrictive Trade Practices | Nil | Nil | | Nil | Nil | |
| Unfair Trade Practices | Nil | Nil | | Nil | Nil | |
| Other | Nil | Nil | | Nil | Nil | |

During the financial year 2025-26, there have been no complaints from customers across any parameters.

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil | |
| Forced recalls | Nil | |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has in place a cybersecurity policy and an established framework to manage risks related to data privacy and information security. The policy covers risk identification, assessment, mitigation and continuous monitoring through defined IT controls and processes. A dedicated IT function oversees implementation and conducts periodic assessments to address potential vulnerabilities. The policy is publicly accessible on our website at <https://www.hester.in/corporate-governance>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During FY 2025–26, there were no reported issues relating to advertising, delivery of essential services, cybersecurity, or customer data privacy. There were no product recalls and no penalties or actions from regulatory authorities on product or service safety. As a result, no corrective actions were required during the year.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

No instances of data breach has been occurred during the financial year 2025-26.

