

July 31, 2025

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

BSE CODE –524208

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

Dear Sir/Madam,

**Sub: Business Responsibility and Sustainability
Report for the Financial Year 2024-25**
**Ref.: Regulation 34(2)(f) of the SEBI (LODR)
Regulations, 2015**

In continuation of our intimation dated July 31, 2025 regarding Notice of the 42nd Annual General Meeting, Integrated Annual Report for the Financial Year 2024-25 and pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Business Responsibility and Sustainability Report for Financial Year 2024-25.

Kindly take note of the same.

Thanking you,
For AARTI INDUSTRIES LIMITED

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

Annexure II

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

FORMAT SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity : L24110GJ1984PLC007301
- Name of the Listed Entity: Aarti Industries Limited (AIL)
- Year of incorporation: 1984
- Registered office address : Plot Nos. 801, 801/23, G.I.D.C. Estate, Phase-III, Vapi, Dist. Valsad, Gujarat-396195
- Corporate address: 4th Floor, Tower C, Embassy 247 Park, Gandhi Nagar, Vikhroli West, Mumbai 400083, Maharashtra, India.
- E-mail: Investorrelations@aarti-industries.com
- Telephone: +91 22 69436100 / +91 22 69436200
- Website: www.aarti-industries.com
- Financial year for which reporting is being done: April 1, 2024 to March 31, 2025
- Name of the Stock Exchange(s) where shares are listed: BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
- Paid-up Capital: 181.26 Crore
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
Name: Shri Raj Sarraf
Telephone: +91 22 6943 6170
Email: co.ail@aarti-industries.com
- Reporting boundary - The reporting boundary includes all the activities and operations of Aarti industries Limited including subsidiaries
- Name of assurance provider: TUV India Private Limited (TUV NORD GROUP)
- Type of assurance obtained : Reasonable Assurance

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of speciality chemical	Manufacturing, Distributing, Trading, sales and marketing	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms	201	100%
2	Manufacture of other chemical products	202	

III. Operations

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

Location	Number of plants	Number of offices	Total
National	16	2	18
International	-	3	3

- Markets served by the entity:

- Number of locations

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

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

Exports contributed about 54% to the total turnover of the entity

- A brief on types of customers:

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

IV. Employees

- Details as at the end of Financial Year:

- Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,443	2,287	94	156	6
2.	Other than Permanent (E)	15	14	93	1	7
3.	Total employees (D + E)	2,458	2,301	94	157	6
WORKERS						
4.	Permanent (F)	3,425	3,383	99	42	1
5.	Other than Permanent (G)	8,031	7,610	95	421	5
6.	Total workers (F + G)	11,456	10,993	96	463	4

- 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)	35	34	97	1	3
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	Total differently abled employees (D + E)	35	34	97	1	3
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	27	27	100	0	0
5.	Other than permanent (G)	27	25	93	2	7
6.	Total differently abled workers (F + G)	54	52	96	2	4

21. Participation/Inclusion/Representation of women

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

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male %	Female %	Total %	Male %	Female %	Total %	Male %	Female %	Total %
Permanent Employees	20	25	20	28	25	27	24	37	25
Permanent Workers	20	26	20	18	23	18	28	26	28

V. Holding, Subsidiary and Associate Companies (including joint ventures)

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

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

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹) - 8,046 Crore

(iii) Net worth (in ₹) - 5,605 Crore

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024 -25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholder)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	25	0	NA	19	0	NA
Employees And workers	Yes	0	0	NA	0	0	NA
Customers	Yes	83	0	NA	52	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	NA	-	-	-	-	-	-

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety	Risk	As a responsible chemical manufacturing company, we are cognisant of our responsibility to safeguard the health and safety of individuals. AIL strives to prevent injury by sustaining an injury-free workplace with a mindset of zero tolerance towards any incident or injury.	We have developed and adopted a robust, comprehensive, and reliable Occupational Health and Safety Management System under Aarti Management System. All our employees, contract employees and visitors are covered under our Occupational Health and Safety Management System. Process safety and risk management, Emergency mitigation system. In addition we have implemented following safety interventions across our manufacturing locations:	Negative
			Health impact or injury during working may lead to financial implications and reputation loss to AIL. Any accident may also impact the morale of the workers leading to production losses. Non adherence to OHS requirement may also lead to fines and penalties	<ul style="list-style-type: none"> Plant-level initiatives such as daily toolbox talk, monthly awareness sessions, etc. Process safety is managed through process management guidelines. Risk assessment is carried out through HAZOP, HIRA, QRA and chemical exposure study. JCC is also done to check the adherence to SOP, other than these regular third party audit through external auditor (expert in the field) is done to identify process risks Daily safety pledge to reaffirm our commitment for safety BE SAFE Huddle- TACIT Knowledge sharing sessions Learning from Incident - Safety Alert Reward and Recognition Listening Tour Knowledge Capsule Safety Audits 	

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Waste management	Risk	Waste generated from our operations consists of hazardous as well as non-hazardous waste. Environmental Impact due to improper disposal of these waste is a compliance as well as regulatory risk. It may lead to fines and penalties from regulatory authorities	<p>Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated. Our priority to reduce hazardous wastes are:</p> <p>First Priority: Produce less hazardous waste</p> <ul style="list-style-type: none"> Change industrial process to eliminate use of harmful chemicals Use less hazardous product Reduce packaging materials in products Change industrial processes to reduce or eliminate hazardous waste production <p>Second Priority: Convert hazardous waste to less hazardous or non - hazardous substance by using 4 R's</p> <ul style="list-style-type: none"> Buy reusable and recyclable products Reuse Recovery Recycle Repair <p>Last Priority – Treatment & disposal of all our waste:</p> <ul style="list-style-type: none"> Treating waste to reduce toxicity Incinerate waste Waste in landfills 	Negative
3	Climate change and Governance	Risk and Opportunity	<p>Risk: There are risks associated with climate change such as manufacturing losses due to climate events, restrictions due to existing and emerging regulations leading to reputational damage.</p> <p>Opportunity: Reduction of carbon emissions by the deployment of technologies, collaboration with other peers and industries, etc</p>	We have embedded the process of climate action governance across AIL and we have defined the roles and responsibilities of individuals in assessing and managing climate-related risks and opportunities. We have also integrated the process of addressing climate-related issues when reviewing and guiding strategy, risk management policies, annual budgets, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures.	Positive and Negative both

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Employee Development and Engagement	Opportunity	People are the backbone of our organization. Recruitment, training, and retention of talent are crucial to our growth story	We believe in ensuring that our workplaces are safe and inclusive. We make efforts to build a satisfactory work culture that nurtures employee growth and increases employee satisfaction. We provide training and awareness programmes to our employees to ensure capacity building and skill upgradation across all levels. We also provide medical and non-medical benefits to all our employees	Positive
5	Human Rights Risk		Human rights impact the business internally and externally from procurement of raw materials to distribution and disposal. It may also impact the reputation of the company and lead to regulatory non-compliances making this topic significant for AIL.	We have developed a comprehensive Human Rights due diligence framework for a systematic assessment of our operations. We have undertaken human right vulnerability assessment at our operation location for addressing human rights risks, mitigating impacts, and monitoring and reporting performance to substantiate our commitment to respect Human rights in all our business operations. Responsibility of respecting human rights is also extended to our business partners in the form of their alignment with our policies, contract agreements.	Negative
6	Business Ethics and compliance	Risk	Negative brand reputation due to non-compliance with regulatory and legal requirements.	We have in place stringent and comprehensive Code of Conduct and policies to ensure ethical behaviour at all levels. We also provide training on the Code of Conduct to all our employees and workers to educate them about appropriate behaviour at the workplace. To adhere and track the regulatory compliance applicable on AIL we are using online compliance management tools.	Negative
7	IT security and Risk data privacy		Enterprise risks associated with IT and cybersecurity such as Operational costs related to dealing with cyber crime, theft of sensitive information, non-compliance and fines and penalties.	<p>We are building cybersecurity architecture through a layered defense approach. We are also undertaking Vulnerability Assessment and Penetration Testing (VAPT) of our IT Systems and Network Infrastructure with an intent of providing a safe and secure environment to our customers. We have taken several measures to protect our IT security systems and adhere to regulatory guidelines. We reported zero cases of data breaches and IT-related issues.</p> <p>AIL has also obtained ISO 27001 Information security management system certification for its R&D facility in Navi Mumbai, R&D office at Vadodara, Zone 1 at Vapi including pilot plant, Zone 3 (Dahej and Bhachau) this covers more than 80% of our manufacturing locations, we are in process of obtaining the same for remaining manufacturing locations this will reduce IT related risk of AIL.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Water and effluent	Risk	Water supply is important for our manufacturing locations, water scarcity can affect our operations leading to impact on revenue generation. Additionally, the probability of polluting a water resource and nearby habitat as a result of improper treatment or failure of technologies also poses a risk.	We have taken measures to ensure availability of water for our operations as well as the local communities through CSR initiatives. 8 of our manufacturing facilities are Zero Liquid Discharge, 3 of our manufacturing facilities are Zero Liquid Discharge ready and rest of the manufacturing facilities are in process of becoming Zero Liquid Discharge ready. We are in the process of reducing the amount of water being discharged from other locations. At the same time, we are also making process improvements such as recycling back condensate and RO permeate to reduce the volume of effluent generated thereby decreasing the requirement of freshwater as well as decrease the load on our effluent treatment plants. Further to this we are exploring the technologies that control reactions on adiabatic conditions enabling us to prevent water loss through cooling systems	Negative
9	Energy Management	Opportunity	Leveraging renewable energy sources, adopting energy efficient solutions and reducing dependency on non-renewable sources for energy consumption will assist us in reducing the GHG emissions, improve resource efficiency, cost saving, cleaner environment etc.	<p>We have adopted an IT-based Energy Management System (EnMS) for controlling, managing and conserving energy.</p> <p>AIL has started receiving 13.2 MW of hybrid renewable energy. Further to this board of AIL has also approved the phase-2 investment for 25.7.MW in hybrid renewable power. Collectively it has the potential to reduce 112,400 mt tCO₂e.</p> <p>We have regularized usage of Biomass for replacing coal gradually in order to reduce carbon emissions.</p> <p>We have several energy efficiency programs through process optimization. Under this, one such program is to recover energy from a distillation condenser in the form of steam by supplying hot water, this enables us to save cooling water loss and recover energy saving fuels and eliminating CO₂ emissions.</p> <p>Based on our several energy efficiency initiatives, we have saved approx 5.0 million KWH of energy in 2024-25.</p>	Positive

For more details on the material topics, please refer to our Integrated Report of FY 2024-25, Page Number 52.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.aarti-industries.com/investors/code-and-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	(1,3)	(2,4,8)	(5,8)	(1,3)	(7,8)	(4,8)	(7)	(1,3)	(2)
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors								
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)	Kindly refer to our Chairman statement in the Integrated Report at Page number 08.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	AIL Board is the highest authority responsible for implementation and oversight of the Business Responsibility policy. It has constituted different board committees and Councils to look after different aspects of Business Responsibility.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	We have established an Apex Sustainability Council to guide and help the Board achieve its sustainability goals. It is led by our Chairman, Mr. Rajendra V. Gogri, and has key representatives from the Board, executive, and senior leadership teams from all the manufacturing locations. Apex sustainability council is supported by various sub-councils such as ESG council, Zone Sub council, Construction safety council, Process safety council, and Lab safety council in implementation of ESG initiatives								

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

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, the policies have been reviewed by the Board of Directors.									Annual Review								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	Y	Y	Y	Y	Y	Y	Y	Y	Y

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)									
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)									

All Principles are covered by policies

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	8	The Company has provided training on Nature of the Industry i.e., Business Overview & Trend, ESG and Sustainability, quality and Manufacturing excellence; Business Model and Strategic Roadmap, Ethics and governance, Expansion and people review, Asset management, technology review, code for independent director, board procedures, stakeholder engagement, product responsibility, inclusive development	100
Key Managerial Personnel	8	The Company has provided training on Forex, CSR, Project management, Fund raising, Takeover Rules, Insider Trading, RPT, Risk Management, Ethics and governance, Sustainability, Leadership Skills, AIL Code of conduct, Prevention of Sexual Harassment (POSH), Anti Bribery Anti Corruption (ABAC), stakeholder engagement, product responsibility, inclusive development to the KMPs.	100
Employees other than BoD and KMPs	2,733	The company has a structured training programmes for all permanent employees and workers. Trainings imparted are on following themes:	100
Workers	5,721	Behavioural; Ethics, Code of Conduct, and Compliance; Technical Skills Functional; Safety; sustainability, ESG, Waste and Water Management; Energy Management, Climate change, Cyber security	100



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

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains	Directorate of Industrial Safety and Health	50,000	Under provision of section 28(1) (a)(ii) of factory Act, 1948	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment			NA		
Punishment					

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

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

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

Yes, we have a Ethics and Fair Business Practice policy and Code of Conduct which covers the areas of Anti Bribery and Anti Corruption, Gifts and Hospitality, Anti Money Laundering, Anti-Fraud, Conflict of Interest, Anti-Competitive/Antitrust practices, Accurate Business Records and public disclosures, insider training. The details about the same are published on the Company website at:

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

We have adopted the ‘Whistle Blower Policy’ through which employees, directors, and internal and external stakeholders can report their concerns or grievances to the management. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behavior, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company’s Code of Conduct, Abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimization of employees and allows direct access to the chairperson of the audit committee. Our Ethics and Fair Business Practice policy guides our employees, directors, KPMs or persons who perform for or on behalf of the company on the acceptable and non acceptable gifts, hospitality and offerings.

We provide training to directors, employees and workers on the accepted ethical behaviors and we did a series of communications with our business partners informing them about our policies and CoC and other ethical practices.

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

Not applicable

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	91	35

9. Open-ness of business

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

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	4.83%	0.71%
	b. Sales (Sales to related parties / Total Sales)	15.81%	0.52%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	6.64%	86.82%
	d. Investments (Investments in related parties / Total Investments made)	85.42%	21.21%



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
19 (76 Participants)	<ul style="list-style-type: none"> Business Ethics Fair Labour and Human Right Practices Environment Sustainability Safety and Security Compliance Responsible Procurement 	63%

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, the Company has a mechanism in place where Board members who have any conflict of interest are obligated to report it through annual independence disclosures. In the board meeting where the directors have any conflict of interest, due to any related party transactions they abstain themselves.

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 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	100%	100%	<ul style="list-style-type: none"> We have integrated the principles of sustainability throughout the life cycle of our products. Our objective is to minimize the environmental and social impact of our products by embracing circularity through efficient systems, innovative solutions, waste minimization, and ensuring product safety. We have aligned our entire product lifecycle with the intricacies of product stewardship. At AIL we corroborate our approach to product stewardship by delving into each phase, integrating the synergy of research, technological advancement, and innovation ensuring optimum efficiency and minimized environmental and social impact. We have a strong team of 250+ scientists, and 18 PhDs involved in R&D activities at our research center. Our efforts resulted in In-house process development of 45+ products with successful and first time right pilot scale up of 20+ products
Capex	7%	13%	<ul style="list-style-type: none"> For details on our environment and social initiative for the year FY 24-25 kindly refer to the Natural capital and Social capital section of the Integrated Report.

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

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

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

During FY 2024-25, 63% of our input material by value is sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for
- Plastic Waste (Including packaging) - Plastic waste generated due to packaging our product is collected under EPR through third parties as per Plastic waste management rules, plastic waste collected is recycled. During last FY 24-25, 716 MT of total plastic waste was collected. For plastic material exported or sent to other industries as raw material, the customer are required to safely dispose off the product as per local regulations
 - E-waste - E-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The E-waste generated from after use in-house is sold to approved vendors for recycling and safe disposal
 - Hazardous waste - Our products are used as intermediate by other industries to produce finished goods. Hazardous waste generated during usage of the product is handled by our customers as per respective regulatory approvals.
 - Other waste -
 - Battery Waste - Battery-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The Battery-waste generated by AIL after use is sold to approved authorized recyclers.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to AIL. We are manufacturing speciality chemicals which are intermediate products for our customers, they use it as raw material to produce finished products. Hence the packaging material becomes a pre-consumer plastic waste for customers who recycle it through authorized recyclers. We have one B2C Product (fertilizer) and EPR is applicable to us for that product. We are registered under the category of 'Brand Owner' on the CPCB EPR Portal. A detailed waste collection plan has been developed and submitted to the Central Pollution Control Board. The registration has been completed for the same.

In FY 24-25, we had a target of collection of 716 MT of Plastic waste as per EPR. We have collected and recycled 716 MT of plastic waste.

Leadership Indicators

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

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.*
201	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms	81%	Cradle-to-Gate	The study was performed in collaboration with third party	*Results are shared with relevant stakeholders
202	Manufacture of other chemical products				

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

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

Name of Product / Service	Description of the risk / concern	Action Taken
NIL	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Spent Acid (MT)	26%	22%

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

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	716	0	0	300	0
E-waste	0	25	0	0	13	0
Hazardous waste	0	4,13,617	25,861	0	3,26,631	30,235
Other waste	0	28,504	13	0	31,736	114

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

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

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

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

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,287	2,287	100	2,287	100	NA	NA	2,287	100	2,287	100
Female	156	156	100	156	100	156	100	NA	NA	156	100
Total	2,443	2,443	100	2,443	100	156	100	2,287	100	2,443	100
Other than Permanent Employees											
Male	14	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	15	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	3,383	3,383	100	3,383	100	NA	NA	3,383	100	3,383	100
Female	42	42	100	42	100	42	100	NA	NA	42	100
Total	3,425	3,425	100	3,425	100	42	100	3,383	100	3,425	100
Other than Permanent Workers											
Male	7,610	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	421	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	8,031	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.57	0.62

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	NA	100	100	N.A
ESI	0.02	2.45	Y	0.15	4.10	Y
Others – please specify	–	–	–	–	–	–

3. Accessibility of workplaces

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

The premises of AIL has a state-of-the-art infrastructure equipped with requisite machinery and advanced technology and are accessible to special needs / differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. We work consistently to provide workplaces free of discrimination for differently abled employees and workers. This diversity is promoted and respected without exception. Our office premises has wheelchair ramps for easy movement of differently abled people and has wheelchair accessible restrooms.

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.

Aarti Industries is committed to uphold Diversity, Integrity, and Equal Opportunity when it comes to providing employment. We do not discriminate on the grounds of religion, caste, gender, ethnicity, race, etc. We have adopted a merit-based transparent recruitment process comprising campus mode and lateral hiring. At AIL, we adhere to merit-based recruitment norms. Our People Policy highlights our endeavor to build a culture of equality and safety at our workplace. Equal opportunity is also covered as part of our Code for human rights

Weblink of the policy: [people policy V1](#)

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

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	68	100%	78
Female	100%	82	100%	-
Total	100%	69	100%	78

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

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

Yes, AIL has implemented a mechanism to receive and redress grievances. The redress mechanism is as follows: We have various interventions such as chai pe charcha, HR sevak that enable us to reach out to the employees to listen to their grievances. All minor grievances are resolved on the spot and certain in stipulated amount of time. In addition at AIL, we are committed to adhering to the highest standards of ethical, moral, and legal conduct of business operations. We have adopted the 'Whistle Blower Policy' through which employees, directors, and stakeholders can report their concerns or grievances to the management. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behavior, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct, abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimization of employees and allows direct access to the chairperson of the audit committee.

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

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2,443	0	0	2,650	0	0
- Male	2,287	0	0	2,496	0	0
- Female	156	0	0	154	0	0
Total Permanent Workers	3,425	72	2	3,450	75	2
- Male	3,383	72	2	3,416	75	2
- Female	42	0	0	34	0	0

8. Details of training given to employees and workers

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2,287	2,287	100	2,287	100	2,496	2,496	100	2,358	94
Female	156	156	100	156	100	154	154	100	151	98
Total	2,443	2,443	100	2,443	100	2,650	2,650	100	2,509	95

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Male	3,383	3,383	100	3,383	100	3,416	3,416	100	3,106	90.93
Female	42	42	100	42	100	34	34	100	32	94.12
Total	3,425	3,425	100	3,425	100	3,450	3,450	100	3,138	90.96

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

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total* (A)	No. (B)	% (B / A)	Total* (C)	No. (D)	% (D / C)
Employees						
Male	1,928	1,928	100	2,494	2,494	100
Female	120	120	100	154	154	100
Total	2,048	2,048	100	2,650	2,650	100
Workers						
Male	3,004	3,004	100	3,416	3,416	100
Female	37	37	100	34	34	100
Total	3,041	3,041	100	3,450	3,450	100

* Numbers Indicates total employee eligible for performance evaluation during FY 2024-25.

10. Health and safety management system:

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

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

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

With commitment of Zero harm to our people and the environment, it becomes very essential that the hazards at the workplace are effectively assessed and managed. This also ensures reliability of our operations.

We have developed several tools to regularly evaluate potential workplace-related health and safety hazards and their risks. We deploy Hazard Identification and Risk Assessment (HIRA), a qualitative risk assessment tool for our routine activities.

Additionally, for non-routine tasks, we conduct Job Safety Analysis to identify and analyze job-related hazards. We then implement control measures to minimize risks. Safety audits are being conducted internally by deploying external subject matter experts to verify our control measures. These audits are documented, tracked, and reviewed regularly at various governance platforms. The concept of TACIT Knowledge for learning and development is introduced which enables safety capability building. To ensure inherent safe design and operation, we conduct process safety studies for existing and new projects, including Thermal Safety Studies (DSC, TSu, RC1e) and Powder Safety studies & also to ensure continual Risk reduction, process parameters validation, Criticality Class Study, SIL, QRA, and HAC studies are conducted.

Implementation of Risk based approach for process safety through risk register & barrier management. Plant-wise top risk's controls are evaluated through monitoring the healthiness of existing barriers.

External assessments and certifications further validate our commitment to excellence. At AIL, our unwavering dedication to health and safety assessment guarantees the wellbeing and protection of our valued employees and other relevant stakeholders.

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

Yes, to create a safe and supportive work environment, we have established a process for workers to report work-related hazards and hazardous situations through implementation of our module General Plant Condition. We also actively encourage incident reporting and investigation, allowing and recognising anyone in the plant to report unsafe conditions and unsafe acts for prompt action.

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

Yes, we have a 12-member Medical Board which comprises highly qualified doctors including specialists from diverse fields such as toxicology, cardiology etc. We also provide 24x7 well-equipped Occupational Health Centers with a dedicated full time medical team (FMOs & Nurses) and state of art medical facilities (Lab for testing Methemoglobin, in house G6PD testing, Audiometry, AED, Central Oxygen Line, Decontamination room, and Ambulances with advanced facilities) for our workforce.

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

Safety Incident/Number	Category	FY 2024 -25 Current Financial Year	FY 2023 -24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.08
	Workers	0.21	0
Total recordable work-related injuries	Employees	14	10
	Workers	18	22
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

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

Occupational health and safety is one of our key priorities. We have institutionalized a well-defined HSE policy and a health and safety management system with a robust monitoring plan, to ensure the effective implementation of the HSE policy. We conduct periodic review of our HSE performance and the outcomes from this review are discussed during the Sustainability Council under the able leadership of our Board and other senior leadership of AIL.

Along with this, we strive to foster a culture of safety throughout our organization. We have implemented several initiatives to improve process and workplace safety in the organization. Also we have created awareness about health and safety programs. We also provide platforms such as Safety Symposium, monthly safety themes, safety celebrations, safety competitions, safety training, engagement with neighboring industries, etc. to promote engagement amongst our workforce.

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

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

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

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

AIL fosters a culture of safety, accountability, and transparency, ultimately creating a safer and more productive work environment for all employees. We have established and implemented a clearly defined process for incident reporting and investigation of occupational injuries and illness. A well-defined incident investigation process helps to identify the critical factors that are involved in an incident. It also helps to take appropriate corrective actions to avoid such recurrence. The investigation is being carried out through the '5 Whys technique' in which for each identified cause, the team asks "why" repeatedly to identify the root cause of the incident. It helps to cover the causes involving organizational, procedural, and systemic factors that may have contributed to the incident. We follow a hierarchy of controls to determine appropriate corrective measures.. The learnings from the incident investigation are shared with other locations for horizontal deployment.

Leadership Indicators

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

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

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

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

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	2	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, for the selected & interested employees, we continue their employment as retainer for a fixed amount of agreed tenure. During the employment every employee goes through focused initiatives of skills building that helps them to continue their employment. We also have employee well being programs to assist them in transition to retirement.



5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	63%
Working Conditions	63%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We have identified and prioritized our suppliers and conducted sustainability programs to engage high risk suppliers and create awareness among them, build their competencies through training programs and help them to enhance their sustainability practices. No significant risk/concern regarding health and safety were identified during FY 24-25.

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.

We believe that communication is the key to developing long-term relationships with our stakeholders. We have identified our key internal and external stakeholders through a structured stakeholder identification and prioritization process. AIL identifies its stakeholders as groups and individuals, who can influence or/are impacted by our operational activities, change in technology, regulations, market, and societal trends either directly or indirectly which comprise employees, business partners, customers, investors and lenders, regulators, and communities. We also give utmost priority to identifying Indigenous/vulnerable people and affected communities surrounding our operational sites. We use a collaborative approach and actively engage with our stakeholders to understand their key expectations. Listening and responding to stakeholder's needs is a vital element of our sustainability strategy. The feedback received helps us in identifying ESG and business-related challenges, create solutions and drive our sustainability strategy. The below listed stakeholders have direct impact on operations and working of the company.

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

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Investor and Lenders	No	<ul style="list-style-type: none"> Annual Reports and Sustainability Reports Investor/ Analyst Meets, calls Including Plant Visits Quarterly Results Company Website Stock Exchange Filings Media Release 	Quarterly	<ul style="list-style-type: none"> Economic Value Generated and Distributed Long-Term Value Creation Transparency Good ESG Governance High Reputation and Brand image Process, innovation, R&D & IPRS
Regulatory bodies and government agencies	No	<ul style="list-style-type: none"> Open Invitations Specialised Programmes Seminars Media Releases Conferences Membership and Associations 	Need base	<ul style="list-style-type: none"> Proactive Compliance to regulatory approvals Implementation of Compliance Management System

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees	No	<ul style="list-style-type: none"> Leadership Development Interventions Monthly manufacturing connect Web Based Performance Dialogue Continuous Feedback Anahata – Employee Assistance Program Nirvana – Employee Wellness Program Employee Induction Employee Experience Town hall Briefing Listening Tour Employee Engagement Survey Emails Quarterly/Publications Newsletters 	Continuous	<ul style="list-style-type: none"> Diversity Quality of Work & Life Fair Wages and Remuneration Benefits Skill upgradation Career Growth Health & Safety Continuous performance dialogue and feedback
Customers	No	<ul style="list-style-type: none"> Video Conferencing Emails Customer Satisfaction Survey One on one meetings 	Continuous	<ul style="list-style-type: none"> Product Quality and Timely Delivery Product availability Competitive Cost Responsible Production Transparency in Disclosure Climate change disclosure and GHG emission reduction targets Life cycle assessment Intellectual Property Rights
Suppliers and Contractors	No	<ul style="list-style-type: none"> Supplier Meets Supplier Assessment MoU Agreements Contract Discussion Meetings Daily Toolbox Talks, Weekly Discussion Meetings Performance Review 	Continuous	<ul style="list-style-type: none"> On Time Payment Ethical Behavior Sustainable Growth Intellectual Property Rights
Local Communities	No	<ul style="list-style-type: none"> Community engagement during CSR Initiatives Regular Engagement to understand concerns and requirement 	Continuous	<ul style="list-style-type: none"> Development Interventions Local Employment Generation

Leadership Indicators

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

AIL has an intensive stakeholder consultation mechanism. The Board consults the relevant stakeholders on economic, environmental, and social topics. The consultation is delegated to various functions. Feedback from stakeholders is compiled and presented to the Board by the Apex Sustainability Council.



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

Yes, AIL derives business resilience in the operations through a robust materiality assessment process and risk management framework which are based on stakeholder consultations. For details regarding the materiality assessment kindly refer to the materiality assessment section of the sustainability report.

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

AIL invests in efforts to uplift local communities, support marginalized sections, and ensure inclusive growth and development. AIL focuses on the themes of healthcare, education, and environmental protection under CSR program.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	2,443	2,443	100	2,650	2,650	100
Other permanent	15	15	100	36	36	100
Total Employees	2,458	2,458	100	2,686	2,686	100
Workers						
Permanent	3,425	3,425	100	3,450	3,450	100
Other than permanent	8,031	8,031	100	9,308	9,308	100
Total Workers	11,456	11,456	100	12,758	12,758	100

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

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent Employees										
Male	2,287	0	0	2,287	100	2,496	0	0	2,496	100
Female	156	0	0	156	100	154	0	0	154	100
Other than permanent Employees										
Male	14	0	0	14	100	33	0	0	33	100
Female	1	0	0	1	100	3	0	0	3	100
Workers										
Permanent Workers										
Male	3,383	0	0	3,383	100	3,416	0	0	3,416	100
Female	42	0	0	42	100	34	0	0	34	100
Other than permanent workers										
Male	7,610	14	0.18	7,596	99.82	8,920	3,100	34.8	5,820	65.2
Female	421	2	0.48	419	99.52	388	142	36.6	246	63.4

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in lakhs ₹)	Number	Median remuneration/ salary/ wages of respective category (in lakhs ₹)
Board of Directors (BoD)- Executive Directors	6	512.21	0	NA
Board of Directors (BoD)- Non-executive Directors	0	NA	1	19.46
Key Managerial Personnel*	2	174.8	0	NA
Employees other than BoD and KMP	2,287	8.05	156	8.5
Workers	3,383	3.97	42	4.06

Note : Median salary of all AIL employees excluding BOD is 4.72 lakhs ₹

*KMP exclusive of those already covered in Executive Directors

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

Safety Incident/Number	FY 2024 -25 Current Financial Year	FY 2023 -24 Previous Financial Year
Gross wages paid to females as % of total wages	4%	4%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have appointed our Chief human resource officer (CHRO) as the Ethics officer for AIL who is responsible for investigating and addressing human rights issues. We have also established an Internal Complaints Committee at each of our operational locations.

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

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

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

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

Safety Incident/Number	FY 2024 -25 Current Financial Year	FY 2023 -24 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

The complainant's identity is kept strictly confidential through our procedures for anonymous complaint submission. The complainant is provided with the necessary assistance and counseling. Our whistleblower protocol addresses the protection of the complainant during the investigation.

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

Yes, the vendor onboarding and monitoring process is outlined in our procurement policy. We evaluate our suppliers based on performance in terms of quality, environmental, health, and safety (EHS) features. The evaluation criteria also include aspects such as governance, ethics and compliance, fair business practices, labour and human rights, health and safety, and the environment.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	All AIL's plants and offices have undergone assessments for compliance with key human rights issues conducted by our internal teams. There have been no observations by local statutory / third parties in FY 2024-25.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	

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

Not Applicable as there was no audit concerns in the above area during FY 24-25

Leadership Indicators

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

We did not receive any complaint or any grievance during FY 2024-25. Maintaining a proactive approach, we have established comprehensive policies and internal controls to ensure that there are no issues related to Human Rights.

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

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

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

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

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

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	63%
Wages	
Others – please specify	

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

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

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources (GJ)		
Total electricity consumption (A)	1,99,533	54,952
Total fuel consumption (B)	1,933	6,134
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	2,01,465	61,086
From non-renewable sources (GJ)		
Total electricity consumption (D)	5,50,692	5,63,183
Total fuel consumption (E)	62,04,660	60,14,507
Energy consumption through other sources (F)	11,18,952	10,71,829
Total energy consumed from non renewable sources (D+E+F)	78,74,304	76,49,519
Total energy consumed (A+B+C+D+E+F)	80,75,769	77,10,605
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (GJ/ Turnover in lakhs (₹))	10.04	11.00
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	2.43	2.93
Energy intensity in terms of physical output	7.80	8.39
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.



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

Not Applicable

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	26,82,032	26,57,491
(iv) Seawater / desalinated water	2,40,995	0
(v) Others (KL) (Rain Water)	8,507	8,223
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	29,31,534	26,65,714
Total volume of water consumption (in kilolitres)	26,48,486	24,29,970
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (KL/turnover in lakhs (₹))	3.29	3.47
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.80	0.92
Water intensity in terms of physical output (KL/ MT of Product)	2.56	2.64
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

4. Provide the following details related to water discharged:

Parameter	FY 24-25 (Current Financial Year)	FY 23-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary, secondary and tertiary treatment)	1,57,414	1,02,756
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary, secondary and tertiary treatment)	1,25,633	1,32,988
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	2,83,047	2,35,744

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

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

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

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

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	MT	382	440
SOx	MT	802	987
Particulate matter (PM)	MT	499	549
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	MT	55	70
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	6,20,823	6,05,619
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,71,010	1,69,223
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	TCO ₂ e/ Turnover in Lakhs (₹)	0.98	1.11
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	(TCO ₂ e/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.24	0.29
Total Scope 1 and Scope 2 emission intensity in terms of physical output Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e/MT of Product	0.77	0.84
		-	-

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

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

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

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

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

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

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	716	300
E-waste (B)	25	13
Bio-medical waste (C)	0.07	0.07
Construction and demolition waste (D)	0	0
Battery waste (E)	22	8
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	4,39,478	4,06,655
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	28,495	31,842
Total (A+B + C + D + E + F + G + H)	4,68,736	4,38,818
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT/ Turnover in Lakhs (₹))	0.58	0.63
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.14	0.17
Waste intensity in terms of physical output	0.45	0.48
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled (Including plastic waste)	4,23,623	3,96,986
(ii) Re-used	0	0
(iii) Other recovery operations (E-Waste and Battery)	19,239	11,484
Total	4,42,862	4,08,470
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	4,483	4,469
(ii) Landfilling	21,391	25,880
(iii) Other disposal operations (BMW)	0.07	0.07
Total	25,874	30,349

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

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

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

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

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

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

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

- Reuse
- Recovery
- Recycle
- Repair



Treatment and disposal of all our waste:

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

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

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

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

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Production capacity expansion by 20% of existing production capacity within the existing plant facility for manufacturing of Synthetic organic chemicals (i.e. Dyes & Dye Intermediates, Bulk Drugs and intermediates excluding drug formulation, synthetic rubbers, basic organic chemicals, other synthetic organic chemicals and chemical intermediates) located at plot no. 1430/1, NH no. 8A, Village & Taluka Bhachau, District Kutch, Gujarat.	EIA Notification S.O. 141(E) [14-09-2006] as amended	26/07/2024	Yes	Yes	https://parivesh.nic.in/newupgrade/#!/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F465160%2F2024&proposal=51634363

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

Yes, During the reporting period AIL was in compliance with applicable environmental norms.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	Nil	Nil	Nil	Nil

Leadership Indicators

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

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

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	26,82,032	26,57,491
(iv) Seawater / desalinated water	2,40,995	0
(v) Others	8,507	8,223
Total volume of water withdrawal (in kilolitres)	29,31,534	26,65,714
Total volume of water consumption (in kilolitres)	26,48,486	24,29,970
Water intensity per rupee of turnover (Water consumed / turnover) (Water Consumed in KL/ Turnover in lakhs (₹))	3.29	3.47
Water intensity (optional) – the relevant metric may be selected by the entity (Water consumed in KL/ MT of product)	2.56	2.64
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary, secondary and tertiary treatment)	1,57,414	1,02,756
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary, secondary treatment)	1,25,633	1,32,988
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	2,83,047	2,35,744

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	19,41,181	20,24,645
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/ Turnover In Lakhs (₹)	2.41	2.89
Total Scope 3 emission intensity (optional) –	TCO ₂ e / MT of product	1.88	2.20

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

Yes, TUV India Private Limited has carried out an independent reasonable assurance of the selected non-financial disclosures of AIL and its operational subsidiaries presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2024-25.

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

Not Applicable

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Process intensification	The hydrodynamic/mixing study and kinetics study for Ammonolysis were conducted with the help of CFD software, alongside several pilot trials, aimed at reducing BCT. Based on these studies several DOEs were proposed for Lab Trials at LCTM ensuring the alignment with the Process safety via systematic ARC & TSU studies. The proposed DOEs have changes in operating parameters like Temperature, mixing, Concentrations, etc & validated in the Pilot plant.	Through the power of process intensification studies, we were able to achieve a remarkable over 50% reduction in batch cycle time.
2	Energy efficiency	A systematic heat integration study, leveraging pinch analysis, was implemented at one of our monitoring location to optimize energy utilization. Process-side integration utilized the sensible heat of hot product gases/vapors to preheat/vaporize raw material streams, reducing direct heating requirements. Utility-side integration captured the reaction exothermicity to preheat hot oil, decreasing thermopack load.	These integrated strategies achieved a 30% overall energy saving, enhancing process efficiency and reducing the plant's carbon footprint.

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

In line with our commitment to prevent injury and provide a safe and healthy workplace we have developed and adopted detailed onsite and off site emergency plans (OSEP) for all our manufacturing locations. These carefully drafted plans outline the strategies for detailed response, escalation hierarchies and control measures to contain the emergencies effectively. We have a dedicated team of skilled experts equipped with infrastructure at each of our manufacturing locations to handle any emergency. By conducting regular mock drills we prepare our employees to tackle a variety of emergencies.

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.

As majority of our raw materials are sourced from oil and gas value chains which are typically energy intensive, we are cautious of the environmental impact arising from our value chain. In order to better understand the emission hotspot, we have conducted LCA for our 81% product by spending. Additionally, we have undertaken various initiatives to reduce emissions across our value chain and promote the use of a diverse energy mix.

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

We screen our supplier based on Environmental, Social and Governance (ESG) aspects as per AIL's sustainability protocol. The protocol includes ESG criteria such as- Climate change, environment, Social criteria such as health & safety, labour and human rights and Governance such as ethics and compliance, fair business practices, anti-bribery, etc. During the reporting period, 63% of our suppliers were assessed for environmental impacts

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

A. By the listed entity:

Nil

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

Nil

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.
17
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chemical Council	National
2	CHEMEXCIL- Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council	National
3	Indian Institute of Chemical Engineering	National
4	Gujarat Chamber of Commerce and Industry	National
5	Confederation of Indian Industry	National
6	United Nations Global Compact Network of India	National
7	Federation of Indian Export Organization	National
8	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
9	Chemicals and Petrochemicals Manufacturers' Association	National
10	Indian Speciality Chemical Manufacturers' Association	National

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

Not Applicable since there were no cases of anti-competitive conduct in FY 24-25.

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



Leadership Indicators

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

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web link, if available
1	Regulatory and Standards Reforms – Advocacy for the inclusion of various products under Quality Control Orders (QCOs), revision of BIS standards, and support for anti-dumping investigations to protect the domestic industry.	Submission of proposals, letters, and technical documents to the Ministry of Chemicals & Fertilizers, BIS, and DGTR; engagement through stakeholder consultations; follow-ups on product-specific concerns.	Yes	NA	–
2	Trade Policy and Market Access – Suggestions for enhancing India's chemical exports (e.g., to the USA, EU, etc.), contributions to FTA-related discussions (India-EU PSR), and recommendations on global value chains and tariff lines.	Structured inputs to the Ministry of Commerce and NITI Aayog; policy notes and presentations; identification of high-potential products; feedback through industry consultations and formal communications.	Yes	NA	–
3	Budget & Financial Policy – Inputs for pre-budget memoranda, rationalization of duties, financial incentives under PLI, tax amendments, and addressing cost disabilities, including global subsidy challenges.	Preparation of Pre-Budget Memoranda; formal letters and stakeholder submissions to the Ministry of Finance and DPIIT; industry surveys; submission of product-specific justifications.	Yes	NA	–
4	Innovation, Sustainability, and Strategic Chemicals – Support for R&D and technology upgradation, environmental approvals (e.g., hazardous waste management, deep-sea discharge, net-zero, etc.), industry-academia platforms, and policy inclusion of strategic/ electronic chemicals.	Concept notes and advocacy papers to DCPC, GPCB, MoEF&CC, and MeitY; industry association-backed submissions; presentations; publication of strategic documents and growth plans to promote industry innovation.	Yes	NA	–

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

As per the applicable laws, none of the projects undertaken by our company can be categorized under the SIA mandate. Hence no SIA done during FY 24-25

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

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

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

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

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

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

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	19%	25
Directly from within India	67%	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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	0	0
Semi-urban	8%	9%
Urban	52%	58%
Metropolitan	40%	33%

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

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):

Not Applicable since Company did not undertake any Social Impact Assessment (SIA) for its CSR Projects during the FY 2024-25.

Details of negative social impact identified	Corrective action taken
Nil	Nil

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

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

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

Yes

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

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

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

5.44%



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

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

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

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

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education & Skill Development	2,07,693	100%
2	Healthcare	12,226	100%
3	Tribal & Rural Development	69,806	100%
4	Environment & Water Conservation	630	NA
6	Women Empowerment	1,90,300	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

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

Consumer Complaints:

- Business, sales and marketing team are the primary contact of all the customers' complaints.
- The sales and marketing manager shall also inform the respective QA manager about the customer complaint raised.
 - Unique Deviation record number shall also be shared by him.
 - Sales manager shall forward the customer complaint emails received from the customer to the QA Manager, Plant Manager, Zone Quality Head, Division Head, Zone Operations Head, Chief of Operations and Quality Vertical Head
- Quality manager evaluate the detail of the customer complaint, do site visits and prepare customer complaint report
- Zone quality head prepare investigation team for through investigation of complaint and preparing Corrective and preventive action plan
- Based on the investigation report, Quality head shall communicate the customer complaint response to the business team for further communicating it with the customer
- Business would be the SPOC for communication to the customer. All activities related to complaint investigation shall be completed within 30 working days from the date of receipt of complaint. Based on CAPA, action plans may take longer

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

Feedback:

We regularly conduct customer satisfaction surveys to understand our quality of delivery and identify areas of improvement which also includes customers' health and safety. The survey comprised three Key areas: a) Packaging Quality b) Product Quality c) MSDS Information.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

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

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other - Quality of Product	83	0	-	65	14	-

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

	Number	Reasons for recall
Voluntary recalls	00	-
Forced recalls	00	-

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

Yes, we have an information security policy in place related to data privacy. This policy has been developed in accordance with ISO 27001.

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

Not Applicable



7. Provide the following information relating to data breaches:

- Number of instances of data breaches
No data breaches were recorded in FY 2024-25
- Percentage of data breaches involving personally identifiable information of customers
Not Applicable
- Impact, if any, of the data breaches
Not Applicable

Leadership Indicators

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

The details of our products and services are disclosed publicly at: <https://www.aarti-industries.com/products>

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

We adhere to EU REACH Compliance and MSDS regulations to maintain information transparency with our customers. We interact with our customers on the quality and safety of our products, as well as their appropriate use and disposal.

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

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

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

Yes, we adhere to GHS labeling and MSDS for describing and conveying product details, hazards, and safety precautions. We adopt the standards set forth by the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) rules of the European Union.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).

We constantly undertake customer satisfaction surveys to understand our delivery quality and areas for improvement, including the health and safety of our consumers. The survey is focussed on 1) Product and Packaging Quality, 2) Health, Safety and Environment 3) Complaint Resolution 4) Business Ethics 5) Human Rights.



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INDEPENDENT ASSURANCE STATEMENT

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

Aarti Industries Limited (hereafter referred to as 'AIL') engaged TÜV India Private Limited (TUVI) to conduct an independent external assurance of its Business Responsibility and Sustainability Report (BRSR) for the reporting period from April 01, 2024 to March 31, 2025. The assurance engagement covered the BRSR Core disclosures, specifically the nine attributes as per Annexure I - Format of BRSR Core, in accordance with the BRSR Core Framework for Assurance and ESG Disclosures for Value Chain, as stipulated in:

- SEBI Circular: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12 July 2023
- Industry Standards on Reporting of BRSR Core: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20 December 2024

TUVI conducted this engagement with a reasonable level of assurance, in line with the requirements of ISAE 3000 (Revised) for non-financial assurance engagements. AIL's BRSR is prepared in reference to the National Guidelines on Responsible Business Conduct (NGRBC) and aligns with the SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10 May 2021, and the notification SEBI/LAD-NRO/GN/2023/131, dated 14 June 2023, which outline the regulatory requirements for BRSR reporting. This assurance engagement was conducted with reference to the relevant BRSR requirements, following the agreed terms of engagement and applicable assurance standards.

Management's Responsibility

AIL is responsible for the preparation and content of the Business Responsibility and Sustainability Report (BRSR), including the Core disclosures (nine attributes as per Annexure I - Format of BRSR Core). AIL's management holds responsibility for the collection, analysis, and disclosure of the information presented in both the BRSR (web-based and print versions). This includes maintaining the integrity of the associated website and ensuring that all disclosed information is accurate, complete, and aligned with the applicable criteria outlined in the BRSR requirements, and is free from intended or unintended material misstatements. Furthermore, AIL is accountable for the archiving, storage, and reproduction of the reported data and information, and for making it available to stakeholders and regulators upon request.

Scope and Boundary

The scope of work includes the assurance of the following [09 attributes as per Annexure I - Format of BRSR Core](#) disclosed in the BRSR report. The BRSR core requirements encompass essential disclosures pertaining to organization's Environmental, Social and Governance (ESG). In particular, the assurance engagement included the following:

- Verification of the application of the Report content, and principles as mentioned in the BRSR, and the quality of information presented in the Report over the reporting period;
- Verification of the reliability of the disclosures pertaining to environmental and social topics;
- Review of [09 attributes of BRSR Core](#) submitted by AIL.
- Review of the quality of information,
- Review of evidence (on a random samples) for reasonable assurance of [09 attributes of BRSR Core](#).

TUVI has verified the below [09 attributes of BRSR Core](#) disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint (Limited to Indian operations)	Total Scope 1 emissions (with breakup by type) - GHG (CO ₂ e) Emission in MT - Direct emissions from organization's owned- or controlled sources – Monitored
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider – Monitored
	Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP - Calculated
	GHG Emission Intensity (Scope 1+2) (Total Scope 1 and Scope 2 emissions (MT) /Product or Service - Calculated
Water footprint (Limited to Indian operations)	Total water consumption (in kL) – Monitored
	Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP - Calculated
	Water consumption intensity - kL /Product or Service Calculated
	Water Discharge by destination and levels of Treatment (kL) – Monitored
Energy footprint (Limited to Indian operations)	Total energy consumed in GJ – Monitored
	% of energy consumed from renewable sources - In % terms – Monitored
	Energy intensity -GJ/ Rupee adjusted for PPP - Calculated
	Energy intensity -GJ/Product or Service - Calculated
	Plastic waste (A) (MT) – Monitored
	E-waste (B) (MT) – Monitored

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Embracing circularity - details related to waste management by the entity (Limited to Indian operations)	Bio-medical waste (C) (MT) – Monitored	
	Construction and demolition waste (D) (MT) – Monitored	
	Battery waste (E) (MT) – Monitored	
	Other Hazardous waste (Engine oil) (kL) (F) – Monitored	
	Other non-hazardous waste (STP Sludge) (MT) (G) – Monitored	
	Other non-hazardous waste (wet waste) (MT) (H) – Monitored	
	Other non-hazardous waste (dry waste) (MT) (I) – Monitored	
	Other non-hazardous waste (horticulture) (MT) (J) – Monitored	
	Total waste generated (A + B + C + D + E + F+G+H+I+J) (MT)	
	Waste intensity <ul style="list-style-type: none">MT / Rupee adjusted for PPP - CalculatedMT /Product or Service - Calculated	
Enhancing Employee Wellbeing and Safety	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) – Calculated	
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity) <ul style="list-style-type: none">kg of Waste Recycled Recovered /Total Waste generated	
	For each category of waste generated, total waste disposed by nature of disposal method (MT) - Monitored	
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) <ul style="list-style-type: none">kg of Waste Recycled Recovered /Total Waste generated - Calculated	
	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company - In % terms – Monitored and calculated	
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) <ul style="list-style-type: none">1) Number of Permanent Disabilities – Monitored2) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) – Monitored3) No. of fatalities– Monitored	
Enabling Gender Diversity in Business (Limited to Indian operations)	Gross wages paid to females as % of wages paid - In % terms– Calculated	
	Complaints on POSH	1) Total Complaints on Sexual Harassment (POSH) reported– Monitored
		2) Complaints on POSH as a % of female employees / workers– Monitored
Enabling Inclusive Development (Limited to Indian operations)	3) Complaints on POSH upheld– Monitored	
	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value – Monitored	
Fairness in Engaging with Customers and Suppliers	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost– Monitored	
	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms – Monitored	
	Number of days of accounts payable - (Accounts payable *365) / Cost of goods/services procured- Calculated	
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	1) Purchases from trading houses as % of total purchases
		2) Number of trading houses where purchases are made from
		3) Purchases from top 10 trading houses as % of total purchases from trading houses
		1) Sales to dealers / distributors as % of total sales
		2) Number of dealers / distributors to whom sales are made
		3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors
		Share of RPTs (as respective %age) in -
		• Purchases
		• Sales
		• Loans & advances
		• Investments

The reporting boundaries for the above topics includes 14 division of Gujarat, 1 division of Maharashtra and also a research Centre in Navi Mumbai, Corporate office in Mumbai and Vadodara and other subsidiaries of AIL (Aarti Corporate Services Limited, Aarti Polychem Private Limited, Innovative Envirocare Jhagadia Limited, Alchemic (Europe) Limited, Shanti Intermediates Private Limited (Through Aarti Corporate Services Limited), Aarti Bharuch Limited, Aarti Circularity Limited (formerly known as Aarti Spechem Limited), Aarti Chemical Trading FZCO, Augene Chemical Private Limited, Re Aarti Private Limited (through Aarti Circularity limited), Aarti Chemical Trading USA INC (through Aarti Chemical Trading FZCO)). Set of on-site and remote verifications were conducted at,

Sr No.	Division Name	Audit Date	Mode of Audit	Address
1	Unit – I (Pearl and Ruby)	18/02/2025 to 19/02/2025	Onsite visit	AIL (Unit-I), Plot No. 758/1,2 &3 P.B. No.23, G.I.D.C., Jhagadia - 393110. Dist-Bharuch, Gujarat, India.
2	Unit – II (Jade and Gold)	18/02/2025 to 19/02/2025	Onsite visit	AIL (Unit-II), Plot No 756/2A&B 756/3A&B 756/4A&B 756/5A&B 756/6 756/7, 756/8 756/9 778 & 779 GIDC Jhagadia Bharuch 393110
3	ARTC	15/05/2025 to 16/05/2025	Remote verification	Aarti Industries Limited, Plot No. A-94/1 & A-94/1/1, MIDC, TTC industrial area, Kopar Khairane, Navi Mumbai, Maharashtra 400710

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2	Head Office - Mumbai	15/05/2025 to 16/05/2025	Onsite visit	4th floor, Tower C, Embassy 247 Park, Gandhi Nagar, Vikhroli West, Mumbai 400083, Maharashtra, India
3	Emerald - Vadodara	15/05/2025 to 16/05/2025	Remote verification	3rd floor, Block No 1, Keval Corporate Park, Opp. Chhani GEB Sub Station Channi Road, Channi, Vadodara-390002, Gujarat, India
4	Neo	21/10/2024 to 22/10/2024	Remote verification	M/s. AIL., Plot No. Z/103/H, Dahej SEZ II, Ta. Vagra, Dist Bharuch.
5	Saffron	21/10/2024 to 22/10/2024	Remote verification	M/s. AIL., Plot No. Z/1111/B, SEZ II Dahej , Ta. Vagra, Dist Bharuch.
6	Diamond	21/10/2024 to 22/10/2024	Remote verification	M/s. AIL., Plot No. Z/103/C, GIDC Estate Dahej SEZ II, Ta. Vagra , Dist Bharuch
7	Anushakti	18/09/2024 to 19/09/2024	Onsite visit	M/s. Aarti Industries Limited (Anushakti Division), Survey No. 1430/1, National highway no. 8-A, Bhachau, Kutch. Gujarat 370140
8	Organic	20/11/2024 to 21/11/2024	Remote verification	Organic Division: M/s. AIL., Plot No.: 801, 801/23, 806 & 807, Phase III, GIDC Estate, Vapi
9	Acid including DMS and Fertilizer	20/11/2024 to 21/11/2024	Remote verification	Acid - AIL. (Acid Division), Plot No 802, 803, 804/3, Phase III, GIDC, Vapi- 396195 DMS - AIL. (DMS Division) Plot no .801/15 TO 19,21 & 22, Phase-III, GIDC estate, City: -VAPI, Dist: Valsad, Tal: Pardi, SIDC: Vapi Fertilizer - Aarti Fertilizers (A Division of Aarti Industries), Plot No - 801/15 to 19,21 & 22, III Phase, GIDC, Vapi-396195
10	Alchemie	20/11/2024 to 21/11/2024	Remote verification	M/s. AIL, Plot No.902,923 and 930, Phase III, GIDC Estate, Vapi - 396195
11	Amine	20/11/2024 to 21/11/2024	Remote verification	M/s. AIL., Plot No.: 285,286/1, A-1 322/12, 23& 24, Phase III, GIDC Estate, Vapi - 396195
12	Nascent	20/11/2024 to 21/11/2024	Remote verification	M/s. AIL (Nascent Division), PLOT NO: 24, Phase-I, GIDC, Vapi Tal: Pardi, Dist: Valsad.
13	Apple	20/11/2024 to 21/11/2024	Remote verification	M/s. AIL (Apple Organic Division), Plot No. 609/610, 100 Shed Area, GIDC Estate, Pardi, Vapi Dist. Valsad
14	Topaz	20/11/2024 to 21/11/2024	Remote verification	M/s. AIL, Unit-II, Plot No. L-5, L-4, L-8, L-9/1, MIDC, Tarapur, Boisar.

The assurance activities were carried out together with a desk review as per reporting boundary.

Limitations

TUVI did not perform assurance procedures on any forward-looking or prospective information disclosed in the report, including but not limited to targets, expectations, and ambitions. Accordingly, no conclusions are drawn regarding such information. During the assurance process, no limitations were encountered that impacted the scope agreed upon for this engagement. TUVI did not verify any specific ESG goals or claims made by AIL under this assignment.

All data was verified on a sample basis, and the responsibility for the authenticity, accuracy, and completeness of the reported data rests solely with AIL. Any reliance placed on the BRSR report by readers or third parties is done entirely at their own risk. TUVI has referred to audited financial statements for any financial data cited in the BRSR. AIL is solely responsible for the appropriate application and interpretation of these financial figures in the report.

The scope and application of this assurance statement are strictly limited to the requirements set forth in the following regulatory references:

- SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12 July 2023
- SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20 December 2024 (pertaining to Industry Standards on Reporting of BRSR Core)

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

Our Responsibility

TUVI was commissioned to provide an independent assurance engagement and is responsible for delivering a reasonable level of assurance on the non-financial disclosures and for expressing a conclusion based on the procedures performed.

This engagement was conducted in accordance with the agreed scope of work, specifically for non-financial indicators. It is important to note that the engagement did not include an assessment of the adequacy or effectiveness of AIL's ESG strategy, the management of ESG-related issues, or the overall sufficiency of the report against the BRSR report content, except as covered within the defined scope of assurance.

TUVI's responsibility was limited to the agreed scope of work, which comprised:

- Reasonable assurance on the non-financial quantitative and qualitative disclosures related to the nine attributes as outlined in Annexure I - Format of BRSR Core

The reporting organization (AIL) retains full responsibility for ensuring the authenticity, completeness, and accuracy of the information and for archiving the underlying data for a reasonable duration.

TUVI's assurance procedures were based on the assumption that all data and information provided by AIL were complete and accurate. The data was verified on a sample basis, and no responsibility is assumed by TUVI for the full verification of all underlying records.

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This assurance statement is intended solely for the management of AIL. TUVI expressly disclaims any liability or responsibility:

- For decisions made by any individual or entity based on this assurance statement; and
- For any damages resulting from the reliance on incomplete, inaccurate, or erroneous data reported.

The assurance engagement is conducted with the understanding that AIL has provided true and complete information throughout the process.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data, and other information made available by AIL for non-financial *09 attributes of BRSR Core* (non-financial disclosures);
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of AIL
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative)
- TUVI reviewed the adherence to reporting requirements of "BRSR".

During the assurance engagement, TUVI adopted a risk-based approach, focused on verification efforts on the issues of high material relevance to AIL business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows and controls. In doing so:

- TUVI reviewed the approach adopted by AIL for the stakeholder engagement and materiality determination process. TUVI conducted the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;
- TUVI verified the ESG-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- TUVI examined and reviewed the documents, data and other information made available by AIL Limited for the reported disclosures including the disclosure on Management Approach and performance disclosures;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the AIL during the remote assessments
- TUVI performed sample-based reviews of the mechanisms for implementing the ESG related policies, as described in AIL Report;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Action Plan

The following improvement areas were identified and shared with AIL. These recommendations align with AIL management's existing objectives and sustainability initiatives. Notably, AIL has already recognized many of these areas, and the assurance team supports their continued focus to advance the organization's sustainability goals:

- GHG Emission Scope Expansion: AIL could plan to extend its GHG inventory by including all relevant categories of indirect emissions, in line with ISO 14064-1, to achieve a more comprehensive carbon footprint assessment.
- Supplier Engagement: AIL is encouraged to promote sustainability reporting practices among its suppliers, fostering greater ESG alignment across its value chain.

Conflict of Interest

In alignment with the BRSR requirements established by SEBI, managing and disclosing potential conflicts of interest is critical to ensuring the integrity, independence, and credibility of the assurance engagement. As per SEBI guidelines, assurance providers are required to identify and disclose any existing or potential conflict of interest that could compromise the objectivity or neutrality of their assessment. TUVI maintains a robust process to assess and address any such risks. TUVI thoroughly evaluates its relationships, affiliations, and financial interests to identify any factors that may give rise to a conflict. Where potential conflicts are identified, appropriate safeguards are implemented to mitigate or eliminate any undue influence on the assurance process. We are committed to maintaining independence and impartiality in our assurance services. As part of our transparency obligations, any identified conflicts are clearly disclosed within the assurance statement. TUVI acknowledges that the failure to adequately address conflicts of interest could undermine the credibility of the assurance conclusions and the reliability of the reported information. Therefore, we strictly comply with SEBI's requirements and uphold rigorous internal standards to avoid, disclose, or manage any conflicts of interest throughout the engagement.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPI described in the BRSR report along with the referenced information provides a fair representation of the 9 attributes, and meets the general content and quality requirements of the BRSR. TUVI confirms its competency to conduct the assurance engagement for the BRSR as per SEBI guidelines. Our team possesses expertise in ESG verification, assurance methodologies, and regulatory frameworks. We ensure independence, employ robust methodologies, and maintain continuous improvement to deliver reliable assessments.

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

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Reasonable Assurance: As per SEBI reasonable assurance requirements including scope of Assurance, Assurance methodologies (risk-based approach and data validation techniques), mitigating conflicts of interests, documentation on evidence and communication on findings, TUVI can effectively validate the accuracy and reliability of the information presented in the BRSR, instilling confidence in stakeholders and promoting transparency and credibility in ESG reporting practices.

BRSR complies with the below requirements

- Governance, leadership and oversight:** The messages of top management, the business model to promote inclusive growth and equitable development, action and strategies, focus on services, risk management, protection and restoration of environment, and priorities are disclosed appropriately.
- Connectivity of information:** AIL discloses [09 attributes as per Annexure I - Format of BRSR Core](#) and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.
- Stakeholder responsiveness:** The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The Report provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organization understands, takes into account and responds to the legitimate needs and interests of key stakeholders.
- Materiality:** The material issues within 9 attributes and corresponding KPI as per BRSR requirement are reported properly.
- Conciseness:** The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation is applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
- Reliability and completeness:** AIL has established internal data aggregation and evaluation systems to derive the performance. AIL confirms that, all data provided to TUVI, has been passed through QA/QC function. The majority of the data and information was verified by TUVI's assurance team (on sample basis) during the BRSR verification and found to be fairly accurate. All data, is reported transparently, in a neutral tone and without material error.
- Consistency and comparability:** The information presented in the BRSR is on yearly basis, and finds the same as reliable and complete manner. Thus, the principle of consistency and comparability is established.

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#) and [Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024](#).

TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

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

Independence and Impartiality

TUVI operates as an independent and neutral third-party entity, specializing in ESG assurance services delivered by a team of qualified environmental and social specialists. TUVI affirms its independence and impartiality with respect to this assurance engagement and confirms that no conflict of interest exists in the context of our work with AIL. Throughout the reporting year, TUVI has not undertaken any other assignments for AIL that could compromise the objectivity, neutrality, or independence of our assurance findings, conclusions, or observations. TUVI had no role in the preparation or development of any content, data, or analysis included in the BRSR, other than the development of this assurance statement. Additionally, TUVI maintains strict impartiality in its interactions, including during interviews with AIL personnel, and ensures that no individual or organizational influence has affected the outcome of the assurance engagement.

For and on behalf of TUV India Private Limited



Manojkumar Borekar
Product Head – Sustainability Assurance Service
TUV India Private Limited



Date: 07/7/2025
Place: Mumbai, India
Project Reference No: 8123097053

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