



Aarti Drugs Limited

Manufacturers of : Bulk Drugs & Chemicals

Corporate Office : Mahendra Industrial Estate,
Ground Floor, Plot No. 109-D, Road No. 29,
Sion (East), Mumbai - 400 022. (India)
Tel .: 022-2407 2249 / 2401 9025 (30 Lines)
Fax.: 022-2407 3462 / 2407 0144
Email: admin@aartidrugs.com
website: www.aartidrugs.com
CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2025-26/36
August 30, 2025

To,
Listing/ Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
BSE CODE: 524348

To,
Listing/ Compliance Department
National Stock Exchange of India Limited,
“Exchange Plaza”, Plot No. C/1,
G Block Bandra - Kurla Complex,
Bandra (East), Mumbai – 400051
NSE SYMBOL: AARTIDRUGS

Dear Sir/Madam,

**Sub: Business Responsibility and Sustainability Report of the
Company for financial Year 2024-25**

**Ref: Regulation 34(2)(f) of SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015**

In continuation to our intimation dated August 30, 2025 regarding the Annual Report for the Financial Year 2024-25, along with Notice of the 40th Annual General Meeting, and pursuant to Regulation 34(2)(f) of the Listing Regulations, we are submitting herewith the Business Responsibility and Sustainability Report for the Financial Year 2024-25.

The said Report is also available on the website of the Company at www.aartidrugs.co.in along with the Annual Report and Notice of 40th Annual General Meeting of the Company.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR AARTI DRUGS LIMITED

RUSHIKESH DEOLE
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI M. No.: F12932



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L37060MH1984PLC055433 |
| 2. | Name of the Listed Entity | Aarti Drugs Limited |
| 3. | Year of incorporation | 1984 |
| 4. | Registered office address | Plot No. N-198, M.I.D.C. Tarapur, Village – Pamtembhi, Taluka & Dist. Palghar- 401506 Maharashtra, India |
| 5. | Corporate address | Ground Floor, Mahendra Industrial Estate, Plot No 109-D, Road No. 29, Sion (East), Mumbai – 400022, Maharashtra, India |
| 6. | E-mail | investorrelations@aartidrugs.com |
| 7. | Telephone | +9122-24019025 |
| 8. | Website | www.aartidrugs.co.in |
| 9. | Financial year for which reporting is being done | April 01, 2024 to March 31, 2025 |
| 10. | Name of the Stock Exchange(s) where shares are listed | a. National Stock Exchange of India Limited b. BSE Limited |
| 11. | Paid-up Capital | As on March 31, 2025 total paid up capital of the Company stood at ₹ 91,27,00,000 consisting of 91270000 Equity shares of ₹ 10/- each |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | a. Name - Rushikesh V. Deole b. Designation - Company Secretary c. Telephone Number - (022) 2401 9025 d. E-mail ID -investorrelations@aartidrugs.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis (Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries). |
| 14. | Name of assessment or assurance provider | Not applicable, as BRSR Core Assurance is not mandatory for the Company. |
| 15. | Type of assessment of assurance obtained | |

II. Products/services

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

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|----------------------------------|--|-----------------------------|
| 1. | Manufacturing of Pharmaceuticals | Manufacturing and Marketing of Pharmaceuticals and Chemical products | 100% |

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

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|------------------------|----------|---------------------------------|
| 1 | API | 21001 | 91% |
| 2 | Speciality Chemicals | 21001 | 6% |
| 3 | Intermediates & others | 21001 | 3% |

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 | 13 | 2 | 15 |
| International | 0 | 0 | 0 |

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|--|
| National (No. of States) | 28 states and 8 union territories |
| International (No. of Countries) | Over 100 countries served across the six continents - Asia, North America, Europe, Africa, Latin America and Australia |

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 35% of its revenue.

c. A brief on types of customers

We serve a wide range of customers such as pharmaceutical formulation companies, Specialty Chemical manufacturers, dyes and pigments manufacturers across the globe.

IV. Employees

20. Details as at the end of Financial Year:

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) | 939 | 808 | 86.05% | 131 | 13.95% |
| 2. | Other than Permanent (E) | 578 | 506 | 87.54% | 72 | 12.46% |
| 3. | Total employees (D + E) | 1,517 | 1,314 | 86.62% | 203 | 13.38% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 345 | 344 | 99.71% | 1 | 0.29% |
| 5. | Other than Permanent (G) | 1,003 | 968 | 96.51% | 35 | 3.49% |
| 6. | Total workers (F + G) | 1,348 | 1,312 | 97.33% | 36 | 2.67% |

b. Differently abled Employees and workers:

| S. No | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|----------|---------------|----------|---------------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 2 | 1 | 50.00% | 1 | 50.00% |
| 2. | Other than Permanent (E) | 0 | 0 | 0.00% | 0 | 0.00% |
| 3. | Total differently abled employees (D + E) | 2 | 1 | 50.00% | 1 | 50.00% |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 2 | 2 | 100% | 0 | 0.00% |
| 5. | Other than permanent (G) | 0 | 0 | 0.00% | 0 | 0.00% |
| 6. | Total differently abled workers (F + G) | 2 | 2 | 100% | 0 | 0.00% |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 12 | 1 | 8.33% |
| Key Management Personnel | 2 | 0 | - |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

22. Turnover rate for permanent employees and workers

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---------------------|------------|----------|---------|------------|----------|---------|------------|----------|---------|
| | Male % | Female % | Total % | Male % | Female % | Total % | Male % | Female % | Total % |
| Permanent Employees | 9.25 | 10.26 | 9.38 | 8.64 | 12.00 | 9.08 | 7.92 | 7.14 | 7.82 |
| Permanent Workers | 4.99 | 0.00 | 4.98 | 2.46 | 0.00 | 2.46 | 1.55 | 0.00 | 1.55 |

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. | Pinnacle Life Science Private Limited | Subsidiary | 100% | Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries. |
| 2. | Aarti Speciality Chemicals Limited | Subsidiary | 100% | |
| 3. | Pinnacle Chile SpA | Subsidiary | 95% | |
| 4. | Pharma Go SpA | Subsidiary | 95% (through Pinnacle Chile SpA) | |

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
(ii) Turnover (in ₹) : **2,17,365.49 lakhs**
(iii) Networth (in ₹) : **1,25,135.11 lakhs**

VII. Transparency and Disclosures Compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance 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 | https://www.aartidrugs.co.in/code-of-conduct/0/ | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | https://www.aartidrugs.co.in/stock-information/ | 0 | 0 | - | 0 | 0 | - |
| Shareholders | https://www.aartidrugs.co.in/stock-information/ | 18 | 0 | - | 25 | 0 | - |
| Employees and workers | https://www.aartidrugs.co.in/code-of-conduct/0/ | 0 | 0 | - | 0 | 0 | - |
| Customers | https://www.aartidrugs.co.in/contact-us/ https://www.aartidrugs.co.in/code-of-conduct/0/ | 3 | 0 | - | 2 | 0 | - |



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| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism 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 |
| Value Chain Partners | https://www.aartidrugs.co.in/contact-us/ https://www.aartidrugs.co.in/code-of-conduct/0/ https://www.aartidrugs.co.in/supplier-code-of-conduct/ | 0 | 0 | - | 0 | 0 | - |
| Others (please specify) | NA | - | - | - | - | - | - |

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 along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|---|--|--|
| 1. | Climate Change, Energy & Emission Management | Risk & Opportunity | There are risks associated with climate change such as manufacturing losses due to climate events but also offers opportunities for innovation in sustainability. | Develop climate resilience strategies and reduce carbon footprint. | Positive and Negative |
| 2. | Sustainable Supply Chain & Responsible Procurement | Risk & Opportunity | Efficient sourcing reduces costs and environmental impact, while poor practices can lead to supply chain disruptions. Ensuring suppliers adhere to social standards mitigates risks related to labour practices and human rights violations. | Implement stringent supplier assessments and sustainable sourcing practices. Regular audits and collaboration with suppliers to improve environmental performance. Imparting training on Sustainable Procurement to the key strategic suppliers. | Positive and Negative |


BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|--|--|
| 3. | Water and wastewater management | Risk & Opportunity | Effective water management ensures resource availability and reduces environmental impact, while poor management can lead to scarcity and regulatory issues. | <p>Implement water saving technologies and practices.</p> <p>Implemented a mechanism for Zero Liquid Discharge (ZLD). Presently, 9 API manufacturing facilities out of 11 are operating on ZLD basis and remaining 2 are connected to Common Effluent Treatment Plant (CETP) for further treatment.</p> <p>Further, developed Water policy to promote conservation and effective management of water resources.</p> | Positive and Negative |
| 4. | Waste and hazardous Materials management | Risk & Opportunity | Waste generated from our operations consists of hazardous as well as nonhazardous waste. Efficient waste management reduces environmental impact and compliance risks while offering opportunities for resource recovery. | <p>Implement comprehensive waste reduction and recycling programmes.</p> <p>Adopted following methods and techniques to manage and dispose of waste material generated at site for preventing pollution, conserving natural resources, protecting human health environment:</p> <ul style="list-style-type: none"> - Reduction at source - Hazardous waste management - Waste-to-energy - Landfilling - Recycling - Incineration | Positive and Negative |
| 5. | Occupational Health & Safety | Risk | <p>As a responsible manufacturing Company, it is responsibility of the Company to safeguard the health and safety of individuals.</p> <p>Ensuring occupational health and safety prevents workplace accidents, reduces absenteeism, and complies with regulations.</p> | <p>Implement robust health and safety programmes and training.</p> <p>Provision of various safety trainings, safety initiatives and mock drills to ensure proactive hazard identification and risk management.</p> | Negative |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|--|--|--|
| 6. | Community Impact, Relations and Development | Opportunity | Engaging with local communities through CSR initiatives fosters goodwill, enhances reputation, and contributes to sustainable development. | N.A. | Positive |
| 7. | Product Safety | Risk | Ensuring product quality and safety protects consumer health, complies with regulations, and maintains reputation of the Company. Any deficiency in the product quality and safety has high adverse impacts like loss of revenue, reputational damage and regulatory actions. | Implement rigorous quality control and safety testing procedures. Company is focusing in its QA and QC function. | Negative |
| 8. | Corporate Governance | Risk & Opportunity | Compliance with laws and regulations is essential to have a good corporate image, smooth operations and create long term stakeholder value. Ethical breach or non-compliances can affect stakeholder trust and regulatory action. Strong corporate governance facilitates responsible decision-making and financial transparency, vital for investor attraction. | Implement comprehensive compliance programmes and regular audits. Periodical review of Corporate Governance norms to improve the governance standards and compliance with such standards by the Company. Further, Board and Audit committee ensures conflicts of interest are effectively prevented and mitigated crucially. | Positive and Negative |
| 9. | Business Ethics | Risk | Upholding high ethical standards mitigates risks related to legal issues and reputational damage. | Implement robust ethics training and compliance programmes. We have in place stringent and comprehensive Code of Conduct and policies to ensure ethical behaviour at all levels. | Negative |
| 10. | Economic Performance | Risk & Opportunity | Strong economic performance ensures business viability, while poor performance can threaten sustainability. | Implement robust financial management and strategic planning. | Positive and Negative |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|---|--|
| 11. | Regulatory Compliance | Risk | Compliance with laws and regulations prevents legal penalties and maintains operational integrity. | Implement comprehensive compliance programmes and regular audits. | Negative |
| 12. | Data Privacy & Integrity | Risk | Ensuring data privacy and security protects against breaches, legal penalties, and reputational damage. | Implement robust cybersecurity measures and data protection policies. | Negative |
| 13. | Risk Management | Risk & Opportunity | Proactive risk management mitigates potential operational, financial, and reputational risks. | <p>Develop and implement comprehensive risk management frameworks.</p> <p>Constituted Risk Management Committee to develop and implement risk mitigation strategies on need basis.</p> <p>Further, the code of conduct along with Whistle Blower Mechanism promotes a culture of transparency and accountability which aids in early detection and resolution of issues thus minimizing legal, financial, and reputational risks.</p> | Positive and Negative |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | | | | | | | | |
| b. Has the policy been approved by the Board? (Yes/No) | All Statutory Policies and Codes are adopted considering prevailing Legal requirements and approvals of respective body [Board of Directors, its Committees and Company Management]. | | | | | | | | |
| c. Web Link of the Policies, if available | Mandatory policies are uploaded on the website of the Company and available at below weblinks: https://www.aartidrugs.co.in/policies-and-related-documents/ https://www.aartidrugs.co.in/sustainability-policies/ | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | | | | | | | | |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes, we have dedicated “Supplier Code of Conduct” which covers all the applicable aspects under the BRSR principles. | | | | | | | | |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <ul style="list-style-type: none"> • Certificates such as ANVISA, KFDA, COFEPRIS, WC • Certificate, TGA, WHO-GMP and TFDA are obtained to facilitate business operations in countries including Brazil, South Korea, Mexico, European nations, Australia , Africa, Middle East, Southeast ASIA and Taiwan • ISO 9001: 2015 – Quality Management System • ISO 14001:2015 – Environmental Management System • ISO 45001:2018 – Occupational Health & Safety Management System • Good Manufacturing Practice (GMP) compliance across facilities as per various Global Standards for GMP like ICH, EU-GMP, PIC/S, WHO-TRS, etc. • WHO-GMP accreditations received for several plants • We observe Global Reporting Initiative (GRI) 2021 and EcoVadis Standards as positive contribution to Environment, Social and Governance (ESG) stewardship. • Sustainability milestones are aligned with the United Nations Sustainable Development Goals (SDGs) and the principles of the United Nations Global Compact (UNGC). • EU-GMP and EDQM | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Yes | | | | | | | | |



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| | |
|---|--|
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors. |
|---|--|

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) | |
|---|--|

Please refer "Chairman's message" and "Management Discussion & Analysis report" in the Annual Report

| | |
|---|--|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | The Board is the highest authority responsible for implementation and oversight of the Business Responsibility policy. It has constituted different board committees to look after different aspects of Business Responsibility. |
|---|--|

| | |
|---|---|
| 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. | Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee periodically reviews the sustainability initiatives of the Company on the basis of applicable regulatory requirements. Composition of these Committees is mentioned in Corporate Governance Report. Also Company have formed Sustainability committee comprises of executive directors and members from EHS and Sustainability department to guide and help the Board to achieve its sustainability goals. |
|---|---|

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|--|--|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | The policies of the Company are reviewed periodically/ on a need basis by the Internal Auditors, Department heads/ Director/ Board/ its Committees/ Sustainability Committee and any other committees wherever applicable. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Status of compliance with all applicable statutory requirements is reviewed by the Board and its committees (as applicable) on a quarterly basis. | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | |
|---|----|----|----|----|----|----|----|----|----|--|
| 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 | No. The policies of the Company are subject to audit by Internal Auditors of the Company. The working of the policies is also ensured by the various Department Heads/ Directors/ Committees of the Board/ Other Committees, wherever applicable. We are in the process of undertaking independent third-party assurance for our sustainability performance. |
|---|----|----|----|----|----|----|----|----|----|--|



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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

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



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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 Key Managerial Personnel | 1 | The Company conducts familiarisation programmes for its Board of Directors at regular intervals which covers topics such as ESG parameters, corporate governance practices, employee wellbeing, innovation and R&D and various other regulatory updates. The said programme is also extended to Key Managerial Personnel. | 100% |
| Employees other than BoD and KMPs | 629 | The employees undergo various trainings / awareness sessions such as induction training at the time of joining, Training on code of conduct, technical and compliance training during the course of employment, safety training etc. | 100% |
| Workers | 636 | The workers undergo various trainings / awareness sessions such as induction training at the time of joining, Training on code of conduct, technical and compliance training during the course of employment, safety training etc. | 100% |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary | | | | | |
|---------------|-----------------|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | | Central Goods and Service Tax & Central Excise (CGST & C.Ex.) | <p>a) Demand of erroneous sanctioned IGST refund of ₹ 20.72 Crores under Section 74(9) of the CGST Act, 2017</p> <p>b) Demand of interest at the rates prescribed under the provisions of Section 50(1) of the CGST Act, 2017</p> <p>c) Imposition of penalty of ₹ 20.72 Crores under Section 74(9) of CGST Act, 2017 read with Section 122(2)(b) of CGST Act, 2017</p> | <p>The Company had received Show Cause Notice for contravention of Rule 96(10) of CGST Rule proposing to demand IGST of ₹ 230.70 Crores along with applicable interest and penalty for FY 2017-18 to FY 2021-22.</p> <p>In continuation to the aforesaid Show cause notice, Company has received the order on February 07, 2025 passed by Central Goods and Service Tax & Central Excise (CGST & C.Ex.) directing:</p> <p>a) Demand of erroneous sanctioned IGST refund of ₹ 20.72 Crores under Section 74(9) of the CGST Act, 2017</p> <p>b) Drop the demand of ₹ 209.98 Crores under Section 74 of the CGST Act, 2017 read with Section 20 of IGST Act 2017</p> | Yes. Company have filed writ petition at Hon'ble High Court of Judicature at Bombay |


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| Monetary | | | | | |
|-----------------|-----------------|---|---------------|---|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| | | | | c) Demand of interest at the rates prescribed under the provisions of Section 50(1) of the CGST Act, 2017 d) Imposition of penalty of ₹ 20.72 Crores under Section 74(9) of CGST Act, 2017 read with Section 122(2)(b) of CGST Act, 2017 | |
| Settlement | - | - | - | - | - |
| Compounding fee | - | - | - | - | - |

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

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

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| As mentioned in Question number 2 above | The Company had filed a writ petition in "The High Court of Judicature at Bombay" to challenge the order passed by CGST & C.Ex. Authority. The Hon'ble Court has passed the order on May 06, 2025 granting the ad-interim relief directing the CGST & C.Ex. Authority not to initiate coercive action for recovery of the amount mentioned in order passed by CGST & C.Ex. Authority. |

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.

The Company has a comprehensive and well-defined Code of Conduct, Vigil Mechanism policy and Anti-Bribery & Anti-Corruption Policy that places significant emphasis on anti-corruption and anti-bribery practices. The Company firmly believes that all employees must uphold the principles outlined in these policies, fulfilling their responsibilities with the utmost faith, discretion, and care, while maintaining the highest standards of honesty, integrity, and fairness. The policy

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strictly prohibits the use or promise of bribery or any other unfair advantage, whether directly or indirectly, to gain or secure benefits. We provide training to Directors, employees and workers on the abovementioned policies.

Code of Conduct is available at the weblink: <https://www.aartidrugs.co.in/code-of-conduct/>

Vigil Mechanism policy and Anti-Bribery and Anti-Corruption Policy are available at the weblink: <https://www.aartidrugs.co.in/policies-and-related-documents/>

5. Number of Directors/KMPs/employees/workers 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 the Directors | 0 | - | 0 | - |
| Number of complaints received in relation to issues of Conflict of Interest of the 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 | 93 days | 91 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 | 9.47% | 9.60% |
| | b. Number of trading houses where purchases are made from | 63 | 86 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 54.64% | 50.11% |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | 14.13% | 15.47% |
| | b. Number of dealers / distributors to whom sales are made | 130 | 129 |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 59.67% | 59.62% |
| Share of RPTs in | a. Purchases (Purchases with related parties /Total Purchases) | 1.25% | 0.91% |
| | b. Sales (Sales to related parties / Total Sales) | 1.65% | 2.80% |
| | c. Loans & advances (Loans & advances given to related parties) | 0.00% | 0.00% |
| | d. Investments (Investments in related parties /Total Investments made) | 100% | 100% |



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Leadership Indicator

1. 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 |
|---|--|--|
| 1 (26 Participants) | <ul style="list-style-type: none"> • Sustainable procurement • Environmental Sustainability • Respect for Human Rights • Fair business practices | We identified key strategic suppliers and have imparted training to them on Sustainable Procurement (ISO 20400). |

2. 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, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms or other association of individuals and any change therein, annually or upon any change, which includes the shareholding. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. Also, the code of conduct of the Company has provision for avoiding conflict of interest Link is <https://www.aartidrugs.co.in/code-of-conduct/>

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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 | 11% | 7.06% | Note 1 |
| Capex | 10.85% | 18.29% | Note 2 |

Note 1:

The Company's investments in Research and Development (R&D) have driven significant environmental advancements, highlighting its dedication to sustainable innovation and eco-friendly practices:

Vacuum Oven (121 L):

- **Energy Conservation:** Incorporating vacuum ovens into R&D activities has helped reduce overall energy usage, which in turn lowers greenhouse gas emissions and contributes to a reduced carbon footprint.
- **Minimised Waste Generation:** Operating at lower temperatures helps preserve material quality during processing, thereby reducing material wastage and conserving valuable resources.

Refrigerator/Freezer (400 L):

- **Lower Emissions:** The use of energy-efficient refrigeration systems decreases power consumption, supporting the reduction of greenhouse gas emissions and enhancing overall energy savings.
- **VOC Management:** Proper storage of volatile substances helps limit the emission of volatile organic compounds (VOCs), leading to improved indoor air quality and safer laboratory conditions.

Fume Hood (3900 mm W x 11000 mm D x 1580 mm H):

- **Enhanced Air Quality:** Fume hoods effectively control and capture hazardous gases, vapors, and dust during lab operations, preventing their release into the environment.
- **Environmental Compliance:** Using fume hoods helps to ensure adherence to environmental and occupational safety regulations, safeguarding both employee well-being and the surrounding ecosystem.

Ultrasonic Cleaning Bath:

- **Efficient Water Usage:** Compared to traditional cleaning methods, ultrasonic baths use significantly less water, supporting water conservation efforts.
- **Reduced Chemical Usage:** This method minimises the need for strong chemical agents, lowering the chemical load and promoting a cleaner, more sustainable operation.

Overall Impact:

These R&D infrastructure upgrades reflect the Company's commitment to sustainable innovation. By focusing on energy efficiency, resource conservation, and pollution control, the Company strengthens its environmental responsibility while maintaining operational excellence and industry leadership.

Note 2:

The Company's capital investments have brought about substantial environmental and social benefits, underscoring its commitment to sustainability and responsible business practices. Key benefits include:

- Improved Energy Efficiency and Emission Control:** Upgrades such as replacing boiler smoke tubes and enhancing condenser systems have significantly increased operational efficiency. These improvements have led to reduced fuel usage and lower greenhouse gas emissions, contributing to efforts to combat climate change and advance toward a low-carbon economy.



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2. **Sustainable Solvent Recovery and Waste Handling:** The integration of solvent recovery units and dedicated storage for solid waste has helped decrease emissions of Volatile Organic Compounds (VOCs) and reduced hazardous waste generation. This environmentally responsible approach promotes pollution control, conserves resources, and supports a cleaner ecosystem.
3. **Fire Safety and Emission Monitoring:** Advanced fire hydrant systems and real-time stack monitoring equipment helps to prevent environmental hazards and control pollutant emissions. These systems reinforce regulatory compliance, safeguard air quality, and protect community health.
4. **Closed-loop Systems and Efficient Cleaning Methods:** The implementation of closed SCADA-based systems and ultrasonic cleaning technologies reduces VOC emissions and lowers water usage. These eco-conscious practices are aligned with environmental norms and promote efficient and responsible use of water.
5. **Co-Generation and Optimised Emission Dispersion:** The use of co-generation boilers enables simultaneous production of heat and power, ensuring optimal use of waste heat. High-elevation chimney designs aid in the effective dispersion of gases, minimizing environmental and health impacts at the ground level.
6. **Reverse Osmosis for Efficient Water Management:** Reverse osmosis technology helps conserve water while also reducing reliance on chemical treatment. This dual benefit enhances sustainable water management and supports long-term resource conservation.
7. **Cleaner Air with Air Preheaters and Scrubbers:** Air preheaters reclaim heat from flue gases, reducing energy demand, while scrubbers capture airborne pollutants, thereby improving air quality. These technologies contribute to reduced environmental impact and healthier conditions for workers and nearby populations.
8. **Employee Health and Safety Enhancements:** The establishment of occupational health centres and provision of safety equipment like Self-Contained Breathing Apparatus (SCBA) sets demonstrate a strong commitment to employee safety. These initiatives promote a healthier workforce, reduce medical risks, and improve workplace productivity.

Conclusion: The Company's capital investments are generating tangible environmental and social benefits. By adopting advanced, sustainable technologies and prioritizing responsible practices, the Company supports environmental protection, efficient resource use, and employee well-being. These efforts are closely aligned with ESG values, strengthening the Company's position as a trusted and accountable industry leader in the eyes of stakeholders and investors.

2.
 - a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
Yes, we have developed a set of questionnaires as part of our Integrated Management System to evaluate critical suppliers. These questionnaires include certain criteria related to sustainability. Vendors are assessed based on their responses. We have policies in place such as Supplier Code of Conduct and Responsible Procurement Policy that comprehensively cover ESG issues.
 - b. **If yes, what percentages of inputs were sourced sustainably?**
Most of the Company's raw materials, which during the FY account to approx. ~24% of the total purchase, are sourced from leading Indian and multinational companies which have their own sustainability targets and goals. The Company works closely with its suppliers throughout its value chain to ensure they align with its ESG objectives and priorities.
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.**
Aarti Drugs is dedicated to adopting waste management practices that go beyond regulatory compliance. We have proactively implemented various measures to reduce waste generation and ensure that all waste is handled in an environmentally responsible way. Our approach is guided by the following key principles:
 - a) **Plastic Waste (Including Packaging):**
We follow a systematic process of collection and segregation of plastic waste, as per the classifications outlined in the Plastic Waste Management Rules. All plastic waste generated at our site is sorted accordingly and stored in

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a designated area before being sent to certified plastic recyclers. These recyclers convert the plastic into reusable materials.

Additionally, we practice internal reuse by reusing plastic bags for the same materials and re-purposing containers for storage. Our plastic waste management fully adheres to Extended Producer Responsibility (EPR) requirements.

b) E-Waste Management:

We have established dedicated E-waste collection points within the facility. Before disposal, all data-containing devices are thoroughly wiped to ensure the safe handling of sensitive information. The E-waste is then handed over to authorised recyclers for proper processing and material recovery. We maintain a detailed inventory of E-waste generated and stored to ensure traceability and accountability.

c) Hazardous Waste Management:

Hazardous waste is managed with utmost care and is stored in a dedicated hazardous waste storage area within the premises. Disposal is carried out strictly in accordance with the routes and agencies approved by the Pollution Control Boards, and in full compliance with the Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016. Disposal records are maintained digitally and are readily accessible to the regulatory authorities.

We also ensure timely adoption of any updates or amendments to applicable environmental regulations, reinforcing our commitment to sustainable and compliant waste management.

d) Fly Ash Disposal:

Fly ash generated from our boiler operations is collected and stored in a designated covered storage area to prevent environmental contamination. It is then supplied to authorised agencies such as brick-making units for productive reuse. All transportation and disposal of fly ash are conducted in compliance with the guidelines issued by the State Pollution Control Boards, ensuring zero adverse impact on the environment.

We also ensure timely adoption of any updates or amendments to applicable environmental regulations, reinforcing our commitment to sustainable and compliant waste management.

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, the entity falls under the scope of Extended Producer Responsibility (EPR). A plastic waste management plan, in alignment with EPR guidelines, has been submitted to the Pollution Control Board under the categories of Brand Owner and Importer.

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 Product/ Service | % of total 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. |
|----------|--------------------------|---------------------------------|--|---|---|
| N.A. | | | | | |

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.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| N.A. | | |



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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).

Being a pharmaceutical company, we consider quality and specifications of raw and input materials as the important factor. No recycled or reused input material was used in the production process. We adopt suitable methods for the disposal of the waste which includes Incineration, Landfilling, Co-processing and Sale to Recyclers.

| Indicate input material | Recycled or re-used input material to total material | |
|-------------------------|--|------------|
| | FY 2024-25 | FY 2023-24 |
| - | - | - |

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:

| | FY 2024-2025 | | | FY 2023-2024 | | |
|--------------------------------|--------------|----------|-----------------|--------------|----------|-----------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | - | - | - | - | - | - |
| E-waste | - | - | - | - | - | - |
| Hazardous waste | - | - | - | - | - | - |
| Other waste (Fly ash) | - | - | - | - | - | - |

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

Since the Company is engaged in pharmaceutical sector, we do not reclaim products for reusing, recycling and disposing them at the end of their life.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| - | - |

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PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|--------|---------------------|--------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | %(B/A) | Number (C) | %(C/A) | Number (D) | %(D/A) | Number (E) | %(E/A) | Number (F) | %(F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 808 | 808 | 100% | 808 | 100% | N.A | N.A | - | - | - | - |
| Female | 131 | 131 | 100% | 131 | 100% | 131 | 100% | - | - | - | - |
| Total | 939 | 939 | 100% | 939 | 100% | 131 | 100% | - | - | - | - |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 506 | - | - | 506 | 100% | - | - | - | - | - | - |
| Female | 72 | - | - | 72 | 100% | - | - | - | - | - | - |
| Total | 578 | - | - | 578 | 100% | - | - | - | - | - | - |

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

| Category | % of workers covered by | | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|--------|---------------------|--------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | %(B/A) | Number (C) | %(C/A) | Number (D) | %(D/A) | Number (E) | %(E/A) | Number (F) | %(F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | 344 | 344 | 100% | 344 | 100% | N.A | N.A | - | - | - | - |
| Female | 1 | 1 | 100% | 1 | 100% | 1 | 100% | - | - | - | - |
| Total | 345 | 345 | 100% | 345 | 100% | 1 | 100% | - | - | - | - |
| Other than Permanent workers | | | | | | | | | | | |
| Male | 968 | - | - | 968 | 100% | - | - | - | - | - | - |
| Female | 35 | - | - | 35 | 100% | - | - | - | - | - | - |
| Total | 1,003 | - | - | 1,003 | 100% | - | - | - | - | - | - |

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 | 0.16% | 0.10% |

2. Details of retirement benefits, for Current FY 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 workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | N.A | 100% | 100% | N.A |
| ESI | 15.44% | 13.04% | Y | 8.88% | 20.13% | Y |
| Others – please specify | - | - | - | - | - | - |



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3. Accessibility of workplaces

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

As per the nature of ADL's business, differently abled employees cannot be recruited in the manufacturing plant operations activities. However, the Company gives opportunities to differently abled persons in office premises. The office areas have lifts making it accessible with people with mobility impairment.

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.

Company has internal guidelines for equal opportunity. The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. The Company has "Anti-Discrimination Policy" as well as "Human Rights policy" as a part of HR Policies to safeguard employees from any discrimination on basis of disabilities. For more details refer to the "People Policy" available on the website of the Company at the weblink: <https://www.aartidrugs.co.in/sustainability-policies/>

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

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

Note: No female workers have availed the parental leave during FY 2024-25 and FY 2023-24.

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

The Company has a 'Whistle Blower Policy' for redressal of grievances of employees. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct, abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimisation of employees and allows direct access to the chairperson of the audit committee.

The same can be found at <https://www.aartidrugs.co.in/policies-and-related-documents/>

A short summary of procedure to be followed to resolve routine complaints is given below.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | Reporting to the field supervisor and then field supervisor taking it up with Factory Manager |
| Other than Permanent Workers | Reporting to the field supervisor and then field supervisor taking it up with Factory Manager |
| Permanent Employees | Reporting to reporting manager for redressal of the grievances or to report the grievance at HRIS portal |
| Other than Permanent Employees | Reporting to reporting manager for redressal of the grievances |

Note:- In case of complaint does not get resolved through the above channels then employees/ workers may contact to HR Department or Ethics Officer of the Company.



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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|----------------------------------|--|--|---------------|--|---|---------------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | %(B/A) | Total employees / workers in respective category (C) | No. of employees/ workers in respective category, who are part of association(s) or Union (D) | %(D/C) |
| Total Permanent Employees | 939 | 0 | NA | 766 | 0 | NA |
| Male | 808 | 0 | NA | 663 | 0 | NA |
| Female | 131 | 0 | NA | 103 | 0 | NA |
| Total Permanent Workers | 345 | 159 | 46.09% | 298 | 146 | 48.99% |
| Male | 344 | 159 | 46.22% | 297 | 146 | 49.16% |
| Female | 1 | 0 | 0.00% | 1 | 0 | 0.00% |

8. Details of training given to employees and workers:

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|------------------|--------------|-------------------------------|-------------|----------------------|-------------|--------------|-------------------------------|-------------|----------------------|-------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 1,314 | 1,314 | 100% | 1,314 | 100% | 1,275 | 1,275 | 100% | 1,275 | 100% |
| Female | 203 | 203 | 100% | 203 | 100% | 197 | 197 | 100% | 197 | 100% |
| Total | 1,517 | 1,517 | 100% | 1,517 | 100% | 1,472 | 1,472 | 100% | 1,472 | 100% |
| Workers | | | | | | | | | | |
| Male | 1,312 | 1,312 | 100% | 1,312 | 100% | 1,250 | 1,250 | 100% | 1,250 | 100% |
| Female | 36 | 36 | 100% | 36 | 100% | 40 | 40 | 100% | 40 | 100% |
| Total | 1,348 | 1,348 | 100% | 1,348 | 100% | 1,290 | 1,290 | 100% | 1,290 | 100% |

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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|------------------|------------|------------|-------------|------------|------------|-------------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 808 | 808 | 100% | 663 | 663 | 100% |
| Female | 131 | 131 | 100% | 103 | 103 | 100% |
| Total | 939 | 939 | 100% | 766 | 766 | 100% |
| Workers | | | | | | |
| Male | 344 | 344 | 100% | 297 | 297 | 100% |
| Female | 1 | 1 | 100% | 1 | 1 | 100% |
| Total | 345 | 345 | 100% | 298 | 298 | 100% |

10. Health and safety management system:

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

Aarti Drugs Limited (ADL) is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates, Specialty Chemicals and also produces Formulations with its wholly-owned subsidiary – Pinnacle Life Science Private Limited. With the vision to adopt processes supported by proven technologies, which are cost effective and safe. We are committed to develop and continually improve our safety systems and culture.

We have a comprehensive Health, Safety and Environment Policy to demonstrate our commitment to maintain the world-class standards of health and safety in line with our core values of 'Care', 'Integrity' and 'Excellence'.



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We have implemented Occupational Health and Safety Management System across all our sites. We strive to make our workplace injury and incident free by inculcating safety culture at all levels of the organisation. We also organise various safety trainings, safety initiatives, mock drills and campaigns in the Company. At ADL, we are highly committed to creating a safe & healthy workplace and focusing on the continual improvement of the safety & health standards of employees and contractors.

ADL has implemented programmes on safety & occupational health which incorporates best-in-class practices related to occupational health. At ADL, various leading and lagging indicators are implemented and regularly monitored through the top management including safety studies, safety training, audits, and incident investigations. We are certified with Integrated Management System of ISO 9001, ISO 14001 and ISO 45001. Safe and reliable operation is assured by the inherent safe design of plants.

Our infrastructure and trained man-power is equipped to handle any on-site and off-site emergency. We have mutual aid signed with neighbouring industries and provide support to other industries and communities in case of emergency situations.

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

We have engaged experienced and competent people for plant operation, and to perform safety studies and assessments such as HAZOP, HIRA and other risk studies as required for process validation. We have effectively implemented safety programmes like management of changes, process management, pre-startup safety review, General plant conditions, Job safety analysis, work permit system, cross site safety audits, safety rounds by key plant personnel, etc.

We have ensured safety trainings and vigilance throughout our operations and validate the effectiveness of the safety programmes through internal and external safety audits.

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

At ADL, we have implemented safety programmes to identify the unsafe acts and unsafe conditions through Behaviour Based Safety (BBS), General Plant Conditioning (GPC), Near Miss Reporting (NMR), Incident Managements and global CAPA compliance.

All workers have access to report hazards and contributing towards enhancement of safety culture.

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

Our organisation has secured a Medclaim Insurance Policy to provide personal health and accidental treatment benefits for all employees. Additionally, a specialised Employees State Insurance Corporation (ESIC) Medclaim policy has been acquired for contract employees to cover their hospital treatments. In order to provide healthcare facilities to employees and workers, Company has tie-ups with local hospitals for healthcare facilities.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category* | FY 2024-25 | FY 2023-24 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 00 | 00 |
| | Workers | 00 | 00 |
| Total recordable work-related injuries | Employees | 00 | 00 |
| | Workers | 00 | 00 |
| No. of fatalities | Employees | 00 | 00 |
| | Workers | 01 | 01 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 00 | 00 |
| | Workers | 00 | 00 |

*Including in the contract workforce

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

- i. The Company is using Hazard Operability (HAZOP) for process related hazards, Hazard Identification and Risk Assessment (HIRA) for routine and non-routine activities and Quality Risk Assessment (QRA or Industrial Hygiene) for identifying exposure related activities
- ii. Regular site review, inspections and audits to assess safety preparedness
- iii. Regular training on Occupational Health and Safety

These measures are taken at all manufacturing facilities and cover all employees and workers.

13. 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 year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | NA | 0 | 0 | NA |
| Health & Safety | 0 | 0 | NA | 0 | 0 | NA |

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 & safety practices and working conditions.

There is only one fatal incident that occurred during the financial year. Though there was First Aid, Medically Treated related incidents during the year which have been investigated and closed with necessary corrective and preventive actions.

Following corrective and preventive actions (CAPA) are taken in all our units to avoid similar type of fatal incidents in future:

- Engineering control - Provided earthing and ensured earthing continuity to earth pits. ELCB provided for all electrical installations.
- Electrical audit - Detailed electrical audit conducted at site to identify and mitigate electrical risks.
- Performed preventive maintenance of all electrical installations and earth pits. Conducted GPC rounds to identify unsafe conditions at all areas and take immediate corrective actions.
- Training - Imparted first aid training to employees' contractors, security and shift incharges. Prepared onsite Emergency plan & Imparted emergency preparedness trainings to employees' contractors, security and shift incharges. Conducted mock drills to evaluate the emergency preparedness at site.
- Behaviour Based Safety & PPE's - Ensured safe practices and PPE compliance at site through effective supervision.

To develop Safety Culture in all our units following steps are taken and are in progress for continuous improvement:

- Safety Campaign, Safety Training, Gate Safety Meeting and Safety Thought of the day are started in all our units regularly to provide awareness regarding safety.
- Safety alert of every incident are sent to all our units and implemented the CAPA of incident in all our units to avoid similar incident in future.
- General Safety Management and Environment Management related SOP's are implemented and followed in all our units to improve safe work practices and healthy environment in work place.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

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

We are ensuring that vendors in our value chain are deducting and submitting the required statutory dues on time. Also, we are approving the vendors based on the statutory dues paid by their firm on periodic basis. Also, the entity ensures adherence to statutory compliances related to workers such as timely wage payment and Provident fund.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are 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/workers 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 | 00 | 00 | 00 | 00 |
| Workers | 01 | 01 | 00* | 00* |

*The Company offered Job proposal to the family member of the affected worker, however, the same was not accepted by the family member.

4. 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)

Yes, for the selected and interested employees we continue their employment as retainer for a fixed amount of agreed tenure. During the employment every employee goes through focused initiatives of skills building that help them to continue their employment.

5. 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 | Vendor EHS assessment done for 12 critical value chain partners. |
| Working Conditions | Vendor EHS assessment done for 12 critical value chain partners. |

6. 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.

We have identified key suppliers and imparted training to them on Sustainable Procurement (ISO 20400) during FY 2024-25.

Also, to expand the scope following actions are underway to improve Environment, Health and Safety at value chain partners:

- i. Periodic Vendor EHS Assessment
- ii. Vendor training on Sustainable Procurement and other various ISO, etc.
- iii. Vendor EHS Audits
- iv. Mapping Carbon Footprint of suppliers.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

Our company has a process for identifying key stakeholder groups that is based on the following steps:

- a. We define the Company's business and its operations. This helps us to identify the groups of people who are most directly affected by the Company's activities.
- b. We identify the groups of people who have a vested interest in the Company's success. These groups of people are likely to be the most important stakeholders, as they have the potential to impact the Company's performance.
- c. We assess the influence and impact of each stakeholder group. This helps us to prioritise our stakeholder engagement efforts.
- d. We develop a stakeholder engagement strategy. This strategy helps us to build relationships with our stakeholders and to ensure that we are meeting their needs.

We have identified the following key stakeholder groups:

Employees: Employees are the lifeblood of our company, and they play a critical role in our success. Employees are also the most directly affected by the Company's activities, so they are likely to be one of the most important stakeholder groups.

Customers: Customers are the people who buy our products or services. Customers are also the ones who are most affected by the quality of our products or services. Therefore, customers are another important stakeholder group that we need to consider.

Suppliers: Suppliers provide us with the raw materials and other inputs that we need to produce our products or services. Suppliers are also affected by the Company's activities, as they may be impacted by the Company's demand for their products or services.

Investors and shareholders: Investors and shareholders are the people who own the Company. They are interested in the Company's performance, as they want to see their investment grow in value. Therefore, investors and shareholders are another important stakeholder group that we need to consider.

Communities: The communities in which we operate are also important stakeholders. These communities are affected by the Company's activities, as they may be impacted by the Company's pollution or its impact on the local economy.

Government and regulatory bodies: Government and regulatory bodies are also important stakeholders, as they have the power to regulate the Company's activities. We need to work with government and regulatory bodies to ensure that we are in compliance with the law.

We believe that these stakeholder groups are the most important to our company's success. We will continue to engage with these groups in order to build strong relationships and to ensure that we are meeting their needs.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------|--|--|---|--|
| Employees | No | <ol style="list-style-type: none"> 1. Emails and Meetings 2. Employee Satisfaction Surveys 3. Training Programmes 4. Performance appraisal reviews 5. Grievance Redressal Mechanisms | Ongoing | <ol style="list-style-type: none"> 1. Fair wages and Rewards 2. Work life Balance 3. Training & Skill development 4. Career Growth 5. Occupational Health and Safety 6. Job Security 7. Transparent Communication |
| Customers | No | <ol style="list-style-type: none"> 1. Customer feedback 2. Customer satisfaction survey 3. Phone calls, emails and Meetings 4. Signed contracts 5. Exhibitions, Events 6. Customer visits & audits 7. Websites | Ongoing | <ol style="list-style-type: none"> 1. Timely Delivery 2. Quality 3. Pricing 4. Post-sales Support 5. Product related certifications 6. EHS Management Systems |
| Suppliers | No | <ol style="list-style-type: none"> 1. Emails and Meetings 2. Vendor Assessment & Review 3. Signed Contracts | Ongoing | <ol style="list-style-type: none"> 1. Timely Payment 2. Continuity of orders 3. Capacity Building 4. Transparency |
| Investors & Shareholders | No | <ol style="list-style-type: none"> 1. Shareholders Meetings 2. Publishing requisite notices/ press releases/ other communications through Newspaper Advertisements/e-mails/ websites 3. Annual Reports 4. Company's Website/ dissemination of requisite information on website of stock exchanges and depositories 5. Investor meet | Ongoing | <ol style="list-style-type: none"> 1. Sustainable Growth & Returns 2. Risk Management 3. Corporate Governance 4. Market Share 5. Operational Performance |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|----------------------------------|--|---|---|--|
| Communities | No | <ol style="list-style-type: none"> 1. Training & Workshops 2. Regular Meetings 3. Need Assessment & Satisfaction Surveys 4. CSR Reports | Ongoing | <ol style="list-style-type: none"> 1. Local Employment 2. Environmental pollution control 3. Infrastructure development 4. Training & Livelihood programmes 5. Participation in social services |
| Government and Regulatory bodies | No | <ol style="list-style-type: none"> 1. Annual Reports 2. Statutory filings 3. Communication with regulatory bodies 4. Formal Dialogues | Ongoing | <ol style="list-style-type: none"> 1. Tax 2. Compliance with laws, rules & regulations 3. Employment 4. Pollution Prevention 5. Local Economy Growth |

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 is feedback from such consultations provided to the Board.**

Respective business / functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is provided to the Board, wherever applicable.

- 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. We have framed our ESG agenda through materiality assessment process which are based on stakeholder consultations. Material topics were shortlisted and prioritised based on their impact on our stakeholders and our business. For details regarding the materiality assessment kindly refer to point number 26 of Section A of this report.

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

The Company through its Corporate Social Responsibility (CSR) initiatives focus the local areas for the upliftment of the weaker section of the society



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

The Company is currently preparing policies for conducting and providing trainings on human rights to each of its employees and workers at the time of joining and a yearly training on all such topics. During the FY 2024-25 sensitisation and awareness training on Prevention of Sexual Harassment were imparted to the employees (permanent and other than permanent) and permanent workers. Company is in process to develop such training programme for other than permanent workers as well.

| Category | FY 2024-25 | | | FY 2023-24 | | |
|------------------------|--------------|--|---------------|--------------|--|---------------|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 939 | 939 | 100% | 766 | 766 | 100% |
| Other than permanent | 578 | 578 | 100% | 706 | 706 | 100% |
| Total Employees | 1,517 | 1,517 | 100% | 1,472 | 1,472 | 100% |
| Workers | | | | | | |
| Permanent | 345 | 345 | 100% | 298 | 298 | 100% |
| Other than permanent | 1,003 | 0 | 0.00% | 992 | 0 | 0.00% |
| Total Workers | 1,348 | 345 | 25.59% | 1,290 | 298 | 23.10% |

2. Details of minimum wages paid to employees and workers, in the following format:

| 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 | 848 | | | | | 676 | | | | |
| Male | 753 | 188 | 25% | 565 | 75% | 608 | 118 | 19% | 490 | 81% |
| Female | 95 | 34 | 36% | 61 | 64% | 68 | 17 | 25% | 51 | 75% |
| Other permanent | 572 | | | | | 700 | | | | |
| Male | 502 | 502 | 100% | 0 | 0% | 609 | 609 | 100% | 0 | 0% |
| Female | 70 | 70 | 100% | 0 | 0% | 91 | 91 | 100% | 0 | 0% |
| Workers | | | | | | | | | | |
| Permanent | 345 | | | | | 298 | | | | |
| Male | 344 | 62 | 18% | 282 | 82% | 297 | 32 | 11% | 265 | 89% |
| Female | 1 | 0 | 0% | 1 | 100% | 1 | 0 | 0% | 1 | 100% |
| Other permanent | 1,003 | | | | | 992 | | | | |
| Male | 968 | 100 | 10% | 868 | 90% | 953 | 73 | 8% | 880 | 92% |
| Female | 35 | 35 | 100% | 0 | 0% | 39 | 39 | 100% | 0 | 0% |

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

| | Male | | Female | |
|----------------------------------|--------|--|--------|--|
| | Number | Median remuneration/ salary/ wages of respective category (₹ in lakhs) | Number | Median remuneration/ salary/ wages of respective category (₹ in lakhs) |
| Board of Directors (BoD)* | 5 | 268.74 | 0 | - |
| Key Managerial Personnel | 2 | 69.50 | 0 | - |
| Employees other than BoD and KMP | 801 | 3.90 | 131 | 3.30 |
| Workers | 344 | 5.49 | 1 | 5.58 |

* includes the remuneration of Executive Directors only

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 | 8.81% | 8.34% |

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, Company has constituted Ethics Committee and also appointed Ethics Officer which is responsible for addressing human rights issues. Further, Company has a Whistle Blower policy. The said policy has been posted at the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related-documents/>

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

Grievances related to human rights can be submitted to Ethics Officer or Human resource department. Also Whistle Blower Mechanism is available to address major issues. A detailed process has been laid down in the whistle blower policy. The said policy has been posted at the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related-documents/>

Further, HRIS portal is also available through which employees can raise their grievances.

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 year | Remarks | Filed during the year | Pending resolution at the end of 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 | - | - |
| Complaints on POSH upheld | 0 | 0 |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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

The Company has implemented Whistle Blower Mechanism where any discrimination and harassment cases can be directly brought to the notice of Board of Directors. The policy provides adequate safeguard against victimisation of the complainant(s). Similarly, in sexual harassment cases, there are Internal Complaints Committees (ICCs) and relevant policies to ensure that complainant(s) shall not be met with adverse consequences.

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

The Company's Code of Conduct and Supplier Code of Conduct are applicable to all the stakeholders which cover the issues pertaining to Human Rights as well.

10. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labour | Company internally monitors compliance for all relevant laws and policies pertaining to these Human Right issues. There have been no observations by local statutory/third parties during the year |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

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

There were no significant risks or concerns arising from the assessments at the question 10 above.

Leadership Indicator

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

Not applicable as we did not receive any complaint or any grievance during FY 2024-25 relating to the Human rights.

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

No such due diligence was conducted. Company is in process to design the Human rights due-diligence.

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

4. Details on assessment of value chain partners:

The Company is in process for formation of a procedure for assessing value chain partners for Child Labour, Forced/ involuntary labour, Sexual harassment, Discrimination at workplace, Wages, etc. The Company's Code of Conduct and Supplier Code of Conduct are applicable to all the stakeholders which cover the issues pertaining to Human Rights as well.

| | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|---|
| Sexual Harassment | NIL |
| 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.

NIL

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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, in the following format:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| From renewable sources | | |
| Total electricity consumption (A) | Nil | Nil |
| Total fuel consumption (B) | Nil | Nil |
| Energy consumption through other sources (C) | Nil | Nil |
| Total energy consumed from renewable sources (A+B+C) | Nil | Nil |
| From non-renewable sources | | |
| Total electricity consumption (D) | 307199 | 293984 |
| Total fuel consumption (E) | 914596 | 876436 |
| Energy consumption through other sources (F) Steam Purchase | 281580 | 354122 |
| Total energy consumed from non- renewable sources (D+E+F) | 1503375 | 1524542 |
| Total energy consumed (A+B+C+D+E+F) | 1503375 | 1524542 |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | = 1503375 / 217365.48 = 6.92 Gigajoules per 1,00,000 Rupees of Sales | = 1524542 / 226691.14 = 6.73 Gigajoules per 1,00,000 Rupees of Sales |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | - | - |
| Energy intensity in terms of physical output | = 1503375 / 34706.90 = 43.31 Gigajoule/MT of physical output | = 1524542 / 36517.00 = 46.34 Gigajoule/MT of physical output |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. NO

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

No, we do not have any site as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

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

| Parameter | FY 2024-25 | FY 2023-24 |
|--|---------------|---------------|
| Water withdrawal by source (in kilo liters) | | |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 0 | 0 |
| (iii) Third party water (MIDC Water) | 615853 | 425435 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v) | 615853 | 425435 |
| Total volume of water consumption (in kiloliters) | 615853 | 425435 |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

| Parameter | FY 2024-25 | FY 2023-24 |
|--|---|---|
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | = 615853 / 217365.48 = 2.83 Kiloliters per 1,00,000 Rupees of Sales | = 425435/226691.14 = 1.88 Kiloliters per 1,00,000 Rupees of Sales |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | - | - |
| Water intensity in terms of physical output | = 615853 / 34706.90 = 17.74 KL/MT of product | = 425435/36517.00 = 11.65 KL/MT of product |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. NO

4. Provide the following details related to water discharged:

| Parameter | FY 2024-25 | FY 2023-24 |
|--|--------------|--------------|
| Water discharge by destination and level of treatment (in Kilolitres) | | |
| (i) Into Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) Into Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) Into Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties (Common Effluent Treatment Plant for further treatment) | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment (Primary, Secondary, Tertiary, and sent to CETP for further treatment) | 14777 | 14395 |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kiloliters) | 14777 | 14395 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. NO

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

Yes, we have established a comprehensive Zero Liquid Discharge (ZLD) system. At present, 9 out of our 11 API manufacturing units operate on a ZLD basis, ensuring that all wastewater is treated and reused within the facility. The remaining 2 units are connected to a Common Effluent Treatment Plant (CETP) for appropriate external treatment.

Our key manufacturing sites are equipped with advanced infrastructure to support ZLD, including Multiple Effect Evaporators (MEE), Mechanical Vapour Recompression (MVR) systems, Effluent Treatment Plants (ETP), and on-site distillation units. These technologies enable us to treat and recycle wastewater effectively.

Wherever effluent discharge is applicable, we ensure that the treated water complies with all relevant environmental regulations. This reflects our commitment to sustainable operations and responsible water management.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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

| Parameter | Please specify unit | FY 2024-25 | FY 2023-24 |
|-------------------------------------|---------------------|------------|------------|
| NOx | Tonnes | 1.54 | 2.03 |
| SOx | Tonnes | 18.17 | 19.78 |
| Particulate matter (PM) | Tonnes | 25.93 | 26.55 |
| Persistent organic pollutants (POP) | - | NA | NA |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | NA | NA |
| Others – please specify | - | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. NO

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| 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 | 64,666 | 54,888 |
| 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 | 78,417 | 78,220 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | | = (64666 + 78417) / 217365.48 = 0.658 tonnes per 1,00,000 Rupees of turnover | = (54888+78220) / 226691.14 = 0.587 tonnes per 1,00,000 Rupees of turnover |
| 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) | - | - | - |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | Metric tonnes of CO ₂ equivalent | = (64666+78417) / 34706.90 = 4.12 Metric tonnes of CO ₂ Equivalent / MT of product | = (54888+78220) / 36517.00 = 3.65 Metric tonnes of CO ₂ Equivalent / MT of product |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | - | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. NO

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

Aarti Drugs Limited is dedicated to taking climate action and making a positive difference to the communities and environment where it operates. Aligned with this vision, the Company is working towards a clear pathway to achieve carbon neutrality. Key initiatives include replacing coal-based boilers with cleaner alternatives, expanding the use of renewable and other clean energy sources, and investing in technological upgrades and operational efficiency improvements.

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

| Parameter | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 153.25 | 174.85 |
| E-waste (B) | - | - |
| Bio-medical waste (C) | - | - |



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| Parameter | FY 2024-25 | FY 2023-24 |
|---|--|--|
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | 38,614.53 | 30,384.19 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Fly ash) (Break-up by composition i.e. by materials relevant to the sector) | 5288.26 | 4110.79 |
| Total (A+B + C + D + E + F + G + H) | 44,056.04 | 34,669.83 |
| Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) | = 44,056.04 / 217365.48 = 0.20 tonnes per 1,00,000 Rupees of Sales | = 34,669.83/226691.14 = 0.15 tonnes per 1,00,000 Rupees of Sales |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | - | - |
| Waste intensity in terms of physical output | = 44,056.04 / 34706.9 = 1.26 MT/ MT of product | = 34,669.83/36517 =0.949 MT/MT of product |
| Waste intensity (optional) – the relevant metric may be selected by the entity | - | - |
| 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 | 0 | 0 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| Total | 0 | 0 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 131.06 | 130.53 |
| (ii) Landfilling | 4,651.71 | 3,962.75 |
| (iii) Other disposal operations | | |
| a) Co-processing | 12,375.88 | 6,763.6 |
| b) Sale to Recycler | 21,455.87 | 19,527.31 |
| c) Plastic Sale to Recycler | 153.25 | 174.85 |
| d) Sale to Brick Manufacturer | 5,288.26 | 4,110.79 |
| Total waste disposed by other disposal operations (a+b+c+d) | 39,273.27 | 30,576.55 |
| Total | 44,056.04 | 34,669.83 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. NO

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

Aarti Drugs Limited follows robust waste management practices with a strong focus on reducing waste sent to landfill. Our approach aims to prevent pollution, conserve natural resources, and protect human health and the environment.

a) Reduction at Source:

We minimise hazardous waste generation at its origin by:

- Recycling reactants to the maximum possible extent

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- Improving processes through research and development
- Using reusable products
- Reducing packaging material

b) Hazardous Waste Management:

We adopt specialised practices such as:

- Using dedicated facilities for different waste categories
- Following safe handling procedures, including labelling of hazardous waste bags and drums
- Implementing the manifest system as per MPCB guidelines

c) Waste-to-Energy:

Hazardous waste with high calorific value is segregated and sent to cement industries for energy recovery through incineration.

d) Landfilling:

Hazardous waste with low calorific value and meeting landfill criteria is sent to CHWTSDF facilities for safe disposal, where it is buried and covered with soil.

e) Recycling:

Waste with reusable potential is recovered and reused wherever feasible.

f) Incineration:

Hazardous waste requiring controlled incineration is sent to CHWTSDF facilities for safe disposal through incineration.

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

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|--|
| N.A. | | | |

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

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| N.A. | | | | | |



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13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes. During the reporting period the Company was in compliance with applicable environment norms except the following

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|--|---|--|
| 1 | Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 | Bromine Gas Leakage took place in factory premises of T-150 while unloading of bromine tanker to storage tank. | The Company was directed by Maharashtra Pollution Control Board (MPCB) to voluntarily close down the manufacturing activity of particular product after completion of the existing production batch as a precautionary measure. The Company had stopped the manufacturing activity of the particular product from July 18, 2024. | Company has complied with the recommendations of Directorate of Industrial Safety and Health (DISH) and MPCB and restored the manufacturing process of particular product w.e.f. November 16, 2024 on the basis of restart directions of MPCB. |

Leadership Indicator

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:

- Name of the area: Manufacturing locations situated in Maharashtra and Gujarat
- Nature of operations: Manufacturing of Pharmaceuticals and Chemical products
- Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 0 | 0 |
| (iii) Third party water | 6,15,853 | 4,25,435 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kiloliters) | 6,15,853 | 4,25,435 |
| Total volume of water consumption (in kiloliters) | 6,15,853 | 4,25,435 |
| Water intensity per rupee of turnover (Water consumed / turnover) | = 6,15,853 / 2,17,365.48 = 2.83 Kiloliters per 1,00,000 Rupees of Sales | = 4,25,435 / 2,26,691.14 = 1.88 Kiloliters per 1,00,000 Rupees of Sales |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |
| Water discharge by destination and level of treatment (in kiloliters) | | |
| (i) Into Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |

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| Parameter | FY 2024-25 | FY 2023-24 |
|--|---------------|---------------|
| (ii) Into Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) Into Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties (Common Effluent Treatment Plant for further treatment) | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment (Primary, Secondary, Tertiary, and sent to CETP for further treatment) | 14,777 | 14,395 |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kiloliters) | 14,777 | 14,395 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

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

The Company is in the process of tracking scope 3 emissions currently.

| 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 | - | - |
| Total Scope 3 emissions per rupee of turnover | | - | - |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | - | - |

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

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 (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|-----------------------|--|--|
| 1 | MVR | We have completed the erection activities of MVR & commissioning activities are under progress to achieve zero liquid discharge. MVR has much higher steam economy than conventional evaporators. | MVR has much higher steam economy than conventional evaporators. |
| 2 | IE-3 Motors | We have started the use of IE-3 motors, these motors have more efficiency than IE-2 motors. | Power saving |
| 3 | MEE | We have installed Three & two stage multiple effect evaporators in our units for effluent treatment to achieve zero liquid discharge. It has around 60% lower energy requirement than conventional evaporation set up. | MEE has much higher steam economy than conventional evaporators. |

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

Aarti Drugs Limited maintains a strong Business Continuity Plan (BCP) to ensure uninterrupted operations. The workforce is regularly trained through mock drills and disaster management exercises to prepare for potential emergency situations.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

The pharmaceutical industry can have notable environmental impacts across its value chain. In order to better understand the emission hotspot, we are in process of conducting LCA for our top 10 products by sales volume. Additionally, we have undertaken various initiatives to reduce emissions across our value chain and promote the use of a diverse energy mix which includes imparting training on Sustainable Procurement. Also the Company has taken following actions within the Company to reduce the adverse impact on environment which includes:

- a) **Water Pollution** – Aarti Drugs Limited operates most of its manufacturing plants on a Zero Liquid Discharge (ZLD) basis. For units connected to a CETP, we strictly adhere to the effluent discharge norms prescribed by the Pollution Control Board.
- b) **Air Pollution** – Each stack is equipped with scrubbers at strategic locations, and an Online Continuous Monitoring System (OCMS) has been implemented across the site.
- c) **Land Pollution** – All hazardous waste is sent only to authorised waste management facilities for safe disposal.
- d) **Packaging Waste** – Packaging waste is decontaminated before disposal, with dedicated infrastructure established at the site for this purpose.

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

During the reporting period, we have conducted Vendor EHS assessment of 12 critical value chain partners.

The following actions are underway to improve Environment, Health and Safety at value chain partners:

- i. Vendor EHS Assessment
- ii. Vendor training on sustainable procurement and various other ISO, etc
- iii. Vendor EHS Audits
- iv. Mapping Carbon Footprint of suppliers

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

a. By the Company

NIL

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners”

NIL

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

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.
- 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.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1. | Federation of Indian Chambers of commerce and Industry (FICCI) | National |
| 2. | Indian Institute of Chemical Engineering (IICChE) | National |
| 3. | PHARMEXCIL-Pharmaceuticals Export Promotion Council | National |
| 4. | CHEMEXCIL-Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council | National |
| 5. | Federation of Indian Export Organisation | National |
| 6. | Indian Merchants Chamber (IMC) | National |
| 7. | Bombay Chamber of Commerce | State |
| 8. | Vapi Industrial Association | State |
| 9. | Tarapur Industrial Manufacturers Association (TIMA), Maharashtra India | State |

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.

Not applicable. No such orders received from regulatory authorities

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NIL | NIL | NIL |

Leadership Indicator

1. Details of public policy positions advocated by the entity:

Not Applicable

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others-please specify) | Web Link, if available |
|--------|-------------------------|-----------------------------------|--|---|------------------------|
| | NIL | NIL | NIL | NIL | NIL |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.**

As per the applicable laws, none of the projects undertaken by the Company can be categorised under SIA mandate. Hence no SIA has been carried out during FY 2024-25.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| NIL | NIL | NIL | NIL | NIL | NIL |

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

Not applicable, the Company has not undertaken any project which required R&R.

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|--------|--|-------|----------|---|--------------------------|---------------------------------------|
| | NIL | NIL | NIL | NIL | NIL | NIL |

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

We frequently interact with the local community to learn about their issues and grievances. Grievances can be written or verbal and can be expressed in local languages. They can be lodged by email, phone or written letters. Each grievance is acknowledged once received, and the complainant is informed of the next steps. Grievances with high severity levels are escalated to senior management levels. The respective departments investigate the grievance and respond to the complainant informing them about the proposed resolution.

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 | 8.52% | 9.33% |
| Directly from within India | 32.54% | 27.84% |

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 | - | - |
| Semi-urban | 89.38% | 88.32% |
| Urban | - | - |
| Metropolitan | 10.62% | 11.68% |

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicator

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):**

Not Applicable

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| NIL | NIL |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

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

NIL

| S. No. | State | Aspirational District | Amount spent (In ₹) |
|--------|-------|-----------------------|---------------------|
| | NIL | NIL | NIL |

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

(b) From which marginalised /vulnerable groups do you procure? N.A.

(c) What percentage of total procurement (by value) does it constitute? N.A.

The Company is impartial in its selection and procurement processes of its suppliers which is driven by the Company's procurement policy, Supplier Code of Conduct and supply chain management sustainability policy. The Company does not consider the criteria for marginalised / vulnerable group during selection of its suppliers. Because the business in which the Company operates, procurement from standard manufacturers is important for ensuring that the end product is suitable for safe consumption.

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:

NIL

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--------|--|--------------------------|---------------------------|------------------------------------|
| NIL | NIL | NIL | NIL | NIL |

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

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NIL | NIL | NIL |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|--------|--|---|--|
| 1. | Education and Skill Development | 5000+ | 100% |
| 2. | Healthcare initiatives | 10000+ | 100% |
| 3. | Public Infrastructure | 10000+ | 100% |
| 4. | Environment and Water conservation | 10000+ | 100% |
| 5. | Housing Aid | 50000+ | 100% |
| 6. | Support to the weaker section of the society | | |
| 7. | Tribal and Rural Development | | |



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

We regularly interact with the customers to understand their needs and to effectively address and resolve their complaints. The Company's dedicated marketing team serves as the primary point of contact for these complaints. Further, Meetings are conducted at least once in a year with key customers and regular feedbacks are encouraged by other customers through emails.

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% |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

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

| | FY 2024-25 | | Remarks | FY 2023-24 | | 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 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Others | 3 | 0 | - | 2 | 0 | - |

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

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil | N.A. |
| Forced recalls | Nil | N.A. |

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. The Company has adopted "Information Security Policy" to ensure data integrity and confidentiality. Further, Company's Code of Conduct covers the aspect regarding Data Privacy to protect sensitive information and maintain data confidentiality.

For more details, kindly refer;

Code of conduct: <https://www.aartidrugs.co.in/code-of-conduct/>

Information Security Policy: <https://www.aartidrugs.co.in/sustainability-policies/>

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.

We have not received any penalty / or no action has been taken by regulatory authorities on safety of products in last financial year.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: NIL
- Percentage of data breaches involving personally identifiable information of customers: Not Applicable
- Impact, if any, of the data breaches: Not Applicable



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Leadership Indicator

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

The details of our products and services are disclosed on the website of the Company at the weblink: <https://www.aartidrugs.co.in/api/>

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

The Company adheres to relevant regulatory requirements by disclosing all the necessary information to its stakeholders including safe and responsible usage of products.

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

We have procedures in place which triggers the communication to customers in case of any risk of disruption/discontinuation of essential services.

The Company engages with its customers on a frequent basis to update them on business continuity and product supply. In case of any potential disruption of supplies the customers and relevant stakeholders are informed well in advance to ensure seamless operation. The communication with customers is conducted via emails in case of any disruptions or shutdown and further mitigation actions are conveyed.

- 4. 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. The Company shows all the information which is mandatory as per regulatory requirements. We regularly interact with the customers to understand their needs. Meetings are conducted at least once in a year with key customers and regular feedbacks are encouraged by other customers through emails.