

July 12, 2023

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 2022-23**

**Ref.: Regulation 34(2)(f) of the SEBI (LODR)
Regulations, 2015**

In continuation of our intimation dated July 12, 2023 regarding Notice of the 40th Annual General Meeting, Annual Report for the Financial Year 2022-23 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 2022- 23.

Kindly take note of the same.

Thanking you,
For AARTI INDUSTRIES LIMITED

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

Annexure I

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L24110GJ1984PLC007301
2	Name of the Company	Aarti Industries Limited (AIL)
3	Year of incorporation	1984
4	Registered office address	Plot Nos. 801, 801/23, G.I.D.C. Estate, Phase-III, Vapi, Dist. Valsad, Gujarat-396195
5	Corporate address	71, 2nd Floor, Udyog Kshetra, Mulund-Goregaon Link Road, Salpa Devi Pada, Mulund West, Mumbai - 400 080, Maharashtra
6	E-mail	Investorrelations@aarti-industries.com
7	Telephone	+91 22 6797 6666 / +91 22 6767 6697 / + 91 2225918195
8	Website	www.aarti-industries.com
9	Financial year for which reporting is being done	1st April 2022 to 31st March 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 1,812,520,175
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Raj Sarraf +91 22 6797 6666 co.ail@aarti-industries.com
13	Reporting boundary	The reporting boundary includes all the activities and operations of Aarti industries Limited including subsidiaries

II. Products/services

14. 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 chemicals	Manufacturing, trading of speciality chemicals	100%
			Total gross revenue ₹ 72,82,61,98,153

15. 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

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

Location	Number of plants	Number of offices	Total
National	16	3	19
International	-	-	-

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	60

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

Our contribution of export is 48% of our total turnover

c. A brief on types of customers

Our products are largely classified into speciality chemicals and pharmaceutical intermediary manufacturers which are served to around 700+ customers across India and 400+ international customers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,736	2,582	94.37%	154	5.63%
2.	Other than Permanent (E)	26	25	96.15%	1	3.85%
3.	Total employees (D + E)	2762	2607	94.39%	155	5.61%
WORKERS						
4.	Permanent (F)	3,449	3,422	99.22%	27	0.78%
5.	Other than Permanent (G)	7,262	6,918	95.26%	344	4.74%
6.	Total workers (F + G)	10,711	10,340	96.54%	371	3.46%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	21	20	95.24%	1	4.76%
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	21	20	95.24%	1	4.76%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	19	18	94.74%	1	5.26%
5.	Other than permanent (G)	8	0	0.00%	0	0.00%
6.	Total differently abled workers (F + G)	27	18	66.67%	1	3.70%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	16	3	18.75%
Key Management Personnel (Excluding Managing Directors)	2	0	0

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.83%	36.66%	24.51%	17.62%	29.34%	18.20%	9.28%	14.94%	9.54%
Permanent Workers	28.07%	25.81%	28.06%	14.84%	14.29%	14.84%	7.66%	11.11%	7.67%

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

21. (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%	No
2	Aarti Polychem Private Limited	Subsidiary	100%	No
3	Innovative Envirocare Jhagadia	Subsidiary	100%	No
4	Alchemic (Europe) Limited	Subsidiary	88.89%	No
5	Shanti Intermediates Private Limited (Through Aarti Corporate Services Limited)	Subsidiary	100%	No
6	Nascent Chemical Industries Limited (Through Aarti Corporate Services Limited)	Subsidiary	50.49%	No
7	Aarti Bharuch Limited	Subsidiary	100%	No
8	Aarti Spechem Limited	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
- (ii) Turnover (in Rs.) ₹ 7282.61 Cr.
- (iii) Net worth (in Rs.) ₹ 4920.80 Cr.

VII. Transparency and Disclosures Compliances

23. 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 2022-23 Current Financial Year			FY 2021-22 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 shareholders)	Yes	https://www.aarti-industries.com/investors/GetReport?strcont_id=ZMPluse33MMnr	0	0	NA	0	0	NA
Shareholders	Yes	https://www.aarti-industries.com/investors/GetReport?strcont_id=ZMPluse33MMnr	0	0	NA	0	0	NA
Employees and workers	Yes	https://www.aarti-industries.com/investors/GetReport?strcont_id=ZMPluse33MMnr	1	0	NA	2	2	NA
Customers	Yes	https://www.aarti-industries.com/investors/GetReport?strcont_id=ZMPluse33MMnr	0	0	NA	0	0	NA
Value Chain Partners	Yes		0	0	NA	0	0	NA

24. 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	Air emissions	Risk and Opportunity	Risk: Along with various Scope 1, 2 and 3 greenhouse gas emissions, various air emissions such as oxides of nitrogen and sulphur, particulate matter, Volatile Organic Compounds (VOCs), HCl etc., are associated with our manufacturing operations.	With an aim of reducing our scope 1 and scope 2 emissions, we have undertaken initiatives towards achieving energy conservation, energy efficiency and process optimization. For Air emissions: <ul style="list-style-type: none"> • Installation of Online Continuous Emission Monitoring System (OCEMS) for real time monitoring of emissions • Automatic Lime Dosing along with coal to reduce SO2 emission at our all facilities. • Installation of process scrubbers to treat waste gas from manufacturing processes • Installation of Air Pollution Control Measures (APCM) such as bag filters, ESP, dust collector, scrubbers etc. to control flue gas emission 	The risk mitigation measures will increase capex on energy source diversification and energy efficiency measures. The investments in energy efficiency projects will reduce fuel consumption.

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)
			<p>Opportunity:</p> <p>ALL is complying with the regulatory approvals. We are exploring reduction opportunities in air emissions by adopting technological innovation</p>	<ul style="list-style-type: none"> • Periodical measurement of process gas, flue gas & ambient air parameters • Installation of covered conveyor belt for coal and calcium carbonate handling • Installation of water sprinklers system in coal and ash handling area • Installation of dust extraction systems • Green belt development 	
2	Climate Change and Governance	Risk and Opportunity	<p>Risk:</p> <p>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:</p> <p>Reduction of carbon emissions by the deployment of technologies, collaboration with other peers and industries, etc.</p>	<p>We are in the process of embedding climate action governance across the firm and defining the roles and responsibilities of individuals in assessing and managing climate-related risks and opportunities. We also plan to integrate 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.</p>	<p>We have allocated a budget for climate-related initiatives</p>
3	Water and Effluent Management	Risk and Opportunity	<p>Risk:</p> <p>Our plants are located in water stressed areas making availability of water a potential risk to the continuity of our operations. Additionally, the risk of pollution of water resources and nearby habitat as a result of improper treatment or failure of technologies also poses a risk.</p> <p>Opportunity:</p> <p>We have introduced measures for enhancing water efficiency, reducing water wastage, recycling water, and reusing the treated wastewater in our operations.</p>	<p>We understand that our plants are located in water-stressed areas. We have taken measures to ensure availability of water for our operations as well as the local communities through CSR initiatives. 11 out of 16 of our locations have zero liquid discharge. 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, RO permeate to reduce the volume effluent generated to dec</p>	<p>The risk mitigation will increase capex on water recycling infrastructure and rainwater harvesting structures.</p> <p>The reduced water consumption will isolate organizational operations from water security risk and will assure continuity in operations.</p>

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	Energy Management	Risk and Opportunity	<p>Risk: Our major energy sources include coal, diesel, natural gas, grid electricity, and purchased steam. 84% of energy requirements are met from coal.</p> <p>Opportunity: Leveraging renewable energy sources, adopting energy efficient solutions and reducing dependency on non-renewable sources for energy consumption.</p>	<p>AIL has made an agreement of 13.20 MW hybrid renewable energy.</p> <p>AIL has started a Biobriquet trial and our boilers are dual fired.</p> <p>Based on our energy efficiency initiatives, we have saved approx. 0.8 million KWH of energy in 2022-23.</p> <p>We have adopted an IT-based Energy Management System (EnMS) for controlling, managing and conserving energy.</p>	The risk mitigation will increase capex on energy transition from coal-based power generation to natural gas and renewable based power generation
5	Waste Management	Risk and Opportunity	<p>Risk: Waste generated from our operations consists of hazardous as well as non-hazardous waste. Environmental Impact due to improper disposal of hazardous waste is a compliance as well as regulatory risk.</p> <p>Opportunity: We can enhance the circularity of our system through effective management of waste generated in the process, recycling of waste, co-processing of waste and reducing waste sent for landfilling and incineration.</p>	<p>Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated.</p> <p>Primary pollution, waste prevention and our priority to reduce hazardous wastes are:</p> <ul style="list-style-type: none"> • Change industrial process to eliminate use of harmful chemicals • Use less of a harmful / product • Reduce packaging materials in products • Change industrial processes to reduce or eliminate hazardous waste production <p>Secondary pollution and waste prevention and second priority to reduce Hazardous or Non-Hazardous wastes are:</p> <ul style="list-style-type: none"> • Reuse • Recovery • Recycle • Repair • Buy reusable and recyclable products <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 	The risk mitigation will lead to great circularity of the system and productivity enhancement due to increased yields.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Materials Management	Risk and Opportunity	<p>Risk: We have a heavy dependency on natural resources for our raw materials. This leads to a risk of increased dependency on natural resources and the impact on its availability.</p> <p>Opportunity: Efficient management of product and materials throughout its lifecycle by recycling, reusing and reclaiming materials, products and packaging as well as elimination of toxic and environmentally harmful chemicals.</p>	We have implemented process efficiency measures to enhance the utilization of materials and reuse of materials in the process. We have also undertaken initiatives to enhance the circularity of our processes by optimizing our systems and adopting new technology.	Efficient materials management leads to increased productivity, decreased costs and enhances profitability.
7	Biodiversity	Risk and Opportunity	<p>Risk: There is a risk of land use or habitat change as a result of our and our value chain operations.</p> <p>Opportunity: Preservation of biodiversity and natural habitat.</p>	Our plants are located in designated industrial areas. We strive to develop and maintain green belts at our operating locations in accordance with prescribed norms and industry practices.	We have allocated a budget for development of the green belt. Non-compliance with the regulatory norms will lead to penalties.
8	Product stewardship	Risk and Opportunity	<p>Risk: Reputational damage, negative impact on market share,</p> <p>Opportunity: Reduction in environmental impact and increased stakeholder trust on AIL products and increase in revenue</p>	AIL has developed a process to evaluate ESG impacts of the product at the product development stage, the ESG impacts are taken into account in the decision making process, we have calculated product carbon footprint for all our products and we will be conducting Life cycle assessment of our existing products during FY 23-24.	Increased circularity will result in decreased cost of materials, increased productivity and greater profitability.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Occupational Health and Safety	Risk and Opportunity	<p>Risk: Employees and workers within the Company are exposed to hazardous chemicals and substances which may have health impacts and injuries in case of emergencies and incidents leading to financial implications and reputational loss.</p> <p>Opportunity: We are committed to eliminate and manage occupational health and safety risks through implementation of best practices. This contributes to increased productivity, employee retention and stakeholder trust through OHS governance and targets setting.</p>	<p>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.</p> <p>Safety interventions:</p> <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 	<p>The risk mitigation will increase opex on safety initiatives and increased capex on asset management.</p> <p>The increased OPEX and CAPEX are the investment for assuring high standards of safety management system in place and will ensure equipment reliability, enhanced safety and reduce failures resulting in increase in productivity.</p>
10	Customer Health & Safety and engagement	Risk and Opportunity	<p>Risk: We produce various chemicals. Such chemicals contain hazardous agents that may have an influence on customer health and safety.</p> <p>Opportunity: Strengthening relationship with customer, building trust, increase in market share,</p>	<p>Customer Health and Safety are paramount to us and hence we are committed towards it. We practice the highest level of health and safety standards in that domain. We follow GHS labelling and MSDS for documenting and communicating product specifications, hazards, and mitigation measures. We subscribe to the best practices prescribed by the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations.</p>	<p>Non-compliance with applicable rules and regulations or voluntary codes can result to fines/penalties and reputational damage.</p> <p>Robust practices will aid in increasing the company reputation resulting in increased sales and profit.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Employee Development, and Engagement	Risk and Opportunity	<p>Risk: Increase in attrition due to dissatisfaction amongst employees</p> <p>Opportunity: People are the backbone of our organization. Recruitment, training, and retention of talent are crucial to our growth story</p>	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.	<p>We have an allocated budget for talent management and employee engagement practices.</p> <p>Training and education increase motivation which increases productivity of people. Good employment practice reduces the cost of recruitment and increases productivity of the people.</p>
12	Diversity and Inclusion	Opportunity	Opportunity: Increase in employee morale, increase in reputation, increased production	We have set internal targets to improve the gender diversity across AIL including manufacturing locations. We are in the process of designing and implementing affirmative actions to employ more female employees at our organization. We also ensure that we recruit and onboard employees based on their merit and do not tolerate any form of discrimination at AIL.	Ensuring a diverse and inclusive workplace leads to increased employee retention and enhanced productivity.
13	Human Rights	Risk and Opportunity	<p>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 making this topic significant for the Company across the value chain.</p> <p>Risk: Regulatory non-compliances and reputational damage</p> <p>Opportunity: Employees' and workers' rights and collective action</p>	We have developed a comprehensive Human Rights due diligence framework for a systematic assessing 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 to Human rights in all our business operations. Respecting human rights are also extended to our business partners in the form of their alignment with our policies, contract agreements. In FY 2022-23, no incidents of violation of human rights were reported.	<p>The risk mitigation requires investment in Human rights vulnerability assessment</p> <p>and actions to ensure proactive compliance thereby business continuity in the long run.</p>

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)
14	Supply chain sustainability	Risk and Opportunity	<p>Risk: Inefficiencies in the supply chain and high dependency on limited suppliers/ vendors can cause supply chain disruptions in case of external shocks.</p> <p>Opportunity: Maintaining strong and long-standing relationships with suppliers/ vendors through effective relationship management and drives responsible procurement/ sourcing practices.</p>	Regular stakeholder interactions help in adding value to business relationships and have resulted in creation of long-term relationships and value creation for our value chain partners. Engaging in awareness, communication, and interaction sessions with suppliers result in enhancing responsible and sustainable operations in the supply chain.	Supply chain sustainability can help in gaining a competitive advantage and preparedness for upcoming risks and mitigation. This ensures decreased chances of non-compliance and fines/penalties.
15	Community Relations	Risk and Opportunity	<p>Risk: Disturbance in the local communities and disruption in the social license to operate</p> <p>Opportunity: Enhanced community relations, holistic development of the community, improved investor relations and enhanced brand value.</p>	<p>Sustainability at AIL incorporates aspects such as environmental and energy management, health, safety, compliance, and contribution to local communities. The operations at our manufacturing operations have implications for overall business sustainability. Thus, as a responsible company, our focus areas are energy, carbon and water footprint, process safety, and workplace safety. We believe in being proactively compliant with all legal and statutory norms. Sustainability also entails giving back to the local communities, thereby creating a positive impact on the beneficiaries.</p> <p>AIL has spent 14.73 Cr as CSR spent. Major initiatives taken are Education & Skill development, Healthcare, Tribal & Rural Development, Environment & water conservation, Women empowerment, Livelihood opportunities & housing aid, etc.</p>	The risk mitigation requires higher expenses on developmental initiatives in the local communities.
16	Business Ethics and Compliance	Risk and Opportunity	<p>Risk: Negative brand reputation due to non-compliance with regulatory and legal requirements.</p> <p>Opportunity: Timely and effective compliance with regulatory and legal mandates, augment good ethical behaviour within the company across all levels resulting in transparent operations and improved stakeholder relations.</p>	<p>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 tool.</p> <p>Our management of ESG-related material risks has been rated 'strong' by Sustainalytics.</p>	Ethical practices help ensure that an organization operates within the law and stays true to its own ethical principles that are important to the company's business and identity.

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)
17	Economic performance	Risk and Opportunity	<p>Risk: Effect on market capitalization and brand reputation</p> <p>Opportunity: Contribution to the country's GDP, enhances brand reputation and market capitalization</p>	<p>AIL has robust ESG programs, practices, and policies in place. Additionally, we also have a strong business continuity plan. We ensure adherence to all compliances. Led by an efficient leadership, we have performed better consistently over the years. In the past years, AIL's economic performance has increased significantly and there were no instances that pose a threat to its market capitalization and value creation.</p>	<p>Better economic performance leads to enhanced profitability and increased business opportunities.</p>
18	Market presence	Opportunity	<p>Opportunity: Contribution to economic development in the local areas and increased Local Employment</p>	-	<p>A strong market presence increases the visibility of the organization and its products.</p>
19	IT security and data privacy (Customer Privacy)	Risk and Opportunity	<p>Risk: 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> <p>Opportunity: Customer trust and loyalty as a result of enhanced data management systems leading to retention.</p>	<p>We are building cybersecurity architecture through a layered defense approach. We are also undertaking Vulnerability Assessment and Penetration Testing (VAPT) of its IT Systems and Network Infrastructure with an intent of providing a safe and secure environment to its customers. We have taken several measures to protect its 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 and the pilot plant at Vapi and we are in process of obtaining the same for various manufacturing locations this will reduce IT related risk of AIL.</p>	<p>The risk mitigation requires capex as well as opex investment but helps in increasing the data privacy and strengthens the information security system.</p>

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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.aarti-industries.com/investors/code-and-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y (1,3)	Y (2,4,8)	Y (5,8)	Y (1,3)	Y (7,8)	Y (4,8)	Y (7)	Y (1,3)	Y (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 (<i>listed entity has flexibility regarding the placement of this disclosure</i>) Kindly refer to our Chairman statement in the Annual report at Page number 6									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Implementation mechanism of all the Policies and Codes is presented to and reviewed by the Board periodically.								
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 a 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 zones.								

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the policies have been reviewed by the Board of Directors.									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 name of the agency										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										Y	Y	Y	Y	Y	Y	Y	Y	Y
Intertek										In addition to statutory audits, certifications, a periodical internal assessment is a part of our culture to oversee the implementation of principles laid down.								

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

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

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, Sustainability; Business Model i.e., Strategic Roadmap and Risk Management.	100%
Key Managerial Personnel	10	The Company has provided trainings on Forex, CSR, Project management, Fund raising, Takeover Rules, Insider Trading RPT, Risk Management, Sustainability, Leadership Skills to the KMPs.	100%
Employees other than BoD and KMPs	536	The company has structured training programmes for all permanent employees and workers. Trainings imparted are on following themes:	100%
Workers	140	Behavioural; Ethics, Code of Conduct, and Compliance; Technical Skills (Functional); Safety; sustainability, ESG, Waste and Water Management; Energy Management, Climate change, Cyber security	73.35%

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):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	N/A	N/A	0	N/A	N/A
Settlement	N/A	N/A	0	N/A	N/A
Compounding fee	N/A	N/A	0	N/A	N/A

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	N/A	N/A	0	N/A	N/A
Punishment	N/A	N/A	0	N/A	N/A

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

Not Applicable

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

Yes, we have a policy on Ethics and Fair Business Practices which covers the areas of Anti Bribery and Anti ahead of corruption, Gifts and Hospitality, Anti Money Laundering, Anti-Fraud, Conflict of Interest, Anti-Competitive/Antitrust practices, Accurate Business Records and public disclosures, no insider training. The details about the same are published on the Company website at <https://www.aarti-industries.com/investors/code-and-policies>.

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 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Adhering to the principles of ethics and integrity, We have not faced any fine/ penalty/ action from legislative or judicial institutions in case of corruption or conflict of interest. Therefore, no corrective action was taken for the same.

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
4 (185 participants)	<ul style="list-style-type: none"> • Business Ethics • Fair Labour and Human Right Practices • Environment Sustainability • Safety and Security Compliance • Responsible Procurement 	42.85%

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, Yes, we have a mechanism in place where Board members who have any conflict of interest are determined through our annual independence disclosures, recusal from any meeting, dealing with any related party transactions, and Code of Conduct compliance.

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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100%	100%	<ul style="list-style-type: none"> • 1 new product commercialized • 1 manufacturing facility commissioned • 3 existing products yield improved and reduced waste and effluent generation • 3 existing Manufacturing plants productivity was improved and resource efficiency were improved • 2 plants reusing hazardous waste capacity enhanced
Capex	100%	100%	<ul style="list-style-type: none"> • Leveraged upcoming business opportunities • Enhanced market presence and reach

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

Yes, we have established procedures to ensure sustainable sources. 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.

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

During FY 2022-23, 43% 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 (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- a) Plastic Waste (Including packaging) - Plastic waste generated due to packaging material is collected under EPR through third parties as per Plastic waste management rules, plastic waste collected is recycled. During last FY 22-23, 202 MT of total plastic waste was collected, of which 125 MT was collected from Gujarat and 77 MT from Maharashtra.
- b) E-waste - E-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The E-waste generated from operation is sold to approved authorized recyclers
- c) Hazardous waste - Our products are used as intermediate by other industries to produce finished goods. Hazardous waste generated during usage of product is handled by our customers as per respective regulatory approvals. Only one of our product (fertilizer) is directly used by consumers and usage and packaging material of the product does not produce hazardous waste.
- d) Other waste - Not applicable

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 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.

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?

We have performed LCA for more than 80% of the products with the scope of Global warming potential. We have developed our own methodology to calculate cradle-to-gate product carbon footprints which includes Scope-1, Scope-2 & Scope-3 GHG emissions. This methodology is based on ISO 14067:2018 for carbon footprint of products, which builds on the principles and requirements of the ISO standards 14040:2006 and 14044:2006 for life cycle assessment.

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

No significant risks or concerns were identified through the LCA exercise.

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 2022-23	FY 2021-22
Spent acid (MT)	2,99,029	2,38,668

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 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	0	202	0	0	0	0

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

Most of our products are B2B products and used as intermediate in various industries. During FY 2022-23 there was no recalls of product. One of our B2C product uses plastic as packaging material that comes under EPR guideline and we have collected back and recycled 67% of total packaging material used.

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	2,582	2,582	100%	2,582	100%	NA	NA	2,582	100%	2,582	100%
Female	154	154	100%	154	100%	154	100%	NA	NA	154	100%
Total	2,736	2,736	100%	2,736	100%	154	100%	2,582	100%	2,736	4.90%
Other than Permanent Employees											
Male	25	0	-	0	-	0	-	0	-	0	-
Female	1	0	-	0	-	0	-	0	-	0	-
Total	26	0	-	0	-	0	-	0	-	0	-

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent Workers											
Male	3,422	3,422	100%	3,422	100%	NA	NA	3,422	100%	3,422	100%
Female	27	27	100%	27	100%	27	100%	NA	NA	27	100%
Total	3,449	3,499	100%	3,499	100%	3,499	100%	3,499	100%	3,499	100%

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent Employees											
Male	6,918	6,918	100%	6,918	100%	NA	NA	6,918	100%	6,918	100%
Female	344	344	100%	344	100%	344	100%	NA	NA	344	100%
Total	7,262	7,262	100%	7,262	100%	344	100%	6,918	100%	7,262	100%

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	100%	100%	NA	100%	100%	NA

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

Weblink of the policy: People policy V1 (aarti-industries.com)

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

Gender	Permanent employees & workers	
	Return to work rate	Retention rate
Male	100%	57.03%
Female	100%	100%
Total	100%	

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

	Yes/No (If Yes, then give details of the mechanism in brief)	Mechanism
Permanent Workers	Yes	Our Vigil Mechanism/Whistle Blower Policy is an effective tool towards grievance redressal mechanism for all stakeholders.
Other than Permanent Workers	Yes	Our Vigil Mechanism/Whistle Blower Policy is an effective tool towards grievance redressal mechanism for all stakeholders.
Permanent Employees	Yes	Our Vigil Mechanism/Whistle Blower Policy is an effective tool towards grievance redressal mechanism for all stakeholders.
Other than Permanent Employees	Yes	Our Vigil Mechanism/Whistle Blower Policy is an effective tool towards grievance redressal mechanism for all stakeholders.

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

Benefits	FY 2022-23			FY 2021-22		
	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	2736	0	0	3,197	0	0
- Male	2582	0	0	3,040	0	0
- Female	154	0	0	157	0	0
Total Permanent Workers	3449	40	1.16%	2,627	44	1.7*
- Male	3422	40	1.17%	4	0	0
- Female	27	0	0	2,631	44	1.7*

*AIL respects the rights of its people to form associations and prescribe to trade unions. We do not discriminate against any person on the grounds of their membership of an association or trade union.

8. Details of training given to employees and workers:

Benefits	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees					Employees				
Male	2582	2582	100%	2582	100%	2351	2351	100%	1283	54.57%
Female	154	154	100%	154	100%	133	133	100%	106	80.7%
Total	2736	2736	100%	2736	100%	2484	2484	100%	1389	55.3%
	Workers					Workers				
Male	3422	2569	75.07%	2569	75.07%	3316	3316	100%	3316	100%
Female	27	27	100%	27	100%	22	22	100%	22	100%
Total	3449	2598	100%	2598	100%	3338	3338	100%	3338	100%

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

Benefits	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	No. (C)	Total (D)	% (C/A)
Employees						
Male	2582	2582	100%	3,040	3,040	100%
Female	154	154	100%	157	157	100%
Total	2736	2736	100%	3,197	3,197	100%
Workers						
Male	3422	3422	100%	2,627	2,627	100%
Female	27	27	100%	4	4	100%
Total	3449	3449	100%	2631	2631	100%

10. Health and safety management system:

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

Yes, we have developed and adopted a robust and comprehensive 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.

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

AIL follows International Labour Organization (ILO) guidelines for monitoring work-related hazards.

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

Yes

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 and 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 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0.17
	Workers	0.14	0.11
Total recordable work-related injuries	Employees	20	18
	Workers	27	17
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	5	13
	Workers	8	16

Note: We have considered workers as Contract employees

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 organization. We have developed a culture of safety through various awareness programs across the organization. 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:

Benefits	FY 2022-23			FY 2021-22		
	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.

We have established multiple platforms as a part of AIMS (Aarti Information Management System) for employees to capture safety related incidents, significant risks & concerns such as Behaviour Based Safety rounds, General Plant Conditions rounds, Near Miss and incident reporting platform and their actions are implemented for continual improvement of safety at AIL. All incidents are investigated and learnings from investigation reports are shared across AIL through Learning From Incident Sessions (Monthly LFI session) for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of corrective actions are tracked and reviewed during safety audits.

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, AIL extends 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.

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 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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	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 and interested employees, we continue their employment as retainer for a fixed amount of agreed tenure.

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	42.85%
Working Conditions	42.85%

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 conduct 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.

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. 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.

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
Shareholders	No	<ul style="list-style-type: none"> Annual reports and sustainability reports Investor Meets Quarterly Results Company Website Reports to Stock Exchange 	Quarterly	<ul style="list-style-type: none"> Economic value generated and distributed Long term value creation Transparency Good Governance High Reputation and Brand image Socially & Environmentally Responsible
Regulatory bodies and government agencies	No	<ul style="list-style-type: none"> Open Invitations Specialized Programmes Seminars Media releases Conferences Membership and Associations 	Quarterly	<ul style="list-style-type: none"> Proactive compliance Implementation of compliance management system Governance at different levels
Financial Institutions, bankers and lenders	No	<ul style="list-style-type: none"> Annual reports and sustainability reports Investor Meets Need basis during financial discussion meeting Regular feedback through emails 	Annually	<ul style="list-style-type: none"> Good return on investment
Employees	No	<ul style="list-style-type: none"> Leadership development interventions 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 	Quarterly	<ul style="list-style-type: none"> Diversity Quality of Work & Life Fair wages and Remuneration benefits Training and Development Career Growth Health & Safety

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
Customers	No	<ul style="list-style-type: none"> Video Conferencing Emails Customer Satisfaction Survey 	Annual	<ul style="list-style-type: none"> Quality and Timely Delivery Competitive Cost Responsible Production Transparency in disclosure
Suppliers and Contractors	No	<ul style="list-style-type: none"> Supplier meets Supplier assessment Workshop on sustainable supply chain management MoU Agreements Contract discussion meetings Daily toolbox talks, weekly discussion meetings Performance review 	Weekly	<ul style="list-style-type: none"> Product Quality Cost Timely delivery On time payment Ethical behaviour Upcoming technologies or equipment Health & Safety
Local Communities	No	<ul style="list-style-type: none"> Regular engagement to understand concerns and requirement Community engagement during CSR initiatives 	Quarterly	<ul style="list-style-type: none"> Local employment generation Development interventions

Leadership Indicators

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

AIL 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 Sustainability Council.

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

Yes, We drive business resilience in the operations through a robust materiality assessment process and risk management framework which are based on stakeholder consultations.

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

We invest in efforts to uplift local communities, support marginalized sections, and ensure inclusive growth and development. Our effort focuses on the themes of healthcare, education, and environmental protection.

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:

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 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	2,736	2,736	100%	3,197	3,197	100%
Other permanent	26	26	100%	69	69	100%
Total Employees	2,736	2,736	100%	3,266	3,266	100%
Workers						
Permanent	3,449	3,449	100%	2,631	2,631	100%
Other than permanent	7,262	-	*	6,437	-	*
Total Workers	10,711	3,449	100%	9,068	2,631	100%

*Note - Through our General Conditions of Contract, we mandate training of all contract workers on Human

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

Benefits	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal 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	2,582	0	0	2,582	100%	3,040	0	0	3,040	100%
Female	154	0	0	154	100%	157	0	0	157	100%
Other than permanent Employees										
Male	25	0	0	25	100%	67	0	0	67	100%
Female	1	0	0	1	100%	2	0	0	2	100%
Workers										
Permanent Workers										
Male	3,422	0	0	3,422	100%	2,627	0	0	2,627	100%
Female	27	0	0	27	100%	4	0	0	4	100%
Other than permanent workers										
Male	6,918	0	0	6,918	100%	8,412	0	0	8,412	100%
Female	344	0	0	344	100%	176	0	0	176	100%

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

	Number	Male Median remuneration/ salary/ wages of respective category (in lakhs INR)	Number	Female Median remuneration/ salary/ wages of respective category (in lakhs INR)
Board of Directors (BoD) – Executive Directors	6	241.94	0	-
Board of Directors (BoD) – Non-Executive Directors	7	4	3	2.4
Key Managerial Personnel*	2	117.5	0	-
Employees other than BoD and KMP	2577	6.99	154	6.48
Workers	3422	3.34	27	3.3

Note: Median salary of all AIL employees excluding BOD is 4.09 lakhs INR.

*KMP exclusive of those already covered in Executive Directors.

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 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/ whistleblower policy.

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

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 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	1	0	It went through an investigation and stringent action was taken.
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. 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 counselling. Our whistleblower protocol addresses the protection of the complainant during the investigation.

8. 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.

9. Assessments for the year:

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

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

Not Applicable

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 2022-23. 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. In addition to this, a third party had been engaged to conduct a Human right risk assessment study at Jhagadia Plant in Bharuch. A detailed study was carried out to explore the internal business practices including their supply chain to identify any human rights risks and challenges.

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	42.85%
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.

AIL identifies strategic suppliers based on spend. During the last three Financial years (FY-19-20; FY 20-21; FY21-22) AIL has identified 467 strategic suppliers out of which audit is completed for 389 (83%). Out of the 389 assessed suppliers 236 (61%) suppliers were identified to be high risk. AIL has engaged with these suppliers on identified CAPA. Through this engagement 84 (36%) high risk suppliers were converted to low risk. The engagement for 103 high risk suppliers (44%) is ongoing.

Out of the 236 high risk suppliers 49 high risk suppliers (21%) were put on a holiday as they remained high risk even after engagement.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) In GJ	6,65,660	4,57,982
Total fuel consumption (B) In GJ	68,13,987	59,08,571
Energy consumption through other sources (C) In GJ	4,49,054	5,90,969
Total energy consumption (A+B+C) (GJ)	79,28,701	69,57,521
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.0001089	0.0001052
Energy intensity (optional) – the relevant metric may be selected by the entity (production)	9.17	8.68

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (KI)	25,96,187	23,29,428
(iv) Seawater / desalinated water	-	-
(v) Others (KL) (Rainwater)	6,547	6010
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) (KL)	26,02,734	23,35,438
Total volume of water consumption (in kilolitres)	23,86,749	21,59,297
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)	0.0000328	0.0000273
Water intensity (optional) – the relevant metric may be selected by the entity (<i>Water consumed / MT product</i>)	2.76	2.69

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

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

Yes, 11 out of 16 of our facilities are Zero Liquid Discharge. 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.

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

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	T/year	493	350
SOx	T/year	1,147	798
Particulate matter (PM)	T/year	530	455
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (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	6,85,701	5,99,553
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	1,43,959	1,03,478
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/INR	0.0000114	0.0000106
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/MT of production	0.96	0.88

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

Yes, TUV Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

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

Yes, the Company has undertaken various interventions to reduce greenhouse gas emissions. The details 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 NO_x
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

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	202	*
E-waste (B)	20.95	8.99
Bio-medical waste (C)	0.10	0.22
Construction and demolition waste (D)	0	-
Battery waste (E)	16.56	20.59
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	495676	3,80,369
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	38,219	33,711
Total (A+B + C + D + E + F + G + H)	5,34,135	4,14,109
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	309235	2,72,820
(ii) Re-used (incl. plastic)	182211	1,01,497
(iii) Other recovery operations (E-waste & Battery)	37	29
Total	491483	374346
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration (incl. BMW)	6365	5,457
(ii) Landfilling	28,919	30,874
(iii) Other disposal operations (co-processing)	7365	0
Total	42,649	37,251

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

9. 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

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

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

Treatment and disposal of all our waste:

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

10. 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. Our offices are in corporate parks, and all our manufacturing facilities are situated in the GIDC/MIDC industrial complex.

11. 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
Aarti Industries Limited (Unit-I, Dahej) Expansion of Ethylation and Propoylation Plant Capacity	EIA Notification S.O. 141(E) [14-09-2006] as amended	09/11/2022	Yes	Yes	https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&status=EC_new&statename=Gujarat&pno=SIA/GJ/IND3/64482/2021&pid=19314

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
Aarti Industries Limited (Unit-II, Dahej) Expansion in Hydrogenation Plant Capacity and Inorganic Products capacity	EIA Notification S.O. 141(E) [14-09-2006] as amended	15/02/2023	Yes	Yes	https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&status=EC_new&statename=Gujarat&pno=SIA/GJ/IND3/68290/2017&pid=199952
Proposed Greenfield Project of Synthetic Organic Chemicals at Plot No. 41/2, GIDC Notified Industrial Estate, Jhagadia, Bharuch, Gujarat, by Aarti Industries Limited (Unit IV)	EIA Notification S.O. 141(E) [14-09-2006] as amended	17/05/2022	Yes	Yes	https://environmentclearance.nic.in/state/FB_ECGeneral_Report.aspx?pid=152480&id=152480&status=found
Proposed New Project of Pesticides and pesticide specific intermediates (excluding formulations)- 5(b) & Synthetic Organic Chemicals 5(f) at Plot No. 41/1, GIDC Notified Industrial Estate, Jhagadia, Bharuch, Gujarat, by Aarti Industries Limited	EIA Notification S.O. 141(E) [14-09-2006] as amended	08/06/2022	Yes	Yes	https://environmentclearance.nic.in/onlinesearchnewrk.aspx?autoid=41764&proposal_no=IA/GJ/IND3/236925/2021&typep=EC
Proposed Expansion of Synthetic Organic Chemical Industry 5(f) at Plot No. 1430/1, NH No. 8A, Taluka Bhachau, District Kutch, State Gujarat	EIA Notification S.O. 141(E) [14-09-2006] as amended	EC Awaited	Yes	Yes	https://environmentclearance.nic.in/onlinesearchnewrk.aspx?autoid=44413&proposal_no=IA/GJ/IND3/420096/2023&typep=EC
Proposed Expansion Project for the Manufacturing of Synthetic Organic Chemicals by M/s. Aarti Industries Limited (Unit-III, Dahej)	EIA Notification S.O. 141(E) [14-09-2006] as amended	EC Awaited	Yes	Yes	https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&status=EC_new&statename=Gujarat&pno=SIA/GJ/IND3/419266/2023&pid=216948

12. 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.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)		-
Total fuel consumption (B) (GJ)	3,425	-
Energy consumption through other sources (C) (GJ)	745	1,496
Total energy consumed from renewable sources (A+B+C) (GJ)	4170	1,496
From non-renewable sources		
Total electricity consumption (D) (GJ)	6,65,660	4,57,928
Total fuel consumption (E) (GJ)	68,10,561	59,08,571
Energy consumption through other sources (F) (GJ)	4,48,310	5,89,472
Total energy consumed from non-renewable sources (D+E+F) (GJ)	79,24,531	69,56,025

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (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	76465	40191
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment (KI)	1,39,520*	135949
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	2,15,985	1,76,140

*Treated water is being sent to CETP for further treatment and disposal to the deep sea.

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

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

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

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	25,96,187	23,29,428
(iv) Seawater / desalinated water	-	-
(v) Others	6547	6010
Total volume of water withdrawal (in kilolitres)	26,02,734	23,35,438
Total volume of water consumption (in kilolitres)	23,86,749	21,59,297
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000238	0.0000273
Water intensity (optional) – the relevant metric may be selected by the entity (<i>Water consumed / MT of product</i>)	2.76	2.69
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	76465	40191
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	1,39,524	1,35,949
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	2,15,989	1,76,140

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (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)	TCO ₂ e	24,19,952	15,56,065
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/INR	0.0000332	0.0000235
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e/MT	2.8	1.94

Scope 3 has increased on account of increase in coverage of calculation

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 Nord has carried out an independent assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23.

5. With respect to the ecologically sensitive areas reported at Question 10 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

6. 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	Optimization of ETP operations	<p>Zone 1: Two major projects were executed in FY 22-23 for optimizing ETP operations; they were load reduction on multiple-effect evaporator and diverting one stream for co-processing in the cement industry at one division which was earlier going to incineration.</p> <p>Zone 2: At zone 2 we treated utility RO reject further concentrated in High pressure RO instead of treating the same in multiple-effect evaporator.</p> <p>Zone 3: Process improvement to reduce effluent load on ETP</p>	<p>Zone 1: These two initiatives have resulted in reduction of 419 TCO₂e/year</p> <p>Zone 2: We achieved saving of 1381 MT/year carbon emission</p> <p>Zone 3: This initiative has potential for saving in ETP operating cost</p>
2	Waste management initiatives	<p>Zone 1: Diversion of waste from incineration to co-processing as per the waste management strategy of AIL has reduced the environmental footprint of AIL due to waste management</p> <p>Zone 2: We have diverted 34.31 MT mixed waste generated at Zone 2 for Co processing due to high calorific value of waste also CaCl₂ sludge of 4198.22 MT generated in the process is sent to co-processing resulting in huge savings.</p>	<p>Zone 1: This initiative has a saving potential of 140 lakhs in waste management cost and CO₂ reduction potential of 145 TPA</p> <p>Zone 2: Diversion of CaCl₂ had resulted in saving of 1278 MT CO₂e.</p>
3	Rainwater Harvesting	We have implemented RWH scheme at many of our manufacturing locations, the rainwater is collected, stored and reused in the process	This had resulted in reduction of freshwater consumption at our manufacturing location. During last FY 22-23 we have reused 6547 KL of rainwater in the process

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

We have created and adopted an Emergency Response and Crisis Management Plan (ERCMP). It provides detailed emergency scenarios as well as a well-organized reaction, rescue, and recovery plan each scenario. In order to maintain business continuity, we have also made preparations for backup servers in addition to the main servers that are housed on our property.

8. 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 our raw materials are sources from oil and gas value chains which are highly energy intensive operations, we are cautious of the environmental impact arising from our value chain. In order to better understand the emission hotspot, we have conducted PCF studies for 80% of our goods. Additionally, we have undertaken various initiatives to reduce emissions across our value chain and promote the use of a diverse energy mix.

9. 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, health & safety, labour and human rights and governance such as ethics and compliance, fair business practices, anti-bribery, etc. During the reporting period, 42.85% of our suppliers were assessed for environmental impacts

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

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

We have membership of associations with seven industry chambers/associations.

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chemical Council	National
2	CHEMEXCIL- Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council	National
3	Indian Institute of Chemical Engineering	National
4	Gujarat Chamber of Commerce and Industry	National
5	Confederation of Indian Industry	National
6	United Nations Global Compact Network of India	National
7	Federation of Indian Export Organization	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 2022-23.

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	Ease of doing business for the chemical industry	Working through the industry associations for the input to the appropriate government ministries	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.

Social impact assessments have not been conducted in FY 2022-23. As per the applicable laws, none of the projects undertaken by our company can be categorized under the SIA mandate.

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 projects for which ongoing Rehabilitation and Resettlement (R&R) has been undertaken.

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 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:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	₹ 849.92 Cr	₹ 524.6 Cr
Sourced directly from within the district and neighboring districts	₹ 1024.81 Cr*	₹ 457.62 Cr

*Vendors located within 200 Km are considered to be falling in neighbouring districts

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 2022-23.

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

Currently no CSR programs/ interventions are being implemented in Aspirational Districts, as listed down by NITI Aayog, Government of India.

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

No

b. From which marginalized /vulnerable groups do you procure?

Not Applicable

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

Not Applicable

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	NIL	-	-	-

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

Not Applicable

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	11,532 (Students)	100%
2	Healthcare	44,552	100%
3	Tribal & Rural Development	57,452	100%
4	Environment & Water Conservation	83,620	100%
5	Women Empowerment	1,80,950	100%
6	Livelihood Opportunities & Housing Aid	58	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:

1. Business, sales and marketing team are the primary contact of all the customers' complaints.
2. Business, sales and marketing team shall be responsible to forward the complaint to zone quality

Head/Division Head and QA Manager / Designee.

- Sales team report the customer complaint on the AIL's digital platform- AIMS
- 3. During sharing the complaint to the manufacturing site, following information shall be shared by business through e-mail to division head and zonal quality head. Business, sales and marketing team shall inform the customer complaint within one working day to the division head / zone quality head.
- 4. Quality manager evaluate the detail of the customer complaint, do site visits and prepare customer complaint report
- QA manager / designee shall assign the customer complaint number and log in the customer complaint sheet.

Customer complaints shall be assigned by a unique set of maximum character as per AKA/CC/YY/ZZZ. After logging of the complaint, the QA department shall check the nature of the complaint and categorize the complaint accordingly.

5. Zone quality head prepare investigation team for through investigation of complaint and preparing Corrective and preventive action plan
6. Based on the investigation report, Quality head shall communicate the customer complaint response to the business.
7. Business would be the SPOC for communication to the customer. All activities related to complaint investigation shall be completed within 30 working days from the date of receipt of complaint. Based on CAPA, action plans may take longer

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

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.

Benefits	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
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 the Product	57	0	-	13	0	-

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

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

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

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

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

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 labelling 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. We constantly undertake customer satisfaction surveys to understand our delivery quality and areas for improvement, including the health and safety of our consumers. The survey is focused focus three key areas: 1) Packaging Quality, 2) Product Quality c) MSDS Information

5. Provide the following information relating to data breaches:

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

No data breaches were recorded in FY 2022-23

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable