

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE 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, 2024, to March 31, 2025
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	₹ 45,31,73,000.00
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 assessment or assurance provider	BRSR Core assurance is not mandatory for the Company, Aarti Pharmalabs Limited is undertaking it voluntarily as a proactive step to reinforce its commitment to transparency and responsible business conduct. The assurance is being carried out by SustainEDGE Business Solutions Pvt. Ltd., which is conducting a Type 2 Moderate Assurance of the Sustainability Report and BRSR Core indicators in accordance with AA1000AS standards.
15.	Type of assessment or assurance obtained	

II. PRODUCTS/SERVICES

16. Details of business activities

S. 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.	100%

17. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of turnover
1	API (Active Pharmaceutical Ingredients), Pharmaceutical Intermediates, New Chemical Entities	210	56.50
2	Xanthine Derivatives	1104	43.50

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	15*	3	18
International	0	0	0

* The number of plants mentioned includes our 3 dedicated R&D facilities.

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)	24
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 57.27% of its total turnover.

- c. A brief on types of customers

Aarti Pharmed Labs Limited caters to a diverse spectrum of B2B customers across both regulated and non-regulated markets. Its customer base includes global pharmaceutical innovators and generic manufacturers who require high-quality APIs, advanced intermediates, and CDMO services—particularly for highly regulated regions such as the US, EU, and Japan. The company also supplies specialty ingredients like xanthine derivatives to leading nutraceutical, food & beverage companies worldwide. Additionally, APL serves agrochemical manufacturers, polymer and plastics companies, and dye and pigment producers by offering performance additives, monomers, and high-purity chemical intermediates. The company's customer relationships are built on its strong regulatory compliance, backward integration, and ability to deliver customized, scalable, and reliable solutions tailored to specific industry needs.

IV. EMPLOYEES

20. Details as of March 31, 2025

- 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)	1728	1626	94.09%	102	5.90%
2.	Other than permanent (E)	4	4	100%	0	0%
3.	Total employees (D + E)	1732	1630	94.11%	102	5.89%
WORKERS						
1.	Permanent (F)	434	434	100%	0	0%
2.	Other than permanent (G)	839	813	96.90%	26	3.10%
3.	Total workers (F + G)	1273	1247	97.95%	26	2.05%

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						
1.	Permanent (F)	1	1	100	0	0
2.	Other than permanent (G)	0	0	0	0	0
3.	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	12	4	33.3%
Key Management Personnel (other than BoD)	2	0	0%

22. Turnover rate for permanent employees

	FY 2024-25 (%)			FY 2023-24 (%)			FY 2022-23 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employee	3.93	2.11	3.82	9.17	8.25	9.02	11.67	15.2	11.85
Permanent Workers	0.67	0	0.67	4.77	0	4.77	8.09	0	8.09

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

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover	: ₹ 17,71,35,18,000.00
(iii) Net worth	: ₹ 18,43,87,10,000.00
(iv) Total amount spent on CSR for FY25	: ₹ 4,30,52,000.00

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 2024-25			FY 2023-24		
		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	-
Shareholders	https://www.aartipharmalabs.com/investors-relations	0	0	-	0	0	-
Employees and workers	https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-2023.pdf	0	0	-	0	0	-
Customers	https://www.aartipharmalabs.com/contact	44	3	-	17	3	-
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:

S. 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 (Indicate positive or negative implications)
1.	Learning and Development	Opportunity	Investing in continuous learning and upskilling enhances employee capability, fosters innovation, and improves retention. It also prepares the workforce for future challenges, making the business more adaptive and competitive.	Not Applicable	Positive

S. 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 (Indicate positive or negative implications)
2.	Supplier Environmental Assessment	Risk	Suppliers operating without adequate environmental controls pose reputational and regulatory risks to APL. Proactive assessments ensure alignment with APL's sustainability standards and reduce risk exposure.	Conduct regular environmental audits, set supplier performance benchmarks, and initiate improvement plans where needed.	Negative
3.	Material Sourcing and Efficiency	Risk and Opportunity	Responsible sourcing reduces cost, improves supply chain resilience, and minimizes environmental impact. Inefficient sourcing can lead to delays, cost escalation, and non-compliance.	Enforce sustainable sourcing guidelines, supplier qualification protocols, and promote use of alternative materials.	Positive
4.	Supplier Social Assessment	Risk	Poor labour practices or human rights violations among suppliers can lead to reputational damage and legal consequences.	Conduct third-party audits and engage suppliers through training and corrective action programs.	Negative
5.	Climate Change	Risk and Opportunity	Climate-related events can disrupt operations but addressing them opens avenues for innovation in green technologies and products.	Develop climate resilience strategies, conduct scenario analysis, and invest in low-carbon technologies.	Positive
6.	GHG Emissions	Risk	High emissions can result in compliance risks, carbon taxation, and reputational loss in global supply chains.	Implement carbon accounting, switch to renewable energy sources, and track progress via emission intensity KPIs.	Negative
7.	Economic Performance	Risk and Opportunity	Sustained financial performance enables long-term investments in ESG and innovation. Weak performance can threaten viability.	Adopt strategic financial planning, cost efficiency programs, and revenue diversification.	Positive
8.	Energy Management	Risk and Opportunity	Energy efficiency reduces operating costs and emissions. Inefficiency increases exposure to volatile energy prices and regulatory scrutiny.	Invest in energy audits, LED lighting, automation, and renewable energy installations.	Positive

S. 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 (Indicate positive or negative implications)
9.	Employee Wellbeing	Opportunity	Enhancing wellbeing supports workforce productivity, reduces turnover, and improves overall engagement and morale.	Not Applicable	Positive
10.	Waste Management	Risk and Opportunity	Effective waste management ensures legal compliance, lowers environmental impact, and can unlock resource recovery value.	Establish waste segregation, recycling partnerships, and zero waste-to-landfill initiatives.	Positive
11.	Water Management	Risk and Opportunity	Efficient water use ensures resource security, reduces costs, and mitigates regulatory risks in water-scarce regions.	Install water meters, recycle process water, and adopt rainwater harvesting.	Positive
12.	Business Ethics	Risk	Unethical behaviour can result in legal actions, stakeholder distrust, and operational disruption.	Implement ethics helplines, training programs, and enforce a strong code of conduct.	Negative
13.	Risk Management	Risk and Opportunity	Robust risk management prevents operational disruptions and supports agile decision-making.	Develop enterprise risk frameworks and regularly review risk registers and mitigation plans.	Positive
14.	Data Privacy and Security	Risk	Data breaches can result in penalties, reputational loss, and business disruptions.	Implement cybersecurity infrastructure, conduct regular audits, and train employees on data protection.	Negative
15.	Indirect Economic Impacts	Risk and Opportunity	Understanding community-level impacts can drive inclusive growth and prevent opposition from local stakeholders.	Conduct socioeconomic assessments and align CSR activities with community needs.	Positive
16.	Marketing and Labelling	Risk	Inaccurate or misleading labelling can damage trust and result in regulatory penalties.	Ensure regulatory compliance through quality assurance and legal review processes.	Negative
17.	Product Quality and Safety	Risk	Product failures can lead to recalls, health hazards, and regulatory sanctions.	Maintain stringent quality checks, GMP compliance, and continuous training.	Negative

S. 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 (Indicate positive or negative implications)
18.	Compliance	Risk	Non-compliance with laws can attract fines, business restrictions, or litigation.	Conduct compliance audits, maintain a compliance calendar, and ensure regular legal updates.	Negative
19.	Air Quality	Risk	Industrial emissions can harm health and violate norms, affecting operations and community relations.	Adopt air filtration systems, monitor emissions, and comply with regulatory limits.	Negative
20.	Diversity and Equal Opportunity	Opportunity	Diverse teams foster innovation and improve workplace culture and stakeholder perception.	Not Applicable	Positive
21.	Occupational Health and Safety	Risk	Workplace incidents can result in injury, loss of life, and operational disruptions.	Implement EHS training, safety audits, and incident response systems.	Negative
22.	Customer Health and Safety	Risk	Unsafe products can damage reputation and expose the company to liability.	Ensure quality standards, pharmacovigilance, and transparent labelling.	Negative
23.	Local Communities (CSR)	Opportunity	Engaging with communities builds trust, ensures social license to operate, and contributes to regional development.	Not Applicable	Positive
24.	Non-discrimination	Opportunity	Fostering an inclusive workplace enhances reputation and employee engagement.	Not Applicable	Positive
25.	Human Rights	Risk	Violations can lead to litigation and reputational damage, especially in global supply chains.	Enforce supplier code of conduct and integrate human rights due diligence.	Negative
26.	Access to Healthcare	Opportunity	As a pharmaceutical company, APL can contribute to global and local health equity through its products.	Not Applicable	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	Y	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.	P1: - 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/investors/supplier-code-of-conduct.pdf P2: - Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf - Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022.pdf - Responsible Procurement Policy: https://www.aartipharmalabs.com/investors/responsible-procurement-policy.pdf https://www.aartipharmalabs.com/investors/standalone-responsible-procurement-policy.pdf P3: - Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
				- Prevention of Sexual Harassment (PoSH) Policy: https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf - People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf					
				P4:					
				- People Policy: https://www.aartipharmalabs.com/investors/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/investors/supplier-code-of-conduct.pdf					
				P5:					
				- Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf - People Policy: https://www.aartipharmalabs.com/investors/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/investors/supplier-code-of-conduct.pdf					
				P6:					
				- Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf - Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf					

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	P8: - Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf P9: - 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 a 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.	The national and international codes/certifications/labels/standards are as follows: - FDCA (Manufacturing License) - FDA Maharashtra - FDA (U.S. Food and Drug Administration) - FDCA (GMP) - Export Inspection Council - ISO 9001:2015 - ISO 14001:2015 - ISO 45001:2018 - FSSAI - FSSC 22000 - Star – K Kosher - Jamiat Ulama Halal Foundation (Mumbai, India) - Majelis Ulama (Halal) (Indonesia) - SEDEX, SMETA (SMETA 4 pillar Certified Company) - UNGC India Network - EcoVadis - CDP - Science Based Target Initiative (SBTi)								
5. Specific commitments, goals targets and performance by the entity with defined timelines, if any.	SBTi goal commitments & policies, https://www.aartipharmalabs.com/aarti-pharmalabs-imited-achieves-key-sustainability-milestone								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.									

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	At Aarti Pharmalabs Limited, we remain committed to integrating ESG principles into our core business strategy. In FY25, we strengthened our environmental performance, enhanced employee wellbeing and safety programs, and deepened our engagement with value chain partners. While we continue to face challenges such as climate-related risks and evolving regulatory expectations, we are proactively addressing them through structured targets and sustainability initiatives. For more detailed insights on our ESG priorities, challenges, and future outlook, please refer to the Managing Director's message in our Annual Report FY25.								
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 Risk Management Committee oversees broader sustainability aspects to provide guidance to the Management to ensure Safety and Sustainability impacts are duly addressed in all strategic initiatives under the Board's guidance. The Risk Management Committee comprises Mr. Rashesh Gogri, Ms. Hetal Gogri, Mr. Narendra Salvi, Mr. Rajendra Gogri, Mr. Parimal Desai and Mr. Vinay Nayak.								
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	All policies outlined have been approved by the Board and Senior Management of the Company. To ensure compliance and effectiveness, we conduct regular internal audits and reviews of all policies and processes. This ongoing evaluation guarantees that our policies and procedures align with industry standards and best practices.								
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	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes,theCompanyhasundertakenanythird-partyassessments 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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)									
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 give updates to our Board of Directors during the Board Meetings, on various matters pertaining to business updates, project updates, budget and governance. Over and above, other 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 for Key Managerial personnel, employees and workers.	100%
Key Managerial Personnel (Other than BoD)	2		100%
Employees other than BOD and KMPs	784		100%
Workers	760		100%

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 Requirements) 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 Compounding Fee	Principle 6: Businesses should respect and make efforts to protect and restore the environment	Gujarat Pollution Control Board (GPCB)	₹2,50,000 (Bank Guarantee) + interim Environment Damage Compensation	Closure directions issued under Section 33A of the Water (Prevention & Control of Pollution) Act, 1974 for the plant at Plot No. 22/C-1, Phase 1, GIDC Vapi, Gujarat, due to alleged violations of environmental norms. However, the GPCB revoked the closure directions subsequently.	No

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		NIL		
Punishment				

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

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 established a robust Code of Conduct and Vigil Mechanism policy centred on sustainability principles. The policy prioritizes combating corruption and bribery, underscoring the company's commitment to ethical practices. APL expects all employees to adhere strictly to these guidelines, conducting themselves with integrity, honesty, and fairness in all business dealings. The policy unequivocally prohibits bribery or any form of unfair advantage, emphasizing transparency and accountability in pursuit of sustainable practices.

For further information, please 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 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2024-25		FY 2023-24	
	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 2024-25	FY 2023-24
Number of days of accounts payables*	103 days	83 days

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, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	19.04	13.94
	b. Number of trading houses where purchases are made from	118	107
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	12.34	10.52
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	13	20
	b. Number of dealers / distributors to whom sales are made	148	90
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	6	10.73
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	11.38	16
	b. Sales (Sales to related parties / Total Sales)	8.84	6
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	90.59	19
	d. Investments (Investments in related parties / Total Investments made)	68.86	34

Leadership Indicators:

- Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	Sustainable Supply Chain, ESG, GHG emissions, BRSR Reporting, GRI reporting, Role of supplier in APL ESG journey.	28.93

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes. Aarti Pharmalabs Limited has established processes to manage conflicts of interest, as outlined in its Board-approved Code of Conduct. Directors are required to disclose any potential conflicts and recuse themselves from related decisions. Additionally, regular trainings are conducted to reinforce awareness and compliance with ethical and governance standards.

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

Essential Indicators:

- 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 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	36.23%	7.35%	Fume hoods, HVAC units, Scrubbers, Innovative technologies like flow reactors, etc.
Capex	23.74%	8.04%	Solar Powered Electricity Generation Plant, HVAC Units, Mechanical Vapour Recompression System, Scrubbers, Fire Extinguishers, etc.

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, APL has implemented a robust Responsible Procurement Policy that serves as a strategic framework to embed sustainability across its value chain. This policy guides the company in promoting ethical sourcing, environmental stewardship, and social responsibility. As part of this commitment, 40.52% of APL's key raw material suppliers have been assessed for alignment with the company's sustainability standards.

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 integrates the 3R principle—Reduce, Reuse, Recycle—into its core waste management strategy, ensuring its application across all operations and waste streams. This approach reflects the company's commitment to resource conservation and sustainable practices. Advanced waste management systems are in place at all facilities to support efficient handling, with a focus on minimizing waste generation, maximizing reuse opportunities, and facilitating responsible recycling.

- A. Plastic Waste: All plastic waste is systematically routed to authorized recyclers for environmentally sound processing.
- B. E-Waste: Electronic waste is safely disposed of through certified e-waste recyclers, ensuring compliance with environmental standards.
- C. Hazardous Waste: Managed in strict adherence to applicable regulations, hazardous waste is disposed of at Common Hazardous Waste Treatment, Storage, and Disposal Facilities (CHWTSDFs) through landfill or incineration. Select categories are also sent to authorized recyclers in accordance with consent conditions under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

This comprehensive approach enables APL to mitigate environmental impact while fostering a circular economy within its operations.

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 strategy is fully aligned with its Extended Producer Responsibility (EPR) plan, reflecting the company's proactive approach to environmental stewardship. APL has obtained its EPR targets from the Central Pollution Control Board (CPCB) and has initiated the necessary implementation activities to meet these obligations. As a registered entity with CPCB for EPR compliance, APL reinforces its commitment to managing post-consumer waste responsibly and contributing to a circular, sustainable economy.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the Product/ Service	% of turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web link.
210	Ramipril	6	Cradle to Gate	No	No
1104	Caffeine	32	Cradle to Gate	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

No. Currently, no significant social or environmental concerns or risks have been identified through Life Cycle Assessments or other evaluations related to the production or disposal of Aarti Pharmalabs' products and services.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Aarti Pharmed Limited's Active Pharmaceutical Ingredients (API) and Pharmaceutical Intermediates business segments currently do not utilize recycled input materials in their production processes, owing to the stringent quality, safety, and purity standards required in pharmaceutical manufacturing. However, in its Specialty Chemicals segment, the company adopts circular practices by reusing methanol and recycling sodium sulphate as input materials, contributing to resource efficiency and waste reduction.

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
Methanol	0.70%	0.65%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

Product reclamation is not applicable due to the nature of APL's bulk chemical and pharmaceutical products. Packaging materials such as drums, containers, and cartons are partially reclaimed and processed through authorized vendors.

	FY 2024-25			FY 2023-24		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	456.77 MT	NIL	NIL	330.53 MT
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

As a B2B chemical and pharmaceutical manufacturer, most products are supplied in bulk to industrial buyers, where reclamation at end-of-life is not directly applicable. However, APL facilitates safe return and recycling of packaging materials where feasible.

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	1626	1525	93.78	1626	100	0	0	0	0	0	0
Female	102	88	86.27	102	100	102	100	0	0	0	0
Total	1728	1613	93.34	1728	100	102	5.90	0	0	0	0
OTHER THAN PERMANENT EMPLOYEES											
Male	4	4	100	4	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	4	4	100	4	100	0	0	0	0	0	0

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	434	298	68.66	434	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	434	298	68.66	434	100	0	0	0	0	0	0
OTHER THAN PERMANENT WORKERS											
Male	813	0	0	813	100	0	0	0	0	0	0
Female	26	0	0	26	100	26	100	0	0	0	0
Total	839	0	0	839	100	26	3.1	0	0	0	0

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

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.43%	1%

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

Benefits	FY 2024-25			FY 2023-24		
	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	99.36	100	Y	90.43	67.99	Y
Gratuity	98.84	100	Y	94.92	67.99	Y
Employee State Insurance (ESI)	11.74	100	Y	11.90	100	Y
Others	-	-	-	-	-	-

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.

Yes. Aarti Pharamalabs Limited is committed to creating an inclusive and accessible work environment. The company ensures that its premises and offices are aligned, to the extent applicable.

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%	100%
Total	100%	100%

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

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

Category	FY 2024-25			FY 2023-24		
	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	1728	0	0	1627	0	0
Male	1626	0	0	1543	0	0
Female	102	0	0	84	0	0
Total Permanent Workers	434	132	30.41	468	140	29.91
Male	434	132	30.41	468	140	29.91
Female	0	0	0	0	0	0

8. Details of training given to employees

Category	FY 2024-25					FY 2023-24				
	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	1630	1630	100	1630	100	1,610	1,316	81.74	1,162	72.17
Female	102	102	100	102	100	104	62	59.61	65	62.5
Total	1732	1732	100	1732	100	1,714	1,378	80.40	1,227	71.58
	WORKERS									
Male	1247	1247	100	434	34.80	1462	210	14.36	490	33.51
Female	26	26	100	0	0	7	3	42.85	2	28.57
Total	1273	1723	100	434	25.18	1469	213	14.49	492	33.49

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	1630	1398	85.77	1,529	1,316	86.07
Female	102	69	67.64	85	66	77.65
Total	1732	1467	84.69	1,614	1,382	85.62
WORKERS						
Male	434	312	71.89	468	458	97.86
Female	0	0	0	0	0	0
Total	434	312	71.89	468	458	97.86

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 a system?

Yes. APL maintains an ISO 45001:2018 certified occupational health and safety management system. The company operates an ISO 45001:2018 certified Occupational Health and Safety Management System, reflecting its strong commitment to safeguarding the well-being of its workforce. With a clear vision of achieving zero incidents, APL continuously strengthens its safety protocols through systematic reviews and proactive risk mitigation. The company's comprehensive Health, Safety, and Environment (HSE) manual upholds its "Safety First" legacy, ensuring consistent implementation across all sites and operations.

To foster a culture of safety, APL delivers extensive training and awareness programs, achieving 100% coverage for both employees and contractors. These efforts are integral to maintaining a safe, healthy, and sustainable work environment.

- 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), WPS, MOC, HAZOP (for process deviation), PSSR, what-if analysis, hazard checklists, and Quantitative Risk/Impact Assessment (QRA) during project stages. For nonroutine 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 Pharmalabs Limited has implemented multiple safety modules in alignment with the Aarti Pharma Management System (APMS) guidelines to strengthen workplace safety and empower workers to report hazards effectively. These modules cover key areas such as General Plant Condition, Unsafe Acts, Unsafe Conditions, Near Miss Reporting, Behaviour-Based Safety (BBS), and Toolbox Talks. Reporting is facilitated through digital platforms, including the mySetu module and G-Suite, ensuring ease of access and timely action. The company places a strong emphasis on social security and adopts a proactive, participative approach to fostering a safe and secure working environment for all personnel.

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

Yes, APL ensures the well-being of its employees and workers through comprehensive health and welfare measures. The company provides coverage under a Group Term Life Insurance Policy, offering financial security to its workforce. To support non-occupational healthcare needs, APL has partnered with hospitals that facilitate access to visiting doctors. Furthermore, APL conducts regular vaccination programs to prevent the spread of communicable diseases such as Hepatitis B and tetanus, reinforcing its commitment to a healthy and protected workforce.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.00	0.32
Total recordable work-related injuries	Employees	0	0
	Workers	0	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 (APL) has established a comprehensive Health, Safety, and Environment (HSE) policy aimed at fostering a safe, healthy, and compliant workplace for all individuals. The company is fully committed to adhering to statutory requirements, including the Factories Act of 1948, while continually enhancing its safety practices. To strengthen process safety, APL employs structured hazard identification tools such as hazard checklists and conducts regular Hazard and Operability Studies (HAZOP) across its facilities. A dedicated Process Safety Laboratory plays a key role in proactively identifying and addressing potential risks associated with both existing and new processes.

In alignment with the Aarti Pharma Management System (APMS), APL implements a range of safety protocols including a robust Permit-to-Work system, General Plant Condition (GPC) assessments, Management of Change (MoC) procedures, and Pre-Start-Up Safety Reviews (PSSR). Engineering controls such as advanced scrubbing units and enhanced air ventilation systems are installed across sites to reduce workplace exposure to hazardous substances. APL has also introduced an Industrial Hygiene program designed to identify operations with potential health risks and mitigate them effectively. Regular medical check-ups are conducted for both employees and contract workers, with trained medical personnel available onsite to manage work-related health concerns and emergencies.

To ensure comprehensive protection, APL provides specialized Personal Protective Equipment (PPE) tailored to specific job roles and operational risks. The company also offers compensation for any workplace incidents, underscoring its commitment to safeguarding the health, safety, and well-being of its workforce.

13. Number of complaints on the following made by employees

	FY 2024-25			FY 2023-24		
	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.

There are no significant risks/concerns identified from the health and safety assessments.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of a. Employees (Y/N) and b. Workers (Y/N)

Yes, for both employees and workers. Aarti Pharmalabs Limited extends life insurance and compensatory benefits to both employees and workers in the unfortunate event of death. These benefits include group life insurance coverage, ex-gratia payments, and statutory compensation as per applicable labour laws.

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

APL has implemented a due diligence mechanism to monitor compliance by its value chain partners. This includes regular documentation checks, compliance declarations, and audits to ensure that statutory dues such as PF, ESI, and taxes are properly deducted and deposited by suppliers, contractors, and service providers. Non-compliance triggers corrective actions or disqualification from vendor engagement.

- Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/Workers		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	1	0	0

- Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No. Currently, Aarti Pharmalabs Limited does not have formal transition assistance programmes in place for employees retiring or exiting due to termination. However, the company ensures compliance with all applicable statutory benefits and exit procedures as per regulatory requirements.

- Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	40.52
Working conditions	

- Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No. There have been no significant risks or concerns identified from assessments of health and safety practices and working conditions of value chain partners that required corrective action.

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 include customers, investors, board members, employees, clients, suppliers, regulatory bodies, and the broader community. We recognize that building trust and cultivating collaborative relationships with these stakeholders is essential to our long-term success and sustainability. Open, transparent, and consistent communication lies at the heart of our stakeholder engagement strategy. Over the years, we have developed strong, trust-based relationships founded on mutual respect and shared values. By engaging regularly through multiple channels, we actively listen to stakeholder needs, expectations, and concerns—ensuring our initiatives remain aligned, responsive, and forward-looking. This continuous dialogue enables us to co-create value and drive sustainable growth together.

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.
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.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.

At Aarti Pharmedlabs, we engage with stakeholders on economic, environmental, and social matters through periodic, structured consultations. These include surveys, feedback sessions, and materiality assessments, all coordinated by senior management and relevant functional leads. Direct consultations with the Board occur quarterly via conference calls, while broader stakeholder insights are compiled, analysed, and presented during quarterly sustainability review meetings and through ESG performance reports. This structured approach ensures that the Board remains well-informed and actively integrates stakeholder perspectives into strategic decision-making. For more details, please visit our website: <https://www.aarti-pharmedlabs.com/concalls>

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder consultation plays a key role in identifying and prioritizing material environmental and social topics at Aarti Pharmedlabs. For example, during the recent materiality assessment, inputs from external stakeholders—including customers, suppliers, and industry bodies—highlighted expectations around climate action, employee health and safety, and responsible sourcing. These inputs were incorporated into APL's ESG roadmap, leading to enhancements in energy efficiency programs, occupational safety initiatives, and supplier assessment processes.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. –

APL engages with vulnerable and marginalized stakeholder groups—such as contract workers, communities around its manufacturing sites, and economically disadvantaged groups—through targeted CSR initiatives, welfare programs, and open-house consultations. For instance, health camps, skill development training, and sanitation infrastructure projects have been undertaken in nearby rural areas to address local needs. Additionally, safety awareness programs and grievance mechanisms are extended to contract workers to ensure fair and safe working conditions.

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 2024-25			FY 2023-24		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	1728	1728	100	1627	1347	82.79
Other than permanent	4	4	100	87	0	0.00
Total Employees	1732	1728	100	1714	1347	78.58
WORKERS						
Permanent	434	434	100	468	467	99.78
Other than permanent	839	0	0.00	994	0	0.00
Total Workers	1273	434	34.09	1,001	467	46.65

2. Details of minimum wages paid to employees

Category	FY 2024-25					FY 2023-24				
	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	1728	0	0	1728	100	1627	0	0	1627	100
Male	1626	0	0	1626	100	1543	0	0	1543	100
Female	102	0	0	102	100	84	0	0	84	100
Other than Permanent	4	0	0	4	100	0	0	0	0	0
Male	4	0	0	4	100	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
	WORKERS									
Permanent	434	0	0	434	100	468	0	0	468	100
Male	434	0	0	434	100	468	0	0	468	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	839	839	100	0	0	1001	1001	100	0	0
Male	813	813	100	0	0	994	994	100	0	0
Female	26	26	100	0	0	7	7	100	0	0

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (including whole-time directors)	1	11000004	1	10929583
Key Managerial Personnel (other than BoD)	2	1845821	0	NA
Employees other than BoD and KMP*	1873	512066	117	311067
Workers	541	451507	0	NA

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

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	3.84	3.00

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 firmly committed to upholding and advancing human rights across all aspects of its operations. This commitment is embedded within the company's corporate responsibility framework, with the Works Council playing a key role in monitoring and ensuring compliance with these fundamental principles.

APL places the highest importance on respecting the dignity, rights, and freedoms of every employee, worker, and external stakeholder involved in its business activities. The company maintains a zero-tolerance approach toward any practices that could undermine human rights and strives to foster a respectful, inclusive, and supportive work environment that promotes the overall well-being of all individuals within the organization.

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

Aarti Pharmedlabs Limited places strong emphasis on the well-being, dignity, and rights of all individuals connected to its operations. To uphold this commitment, the company has established a comprehensive grievance redressal mechanism designed to promptly and effectively address any human rights-related concerns.

APL promotes a culture of openness and transparency, offering multiple channels through which employees and stakeholders can raise concerns or seek support without fear of retaliation. A dedicated team oversees the fair, unbiased, and confidential handling of all grievances, ensuring timely resolution in line with the company's ethical standards. APL remains committed to continuously strengthening its grievance redressal system to foster a safe, inclusive, and respectful workplace for all.

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

	FY 2024-25			FY 2023-24		
	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 2024-25	FY 2023-24
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 Pharmedlabs Limited upholds a strict zero-tolerance policy against any form of sexual harassment in the workplace. In alignment with its commitment to creating a safe and respectful work environment, the company has instituted a robust grievance resolution framework under its Prevention of Sexual Harassment (PoSH) policy. APL's Code of Conduct and HR Policy Manual clearly define the standards for appropriate workplace behaviour and outline comprehensive measures for the prevention and redressal of sexual harassment. All employees—including new hires—undergo mandatory PoSH training during onboarding, with regular refresher sessions conducted to reinforce awareness and compliance throughout their tenure. To ensure the effective handling of complaints, APL has established a dedicated Internal Complaints Committee (ICC) responsible for the timely, impartial, and confidential resolution of cases. The committee plays a critical role in monitoring, investigating, and taking appropriate action on reported incidents, ensuring that the rights and dignity of all individuals are protected.

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	100
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify (Health & Safety)	

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

Not applicable. There have been no significant risks or concerns identified from the assessments referenced in Question 9 that required corrective action.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

Currently, no specific business process has been modified or introduced as a result of human rights grievances or complaints. However, Aarti Pharmedlabs maintains a grievance redressal mechanism and a Code of Conduct to address such concerns proactively and ensures a respectful and inclusive work environment.

2. Details of the scope and coverage of any human rights due diligence conducted.

Aarti Pharmedlabs undertakes human rights due diligence as part of its overall compliance and risk management processes. The scope includes aspects related to non-discrimination, fair treatment of workers (including contractual and third-party workers), prevention of child and forced labour, and safe working conditions. These assessments are conducted across the company's own operations and select value chain partners, especially those operating in high-risk categories or geographies.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Aarti Pharmedlabs Limited is committed to creating an inclusive and accessible work environment. The company ensures that its premises and offices are aligned, to the extent applicable.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	40.52
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable. There have been no significant risks or concerns identified from the assessments referenced in Question 4 that required corrective action.

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 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) in GJ	40,110.97	0
Total fuel consumption (B) in GJ**	1,93,649.99	1,80,534.69
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) in GJ**	2,33,760.96	1,80,534.69
From non-renewable sources		
Total electricity consumption (D) in GJ	4,00,858.37	2,87,347.98
Total fuel consumption (E) in GJ	6,60,575.88	8,64,831.57
Energy consumption through other sources (F) in GJ	2,38,163.99	1,31,548.79
Total energy consumed from non-renewable sources (D+E+F) in GJ	12,99,598.24	12,83,728.34
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) GJ/INR	0.000073	0.000085
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	0.001515	0.001904
Energy intensity in terms of physical output (GJ/kg of production)**	0.006099	0.01579

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

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.

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	4,31,675.00	3,91,904.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,31,675.00	3,91,904.00
Total volume of water consumption (in kilolitres)	4,31,675.00	3,91,904.00

Parameter	FY 2024-25	FY 2023-24
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00002437	0.00002609
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.000504	0.000584
Water intensity in terms of physical output (KL/Kg of production)**	0.002025	0.004082

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

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, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

4. Provide the following details related to water discharged:

	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

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, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

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

Yes, Aarti Pharmalabs 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 MPCB's/GPCB's 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	Please specify unit	FY 2024-25	FY 2023-24
NOx	tonne	200.28	122.83
SOx	tonne	481.68	320.44
Particulate matter (PM)	tonne	542.83	361.38
Persistent organic pollutants (POP)	tonne	-	-
Volatile organic compounds (VOC)	tonne	-	-
Hazardous air pollutants (HAP)	tonne	-	-
Others – please specify	tonne	-	-

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, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

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

Parameter	Unit	FY 2024-25	FY 2023-24
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	73,461.10	75,429.87
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	105,577.65	81,619.04
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.00001011	0.00001045
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	0.000209	0.000234
Total Scope 1 and Scope 2 emission intensity in terms of physical output**	Metric tonnes of CO ₂ equivalent per Kg of production	0.00084	0.001932

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

Values are corrected after SBTi validation

1. **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, The assurance is being carried out by SustainEDGE Business Solutions Pvt. Ltd

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

Yes, Aarti Pharmalabs Limited has undertaken several key initiatives as part of its commitment to sustainable energy and emissions reduction. A solar energy project has been successfully installed in the Akola district of Maharashtra, supplying clean electricity to the Tarapur Cluster and resulting in a reduction of approximately 8,100.187 tCO₂e in Scope 2 emissions. Additionally, the company has deployed biofuel-based boilers to reduce Scope 1 emissions across select facilities.

APL's greenhouse gas (GHG) emission reduction targets have been validated by the Science Based Targets initiative (SBTi), reinforcing its commitment to science-aligned climate action and timely completion of decarbonization projects.

Further, a new solar energy installation is currently underway at the CSD Vapi cluster in Gujarat, projected to generate 11.34 GWh per annum of renewable energy upon completion, supporting APL's transition to a low-carbon operational footprint.

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

Parameter (in metric tonnes)	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	166.37	98.48
E-waste recycled (B)	2.48	1.72
Bio-medical waste (C)	1.55	0.80
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.45	4.44
Radioactive waste (F)	0.00	0.00
Other Hazardous Waste. Please specify, if any. (G)	14,119.64	12,702.62
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,259.55	868.28
Total (A+B + C + D + E + F + G + H)	15,550.04	13,676.33
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000088	0.00000091
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	0.000018	0.000020
Waste intensity in terms of physical output (MT of Waste per kg of production)**	0.000073	0.00017
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	5,561.05	3,072.52
(ii) Re-used	17.39	0.32
(iii) Other recovery operations	0.0	0.0
Total	5,578.44	3,072.84
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	738.78	1,091.89
(ii) Landfilling	9,229.93	9,429.03
(iii) Other disposal operations	0	0
Total	9,968.71	10,520.92

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

3 metric tons of hazardous and non-hazardous waste were stored at one of the sites in FY 2024-25.

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, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

9. 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 implemented a comprehensive and environmentally responsible waste management system that reflects its strong commitment to sustainability. Recognizing the importance of minimizing environmental impact, the company has developed a strategy that aligns with the highest industry standards and regulatory frameworks. APL's approach is structured and systematic covering the identification, segregation, handling, treatment, and safe disposal of all types of waste. The core objectives of this strategy include minimizing waste generation, maximizing opportunities for recycling and reuse, and ensuring the environmentally sound disposal of hazardous materials.

As part of its ongoing efforts to reduce the use of hazardous and toxic substances and minimize waste generation at the source, APL has undertaken the following key initiatives:

- **Green Chemistry Integration:** APL has embedded green chemistry principles into its product design phase by incorporating hazard checklists. To date, over 60 newly designed stages have been assessed, with 58 meeting satisfactory criteria for the use of safer materials. Where risks were identified in 2 processes were revised to substitute hazardous chemicals with safer alternatives.
- **Innovative By-Product Utilization:** Within the Xanthine product chain, APL has developed a novel process to treat and convert by-products into valuable resources. This innovation not only reduces waste but also supports circularity and sustainable resource use.
- **Emission Management:** APL facilities are equipped with advanced scrubbing systems that effectively capture and control emissions, thereby preventing the release of harmful substances into the atmosphere and supporting cleaner air quality.
- **Wastewater Management:** APL has invested in cutting-edge wastewater treatment technologies, including Reverse Osmosis (RO), Multiple-Effect Evaporators (MEEs), and Agitated Thin Film Dryers (ATFD), to recover and reuse water from industrial streams. The company has also adopted Mechanical Vapour Recompression (MVR) systems for treating industrial effluents and installed Sewage Treatment Plants (STPs) to manage domestic wastewater.
- **Zero Liquid Discharge (ZLD) Policy:** Reinforcing its environmental stewardship, APL has adopted a Zero Liquid Discharge policy across all operational units. This ensures that all wastewater is treated and reused internally, with no liquid effluents being released into the environment.

Through these measures, APL continues to enhance its environmental performance, reduce ecological footprint, and contribute to the development of a more sustainable and circular manufacturing ecosystem.

10. 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.

11. 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.

12. 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 Pharmalabs 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.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Tarapur and Vapi

Note: As per WRI Aqueduct tool (Version 4.0). Sites with water stress High (40% to 80%) are considered

- (ii) Nature of operations: Manufacturing of API, Intermediates, New Chemical Entities & Xanthine derivatives

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	4,06,813.00	3,95,431.00
(iv) Seawater / desalinated water	0	0.00
(v) Others	0	0.00
Total volume of water withdrawal (in kilolitres)	4,06,813.00	3,95,431.00
Total volume of water consumption (in kilolitres)	4,06,813.00	3,95,431.00
Water intensity per rupee of turnover (Water consumed / turnover) KL/₹	0.000023	0.000026
Water intensity per kg of production KL/kg	0.0019	0.0049
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

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, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 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	1,74,599.14	1,99,028.05
Under Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.000009856	0.00001325
Total Scope 3 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent per kg of production	0.0008194	0.002449

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, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable. Aarti Pharmalabs Limited does not have any significant direct or indirect impact on biodiversity in ecologically sensitive areas, as reported in Question 11 of the Essential Indicators. Therefore, no specific prevention or remediation activities are applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative Undertaken	Details of the Initiative (weblink, if any, may be provided along with summary)	Outcome of the Initiative
1	Renewable Electricity Generation Plant	We have installed a 15 MW AC solar power plant in Akola, which supplies renewable electricity to the Tarapur cluster	40110.97 GJ energy savings done in the fiscal year. (Reduced carbon footprint by 8100.19 tCO ₂ e)
2	Automation of Equipment	We have initiated the implementation of additional interlocks and process automation using smart IoT devices on 24/7 running equipment to optimize current load based on real-time output demand.	8816.79 GJ energy savings done in the fiscal year. (Reduced carbon footprint by 1780.50 tCO ₂ e)
3	Improvement of Efficiency of Electrical Equipment	We have run a campaign to replace low efficiency motors (IE2) by efficient motors (IE3).	1658.60 GJ energy savings done in the fiscal year. (Reduced carbon footprint by 334.94 tCO ₂ e)

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. Aarti Pharmalabs Limited has a robust Business Continuity and Disaster Management Plan in place to ensure uninterrupted operations during unforeseen events such as natural disasters, industrial accidents, or pandemics. The plan includes risk assessments, emergency response protocols, recovery strategies, and periodic drills across critical manufacturing sites. The company also ensures backup systems, communication protocols, and safety stock management to maintain supply chain resilience. The disaster preparedness measures are regularly reviewed and updated in line with evolving risks and regulatory requirements.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse environmental impacts have been reported from the value chain of Aarti Pharmalabs. However, as a preventive measure, the company engages in environmental due diligence for select high-risk suppliers, promotes cleaner production practices, and encourages the use of certified vendors for waste handling, transportation, and disposal to minimize potential environmental risks.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Approximately 40.52% of value chain partners were assessed for environmental impacts, focusing on those with high materiality or risk potential—such as raw material suppliers, logistics providers, and waste management vendors.

8. How many Green Credits have been generated or procured:

a. By the listed entity – None

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - None

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 Pharmedlabs 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 Pharmedlabs 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.

Leadership Indicators

1. Details of public policy positions advocated by the entity
None. Aarti Pharmedlabs Limited has not formally advocated for any public policy positions as of now.

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.
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 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	13.56%	14.95%
Sourced directly from within the district and neighbouring districts	19.77%	15.22%

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 2024-25	FY 2023-24
Rural	0	0
Semi-Urban	29.64	38.16
Urban	38.99	26.17
Metropolitan	31.37	35.67

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

No significant negative social impacts were identified in the Social Impact Assessments conducted by Aarti Pharmalabs; hence no mitigation actions were required.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Aarti Pharmalabs has not undertaken CSR projects specifically in designated aspirational districts during the reporting period. However, the company continues to implement CSR initiatives in other areas focusing on healthcare, education, sanitation, and community development.

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. Aarti Pharmalabs does not currently have a formal preferential procurement policy targeting marginalized or vulnerable groups.

- b. From which marginalized /vulnerable groups do you procure? What percentage of total procurement (by value) does it constitute?

Not applicable, as there is no formal preferential procurement policy in place.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

None. Aarti Pharmalabs has not derived or shared any benefits from intellectual properties based on traditional knowledge during the current financial year.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable. There have been no adverse orders or disputes related to intellectual property involving traditional knowledge for Aarti Pharmalabs during the reporting period.

6. Details of beneficiaries of CSR Projects

Sr. No.	Project	SDGs	No. of persons benefitted	% of beneficiaries from vulnerable and marginalized groups
1	Education & Skill Development	SDG 4	1786	90.92%
2	Healthcare Initiative	SDG 3	593	
3	Women Empowerment	SDG 5	64450	
4	Green Environment & Water Conservation	SDG 6 SDG 13	3115	
5	Livestock Development	SDG 15	1886 (animals)	

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:

	FY25		Remarks	FY24		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	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	5	0	-	2	1	All pending complaints closed in FY 2024-25
Others	39	3	APL shall ensure timely resolution of all the pending complaints	15	1	All pending complaints closed in FY 2024-25

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.aartipharmlabs.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

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Aarti Pharmalabs provides detailed information on its products and services through its official website under the "Products & Services" section, which includes modules on APIs, intermediates, CDMO services, caffeine/xanthine derivatives, acid & allied products, and more. This serves as the primary platform for customers to explore APL's offerings. For more details, please refer to the product and services via the following web link:

<https://www.aartipharmalabs.com/products-and-services>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

APL actively engages in product safety and stewardship, assessing each product based on hazard and exposure profiles. The company provides clients—and their downstream users—with tailored technical guidance, safety instructions, training, logistical support, and environmental, health, and safety (EHS) advice. They also collect regular feedback from customers to continuously improve safety measures and usage information.

3. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. In addition to legal labelling, APL provides supplementary safety information and detailed product stewardship documentation that exceeds statutory requirements, ensuring customers are fully informed about chemical hazards, handling protocols, and risk mitigation measures. APL regularly gathers consumer feedback on health and safety aspects of its products and services. While not explicitly described as a formal survey, these feedback mechanisms are integral to their product stewardship and continuous improvement processes.

4. Provide the following information relating to data breaches

- a. Number of instances of data breaches along with impact - Nil
- b. Percentage of data breaches involving personally identifiable formation of customer – Nil