



# Sustainability Policy

Document Name	Prepared by	Validated by	Authorised by	Issue No.	Revision No.	Effective Date
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Document Number	APL/POL/06/00					



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## 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.

We recognize the significant role that the pharmaceutical and CDMO industry plays in advancing sustainability through the core pillars of ESG—Environment, Social, and Governance. At APL, we are committed to fostering innovative, sustainable business practices that minimise or eliminate our impact on the planet.

The APL Sustainability Policy lays out the guiding principles and responsibilities in view of conducting business with integrity, promoting environmental and social responsibility, and fostering a diverse and inclusive workplace where employees can excel. We strive to integrate sustainability into our overarching business strategy, focusing on areas where we have the greatest impact, such as our operations and value chain.

## 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 Sustainability Department is responsible for ensuring that this policy is made available to and acknowledged by all employees of APL. The Sustainability 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 Environmental Protection**

It includes optimising electricity, energy, and water resources to reduce carbon and water footprints and minimise waste. We are committed to adopting clean and renewable energy sources and complying with all applicable statutory and regulatory requirements. Additionally, we ensure that all employees have access to safe water, sanitation, and hygiene facilities within our premises. We set, monitor, review, analyse, and evaluate environmental targets regularly to drive continuous improvement. Furthermore, we aim

to enable, encourage, and promote eco-friendly products or technologies and activities throughout our operations.

Specifically, materiality topics are as follows:

- Reducing and mitigating the effect of Climate Change and vice versa by assessing the relevant risk on the overall operations and its impact on the nearby community
- Adopting low carbon technologies in our premises to become net zero emission by 2050
- Segregating and managing all the waste generated within APL premises. Overall we will try to adapt and implement circular economy business models
- Monitor, review and evaluate all our natural resource consumption within our direct operational control and focus more on environmental conservation
- Adopt clean and renewable energy technologies to reduce all our reliance on fossil fuel based consumption for effective and sustainable energy usage.
- Integrate sustainability practices within the business decisions and goals including mapping and addressing ESG risks

As ESG is evolving science therefore our materiality topics are subjective and will update after every materiality assessment.

## 5.2 Social Connect

Generating sustainability awareness among associates, customers, investors, and the broader society, while ensuring a safe and motivating work environment for all associates. We are dedicated to fostering a culture of social responsibility and

encouraging volunteer efforts that contribute to community betterment. Ethical practices are upheld in the workplace, and sustainability training is provided across our value chain. Additionally, we are committed to implementing and clearly communicating our policies to all stakeholders.

Specifically, materiality topics are as follows:

- Train and educate all employees on the BRSR 10 principles
- Adhere to all relevant human rights and Labour laws mentioned by ILO or respective regulatory bodies and provide relevant training to emphasise its importance.
- Provide safe working conditions to all our employees and customers.
- Strive to foster an inclusive human development by upgrading the skills of the employees through training programs, various employee engagement activities and communications.
- Leveraging the potential of diversity in the workplace and exhibit the zero tolerance approach in regards to the discrimination against caste, religion, gender, race, ethnicity and skills
- To treat all the employees in the value chain fairly and foster the culture of diversity, inclusion and equity.

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### 5.3 Governing Business



The approach is divided into two sections: Economic Value and Business Model. This includes fostering sustainability awareness among associates, customers, investors, and society at large, while ensuring a safe and motivating work environment for all associates. We are committed to cultivating a culture of social responsibility and supporting volunteer initiatives that enhance community well-being. Ethical practices are a priority in the workplace, with sustainability training integrated throughout our value chain. Additionally, we are dedicated to implementing and transparently communicating our policies to all stakeholders.

Our leadership is fully committed to the principles and requirements of sustainable practices, aiming to achieve net-zero emissions by 2050. We focus on adopting low-emission technologies and continuously improving our sustainability performance. By engaging employees, customers, and partners, we encourage the adoption of sustainable practices and collaborate to create solutions for social and environmental challenges. We work actively to mitigate risks related to climate change, human rights, and our supply chain, promoting the sustainable use of energy, water, and other resources while fostering a circular economy for waste management. We also engage with other organisations and industry associations to advocate for positive change in our sectors. Our Sustainability Management System upholds transparency and accountability, with regular reporting on progress. To accelerate our sustainability journey, we integrate advanced technologies like AI, IoT, predictive analytics, and blockchain into our business, driving solutions to address social and climate challenges.

Specifically, materiality topics are as follows:

- Exhibit zero tolerance approach to the corruption, anti-competitive practices within its operations and across the value chain
- Adopt effective corporate governance mechanism throughout the board structure by ensuring board diversity and independence
- Transparent about our operational activities across all our stakeholder
- Protecting the privacy of the organisation and its stakeholder data by adhering to respective and relevant Data privacy law.
- Upholding the highest standards of ethics and corporate governance by adhering to them.

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#### 5.4 Community Service

As part of our commitment to sustainability, we prioritize active community engagement and robust Corporate Social Responsibility (CSR) initiatives. We aim to make a meaningful impact in the communities where we operate by addressing critical social and environmental challenges. Our CSR efforts focus on areas such as education, healthcare, skill development, and environmental conservation, ensuring that we contribute to creating resilient and self-reliant communities. Through strategic partnerships with local stakeholders, NGOs, and governmental organizations, we design and implement programs that align with community needs while fostering inclusivity and equity. By supporting underprivileged and marginalized groups, we empower individuals



with opportunities for growth and self-sustenance. These initiatives not only enhance the social fabric but also align with our broader vision of creating a sustainable future where businesses thrive in harmony with society and the environment.

Specifically, materiality topics are as follows:

- Increase access to quality education for underprivileged children through scholarship programs, school infrastructure support, and e-learning resources.
- Provide vocational training to enhance employability skills in local communities, focusing on women and youth empowerment.
- Promote afforestation and biodiversity conservation efforts in collaboration with local stakeholders.
- Conduct community workshops on waste management, clean energy adoption, and water conservation practices.
- Engage in programs that uplift marginalized communities, including providing opportunities for persons with disabilities and other vulnerable groups.
- Foster diversity and inclusion through community-centric initiatives that celebrate cultural heritage and traditions.
- Strengthen partnerships with local governments, NGOs, and civil society to co-create and implement impactful CSR projects.
- Share success stories and learnings to inspire and replicate best practices across other regions and sectors

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## 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.