

August 27, 2026

To,
Listing/Compliance Department
BSE LTD.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

CODE –524208

To,
Listing/Compliance Department
**National Stock Exchange of
India Limited**
“Exchange Plaza”, Plot No. C/1,
G Block Bandra - Kurla Complex,
Bandra (E), Mumbai – 400 051.
Symbol: AARTIIND

Dear Sir/Madam,

**Sub.: Business Responsibility and Sustainability
Report for the Financial Year 2025-26**
**Ref.: Regulation 34(2)(f) of the SEBI (LODR)
Regulations, 2015**

In continuation of our intimation dated August 27, 2026 regarding Notice of the 43rd Annual General Meeting, Integrated Annual Report for the Financial Year 2025-26 and pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Business Responsibility and Sustainability Report for Financial Year 2025-26.

Kindly take note of the same.

For AARTI INDUSTRIES LIMITED

Digitally signed by
RAJ KUMAR SARRAF
SARRAF
Date: 2026.08.27
18:22:38 +05'30'

RAJ SARRAF
COMPANY SECRETARY
ICSI M. NO. A15526
Encl.: as above.



ANNEXURE II

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

FORMAT SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity: L24110GJ1984PLC007301
2. Name of the Listed Entity: Aarti Industries Limited (AIL)
3. Year of incorporation: 1984
4. Registered office address: Plot Nos. 801, 801/23, G.I.D.C. Estate, Phase-III, Vapi, Dist. Valsad, Gujarat-396195
5. Corporate address: 4th Floor, Tower C, Embassy 247 Park, Gandhi Nagar, Vikhroli West, Mumbai 400083, Maharashtra, India.
6. E-mail: Investorrelations@aarti-industries.com
7. Telephone: +91 22 69436100/+91 22 69436200
8. Website: www.aarti-industries.com
9. Financial year for which reporting is being done: April 01, 2025 to March 31, 2026
10. Name of the Stock Exchange(s) where shares are listed: Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)
11. Paid-up Capital: ₹ 181. 29 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
Name: Shri Raj Sarraf
Telephone: +91 22 6943 6170
Email: co.ail@aarti-industries.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).: The reporting boundary includes all the activities and operations of Aarti industries Limited including subsidiaries
14. Name of assurance provider: TUV India Private Limited (TUV NORD GROUP)
15. Type of assurance obtained: Reasonable Assurance for BRSR Core indicators (refer assurance statement)

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 speciality chemical	Manufacturing, Distributing, Trading, sales and marketing	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	Manufacture of basic chemicals, fertiliser and nitrogen compounds, plastics and synthetic rubber in primary forms	201	100%
2	Manufacture of other chemical products	202	

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	16	2	18
International	-	3	3

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States) (Inclusive of union territories)	30
International (No. of Countries)	60

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

Our contribution to export is 57% of our total turnover

c. A brief on types of customers:

Aarti Industries Limited has a strong and steady presence across a wide range of industrial sectors. We serve sectors like agrochemicals, dyes and pigments, additives, polymers, and FMCG, adapting easily to changing market needs. Our broad product portfolio reflects our ability to meet the demands of different markets. During the year, we served over 700 customers in India and more than 400 customers internationally.

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)	2,286	2,134	93.35	152	6.65
2.	Other than Permanent (E)	16	15	93.75	1	6.25
3.	Total employees (D + E)	2,302	2,149	93.35	153	6.65
WORKERS						
4.	Permanent (F)	3,538	3,498	98.87	40	1.13
5.	Other than Permanent (G)	7,243	6,928	95.65	315	4.35
6.	Total workers (F + G)	10,781	10,426	96.71	355	3.29

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)	24	24	100	0	0
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	Total differently abled employees (D + E)	24	24	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	89	88	98.88	1	1.12%
5.	Other than permanent (G)	14	14	100	0	0
6.	Total differently abled workers (F + G)	103	102	99.03	1	0.97%

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	14	2	14.29
Key Management Personnel	2	0	0

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male %	Female %	Total %	Male %	Female %	Total %	Male %	Female %	Total %
Permanent Employees	22	23	22	20	25	20	28	25	27
Permanent Workers	19	32	19	20	26	20	18	23	18

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

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Aarti Corporate Services Limited	Subsidiary	100%	Yes
2	Aarti Polychem Private Limited	Subsidiary	100%	Yes
3	Innovative Envirocare Jhagadia Limited	Subsidiary	100%	Yes
4	Alchemic (Europe) Limited	Subsidiary	88.89%	Yes
5	Shanti Intermediates Private Limited (through its Holding Company: Aarti Corporate Services Limited)	Subsidiary	100%	Yes
6	Aarti Bharuch Limited	Subsidiary	100%	Yes
7	Aarti Circularity Limited (formerly known as Aarti Spechem Limited)	Subsidiary	100%	Yes
8	Aarti Chemical Trading FZCO	Subsidiary	100%	Yes
9	Aarti Chemical Trading USA INC (through its Holding Company: Aarti Chemical Trading – FZCO)	Subsidiary	100%	Yes
10	Augene Chemical Private Limited (a JV with Superform Chemistries Limited).	Joint Venture	50%	No
11	Re Aarti Private Limited, a partnership between Aarti Circularity Limited (wholly owned subsidiary of the Company) and Re Sustainability Limited.	Joint Venture	49%	No

VI. CSR DETAILS

- 24.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
(ii) Turnover (in ₹) - 9,018 Crore
(iii) Net worth (in ₹) - 5,955 Crore

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 2025 -26 Current Financial Year			FY 2024-25 Previous Financial Year		
		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	Yes	0	0	NA	0	0	NA
Investors (other than shareholder)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	11	0	NA	25	0	NA
Employees And workers	Yes	0	0	NA	0	0	NA
Customers	Yes	35	0	NA	83	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (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	Occupational Health and Safety	Risk	At AIL, safety is not merely a priority; it is our foundational core and essence, shaping every business decision, project commissioning, and operational shift. We maintain the unwavering conviction that no production target or operational milestone is ever considered worth compromising the safety of people associated with us. AIL strives to prevent injury by sustaining an injury-free workplace with a mindset of zero tolerance towards any incident or injury. Health impact or injury during working may lead to financial implications and reputation loss to AIL. Any accident may also impact the morale of the workers leading to production losses. Non adherence to OHS requirement may also lead to fines and penalties.	We have developed and adopted a robust, comprehensive, and reliable Occupational Health and Safety Management System, process safety, risk management and Emergency mitigation system under Aarti Management System. All our employees, contract employees and visitors are covered under our management system. In addition we have implemented following safety interventions across our manufacturing locations: - Institutionalised the "Besafe+ (Dil se)" journey, shifting safety from a priority to a core value through active shop-floor involvement and tools like Personal Safety Action Plans (PSAP). - Plant-level initiatives such as daily toolbox talk, monthly awareness sessions, etc.	



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)
				- Established a Barrier Management framework and a world-class Process Safety Laboratory to conduct scientific hazard analyses, including HAZOP, QRA, LOPA, and thermal degradation studies. - Regular third party audit through external auditor (expert in the field) is done to identify process risks. - Engagement with 45,000+ annual BBSO rounds, 50,000+ man-hours of safety training, and over 1,500 Safety Action Meetings (SAM) to address unsafe acts proactively. - Daily safety pledge to reaffirm our commitment for safety. - Provided 24/7 medical support through Occupational Health Centres (OHCs) with advanced life support ambulances and a specialised fire prevention programme for chemical transport. - Extended safety expertise to the broader ecosystem by training MSMEs, supporting neighbouring industries, and collaborating with global forums like the CII, FICCI and ICC. - Leveraging digital tools for safety governance and communication.	Negative

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)
2	Energy Management	Opportunity	We are committed to a decarbonisation strategy centred on increasing the share of renewable energy within our power mix and institutionalising energy-efficient solutions across our manufacturing footprint. By systematically reducing our dependence on fossil-fuel-based energy, we aim to significantly lower our Greenhouse Gas (GHG) emissions while enhancing resource productivity. This transition not only supports a cleaner environment but also drives long-term cost optimisation and reinforces our operational resilience.	We have regularised usage of Biomass for replacing coal gradually in order to reduce carbon emissions. We have several energy efficiency programmes through process optimisation. Under this, one such programme is to recover energy from a distillation condenser in the form of steam by supplying hot water, this enables us to save cooling water loss and recover energy saving fuels and eliminating CO₂ emissions. We have adopted an IT-based Energy Management System (EnMS) for controlling, managing and conserving energy. Based on our several energy efficiency initiatives, we have saved approx 2.3 million KWH of energy in FY 2025-26. AIL has started receiving 13.2 MW of hybrid renewable energy. Additionally 2.75 MW of renewable energy is also sourced since Q3 FY26. Further phase-2 investment for 25.7.MW is expected to be operational in FY 2026-27.	Positive
3	IT security and data privacy	Risk	Risks pertaining to digital infrastructure and data security, specifically concerning the theft of sensitive corporate data and the resulting operational costs of incident response. Such vulnerabilities further pose risks of regulatory non-compliance and the imposition of significant financial penalties.	AIL utilises a suite of next-gen technology like XDR, ZTNA, and a 24/7 SOC. Regular VAPT audits ensured zero data breaches or privacy complaints. All our operational sites are ISO 27001 certified. Governance is bolstered by 100% training completion and an improved BitSight score of 800 out of 820. These measures shift our posture from reactive to proactive, ensuring top-tier information security standards across all business operations.	Negative



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)
4	Employee Development and Engagement	Opportunity	At AIL, we recognise our workforce as our most vital intellectual asset and the cornerstone of our organisational resilience. Our long-term growth trajectory is linked to a robust human capital strategy that prioritises the identification, development, and preservation of high-potential talent. By institutionalising rigorous recruitment standards, providing continuous upskilling through training, we align our people's professional aspirations with the Company's strategic objectives.	We are committed to fostering a safe, inclusive, and equitable work environment that prioritises the physical and psychological well-being of our workforce. By cultivating a high-performance culture rooted in our value of care and employee engagement, we ensure that organisational growth is aligned with individual professional development. This is supported by a robust framework for continuous capacity building and skill upgradation, alongside welfare benefits designed to enhance the quality of life for all our employees.	Positive
5	Human Rights	Risk	Human rights considerations are intrinsic to our entire value chain, from upstream raw material procurement to downstream distribution. We view the protection of human rights as a material priority, as any oversight could lead to significant regulatory non-compliance and localised reputational risks. Consequently, integrating human rights due diligence into our internal and external operations is vital to maintaining our social license to operate.	We have developed a robust Human Rights Due Diligence (HRDD) framework to facilitate the systematic assessment of our operational footprint. As part of this commitment, we conduct site-specific vulnerability assessments to proactively identify, mitigate, and monitor human rights risks. This culture of accountability is extended across our entire value chain; we mandate that our business partners align with our human rights policies, a requirement strictly formalised through our contractual agreements.	Negative
6	Business Ethics and compliance	Risk	Reputational risks arising from regulatory non-compliance and failure to meet evolving legal requirements, potentially impacting our social license to operate.	We have a robust and comprehensive Code of Conduct (CoC), Ethics and Fair Business Practices policy and various policies related to ethical conduct to ensure the highest standards of integrity across all levels of the organisation. This framework is reinforced through mandatory training and sensitisation programmes for our entire workforce, including employees and workers. To ensure rigorous adherence to statutory requirements, the Company leverages advanced digital compliance management tools for systematic, real-time tracking and monitoring of all applicable regulations.	Negative

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)
7	Climate change and Governance	Risk and Opportunity	Risk: Exposure to physical risks from extreme climate events potentially leading to operational disruptions and asset loss, alongside transition risks arising from tightening environmental regulations that may impact market reputation and compliance costs. Opportunity: AIL perceives the shift toward a green economy as an opportunity to enhance operational efficiency. Capitalising on decarbonisation pathways through the adoption of low-carbon technologies and fostering strategic industrial synergies to drive innovation in sustainable chemical manufacturing.	AIL has institutionalised climate governance by defining clear roles and responsibilities for managing climate-related risks and opportunities. This ensures that climate risks and opportunities are systematically considered in strategic planning, capital allocation, budgetary approvals, and operational performance monitoring.	Positive and Negative both
8	Water and effluent	Risk	Water availability is a material physical risk, where scarcity could disrupt manufacturing continuity and revenue generation. We also acknowledge the environmental and regulatory risks associated with potential water resource contamination or habitat degradation due to treatment failures.	We are committed to water stewardship, ensuring resource availability for both our operations and neighbouring communities through strategic CSR interventions. Eight manufacturing facilities are Zero Liquid Discharge (ZLD) compliant, three are ZLD ready, and the rest are progressing toward ZLD readiness. By mainstreaming resource circularity—specifically through the recovery of condensate and RO permeate—we are effectively decoupling production growth from freshwater demand while reducing the hydraulic load on our Effluent Treatment Plants (ETPs). Furthermore, we are evaluating next-generation adiabatic reaction technologies to minimise water loss within our cooling systems, driving long-term operational resilience.	Negative



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)
9	Waste management	Risk	Our operational waste streams comprise both hazardous and non-hazardous materials. We recognise that any deviations from prescribed disposal protocols present significant environmental, regulatory, and compliance risks, which may result in legal sanctions or financial penalties. Consequently, we prioritise stringent waste management to ensure absolute adherence to statutory requirements.	Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated. Our priority to reduce hazardous wastes are: A. First Priority: Produce less hazardous waste a. Change industrial process to eliminate use of harmful chemicals b. Use less hazardous product c. Reduce packaging materials in products d. Change industrial processes to reduce or eliminate hazardous waste production B. Second Priority: Convert hazardous waste to less hazardous or non - hazardous substance by using 4 R's a. Reuse b. Recovery c. Recycle d. Repair C. Last Priority – Treatment & disposal of all our waste: a. Treating waste to reduce toxicity b. Auditing of Hazardous waste Handlers. c. Incinerate waste d. Waste in landfills	Negative

For more details on the material topics, please refer to our Integrated Report of FY 2025-26, Page Number 44-51

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements. 9 principles of responsible business conduct are

P1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable

P2: Businesses should provide goods and services in a manner that is sustainable and safe

P3: Businesses should respect and promote the well-being of all employees, including those in their value chains

P4: Businesses should respect the interests of and be responsive to all its stakeholders

P5: Businesses should respect and promote human rights

P6: Businesses should respect and make efforts to protect and restore the environment

P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8: Businesses should promote inclusive growth and equitable development

P9: Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1. a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c.	Web Link of the Policies, if available	https://www.aarti-industries.com/investors/code-and-policies								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	(1,3)	(2,4,8)	(5,8)	(1,3)	(7,8)	(4,8)	(7)	(1,3)	(2)
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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								

*UN Global Compact (1), Responsible care (2), GRI (3), ISO 14001 & ISO 50001(4), ISO 45001 (5), ISO 27001 (6), Aarti Code of Conduct (7) Ecovadis & Together for Sustainability Tfs (8)



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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) <i>Kindly refer to our Chairman statement in the Integrated Report at Page number 04-07.</i>									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	AIL Board, composed of industry experts with diverse and extensive experience, enabling effective decision-making and execution of sustainable, long term strategies is the highest authority responsible for implementation and oversight of the Business Responsibility policies. It has constituted different board committees and Councils 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.	The Risk Management and ESG Committee at the Board level provides strategic direction on ESG matters and reviews progress quarterly. The Apex Sustainability Council, comprising CXOs and departmental heads, assist the board level committee in assessment of ESG risks and opportunities while tracking progress on a quarterly basis. ESG sub-councils support implementation and monitor performance across locations against key ESG KPIs.								

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the policies have been reviewed by the Board of Directors.									Any Other - Ongoing								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes									Quarterly and as & when required as per statutory requirement								

11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		The Company follows a robust internal oversight mechanism where Senior Management and Board/Committees regularly review policy frameworks and charters. The governance and compliance mechanisms are further subject to internal and external audits as part of the certifications processes, including ISO 9001, 14001, 45001, 50001, 27001 and as part of the annual reasonable assurance exercise. These assessments ensure that our business responsibility policies, initiatives and overall ESG performance are aligned to the long term performance objectives.								

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Yes, all Principles are covered by policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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	%age of persons in respective category covered by the awareness programmes
Board of Directors	08	During the year, the Board of Directors of the Company (including its Committees) has invested time on various matters relating to an array of issues pertaining to the business, regulations, economy and environmental, social, governance parameter. In addition, awareness sessions were conducted covering business development, strategy, technology, expansion and capital expenditure as well as health and safety initiatives and employee-centric programmes.	100%
Key Managerial Personnel	08	Key areas covered included change management, integrity and ethics, artificial intelligence and digital awareness, leadership development, and the Aarti Engaging Leaders programme focused on strengthening leadership effectiveness and engagement. Updates and awareness related to regulatory changes were provided Topics covered include: Corporate Governance, Companies Act, 2013, SEBI regulations, Forex, as applicable to the Company, ESG performance matters, Code of Conduct for Employees, Ethics and Fair Business Practices Prevention of Sexual Harassment at Workplace (“POSH”)	100%



Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	6699	The Company has a structured training programmes for all permanent employees and workers. Trainings imparted are on following themes: Behavioural; Ethics, Code of Conduct, and Compliance; Technical Skills Functional; Safety; sustainability, ESG, Waste and Water Management; Energy Management, Climate change, Cyber security	100%
Workers	6922		100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure 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	NA	NA	NA	NA	NA
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NA				
Punishment					

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	

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.

Yes, we have established a robust Ethics and Fair Business Practice Policy alongside a comprehensive Code of Conduct (CoC). This framework governs our operations and ensures compliance across key areas, including Anti-Bribery and Anti-Corruption (ABAC), Anti-Money Laundering (AML) and Anti-Fraud measures, Management of Conflicts of Interest, Anti-Competitive and Antitrust practices, Accurate Business Records and Public Disclosures, Conflict of Interest, Gifts & Hospitality, Prevention of Insider Trading. Detailed versions of these policies are accessible on the Company's website at:

<https://www.aarti-industries.com/investors/code-and-policies>

To support this, a robust Whistle Blower Policy is also in place that serves as a formal vigil mechanism for employees, directors, and external stakeholders to report concerns regarding unethical behaviour, actual or suspected fraud, leaks of Unpublished Price Sensitive Information (UPSI), or violations of the CoC and applicable Indian laws. The policy ensures adequate safeguards against victimisation and provides stakeholders with direct access to the Chairperson of the Audit Committee. Our commitment to ethics is reinforced through conduct of regular training sessions for directors, employees, and workers on ethical conduct. Furthermore, we maintain active communication channels with our business partners to ensure their alignment with our ethical standards and policy expectations.

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	108	91

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	Nil	Nil
	b. Number of dealers/distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	Nil	Nil



Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	4.34%	4.83%
	b. Sales (Sales to related parties/Total Sales)	24.50%	15.81%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	59.57%	6.64%
	d. Investments (Investments in related parties/Total Investments made)	82.24%	85.42%

Leadership Indicators

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
2 (73 Participants)	- Business Ethics - Fair Labour and Human Right Practices - Environment Sustainability - Safety and Security Compliance - Responsible Procurement	66%

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.

The Company has a process in place which is governed by the Company's Code of Conduct which is available on the website of the Company. For the purpose of this Code of Conduct, the term "Employees" includes employees, associates, officers, and directors of AIL and its subsidiaries. The Company's Code of Conduct emphasises the principles of loyalty, integrity, and ethical business conduct. All employees are expected to act solely in the interests of the Company within the scope of their employment and ensure that personal, financial, or other business interests do not interfere with, or appear to interfere with, the interests of the Company. The Code of Conduct requires employees to avoid situations that may give rise to actual, potential, or perceived conflicts of interest. A conflict of interest exists when an employee's actions or private interests interfere, or appear to interfere, with the interests of the Company.

Every Director of the Company also discloses his/her concern or interest in the Company or companies or bodies corporate or firms or other association of individuals and any change therein, annually or upon any change, which also includes the shareholding. In the Meetings of the Board, the Directors abstain from participating in the matters in which they are concerned or interested.

The Corporate Secretarial team also maintains a database of the Directors and the entities in which they are interested for identifying and tracking conflict of interests which is shared with the Finance department which flags off the parties in their system for monitoring and tracking transaction(s) entered by the Company with such parties.

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

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	14%	12%	- We practice comprehensive product stewardship by evaluating and minimising the environmental and social impacts of its products at every lifecycle stage. Guided by circularity and waste minimisation, our R&D centre—driven by a highly qualified team of 250+ scientists and 19 PhDs—focuses on embedding green chemistry and efficiency into our manufacturing designs. - This innovation-led approach successfully delivered the in-house process development of 90+ products and achieved 'first-time-right' pilot scale-ups for 60+ products, ensuring optimal resource efficiency and lower environmental overheads.
Capex	5%	7%	For details on our environment and social initiative for the year FY 2025-26 kindly refer to the Natural capital and Social capital section of the Integrated Report.

Note: The value for FY 24-25 is restated based on the correction in calculation methodology.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, we have established procedures to ensure sustainable sourcing. We provide all our suppliers with the General Conditions of the Contract (GCC), General Conditions of Purchase (GCP), Supplier Code of Conduct, Responsible Procurement Policy and POSH policy that comprehensively cover ESG issues. AIL also carries out assessment of critical business partners and engages with them on closing the sustainability related gaps.

- b. If yes, what percentage of inputs were sourced sustainably?**

During FY 2025-26, 66% of our input material by value is sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

- Plastic Waste (Including packaging) - Plastic waste generated due to packaging of our product is collected under EPR through third parties as per Plastic waste management rules, plastic waste collected is recycled. During last FY 2025-26, 695 MT of total plastic waste was collected. For plastic material exported or sent to other industries as raw material, the customer are required to safely dispose off the product as per local regulations.
- E-waste - E-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The E-waste generated from after use in-house is sold to approved vendors for recycling and safe disposal.
- Hazardous waste - We are a B2B manufacturer of chemical intermediates, our products undergo complete chemical integration or transformation during our customers' manufacturing processes. Consequently, direct end-of-life product reclamation is not feasible. The management, safe handling, and disposal of any hazardous waste generated during the utilisation of our products are governed by our downstream customers under their specific regulatory approvals.
- Other waste -
 - Battery Waste - Battery-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The Battery-waste generated by AIL after use is sold to approved authorised recyclers.



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, EPR is applicable to AIL. Our waste collection plan is in compliance with the requirements of Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016 (as amended). We continue to monitor and strengthen our waste collection and disposal mechanisms in line with evolving regulatory requirements and maintain regular engagement with the Pollution Control Boards to ensure ongoing compliance.

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.*
201	Manufacture of basic chemicals, fertiliser and nitrogen compounds, plastics and synthetic rubber in primary forms	81%	Cradle-to-Gate	The study for select product was performed in collaboration with third party	*Results are shared with relevant stakeholders
202	Manufacture of other chemical products				

*Results are not showcased on public domain but are shared with the relevant internal and external stakeholders

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
Nil	NA	NA

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).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Spent Acid (MT)	17%	26%

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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	695	0	0	716	0
E-waste	0	45	0	0	25	0
Hazardous waste	0	4,74,675	25,305	0	4,13,617	25,861
Other waste	0	35,621	14	0	28,504	13

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

We are manufacturing speciality chemicals which are intermediate products for our customers, they use it as raw material to produce finished products.

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

Note: One of our B2C products uses plastic as packaging material that comes under EPR guideline and we have collected back and recycled 100% of our EPR Target.

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		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	2,134	2,134	100%	2,134	100%	NA	NA	2,134	100%	2,134	100%
Female	152	152	100%	152	100%	152	100%	NA	NA	152	100%
Total	2,286	2,286	100%	2,286	100%	152	100%	2,134	100%	2,286	100%
Other than Permanent Employees											
Male	15	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	16	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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	3,498	3,498	100%	3,498	100%	NA	NA	3,498	100%	3,498	100%
Female	40	40	100%	40	100%	40	100%	NA	NA	40	100%
Total	3,538	3,538	100%	3,538	100%	3,538	100%	3,538	100%	3,538	100%
Other than Permanent Workers											
Male	6,928	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	315	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	7,243	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the Company	0.46	0.57

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	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	NA	100	100	NA
ESI	0.02	1.44	Y	0.02	2.45	Y
Others – please specify	–	–	–	–	–	–

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.

AIL ensures that our operational facilities and offices cater to the needs of persons with disabilities (PwD), in line with the Rights of Persons with Disabilities Act, 2016. We mitigate workplace barriers by integrating specialised infrastructure—such as wheelchair-accessible ramps and designated restrooms—into our facility designs. These physical provisions back our overarching commitment to providing equal opportunity, preventing discrimination, and ensuring that our diverse workforce can navigate their workplaces safely and independently. We regularly review our infrastructure to ensure it remains aligned with evolving accessibility standards.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, AIL is committed to the mandates of the Rights of Persons with Disabilities Act, 2016. AIL is dedicated to fostering an inclusive work culture anchored in diversity, equity, and merit. Our policy and procedures strictly prohibit discrimination based on disabilities, gender, caste, race, or religion across all stages of employment—from talent acquisition to career progression. This commitment is covered within our comprehensive People Policy and Code for Human Rights, both of which govern our workplace safety, inclusivity, and ethical standards.

Weblink of the policy: [People policy](#)

Weblink of the policy: [Code for human rights](#)

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	100%	72.79%	100%	100%
Female	100%	100%	100%	100%
Total	100%	74.19%	100%	100%

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

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

Yes, AIL provides comprehensive grievance redressal mechanisms accessible to all categories of internal and external workforces. For day-to-day operational grievances, we have implemented proactive, localised interventions such as 'Chai pe Charcha' (interactive listening forums) and 'HR Sevak' (dedicated HR support). These channels ensure that minor grievances are either settled immediately or escalated for resolution within stipulated timelines. For high-material grievances involving ethics, legal breaches, or Code of Conduct violations, a formal Whistle Blower Policy serves as our institutional vigil mechanism. This framework protects whistleblowers from retaliation and extends a secure, direct channel of escalation to the Chairperson of the Audit Committee.

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	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	2,286	0	0	2,443	0	0
- Male	2,134	0	0	2,287	0	0
- Female	152	0	0	156	0	0
Total Permanent Workers	3,538	72	2	3,425	72	2
- Male	3,498	72	2	3,383	72	2
- Female	40	0	0	42	0	0

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	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	2,134	2,134	100	2,134	100	2,287	2,287	100	2,287	100
Female	152	152	100	152	100	156	156	100	156	100
Total	2,286	2,286	100	2,286	100	2,443	2,443	100	2,443	100
Workers										
Male	3,498	3,498	100	3,498	100	3,383	3,383	100	3,383	100
Female	40	40	100	40	100	42	42	100	42	100
Total	3,538	3,538	100	3,538	100	3,425	3,425	100	3,425	100



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

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total* (A)	No. (B)	% (B/A)	Total* (C)	No. (D)	% (D/C)
Employees						
Male	1,802	1,802	100	1,928	1,928	100
Female	125	125	100	120	120	100
Total	1,927	1,927	100	2,048	2,048	100
Workers						
Male	2,776	2,776	100	3,004	3,004	100
Female	33	33	100	37	37	100
Total	2,809	2,809	1,000	3,041	3,041	100

* Numbers Indicates total employee eligible for performance evaluation.

10. Health and safety management system:

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

Yes, we have developed and adopted a robust and comprehensive Occupational Health and Safety Management System. All our employees, contract employees and visitors are covered under this system.

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

Anchored by our 'Zero Harm' philosophy, AIL utilises a suite of advanced diagnostic tools to proactively identify work-related hazards and manage operational risks. Routine operations are governed by a Hazard Identification and Risk Assessment (HIRA) protocol, while non-routine tasks are strictly subjected to Job Safety Analysis (JSA) to enforce immediate mitigation controls. At the engineering level, process safety is institutionalised through comprehensive risk registers and barrier management systems that track the healthiness of critical safeguards against top-tier risks. Furthermore, our design lifecycle integrates rigorous process safety studies—spanning Thermal Safety (DSC, TSu, RC1e), Powder Safety, Criticality Classifications, SIL, QRA, and HAC. These internal frameworks are validated through independent audits led by external specialists and reported to regulatory authorities, ensuring continual risk reduction and reinforced safety capabilities backed by organisational tacit knowledge.

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

Yes, AIL maintains a mature safety culture that equips workers with the tools to report hazards and the explicit authority to remove themselves from imminent danger. Hazard identification is streamlined through our digitised 'General Plant Condition' module, which allows anyone on-site to log unsafe acts and conditions for prompt operational intervention. Parallely, our occupational health and safety protocols ensure a strict non-retaliation policy regarding personal safety; workers have the right to refuse unsafe work or evacuate a high-risk area if they encounter an immediate hazard, ensuring that human well-being is systematically prioritised over operational continuity.

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

Yes. AIL prioritises the holistic, non-occupational health of its workforce by providing comprehensive medical access that extends beyond standard industrial safety. The Company utilises a dedicated 12-member Medical Board composed of senior physicians and specialists (such as cardiologists) to deliver personalised health guidance, lifestyle disease management, and routine clinical counseling. This capability is reinforced by our 24/7 on-site healthcare infrastructure. Staffed by full-time medical officers and nurses, these centres operate as continuous

primary care hubs. They are equipped with advanced diagnostic and life-saving technologies—including advanced ambulances, critical care monitoring, and diagnostic suites—ensuring that general illnesses and medical needs are treated with equal urgency.

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

Safety Incident/Number	Category	FY 2025 -26 Current Financial Year	FY 2024 -25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.10	0.21
Total recordable work-related injuries	Employees	11	14
	Workers	25	18
No. of fatalities	Employees	0	0
	Workers	0	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Employees include Permanent workers; Workers include non-permanent workers.

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

Occupational Health and Safety (OHS) is deeply embedded within our corporate strategy through an institutionalised HSE Policy and a robust, data-backed Health and Safety Management System. Our internal monitoring frameworks ensure the continuous tracking of workplace safety metrics, which undergo rigorous periodic evaluations. The strategic outcomes of these assessments are escalated to and reviewed by the Sustainability Council under the oversight of the Board and executive leadership. Beyond physical and engineering controls, we proactively foster an interdependent safety culture throughout the organisation.

This ecosystem is reinforced through comprehensive health and safety awareness campaigns and specialised engagement channels. FY 2025-26 was marked by the significant progression of the Besafe+ (Dil se...) journey. Besafe+ (Dil se...) initiative has enhanced the tools like BBSO (Behaviour Based safety Observation), PTW (Permit to Work), JCC (Job Cycle Checks) and introduced new tools such as Condition Listening (CL), Safety Action Meetings (SAM), Personal Safety Action Plans (PSAP) and Mera Plant Mera Abhiman. Through these tools, we're actively involving our shop floor teams and further strengthening our safety culture.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	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.

AIL fosters a proactive safety culture through a formalised process for incident reporting, investigation, and risk remediation. For any safety incident or concern arising from workplace assessments, we execute a thorough Root Cause Analysis (RCA) leveraging the '5 Whys' technique to identify underlying procedural or systemic gaps. Corrective and preventive actions (CAPA) are strictly governed by the Hierarchy of Controls to ensure robust, long-term mitigation. The resulting learnings are systematically shared for horizontal deployment across all factory locations to prevent recurrence. All actions taken or underway to address assessment-driven risks are tracked on centralised safety dashboards, ensuring continuous oversight and the maintenance of optimal, secure working conditions.

Leadership Indicators

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, At AIL, we have Group Life term insurance policy to safeguard our employees as well as workers from unseen uncertainties, In addition, we also extend compensatory packages to employees as well as workers in the event of death.

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

We have adopted requisite systems and processes in forms of General Conditions of Contracts that mandates our contractors to deduct and deposit statutory dues. Furthermore, we conduct regular audits to ensure that these dues have been duly deducted and deposited in accordance with applicable norms. All contractors have to submit wage register and PF proof to our Contract Labour Management (CLM) team on a monthly basis, our CLM team is authorised to charge a hefty penalty in case of any default. CLM team is also authorised to hold the payment of any contractor in case of any default on statutory payments.

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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

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 & 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 helps them to continue their employment. We also have employee well being programmes to assist them in transition to retirement.

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	66%
Working Conditions	66%

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.

As part of our commitment to sustainable procurement, AIL proactively evaluates the health, safety, and working conditions of its value chain partners. Through dedicated capability-building workshops and technical training programmes, we actively support these partners in elevating their localised occupational health, safety, and labour practices. Based on the formal safety assessments and reviews conducted during FY 2025-26, no significant risks or material concerns were identified regarding the working conditions or health and safety practices of our value chain partners. Consequently, no formal corrective action plans (CAPA) were triggered or are currently underway regarding the working condition or health and safety practices.

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.

AIL utilises a structured stakeholder mapping framework. We define our key stakeholder as any individual or entity that affects or is affected by our enterprise lifecycle, spanning technological evolution, regulatory shifts, and socio-economic changes. Our mapping process systematically identifies core internal and external groups, including our workforce, value chain partners, clients, capital providers, and regulatory authorities. Crucially, this identification methodology places specific emphasis on localised geography to identify indigenous communities and vulnerable populations adjacent to our manufacturing assets. By maintaining active, collaborative engagement, the insights and expectations from these groups serve as critical inputs for our enterprise risk register, ultimately shaping our ESG targets and driving our overarching business responsibility strategy. (For details on the process refer to Stakeholder Engagement section of Integrated report on Page Number 38-41).

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 (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/Half yearly/Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Investor and Lenders	No	- Annual Reports - Investor/Analyst Meets, calls Including Plant Visits - Quarterly Results - Company Website - Stock Exchange Filings - Media Release	Others - Continuous	- Economic Value Generated and Distributed - Long-Term Value Creation - Transparency - Good ESG Governance - High Reputation and Brand image - Data Privacy - Foray into new markets - Corporate governance - Renewable energy - Business Risk Management - Financial Performance



Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/Half yearly/Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Regulatory bodies and government agencies	No	• Open Invitations • Specialised Programmes • Seminars • Media Releases • Conferences • Membership and Associations • Industry representation on key matters	Others - Need basis	• Proactive Compliance to regulatory approvals • Implementation of Compliance Management System • Management of environmental impact • Occupational Health and Safety • Emergency Preparedness • Air and GHG emissions • Biodiversity and resource conservation • Waste management
Employees	No	• Leadership Development Interventions • Monthly manufacturing connect • Web Based Performance Dialogue • Continuous Feedback • Nirvana – Employee Wellness Program • Employee Induction • Employee Experience • Town hall Briefing • Listening Tour • Employee Engagement Survey • Emails • Quarterly/Publications • Newsletters • Monthly conversation	Others - Continuous	• Diversity • Quality of Work & Life • Fair Wages and Remuneration Benefits • Skill upgradation • Career Growth • Health & Safety • Continuous performance dialogue and feedback • Rewards and Recognition • Learning and Development Programmes • Grievance redressal mechanism

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/Half yearly/Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Customers	No	• Video Conferencing • Emails • Customer Satisfaction Survey • One on one meetings	Others - Continuous	• Product Quality and Timely Delivery • Product availability • Competitive Cost • Responsible Production • Transparency in Disclosure • Climate change disclosure and GHG emission reduction targets • Life cycle assessment • Pricing
Suppliers and Contractors	No	• Supplier Meets • Supplier Assessment • MoU Agreements • Contract Discussion Meetings • Daily Toolbox Talks, Weekly Discussion Meetings • Performance Review	Others - Continuous	• On Time Payment • Ethical Behavior • Sustainable Growth
Local Communities	No	• Community engagement during CSR Initiatives • Regular Engagement to understand concerns and requirement	Others - Continuous	• Development Interventions • Local Employment Generation • Skilling and upskilling of beneficiaries. • Community welfare through initiatives for education and health

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.

AIL handles consultation on ESG topics in a structured format. Ground-level engagement is managed by individual functions—including Investor Relations, HR, Environment, and others—ensuring a continuous dialogue with relevant stakeholder groups. The data, feedback, and material issues identified through these channels are presented to the Apex Sustainability Council. The Council reviews, compiles, and presents these stakeholder perspectives directly to the Board of Directors, establishing a robust upward feedback loop. To strength ESG governance, we have given additional responsibilities to the Risk Management (RM) committee by increasing its scope to include ESG oversight. Now RM committee is know as Risk Management and ESG committee.



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, AIL integrates stakeholder consultation into its double materiality assessment frameworks to identify key environmental social and governance topics. Inputs received from various stakeholders are systematically reviewed by the ESG sub council and Apex Sustainability Council and incorporated into company practices. These consultations helped in finalising our material topics given on Page number 43-51 of the Integrated report.

Key instances of stakeholder input being incorporated into policies and activities include:

1. Decarbonisation Roadmap: Inputs from our customers and investors on climate disclosures guided us in updating our decarbonisation roadmap and identify various levers based on the maturity of the technologies.
2. Occupational Health and Safety: Feedback from workers and employee guided enhancements to safety management leading to significant progression of the Besafe+ (Dil se) journey. Besafe+ (Dil se) initiative has enhanced the tools like BBSO (Behaviour Based safety Observation), PTW (Permit to Work), JCC (Job Cycle Checks) and introduced new tools such as Condition Listening (CL), Safety Action Meetings (SAM), Personal Safety Action Plans (PSAP) and Mera Plant Mera Abhiman. Through these tools, we're actively involving our shop floor teams and further strengthening our safety culture.

Our approach ensures stakeholder perspectives are not only heard but embedded into the core of our ESG and operational strategies.

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

AIL invests in efforts to uplift local communities, support marginalised sections, and ensure inclusive growth and development. AIL focuses on the themes of healthcare, education, and environmental protection under CSR programme. Details of our initiatives on the above themes are presented in the Social and Relationship Capital section of the Integrated Annual Report on Page number 152-162.

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:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	2,286	2,286	100	2,443	2,443	100
Other permanent	16	16	100	15	15	100
Total Employees	2,302	2,302	100	2,458	2,458	100
Workers						
Permanent	3538	3538	100	3425	3425	100
Other than permanent	7243	7243	100	8031	8031	100
Total Workers	10,781	10,781	100	11,456	11,456	100

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

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	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 Employees										
Male	2134	0	0	2134	100	2287	0	0	2287	100
Female	152	0	0	152	100	156	0	0	156	100
Other than permanent Employees										
Male	15	0	0	15	100	14	0	0	14	100
Female	1	0	0	1	100	1	0	0	1	100
Workers										
Permanent Workers										
Male	3498	0	0	3498	100	3383	0	0	3383	100
Female	40	0	0	40	100	42	0	0	42	100
Other than permanent workers										
Male	6928	0	0	6928	100	7610	14	0.18%	7596	99.82
Female	315	0	0	315	100	421	2	0.48%	419	99.52

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)- Executive Directors	6	575.14	0	0
Board of Directors (BoD)- Non-executive Directors	6	23.43	2	20.98
Key Managerial Personnel*	2	177.22	0	0
Employees other than BoD and KMP	2128	8.87	152	9.5
Workers	3498	4.3	40	4.59

Note: Median salary of all AIL employees excluding BOD is 5.01Lakhs ₹

*KMP exclusive of those already covered in Executive Directors

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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	4%	4%



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, as per our Ethics and Fair Business Practices policy we have constituted an Ethics Committee (EC) which comprises of Chief Manufacturing Officer (CMO), Chief Human Resources Officer (CHRO), Chief Financial Officer (CFO), Chief Compliance Officer or Company Secretary (CS), and any other as nominated by the Finance & Investment Committee of the Board OR by the Chief Executive Officer of the Company, At present our Chief human resource officer (CHRO) is the Ethics officer for AIL. We have also established an Internal Complaints Committee at each of our operational locations.

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

We are committed to providing a safe workplace to all our employees. Adherence to human rights issues is ensured by our Company's code of conduct through robust internal controls and governance practices. In case of any concern related to human rights, employees can raise their grievances through our vigil mechanism/whistle blower policy.

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

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	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	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

	FY 2025-26 Current Financial Year	FY 2024-25 Current Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

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

We have internal mechanisms to safeguard complainants from any adverse consequences of victimisation in discrimination and harassment cases. Key protections include strict confidentiality protocols that restrict data access exclusively to the investigating committee, alongside secure channels for anonymous reporting. Our Board-governed WhistleBlower and POSH policies explicitly prohibit any form of retaliation, ensuring that a complainant's career progression, performance evaluation, and daily working conditions remain entirely unaffected by their disclosure. Additionally, the Company provides comprehensive support infrastructure, including dedicated counseling and workplace assistance.

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

Yes, Labour and human rights requirements are explicitly embedded within the text of the Company's procurement contracts, purchase orders, and business agreements. Vendors and value chain partners are obligated to comply with our standard General Conditions of Contract (GCC) and Supplier Code of Conduct, which strictly prohibit child labour, forced labour, and discrimination while enforcing safe working conditions.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	All (100%) AIL's plants and offices have undergone assessments for compliance with key human rights issues conducted by our internal teams. There have been no observations by local statutory/third parties in FY 2025-26.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

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

Not Applicable as there was no audit concerns in the above area during FY 2025-26

Leadership Indicators

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

The Company did not receive any human rights-related complaints or grievances during FY 2025-26, and therefore, no business processes were modified or introduced. AIL relies on comprehensive human rights policies, active internal controls, and regular workforce sensitisation. These preventive mechanisms are periodically reviewed and updated independently of any grievances to ensure continuous risk mitigation and the protection of human rights across our operations.

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

We have conducted Human rights assessment for all of our manufacturing units internally. We have validated our internal assessment through a third party for all the 16 manufacturing location. Our HRDD process covers a large and diverse group of stakeholders including women, children, migrant workers, contract employees, local communities (including Indigenous People), and our own employees.

AIL has a robust human rights due diligence process that aligns with frameworks of the United Nations Guiding Principles (UNGP), ILO (International Labour Organization) as well as the requirements of SA8000. The process enables us to identify and assess the potential impacts on human rights. The scope includes evaluating risks in our operations, value chains, and new partnerships such as mergers, acquisitions, and joint ventures. The due diligence issues covers child labour/forced labour/bonded labour, diversity, human trafficking, wages, sexual exploitation, racial/gender discrimination, freedom of association, collective bargaining, country reputation in terms of respecting human rights, ongoing controversy pertaining to human right violation, any legal penalties or fines etc.

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, our facilities are accessible to differently abled visitors and those with special needs.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	66%
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.

No significant risks/concerns were identified from the above assessment. Hence not applicable.

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources (GJ)		
Total electricity consumption (A)	186,029	1,99,533
Total fuel consumption (B)	7,377	1,933
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	1,93,406	2,01,466
From non-renewable sources (GJ)		
Total electricity consumption (D)	6,87,866	550,692
Total fuel consumption (E)	70,81,756	62,04,660
Energy consumption through other sources (F)	12,69,408	11,18,952
Total energy consumed from non renewable sources (D+E+F)	90,39,030	78,74,304
Total energy consumed (A+B+C+D+E+F)	92,32,436	80,75,770
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) (GJ/Turnover in Lakhs (₹))	10.23	10.04
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (GJ/Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	2.22	2.43
Energy intensity in terms of physical output	7.52	7.80
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.

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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

Not Applicable

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2,990,673	2,682,032
(iv) Seawater/desalinated water	257,353	240,995
(v) Others (KL) (Rain Water)	8,025	8,507
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,256,051	2,931,534
Total volume of water consumption (in kilolitres)	2,896,715	2,648,487
Water intensity per rupee of turnover (Total water consumption/Revenue from operations) (KL/turnover in Lakhs (₹))	3.21	3.29
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) (KL/Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.70	0.80
Water intensity in terms of physical output (KL/MT of Product)	2.36	2.56
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.

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	84,155	157,414
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	275,181	125,633



Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	359,336	283,047

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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

Yes, 8 of our manufacturing facilities are Zero Liquid Discharge, 3 of our manufacturing facilities are Zero Liquid Discharge ready and rest of the manufacturing facilities are in process of becoming Zero Liquid Discharge ready. We have built in-house water treatment plants to recycle used water and further use it for industrial operations. We are currently working towards making all our units ZLD ready facilities that will increase the amount of water recycled by us thereby reducing freshwater consumption. The rest of the treated wastewater is sent to a common effluent treatment plant for further treatment and discharge from the manufacturing facilities that do not have ZLD status currently.

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

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	MT	308	382
SOx	MT	629	802
Particulate matter (PM)	MT	453	499
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	MT	38	55
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
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	706,923	620,823
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	195,903	171,010
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	TCO ₂ e/Turnover in Lakhs (₹)	1.00	0.98

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
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)	(TCO ₂ e/Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.22	0.24
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e/MT of Product	0.74	0.77
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.

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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

Yes, at AIL we have taken various initiatives for reduction of GHG emissions, and have embarked on the GHG emission reduction journey by signing the Science Based Target Initiative (SBTi). Our targets are validated. Commitment to SBTi has intensified our focus on reduction of energy consumption and reducing carbon footprint. An utility expert group along with the process team at each location had conceptualised the Aarti's way toward being Net Zero. The focus areas for energy conservation and Carbon emission reduction are:

- Eliminating process emission
- Improving energy efficiency through equipment
- Equipment upgrade and process optimisation
- Minimising energy losses
- Adopting Renewable energy and alternate low carbon/green fuel
- Adopting new technologies

Some major initiatives undertaken to reduce greenhouse gas emissions are as below:

1. Reduction in energy consumption through equipment upgrades
2. Reduction in GHG emissions through process optimisation
3. Measures to ensure enclosure of emission sources and airtightness of equipment
4. Implemented process for recovery/abatement of NOx
5. Work process implemented to reduce, recycle or reuse HW
6. Measures to re-use process by products
7. Enhancement in Waste Heat Recovery System
8. Purchase of Renewable energy through Purchase Power Agreement
9. Installation of onsite solar Power plant
10. Replacement of Coal with Biomass
11. Substituting of incineration of waste with co-processing



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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	695	716
E-waste (B)	45	25
Bio-medical waste (C)	0.04	0.07
Construction and demolition waste (D)	0	0
Battery waste (E)	32	22
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	499980	439478
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	35603	28495
Total (A+B + C + D + E + F + G + H)	536355	468736
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (MT/Turnover in Lakhs (₹))	0.59	0.58
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) (MT/Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.13	0.14
Waste intensity in terms of physical output	0.44	0.45
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 (Including plastic waste)	490,740	423,623
(ii) Re-used	0	0
(iii) Other recovery operations (E-Waste and Battery)	20,296	19,239
Total	511,036	442,862
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	5,438	4,483
(ii) Landfilling	19,882	21,391
(iii) Other disposal operations (BMW)	0.04	0.07
Total	25,319	25,874

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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.

We are in the process of manufacturing specialty chemicals that are hazardous in nature. By the nature of chemistry itself, our operations are subjected to the generation of hazardous waste. Our R&D and technology management teams continuously strive to reduce waste generation by improving the performance of existing technologies and considering the principles of sustainability in the design of new products. We have adopted standardised protocols for waste identification and categorisation, waste collection and segregation, labelling, storage, and responsible disposal of hazardous and non-hazardous waste. Our waste management policies are intended to handle hazardous and non-hazardous waste in accordance with legal requirements and globally accepted best practices.

Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated. These are as follows:

Measures taken to minimise primary pollution, waste prevention and our priority to reduce hazardous waste are:

- Change industrial process to eliminate use of harmful chemicals
- Use less of a harmful/product
- Reduce packaging and materials in products
- Make products last longer and are recyclable, reusable, or easy to repair
- Change industrial processes to reduce or eliminate hazardous waste production

Measures taken to minimise secondary pollution and waste prevention and second priority to reduce Hazardous or Non-Hazardous waste are:

- Reuse
- Recovery
- Recycle
- Repair
- Buy reusable and recyclable products

Treatment and disposal of all our waste:

- Treating waste to reduce toxicity
- Incinerate waste
- Waste in landfills
- Co- processing

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:

Not Applicable, as our manufacturing facilities are situated in the GIDC/MIDC industrial complex and offices are located in corporate parks away from any ecologically sensitive areas.

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.
1.	NA	NA	NA



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
Proposed Expansion Project for manufacturing of Pesticides and pesticide specific intermediates (excluding formulations) & Synthetic Organic Chemicals (Dyes & dye intermediates; bulk drugs and intermediates excluding drug formulations; synthetic rubbers; basic organic chemicals, other synthetic organic chemicals and chemical intermediates) by Aarti Industries Limited	EIA Notification S.O. 141(E) [14-09-2006] as amended	December 25, 2025	Yes	Yes	https://parivesh.nic.in/newupgrade/#/proposal-summary/proposal-document?proposal=136658201&proposal_no=IA%2FGJ%2FIND3%2F552388%2F2025&proposal_id=136658200

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 ALL was in compliance with applicable environmental norms.

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.	Nil	Nil	Nil	Nil

Leadership Indicators

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

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

- Name of the area: Manufacturing locations situated in Gujarat & Maharashtra
- Nature of operations: Manufacturing of speciality chemical
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2,990,673	2,682,032
(iv) Seawater/desalinated water	257,353	240,995
(v) Others	8,025	8,507
Total volume of water withdrawal (in kilolitres)	3,256,051	2,931,534
Total volume of water consumption (in kilolitres)	2,896,715	2,648,486
Water intensity per rupee of turnover (Water consumed/turnover) (Water Consumed in KL/Turnover in Lakhs (₹))	3.21	3.29

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water intensity (optional) – the relevant metric may be selected by the entity (Water consumed in KL/MT of product)	2.36	2.56
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 (ETP having primary,secondary and tertiary treatment)	84,155	157,414
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary treatment)	275,181	125,633
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	359,336	283,047

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF3, if available)	Metric tonnes of CO ₂ equivalent	1,978,136	19,41,181
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/Turnover In Lakhs (₹)	2.19	2.41
Total Scope 3 emission intensity (optional) –	TCO ₂ e/MT of product	1.61	1.88

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2025-26.

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	Cold- Hot Oil Circulation Optimization for Carbon Mitigation and Energy Efficiency	Process optimization in the Cold-Hot Oil Circulation to improve thermal efficiency, optimize hot oil circulation, and reduce fuel and raw material consumption. The project involved engineering assessment, process modifications, and operational optimization measures aimed at minimizing energy losses and enhancing overall plant performance.	- Achieved an estimated annual reduction of approximately 10,867 tonnes of CO₂ emissions. - Reduced fuel consumption by 20%. - Reduced one Raw Material consumption by 5.29% and another by 0.57%
2	Enhanced Resource Efficiency through Process Optimization	Aarti Industries implemented a process optimization initiative focused on improving the efficiency of a key reaction step within the manufacturing process of one of our products. Through operational optimization and process control enhancements, the conversion efficiency of the primary reactant was increased from 85% to 90%, resulting in better utilization of raw materials and reduced process losses.	- Increased reaction efficiency from 85% to 90%. - Improved utilization of raw materials. - Lowered the overall carbon footprint associated with the manufacturing process.

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

Yes. The Company has a Business Continuity Plan and Disaster Management Plan to defend against physical and operational disruptions. Physical emergencies are countered via facility-specific On-Site and Off-Site Emergency Plans (OSEP), featuring clear escalation hierarchies, dedicated crisis infrastructure, and continuous workforce safety drills. Concurrently, our business continuity protocols mitigate enterprise-level risks. This comprehensive governance framework guarantees the safety of our workforce while ensuring operational stability and uninterrupted delivery during unforeseen crises.

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.

While no significant adverse environmental impacts were recorded across our value chain during the reporting period, AIL remains aware of the high energy intensity of our raw material supply chain. To map climate risks and target emission hotspots, the Company has executed Product Carbon Footprint (PCF) studies for more than 80% of its goods by spend. In response to these findings, our value chain mitigation and adaptation frameworks focus on collaborative supplier engagement, driving logistics efficiencies, and promoting the adoption of a diverse, renewable energy mix to actively reduce Scope 3 emissions.

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

Yes. AIL screens its value chain partners through a dedicated sustainability protocol that integrates environmental management, climate action, health and safety, labour rights, and ethical governance into vendor evaluations. During the reporting period, 66% of our value chain partners—quantified by the total value of business done with such partners—were formally assessed for their ESG impacts.

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.

We have membership of associations with 17 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	Indian Chemical Council	National
2	CHEMEXCIL- Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council	National
3	Indian Institute of Chemical Engineering	National
4	Gujarat Chamber of Commerce and Industry	National
5	Confederation of Indian Industry	National
6	United Nations Global Compact Network of India	National
7	Federation of Indian Export Organisation	National
8	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
9	Chemicals and Petrochemicals Manufacturers' Association	National
10	Indian Speciality Chemical Manufacturers' Association	National
11	Gujarat Dyestuff Manufacturers Association	State
12	Pesticides Manufacturers & Formulators Association of India	National
13	The Dyestuff Manufacturers Association of India	National
14	Process Plant & Machinery Association of India	National
15	Alkali Manufacturer Association of india	National
16	The Chemical & Alkali Merchants Association	National
17	Indo German Chamber of Commerce	National

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 since there were no cases of anti-competitive conduct in FY 2025-26.

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



Leadership Indicator

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

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
1	Regulatory and Standards Reforms- Focused on the lifecycle of Quality Control Orders (QCOs), advocating for expedited standard creation and extensions/relaxations via meetings with BIS, DCPC, and NITI Aayog consultations	Submission of proposals, letters, and technical documents to the Ministry of Chemicals & Fertilisers, BIS, and DGTR; engagement through stakeholder consultations; follow-ups on product-specific concerns.	Yes	NA	–
2	Trade Policy and Market Access- Strategic focus on FTAs (India-Israel, IKCEPA) and addressing unfair trade practices like dumping. Engagement includes providing structured inputs to FICCI, ICC, and the Ministry of Commerce regarding import surges and geopolitical challenges.	Structured inputs to the Ministry of Commerce and NITI Aayog; policy notes and presentations; identification of high-potential products; feedback through industry consultations and formal communications.	Yes	NA	–
3	Budget & Financial Policy- Advocacy for a Duty Rationalisation Framework and FY 2026-27 Pre-Budget recommendations, including Opex subsidies. Engagement involved submitting Pre-Budget Memoranda to the Ministry of Finance and direct engagement with the Joint Secretary (EP-CAP).	Preparation of Pre-Budget Memoranda; formal letters and stakeholder submissions to the Ministry of Finance and DPIIT; industry surveys; submission of product-specific justifications.	Yes	NA	–
4	Innovation, Sustainability, and Strategic Chemicals- Focused on environmental regulation clarity (Rule 9 of HOWM 2016) for strategic growth. Engagement included technical submissions to CII/ ICC and publication of industry development roadmaps.	Concept notes and advocacy papers to DCPC, GPCB, MoEF&CC, and MeitY; industry association backed submissions; presentations; publication of strategic documents and growth plans to promote industry innovation.	Yes	NA	–

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

- 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 our Company can be categorised under the SIA mandate. Hence no SIA done during FY 2025-26

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

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

We do not have any ongoing projects for which Rehabilitation and Resettlement (R&R) has been undertaken.

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 ₹)
1.	Nil	Nil	Nil	Nil	Nil	Nil

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

We frequently interact with the local community at our manufacturing facilities to learn about their issues and grievances. A grievance redressal mechanism has been established for our stakeholders including the local community. In accordance with this mechanism, the local communities can raise their grievances and file complaints. The reported grievances are further reviewed and examined by respective functions and corrective actions are implemented.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/small producers	13%	19%
Directly from within India	64%	67%

- 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	0	0
Semi-urban	8%	8%
Urban	53%	52%
Metropolitan	39%	40%

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

Leadership Indicator

- 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 since the Company did not undertake any Social Impact Assessment (SIA) for its CSR Projects during the FY 2025-26.

Details of negative social impact identified	Corrective action taken
Nil	Nil



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

S. No.	State	Aspirational District	Amount spent (In INR)
1.	-	-	-

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

Yes

- (b) From which marginalized/vulnerable groups do you procure?

From businesses led by women, veteran, person with disability, minority owned business

- (c) What percentage of total procurement (by value) does it constitute?

4%

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:

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

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.

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Education & Skill Development	1,539+	99%
2	Child Care & Healthcare	14,112+	100%
3	Tribal & Rural Development	3,024+	100%
4	Women Empowerment	1,423+	100%
5	Others (Blind welfare, Housing, Senior citizen welfare) Housing Aid	4,004+	100%

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.

AIL has a comprehensive process to facilitate timely redressal of the consumer complaints received which can be understood as follows:

Consumer Complaints:

- Business, sales and marketing team are the primary contact of all the customers' complaints.
- The sales and marketing manager shall also inform the respective QA manager about the customer complaint raised.
 - Unique Deviation record number shall also be shared by him.

- Sales manager shall forward the customer complaint emails received from the customer to the QA Manager, Plant Manager, Zone Quality Head, Division Head, Zone Operations Head, Chief of Operations and Quality Vertical Head
4. Quality manager evaluate the detail of the customer complaint, do site visits and prepare customer complaint report
 5. Zone quality head prepare investigation team for through investigation of complaint and preparing Corrective and preventive action plan
 6. Based on the investigation report, Quality head shall communicate the customer complaint response to the business team for further communicating it with the customer
 7. Business would be the SPOC for communication to the customer. All activities related to complaint investigation shall be completed within 30 working days from the date of receipt of complaint. Based on CAPA, action plans may take longer

The entire process of receipt of customer complaints and its investigation and CAPA happens on AIL digital platform-DNA

Feedback:

We regularly conduct customer satisfaction surveys to understand our quality of delivery and identify areas of improvement which also includes customers' health and safety. The survey comprised five Key areas: a) Packaging Quality b) Product Quality c) MSDS Information d) Transparency, Ethics, Anti Bribery and Anti Corruption e) Fair business practice.

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	100%
Recycling and/or safe disposal	100%

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

We engage closely with its customer base to understand their requirements, preferences and concerns. We strive to maintain a good relationship with its customers with its timely support, effective information dissemination, and continuous engagement.

	FY 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (Previous Financial Year)		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	-
Other - Quality of Product	35	0	-	83	0	-

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

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



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, we have an information security policy in place related to data privacy. This policy has been developed in accordance with ISO 27001. Link: https://d9bnjb3uan3b2.cloudfront.net/AIL_Information_Security_Policy_56daa65dbc.pdf
6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**
Not Applicable
7. **Provide the following information relating to data breaches:**
- a. **Number of instances of data breaches**
No data breaches were recorded in FY 2025-26
 - b. **Percentage of data breaches involving personally identifiable information of customers**
Not Applicable
 - c. **Impact, if any, of the data breaches**
Not Applicable

Leadership Indicators

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 publicly at: <https://www.aarti-industries.com/products>
2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
We adhere to EU REACH Compliance and MSDS regulations to maintain information transparency with our customers. We interact with our customers on the quality and safety of our products, as well as their appropriate use and disposal.
3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
We engage with our 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 our 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.**
Yes, we adhere to GHS labeling and MSDS for describing and conveying product details, hazards, and safety precautions. We adopt the standards set forth by the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) rules of the European Union.
5. **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)**
We constantly undertake customer satisfaction surveys to understand our delivery quality and areas for improvement, including the health and safety of our consumers. The survey is focused on five key areas: 1) Packaging Quality, 2) Product Quality c) MSDS Information d) Transparency, Ethics, Anti Bribery and Anti Corruption e) Fair business practices, in addition to other areas. We achieved a score of 4.4 out of 5 in the customer satisfaction survey conducted during FY 2025-26.

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Independent Assurance Statement

To the Directors and Management,
Aarti Industries Limited (AIL),
Plot No. 801/23, G.I.D.C Estate, Phase III,
Vapi – 396 195, Dist. – Valsad, Gujarat, India

Aarti Industries Limited (hereinafter referred to as “AIL” or the “Reporting Organization”) engaged TÜV India Private Limited (“TUVI”) to conduct an independent external assurance of the BRSR Core disclosures (09 attributes as per Annexure I – Format of BRSR Core) disclosed in its Business Responsibility and Sustainability Report (hereinafter “the BRSR”) for the reporting period from 01/04/2025 to 31/03/2026. AIL developed the BRSR based on the National Guidelines on Responsible Business Conduct (NGRBC) and applicable SEBI BRSR reporting requirements. This engagement was conducted as a **reasonable assurance engagement** in accordance with ISAE 3000 (Revised), specifically aligned with the BRSR Core – Framework for Assurance and ESG Disclosures for Value Chain and the Industry Standards on Reporting of BRSR Core. TUVI confirms that, prior to acceptance, the preconditions for the assurance engagement were assessed in accordance with ISAE 3000 (Revised). TUVI determined that the subject matter is supported by suitable criteria (the SEBI BRSR Core framework), that management has acknowledged its responsibility for the preparation and presentation of the sustainability information and for providing access to relevant records, and that sufficient appropriate evidence was expected to be available to support the assurance conclusion. The assurance process was conducted with reference to the following applicable frameworks and guidelines:

- *Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requiring disclosure of the Business Responsibility and Sustainability Report (BRSR);*
- *The BRSR Core – Framework for Assurance and ESG Disclosures for the Value Chain, as stipulated by SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023;*
- *The Industry Standards on Reporting of BRSR Core, as per SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024;*
- *SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10/05/2021;*
- *SEBI notification SEBI/LAD-NRO/GN/2023/131, dated 14/06/2023, related to BRSR reporting requirements; and*
- *The Master Circular for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities, HO/49/14/14(7)2025-CFD-POD2/I/3762/2026, dated 30/01/2026, which consolidates the operative BRSR and other LODR reporting requirements.*

Management's Responsibility

AIL has developed the BRSR content and is responsible for identifying material ESG topics, determining relevant sustainability issues, and establishing processes for performance management, data management, and data quality.

AIL is responsible for the preparation and content of the Business Responsibility and Sustainability Report (BRSR), including the BRSR Core disclosures (09 attributes as per Annexure I – Format of BRSR Core). Its management is accountable for the collection, analysis, preparation, and disclosure of the information presented in the BRSR, whether in web-based or printed format.

AIL's management ensures that the BRSR is prepared accurately with reference to the applicable criteria – the National Guidelines on Responsible Business Conduct (NGRBC), the SEBI BRSR reporting requirements, and the SEBI BRSR Core framework – and is free from intended or unintended material misstatements. This responsibility includes maintaining the integrity of the associated website, complying with applicable laws, archiving and reproducing disclosed information, and making such data available to relevant stakeholders and regulatory authorities upon request.

Any partial reproduction of this assurance statement may lead to misinterpretation of its scope, procedures, and conclusions. Therefore, the assurance conclusion should be read in its entirety, together with the defined scope, methodology, limitations, and criteria described in this statement.

Scope and Boundary

The scope of this assurance engagement conducted by TUVI covered the verification of the BRSR Core disclosures (09 attributes as per Annexure I – Format of BRSR Core) disclosed in the BRSR, as mandated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires listed entities to include a BRSR as part of their Annual Report. The BRSR Core requirements encompass essential disclosures pertaining to the organization's Environmental, Social and Governance (ESG) performance.

The assurance engagement included the following activities:

- Verification of the application of the report content and principles as mentioned in the BRSR over the reporting period;
- Verification of the reliability of the disclosures pertaining to environmental and social topics;
- Review and evaluation of the 09 attributes specified under Annexure I – Format of BRSR Core, as disclosed in the BRSR by AIL;
- Assessment of the quality, clarity, and completeness of the reported information; and

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- Verification of supporting evidence on a sample basis for reasonable assurance of the 09 attributes as per Annexure I – Format of BRSR Core.

This approach ensured an assessment aligned with the principles of ISAE 3000 (Revised), providing an independent and objective evaluation of the reliability and accuracy of AIL's ESG disclosures.

The assurance coverage extended to all 16 manufacturing divisions within the reporting boundary (all of manufacturing divisions), together with the Research Centre, Pilot plants, Corporate Offices, and the subsidiaries listed below, which collectively account for the substantial majority of AIL's reported BRSR Core KPI values. The extent of assurance coverage by site is set out in the verification schedule below and the sampling coverage described under the Assurance Methodology section. For the avoidance of doubt, Value Chain ESG disclosures are outside the scope of this assurance engagement and carry no assurance conclusion; the applicability of value chain disclosures was assessed with reference to the phase-in requirements under the SEBI BRSR Core framework. A KPI-specific materiality approach was applied, comprising a 5% quantitative threshold relative to the applicable KPI base value for volume-based KPIs and a qualitative zero-tolerance threshold for high-risk ESG indicators; the materiality methodology and thresholds are described in detail under the Limitations section below.

TUVI has verified the below 09 attributes as per Annexure I – Format of BRSR Core disclosed in the BRSR with reference to the Industry Standards on Reporting of BRSR Core (SEBI circular dated 20/12/2024) as part of the applicable assurance criteria.

Attributes	KPI
Green-house gas (GHG) footprint (Limited to Indian operations)	Total Scope 1 emissions (with breakup by type) - GHG (CO ₂ e) Emission in MT - Direct emissions from organization's owned- or controlled sources - Monitored
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider - Monitored
	Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP - Calculated
	GHG Emission Intensity (Scope 1+2) - Total Scope 1 and Scope 2 emissions (MT) / Product or Service - Calculated
Water footprint (Limited to Indian operations)	Total water consumption (in kL) - Monitored
	Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP - Calculated
	Water consumption intensity - kL / Product or Service - Calculated
	Water Discharge by destination and levels of Treatment (kL) - Monitored
Energy footprint (Limited to Indian operations)	Total energy consumed in GJ - Monitored
	% of energy consumed from renewable sources - In % terms - Monitored
	Energy intensity - GJ / Rupee adjusted for PPP - Calculated
	Energy intensity - GJ / Product or Service - Calculated
Embracing circularity - details related to waste management by the entity (Limited to Indian operations)	Plastic waste (A) (MT) - Monitored
	E-waste (B) (MT) - Monitored
	Bio-medical waste (C) (MT) - Monitored
	Construction and demolition waste (D) (MT) - Monitored
	Battery waste (E) (MT) - Monitored
	Other Hazardous waste (Engine oil) (kL) (F) - Monitored
	Other non-hazardous waste (STP Sludge) (MT) (G) - Monitored
	Other non-hazardous waste (wet waste) (MT) (H) - Monitored
	Other non-hazardous waste (dry waste) (MT) (I) - Monitored
	Other non-hazardous waste (horticulture) (MT) (J) - Monitored
	Total waste generated (A + B + C + D + E + F + G + H + I + J) (MT)
	Waste intensity - MT / Rupee adjusted for PPP - Calculated; MT / Product or Service - Calculated
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) - Calculated
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity) - kg of Waste Recycled / Recovered / Total Waste generated
Enhancing Employee Wellbeing and Safety	For each category of waste generated, total waste disposed by nature of disposal method (MT) - Monitored
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) - kg of Waste Recycled / Recovered / Total Waste generated - Calculated
	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company - In % terms - Monitored and calculated
	Details of safety related incidents for employees and workers (including contract workforce, e.g. workers in the company's construction sites): Number of Permanent Disabilities - Monitored Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) - Monitored No. of fatalities - Monitored
Enabling Gender Diversity in Business (Limited to Indian operations)	Gross wages paid to females as % of wages paid - In % terms - Calculated
	Complaints on POSH:
	1) Total Complaints on Sexual Harassment (POSH) reported - Monitored
	2) Complaints on POSH as a % of female employees / workers - Monitored
Enabling Inclusive Development (Limited to Indian operations)	3) Complaints on POSH upheld - Monitored
	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs / small producers and from within India - In % terms (as % of total purchases by value) - Monitored

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	Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent / on contract) as % of total wage cost - In % terms (as % of total wage cost) - Monitored
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms - Monitored Number of days of accounts payable - (Accounts payable x 365) / Cost of goods / services procured - Calculated
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers and related parties; Loans and advances & investments with related parties: 1) Purchases from trading houses as % of total purchases 2) Number of trading houses where purchases are made from 3) Purchases from top 10 trading houses as % of total purchases from trading houses 1) Sales to dealers / distributors as % of total sales 2) Number of dealers / distributors to whom sales are made 3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors Share of RPTs (as respective %age) in - Purchases; Sales; Loans & advances; Investments

The reporting boundary for the above topics includes 15 divisions in Gujarat, 1 division in Maharashtra, a Research Centre in Navi Mumbai, one pilot plant in Gujarat, the Corporate Offices in Mumbai and Vadodara, and the following subsidiaries of AIL: Aarti Corporate Services Limited, Aarti Polychem Private Limited, Innovative Envirocare Jhagadia Limited, Alchemic (Europe) Limited, Shanti Intermediates Private Limited (through its Holding Company: Aarti Corporate Services Limited), Aarti Bharuch Limited, Aarti Circularity Limited (formerly known as Aarti Spechem Limited), Aarti Chemical Trading FZCO, Augene Chemical Private Limited (a JV with Superform Chemistries Limited), Re Aarti Private Limited, a partnership between Aarti Circularity Limited (wholly owned subsidiary of the Company) and Re Sustainability Limited and Aarti Chemical Trading USA INC (through its Holding Company: Aarti Chemical Trading - FZCO). A set of on-site and remote verifications was conducted at the following locations:

The reporting boundary above has been determined based on the operational control approach, covering all entities over which AIL exercises operational control for the purposes of GHG, energy, water, waste, and related ESG reporting. This boundary is consistent with the financial consolidation boundary disclosed in AIL's audited financial statements, with any boundary differences explicitly identified and explained in the BRSR disclosures. Subsidiaries and joint ventures are included within the reporting boundary where AIL holds operational control. During consolidation, AIL applies data aggregation controls to prevent double-counting across divisions and subsidiaries, including the elimination of inter-company transfers of energy, steam, and utilities where applicable, so that reported values are not duplicated at the consolidated level.

Sr No.	Division Name	Audit Date	Onsite Visit / Remote Verification	Address
1	Unit - I (Pearl and Ruby)	15/01/2026 to 16/01/2026	Remote verification	AIL (Unit-I), Plot No. 758/1,2 & 3 P.B. No.23, G.I.D.C., Jhagadia - 393110. Dist-Bharuch, Gujarat, India.
2	Unit - II (Jade and Gold)	15/01/2026 to 16/01/2026	Remote verification	AIL (Unit-II), Plot No 756/2A&B 756/3A&B 756/4A&B 756/5A&B 756/6 756/7, 756/8 756/9 778 & 779 GIDC Jhagadia Bharuch 393110
3	ARTC	09/03/2026 to 09/03/2026	Remote verification	Aarti Industries Limited, Plot No. A-94/1 & A-94/1/1, MIDC, TTC industrial area, Kopar Khairane, Navi Mumbai, Maharashtra 400710
4	Head Office - Mumbai	16/04/2026 to 17/04/2026	Onsite visit	4th floor, Tower C, Embassy 247 Park, Gandhi Nagar, Vikhroli West, Mumbai 400083, Maharashtra, India
5	Emerald - Vadodara	16/04/2026 to 17/04/2026	Remote verification	3 rd floor, Block No 1, Keval Corporate Park, Opp. Chhani GEB Sub Station Channi Road, Channi, Vadodara-390002, Gujarat, India
6	Neo	01/12/2025 to 3/12/2025	Remote verification	M/s. AIL., Plot No. Z/103/H, Dahej SEZ II, Ta. Vagra, Dist Bharuch.
7	Saffron	01/12/2025 to 3/12/2025	Remote verification	M/s. AIL., Plot No. Z/1111/B, SEZ II Dahej, Ta. Vagra, Dist Bharuch.
8	Diamond	01/12/2025 to 3/12/2025	Remote verification	M/s. AIL., Plot No. Z/103/C, GIDC Estate Dahej SEZ II, Ta. Vagra, Dist Bharuch
9	Anushakti	01/12/2025 to 3/12/2025	Remote verification	M/s. Aarti Industries Limited (Anushakti Division), Survey No. 1430/1, National highway no. 8-A, Bhachau, Kutch. Gujarat 370140
10	Organic	05/03/2026 to 06/03/2026	Remote verification	Organic Division: M/s. AIL., Plot No.: 801, 801/23, 806 & 807, Phase III, GIDC Estate, Vapi
11	Acid including DMS and Fertilizer	05/03/2026 to 06/03/2026	Remote verification	Acid - AIL. (Acid Division), Plot No 802, 803, 804/3, Phase III, GIDC, Vapi-396195 DMS - AIL. (DMS Division) Plot no .801/15 TO 19,21 & 22, Phase-III, GIDC estate, City: -VAPI, Dist: Valsad, Tal: Pardi, SIDC: Vapi Fertilizer - Aarti Fertilizers (A Division of Aarti Industries), Plot No - 801/15 to 19,21 & 22, III Phase, GIDC, Vapi-396195
12	Alchemie	05/03/2026 to 06/03/2026	Remote verification	M/s. AIL, Plot No.902,923 and 930, Phase III, GIDC Estate, Vapi - 396195
13	Amine	09/03/2026 to 09/03/2026	Remote verification	M/s. AIL., Plot No.: 285,286/1, A-1 322/12, 23& 24, Phase III, GIDC Estate, Vapi - 396195
14	Nascent	09/03/2026 to 09/03/2026	Remote verification	M/s. Aarti Industries Limited (Nascent Division), PLOT NO: 24, Phase-I, GIDC, Vapi - 396195, Tal: Pardi, Dist: Valsad.

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15	Apple	09/03/2026 to 09/03/2026	Remote verification	M/s. Aarti Industries Limited (Apple Organic Division), Plot No. 609/610, 100 Shed Area, GIDC Estate, Pardi, Vapi Dist. Valsad
16	Topaz	09/03/2026 to 09/03/2026	Remote verification	M/s. Aarti Industries Limited, Unit-II, Plot No. L-5, L-4, L-8, L-9/1, MIDC, Tarapur, Boisar.

The assurance activities were carried out as per the on-site and remote verification schedule shown above for the FY 2025-26 engagement.

The assurance activities were carried out together with a desk review of the remaining divisions, offices and subsidiaries as per the reporting boundary.

Use of Estimates: Certain BRSR Core KPIs, including energy consumption, water withdrawal, waste generation, and the corresponding GHG emissions for offices and employee-related activities, are based on estimates due to limitations in direct measurement. These estimates were derived using reasonable assumptions, headcount-based methodologies, the Industry Standards on Reporting of BRSR Core, and industry-accepted factors. For such KPIs, our assurance procedures focused on evaluating the appropriateness and consistent application of the estimation methodologies, the reasonableness of key assumptions, and the reliability of supporting data. The use of estimated data did not affect our reasonable assurance conclusion on the selected KPIs as a whole. The following KPIs involve estimation: (a) energy consumption, water withdrawal, and GHG emissions for offices – headcount-based factors; (b) intensity denominators from audited financials; and (c) minor waste streams – throughput benchmarks. All other KPIs use direct measurement. For the KPIs identified above, estimation is confined to a limited portion of each reported value – specifically the office and employee-related component of energy consumption, water withdrawal, and the corresponding Scope 1 and Scope 2 GHG emissions, together with certain minor waste streams derived using throughput benchmarks – with the substantial majority of each reported value based on direct measurement. The intensity-KPI denominators are taken directly from the audited financial statements and are not themselves estimated. Based on our procedures, the estimated portion of each affected KPI is not significant in the context of the total reported value for that KPI and, in each case, falls within the applicable 5% quantitative materiality threshold. Accordingly, the use of estimation did not give rise to any individual or aggregate misstatement exceeding the materiality threshold and did not affect our reasonable assurance conclusion on the selected KPIs taken as a whole. For intensity KPIs expressed on a “Revenue from Operations adjusted for PPP” basis, the Purchasing Power Parity (PPP) conversion factor has been applied using the PPP conversion factor for India published by the World Bank for the relevant reporting year. Our assurance procedures included verifying that the PPP factor was sourced from this reference and applied consistently across the relevant intensity calculations.

ISF Compliance Declaration: TUVI confirms that this assurance engagement has been conducted in compliance with the Industry Standards on Reporting of BRSR Core as specified in SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20/12/2024, read with the Master Circular for compliance with the provisions of the SEBI (LODR) Regulations, 2015 (HO/49/14/14(7)2025-CFD-PoD2/1/3762/2026 dated 30/01/2026), which consolidates the applicable BRSR reporting requirements. The nine BRSR Core attributes (Annexure I KPIs), the scope of reasonable assurance, the assurance methodology, and the reporting format adopted in this engagement are aligned with the applicable requirements of the said circulars. TUVI explicitly confirms that the applicability matrix under the Industry Standards on Reporting of BRSR Core (SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024) was evaluated prior to and during this engagement to determine the applicable KPI sub-categories, measurement methodologies, and assurance requirements. Each of the nine BRSR Core attributes was assessed against the applicability matrix to confirm relevance to AIL’s sector and operational profile. The Annexure I applicability evaluation has accordingly been completed for all nine BRSR Core attributes, and this assessment forms part of the documented assurance record for the engagement.

Limitations

Inherent Limitations: TUVI did not perform any assurance procedures on the prospective information disclosed in the BRSR, including targets, expectations, and ambitions, and therefore draws no conclusion on such information, or on any disclosure other than the BRSR Core disclosures (09 attributes as per Annexure I – Format of BRSR Core). During the assurance process, TUVI did not come across any limitation to the agreed scope. TUVI verified data on a sample basis; the responsibility for the authenticity, accuracy and completeness of the reported data lies entirely with AIL. TUVI has taken reference of the financial figures from the audited financial statements; financial figures are not assured under this engagement. AIL is responsible for the appropriate application and interpretation of these financial figures. The application of this assurance statement is limited with respect to SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023 and the Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024, as defined in the scope above.

Out of Scope Items: For the avoidance of doubt, the following disclosures in the BRSR are explicitly outside the scope of this assurance engagement and carry no assurance conclusion: (i) forward-looking statements, ESG targets, ambitions, and projections; (ii) financial figures referenced in the BRSR (sourced from audited financial statements but not independently assured under this engagement); (iii) voluntary disclosures beyond the defined BRSR Core Annexure I attributes listed in the scope table above; and (iv) disclosures marked ‘Not Applicable’ by AIL. Readers should not place reliance on the items listed above as assured information. In relation to item (iv), TUVI reviewed disclosures marked ‘Not Applicable’ by AIL to assess the reasonableness and appropriateness of such classifications in the context of AIL’s operations, sector, and applicable reporting requirements.

A **KPI-specific materiality approach** was applied comprising two tiers: (i) a 5% quantitative threshold relative to the applicable KPI base value for volume-based KPIs (GHG emissions, energy, water, waste, and wages); and (ii) a qualitative zero-tolerance threshold for high-risk ESG indicators – fatalities, permanent disabilities, POSH complaints upheld, regulatory non-compliances, and customer data breaches – where any occurrence is treated as material irrespective of magnitude. For KPIs where estimation is applied, a confidence range of ±10% has been applied to reflect the inherent estimation uncertainty in the underlying measurement

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and calculation methodologies only. This confidence range is a characteristic of the subject matter itself and does not modify, qualify, or dilute the overall reasonable assurance conclusion expressed in this statement. The selection of the 5% quantitative threshold reflects the exercise of professional judgement in accordance with ISAE 3000 (Revised) and is based on the following considerations: (a) regulatory sensitivity – the threshold is set at a level low enough to capture misstatements that could affect compliance with the SEBI BRSR Core reporting requirements and the disclosed KPI values relied upon by regulators; (b) stakeholder expectations – the threshold reflects the level of precision that primary users (the Board, investors, and regulators) would reasonably expect for volume-based ESG performance indicators, benchmarked against prevailing practice for non-financial assurance engagements; and (c) the inherent nature and estimation uncertainty of each KPI category, with a more conservative qualitative zero-tolerance threshold applied to high-risk indicators where any single occurrence is significant to users irrespective of magnitude. The threshold was determined at the planning stage and reassessed during the engagement to confirm that it remained appropriate for forming the reasonable assurance conclusion.

This assurance statement does not constitute an endorsement of any environmental or social claims related to products, manufacturing processes, packaging, or product disposal, nor of any advertising or promotional content by the Reporting Organization. TUVI explicitly prohibits the use of this assurance statement for the purpose of greenwashing or making misleading environmental or social claims. It is the responsibility of the Reporting Organization to ensure full compliance with all applicable legal and regulatory requirements.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of assurance over the 09 attributes as per Annexure I – Format of BRSR Core and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or effectiveness of AIL's strategy, the management of ESG-related issues, or the sufficiency of the BRSR against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which comprises reasonable assurance of the non-financial quantitative and qualitative information disclosed by AIL in respect of the 09 BRSR Core attributes. The Reporting Organization is also responsible for archiving the related data for a reasonable period.

The primary intended users of this assurance statement are AIL's management, Board, shareholders, and regulators. TUVI expressly disclaims any liability or co-responsibility: (1) for any decision a person or entity would make based on this assurance statement; and (2) for any damages in case of erroneous data reported. This assurance engagement is based on the assumption that the data and information provided to TUVI by AIL are complete and true.

Assurance Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing verification efforts on disclosures and issues of high material relevance to AIL's business and its stakeholders. TUVI assessed the robustness of the underlying data management systems, information flows, and controls. TUVI's assurance activities included:

Document and Data Review – Examination of documents, datasets, and supporting evidence provided by AIL for the 09 attributes as per Annexure I – Format of BRSR Core, including disclosures relating to management approach and performance indicators.

Stakeholder Interviews – Interviews with key representatives, including data owners, process managers, and decision-makers across various functions and divisions of AIL, conducted through both on-site visits and remote assessments, as applicable.

Process and System Assessment – Review of systems and processes for implementing ESG and sustainability-related policies and for collecting, managing, and reporting quantitative and qualitative data for the reporting period, including review of data flows, aggregation procedures, and supporting records. This review does not constitute an assessment of, or opinion on, the design adequacy or operating effectiveness of IT general controls or ESG application controls. As part of understanding the ESG control environment, TUVI obtained an understanding of, and performed walkthrough procedures over, the key controls relevant to the selected BRSR Core KPIs. The controls considered included: ESG governance and oversight roles; maker-checker (preparer-reviewer) controls over data entry and consolidation; system / ERP-based controls over source data capture, access, and recording at division level; defined data-ownership responsibilities for each KPI; and the management approval hierarchy through which reported data is reviewed and authorised prior to disclosure. These procedures were performed to assess whether the controls were suitably designed and had been placed in operation to support the reliability of the reported BRSR Core KPIs, and to inform the nature, timing, and extent of our substantive procedures, consistent with the requirements of ISAE 3000 (Revised). The procedures described above do not, however, constitute a separate opinion on the operating effectiveness of internal controls.

Substantive and Control Testing – TUVI performed walkthrough procedures to understand ESG data flows, together with substantive testing including document verification, recalculation, analytical review, and data traceability checks for the selected BRSR Core KPIs. Examples of procedures applied include: (a) **GHG Emissions** – recalculation of Scope 1 emissions from primary fuel-consumption data using IPCC / GHG Protocol emission factors, and reconciliation of Scope 2 emissions against purchased-energy records; (b) **Energy** – cross-verification of meter readings against utility bills, and validation of renewable-energy records; (c) **Water** – review of water-intake and discharge records and traceability to source-level documentation; (d) **Safety** – verification of LTIFR calculations against division-level incident registers, HR records, and contractor-workforce records; and (e) **Waste** – reconciliation of hazardous and non-hazardous waste disposal records against Pollution Control Board returns and third-party disposal manifests across sites.

Sampling Methodology – TUVI applied a risk-based sampling methodology considering materiality thresholds, data complexity, estimation uncertainty, the geographical spread of divisions, and site contribution to ESG impacts. Sample selection prioritised

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locations with significant operational impact and KPIs with higher inherent risk. On-site verification was performed at selected divisions and the Head Office, complemented by remote verification and a complete desk review of source records, reconciliations, analytical reviews and consolidation / QA-QC controls across the remaining divisions, offices and subsidiaries within the reporting boundary. This combined approach, supported by AIL's standardised ESG data framework and centralised QA / QC review, provided sufficient appropriate evidence to support the reasonable assurance conclusion in accordance with the agreed scope of work. The sampling coverage encompassed 14 out of 14 manufacturing divisions (100%), with corresponding reported energy consumption, water, waste and GHG emissions. Subsidiaries and remaining offices were covered through desk review.

Reporting Framework Adherence – TUVI verified adherence to SEBI's BRSR guidelines, the BRSR Core – Framework for Assurance and ESG Disclosures for Value Chain (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122), and the Industry Standards on Reporting of BRSR Core (SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177). TUVI evaluated the BRSR Core disclosures against the following reporting quality principles: Materiality, Completeness, Neutrality, Relevance, Accuracy, Reliability, Comparability, Clarity, and Timeliness.

Opportunities for Improvement

The following improvement areas were identified and shared with AIL. These recommendations are generally consistent with AIL management's existing objectives and sustainability initiatives; many of these areas have already been recognised by AIL, and the assurance team supports their continued focus to advance the organization's sustainability goals:

1. **Strengthen Value Chain ESG Disclosure and Assurance Readiness:** AIL may further strengthen its value chain ESG management by expanding supplier and customer-level ESG data collection, including BRSR Core value chain indicators, corrective action closure status, and assurance-readiness of key upstream and downstream partners.
2. **Improve Scope 3 Emission Data Quality and Supplier Decarbonisation:** AIL may enhance its Scope 3 emissions programme by increasing the use of supplier-specific primary emission factors and by defining category-wise Scope 3 reduction actions for high-impact categories such as purchased goods, transportation, waste, processing of sold products, and end-of-life treatment.

Conflict of Interest

In the context of the BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintaining the integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers are required to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially give rise to a conflict of interest and proactively implements measures to mitigate or manage such conflicts, ensuring independence and impartiality in its assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognise that failure to address conflict of interest adequately could undermine the credibility of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take the necessary measures to avoid, disclose, or mitigate conflicts of interest effectively. In addition, TUVI maintains organizational safeguards to ensure impartiality through segregation of responsibilities, independent technical review, documented conflict-of-interest controls, and oversight mechanisms in accordance with ISO 14064-3:2019 and ISO 17029:2019.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPIs described in the BRSR, along with the referenced information, comply with the BRSR Core requirements as per Annexure I for the 09 attributes, and meet the general content and quality requirements of the BRSR. Based on our procedures, we did not identify any material changes in the methodologies applied for the preparation of the selected BRSR KPIs during the reporting period. AIL has established a policy-led data control framework for BRSR disclosures, with documented processes and defined roles and responsibilities.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. AIL refers to general disclosures to report contextual information about the organization, while the Management & Process disclosures describe the management approach for each indicator (09 attributes as per Annexure I – Format of BRSR Core).

Reasonable Assurance Conclusion: Based on the procedures performed and the evidence obtained, in our opinion, the BRSR Core Key Performance Indicators (KPIs) – the 09 attributes as per Annexure I – Format of BRSR Core – presented in Aarti Industries Limited's Business Responsibility and Sustainability Report for the period 01/04/2025 to 31/03/2026 have been prepared, in all material respects, in accordance with the applicable BRSR Core criteria, including the requirements of the SEBI BRSR Core framework and the Annexure I KPIs, and fairly represent the nine attributes within the defined scope without material misstatement.

BRSR complies with the below requirements

- **Governance, leadership and oversight:** The messages of top management, the business model, action and strategies, risk management, protection and restoration of the environment, and priorities are disclosed appropriately.
- **Connectivity of information:** AIL discloses the 09 attributes as per Annexure I – Format of BRSR Core and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.
- **Stakeholder responsiveness:** The BRSR covers mechanisms of communication with key stakeholders to identify major concerns and to derive and prioritize short, medium and long-term strategies. The BRSR provides a fair representation of the extent to which the organization understands, takes into account, and responds to the legitimate needs and interests of key stakeholders.

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- **Materiality:** Material issues within the nine attributes and the corresponding KPIs as per the BRSR Core requirements are adequately identified and reported. In our view, the BRSR meets the requirements.
- **Conciseness:** The report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point; sentences, graphs, and pictorial and tabular representations are applied. Due care is taken to maintain the continuity of information flow in the BRSR.
- **Reliability and completeness:** AIL has established internal data aggregation and evaluation systems to derive its performance. All data provided to TÜVI has been passed through the QA / QC function. The data and information were verified by TÜVI's assurance team (on a sample basis) and found to be fairly accurate. All data is reported transparently, in a neutral tone, and without material error.
- **Consistency and comparability:** The information presented in the BRSR is on an annual basis and was found to be reliable and complete. No material inconsistencies in methodology, boundary, or reporting approach were identified between FY 2025-26 and FY 2024-25 disclosures. Where boundary changes occurred, these have been appropriately disclosed by AIL. Based on the procedures performed, no restatement of prior-year environmental KPIs was identified for the reporting period; AIL's policy is to recalculate or restate prior-year figures only where there is a significant change in methodology, emission factors, organisational boundary, or the identification of a material error, and to disclose any such restatement together with its rationale.

Independence and Code of Conduct: TÜVI follows the IESBA (International Ethics Standards Board for Accountants) Code, which adopts a threats-and-safeguards approach to independence. We recognise the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders, in line with the requirements of SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023 and the Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024. TÜVI confirms its independence in accordance with the IESBA Code, the SEBI BRSR Core assurance expectations, and its own policy regarding independence and impartiality. TÜVI declares that during the reporting period no consulting, advisory, system design, data preparation, or implementation services related to ESG or BRSR were provided to AIL; TÜVI was not involved in the preparation of the BRSR or the underlying data; and no relationships or circumstances exist that could create a conflict of interest or impair independence. TÜVI solely focuses on delivering verification and assurance services and does not engage in the sale of, or the provision of, any non-audit / non-assurance services, including consulting.

Quality Control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses the requisite expertise and that the assigned team collectively has the necessary competence to perform engagements in reference with applicable standards and regulations. The assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behaviour. In accordance with the International Standard on Quality Control, TÜVI maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TÜV India Pvt. Ltd. (TÜVI) is an independent and neutral third-party assurance provider that confirms its independence, impartiality, and objectivity in accordance with ISAE 3000 (Revised), as further detailed in the *Conflict of Interest* and *Independence and Code of Conduct* sections above. The assurance team comprised qualified professionals with multidisciplinary competencies, including GHG accounting and emissions verification, ESG and sustainability reporting frameworks, social compliance and human-rights due diligence, and non-financial assurance methodology in accordance with ISAE 3000 (Revised). This cross-disciplinary composition ensured that the assurance conclusions are supported by adequate technical expertise.

For and on behalf of TÜV India Private Limited



Manojkumar Borekar
Product Head – Sustainability Services
TÜV India Private Limited

Date: 01/06/2026
Place: Mumbai, India
Project Reference No: 8124249039
Revision: 02

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