

July 10, 2024

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

BSE CODE –524208

Dear Sir/Madam,

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

**Sub: Business Responsibility and Sustainability
Report for the Financial Year 2023-24**

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

In continuation of our intimation dated July 10, 2024 regarding Notice of the 41st Annual General Meeting, Annual Report for the Financial Year 2023-24 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 2023-24.

Kindly take note of the same.

Thanking you,
For AARTI INDUSTRIES LIMITED

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

FORMAT SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity : L24110GJ1984PLC007301
2. Name of the Listed Entity: Aarti Industries Limited (AIL)
3. Year of incorporation: 1984
4. Registered office address : Plot Nos. 801, 801/23, G.I.D.C. Estate, Phase-III, Vapi, Dist. Valsad, Gujarat-396195
5. Corporate address : 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 69436100 / +91 22 69436200
8. Website: www.aarti-industries.com
9. Financial year for which reporting is being done: 1 April, 2023 to 31 March, 2024
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: ₹ 181.25 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
Name: Shri Raj Sarraf
Telephone: +91 22 6943 6170
Email: raj.sarraf@aarti-industries.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): The reporting boundary includes all the activities and operations of Aarti industries Limited including subsidiaries
14. Name of assurance provider: TUV India Private Limited (TUV NORD GROUP)
15. Type of assurance obtained : Limited Assurance

II. Products/services

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

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

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

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

III. Operations

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

Location	Number of plants	Number of offices	Total
National	16	2	18
International	-	5	5

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	23
International (No. of Countries)	53

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

Our contribution to export is 52% of our total turnover

c. A brief on types of customers:

Aarti Industries Limited reigns as an unrivaled force, standing firm with an unwavering presence across diverse end-use segments. From agrochemicals to dyes and pigments, additives to polymers, and FMCG, we traverse the expanse of industries with unparalleled dexterity. Our extensive portfolio is a testament to our multifaceted prowess, as we flawlessly adapt to the ever-evolving demands of a diverse market landscape. We served around 700+ customers across India and 400+ international customers spread across the globe.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2650	2496	94.19%	154	5.81%
2.	Other than Permanent (E)	36	33	91.67%	3	8.33%
3.	Total employees (D + E)	2686	2529	94.15%	157	5.85%
WORKERS						
4.	Permanent (F)	3450	3416	99.01%	34	0.99%
5.	Other than Permanent (G)	9308	8920	95.83%	388	4.17%
6.	Total workers (F + G)	12758	12336	96.69%	422	3.31%

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)	27	26	96.30%	1	3.70%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	27	26	96.30%	1	3.70%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	39	39	100%	0	0%
5.	Other than permanent (G)	28	27	96.43%	1	3.57%
6.	Total differently abled workers (F + G)	67	66	98.51%	1	1.49%

21. Participation/Inclusion/Representation of women

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

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.57%	25.32%	27.44%	23.83%	36.66%	24.51%	17.62%	29.34%	18.20%
Permanent Workers	17.75%	22.95%	17.80%	28.07%	25.81%	28.06%	14.84%	14.29%	14.84%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Aarti Corporate Services Limited	Subsidiary	100%	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
9	Aarti Chemical Trading FZCO	Subsidiary	100%	No
10	Augene Chemical Private Limited	Subsidiary	100%	No

VI. CSR Details

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

(ii) Turnover (in ₹) - 7012.11 Crore

(iii) Net worth (in ₹) - 5290.48 Crore

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 -24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholder)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	19	0	NA	24	0	NA
Employees And workers	Yes	0	0	NA	1	0	NA
Customers	Yes	52	0	NA	45	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	NA	-	-	-	-	-	-

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety	Risk	<p>As a responsible chemical manufacturing company, we are cognisant of our responsibility to safeguard the health and safety of individuals. AIL strives to prevent injury by sustaining an injury-free workplace with a mindset of zero tolerance towards any incident or injury.</p> <p>Health impact or injury during working may lead to financial implications and reputation loss to AIL. Any accident may also impact the morale of the workers leading to production losses. Non adherence to OHS requirement may also lead to fines and penalties</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. Process safety and risk management, Emergency mitigation system.</p> <p>In addition we have implemented following safety interventions across our manufacturing locations:</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 	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> • 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 	
2	Waste management	Risk	<p>Waste generated from our operations consists of hazardous as well as non-hazardous waste. Environmental Impact due to improper disposal of these waste is a compliance as well as regulatory risk. It may lead to fines and penalties from regulatory authorities</p>	<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 	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Climate change and Governance	Risk and Opportunity	<p>Risk: There are risks associated with climate change such as manufacturing losses due to climate events, restrictions due to existing and emerging regulations leading to reputational damage.</p> <p>Opportunity: Reduction of carbon emissions by the deployment of technologies, collaboration with other peers and industries, etc</p>	We 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.	Positive and Negative both
4	Employee Development and Engagement	Opportunity	People are the backbone of our organization. Recruitment, training, and retention of talent are crucial to our growth story	We believe in ensuring that our workplaces are safe and inclusive. We make efforts to build a satisfactory work culture that nurtures employee growth and increases employee satisfaction. We provide training and awareness programmes to our employees to ensure capacity building and skill upgradation across all levels. We also provide medical and non-medical benefits to all our employees	Positive
5	Human Rights	Risk	Human rights impact the business internally and externally from procurement of raw materials to distribution and disposal. It may also impact the reputation of the company and lead to regulatory non-compliances making this topic significant for AIL.	We have developed a comprehensive Human Rights due diligence framework for a systematic 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. Responsibility of respecting human rights is also extended to our business partners in the form of their alignment with our policies, contract agreements.	Negative
6	Business Ethics and compliance	Risk	Negative brand reputation due to non-compliance with regulatory and legal requirements.	We have in place stringent and comprehensive Code of Conduct and policies to ensure ethical behaviour at all levels. We also provide training on the Code of Conduct to all our employees and workers to educate them about appropriate behaviour at the workplace. To adhere and track the regulatory compliance applicable on AIL we are using online compliance management tool.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	IT security and data privacy	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>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>	Negative
8	Water and effluent	Risk	Water supply is important for our manufacturing locations, water scarcity can affect our operations leading to impact on revenue generation. Additionally, the probability of polluting a water resource and nearby habitat as a result of improper treatment or failure of technologies also poses a risk.	We have taken measures to ensure availability of water for our operations as well as the local communities through CSR initiatives. 11 out of 16 of our locations are ZLD ready. We are in the process of reducing the amount of water being discharged from other locations. At the same time, we are also making process improvements such as recycling back condensate, RO permeate to reduce the volume effluent generated to decrease the requirement of freshwater as well as decrease the load on our effluent treatment plants	Negative
9	Energy Management	Opportunity	Leveraging renewable energy sources, adopting energy efficient solutions and reducing dependency on non-renewable sources for energy consumption will assist us in reducing the GHG emissions, improve resource efficiency, cost saving, cleaner environment etc.	<p>We have adopted an IT-based Energy Management System (EnMS) for controlling, managing and conserving energy.</p> <p>AIL has started receiving 13.2 MW of hybrid renewable energy.</p> <p>We have regularized usage of Biomass for replacing coal gradually in order to reduce carbon emissions.</p> <p>Based on our energy efficiency initiatives, we have saved approx. 6.3 million KWH of energy in 2023-24.</p>	Positive

For more details on the material topics, please refer to our sustainability report of FY 2023-24

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.	(1,3)	(2,4,8)	(5,8)	(1,3)	(7,8)	(4,8)	(7)	(1,3)	(2)									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors																	
Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) <i>Kindly refer to our Chairman statement in the Annual report at Page number 4 and 5</i>																		
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 manufacturing locations.																	
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 the name of the agency.	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
	Y	Y	Y	Y	Y	Y	Y	Y	Y									

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

Questions	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)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is 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	% of persons in respective category covered by the awareness programmes
Board of Directors	11	The Company has provided training on Nature of the Industry i.e., Business Overview & Trend, Sustainability, quality and Manufacturing excellence; Business Model and Strategic Roadmap, Marketing and governance, Expansion and people review, Asset management, technology review , code for independent director, board procedures	100%
Key Managerial Personnel	11	The Company has provided training on Forex, CSR, Project management, Fund raising, Takeover Rules, Insider Trading, RPT, Risk Management, Sustainability, Leadership Skills, AIL Code of conduct, Prevention of Sexual Harassment (POSH), Anti Bribery Anti Corruption (ABAC) to the KMPs.	100%
Employees other than BoD and KMPs	1842	The company has a structured training programmes for all permanent employees and workers. Trainings imparted are on following themes: Behavioural; Ethics, Code of Conduct, and Compliance; Technical Skills Functional; Safety; sustainability, ESG, Waste and Water Management; Energy Management,	100%
Workers	2458	Climate change, Cyber security	87.97%

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

Monetary					
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Penalty/ Fine		Nil			
Settlement					
Compounding fee					
Non-Monetary					
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)		
Imprisonment		Nil			
Punishment					

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

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

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 Code of Conduct which covers the areas of Anti Bribery and Anti corruption, Gifts and Hospitality, Anti Money Laundering, Anti-Fraud, Conflict of Interest, Anti-Competitive/Antitrust practices, Accurate Business Records and public disclosures, no insider trading. The details about the same are published on the Company website at:

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

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

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

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Not Applicable

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	35	19

9. Open-ness of business

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

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.71%	1.99%
	b. Sales (Sales to related parties / Total Sales)	0.52%	1.26%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	86.82%	87.36%
	d. Investments (Investments in related parties / Total Investments made)	21.21%	25.84%

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	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
3 (113 Participants)	<ul style="list-style-type: none"> Business Ethics Fair Labour and Human Right Practices Environment Sustainability Safety and Security Compliance Responsible Procurement 	51.45%

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

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

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	100%	100%	<ul style="list-style-type: none"> We have integrated the principles of sustainability throughout the life cycle of our products. Our objective is to minimize the environmental and social impact of our products by embracing circularity through efficient systems, innovative solutions, waste minimization, and ensuring product safety. We have aligned our entire product lifecycle with the intricacies of product stewardship. At AIL we corroborate our approach to product stewardship by delving into each phase, integrating the synergy of research, technological advancement, and innovation ensuring optimum efficiency and minimized environmental and social impact. We have a strong team of 260+ scientists, and 20 PhDs involved in R&D activities at our research center. Our efforts resulted in In-house process development of 45+ products with successful and first time right pilot scale up of 20+ products
Capex	13%	100%	<ul style="list-style-type: none"> For details on our environment and social initiative for the year FY 23-24 kindly refer to the environment section of our sustainability report.

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

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

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

During FY 2023-24, 51.45% 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. Plastic Waste (Including packaging) - Plastic waste generated due to packaging our product is collected under EPR through third parties as per Plastic waste management rules, plastic waste collected is recycled. During last FY 23-24, 300 MT of total plastic waste was collected, of which 88.74 MT was collected from Gujarat, 105.96 MT from Maharashtra and 105.3 MT was collected from Madhya Pradesh. For plastic material exported or sent to other industries as raw material, the customer are required to safely dispose off the product as per local regulations
- b. E-waste - E-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The E-waste generated from after use in-house is sold to approved vendors for recycling and safe disposal

- c) Hazardous waste - Our products are used as intermediate by other industries to produce finished goods. Hazardous waste generated during usage of the product is handled by our customers as per respective regulatory approvals.
- d) Other waste -
- i) Battery Waste - Battery-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The Battery-waste generated by AIL after use is sold to approved authorized recyclers .
- ii) Fly Ash - Fly ash Generated during our operations is sent to authorized recycle for brick manufacturing & other recycling.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

In FY 23-24 we had a target of 250.26 MT Collection of Plastic waste as per EPR against which we have collected and recycled 300 MT of plastic waste.

Leadership Indicators

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

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.*
201	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms	56.53%	Cradle-to-Gate	The study was performed in collaboration with third party	*Results are shared with relevant stakeholders
202	Manufacture of other chemical products				

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

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

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Spent Acid (MT)	204376.21	152669.06*

*Note : Quantity Changed due to Double Accounting in Spent Data.

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 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	300	0	0	202	0
E-waste	0	13	0	0	21	0
Hazardous waste	0	326631	30235	0	314464	34852
Other waste	0	31736	114	0	41916	433

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

We are manufacturing speciality chemicals which are intermediate products for our customers, they use it as raw material to produce finished products. During last FY 23-24 there were no recalls of the product.

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

Note : One of our B2C products uses plastic as packaging material that comes under EPR guideline and we have collected back and recycled 120% of our EPR Target.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2496	2496	100%	2496	100%	NA	NA	2496	100%	2496	100%
Female	154	154	100%	154	100%	154	100%	NA	NA	154	100%
Total	2650	2650	100%	2650	100%	154	100%	2496	100%	2650	100%
Other than Permanent Employees											
Male	33	33	100%	33	100%	NA	NA	33	100%	33	100%
Female	3	3	100%	3	100%	3	100%	NA	NA	3	100%
Total	36	36	100%	36	100%	33	100%	3	100%	36	100%

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

Category	% of workers 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 Workers											
Male	3416	3416	100%	3416	100%	NA	NA	3416	100%	3416	100%
Female	34	34	100%	34	100%	34	100%	NA	NA	34	100%
Total	3450	3450	100%	3450	100%	34	100%	3416	100%	3450	100%
Other than Permanent Workers											
Male	8920	8920	100%	8920	100%	NA	NA	8920	100%	8920	100%
Female	388	388	100%	388	100%	388	100%	NA	NA	388	100%
Total	9308	9308	100%	9308	100%	388	100%	8920	100%	9308	100%

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.62	0.62

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

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N.A	100%	100%	N.A
ESI	0.15%	4.10 %	Y	0.08%*	6.4%*	Y
Others – please specify	–	–	–	–	–	–

*Note : Percentage calculated based on total Employee & worker

3. **Accessibility of workplaces**

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

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

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

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

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		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	65.12%	100%	71.36%
Female	100%	60.00%	NA -As no female availed the maternity leave	NA -As no female availed the maternity leave
Total	100%	65.02%	100%	71.36%

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

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

The redress mechanism is as follows: At AIL, we are committed to adhering to the highest standards of ethical, moral, and legal conduct of business operations. We have adopted the 'Whistle Blower Policy' through which employees, directors, and stakeholders can report their concerns or grievances to the management. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behavior, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct, abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimization of employees and allows direct access to the chairperson of the audit committee.

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2650	0	0	2736	0	0
- Male	2496	0	0	2582	0	0
- Female	154	0	0	154	0	0
Total Permanent Workers	3450	75	2.17 %	3449	40	1.16
- Male	3416	75	2.20%	3422	40	1.17
- Female	34	0	0	27	0	0

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2496	2496	100%	2358	94.47%	2582	2582	100%	2582	100%
Female	154	154	100%	151	98.05%	154	154	100%	154	100%
Total	2650	2650	100%	2509	94.68%	2736	2736	100%	2736	100%
Workers										
Male	3416	3416	100%	3106	90.93%	3422	2569	75.07%	2569	75.07%
Female	34	34	100%	32	94.12%	27	27	100%	27	100%
Total	3450	3450	100%	3138	90.96%	3449	2598	75.33%	2598	75.33%

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total* (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2496	2496	100 %	2582	2582	100 %
Female	154	154	100 %	154	154	100 %
Total	2650	2650	100 %	2736	2736	100 %
Workers						
Male	3416	3416	100 %	3422	3422	100 %
Female	34	34	100 %	27	27	100 %
Total	3450	3450	100 %	3449	3449	100 %

* Numbers Indicates total employee eligible for performance evaluation.

10. Health and safety management system:

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

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

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

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

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

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

Implementation of Risk based process safety through risk register & barrier management plant-wise top risk identified to monitor the healthiness of existing barriers.

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

The risk assessment process has helped us identify significant risks and ensure adequate control measures for managing them effectively.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. **(Yes/No)**

Yes, To create a safe and supportive work environment, we have processes in place for workers to report work-related hazards and hazardous situations. We actively encourage incident reporting and investigation, allowing and recognising anyone in the plant to report unsafe conditions and unsafe acts for prompt action.

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

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

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

Safety Incident/Number	Category	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.08	0.16
	Workers	0	0.14
Total recordable work-related injuries	Employees	10	20
	Workers	22	27
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

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

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

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

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

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

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

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

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).

Yes, ALL 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. All contractors have to submit wage register and PF proof to our Contract Labour Management (CLM) team on a monthly basis, our CLM team is authorized to charge a hefty penalty in case of any default. CLM team is also authorized to hold the payment of any contractor in case any default on statutory payments.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
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 & 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	51.45%
Working Conditions	51.45%

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. No significant risk/concern regarding health and safety were identified during FY 23-24.

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. The below listed stakeholders have direct impact on operations and working of the company.

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

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Investor and Lenders	No	<ul style="list-style-type: none"> Annual Reports and Sustainability Reports Investor/ Analyst Meets, calls Including Plant Visits Quarterly Results Company Website Stock Exchange Filings Media Release 	Annually/ Quarterly	<ul style="list-style-type: none"> Economic Value Generated and Distributed Long-Term Value Creation Transparency Good ESG Governance High Reputation and Brand image Data Privacy
Regulatory bodies and government agencies	No	<ul style="list-style-type: none"> Open Invitations Specialised Programmes Seminars Media Releases Conferences Membership and Associations 	Quarterly, Need base	<ul style="list-style-type: none"> Proactive Compliance to regulatory approvals Implementation of Compliance Management System
Employees	No	<ul style="list-style-type: none"> Leadership Development Interventions Monthly manufacturing connect Web Based Performance Dialogue Continuous Feedback Anahata – Employee Assistance Program Nirvana – Employee Wellness Program Employee Induction Employee Experience Town hall Briefing Listening Tour Employee Engagement Survey Emails Quarterly/Publications Newsletters 	Quarterly, Weekly, Monthly, Annually, Need base	<ul style="list-style-type: none"> Diversity Quality of Work & Life Fair Wages and Remuneration Benefits Skill upgradation Career Growth Health & Safety Continuous performance dialogue and feedback
Customers	No	<ul style="list-style-type: none"> Video Conferencing Emails Customer Satisfaction Survey One on one meetings 	Daily, Weekly, Monthly, Annually, Need base	<ul style="list-style-type: none"> Product Quality and Timely Delivery Product availability Competitive Cost Responsible Production Transparency in Disclosure Climate change disclosure and GHG emission reduction targets Life cycle assessment

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
Suppliers and Contractors	No	<ul style="list-style-type: none"> Supplier Meets Supplier Assessment MoU Agreements Contract Discussion Meetings Daily Toolbox Talks, Weekly Discussion Meetings Performance Review 	Daily, Weekly, Need base	<ul style="list-style-type: none"> On Time Payment Ethical Behavior Sustainable Growth
Local Communities	No	<ul style="list-style-type: none"> Community engagement during CSR Initiatives Regular Engagement to understand concerns and requirement 	Quarterly, Need base	<ul style="list-style-type: none"> Development Interventions Local Employment Generation

Leadership Indicators

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

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

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

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

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

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

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	2650	2650	100%	2736	2736	100%
Other permanent	36	36	100%	26	26	100%
Total Employees	2686	2686	100%	2762	2762	100%
Workers						
Permanent	3450	3450	100%	3449	3449	100%
Other than permanent	9308	9308	100%	7262	7262	100%
Total Workers	12758	12758	100%	10711	10711	100%

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal Minimum to Wage		More than Minimum Wage		Total (D)	Equal Minimum to 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	2496	0	0	2496	100%	2582	0	0	2582	100%
Female	154	0	0	154	100%	154	0	0	154	100%
Other than permanent Employees										
Male	33	0	0	33	100%	25	0	0	25	100%
Female	3	0	0	3	100%	1	0	0	1	100%
Workers										
Permanent Workers										
Male	3416	0	0	3416	100%	3422	0	0	3422	100%
Female	34	0	0	34	100%	27	0	0	27	100%
Other than permanent workers										
Male	8920	3100	34.8%	5820	65.2%	6918	0	0	6918	100%
Female	388	142	36.6%	246	63.4%	344	0	0	344	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in lakhs ₹)	Number	Median remuneration/ salary/ wages of respective category (in lakhs ₹)
Board of Directors (BoD)- Executive Directors	6	260.13	0	-
Board of Directors (BoD)- Non- executive Directors	0	-	1	9.9
Key Managerial Personnel*	2	133.0	0	-
Employees other than BoD and KMP	2496	7.34	154	6.91
Workers	3416	3.6	34	3.58

Note : Median salary of all AIL employees excluding BOD is ₹4.37 lakhs

*KMP exclusive of those already covered in Executive Directors

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	4%	3.6%

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

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

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

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

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

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

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

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

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not Assessed - As no child labour is employed
Forced/involuntary labour	Not Assessed - As no forced/ in voluntary labor is employed
Sexual harassment	100% - By internal committee
Discrimination at workplace	100%
Wages	100% - By internal audit

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

Not Applicable as there was no audit concerns in the above area during FY 23-24

Leadership Indicators

- 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 2023-24. Maintaining a proactive approach, we have established comprehensive policies and internal controls to ensure that there are no issues related to Human Rights.
- Details of the scope and coverage of any Human rights due-diligence conducted.
We have conducted Human rights assessment for all of our manufacturing units internally. We have validated our internal assessment through a third party for 4 divisions and the remaining are in progress.
- 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.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	51.45%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

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

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

Essential Indicators

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23* (Previous Financial Year)
From renewable sources (GJ)		
Total electricity consumption (A)	54,952	745
Total fuel consumption (B)	6,134	3,426
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	61,086	4,170
From non-renewable sources (GJ)		
Total electricity consumption (D)	563183	617,588
Total fuel consumption (E)	6,014,507	6,810,562
Energy consumption through other sources (F)	1071829	448310
Total energy consumed from non renewable sources (D+E+F)	7,649,519	7,876,460
Total energy consumed (A+B+C+D+E+F)	7,710,605	7,880,630
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (GJ/ Turnover in lakhs (₹))	11.00	10.82
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	2.93	Not monitored
Energy intensity in terms of physical output	8.325	9.095
Energy intensity (optional) – the relevant metric may be selected by the entity		

*Note : Energy Consumption Value Changed as per revision in BRSR format

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

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? **(Yes/No)** 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2,657,491	2,596,187
(iv) Seawater / desalinated water	0	0
(v) Others (KL) (Rain Water)	8,223	6,547
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,665,714	2,602,734
Total volume of water consumption (in kilolitres)	2,429,970	2,386,749
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (KL/turnover in lakhs (₹))	3.47	3.28
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.92	Not monitored
Water intensity in terms of physical output (KL/ MT of Product)	2.624	2.755
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

4. Provide the following details related to water discharged:

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	102756	76465
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	132988	139,520
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	235,744	215,985

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Yes, 11 (8 Zero Liquid Discharge & 3 Zero Liquid Discharge ready plant) out of 16 of our manufacturing facilities are Zero Liquid Discharge ready. We have built in-house water treatment plants to recycle used water and further used for industrial operations. We are currently working towards making all our units ZLD ready facilities that will increase the amount of water recycled by us thereby reducing freshwater consumption. The secondary treated wastewater is sent to a common effluent treatment plant for tertiary treatment and discharge from the manufacturing facilities that do not have ZLD status currently.
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	MT	440	493
SOx	MT	987	1,147
Particulate matter (PM)	MT	549	530
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	MT	70	50
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (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	605,619	685,701
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	169,223	134,478*
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	TCO ₂ e/ Turnover in Lakhs (₹)	1.11	1.13
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	(TCO ₂ e/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.29	Not monitored
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e/MT of Product	0.837	0.947
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*Note : Quantity changed due to typing error in the BRSR report

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

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

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

- Minimizing energy losses
- Improving energy efficiency through equipment
- upgrade and process
- Renewable energy and alternate fuel
- Adopting new technologies
- Eliminating process emission

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

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	300	202
E-waste (B)	13	21
Bio-medical waste (C)	0.07	0.1
Construction and demolition waste (D)	0	0
Battery waste (E)	8	17
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	356866	349316*
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	31842	42332
Total (A+B + C + D + E + F + G + H)	389030	391888
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT/ Turnover in Lakhs (₹))	0.55	0.54
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.15	Not monitored
Waste intensity in terms of physical output	0.42	0.45
Waste intensity (optional) – the relevant metric may be selected by the entity	--	--

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled (Including plastic waste)	347197	349200
(ii) Re-used	0	0
(iii) Other recovery operations (E-Waste and Battery)	11484	7403
Total	358681	356603
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	4,469	6366
(ii) Landfilling	25,880	28,919
(iii) Other disposal operations (BMW)	0.07	0.1
Total	30349	35285

*Note : Quantity changed due to error in accounting of waste data.

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

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

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

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

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

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

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

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

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

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

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
EXPANSION OF CHEMICAL FERTILIZER UNIT BY M/S. AARTI FERTILIZERS (A DIVISION OF AARTI INDUSTRIES) -Vapi	EIA Notification S.O. 141(E) [14-09-2006] as amended	24/12/2023	Yes	Yes	https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F442787%2F2023&proposal=8934252
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	11/04/2023	Yes	Yes	https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F419266%2F2023&proposal=3208754
Production capacity expansion by 20% of existing production capacity within the existing plant facility for manufacturing of Synthetic organic chemicals (i.e. Dyes & Dye Intermediates, Bulk Drugs and intermediates excluding drug formulation, synthetic rubbers, basic organic chemicals, other synthetic organic chemicals and chemical intermediates) located at plot no. 1430/1, NH no. 8A, Village & Taluka Bhachau, District Kutch, Gujarat.	EIA Notification S.O. 141(E) [14-09-2006] as amended	06/03/2024	Yes	Yes	https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F465160%2F2024&proposal=51634363

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:

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

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

Leadership Indicators

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

For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area: Manufacturing locations situated in Gujarat & Maharashtra

(ii) Nature of operations: Manufacturing of speciality chemical

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2,657,491	2,596,187
(iv) Seawater / desalinated water	0	0
(v) Others	8,223	6,547
Total volume of water withdrawal (in kilolitres)	2,665,714	2,602,734
Total volume of water consumption (in kilolitres)	2,429,970	2,386,749
Water intensity per rupee of turnover (Water consumed / turnover) (Water Consumed in KL/ Turnover in lakhs (₹))	3.47	3.28
Water intensity (optional) – the relevant metric may be selected by the entity (Water consumed in KL/ MT of product)	2.624	2.755
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	102756	76465
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary treatment)	132988.38	139,519.54
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	235,744.38	215,984.54

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,068,585	2,301,952*
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/ Turnover In Lakhs (₹)	2.9	3.16
Total Scope 3 emission intensity (optional) –	TCO ₂ e / MT of product	2.23	2.66

*Note : Scope 3 emission value change due to incorrect decimal marking in emission factor

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

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

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

Not Applicable

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Conversion of batch process to semi continuous	The team of scientists studied the entire process to convert aromatic chlorides to the corresponding aromatic fluorides and the chemistry proposed the changes and validated its pilot plant before commercializing to convert the batch process to semi continuous. The change has lead us to significant positive impact of product performance as wells as environment	<ul style="list-style-type: none"> • 26% reduction in reaction time thus reducing the exposure • 15% increase in the conversion rate • 4% in the yield • Negligible residue
2	Ammonolysis	Ammonolysis is one of the high-pressure reactions that is carried out in which one of the hazardous chemicals ammonia is used. We needed to reduce the batch cycle time (BCT) and its exposure. The hydrodynamic/mixing study and kinetics study were conducted with the help of CFD software, alongside several pilot trials, aimed at reducing BCT. These studies were conducted for this process using a unique software. Based on these studies several DOEs were proposed for Lab Trials at LCTM ensuring the alignment with the Process safety via systematic ARC & TSU studies. The proposed DOEs have changes in operating parameters like Temperature, mixing, Concentrations, etc & validated in the Pilot plant.	Through the power of process intensification studies, we were able to achieve a remarkable over 50% reduction in batch cycle time.

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

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

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As 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 and performed LCA for our 56.53% product by spending. Additionally, we have undertaken various initiatives to reduce emissions across our value chain and promote the use of a diverse energy mix.

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

We screen our supplier based on Environmental, Social and Governance (ESG) aspects as per ALL'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, 51.45% 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 ten 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
8	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
9	Chemicals and Petrochemicals Manufacturers' Association	National
10	Indian Speciality Chemical Manufacturers' Association	National

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

Not Applicable since there were no cases of anti-competitive conduct in FY 2023-24.

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

Leadership Indicator

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

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web link, if available
1	Advocated for policy amendments to promote chemical recycling, fostering circularity and reducing carbon footprint.	Collaborating with industry associations and peers to establish policy recommendations through consensus, followed by actively advocating for them to pertinent government bodies and ministries to drive industry development.	Yes	NA	
2	Advocated for "Ease of Doing Business" through simplified statutory approvals.		Yes	NA	
3	Recommended trade facilitation measures and duty rationalization.		Yes	NA	

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

As per the applicable laws, none of the projects undertaken by our company can be categorized under the SIA mandate. Hence no SIA done during FY 23-24

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

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

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

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

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

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

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	24.76%	18.80%
Directly from within India	77.37%	72.67%

*Note : Number is changed due to changes in BRSR format

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

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0	0
Semi-urban	9%	8%
Urban	58%	61%
Metropolitan	33%	31%

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

Leadership Indicators

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

Not Applicable since Company did not undertake any Social Impact Assessment (SIA) for its CSR Projects during the FY 2023-24.

Details of negative social impact identified	Corrective action taken
Nil	Nil

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

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

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

Yes

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

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

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

8%

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)	Benefit shared (Yes / No)
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.

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

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education & Skill Development	2450	100%
2	Healthcare	755	100%
3	Tribal & Rural Development	41183	100%
4	Environment & Water Conservation	54863	100%
5	Women Empowerment	54680	100%
6	Livelihood Opportunities & Housing Aid	15	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.

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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 Product	65	14	-	57	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

- 7 Provide the following information relating to data breaches:

- a. Number of instances of data breaches

No data breaches were recorded in FY 2022-23

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

Not Applicable

- c. Impact, if any, of the data breaches

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
The details of our products and services are disclosed publicly at: <https://www.aarti-industries.com/products>
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
We adhere to EU REACH Compliance and MSDS regulations to maintain information transparency with our customers. We interact with our customers on the quality and safety of our products, as well as their appropriate use and disposal.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
We engage with our customers on a frequent basis to update them on business continuity and product supply. In case of any potential disruption of supplies the customers and relevant stakeholders are informed well in advance to ensure seamless operation. The communication with our customers is conducted via emails in case of any disruptions or shutdown and further mitigation actions are conveyed.
4. Does the entity display product information on the product over and above what is mandated as per local laws? **(Yes/No/Not Applicable)** If yes, provide details in brief.
Yes, we adhere to GHS labeling and MSDS for describing and conveying product details, hazards, and safety precautions. We adopt the standards set forth by the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) rules of the European Union.
5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? **(Yes/No)**
We constantly undertake customer satisfaction surveys to understand our delivery quality and areas for improvement, including the health and safety of our consumers. The survey is focused on three key areas: 1) Packaging Quality, 2) Product Quality c) MSDS Information, in addition to other areas. We achieved a score of 4.2 out of 5 in the customer satisfaction survey conducted during FY 23-24.