

Business Responsibility and Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

Sr. No	Particulars
1.	Corporate Identity Number (CIN) of the Company L24100GJ2019PLC110964
2.	Name of the Company Aarti Pharmalabs Limited
3.	Year of Incorporation 22.11.2019
4.	Registered office address Plot No 22/C/1 & 22/C/2, 1 st Phase, GIDC Vapi 396195, Valsad, Gujarat
5.	Corporate office address 204, Udyog Kshetra, 2 nd floor, Mulund Goregaon Link Road, Mulund West, Mumbai-400080 Maharashtra
6.	E-mail id info@aartipharmalabs.com
7.	Telephone +91 022-69436100
8.	Website www.aartipharmalabs.com
9.	Financial year for which reporting is being done April 1, 2023, to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed a. BSE Limited b. National Stock Exchange of India Limited
11.	Paid-up capital ₹ 45,31,30,040.00
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report Smt. Hetal Gogri Gala Vice Chairperson & Managing Director Tel: +91 022-69436100 Email: infoapi@aartipharmalabs.com
13.	Reporting boundary Standalone basis
14.	Name of assurance provider Not Applicable, as BRSR Core Assurance is not mandatory for the Company.
15.	Type of assurance obtained

II. Products/services

16. Details of business activities

Sr. No.	Description of main activity	Description of business activity	% of total turnover contributed
1	Manufacturing of Pharmaceuticals and Nutraceuticals	Development of Active Pharmaceutical Ingredients (API) and New Chemical Entities (NCE), API intermediates, Regulatory Starting Materials (RSM), Basic Starting Materials, Key Building Blocks, and Xanthine Derivatives for use in clinical testing and commercial production.	99.7%

17. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	API (Active Pharmaceutical Ingredients), Pharmaceutical Intermediates, New Chemical Entities	210	79.56%
2	Xanthine Derivatives	1104	20.14%

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	14*	3	17
International	0	0	0

*3 R&D units of the company is included under Number of plants.

19. Markets served by the entity

- a. **Number of locations – This refers to locations where goods were transported to during the financial year, however the consumption of final product & even customer footprint is larger.**

Locations	Number
National (No. of states)	20
International (No. of countries)	64

- b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

The company has a global presence with exports accounting for approximately 51% of its revenue.

- c. **A brief on types of customers**

Aarti Pharamalabs Limited is a leader in the B2B sector, providing a wide range of services to diverse industries. Our extensive client base includes sectors such as pharmaceuticals, food and beverages, polymers and additives, agrochemicals, intermediates for innovators, dyes, and pigments. We cater to both national and international markets, tailoring our offerings to meet the unique needs and demands of our clients.

IV. EMPLOYEES

20. Details as of March 31, 2024

- a. **Employees and workers (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	1,627	1,543	94.83%	84	5.17%
2	Other than permanent (E)	87	67	77.01%	20	22.99%
3	Total employees (D + E)	1,714	1,610	93.93%	104	6.07%
WORKERS						
4	Permanent (F)	468	468	100.0%	0	0.0%
5	Other than permanent (G)	1,001	994	99.30%	7	0.70%
6	Total workers (F + G)	1,469	1,462	99.93%	7	0.07%

- b. **Differently abled employees**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	2	2	100%	0	0%
2	Other than permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	2	2	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	1	1	100%	0	0%
5	Other than permanent (G)	0	0	0%	0	0%
6	Total differently abled workers (F + G)	1	1	100%	0	0%

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10*	3	33.33%
Key Management Personnel (other than BoD)	2	0	0%

* The Board of Directors consist of 2 Managing Directors and 8 Non-Executive Directors. Besides, the Company Secretary and Chief Financial Officer have been considered for the purpose of Key Management Personnel (under Section 203 of the CA 2013). Besides, the Executive Directors have not been considered again under the Key Managerial Personnel, since they have been separately disclosed under the Board of Directors.

22. Turnover rate for permanent employees

	FY 2023-24 (%)			FY 2022-23 (%)			FY 2021-22 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.17	8.25	9.02	11.67	15.27	11.85	12.82	22.58	13.27
Permanent Workers	4.77	0	4.77	8.09	0	8.09	9.33	0	9.33

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. 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	Ganesh Polychem Limited	Jointly Controlled	50%	No
2	Aarti USA Inc.	Subsidiary	100%	No
3	Aarti Pharmachem Limited	Subsidiary	100%	No

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover : ₹ 15,02,13,19,770.00
(iii) Net worth : ₹ 16,21,45,97,787.00

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 (NGRBC)**

The Company's key stakeholders include investors, customers, employees, value chain partners/ suppliers and community besides governments/regulatory authorities.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		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	-	0	0	-	0	0	-
Investors (other than shareholders)	https://www.aartipharmalabs.com/investors-relations	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		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
Shareholders	https://www.aartipharmalabs.com/investors-relations	0	0	-	0	0	-
Employees and workers	https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf	0	0	-	0	0	-
Customers	https://www.aartipharmalabs.com/contact	17	3	APL shall ensure timely resolution of all the pending complaints	16	3	All Complaints were resolved successfully
Value Chain Partners	https://www.aartipharmalabs.com/contact	0	0	-	0	0	-

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

Material topic identification was conducted through a survey with key stakeholders identified. Board members, Investors/Analysts, Employees, Customers, Bankers, and Suppliers have participated in the survey. The material topics are suitably incorporated in the Environment, Social and Governance (ESG) Strategy of the Company.

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1.	Learning and Development	Opportunity	Investing in employee learning and development ensures a skilled and motivated workforce, enhancing innovation and productivity.	NA	Positive
2.	Material Sourcing and Efficiency	Risk and Opportunity	Efficient sourcing reduces costs and environmental impact, while poor practices can lead to supply chain disruptions.	Implement stringent supplier assessments and sustainable sourcing practices.	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
3.	Supplier Environmental Assessment	Risk	Ensuring suppliers meet environmental standards reduces APL's exposure to environmental risks and regulatory penalties.	Regular audits and collaboration with suppliers to improve environmental performance.	Negative
4.	Supplier Social Assessment	Risk	Ensuring suppliers adhere to social standards mitigates risks related to labor practices and human rights violations.	Conduct regular social audits and engage in supplier development programs.	Negative
5.	GHG Emissions	Risk	High GHG emissions expose APL to regulatory penalties and reputational damage.	Implement emission reduction strategies and invest in cleaner technologies.	Negative
6.	Climate Change	Risk and Opportunity	Climate change poses risks to operations but also offers opportunities for innovation in sustainability.	Develop climate resilience strategies and reduce carbon footprint.	Positive
7.	Energy Management	Risk and Opportunity	Efficient energy use reduces costs and environmental impact, while poor management can lead to higher expenses and emissions.	Implement energy-efficient technologies and practices.	Positive
8.	Economic Performance	Risk and Opportunity	Strong economic performance ensures business viability, while poor performance can threaten sustainability.	Implement robust financial management and strategic planning.	Positive
9.	Employee Wellbeing	Opportunity	Promoting employee wellbeing enhances productivity, reduces absenteeism, and improves job satisfaction.	NA	Positive
10.	Waste Management	Risk and Opportunity	Efficient waste management reduces environmental impact and compliance risks while offering opportunities for resource recovery.	Implement comprehensive waste reduction and recycling programs.	Positive
11.	Water Management	Risk and Opportunity	Effective water management ensures resource availability and reduces environmental impact, while poor management can lead to scarcity and regulatory issues.	Implement water-saving technologies and practices.	Positive
12.	Business Ethics	Risk	Upholding high ethical standards mitigates risks related to legal issues and reputational damage.	Implement robust ethics training and compliance programs.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
13.	Risk Management	Risk and Opportunity	Proactive risk management mitigates potential operational, financial, and reputational risks.	Develop and implement comprehensive risk management frameworks.	Positive
14.	Data Privacy and Security	Risk	Ensuring data privacy and security protects against breaches, legal penalties, and reputational damage.	Implement robust cybersecurity measures and data protection policies.	Negative
15.	Indirect Economic Impacts	Risk and Opportunity	Understanding and managing indirect economic impacts can mitigate risks and create opportunities for community development and business growth.	Engage with stakeholders to identify and manage indirect impacts.	Positive
16.	Marketing and Labeling	Risk	Accurate marketing and labeling ensure regulatory compliance and build consumer trust, while inaccuracies can lead to legal issues and reputational damage.	Implement stringent quality control and compliance checks.	Negative
17.	Product Quality and Safety	Risk	Ensuring product quality and safety protects consumer health, complies with regulations, and maintains APL's reputation.	Implement rigorous quality control and safety testing procedures.	Negative
18.	Compliance	Risk	Compliance with laws and regulations prevents legal penalties and maintains operational integrity.	Implement comprehensive compliance programs and regular audits.	Negative
19.	Air Quality	Risk	Maintaining good air quality reduces health risks and ensures regulatory compliance.	Implement emission controls and regular monitoring.	Negative
20.	Diversity and Equal Opportunity	Opportunity	Promoting diversity and equal opportunity fosters innovation, improves employee morale, and enhances reputation.	NA	Positive
21.	Occupational Health and Safety	Risk	Ensuring occupational health and safety prevents workplace accidents, reduces absenteeism, and complies with regulations.	Implement robust health and safety programs and training.	Negative
22.	Customer Health and Safety	Risk	Prioritizing customer health and safety maintains trust, complies with regulations, and protects against legal issues.	Implement strict quality control and safety measures.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
23.	Local Communities (CSR)	Opportunity	Engaging with local communities through CSR initiatives fosters goodwill, enhances reputation, and contributes to sustainable development.	NA	Positive
24.	Non-discrimination	Opportunity	Upholding non-discrimination policies ensures a fair and inclusive workplace, enhancing employee satisfaction and reputation.	NA	Positive
25.	Human Rights	Risk	Ensuring respect for human rights in operations and supply chains mitigates risks related to legal issues and reputational damage.	Implement and enforce human rights policies and supplier codes of conduct.	Negative
26.	Access to Healthcare	Opportunity	APL can contribute to improved public health by ensuring access to affordable and effective pharmaceutical products.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESS									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
c. Web Link of the Policies, if available.	<p>P1:</p> <ul style="list-style-type: none"> Code of Ethical Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf Vigil Mechanism: https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf Risk Management Policy: https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf Supplier Code of Conduct: https://www.aartipharmalabs.com/files/supplier-code-of-conduct.pdf <p>P2:</p> <ul style="list-style-type: none"> Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.aartipharmalabs.com/files/hse-policy-english.pdf Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022.pdf Responsible Procurement Policy: https://www.aartipharmalabs.com/files/responsible-procurement-policy.pdf <p>P3:</p> <ul style="list-style-type: none"> Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.aartipharmalabs.com/files/hse-policy-english.pdf Prevention of Sexual Harassment (PoSH) Policy: https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf People Policy: https://www.aartipharmalabs.com/files/people-policy.pdf <p>P4:</p> <ul style="list-style-type: none"> People Policy: https://www.aartipharmalabs.com/files/people-policy.pdf Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf Supplier Code of Conduct: https://www.aartipharmalabs.com/files/supplier-code-of-conduct.pdf 								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<p>P5:</p> <ul style="list-style-type: none"> Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.aartipharmalabs.com/files/hse-policy-english.pdf People Policy: https://www.aartipharmalabs.com/files/people-policy.pdf Code of Ethical Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf Supplier Code of Conduct: https://www.aartipharmalabs.com/files/supplier-code-of-conduct.pdf <p>P6:</p> <ul style="list-style-type: none"> Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.aartipharmalabs.com/files/hse-policy-english.pdf Supplier Code of Conduct: https://www.aartipharmalabs.com/files/supplier-code-of-conduct.pdf <p>P8:</p> <ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf <p>P9:</p> <ul style="list-style-type: none"> Information Security Policy: https://www.aartipharmalabs.com/investors/information-security-policy.pdf Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022.pdf 								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, each department/function maintains its own set of procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we have dedicated supplier code of conduct which covers all the applicable aspects under the BRSR principles.								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	<p>The national and international codes/certifications/labels/standards are as follows:</p> <ul style="list-style-type: none"> FDCA (Manufacturing License) FDA Maharashtra FDCA (GMP) Export Inspection Council ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 FSSAI FSSC 22000 Star – K Kosher 								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals targets and performance by the entity with defined timelines, if any.									
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)									Refer to the Managing Director’s message of the Annual report FY 2023-24.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).									Smt. Hetal Gogri Gala, Vice Chairperson & Managing Director (DIN: 00005499) and Shri Narendra J. Salvi, Managing Director (DIN: 00299202) are responsible for implementation and oversight of the Business Responsibility policies.
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.									At present, the Company does not have a dedicated Board-level leader for sustainability-related issues. However, the CSR Committee oversees broader ESG aspects under the Board’s guidance.
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								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action									
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances									The Company is in compliance with the extant regulations, as applicable.
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									Yes, the Company has undertaken any third-party assessments of its policies however shall continue to take up internal assessments periodically to ensure smooth implementation of the policies. We are in the process of undertaking independent third-party assurance for our sustainability performance. For the reporting year, the authenticity of the data and systems disclosed in our sustainability disclosures has been assured by an independent third-party assurance provider. This assurance was provided as per AA1000AS v3 ‘Type 2 - Moderate’ Assurance. Additionally, relevant third-party assessments and certifications are periodically conducted across our business units.

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)									
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)						Not Applicable			
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE**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**

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	1	We regularly conduct familiarization programs for our Board of Directors, Key Managerial Personnel, Employees and Workers. These programs cover topics such as Code of conduct, anti-bribery and anti-corruption, human rights, health and safety as well as various other regulatory updates.	100%
Key Managerial Personnel	1		100%
Employees other than BOD and KMPs			80.57%
Workers	1,159		84.11%

* Training and awareness programmes for employees other than BoD and KMP, and workers were conducted collectively.

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, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

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

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.

Not Applicable as there were no monetary and non-monetary cases recorded during the reporting period.

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.

APL has a comprehensive and well-defined Code of Conduct and Vigil Mechanism policy that places significant emphasis on anti-corruption and anti-bribery practices. The Company firmly believes that all employees must uphold the principles outlined in these policies, fulfilling their responsibilities with the utmost faith, discretion, and care, while maintaining the highest standards of honesty, integrity, and fairness. The policy strictly prohibits the use or promise of bribery or any other unfair advantage, whether directly or indirectly, to gain or secure benefits. For more details, refer to

- Vigil mechanism Policy: <https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf>
- Code of Conduct: <https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf>

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

	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of KMPs	0	-	0	-

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 as there were no fines or penalties reported during the reporting period.

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

	FY 2023-24	FY 2022-23
Number of days of accounts payables	83 days	58 days

9. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	13.94%	10.69%
	b. Number of trading houses where purchases are made from	107	102
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	10.52%	8.08%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	20%	19.5%
	b. Number of dealers / distributors to whom sales are made	90	85
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	10.73%	10.4%

Parameter	Metrics	FY 2023-24	FY 2022-23
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	16%	15%
	b. Sales (Sales to related parties / Total Sales)	6%	7%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	19%	25%
	d. Investments (Investments in related parties / Total Investments made)	34%	38%

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

1. **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.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	7.35%	4.33 %	<ul style="list-style-type: none"> Fume hoods for all laboratory Scrubbing Systems at new R&D Airflow monitoring system in fume hood
Capex	8.04%	13.90 %	<ul style="list-style-type: none"> MVR setups in Effluent treatment plants Upgradation of unit operations in ETP by new technologies/equipment. Indirect Cooling system for reactors Procurements of Air-breathing apparatus at new projects before start up

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes**
b. If yes, what percentage of inputs were sourced sustainably?
 Yes, the company has established a robust responsible procurement policy which acts as a guiding force for APL to implement sustainable measures along its value chain. 48.72% of the key raw material suppliers were assessed.
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.**
 APL adheres to the 3R principle—reduce, reuse, recycle—as a cornerstone of its waste management strategy, applied comprehensively across all operations to address every type of waste generated. Our facilities are equipped with robust waste management systems to support this commitment. We prioritize minimizing waste generation, promoting material reuse, and ensuring efficient recycling processes to conserve resources sustainably.
- A. Plastic Waste: All plastic waste is directed to authorized recyclers for further processing.
- B. E-Waste: Generated e-waste undergoes safe disposal at authorized recycling facilities.
- C. Hazardous Waste: Hazardous waste is managed according to regulatory guidelines, including disposal at CHWTSDF sites for landfill or incineration. Some categories are sent to authorized recyclers as per consent conditions outlined in the Hazardous and Other Waste (M & TM) Rules, 2016. Recently, APL obtained consent to send hazardous waste to an authorized pre-processor and coprocessor, advancing responsible waste management practices.
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, APL's waste collection plan aligns with the Extended Producer Responsibility (EPR) plan. The company has received its EPR targets from the Central Pollution Control Board (CPCB), and activities related to EPR implementation are currently underway. APL is registered with CPCB for EPR compliance, demonstrating its commitment to responsible environmental stewardship.

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	
		No. (B)	% (B/A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
PERMANENT EMPLOYEES											
Male	1,543	1,543	100.00%	1,543	100.00%	0	0.00%	0	0%	0	0.00%
Female	84	84	100.00%	84	100.00%	84	100.00%	0	0%	0	0.00%
Total	1,627	1,627	100.00%	1,627	100.00%	84	100.00%	0	0%	0	0.00%
OTHER THAN PERMANENT EMPLOYEES											
Male	67	2	2.98%	67	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	20	0	0.00%	20	100.00%	20	100.00%	0	0.00%	0	0.00%
Total	87	2	2.29%	87	100.00%	20	22.98%	0	0.00%	0	0.00%

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	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
PERMANENT WORKERS											
Male	468	468	100.00%	468	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	468	468	100.00%	468	100.00%	0	0.00%	0	0.00%	0	0.00%
OTHER THAN PERMANENT WORKERS											
Male	994	0	0.00%	994	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	7	0	0.00%	7	100.00%	7	100.00%	0	0.00%	0	0.00%
Total	1,001	0	0.00%	1,001	100.00%	7	0.70%	0	0.00%	0	0.00%

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	1%	1%

2. Details of retirement benefits for the current and previous financial year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	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 employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	90.43%	67.99%	Y	100%	100%	Y
Gratuity	94.92%	67.99%	Y	100%	100%	Y
Employee State Insurance (ESI)	11.90%	100%	Y	100%	100%	Y

3. **Accessibility of workplaces: Are the premises/offices accessible to differently abled employees 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.**
APL's offices have been well equipped with accessibility measures such as rails, ramps and wheelchairs to facilitate the movement of differently-abled employees 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.**

Yes; the entity has laid out the necessary provisions in the HR Policy in line with the Rights of Persons with Disabilities Act, 2016. The Company ensures compliance of 100% employee related applicable statutes which ensures social security. For more details <https://www.aartipharmalabs.com/responsible-workforce>

5. **Return to work and retention rates of permanent employees that took parental leave.**

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	NA	NA
Female	100%	80%
Total	100%	80%

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	Yes
Permanent Workers	Yes
Other than Permanent Workers	Yes

APL has established a Vigil Mechanism policy that defines the grievance mechanisms for employees and workers. For more details, refer to Vigil mechanism Policy: <https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf>

7. Membership of employees in association(s) or unions

Category	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees (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 (D)	% (D / C)
Total Permanent Employees	1,627	0	0.00%	1,400	0	0.00%
Male	1,543	0	0.00%	1,328	0	0.00%
Female	84	0	0.00%	72	0	0.00%
Total Permanent Workers	468	140	29.91%	642	125	19%
Male	468	140	29.91%	642	125	19%
Female	0	0	0.00%	0	0	0%

8. Details of training given to employees

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety/ wellness measures		On skill upgradation		Total (A)	On health and safety measures/ wellness		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES										
Male	1,610	1,316	81.74%	1,162	72.17%	1,328	1,328	100%	1,195	90%
Female	104	62	59.61%	65	62.5%	72	72	100%	52	72%
Total	1,714	1,378	80.40%	1,227	71.58%	1,400	1,400	100%	1,247	89%
WORKERS										
Male	1462	210	14.36%	490	33.51%	642	642	100%	642	100%
Female	7	3	42.85%	2	28.57%	0	0	0%	0	0%
Total	1,469	213	14.49%	492	33.49%	642	642	100%	642	100%

9. Details of performance and career development reviews* of employees

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
EMPLOYEES						
Male	1,529	1,316	86.07%	1,328	1,135	85%
Female	85	66	77.65%	72	56	77%
Total	1,614	1,382	85.62%	1,400	1,191	85%
Workers						
Male	468	458	97.86%	642	606	94%
Female	0	0	0	0	0	0%
Total	468	458	97.86%	642	606	94%

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 of such system?

Yes, APL maintains an ISO 45001 certified occupational health and safety management system. The company is dedicated to continually improving its safety protocols to achieve a zero-incidence goal. A detailed Health, Safety, and Environment (HSE) manual reinforces the group's "Safety first" legacy, ensuring comprehensive coverage across all operations. APL conducts extensive training and awareness programs to prevent unsafe working conditions and mitigate potential risks, encompassing both employees and contractors with a 100% coverage rate.

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

To identify and assess work-related hazards and risks, APL conducts periodic meetings involving all operational safety personnel. The company's ISO 45001:2018 certification ensures adherence to comprehensive safety standards and protocols, aimed at achieving operational excellence. APL also conducts regular safety trainings and assessments to ensure employee welfare.

Routine safety measures include Hazard Identification and Risk Assessment (HIRA), HAZOP (for process deviation), what-if analysis, hazard checklists, and Quantitative Risk/Impact Assessment (QRA) during project stages. For non-routine work, APL utilizes Job Safety Analysis (JSA) to enhance safety protocols and mitigate potential risks effectively.

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

Yes, Aarti Pharmed Labs Limited has implemented various modules following APMS guidelines to enhance safety and enable workers to report work-related hazards effectively. These modules include General Plant Condition, Unsafe Acts, Unsafe Conditions, Near Miss reporting, Behaviour Based Safety, and Tool Box Talks. Reports are submitted through the INTELEX module or via the G-suite platform. The company prioritizes social security and maintains a proactive approach to ensuring a safe working environment for all.

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

Yes, APL provides coverage for its employees and workers through a Group Term Life Insurance Policy. The company has partnered with hospitals that offer visiting doctors to provide non-occupational healthcare services. Additionally, APL runs a vaccination program aimed at preventing contagious diseases such as Hepatitis B and tetanus among its workforce.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.42
	Workers	0.32	0.31
Total recordable work-related injuries	Employees	0	2
	Workers	1	1
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Aarti Pharmed Labs Limited has developed a comprehensive Health, Safety, and Environment (HSE) policy aimed at ensuring a secure and healthy workplace for all individuals. The company is committed to compliance with the Factory Act of 1948. To enhance process safety, APL implements hazard checklists and conducts regular Hazard and Operability Studies (HAZOP) at its facilities. A dedicated process safety laboratory actively identifies potential hazards associated with both new and existing processes.

In line with the APMS (Aarti Pharmed Labs Management System) guidelines, APL adopts various measures including the Permit system, General Plant Condition assessments, Management of Change protocols, and Pre Start-up Safety Reviews to uphold safety standards. Advanced scrubbing systems and air ventilation systems are installed across sites to mitigate workplace exposures.

APL has also instituted an Industrial Hygiene program to identify operations that could pose hazardous exposures. Regular medical check-ups are conducted for employees and contract workers, supported by trained medical personnel onsite to handle work-related emergencies. The company ensures the availability of necessary and specialized Personal Protective Equipment (PPE) tailored to specific operations. Additionally, APL provides compensation for accidents or mishaps to prioritize the well-being of its workforce.

13. Number of complaints on the following made by employees

	FY 2023-24			FY 2022-23		
	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	0	0	-	0	0	-
Health and safety	0	0	-	0	0	-

14. Assessments for the year.

	% 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 and safety practices and working conditions.

We have a well-established procedure where an Environmental, Health, and Safety (EHS) assessment is conducted before undertaking any project. Currently, there are no significant risks/concerns identified from the health and safety assessments.

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.

At APL, our key stakeholders encompass customers, investors, board members, employees, clients, suppliers, the community, and regulators, among others. We prioritize building trust and fostering collaborative relationships with these stakeholders, believing it is integral to our success. Effective communication with stakeholders forms a cornerstone of our strategy. Over the years, we have nurtured strong relationships based on trust and mutual respect. Through regular engagement across various channels, we actively listen to their needs and aspirations, ensuring our initiatives align closely with their expectations.

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

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board and Committees	No	Presentations, reports, surveys, awareness sessions	Quarterly and as needed	Oversight of operations, business performance, risks and opportunities, strategy alignment, ESG initiatives, compliance, and crisis management.
Employees and Workers	No	Email, website, notice boards, training sessions, surveys	Daily	Engagement to foster a safe, inclusive workplace, provide updates on company and industry developments, encourage feedback and innovation, and support professional growth.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	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	No	Supplier audits, meetings, topic-based engagement	Frequent and as needed	Ensure business continuity, quality compliance, address ESG parameters, and resolve product-related issues and feedback.
Customers	No	Customer meetings, audits, surveys, structured engagements	Frequent	Enhance market share, introduce new products, ensure fair business practices, and address customer feedback and queries.
Government and Regulators	No	Submissions, meetings, emails, website	Need-based	Compliance with regulations, facilitate product development and manufacturing, and uphold high standards of operational compliance.
Community	Yes	Physical visits, digital channels	Frequent and as needed	Support sustainable development, address local community needs, focus on health, education, gender equality, afforestation, and infrastructure development.
Investors/Financial Partners	No	Investor meetings, conferences, earnings calls, press releases	Frequent and as needed	Provide updates on financial performance, strategic direction, sustainability goals, and significant events impacting the company's performance.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS
Essential Indicators
1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees covered (B)	% (B / A)	Total (C)	No. of employees covered (D)	% (D / C)
EMPLOYEES						
Permanent	1,627	1,347	82.79%	1,400	885	63.21%
Other than permanent	87	0	0.00%	0	0	0%
Total Employees	1,714	1,347	78.58%	1,400	885	63.21%
WORKERS						
Permanent	468	467	99.78%	642	389	60.59%
Other than permanent	994	0	0.00%	866	433	50%
Total Workers	1,001	467	46.65%	1,508	822	54.5%

2. Details of minimum wages paid to employees

Category	FY 2023-24					FY 2022-23				
	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	1,627	0	0	1,627	100%	1,400	0	0	1,400	100%
Male	1,543	0	0.00%	1,543	100.00%	1,328	0	0%	1,328	100%
Female	84	0	0.00%	84	100.00%	72	0	0%	72	100%
Other than Permanent	0	0	0	0	0%	0	0	0	0	0%
Male	0	0	0	0	0%	0	0	0	0	0%
Female	0	0	0	0	0	0	0	0	0	0
WORKERS										
Permanent	468	0	0.00%	468	100.00%	642	0	0%	642	100%
Male	468	0	0.00%	468	100.00%	642	0	0%	642	100%
Female	0	0	0.00%	0	0.00%	0	0%	0	0%	0
Other than Permanent	1,001	1,001	100%	0	0%	886	886	100%	0	0
Male	994	994	100.00%	0	0.00%	886	886	100%	0	0%
Female	7	7	100.00%	0	0.00%	0	0	0%	0	0%

3. A. Details of remuneration/salary/Wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ Lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ Lakhs)
Board of Directors (BoD) (including whole-time directors)	1	Refer to Director's Report of our Annual Report FY 2023-24	1	Refer to Director's Report of our Annual Report FY 2023-24
Key Managerial Personnel (other than BoD)	2		0	
Employees other than BoD and KMP*	1,544	5.04	83	3.86
Workers	468	4.17	0	0

B. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	3%	3%

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, Aarti Pharmed Labs Limited is deeply committed to upholding and promoting high standards of human rights across all its operations. The Works Council plays a pivotal role in ensuring strict adherence to these principles as part of the company's corporate responsibility framework.

APL prioritizes the dignity and individual rights of every employee, worker, and external stakeholder engaged in its business activities. The company is steadfast in its commitment to ensuring that none of its operations compromise the human rights of its valued stakeholders. APL aims to cultivate a respectful and inclusive environment that enhances overall well-being within the organization.

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

Aarti Pharmed Labs Limited prioritizes the well-being and rights of all individuals associated with the company. The company has implemented a robust grievance redressal mechanism aimed at promptly and effectively addressing any human rights issues that may arise. APL fosters open communication and provides multiple channels for employees and stakeholders to report concerns or seek assistance.

A dedicated team is responsible for thoroughly investigating and resolving grievances in a fair and impartial manner, ensuring confidentiality throughout the process. APL is committed to continuously enhancing its grievance redressal process to maintain a safe and respectful environment for everyone involved.

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

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

Aarti Pharmed Labs Limited maintains a zero-tolerance policy towards any form of sexual harassment in the workplace. To address this issue effectively, the company has implemented a comprehensive grievance resolution procedure under its Prevention of Sexual Harassment (POSH) policy. APL has established a stringent Code of Conduct and HR Policy Manual that clearly outline expectations for appropriate employee behavior and provide measures for preventing and addressing complaints.

All employees, including new joiners, undergo PoSH training not only during induction but also at regular intervals throughout their tenure at APL. This training ensures awareness and understanding of the company's policies and procedures regarding sexual harassment prevention and redressal.

To ensure prompt and confidential resolution of complaints, APL has formed an Internal Complaints Committee dedicated to monitoring and addressing harassment complaints. This committee is tasked with taking appropriate actions in a timely manner while upholding strict confidentiality.

9. Do human rights requirements form part of your business agreements and contracts?

Yes; At APL, all the business agreements and contracts carry the clauses of human rights for promoting sustainable, fair and equitable competition for all its stakeholders.

10. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	45%
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks/concerns from the social assessment conducted.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT
Essential Indicators
1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D) GJ	2,87,347.98	2,50,463.13
Total fuel consumption (E) GJ	8,64,831.57	5,37,025.99
Energy consumption through other sources (F) GJ	1,31,548.79	0

Parameter	FY 2023-24	FY 2022-23
Total energy consumed from non-renewable sources (D+E+F) GJ	12,83,728.34	7,87,489.12
Total energy consumed (A+B+C+D+E+F) GJ	12,83,728.34	7,87,489.12
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000085	0.000052
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.001914	0.001155
Energy intensity in terms of physical output (GJ/Tonne)	46.25	31.55

* PPP – IMF conversion factors for FY 2023-24: 22.4 and FY 2022-23: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. - Yes, SustainEDGE Business Solutions Private Limited, a third party conducts an annual assurance on sustainability parameters reported in the Sustainability report of the Company. The assurance is performed for 2023-2024.

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.**

Not applicable

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

Safety Incident/Number	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface Water	-	-
(ii) Ground Water	-	-
(iii) Third Party Water	3,91,904	4,04,898
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,91,904	4,04,898
Total volume of water consumption (in kilolitres)	3,91,904	4,04,898
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00002609	0.00002679
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.000584	0.000594
Water intensity in terms of physical output (KL/Tonne)	14.12	16.22

* PPP – IMF conversion factors for FY 2023-24: 22.4 and FY 2022-23: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

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. - Yes, SustainEDGE Business Solutions Private Limited, a third party conducts an annual assurance on sustainability parameters reported in the Sustainability report of the Company. The assurance is performed for 2023-2024.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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

Yes, Aarti Pharmed Labs Limited (APL) has implemented a comprehensive mechanism to achieve Zero Liquid Discharge (ZLD) across all its units. The company ensures 100% recycling of liquid waste generated and has established the necessary infrastructure and systems to comply with ZLD conditions specified by the Consent to Operate (CTO) requirements. This commitment highlights APL's dedication to sustainable practices and responsible waste management.

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

Parameter	Specify Unit	FY 2023-24	FY 2022-23
NOx	tons	122.83	88.83
SOx	tons	320.44	380.23
Particulate matter (PM)	tons	361.38	386.47
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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. - Yes, SustainEDGE Business Solutions Private Limited, a third party conducts an annual assurance on sustainability parameters reported in the Sustainability report of the Company. The assurance is performed for 2023-2024.

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

Parameter	Unit	FY 2023-24	FY 2022-23
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	88,101.32	37,390
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	95,764.46	79,746
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.00001224	0.00000775

Parameter	Unit	FY 2023-24	FY 2022-23
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 adjusted for PPP)	Metric tonnes of CO ₂ equivalent per Rupee	0.000274	0.000172
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent per tonne of production	6.62	4.69

* PPP – IMF conversion factors for FY 2023-24: 22.4 and FY 2022-23: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

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 - Yes, SustainEDGE Business Solutions Private Limited, a third party conducts an annual assurance on sustainability parameters reported in the Sustainability report of the Company. The assurance is performed for 2023-2024.

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

Yes, a solar energy project is currently underway in the Akola district of Maharashtra. This initiative is part of Aarti Pharmalabs Limited's commitment to sustainable energy solutions. The project aims to harness solar power to reduce the company's carbon footprint and promote renewable energy usage. The installation is progressing well and is expected to be completed by December 2024. Once operational, this solar energy project will significantly contribute to the region's clean energy generation, aligning with APL's broader environmental goals.

9. Provide details related to waste management by the entity, in the following format:

Parameter (in metric tonnes)	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	98.48	72.66
E-waste recycled (B)	1.72	2.13
Bio-medical waste (C)	0.80	0.19
Construction and demolition waste (D)	0.00	17.5
Battery waste (E)	4.44	1.22
Radioactive waste (F)	0.00	0
Other Hazardous waste. Please specify, if any. (G)	12,702.62	4,770.32
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	868.28	873.94
Total (A+B + C + D + E + F + G + H)	13,676.33	5,737.96
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000091	0.00000038

Parameter (in metric tonnes)	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP)	0.000020	0.000008
Waste intensity in terms of physical output (Tonne/Tonne of Production)	0.49	0.23
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	3,072.52	2,004.71
(ii) Re-used	0.32	4051.84
(iii) Other recovery operations	0	0
Total	3,072.84	6,056.55
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1,091.89	545.27
(ii) Landfilling	9,429.03	8,472.9
(iii) Other disposal operations	0	0
Total	10,520.92	9,018.17

* PPP – IMF conversion factors for FY 2023-24: 22.4 and FY 2022-23: 22.17

(Source - <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>)

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. - Yes, SustainEDGE Business Solutions Private Limited, a third party conducts an annual assurance on sustainability parameters reported in the Sustainability report of the Company. The assurance is performed for 2023-2024.

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.

APL has established a robust waste management system focused on environmental sustainability and responsible disposal practices. The company acknowledges the critical importance of reducing the environmental impact of its operations and efficiently managing the waste produced during its processes.

APL's waste management strategy is crafted to meet the highest industry standards and regulatory requirements. The company employs a systematic approach to identify, segregate, handle, treat, and dispose of waste in an environmentally safe manner. APL's objectives include minimizing waste generation, promoting recycling and reuse, and ensuring the proper disposal of hazardous waste.

- **Green Chemistry Integration:** During product design, APL integrates hazard checklists that adhere to green chemistry principles. The primary aim is to eliminate the use of toxic chemicals and design processes that reduce or entirely eliminate the production of hazardous waste. This approach follows a hierarchy of controls, actively seeking alternative materials and methods to decrease the use of harmful substances and minimize hazardous waste production.
- **Innovative By-Product Treatment:** In one of its product chains, APL has developed a specialized process to treat by-products and convert them into valuable resources. This innovative method significantly reduces environmental impact and supports sustainable practices.
- **Emission Management:** To manage emissions, APL's plants are equipped with advanced scrubber systems that effectively capture emissions and prevent their release into the environment.
- **Wastewater Management:** For wastewater management, APL has installed advanced treatment plants and water

recovery units employing technologies such as reverse osmosis (RO), multiple-effect evaporators (MEEs), and agitated thin film dryers (ATFD). These systems allow the recovery and reuse of water from wastewater streams. Recently, APL has adopted a Mechanical Vapour Recompression (MVR) system for treating industrial effluent and installed Sewage Treatment Plants (STP) for domestic effluent management.

- **Zero Liquid Discharge Policy:** As part of its commitment to environmental sustainability, APL has implemented a zero liquid discharge policy across all its units. This policy ensures that no liquid waste is discharged, as all water resources are effectively treated and reused within its operations.

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.

None of our operational sites are situated in ecologically sensitive areas.

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

No, during the reporting year there were no projects eligible for undertaking the EIA.

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, Aarti Pharmed Labs Limited is in full compliance with all applicable laws and regulations as per the Environmental Protection Act of 1986, the Water (Prevention and Control of Pollution) Act of 1974, and the Air (Prevention and Control of Pollution) Act of 1981. The company closely monitors and ensures adherence to these stringent environmental standards.

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.

Currently, Aarti Pharmed Labs is not affiliated with any chambers/associations, however the company is a participant of the United Nations Global Compact of India Network (UNGCI).

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:

Currently, Aarti Pharmed Labs is not affiliated with any chambers/associations, however the company is a participant of the United Nations Global Compact of India Network (UNGCI).

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.

Nil. No adverse orders received from regulatory authorities.

PRINCIPLE 8: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

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

Not Applicable, the Company has not undertaken any SIA during the reporting period.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

Not Applicable, the company has not undertaken any projects which required R&R.

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

APL is deeply committed to being a responsible corporate citizen and maintaining positive relationships with the communities in which it operates. To enhance transparency and accountability, the company will establish a grievance redressal mechanism for these communities. This platform will allow community members to voice their concerns, provide feedback, and seek resolution regarding any operational issues. APL recognizes the importance of actively engaging with and addressing community concerns, and this mechanism will be crucial in fostering open dialogue and building trust.

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

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	14.95%	14%
Sourced directly from within the district and neighbouring districts	15.22%	81%

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 2023-24	FY 2022-23
Rural	0	0
Semi-Urban	38.16%	39.84%
Urban	26.17%	26.70%
Metropolitan	35.67%	33.46%

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.

APL has developed a robust system to effectively address and resolve consumer complaints. The company’s dedicated marketing department serves as the primary point of contact for these complaints, promptly forwarding them to the Quality department based on their nature and specifics.

APL prioritizes resolving consumer complaints quickly and efficiently. Our skilled and experienced Quality team diligently investigates each complaint to determine the appropriate course of action, ensuring the highest standards of product quality are maintained.

Committed to meeting customer expectations, APL aims to continuously improve its products and services through our consumer complaint resolution mechanism, thereby strengthening our bond with valued customers.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%, The company provides safety data sheets that are shared with the customers for all its products wherever applicable and as required. Our products are not sold to retail customers as it is and therefore product information is not provided.
Safe and responsible usage	
Recycling and/or safe disposal	

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

Category	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-

Category	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	2	1	APL shall ensure timely resolution of all the pending complaints	2	0	NA
Others	15	1	APL shall ensure timely resolution of all the pending complaints	16	3	All pending complaints have been closed.

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

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

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.

Yes, APL has established rigorous measures and guidelines to protect sensitive information and maintain data confidentiality. The company adheres to an Information Security policy approved by the Board, demonstrating our dedication to data privacy and outlining specific measures implemented. For more details, please refer to the policy via the following web link: <https://www.aartipharmalabs.com/investors/information-security-policy.pdf>

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.

No incidents reported hence no corrective actions

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - **Nil**
- Percentage of data breaches involving personally identifiable information of customers - **Nil**
- Impact, if any, of the data breaches – **Not Applicable**