



Environment Policy

Document Name	Prepared by	Validated by	Authorised by	Issue No.	Revision No.	Effective Date
Environment Policy	Mayur Shinde	Tanaji Shinde; Ajit Borgaonkar	Narendra Salvi; Hetal Gogri-Gala	01	00	01/04/2024
Document Number	APL/POL/05/00					



Table of contents

1.0 Preamble-----	3
2.0 Scope of Application-----	3
3.0 Responsibility-----	4
4.0 Communication-----	4
5.0 Our Commitments-----	4
6.0 Review Mechanism-----	8
7.0 Annexures-----	8
8.0 Amendment History-----	8



1.0 Preamble

At Aarti Pharmalabs Ltd (APL), we are always focused on delivering stakeholder value by providing the best working environment and experience through consistently integrating our core values of 'Care', 'Integrity', and 'Excellence' into our core business operations and people practices. This policy acts as a guiding force to ensure the display of behaviour that focuses on achieving the commitment for all the stakeholders internal or external. The APL aims to foster a workplace defined by a cultural focus on quality, safety, compliance, and the conservation of nature.

We recognize that the pharmaceutical/CDMO industry plays a significant role in fueling the climate crisis. Climate change is the biggest health threat facing humanity today, and we are cognizant of the significant role businesses should play in addressing its challenges. This is why we are committed to ensuring environmental sustainability lies at the heart of our operations.

The APL Environment Policy lays out the guiding principles and responsibilities in view of advancing the protection and conservation of our environment. It defines our goals and actions in reducing GHG emissions, managing water resources, mitigating air pollution, managing waste and hazardous materials, as well as in upholding the health and safety of all our employees and patients.

2.0 Scope of Application

This policy applies to all employees (including full-time, part-time, and contractual staff members) employed by the APL. It also applies to all suppliers and business partners (including but not limited to contractors, distributors, agents, and any representatives) of APL.



3.0 Responsibility

Our Environment, Health and Safety (EHS) Department is responsible for ensuring that this policy is made available to and acknowledged by all employees of APL. The Environment, Health and Safety (EHS) department is responsible for implementing the appropriate measures to uphold the commitments outlined in this policy, reviewing it as necessary to ensure its relevance and effectiveness. All employees of APL are responsible for reading and understanding the following policy and for promoting its implementation where possible. They include the management team, line managers, production supervisors and operators, as well as other support staff who work for us.

4.0 Communication

This policy shall be disseminated to all employees of APL via the company's intranet and shared with all new hires of the procurement department during the onboarding process. Any significant changes made to the policy shall also be shared with all employees via email and the intranet.

We will also communicate this policy at our webpage to make it transparent to the public.

5.0 Our Commitments

5.1 Reduce Energy Consumption & GHG Emission

This includes emissions derived from the energy sources used in the production of drugs as well as their transportation from their raw material sources to the patient. APL is committed to reducing energy consumption and GHG emissions across our supply chain, in line with the 1.5°C target outlined in the Paris Agreement.

Specifically, our targets are as follows:

- By FY 2029-30, reduce GHG emissions (Scope 1 & 2) intensity per rupees turnover by 37.8% from base year emissions in FY 2023-24
- By FY 2029-30, reduce GHG emissions (Scope 3) intensity per rupees turnover by 22.5% from base year emissions in FY 2023-24
- By 2029-30, increase consumption of renewably sourced electricity by 30% from base year consumption in FY 2023-24
- By FY 2029-30, decrease total energy consumption intensity per rupees turnover by 15% from base year energy intensity in FY 2023-24
- By FY 2029-30, increase the percentage of employees trained in environmental issues to 100% from base year of FY 2023-24

5.2 Responsible and sustainable water management

Water resources are essential in our business, as one of the main commodities used in the production and manufacturing of pharmaceutical products. In recognizing the importance of the responsible and sustainable use of this valuable resource, we are committed to ensuring its responsible management. This includes ensuring the recycling and saving of water where possible and the proper management of wastewater.

Specifically, our targets are as follows:

- By FY 2029-30, reduce water consumption intensity per rupees turnover in our operations by 20% from the base year of FY 2023-24.

- By FY 2029-30, increase the use of recycled and reused water in our operations to 50% of total water consumption, from the base year of FY 2023-24.

5.3 Minimise Air Pollution

Air pollution is a major cause of environmental degradation and is the largest environmental threat to human health worldwide. We recognize that it is crucial to address the air pollution generated through our operations, from the hazardous and non-hazardous air emissions to other emissions including noise and light that may be produced throughout our supply chain. As such, we aim to reduce and mitigate the amount of pollution generated from our operations, to tackle climate change and to protect the biodiversity and ecosystems of the communities we operate in. We are also committed to the use of air pollution control (APC) technologies across business operations to minimise our impact on air quality.

Specifically, our targets are as follows:

- By FY 2029-30, evaluation of air pollutants (VOCs) across 100% of our operational sites.
- By FY 2029-30, decrease the generation of air pollutants (PM) intensity per rupees turnover by 5% of tons from base year FY 2023-24.
- By FY 2029-30, decrease the generation of air pollutants (SO_x) intensity per rupees turnover by 10% from base year FY 2023-24.

5.4 Proper Management of Hazardous Material

As a leading partner to many pharmaceutical and biotechnology innovators, we understand the chemical risks involved in the complex processes of pharmaceutical manufacturing. It is therefore imperative to ensure the reduction and proper management of hazardous materials for the conservation of our environment, the safety and well-being of our employees, and the high quality of our pharmaceutical products. APL is fully committed to ensuring the safe management of hazardous substances use, and to minimising the risks associated with these actions through the reduction and safe disposal of such materials.

Specifically, our targets are as follows:

- By FY 2029-30, increase employee training on the safe handling and management of hazardous substances to 100%.
- By FY 2029-30, Achieve a 30% reduction in landfill waste compared to the base year FY 2023-24.
- By FY 2029-30, Establish and conduct assessments of 100% Active Pharmaceutical Ingredients (APIs) in solid waste designated for landfill disposal.

5.5 Responsible Waste Management

At APL, the responsible management of waste is a top priority for us. We look to manage our waste responsibly through waste minimization, waste sorting, and importantly, by incorporating a mindset of circularity. This includes the proper management of both hazardous and non-hazardous solid and liquid waste. With the ultimate goal of a

sustainable production process, we aim to reduce, reuse, and recycle our waste wherever possible.

Specifically, our targets are as follows:

- By FY 2029-30, reduce the total amount of waste generated intensity per rupees turnover by 20% from base year FY 2023-24
- By FY 2029-30, ensure 100% of employees are trained in waste reduction and sorting.
- By FY 2029-30, reduce the amount of hazardous waste generated intensity per rupees turnover by 10% from base year FY 2023-24
- By FY 2029-30, reduce the amount of non-hazardous waste generated intensity per rupees turnover by 10% from base year FY 2023-24.

5.6 Product End of Life

At APL, we recognize the importance of addressing the environmental impact of our products beyond their use phase and are committed to implementing responsible end-of-life practices. This includes actively supporting Extended Producer Responsibility (EPR) initiatives to ensure that our products are managed responsibly at the end of their lifecycle. Through EPR, we work with partners and stakeholders to establish systems that facilitate the collection, treatment, and recycling of our products post-consumption, thereby contributing to a circular economy. This approach aligns with our commitment to sustainable resource use and reduces the environmental footprint of our operations and supply chain. Being an Active Pharmaceutical Ingredient (API) manufacturer, we are

committed to preventing the release of APIs into the environment through proper waste disposal and by avoiding landfill practices,

Specifically, our targets are as follows:

- By FY 2029-30, Achieve 100% supplier assessment for EPR compliance, using the supplier count from the base year FY 2023-24 as a benchmark.
- By FY 2029-30, Establish circular methodologies for all non-degradable waste to enable recovery, reuse, or recycling, reducing reliance on landfills and supporting sustainable resource cycles.
- By FY 2029-30, Perform life cycle assessment of products that contribute more than 50% in sales (by volume) at each unit.

5.7 Reduce Deforestation

At APL, addressing deforestation and wood usage is a key priority for us. We strive to manage our use of wood responsibly through minimisation, sorting, and a commitment to circular practices, which includes the effective management of recycled wood. Our ultimate goal is to adopt sustainable practices by eliminating, reducing, reusing, and recycling wood throughout our operations and supply chain.

Specifically, our targets are as follows:

- By FY 2029-30, reduce the use of virgin wood in pelleting during dispatch by 20% compared to the base year FY 2023-24 (subject to approval from customers).



6.0 Review Mechanism

The relevance and effectiveness of this policy document shall be reviewed at least once annually by the management of Aarti Pharmalabs Limited.

7.0 Annexures

7.1. [Single Page Policy Statement](#)

8.0 Amendment History

Sr. No.	Issue No.	Revision No.	Effective Date	Reason for Change
1	01	00	April 2024	New policy generated.