August 29, 2026

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

SCRIP CODE: 543748

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: AARTIPHARM

Dear Sir/Madam,

Sub: Business Responsibility and Sustainability Report for the Financial Year 2025-26
Ref: Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

In continuation to our intimation dated August 29, 2026 regarding the Annual Report for the Financial Year 2025-26, along with Notice of the 7th Annual General Meeting, and pursuant to Regulation 34(2)(f) of the Listing Regulations, we are submitting herewith the Business Responsibility and Sustainability Report for the Financial Year 2025-26.

The Business Responsibility and Sustainability Report is also available on the website of the Company at: https://www.aartipharmalabs.com/business-responsibilty-report

Please take the same on your records.

Thanking you,

Yours faithfully,
For AARTI PHARMALABS LIMITED

Jeevan Bhargav Mondkar
Digitally signed by Jeevan Bhargav Mondkar

Jeevan Mondkar
COMPANY SECRETARY AND LEGAL HEAD
ICSI M. NO. A22565

Encl.: a/a

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Company	L24100GJ2019PLC110964
2.	Name of the Company	Aarti Pharmalabs Limited
3.	Year of Incorporation	November 22, 2019
4.	Registered office address	Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India, 396195
5.	Corporate office address	Aarti Pharmalabs Limited Embassy Park 247, Tower C, 401, 4th Floor, LBS Marg, Vikhroli (W), Mumbai, India - 400 083
6.	E-mail id	info@aartipharmalabs.com
7.	Telephone	+91 022-69436100
8.	Website	www.aartipharmalabs.com
9.	Financial year for which reporting is being done	April 01, 2025 to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11.	Paid-up capital	₹ 45,32,88,755
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Smt. Hetal Gogri Gala Vice Chairperson & Managing Director Tel: +91 022-69436100 Email: infoapi@aartipharmalabs.com
13.	Reporting boundary	Standalone basis
14.	Name of assessment or assurance provider	While BRSR Core assurance is not mandatory for the Company, APL is proactively undertaking it to demonstrate our commitment to transparency and responsible business practices. We will conduct a Type 2 Moderate Assurance of our Sustainability Report and BRSR Core indicators in accordance with AA1000AS standards, and these efforts will be formally reflected in our Sustainability Report.
15.	Type of assessment or assurance obtained	

II. PRODUCTS/SERVICES

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

S. No.	Description of main activity	Description of business activity	% of total turnover contributed
1.	Manufacturing of Pharmaceuticals and Nutraceuticals	Development of Active Pharmaceutical Ingredients (API) and New Chemical Entities (NCE), API intermediates, Regulatory Starting Materials (RSM), Basic Starting Materials, Key Building Blocks, and Xanthine Derivatives for use in clinical testing and commercial production.	100%

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

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	API (Active Pharmaceutical Ingredients), Pharmaceutical Intermediates, New Chemical Entities	210	51
2	Xanthine Derivatives	1104	49

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants*	Number of offices	Total
National	15*	3	18
International	0	0	0

** Number of plants includes our 3 R&D facilities.*

19. Markets served by the entity:

a. **Number of locations – This refers to locations where goods were transported to during the financial year, however the consumption of final product & even customer footprint is larger.**

Locations	Number
National (No. of states)	25
International (No. of countries)	51

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

The Company has a global presence with exports accounting for approximately 55.93% of its total turnover.

c. **A brief on types of customers**

Aarti Pharmalabs Limited serves a broad array of B2B clients in regulated and non-regulated sectors globally. The Company's customer portfolio features international pharmaceutical innovators and generic drug producers seeking premium APIs, advanced intermediates, and CDMO expertise, specifically for stringent markets like the United States, Japan, and the European Union. Beyond pharmaceuticals, APL provides specialty ingredients, including xanthine derivatives, to major food, beverage, and nutraceutical firms worldwide. The entity also supports manufacturers in the agrochemical, polymer, plastics, and dye and pigment industries by supplying high-purity chemical intermediates, monomers, and performance additives. These enduring client partnerships are anchored in APL's commitment to rigorous regulatory standards, extensive backward integration, and the capability to provide dependable, scalable, and bespoke solutions that meet precise industry requirements.

IV. EMPLOYEES

20. Details as of March 31, 2026

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)	1899	1773	93.36	126	06.64
2.	Other than permanent (E)	134	104	77.61	30	22.39
3.	**Total employees (D + E)**	**2033**	**1877**	**92.33**	**156**	**07.67**
	WORKERS					
1.	Permanent (F)	522	522	100	0	0
2.	Other than permanent (G)	1663	1635	98.32	28	01.68
3.	**Total workers (F + G)**	**2185**	**2157**	**98.72**	**28**	**01.28**

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)	1	1	100	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
1.	Permanent (F)	1	1	100	0	0
2.	Other than permanent (G)	0	0	0	0	0
3.	**Total differently abled workers (F + G)**	**1**	**1**	**100**	**0**	**0**

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12	4	33.3
Key Management Personnel (other than BoD)	2	0	0

22. Turnover rate for permanent employees

Particulars	FY 2025-26 (%)			FY 2024-25 (%)			FY2023-24 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employee	23.80	12.99	23.45	3.93	2.11	3.82	9.17	8.25	9.02
Permanent Workers	5.29	0	5.31	0.67	0	0.67	4.77	0	4.77

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Aarti Pharmachem Limited	Subsidiary	100%	No
2	Aarti USA Inc.	Subsidiary	100%	No
3	Ganesh Polychem Limited	Joint Venture	50%	No

VI. CSR DETAILS

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

(ii) Turnover : ₹ 17,975,517,198

(iii) Net worth : ₹ 19,740,942,000

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

The Company's key stakeholders include investors, customers, employees, value chain partners/suppliers and community besides governments/regulatory authorities.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	0	0	-	0	0	-
Investors (other than shareholders)	https://www.aartipharmalabs.com/investorsrelations	0	0	-	0	0	-
Shareholders	https://www.aartipharmalabs.com/investorsrelations	4	0	-	3	1	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		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
Employees and workers	https://www.aartipharmalabs.com/investors/vigilmechanism-policyfeb-2023.pdf	0	0	-	0	0	-
Customers	https://www.aartipharmalabs.com/contact	31	4	-	44	3	All pending complaints closed in reporting year.
Value Chain Partners	https://www.aartipharmalabs.com/contact	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Learning and Development	Opportunity	Investing in employee learning and development ensures a skilled and motivated workforce, enhancing innovation and productivity.	NA	Positive
2	Material Sourcing and Efficiency	Risk and Opportunity	Efficient sourcing reduces costs and environmental impact, while poor practices can lead to supply chain disruptions.	Implement stringent supplier assessments and sustainable sourcing practices.	Positive
3	Supplier Environmental Assessment	Risk	Ensuring suppliers meet environmental standards reduces APL's exposure to environmental risks and regulatory penalties.	Regular audits and collaboration with suppliers to improve environmental performance.	Negative
4	Supplier Social Assessment	Risk	Ensuring suppliers adhere to social standards mitigates risks related to labor practices and human rights violations.	Conduct regular social audits and engage in supplier development programs.	Negative
5	GHG Emissions	Risk	High GHG emissions expose APL to regulatory penalties and reputational damage.	Implement emission reduction strategies and invest in cleaner technologies.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Climate Change	Risk and Opportunity	Climate change poses risks to operations but also offers opportunities for innovation in sustainability.	Develop climate resilience strategies and reduce carbon footprint.	Positive
7	Energy Management	Risk and Opportunity	Efficient energy use reduces costs and environmental impact, while poor management can lead to higher expenses and emissions.	Implement energy-efficient technologies and practices.	Positive
8	Economic Performance	Risk and Opportunity	Strong economic performance ensures business viability, while poor performance can threaten sustainability.	Implement robust financial management and strategic planning.	Positive
9	Employee Wellbeing	Opportunity	Promoting employee wellbeing enhances productivity, reduces absenteeism, and improves job satisfaction.	NA	Positive
10	Waste Management	Risk and Opportunity	Efficient waste management reduces environmental impact and compliance risks while offering opportunities for resource recovery.	Implement comprehensive waste reduction and recycling programs.	Positive
11	Water Management	Risk and Opportunity	Effective water management ensures resource availability and reduces environmental impact, while poor management can lead to scarcity and regulatory issues.	Implement water-saving technologies and practices.	Positive
12	Business Ethics	Risk	Upholding high ethical standards mitigates risks related to legal issues and reputational damage.	Implement robust ethics training and compliance programs.	Negative
13	Risk Management	Risk and Opportunity	Proactive risk management mitigates potential operational, financial, and reputational risks.	Develop and implement comprehensive risk management frameworks.	Positive
14	Data Privacy and Security	Risk	Ensuring data privacy and security protects against breaches, legal penalties, and reputational damage.	Implement robust cybersecurity measures and data protection policies.	Negative
15	Indirect Economic Impacts	Risk and Opportunity	Understanding and managing indirect economic impacts can mitigate risks and create opportunities for community development and business growth.	Engage with stakeholders to identify and manage indirect impacts.	Positive
16	Marketing and Labeling	Risk	Accurate marketing and labeling ensure regulatory compliance and build consumer trust, while inaccuracies can lead to legal issues and reputational damage.	Implement stringent quality control and compliance checks.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Product Quality and Safety	Risk	Ensuring product quality and safety protects consumer health, complies with regulations, and maintains APL's reputation.	Implement rigorous quality control and safety testing procedures.	Negative
18	Compliance	Risk	Compliance with laws and regulations prevents legal penalties and maintains operational integrity.	Implement comprehensive compliance programs and regular audits.	Negative
19	Air Quality	Risk	Maintaining good air quality reduces health risks and ensures regulatory compliance.	Implement emission controls and regular monitoring.	Negative
20	Diversity and Equal Opportunity	Opportunity	Promoting diversity and equal opportunity fosters innovation, improves employee morale, and enhances reputation.	NA	Positive
21	Occupational Health and Safety	Risk	Ensuring occupational health and safety prevents workplace accidents, reduces absenteeism, and complies with regulations.	Implement robust health and safety programs and training.	Negative
22	Customer Health and Safety	Risk	Prioritizing customer health and safety maintains trust, complies with regulations, and protects against legal issues.	Implement strict quality control and safety measures.	Negative
23	Local Communities (CSR)	Opportunity	Engaging with local communities through CSR initiatives fosters goodwill, enhances reputation, and contributes to sustainable development.	NA	Positive
24	Non-discrimination	Opportunity	Upholding non-discrimination policies ensures a fair and inclusive workplace, enhancing employee satisfaction and reputation.	NA	Positive
25	Human Rights	Risk	Ensuring respect for human rights in operations and supply chains mitigates risks related to legal issues and reputational damage.	Implement and enforce human rights policies and supplier codes of conduct.	Negative
26	Access to Healthcare	Opportunity	APL can contribute to improved public health by ensuring access to affordable and effective pharmaceutical products.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

<table>
<tr><th>Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td colspan="10">Policy and management processes</td></tr>
<tr><td>1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>b. Has the policy been approved by the Board? (Yes/No)</td><td colspan="9">The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.</td></tr>
<tr><td>c. Web Link of the Policies, if available.</td><td colspan="9">P1:
• Code of Ethical Conduct:
https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf
• Vigil Mechanism:
https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf
• Risk Management Policy:
https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf
• Supplier Code of Conduct:
https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf

P2:
• Environment Policy:
https://www.aartipharmalabs.com/investors/environment-policy.pdf
https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf
• Occupational Health & Safety Policy:
https://www.aartipharmalabs.com/investors/ohs-policy.pdf
https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf
• Quality Policy:
https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022. pdf
• Responsible Procurement Policy:
https://www.aartipharmalabs.com/investors/responsible-procurement-policy.pdf
https://www.aartipharmalabs.com/investors/standalone-responsible-procurement-policy.pdf

P3:
• Environment Policy:
https://www.aartipharmalabs.com/investors/environment-policy.pdf
https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf
• Occupational Health & Safety Policy:
https://www.aartipharmalabs.com/investors/ohs-policy.pdf
https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf
• Prevention of Sexual Harassment (PoSH) Policy:
https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf
• People Policy:
https://www.aartipharmalabs.com/investors/people-policy.pdf</td></tr>
</table>

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	P4: • People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf • Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P5:** • Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf • Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf • People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf • Code of Ethical Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P6:** • Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf • Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P8:** • Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf **P9:** • Information Security Policy: https://www.aartipharmalabs.com/investors/information-security-policy.pdf • Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022. pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures (Yes/No)	Yes, each department/function maintains its own set of procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we have a dedicated supplier code of conduct which covers all the applicable aspects under the BRSR principles.								
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	The national and international codes/certifications/labels/standards are as follows: • FDCA (Manufacturing License) • FDA Maharashtra • FDA (U.S. Food and Drug Administration) • FDCA (GMP) • Export Inspection Council • ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 • FSSAI • FSSC 22000 • Star – K Kosher • Jamiat Ulama Halal Foundation (Mumbai, India) • Majelis Ulama (Halal) (Indonesia) • SEDEX, SMETA (SMETA 4 pillar Certified Company) • UNGC India Network • EcoVadis • CDP • Science Based Target Initiative (SBTi)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	SBTi goal commitments & policies, https://www.aartipharmalabs.com/aarti-pharmalabs-imited-achieves-key-sustainability-milestone								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
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)*	Aarti Pharmalabs Limited is dedicated to integrating sustainability within our primary operations and strategic framework, as a science-led firm in the specialty chemicals and pharmaceutical intermediates industry. We understand that achieving durable value and ethical expansion depends on a foundation of robust Environmental, Social, and Governance (ESG) standards. For details, Refer to the Managing Director's message of the Annual report FY 2025-26.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Smt. Hetal Gogri Gala, Vice Chairperson & Managing Director (DIN: 00005499) and Shri Narendra J. Salvi, Managing Director (DIN: 00299202) are responsible for implementation and oversight of the Business Responsibility policies.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	Company currently lacks a specific Board-level head for sustainability, the Risk Management Committee maintains oversight of major sustainability initiatives. Under the Board's direction, the Committee provides management with the necessary guidance to ensure that environmental and social impacts are thoroughly integrated into all strategic endeavors. The Risk Management Committee comprises Shri Rashesh C. Gogri, Smt. Hetal Gogri Gala, Shri Narendra J. Salvi, Shri Rajendra V. Gogri, Shri Parimal H. Desai and Dr. Vinay G. Nayak.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was under taken by Director/Committee of the Board/Any other Committee					Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All policies outlined have been approved by the Board and Senior Management of the Company. To ensure compliance and effectiveness, we conduct regular internal audits and reviews of all policies and processes. This ongoing evaluation guarantees that our policies and procedures align with industry standards and best practices.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances									

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	Yes, The Company is committed to the effective implementation of its policies through continuous internal reviews and has also engaged external experts for independent evaluations. We are currently in the process of obtaining third-party assurance for our sustainability indicators. For the current reporting period, an independent agency will be conducting a verification of the data integrity and management frameworks within our sustainability disclosures. This assessment will be performed in accordance with the AA1000AS v3 "Type 2 - Moderate" standard. Additionally, several of our business units participate in periodic third-party certification and auditing protocols.								

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

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

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	1	During our Board Meetings, we provide the Board of Directors with consistent briefings on a range of subjects, including operational progress, project developments, financial budgeting, and corporate oversight. Furthermore, our instructional initiatives address essential areas such as ethics and code of conduct, anti-corruption and anti-bribery measures, human rights, occupational health and safety, compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, and diverse regulatory changes applicable to Key Managerial Personnel, staff, and workers.	83.33%
Key Managerial Personnel (Other than BoD)	1		100%
Employees other than BOD and KMPs	4339		100%
Workers			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 (₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	Principle 1: Businesses Should Conduct And Govern Themselves With Integrity And In A Manner That Is Ethical, Transparent And Accountable	The Office of the Assistant Commissioner, CGST and Central Excise, Circle-VIII, Vapi, Gujarat 396195	2,60,000.00	The Company has received an order under Section 74 of the CGST and SGST Acts, involving an alleged demand of ₹ 31,15,608/- inclusive of tax, interest, and penalty. The demand pertains to the alleged excess availment of Input Tax Credit and incorrect declaration of tax liability for the financial year 2022-23, 2023-24 based on discrepancies identified in the data submitted under GSTR-3B, GSTR-1, GSTR-9, GSTR-2A, and other records.	No
Settlement Compounding Fee	Nil				

Non-Monetary

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

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

   Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   APL maintains a comprehensive Vigil Mechanism and Code of Conduct rooted in the core tenets of sustainability. These policies place a high priority on the prevention of bribery and corruption, reflecting APL-s steadfast dedication to ethical business conduct. The Company mandates that all personnel strictly comply with these standards, ensuring every business interaction is characterised by fairness, honesty, and professional integrity. By explicitly forbidding any form of bribery or the seeking of improper advantages, the policy reinforces a culture of accountability and transparency, aligning APL-s operations with sustainable and responsible practices.

   For further information, please refer to,

   - Vigil mechanism Policy:

     https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf
   - Code of Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf

5. **Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.**

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

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of KMPs	0	-	0	-

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable as there were no fines or penalties reported during the reporting period.

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

	FY 2025-26	FY 2024-25
Number of days of accounts payables	92 days	103 days

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2025-26	FY 2024-25
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	29.60	19.04
	b.	Number of trading houses where purchases are made from	193	118
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	20.19%	12.34
Concentration of Sales	a.	Sales to dealers/distributors as % of total sales	18	13
	b.	Number of dealers/distributors to whom sales are made	235	148
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	50	6
Share of RPTs in	a.	Purchases (Purchases with related parties/Total Purchases)	10.14	11.38
	b.	Sales (Sales to related parties/Total Sales)	5.60	8.84
	c.	Loans & advances (Loans & advances given to related parties/Total loans & advances)	94.01	90.59
	d.	Investments (Investments in related parties/Total Investments made)	60.33	68.86

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
0	NA	0

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

Yes. In accordance with the Board-approved Code of Conduct, APL has implemented systematic procedures to identify and address potential conflicts of interest. Company Directors are obligated to report any such conflicts and must abstain from participating in any related decision-making processes. Furthermore, the organisation holds routine training sessions to ensure continuous adherence to governance and ethical requirements.

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	2.14%	36.23%	Ductless Fume hoods, Scrubbers, Innovative technologies like flow reactors, etc.
Capex	24.98%	23.74%	Detectors, HVAC Units, Mechanical Vapour Recompression System, etc.

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

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

   Yes, APL has implemented a robust Responsible Procurement Policy that serves as a strategic framework to embed sustainability across its value chain. This policy guides the Company in promoting ethical sourcing, environmental stewardship, and social responsibility. As part of this commitment, 57.76% of APL's key raw material suppliers have been assessed for alignment with the Company's sustainability standards.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The core of APL's waste management strategy is built upon the 3R principle—Reduce, Reuse, Recycle—which is applied across every operation and waste category. This framework underscores the Company's dedication to sustainable industrial practices and resource conservation. To ensure effective management, advanced systems are operational across all sites, prioritizing the reduction of waste at the source, the expansion of reuse initiatives, and the promotion of ethical recycling.

A. Plastic Waste: To ensure environmentally responsible processing, all plastic waste is systematically directed to authorised recyclers.

B. E-Waste: Disposing of electronic waste involves certified e-waste recyclers, which guarantees adherence to environmental standards.

C. Hazardous Waste: Handled in strict compliance with relevant regulations, hazardous waste is managed through incineration or landfilling at Common Hazardous Waste Treatment, Storage, and Disposal Facilities (CHWTSDFs). Furthermore, specific categories are transferred to authorised recyclers as mandated by consent conditions under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

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

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, APL maintains a waste collection strategy that is strictly synchronised with its Extended Producer Responsibility (EPR) framework, demonstrating a proactive stance on environmental management. Having secured its EPR objectives from the Central Pollution Control Board (CPCB), APL has commenced relevant implementation measures to fulfill these mandates. As a CPCB-registered entity for EPR compliance, the Company underscores its dedication to ethical post-consumer waste management and its role in fostering a sustainable circular economy.

Leadership Indicators

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

NIC Code	Name of 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.
210	Ramipril	6.82	Cradle to Gate	No	No
1104	Caffeine	33.83	Cradle to Gate	Yes	No
210	Ranolazine	3.32	Cradle to Gate	No	No
210	Venlafaxine HCl	3.40	Cradle to Gate	No	No
210	Fluticasone Propionate	3.62	Cradle to Gate	No	No
210	Mometasone Furoate	1.15	Cradle to Gate	No	No
210	Mometasone Furoate Monohydrate	1.82	Cradle to Gate	No	No
210	Budesonide	2.30	Cradle to Gate	No	No
210	PR-156	2.86	Cradle to Gate	No	No
210	PR-818	3.30	Cradle to Gate	No	No
210	VP-071	1.70	Cradle to Gate	No	No
210	VP-088	Not Manufactured in FY	Cradle to Gate	No	No
210	PR-178	0.76	Cradle to Gate	No	No

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

   No. At present, no major environmental or social risks or concerns have been found through Life Cycle Assessments or other reviews concerning how Aarti Pharmalabs' products and services are produced or disposed of.

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).**

   Due to the exacting safety, quality, and purity benchmarks necessary for pharmaceutical production, the Pharmaceutical Intermediates and Active Pharmaceutical Ingredients (API) divisions of APL do not presently incorporate recycled materials into their manufacturing workflows. Conversely, the Specialty Chemicals unit promotes resource conservation and waste minimization by implementing circular economy principles, specifically through the reuse of methanol as an input material.

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Methanol	21.99%	0.70%

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

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

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	232.66 MT	NIL	NIL	456.77 MT
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

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

   As a B2B entity in the chemical and pharmaceutical industries, we primarily supply products in bulk to industrial clients, which makes end-of-life reclamation less applicable to our direct operations. Nevertheless, APL actively supports and manages the secure return and recycling of various packaging materials whenever such initiatives are viable (like EPR).

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. A. **Details of measures for the well-being of employees**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	1,773	1,694	95.54	1,773	100	0	0	0	0	0	0
Female	126	107	84.92	117	92.86	126	100	0	0	0	0
Total	1,899	1,801	94.84	1,890	99.52	126	6.63	0	0	0	0
OTHER THAN PERMANENT EMPLOYEES											
Male	104	0	0	104	100	0	0	0	0	0	0
Female	30	0	0	30	100	30	100	0	0	0	0
Total	134	0	0	134	100	30	22.39	0	0	0	0

Note- For Other than permanent employees insurance covered under WC policy.

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	522	360	68.96	514	98.46	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	522	360	68.96	514	98.46	0	0	0	0	0	0
OTHER THAN PERMANENT WORKERS											
Male	1,635	0	0	0	0	0	0	0	0	0	0
Female	28	0	0	0	0	28	100	0	0	0	0
Total	1,663	0	0	0	0	28	1.68	0	0	0	0

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

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.59%	0.43%

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

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.) *	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	99.36	100	Y
Gratuity	100	100	Y	98.84	100	Y
Employee State Insurance (ESI)	4.89	29.50	Y	11.74	100	Y
Others	-	-	-	-	-	-

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

   Yes. APL remains dedicated to maintaining a work environment that is both inclusive and accessible. The Company takes active steps to ensure its offices and premises are properly aligned with accessibility standards, as applicable.

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

   Yes; The Company has integrated required stipulations within its Human Resources Policy that correspond with the Rights of Persons with Disabilities Act, 2016. To guarantee social security, the organisation maintains full compliance with all relevant employee-centric regulations. For more details https://www.aartipharmalabs.com/responsible-workforce

5. **Return to work and retention rates of permanent employees that took parental leave.**

Gender	Permanent Employees	
	Return to work rate	Retention rate
Male	NA	NA
Female	100%	80%
Total	100%	80%

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

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

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

Category	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,899	0	0	1,728	0	1,728
Male	1,773	0	0	1,626	0	1,626
Female	126	0	0	102	0	102
Total Permanent Workers	522	138	26.43	434	132	434
Male	522	138	26.43	434	132	434
Female	0	0	0	0	0	0

8. **Details of training given to employees**

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	1,773	1501	84.56	1462	82.46	1,630	1,630	100	1630	100
Female	126	108	85.71	79	62.70	102	102	100	102	100
Total	**1,899**	**1609**	**84.72**	**1541**	**81.15**	**1,734**	**1734**	**100**	**1734**	**100**
WORKERS										
Male	522	480	91.95	433	82.95	1,247	1,247	100	434	34.80
Female	0	0	0	0	0	26	26	100	0	0
Total	**522**	**480**	**91.95**	**433**	**82.95**	**1,273**	**1,723**	**100**	**434**	**25.18**

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	1,773	1,562	88.10	1,726	1,398	81.00
Female	126	121	96.03	102	69	67.64
Total	**1,899**	**1,683**	**88.62**	**1,728**	**1,467**	**84.89**
WORKERS						
Male	522	502	96.17	434	312	71.89
Female	0	0	0	0	0	0
Total	**522**	**502**	**96.17**	**434**	**312**	**71.89**

10. Health and safety management system

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

Yes. APL maintains an ISO 45001 certified occupational health and safety management system, demonstrating a steadfast commitment to the safety and health of its workforce. Guided by a vision of "Zero Incidents," the Company continually refines its safety protocols through systematic evaluations and proactive risk management. The "Safety First" legacy is enshrined in APL's comprehensive Health, Safety, and Environment (HSE) manual, which guarantees uniform execution across all sites and business operations.

APL nurtures a safety-centric culture through extensive awareness and training initiatives, reaching 100% of its employees and contractors. These persistent efforts are fundamental to upholding a sustainable, healthy, and safe working environment.

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

APL identifies and evaluates occupational hazards through recurring consultations with its operational safety teams. Holding ISO 45001:2018 certification, the organisation maintains rigorous safety protocols to support its goal of operational excellence while prioritizing the health and welfare of its workforce through consistent training and evaluations. Standard safety practices at APL encompass Hazard Identification and Risk Assessment (HIRA), Management of Change (MOC), HAZOP for deviations in processes, and what-if analyses, alongside Quantitative Risk/Impact Assessments (QRA) during the project phase. Additionally, APL applies Job Safety Analysis (JSA) specifically to nonroutine tasks to strengthen safety measures and successfully mitigate potential dangers.

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

Yes. To fortify safety at the workplace and enable effective hazard reporting by workers, Aarti Pharmalabs Limited has deployed various safety modules. These initiatives are structured in accordance with the PRO-SAFE -OWN IT (Predictive Risk Observation - Sustainability Assurance for Excellence -Own it) framework. The implemented modules encompass critical safety aspects, including safety perception survey, EHS-ESG maturity assessment, global audit compliance, risk portfolios and the identification of Unsafe Acts and Unsafe Conditions. The Company utilises digital tools like G-Suite, Updapt and the mySetu module to facilitate accessible reporting and ensure swift remedial actions. Emphasizing social security, the organisation follows a proactive and collaborative strategy to maintain a secure work environment for all its personnel.

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

Yes, Through extensive health and welfare initiatives, APL prioritises the well-being of its workforce. The Company ensures financial stability for its employees and workers by providing coverage under a Group Term Life Insurance Policy. Additionally, APL has established partnerships with hospitals to facilitate non-occupational medical care, including access to visiting physicians. To further promote a healthy and safe work environment, the Company also manages ongoing vaccination efforts to combat communicable diseases like tetanus and Hepatitis B.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.00	0.00
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

APL is dedicated to maintaining a safe, healthy, and compliant work environment through its comprehensive Occupation Health & Safety as well as Environment policy. The Company ensures strict adherence to statutory requirements, such as the Factories Act of 1948, while driving continuous improvement in its safety standards. To bolster process safety, APL utilises structured hazard identification tools, including regular Hazard and Operability Studies (HAZOP) and detailed hazard checklists across all locations. Furthermore, a specialised Process Safety Laboratory is instrumental in identifying and mitigating potential risks for both existing operations and new process developments.

In line with the PRO-SAFE -OWN IT (Predictive Risk Observation - Sustainability Assurance for Excellence -Own it) framework, APL employs rigorous safety protocols, such as Management of Change (MoC), Pre-Start-Up Safety Reviews (PSSR), General Plant Condition (GPC) assessments, and a comprehensive Permit-to-Work system. To minimize exposure to hazardous materials, the Company has implemented engineering controls like enhanced air ventilation and advanced scrubbing units throughout its sites. APL has also established an Industrial Hygiene program focused on identifying and mitigating operational health risks. Workforce well-being is further supported through regular medical examinations for both permanent and contract staff, with onsite medical professionals available to address emergencies and work-related health issues.

To maximize individual safety, APL provides specialised Personal Protective Equipment (PPE) customised to the specific risks of each job role. Additionally, the Company's commitment to its workforce is demonstrated through the provision of compensation for workplace incidents, ensuring the continued health and safety of all personnel.

13. **Number of complaints on the following made by employees**

	FY 2025-26			FY 2024-25		
	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	1	0	Resolved within timeline	0	0	-
Health and safety	0	0	-	0	0	-

14. **Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions.**

To reduce radiant heat exposure during processing, insulation was installed on the top dish of reactors in one of the manufacturing plant.

Leadership Indicators

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

Yes, APL provides life insurance and compensatory aid to employees and workers alike in the event of a fatality. These provisions include group life insurance plans, ex-gratia assistance, and statutory compensation in accordance with relevant labor regulations.

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

To monitor and ensure the adherence of its value chain partners to regulatory requirements, APL has established a comprehensive due diligence framework. This system incorporates periodic reviews of documentation, formal compliance affirmations, and systematic audits. These protocols are designed to verify that essential statutory obligations, including PF, ESI, and tax contributions, are accurately calculated and remitted by all service providers, contractors, and suppliers. Any identified instances of non-compliance result in mandatory remedial measures or the potential termination of the business relationship.

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

	Total no. of affected employees/Workers		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 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)

No. APL does not currently operate official transition assistance schemes for staff members who are retiring or leaving the organisation because of termination. Nevertheless, the business maintains full adherence to all necessary statutory requirements and standard exit protocols mandated by law.

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	57.76
Working conditions	

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.

No. Assessments of value chain partners regarding health and safety protocols and working environments have not revealed any major risks or issues necessitating remedial measures.

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.

APL identifies its primary stakeholders as investors, customers, board members, employees, suppliers, clients, regulatory authorities, and the wider community. We understand that our long-term viability and success depend on establishing trust and fostering collaborative partnerships with these groups. Central to our stakeholder engagement approach is a commitment to clear, honest, and regular communication. Over time, we have built robust, trust-based connections rooted in shared principles and mutual respect. Through consistent engagement across various platforms, we proactively listen to the requirements, goals, and concerns of our stakeholders—allowing us to remain responsive, forward-thinking, and strategically aligned. This ongoing exchange empowers us to co-create value and pursue collective sustainable growth.

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

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board and Committees	No	Presentations, reports, surveys, awareness sessions	Quarterly and as needed	Oversight of operations, business performance, risks and opportunities, strategy alignment, ESG initiatives, compliance, and crisis management.
Employees and Workers	No	Email, website, notice boards, training sessions, surveys	Daily	Engagement to foster a safe, inclusive workplace, provide updates on company and industry developments, encourage feedback and innovation, and support professional growth.

STATUTORY REPORTS

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Supplier audits, meetings, topic-based engagement	Frequent and as needed	Ensure business continuity, quality compliance, address ESG parameters, and resolve product-related issues and feedback.
Customers	No	Customer meetings, audits, surveys, structured engagements	Frequent	Enhance market share, introduce new products, ensure fair business practices, and address customer feedback and queries.
Government and Regulators	No	Submissions, meetings, emails, website	Need-based	Compliance with regulations, facilitate product development and manufacturing, and uphold high standards of operational compliance.
Community	Yes	Physical visits, digital channels	Frequent and as needed	Support sustainable development, address local community needs, focus on health, education, gender equality, afforestation, and infrastructure development.
Investors/ Financial Partners	No	Investor meetings, conferences, earnings calls, press releases	Frequent and as needed	Provide updates on financial performance, strategic direction, sustainability goals, and significant events impacting the Company's performance.

Leadership Indicators

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

   APL maintains a systematic approach to stakeholder engagement regarding social, environmental, and economic issues through regular, formalised consultations. These initiatives, which include materiality assessments, feedback forums, and surveys, are managed by relevant functional heads and senior leadership. The Board of Directors engages directly through quarterly conference calls, and comprehensive insights from the broader stakeholder base are synthesised and delivered during quarterly ESG performance reviews and sustainability meetings. This organised framework guarantees that stakeholder viewpoints are effectively incorporated into the Board's strategic planning and decision-making processes.

   For more details, please visit our website: https://www.aartipharmalabs.com/concalls

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

   Yes. At APL, stakeholder engagement is fundamental to the process of recognizing and ranking significant social and environmental issues. As an illustration, a recent assessment of materiality integrated feedback from external groups—such as industry organisations, suppliers, and clients—which emphasised the importance of responsible procurement, worker safety and health, and climate initiatives. These perspectives were subsequently woven into the ESG strategic framework of APL, resulting in strengthened supplier evaluation methods, improved workplace safety programs, and more robust energy efficiency projects.

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

Through specific CSR projects, welfare schemes, and transparent consultations, APL actively interacts with vulnerable and marginalised groups, including contract staff, local communities near its production facilities, and the economically underprivileged. The Company addresses regional requirements by implementing initiatives such as skill enhancement training, medical camps, and the development of sanitation infrastructure in adjacent rural locations. Furthermore, to promote equitable and secure labor practices, APL provides contract workers with dedicated grievance resolution systems and safety education programs.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
EMPLOYEES						
Permanent	1,899	1899	100	1728	1728	82.79
Other than permanent	134	134	100	4	4	0.00
Total Employees	**2,033**	**2033**	**100**	**1732**	**1728**	**78.58**
WORKERS						
Permanent	522	522	100	434	434	99.78
Other than permanent	1,663	1663	100	839	0	0.00
Total Workers	**2,185**	**2185**	**100**	**1273**	**434**	**46.65**

2. Details of minimum wages paid to employees

Category	FY 2025-26					FY 2024-25				
	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	1,899	0	0	1,773	100	1,728	0	0	1,728	100
Male	1,626	0	0	1,626	100	1,626	0	0	1,626	100
Female	126	0	0	126	100	102	0	0	102	100
Other than Permanent	134	0	0	134	100	4	0	0	4	100
Male	104	0	0	104	100	4	0	0	4	100
Female	30	0	0	30	0	0	0	0	0	0
WORKERS										
Permanent	522	0	0	522	100	434	0	0	434	434
Male	522	0	0	522	100	434	0	0	434	434
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	1,663	1,663	100	0	0	839	839	100	0	839
Male	1,635	1,635	100	0	0	813	813	100	0	813
Female	28	28	100	0	0	26	26	100	0	26

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

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (BoD) (including whole-time directors)	1	12,008,341.00	1	11,849,937.00
Key Managerial Personnel (other than BoD)	2	6,059,747.50	0	NA
Employees other than BoD and KMP*	2204	496,036.00	126	357,968.50
Workers	522	476,926.00	0	NA

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

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	4.34	3.84

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. APL remains steadfast in its dedication to protecting and promoting human rights throughout every facet of its business operations. This foundational commitment is integrated into the Company's corporate responsibility systems, with the Works Council assuming a vital role in supervising and enforcing adherence to these essential tenets.

At APL, we prioritize the protection of the rights, dignity, and personal freedoms of all individuals, including employees, workers, and external partners connected to our activities. Our organisation enforces a strict zero-tolerance policy against any actions that might violate human rights. We are dedicated to cultivating a work culture that is inclusive, supportive, and respectful, ensuring the comprehensive well-being of every person within our professional community.

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

With a steadfast commitment to the well-being, dignity, and fundamental rights of everyone involved in its operations, Aarti Pharmalabs Limited has implemented a robust internal grievance redressal framework. This mechanism is specifically structured to ensure that any concerns pertaining to human rights are identified and resolved both swiftly and efficiently.

Cultivating an environment of transparency and openness, APL provides various communication channels that allow stakeholders and employees to seek assistance or report issues without any fear of reprisal. A specialised internal team is tasked with managing these grievances through a fair, confidential, and impartial process, ensuring all resolutions align with the ethical principles of the organisation. To maintain a respectful, inclusive, and secure workplace, APL is dedicated to the ongoing enhancement of its grievance redressal processes.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	FY 2025-26	FY 2024-25
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**

APL maintains a rigorous zero-tolerance stance toward any instance of sexual harassment within the workplace. Dedicated to fostering a secure and respectful professional atmosphere, the Company has established a comprehensive framework for grievance resolution through its Prevention of Sexual Harassment (PoSH) policy. Precise standards for workplace conduct, along with extensive prevention and redressal protocols, are explicitly detailed in APL's HR Policy Manual and Code of Conduct. Participation in mandatory PoSH training is required for all staff members during the onboarding process, supplemented by periodic refresher courses designed to maintain high levels of awareness and adherence. Furthermore, APL has formed a specialised Internal Complaints Committee (ICC) to manage reports with impartiality, confidentiality, and speed. This committee is central to the investigation and monitoring of incidents, taking necessary measures to uphold the dignity and rights of every individual.

9. **Do human rights requirements form part of your business agreements and contracts?**

Yes; To ensure a balanced, just, and sustainable competitive landscape for all stakeholders, APL incorporates human rights clauses into every one of its business agreements and contracts.

10. **Assessments for the year**

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify (Health & Safety)	

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

Not applicable. The assessments mentioned in Question 9 did not reveal any major risks or issues that necessitated corrective measures, making this requirement not applicable.

Leadership Indicators

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

To date, addressing complaints or grievances related to human rights has not necessitated the introduction or modification of any particular business processes. APL proactively manages such matters through its established Code of Conduct and grievance redressal system, ensuring a work environment that is inclusive and respectful.

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

APL integrates human rights due diligence into its broader risk management and compliance frameworks. The scope of these evaluations encompasses key areas such as fair worker treatment (covering third-party and contractual personnel), non-discrimination, the prevention of forced and child labor, and the maintenance of safe work environments. Assessments are systematically carried out across the entity's internal operations and within specific value chain partnerships, with a particular focus on those located in high-risk regions or industry categories.

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. APL remains dedicated to fostering an accessible and inclusive workspace. The organisation ensures that its various offices and premises are properly aligned with these standards to the fullest extent possible.

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	57.76
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

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

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A) in GJ	80,855.71	40,110.97
Total fuel consumption (B) in GJ**	94,526.04	1,93,649.99
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) in GJ**	**1,75,381.75**	**2,33,760.96**
From non-renewable sources		
Total electricity consumption (D) in GJ	2,46,351.97	4,00,858.37
Total fuel consumption (E) in GJ	3,91,173.67	6,60,575.88
Energy consumption through other sources (F) in GJ	1,45,030.83	2,38,163.99
Total energy consumed from non-renewable sources (D+E+F) in GJ	7,82,556.47	12,99,598.24
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) GJ/₹	0.000043	0.000073
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)*	0.000885	0.001515
Energy intensity in terms of physical output (GJ/kg of production)	0.009857	0.006099

* PPP – IMF conversion factors for FY 202526: 20.34 and FY 2024-25: 20.66

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

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

Not Applicable

3. Provide details of the following disclosures related to water.

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	4,31,202.81	4,31,675.00
(iv) Seawater/desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,31,202.81	4,31,675.00
Total volume of water consumption (in kilolitres)	4,31,202.81	4,31,675.00
Water intensity per rupee of turnover		
(Total water consumption/Revenue from operations)	0.00002398	0.00002437
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption/Revenue from operations adjusted for PPP)	0.000488	0.000504
Water intensity in terms of physical output (KL/Kg of production)**	0.005431	0.002025

* PPP – IMF conversion factors for FY 2025-26: 20.34 and FY 2024-25: 20.66

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.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

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

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

Yes, APL has implemented a comprehensive mechanism to achieve Zero Liquid Discharge (ZLD) across all its units. The Company ensures 100% recycling of liquid waste generated and has established the necessary infrastructure and systems to comply with ZLD conditions specified by the MPCB's/GPCB's Consent to Operate (CTO) requirements. This commitment highlights APL's dedication to sustainable practices and responsible waste management.

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

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	tonne	139.36	200.28
SOx	tonne	610.95	481.68
Particulate matter (PM)	tonne	335.16	542.83
Persistent organic pollutants (POP)	tonne	-	-
Volatile organic compounds (VOC)	tonne	-	-
Hazardous air pollutants (HAP)	tonne	-	-
Others – please specify	tonne	-	-

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

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	92,294.78	73,461.10
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	63,582.46	105,577.65
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent per Rupee	0.0000087	0.00001011
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)*	Metric tonnes of CO_2 equivalent per Rupee	0.000176	0.000209
Total Scope 1 and Scope 2 emission intensity in terms of physical output**	Metric tonnes of CO_2 equivalent per Kg of production	0.00196	0.00084

* PPP – IMF conversion factors for FY 2025-26: 20.34 and FY 2024-25: 20.66

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

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

Yes, APL has demonstrated its dedication to sustainable energy through the installation of a solar power project in Maharashtra's Akola district. This project focuses on utilizing solar energy to decrease the organisation's carbon footprint and encourage the adoption of renewable resources. These installations supplied renewable electricity to the manufacturing sites in Maharashtra, resulting in a reduction of 16,644.24 tCO_2e in Scope 2 emissions. Furthermore, APL integrated biofuel-powered boilers to lower Scope 1 emissions. In order to ensure the timely implementation of its greenhouse gas (GHG) mitigation initiatives, the firm has secured validation for its emission goals from the Science Based Targets initiative (SBTi); these objectives are on course for successful fulfillment.

Additionally, the Company is currently working on implementing a solar energy solution for the Atali site cluster in Gujarat.

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

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	357.69	166.37
E-waste recycled (B)	1.37	2.48
Bio-medical waste (C)	0.15	1.55
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	5.47	0.45
Radioactive waste (F)	0.00	0.00
Other Hazardous Waste. Please specify, if any. (G)	25,791.18	14,119.64

Parameter	FY 2025-26	FY 2024-25
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	73.69	1,259.55
Total (A+B + C + D + E + F + G + H)	26,229.55	15,550.04
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000146	0.00000088
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000030	0.000018
Waste intensity in terms of physical output (MT of Waste per kg of production)	0.00033	0.000073
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	12,835.85	5,561.05
(ii) Re-used	0.00	17.39
(iii) Other recovery operations	0.0	0.0
Total	12,835.85	5,578.44
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	6,047.50	738.78
(ii) Landfilling	9,465.15	9,229.93
(iii) Other disposal operations	0	0
Total	15,512.65	10,052.63

* PPP – IMF conversion factors for FY 2025-26: 20.34 and FY 2024-25: 20.66

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.

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.

Reflecting a steadfast dedication to sustainability, APL has established an environmentally responsible and comprehensive waste management framework. The Company has created a systematic strategy that meets top-tier industry benchmarks and regulatory requirements, acknowledging the vital need to reduce its ecological impact. This structured approach encompasses the precise identification, segregation, handling, processing, and secure disposal of various waste streams. Key priorities of this system include decreasing waste at its origin, enhancing opportunities for recycling and repurposing, and guaranteeing the safe management of hazardous materials.

To further its commitment to minimizing the utilisation of toxic substances and mitigating waste generation at the initial stages of production, Aarti Pharmalabs Limited (APL) has implemented several key initiatives:

- **Integration of Green Chemistry Principles:** By employing hazard checklists during the product development phase, APL has systematically integrated green chemistry principles into its design processes. Currently, over 60 new stages have undergone assessment, with 58 attaining satisfactory results for the use of safer materials. In two specific instances where risks were identified, processes were remediated to substitute hazardous substances with more secure alternatives.
- **Valorisation of By-Products:** APL has developed a proprietary methodology within the Xanthine product line to process and repurpose by-products as valuable resources. This innovation promotes circularity and sustainable resource utilisation while simultaneously reducing waste output.
- **Emission Abatement:** To ensure the maintenance of superior air quality, APL facilities utilise advanced scrubbing technologies designed to effectively capture and manage emissions, thereby preventing the release of hazardous pollutants into the atmosphere.

- **Advanced Wastewater Management:** The organisation has invested in sophisticated treatment systems, including Agitated Thin Film Dryers (ATFD), Multiple-Effect Evaporators (MEEs), and Reverse Osmosis (RO), to facilitate the reclamation and repurposing of water from industrial operations. Furthermore, Sewage Treatment Plants (STPs) manage domestic waste, while Mechanical Vapour Recompression (MVR) units are deployed for the treatment of industrial effluent.
- **Zero Liquid Discharge (ZLD) Mandate:** Reaffirming its role as a steward of the environment, APL has instituted a Zero Liquid Discharge mandate across all operational units. This policy ensures the internal treatment and total reuse of all wastewater, effectively precluding any liquid discharge into the surrounding environment.

Through these focused actions, APL continues to bolster its ecological performance, minimize its environmental footprint, and support the growth of a circular and sustainable manufacturing sector.

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.

None of our operational sites are situated in ecologically sensitive areas

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

No, during the reporting year there were no projects eligible for undertaking the EIA.

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.

Yes, APL maintains comprehensive adherence to all pertinent statutory requirements, including the Environmental Protection Act (1986), the Water (Prevention and Control of Pollution) Act (1974), and the Air (Prevention and Control of Pollution) Act (1981). The organisation prioritizes consistent oversight to ensure that these rigorous environmental benchmarks are met throughout its operations.

Leadership Indicators

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

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

(i) Name of the area: Tarapur and Vapi

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

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

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	3,99,773.00	4,06,813.00
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	3,99,773.00	4,06,813.00
Total volume of water consumption (in kilolitres)	3,99,773.00	4,06,813.00
Water intensity per rupee of turnover (Water consumed/turnover) KL/₹	0.000022	0.000023
Water intensity per kg of production KL/kg	0.0050	0.0019
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

Parameter	FY 2025-26	FY 2024-25
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

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

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	228625	1,74,599.14
Under Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent per Rupee	0.00001272	0.000009856
Total Scope 3 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent per kg of production	0.00288	0.0008194

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.

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

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

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

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Renewable Electricity Generation Plant	We have installed a 15 MW AC solar power plant in Akola, which supplies renewable electricity to the Tarapur & Dombivli cluster	84,393.32 GJ energy savings done in the fiscal year through Solar plant
2	Improvement of Efficiency of Equipment	We have an inhouse turbine system at T6 unit.	4,234 GJ energy through turbine. (Reduced total carbon footprint through improved equipment efficiency by 17479 tCO_2e)
3	Increase in use of Recycle Water	Optimisation of existing recycle water facilities.	22.12% recycled water usage increased compared to last year.

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

   Yes. To maintain seamless operations during unexpected occurrences like pandemics, industrial mishaps, or natural catastrophes, Aarti Pharmalabs Limited has established a comprehensive Business Continuity and Disaster Management Plan. This framework incorporates recovery plans, emergency reaction procedures, risk evaluations, and regular drills at vital production facilities. To preserve the strength of its supply chain, the firm also implements safety stock oversight, backup infrastructure, and communication frameworks. These disaster readiness strategies are subject to frequent updates and reviews to stay aligned with changing regulatory mandates and emerging risks.

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.**

   APL has not identified any major negative environmental consequences resulting from its value chain operations. Nevertheless, the organisation proactively performs environmental due diligence for designated high-risk suppliers as a cautionary strategy. Furthermore, to mitigate potential ecological hazards, the Company advocates for sustainable manufacturing methods and requires the engagement of authorised partners for the management, transport, and elimination of waste.

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

   Approximately 57.76% of value chain partners were assessed for environmental impacts, focusing on those with high materiality or risk potential—such as raw material suppliers, logistics providers, and waste management vendors.

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

   a. By the listed entity – None

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

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   - UN Global Compact Network India (UNGCI): Participant (UNGC ID 158367)
   - Maharashtra Industrial Development Corporation (MIDC)/Local Industrial Associations
   - Tarapur Industries Manufacturers' Association (TIMA)
   - Tarapur Environment Protection Society (TEPS)
   - Bombay Chamber of Commerce and Industry
   - Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)

   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:**

   - UN Global Compact Network India (UNGCI): Participant (UNGC ID 158367)
   - Maharashtra Industrial Development Corporation (MIDC)/Local Industrial Associations
   - Tarapur Industries Manufacturers' Association (TIMA)
   - Tarapur Environment Protection Society (TEPS)
   - Bombay Chamber of Commerce and Industry
   - Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Nil. No adverse orders received from regulatory authorities.

Leadership Indicators

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

   None. Aarti Pharmalabs Limited has not formally advocated for any public policy positions as of now.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable, the Company has not undertaken any SIA during the reporting period.

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

   Not Applicable, the Company has not undertaken any projects which required R&R.

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

   Dedicated to its role as a socially responsible organisation, APL prioritizes the cultivation of strong, constructive ties with the local communities adjacent to its operational sites. To strengthen corporate accountability and openness, the Company is implementing a formalised grievance redressal framework specifically for these stakeholders. This initiative provides a dedicated channel for community residents to express concerns, offer input, and resolve issues related to the Company's activities. APL understands the vital necessity of proactive community involvement and believes this mechanism will serve as a cornerstone for transparent communication and the reinforcement of mutual trust.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	62.30%	13.56%
Sourced directly from within the district and neighbouring districts	53.59%	19.77%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	5.44	0
Semi-Urban	26.33	29.64
Urban	36.02	38.99
Metropolitan	32.22	31.37

Leadership Indicators

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

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

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

   During the reporting period, Aarti Pharmalabs Limited actively contributed to the development of government-designated Aspirational Districts by implementing targeted CSR initiatives. Notably, we drove Education, Skill Development, and Rural Development projects in the Aspirational Districts of Sonbhadra (Uttar Pradesh) and Gaya (Bihar). Beyond these regions, the Company continues to implement robust initiatives focused on healthcare, sanitation, ecological balance, and holistic community development across multiple other districts, including Mumbai, Kutch, Palghar, and Banaskantha

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

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

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

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

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

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

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

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

6. **Details of beneficiaries of CSR Projects**

S. No.	Project	SDGs	No. of persons benefitted	% of beneficiaries from vulnerable and marginalised groups
1	Education & Skill Developement	SDG 4	1,797	31.30%
2	Healthcare Initiative	SDG 3	13,037	
3	Tribal and Rural Development	SDG 10	5,02,200	
4	Green Environment & Water Conservation	SDG 6, SDG 13	3000 Plants	
5	Livestock Developement	SDG 15	Not Applicable	
6	Others (Livelihood & Senior Citizen Welfare, Housing Aid)	SDG 1, SDG 5 & SDG 11	5,022	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   APL has implemented a comprehensive framework to manage and settle customer grievances effectively. The marketing department acts as the central hub for receiving feedback, ensuring that issues are immediately redirected to the Quality department for specialised review. We are committed to the rapid and effective resolution of all concerns. To maintain our rigorous quality benchmarks, a proficient Quality team conducts thorough investigations into every complaint to establish the necessary corrective measures. By utilizing this resolution process to drive continuous improvement in our offerings, APL remains dedicated to fulfilling customer needs and deepening our professional relationships.

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	The entity maintains a 100% disclosure rate for applicable products by providing comprehensive safety data sheets to its customers. As our products are not distributed via retail channels in their original form, traditional consumer-facing product information is not applicable. We ensure that essential safety and handling details are shared whenever necessary and as required by industry standards.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the Year	Pending resolution at end of year		Received during the Year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	1	0	-	5	0	-
Others	30	4	APL shall ensure timely resolution of all the pending complaints	39	3	All pending complaints closed in reporting year.

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

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

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, APL has implemented strict protocols and frameworks designed to safeguard private data and uphold information secrecy. Our commitment to data protection is underscored by an Information Security policy endorsed by the Board, which details the specific safety actions we have put into effect.

For more details, please refer to the policy via the following web link: https://www.aartipharmalabs.com/investors/information-security-policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No incidents reported hence no corrective actions

Leadership Indicators

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

Comprehensive details regarding the Company's products and services are available on the official APL's website. The "Products & Services" segment features specific categories, including APIs, CDMO services, intermediates, caffeine and xanthine derivatives, and acid and allied products. This digital interface serves as the primary resource for customers to investigate APL's diverse range of solutions.

For more details, please refer to the product and services via the following web link:

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

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

APL is deeply committed to product stewardship and safety, conducting thorough evaluations of every product based on its specific exposure and hazard profiles. To support clients and downstream users, the Company offers customised technical assistance, comprehensive safety instructions, and specialised training. Additionally, APL provides logistical coordination and expert advice on environmental, health, and safety (EHS) matters. By systematically gathering customer feedback, they ensure that safety protocols and product usage guidelines are under constant review and continuous refinement.

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

Yes. APL exceeds legal labeling requirements by offering extensive product stewardship data and additional safety resources. This commitment ensures that clients are thoroughly educated on chemical risks, appropriate handling procedures, and effective hazard reduction strategies. Furthermore, the Company systematically collects consumer input regarding the health and safety of its offerings. Although these efforts are not categorised as formal surveys, such feedback channels are fundamental to APL's product stewardship goals and ongoing process enhancements.

4. Provide the following information relating to data breaches

a. **Number of instances of data breaches along with impact -** Nil

b. **Percentage of data breaches involving personally identifiable formation of customer –** Nil