



August 26, 2024

National Stock Exchange of India Limited

BSE Limited

Symbol: NYKAA

Scrip Code: 543384

Dear Sirs,

Sub: Business Responsibility and Sustainability Report for the financial year 2023-24

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, please find enclosed the Business Responsibility and Sustainability Report (“**BRSR**”) of the Company for the financial year 2023-24 which forms part of the Integrated Annual Report for the financial year 2023-24.

The BRSR is also available on the website of the Company at www.nykaa.com/annual-report/lp.

We request you to take the same on your record.

Thanking You,

For FSN E-Commerce Ventures Limited

Neelabja Chakrabarty

Company Secretary & Compliance Officer

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity

L52600MH2012PLC230136

2. Name of the Listed Entity

FSN E-Commerce Ventures Limited

3. Year of incorporation

April 24, 2012

4. Registered office address

104, Vasani Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400 013, Maharashtra, India.

5. Corporate address

A2, 4th Floor, Cnergy IT Park, Appasaheb Marathe Marg, Opposite Tata Motors, Prabhadevi, Mumbai 400025, Maharashtra, India.

6. E-mail

nykaacompanysecretary@nykaa.com

7. Telephone

022-66149696

8. Website

<https://www.nykaa.com/>

9. Financial year for which reporting is being done

April 1, 2023 – March 31, 2024

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	Retail sale via e-commerce	The Company is engaged in the business of selling & distribution of beauty, wellness, fitness, personal care, health care, skin care, hair care products on the online platforms or websites such as e-commerce, m-commerce, internet, intranet.	84%
2	Marketing support and marketplace services		11%
3	Wholesale of cosmetics (Offline – Own brands)		5%

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

S. No.	Product/Service	NIC Code	% of Turnover contributed by the product
1	Retail sale via e-commerce	52512	95%
2	Wholesale of cosmetics (Offline – Own brands)	51391	5%

10. Name of the Stock Exchange(s) where shares are listed

- BSE Limited (BSE)
- National Stock Exchange of India Limited (NSE)

11. Paid-up Capital (as on March 31, 2024)

₹2,85,59,85,609

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Mr. P. Ganesh CFO

Email: nykaacompanysecretary@nykaa.com

Tel: + 91 022-66149696

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).

We have considered FSN E-Commerce Ventures Limited and its subsidiary Nykaa E- Retail Limited ('E-Retail') for the purpose of disclosures under this report, collectively referred to as 'Company' or 'Nykaa'.

14. Name of assurance provider

TUV India Pvt Ltd

15. Type of assurance obtained

Reasonable Assurance

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	Not Applicable	28*	28
International		NA	

*Includes 22 warehouses and 6 office locations

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	NA

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

Nil, the Company has a separate subsidiary (FSN International) which deals with exports.

c. A brief on types of customers

Nykaa leverages an omnichannel strategy encompassing e-commerce, mobile commerce, and physical retail to cater to the growing demand for beauty and personal care (BPC) products among tech-savvy consumers in India, with a particular focus on Gen Z and millennial demographics.

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)	1,669	1,071	64.17%	598	35.83%
2	Other than Permanent (E)	1,018	198	19.45%	820	80.55%
3	Total employees (D + E)	2,687	1,269	47.23%	1,418	52.77%
Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	4,340	4,185	96.43%	155	3.57%
6	Total workers (F + G)	4,340	4,185	96.43%	155	3.57%

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)	2	2	100%	-	0%
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D+ E)	2	2	100%	-	0%
Differently abled workers						
4	Permanent (F)	-	-	-	-	-
5	Other than permanent (G)	-	-	-	-	-
6	Total differently abled workers (F + G)	-	-	-	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	4	40%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-2024			FY 2022-2023			FY 2021-2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26%	40%	31%	27%	38%	31%	26%	35%	30%
Permanent Workers	-	-	-	-	-	-	-	-	-

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 in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nykaa E-Retail Limited	Direct Subsidiary	100%	Yes
2	FSN Brands Marketing Private Limited	Direct Subsidiary	100%	No
3	Nykaa-KK Beauty Private Limited	Direct Subsidiary	51%	No
4	Nykaa Fashion Limited	Direct Subsidiary	100%	No
5	FSN International Limited	Direct Subsidiary	100%	No
6	FSN Distribution Limited	Direct Subsidiary	100%	No
7	Dot & Key Wellness Private Limited	Direct Subsidiary	51%	No
8	Nudge Wellness Private Limited	Direct Subsidiary	60%	No
9	Earth Rhythm Private Limited	Associate	18.51%	No
10	Iluminar Media Limited	Direct Subsidiary	100%	No
11	Nykaa Foundation	Direct Subsidiary	99.99%	No
12	FSN Global FZE	Step-down Subsidiary	100%	No
13	Nykaa International UK Limited	Step-down Subsidiary	100%	No
14	Nessa International Holdings Limited	Step-down Subsidiary	55%*	No
15	Nysaa Beauty LLC	Step-down Subsidiary	55%*	No

*Effective shareholding of FSN E-Commerce Ventures Ltd.

VI. CSR Details

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

(ii) Turnover: ₹50,378 million

(iii) Net worth: ₹22,715 million

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 2023-2024			FY 2022-2023		
		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	-	0	0	-
Investors (other than shareholders)	Yes*	0	0	-	0	0	-
Shareholders	Yes*	8	0	-	43	0	-
Employees and workers	Yes*	3	1	-	1	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023-2024			FY 2022-2023		
	(If yes, then provide web-link for grievance redress policy)	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
Customers	Yes* Privacy Policy (nykaa.com)	8,156	0	0.021% of total orders - reduction due to optimizing SOPs	9684	0	0.03% of total orders, reduction due to optimizing process and system automation
Value Chain Partners	Yes*	0	0	-	0	0	-
Others – Brand Partners	Yes*	0	0	-	0	0	-

*Vigil mechanism/ Whistle blower policy, all stakeholders can write mail to nykaa@tip-offs.in/ whistleblower.employees@nykaa.com or call on toll free number 1800 210 8988 and anonymously raise actual or suspected concerns regarding incidents of wrongdoing, fraud or any unethical practices that violates Nykaa code of conduct

The Company policies are hosted on the website at <https://www.nykaa.com/policies>

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	Sustainable Sourcing (Raw materials/ product sourcing)	Risk & Opportunity	Sustainable sourcing is crucial for Nykaa to meet evolving consumer expectations, address concerns from NGOs, and strengthen our overall ESG performance. Prioritizing sustainability enhances supply chain resilience, reduces environmental impact, and builds brand reputation. It allows for partnerships with like-minded suppliers and may open doors to collaboration with ethical investors.	Nykaa has implemented sustainable sourcing practices, including the utilization of recycled plastics for packaging needs within our operations. Approximately 85% of our packaging materials are sourced from eco-friendly sources. Additionally, the company predominantly procures packaging materials from small and medium-scale enterprises, aiming to foster the MSME ecosystem as a component of our social responsibility initiatives.	Negative & Positive
2	Privacy and Data Security	Risk	As an e-commerce platform, Nykaa recognizes that robust cybersecurity and data protection are essential for maintaining consumer trust. Protecting sensitive customer information safeguards our reputation, minimizes the risk of legal and financial penalties, and ensures compliance with data privacy regulations. Proactive data protection measures foster customer loyalty and can become a competitive advantage in the long term.	Nykaa allocates substantial resources to cyber-security and data protection measures, which encompass regular assessments (including third-party assessments) of vital IT systems and technological infrastructure. Utilizing cutting-edge cybersecurity technologies and IT control systems, the company maintains a proactive stance. Furthermore, regular company-wide awareness sessions are conducted for all employees to uphold and disseminate best practices in cybersecurity.	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	Labour Management	Risk & Opportunity	<p>Adherence to labor laws and ethical practices across our operations and supply chain is a non-negotiable commitment. It mitigates legal and reputational risks while building a positive employer brand for Nykaa in a competitive talent market.</p> <p>Proactive compliance attracts socially conscious partners, customers, and employees, creating positive ripple effects for the company's growth and social impact</p>	Nykaa has undertaken significant initiatives to ensure full compliance with labour regulations as mandated by law. We have partnered with a Tier 1 Compliance consultant, and adherence is periodically reviewed.	Negative & Positive
4	Supply Chain Management	Risk & Opportunity	<p>An efficient and resilient supply chain is directly linked to Nykaa's revenue, customer satisfaction, and environmental footprint. Disruptions can lead to significant financial losses and damage our reputation amongst customers.</p> <p>Optimizing our supply chain mitigates risks, reduces operational costs, decreases emissions, and builds adaptability to challenges posed by geopolitical events, extreme weather, or potential infrastructure failures.</p>	Nykaa operates a decentralized supply chain strategy focused on localized fulfillment, facilitating deliveries from the closest fulfillment centers. This approach optimizes shipment expenses and inventory investments while leveraging economies of scale and reducing ecological impact. Furthermore, the company ensures that its business partners and suppliers adhere strictly to human rights compliance, encompassing regulations concerning child labor, forced labor, harassment prevention, discriminatory employment practices, and other labor standards.	Negative & Positive
5	Product Safety and Quality	Risk & Opportunity	Nykaa understands the paramount importance of ensuring the safety and quality of products sold on the platform. A rigorous focus on safety builds strong customer trust, differentiates us in the market, and minimizes the risk of product recalls and costly lawsuits. Investing in testing, adhering to safety regulations, and sourcing high-quality ingredients are key components of our long-term commitment to responsible product development.	<p>(a) Our proprietary product designs prioritize ethically sourced ingredients and adhere to environmentally friendly formulations, aligning with established regulatory frameworks. Rigorous safety testing is conducted throughout the development process to ensure product safety during use and over time. Employing low carbon footprint production practices in accordance with Good Manufacturing Practices (GMP), our consciously curated formulations are packaged using environmentally acceptable materials. Prior to launch, products undergo extensive testing with real consumers to ensure an exceptional consumer experience. As a socially responsible brand, the majority of our product designs are Paraben-free, Mineral oil free, cruelty free, Vegan, and utilize Natural actives, among other considerations.</p> <p>(b) Our suppliers are dedicated to providing products and services of the highest quality that meet all relevant standards.</p>	Negative & Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Consumer Financial Protection	Risk	<p>As an e-commerce platform, Nykaa has a responsibility to proactively protect consumers from fraud, scams, and unfair practices on the platform.</p> <p>Implementing robust consumer protection measures mitigates financial and reputational risks while fostering a sense of security that fuels long-term growth and customer loyalty.</p>	<p>Nykaa has instituted protocols aimed at identifying and mitigating fraudulent activities and scams, enhancing consumer experiences, and bolstering overall satisfaction levels.</p> <p>These measures include fostering an environment conducive to reporting concerns, closely monitoring high-risk activities, assessing sellers based on transactional histories, and imposing restrictions or suspensions on certain sellers when necessary.</p>	Negative
7	Human capital development	Risk & Opportunity	<p>Nykaa prioritizes investment in our human capital, recognizing that attracting, developing, and retaining a skilled, motivated workforce is crucial for innovation, operational efficiency, and sustained growth. Providing competitive benefits, opportunities for development, and a positive work culture boosts employee satisfaction and makes Nykaa an employer of choice in a competitive talent landscape.</p>	<p>Nykaa consistently evaluates and hires experienced professionals to bolster its workforce. Competing in the market to attract and retain skilled personnel across various domains such as product and design technology, sales, digital marketing, brand management, omni-channel retailing, consumer service, supply chain and operations, and corporate functions is a priority.</p> <p>In line with our growth objectives, we have strategically onboarded key personnel and significant market participants to reinforce our senior management team, thus fortifying our capacity to support sustained growth.</p>	Negative & Positive
8	Marketing and Labelling	Risk & Opportunity	<p>Nykaa pursues ethical and effective marketing strategies to drive growth and customer acquisition. Compliance with advertising regulations and maintaining accuracy and transparency in product labeling are key priorities. These practices build trust, safeguard the company's reputation, and create a positive brand image, while minimizing the risk of legal liabilities.</p>	<p>Nykaa is actively engaged in cultivating a robust customer base through a comprehensive 360-degree marketing strategy, encompassing digital marketing, mass media, diverse content channels, and offline initiatives. This approach mitigates reliance on any singular marketing channel, ensuring a balanced outreach strategy.</p> <p>Moreover, the company meticulously adheres to industry regulations by prominently displaying all requisite information on product labels, as mandated by prevailing industry standards.</p>	Negative & Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	<ul style="list-style-type: none"> • Anti-Corruption & Anti-Bribery Policy • Code of Conduct for Prevention of Insider Trading • Code Of Conduct • Whistle-Blower (Vigil-Mechanism) Policy (both versions) • Information Security Policies (such as Access Management Policy, Acceptable Usage Policy, Cryptographic Control Policy) 	<ul style="list-style-type: none"> • Health, Safety, and Environment (HSE) Policy 	<ul style="list-style-type: none"> • HR Security Policy • Human Rights Policy • Employee Referral Policy • Learning & Development Policy • Leave Policy, Maternity Policy, Time & Attendance Policy, Transfer Policy • Employee Grievance Redressal Policy • Prevention of Sexual Harassment Policy (PoSH) • Health, Safety, and Environment (HSE) Policy 	<ul style="list-style-type: none"> • Code of Practices and Procedures for Fair Disclosure of UPSI • Whistle-Blower (Vigil-Mechanism) Policy • Employee Grievance Redressal Policy • Information Security Policies (such as Access Management Policy, Acceptable Usage Policy, Cryptographic Control Policy) 	<ul style="list-style-type: none"> • Human Rights Policy • Prevention of Sexual Harassment Policy (PoSH) • Whistle-Blower (Vigil-Mechanism) Policy • Employee Grievance Redressal Policy • Information Security Policies (such as Access Management Policy, Acceptable Usage Policy, Cryptographic Control Policy) 	<ul style="list-style-type: none"> • Health, Safety, and Environment (HSE) Policy 	<ul style="list-style-type: none"> • Whistle-Blower (Vigil-Mechanism) Policy 	<ul style="list-style-type: none"> • Corporate Social Responsibility Policy • Human Rights Policy 	<ul style="list-style-type: none"> • Privacy Policy • Record Retention, Disposal, and Cardholder Information Privacy Policy • Information Security Policies (such as Access Management Policy, Acceptable Usage Policy, Cryptographic Control Policy)
b. Has the policy been approved by the Board? (Yes/No)	Yes. Policies are approved by the Board where their review and approval are required, other policies are reviewed and approved by the respective responsible functionaries.								
c. Web Link of the Policies, if available	Policies can be accessed on the link: https://www.nykaa.com/policies/lp and some internal policies are available on our intranet.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusteal standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	BIS CDSCO Vegan and cruelty-free products- BUREAU VERITAS certified								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Nykaa recognizes the importance of operating responsibly and creating a positive social and environmental impact. As a result, we are actively developing a robust Environmental, Social, and Governance (ESG) framework. This framework will establish specific goals designed to drive continuous improvement within our operations and contribute to a more sustainable future. The Nykaa 10x10 initiatives, launched in 2020, are a testament to our ambition across a range of ESG issues including sustainable packaging, energy consumption, and employee well-being. These initiatives were reviewed and updated this year to reflect our continued commitment.</p> <p>Minimizing our environmental footprint is a top priority. In FY 23-24, we achieved a significant milestone by sourcing approximately 85% of our packaging materials from eco-friendly sources and recycling over 141 tonnes of plastic combined from the premises of FSN E-commerce Ventures and Nykaa E-Retail. We prioritise the usage of energy efficient fixtures in our operational locations where feasible. Our Private Label warehouses have achieved a 100% reuse rate for cardboard box waste. Nykaa has been compliant with the applicable Extended Producer Responsibility (EPR) requirements since 2021.</p> <p>Additionally, we have significantly increased our order fulfillment capacity by adopting digital tabs in place of printed order tickets, achieving zero paper utilization for orders processed. Furthermore, we are committed to fostering responsible practices throughout our supply chain. FY 23-24 saw the implementation of a comprehensive human rights policy for Nykaa employees, a crucial first step towards ensuring ethical practices across our value chain. The composition of our Board of Directors demonstrates a strong commitment to gender diversity, with women holding 40% of the seats and approximately 50% of the committees are chaired by women.</p> <p>Transparency and responsible sourcing are critical. Currently, Nykaa is developing clear ethical sourcing guidelines for suppliers. These guidelines will prioritize the use of sustainable raw materials and responsible production processes. The implementation of these guidelines represents a significant step towards a more sustainable future. Furthermore, we are exploring renewable energy options for our facilities, demonstrating our commitment to continuous reduction of our environmental footprint.</p> <p>The Nykaa Foundation has partnered with Rangeet, an innovative impact-initiative organization, to launch an app-based learning program called "SEEK" (Social, Emotional, and Ecological Knowledge). Approximately 20,000 students have benefited from this program. In partnership with Labournet, around 800 women from marginalized backgrounds have been trained to become skilled beauty professionals.</p> <p>Our MD & CEO, Ms. Falguni Nayar, announced a 3-year association between Nykaa and the American India Foundation (AIF) to promote STEM education for girls in India. Additionally, Nykaa supported three tournaments in FY 2024 to deepen our partnership with the Indian Deaf Cricket Association (IDCA). Nykaa remains committed to ongoing monitoring and improvement in all areas of ESG.</p>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>Governance, leadership and oversight</p> <p>Environmental Stewardship: At Nykaa, we remain committed to building a climate-conscious culture and minimizing our environmental footprint. We have made substantial strides in reducing plastic consumption and remain committed to further advancements in this area. Resource optimization and circularity are key priorities, as evidenced by our achievement of 100% corrugated box reuse within our Private Label warehouses. Over the past year, we have significantly enhanced our data collection capabilities to gain a comprehensive understanding of our environmental footprint, including energy consumption and waste generation. This robust data foundation will inform our strategic sustainability initiatives, such as the accelerated adoption of renewable energy sources.</p> <p>Social Responsibility: We are proud to announce that our human rights policy was successfully implemented this year. This policy reaffirms our commitment to upholding ethical labor practices across our entire supply chain.</p> <p>Continuous Improvement: We understand that our journey towards becoming a truly responsible and sustainable organization is a continuous one. We actively seek external validation of our efforts, and this year, we achieved the BRSR Core Assurance certification by TUV India. This demonstrates our dedication to adhering to best practices in business responsibility and sustainability reporting.</p> <p>Looking Ahead: We are committed to ongoing improvement in all areas of our BRSR performance. We will continue to refine our data collection processes, explore new avenues for environmental responsibility, and strengthen our social responsibility initiatives. We have presented our strategic focus areas and initiatives to key stakeholders, including our investors. Our next steps involve leveraging this valuable feedback to establish clear, measurable goals and targets. To foster deeper alignment and collaboration, we will implement a robust stakeholder engagement program built on regular, transparent communication. We are confident that these efforts will contribute positively to a more sustainable future for our industry and society at large.</p>								
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)	<p>Governance, leadership and oversight</p> <p>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)</p>								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policies.	The Board of Directors ensures the Company has clear goals aligned to shareholders' value and its growth, and in line with its Sustainability agenda. Corporate Social Responsibility (CSR) and Environment, Social, and Governance (ESG) Committee reviews and oversees implementation of ESG.								
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.	Yes, Corporate Social Responsibility (CSR) and Environment, Social, and Governance (ESG) Committee								
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 company's Board of Directors, alongside its Board-level Committees, including the Nomination and Remuneration Committee (NRC), Stakeholders' Relationship Committee, Audit Committee, Risk Management Committee, and Corporate Social Responsibility & Environment Social Governance (ESG) Committee, are diligently involved in governance matters.									Quarterly/Half yearly/Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, the company adheres to all relevant statutory and regulatory mandates.																	

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
Yes, we employ a robust functional review mechanism coupled with a rigorous independent internal audit process, ensuring thorough examination of all key policies. Moreover, relevant third-party assessments are periodically conducted across our business units by external auditors.								

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)	Not applicable								
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	3	Training sessions on: (i) Implementation of amendments to SEBI LODR Regulations, 2015 (ii) Other Legal/Regulatory updates	100%
Key Managerial Personnel	6	Training sessions on: (i) Implementation of amendments to SEBI LODR Regulations, 2015 (ii) Training for UPSI & Insider Trading Regulations	100%
Employees other than BoD and KMPs	121	Training cum capacity building sessions on: Prevention of Sexual Harassments (POSH); Application Development Training, Nykaa Manager Program, Nykaa Leader program, Excel Training, Secure Application development Training, Advanced Analytics, Business Essentials, Business Communication, Knowledge Management, Excel Advanced, Accounting & Finance, Power BI, Basic Business Skills, Listening Skills, Programming, Business Math, Effective Writing Skills, Effective Dealing, Problem Solving, Customer Service Management, Continuous Quality Improvement, Leadership, Conflict Management, Personal Development, Programming, Management Essentials, Delegation and Empowerment, Business Etiquette Health, Safety and Environment (HSE) trainings.	100%
Workers	10	POSH and Gender Diversity; Emergency Response trainings; road safety trainings; general Health, Safety and Environment (HSE) trainings; Awareness sessions on workplace safety incidents	26.82%

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	Principle 9	Legal Metrology – Consumer Affairs Ministry	2,87,500	Legal Metrology Notice compounding fees paid to regulatory office	No
Non-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					

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
	Not Applicable

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

Yes, Company's 'Anti-Corruption and Anti-Bribery Policy' covers directors, officers, and employees working for the Company and its subsidiaries or affiliates, together referred to as "the Company" or "Our Company" or "Nykaa". The policy further applies to anyone who acts for the Company, including employees (direct/indirect), contractors, suppliers, and directors.

To reinforce Nykaa's commitment to the highest ethical standards, the Company requires all employees to acknowledge the Code of Conduct (CoC) upon onboarding. The CoC explicitly addresses anti-corruption and anti-bribery measures. Furthermore, Nykaa has established a comprehensive annual training program encompassing both the CoC and Prevention of Sexual Harassment (POSH) policies. Effective from the following year, the Company will be implementing a yearly renewal process for the CoC, requiring employees to reaffirm their adherence to the policy at the beginning of each calendar year.

Web-link: <https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/10-11/Anti-Corruption-andAnti-Bribery-Policy.pdf>

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 2023-2024	FY 2023-2024
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2023-2024		FY 2023-2024	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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

Not Applicable, as no such cases were observed.

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

	FY 2023-2024	FY 2023-2024
Number of days of accounts payables	36	39

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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	FY 2022-23
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	6%	8%
	b. Number of dealers / distributors to whom sales are made	623	496
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	77%	97%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	16%	17%
	b. Sales (Sales to related parties / Total Sales)	5%	7%
	c. Loans & advances* (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

*For the purpose of above disclosure, loans given (net) to related parties is considered in line with related party disclosure in financial statements.

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

During the year, Nykaa conducted various awareness programs for workers. These sessions cover a broad range of topics, including:

- Fire safety, emergency response procedures, and road safety to ensure a safe working environment.
- POSH guidelines to enhance awareness about fostering inclusive workplaces
- Monthly updates on relevant rules and regulations for the security guards
- Periodic seminars to promote positive social values, such as women's empowerment.

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

The Company maintains Code of Conduct for its Board of Directors and Senior Management personnel (collectively, "Leadership"). This Code outlines principles of ethical conduct, including a framework for managing conflicts of interest. Leadership is expected to act with impartiality and avoid any situations that could compromise their independent judgment. This includes refraining from using their position for personal gain or the benefit of associates.

To ensure transparency and promote ethical decision-making, Leadership is required to disclose any existing or potential conflicts of interest. This disclosure should encompass relationships with individuals, firms, or other entities that might influence their objectivity while fulfilling their duties to the Company. Disclosures are mandatory both upon appointment and whenever circumstances change.

Nykaa is firmly committed to the highest ethical standards and has zero tolerance for bribery or corruption. Our Board operates under a robust evaluation framework. The Chair of the Nomination and Remuneration Committee leads ongoing discussions among directors to identify opportunities to enhance Board efficiency and effectiveness. A designated channel, speakup@nykaa.com, is available for reporting any potential or actual conflicts of interest.

The complete Code of Conduct can be found on the Company's Investor Relations webpage: Code-of-Conduct-for-Board-and-Senior-Management.pdf (nykaa.com)

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 improvement in environmental and social aspects
R&D	-	-	-
Capex	-	3.74%	-

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

Yes, Nykaa does have procedures in place for sustainable sourcing.

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

To promote responsible practices, the Company incorporates ESG considerations into its business agreements with participating vendors and suppliers. While these agreements ensure workplace safety through training and monitoring requirements, they also extend to encompass certain environmental considerations. Notably, they establish guidelines related to minimizing environmental damage through responsible material sourcing and waste management practices.

As part of Nykaa’s ongoing commitment to sustainability and responsible business practices, the company is currently undertaking a comprehensive review of its procurement policy. This initiative aims to realign Nykaa’s procurement practices with industry benchmarks while also strengthening Environmental, Social, and Governance (ESG) considerations into the policy framework. By incorporating ESG aspects into the procurement policy, Nykaa seeks to further enhance its commitment to ethical sourcing, environmental stewardship, and social responsibility across its supply chain.

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

Due to its focus on retail operations, Nykaa’s product related waste generation is limited to expired and damaged products. The Company employs authorized vendors to ensure the safe disposal of such waste through incineration.

The Company has been further compliant with the Extended Producer Responsibility (EPR) guidelines since April 2021. The plastic waste generated from packaging used while shipping products is recycled via authorized vendors.

- 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.**

Nykaa and its subsidiaries demonstrate a commitment to environmental responsibility through adherence to Extended Producer Responsibility (EPR) regulations. This compliance began in April 2021, with the company receiving certification as a “Brand Owner and Importer” from the Central Pollution Control Board (CPCB). To ensure proper waste collection across different states, Nykaa has established agreements with authorized CPCB-registered recyclers. Furthermore, the company successfully achieved its EPR target for FY2024 through a designated recycler, fulfilling all necessary updates for annual filings on the EPR portal.

Beyond waste management, Nykaa prioritizes the safety and well-being of its employees, operations, and the environment through a comprehensive Health, Safety, and Environment (HSE) framework. This framework encompasses a range of measures to promote safety in the workplace, warehousing, and logistics operations, on the road, and through responsible waste management practices.

Leadership Indicators

1. 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
	Despite its primary focus on retail operations with limited involvement in manufacturing, Nykaa acknowledges its broader environmental and social responsibility. This responsibility acts as a guiding principle throughout the product lifecycle, encompassing creation, design, and execution.	
	Nykaa prioritizes ethical sourcing of ingredients that minimize environmental impact. Further, product formulations are consciously designed to be eco-friendly. Production practices adhere to Good Manufacturing Practices (GMP) and employ low-carbon footprint methods. Environmentally friendly packaging materials further reflect Nykaa's commitment to sustainability.	
	Rigorous safety testing ensures all products comply with stringent regulatory frameworks. Extensive consumer testing is undertaken before launching a product to ensure product designs deliver a positive user experience.	
	Furthermore, Nykaa demonstrates its social responsibility by offering a wide range of products formulated without parabens, mineral oils, and cruelty-free practices. Many products are vegan and incorporate natural ingredients. This dedication to ethical sourcing and sustainable practices underscores Nykaa's commitment to the wellbeing of society and the environment.	

2. 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	FY 2022-23
	Not Applicable, as the Company is not involved in manufacturing.	

3. 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			FY 2022-23		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA*	NA	NA	NA* (247)	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste (Expired products)	NA	NA	12.17	NA	NA	NA

*Clarification on Recycled Plastic Reporting: Prior disclosures on recycled plastic waste from shipping materials are not applicable to product packaging.

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

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable, as the Company is not involved in manufacturing.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,071	1,071	100%	1,071	100%	NA	NA	1,071	100%	Day care facilities for all eligible locations to be provided from FY25.	
Female	598	598	100%	598	100%	598	100%	NA	NA		
Total	1,669	1,669	100%	1,669	100%	598	36%	1,071	64%		
Other than Permanent employees*											
Male	198	198	100%	-	-	-	-	-	-	-	-
Female	820	820	100%	-	-	-	-	-	-	-	-
Total	1,018	1,018	100%	-	-	-	-	-	-	-	-

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	Not Applicable										
Female	-										
Total	-										
Other than Permanent workers											
Male	4,185	4,185	100%	4,185	100%	NA	NA	NA	NA	NA	NA
Female	155	155	100%	155	100%	155	100%	NA	NA	NA	NA
Total	4,340	4,340	100%	4,340	100%	155	4%	NA	NA	NA	NA

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

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.04%	0.04%

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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

Benefits	FY 2023-24			FY 2022-23		
	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%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	0.48%	96%	Yes	0.80%	100%	Yes
Others – please Specify (Employee Compensation Policy as per Act)	-	4%	Yes	-	-	-

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.

Nykaa is dedicated to fostering a work environment that is inclusive and accessible for all employees. We continuously strive to ensure our offices meet accessibility standards and implement improvements to enhance the experience for everyone on our premises. This commitment is further solidified by the implementation of our Human Rights Policy in FY24. This policy underscores Nykaa's respect for human rights and reinforces our dedication to providing employees with disabilities the resources and facilities they need to perform their jobs effectively, in accordance with the Rights of Persons with Disabilities Act.

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.

Nykaa's unwavering commitment to equal opportunity is enshrined within our Code of Conduct. We maintain a zero-tolerance policy for any type of discrimination across the entire value chain, encompassing gender, caste, color, creed, disability, or any other unlawful or discriminatory attribute.

Nykaa adopted a Human Rights Policy in FY24. This policy underscores our ongoing efforts to strengthen equal opportunity practices within the company. We strive to ensure a level playing field where all individuals have a fair chance to compete for and succeed in roles at Nykaa. Support for individuals with disabilities will be ensured, allowing them to effectively perform their job responsibilities. Nykaa will continue to cultivate a workplace culture that embraces and includes all employees.

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	100.00%	79%	-	-
Female	100.00%	55%	-	-
Total	100.00%	73%	-	-

Note: In FY 2023-24, the Company has standardized retention rate calculation methodology aligned with latest BRSR guidelines. Consequently, previous year data is not comparable.

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	The Company has established a multi-tiered grievance redressal process to ensure all employee concerns are addressed promptly and fairly.
Other than Permanent Workers	Formal Channels:
Permanent Employees	<ul style="list-style-type: none"> • Direct Communication: Employees are encouraged to initially discuss any grievances with their Reporting Manager and the respective Head of Department. • Human Resources Department: If an initial discussion does not yield a satisfactory resolution, employees can escalate their grievances to the HR department for further investigation and action.
Other than Permanent Employees	<p>Additional Reporting Options:</p> <ul style="list-style-type: none"> • Independent Third-Party Facility: Nykaa utilizes an independent, third-party facility to facilitate the reporting of concerns. This avenue provides employees with the option to report anonymously if desired. • Periodic HR Visits: The HR department conducts regular visits to various warehouse locations. These visits provide employees with another opportunity to raise concerns directly with HR personnel. <p>E-Grievance Reporting: For added convenience, Nykaa offers dedicated email addresses for reporting specific concerns:</p> <ul style="list-style-type: none"> • SpeakUp (speakup@nykaa.com): Employees can use this email address to report any concerns or grievances. • POSH (Posh@nykaa.com): Employees can use this email address to report incidents of harassment or discrimination under the Prevention of Sexual Harassment (POSH) Act. • Whistle Blower policy: To ensure a safe and ethical environment, individuals can anonymously report actual or suspected concerns regarding incidents of wrongdoing, fraud, or any unethical practices by writing to our confidential tip line: nykaa@tip-offs.in/nykaa@tip-offs.in. Employees may also directly communicate with the Chairperson of the Audit Committee via email: auditcommitteechair@nykaa.com

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

Category	FY 2023-24			FY 2022-23		
	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	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

Note: Company has no recognized Trade Union or any other associations.

8. Details of training given to employees and workers:

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,071	675	63%	765	71%	995	305	31%	759	76%
Female	598	348	58%	407	68%	630	65	10%	401	64%
Total	1,669	1,023	61%	1,172	70%	1,625	370	23%	1,160	71%
Workers										
Male	4,185	700	17%	-	-	3,617	3,617	100%	-	-
Female	155	57	37%	-	-	139	139	100%	-	-
Total	4,340	757	17%	-	-	3,756	3,756	100%	-	-

Note: Health & Safety training was initiated last year with a focus on general safety topics. This year's training emphasized specific areas such as induction for new joiners, road safety, and Emergency Response Team (ERT) training. Continuous improvement in Health & Safety training remains a priority for Nykaa.

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,071	1,008	94%	995	878	88%
Female	598	545	91%	630	536	85%
Total	1,669	1,553	93%	1,625	1,414	87%
Workers						
Male						
Female						
Total						

Note: Out of the total permanent employees, some employees may be out of performance review cycle due to time-bound criteria i.e., prohibition or resignation period. Worker's performance review and development is managed by the Consultants.

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?

The Company prioritizes the health and safety of all stakeholders, encompassing employees, customers, business partners, suppliers, and visitors. This commitment is formalized through our comprehensive Health, Safety, and Environment (HSE) Policy.

The HSE Policy establishes a robust framework for managing all aspects of safety and environmental well-being. This framework includes:

- Proactive Risk Management: We actively identify and mitigate potential safety and environmental hazards to minimize risks.
- Performance Monitoring and Benchmarking: Our practices are continuously monitored and benchmarked against industry standards to ensure ongoing improvement in HSE performance.
- Enhanced Incident Management: Reporting and investigation procedures for safety incidents are continually strengthened, allowing for effective learning and prevention of future occurrences.
- Continuous Improvement Programs: Regular audits and ongoing improvement programs are implemented to foster a culture of safety throughout the organization.
- Employee Engagement: We actively encourage employee engagement in upholding safety standards by promoting their involvement in safety initiatives.
- Comprehensive Safety Awareness Programs: Employees are equipped with the necessary knowledge and skills through comprehensive training and communication programs that emphasize established safety policies and best practices.
- Dissemination of Learnings: Learnings gained from past incidents are actively disseminated to prevent similar occurrences in the future.

Nykaa's commitment to safety extends to all our workplaces. We continuously integrate and improve our HSE systems, ensuring the highest safety standards for both existing and new facilities. This year, we strengthened emergency preparedness by establishing Emergency Response Teams (ERTs) across all warehouses. These teams support the implementation of emergency evacuation plans and enhance safety measures during critical situations. Furthermore, multiple training sessions were conducted throughout the year to reinforce safety awareness among all employees.

To ensure adherence to safety regulations from time to time, Nykaa undergoes external HSE audits of all locations.

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

The Company prioritizes maintaining a safe working environment for all employees. The inherent nature of our operations minimizes the risk of exposure to hazardous materials. No major incidents or accidents occurred in the workplace during FY24. The severity of any incidents that did occur was very low. Monthly monitoring of workplace incidents allows for early identification and mitigation of potential hazards.

Recognizing the importance of proactive safety measures, Nykaa is committed to ongoing improvement in this area. In the near future, we will plan for an activity-based HIRA.

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

Nykaa prioritizes fostering a culture of safety and open communication. To achieve this, we have developed and implemented a comprehensive incident reporting mechanism across all workplaces.

A dedicated Health, Safety, and Environment (HSE) Single Point of Contact (SPOC) is appointed for each location. Employees are encouraged to report all incidents, including near misses and unsafe conditions, directly to their designated HSE SPOC. These SPOCs are responsible for:

- Incident Reporting Intake: Receiving and documenting all reported incidents.
- Investigative Action: Initiating appropriate investigations into reported incidents.
- Corrective Action Implementation: Developing and implementing corrective actions to address identified hazards and prevent future occurrences.

Workers are actively informed about the incident reporting mechanism through regular training sessions. Additionally, QR codes are strategically placed throughout workplaces to allow for the immediate reporting of near misses and unsafe conditions via mobile devices. This multi-faceted approach empowers employees to actively participate in maintaining a safe working environment.

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

Given the non-hazardous nature of our operations, Nykaa does not maintain an in-house health care center. However, we prioritize the well-being of our employees by having readily available first-aid boxes in all accessible workplace locations. Additionally, the Company has established a partnership with a doctor to ensure access to medical services when necessary. We also offer voluntary one-to-one counselling available in telephonic, virtual & in-person sessions conducted by external mental health professionals. This initiative extends to employees and their families.

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

Safety Incident/Number	Category*	FY	FY
		2023-24	2022-23
Lost Time Injury	Employees	0	0
Frequency Rate (LTIFR) (per one million-person hours worked)	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
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

*Including in the contract workforce

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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

Nykaa prioritizes the well-being of its employees by maintaining a safe and healthy work environment. We achieve this through a multi-pronged approach encompassing infrastructure, operations, and continuous improvement initiatives.

Infrastructure Measures:

Comprehensive Safety Systems: All Nykaa offices are equipped with essential safety systems, including smoke detectors, public address systems, sprinklers, and fire hydrant systems. Fire safety compliance is an essential component when a new facility is opened.

Operational Measures:

Safety Training and Awareness: Nykaa provides regular safety training programs / awareness to employees and workers, ensuring they possess the necessary knowledge and skills to identify and respond to potential hazards.

Emergency Preparedness Drills: Mock emergency drills are conducted regularly in collaboration with building management teams. These drills assess preparedness levels, identify areas for improvement, and bolster employee confidence in handling emergency situations.

Proactive Hazard Identification: We are committed to proactive risk management through ongoing Health, Safety, and Environment (HSE) audits. These audits help us identify potential hazards and risks before incidents occur, allowing for timely mitigation strategies.

Readily Available First-Aid Support: First-aid boxes are readily available at all Nykaa workplaces to ensure prompt treatment for minor injuries.

Emergency Response Teams (ERTs): To further enhance emergency preparedness, Nykaa has established Emergency Response Teams (ERTs) comprised of first aid trained personnel and fire-fighting teams. These teams play a critical role in responding to emergencies and ensuring employee safety.

HSE Induction and E-Learning Modules: All new employees undergo comprehensive HSE inductions to familiarize them with company safety policies and procedures. Additionally, an e-learning module on HSE policy is available to all employees, promoting ongoing awareness and knowledge retention.

Future Strategies:

Standardized Training Modules: Nykaa is committed to continuous improvement in its safety program. We are currently developing Standard Operating Procedures (SOPs) for employee based HSE training modules. These standardized modules will ensure consistency and comprehensiveness in safety training across the organization.

Formalized Mock Drill Protocols: SOPs and guidelines for conducting mock drills are also under development. Formalizing these procedures will further strengthen our emergency preparedness efforts and ensure a more systematic approach to conducting drills.

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

Topic	FY 2023-2024			FY 2022-2023		
	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	No complaints			No complaints		
Health & Safety						

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working conditions	100%

To ensure adherence to safety regulations from time to time, Nykaa undergoes external HSE audits of all locations.

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.

There are no major workplace-related incidents reported during the current year.

In response to a few reported minor incidents, the Company has implemented corrective and preventative actions. This includes providing additional safety training and promoting safety awareness programs across the entire workforce. By taking these proactive steps, we aim to further minimize the risk of future occurrences.

Leadership Indicators

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

Nykaa ensures statutory dues from value chain partners by:

Contracts: Requiring compliance with all agreements.

Partner Assessments: Regularly evaluating partner adherence to regulations. Third-Party Expertise: Utilizing specialized agencies for in-depth checks.

Furthermore, compliance partners oversee statutory compliance.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	None			
Workers				

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.

Nykaa prioritizes open communication and collaboration with its stakeholders. A dedicated Stakeholder Relationship Committee oversees the engagement process, ensuring all relevant stakeholder groups are identified and involved. Stakeholders are identified based on their:

- Dependence: Direct or indirect dependence on Nykaa's activities, products, services, and associated performance.
- Interdependence: Those Nykaa depends on for effective operation.
- Influence: Ability to impact Nykaa's strategic or operational decision-making.

This process also prioritizes disadvantaged, vulnerable, and marginalized stakeholders aligned with Nykaa's CSR focus areas – skill development, upliftment and mentoring of vulnerable age groups, improved access to healthcare, promotion of equitable quality education, entrepreneurship, livelihood initiatives. By proactively engaging with a diverse range of stakeholders, Nykaa fosters mutually beneficial partnerships and strengthens its social responsibility efforts.

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 (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, noticeboards, meetings, townhalls and internal portals (HRMS)	Regularly	Business Discussions and Employee Connect to share Feedback on processes, policies and improvement areas. Talent management, Internal Job Postings, Employee Surveys, Skill Development Sessions, Learning
Vendors/Value Chain Partners/ Brand Partners	No	Emails, calls and meetings, management reviews, and relationship meetings	Regularly	Vendor Selection, Onboarding, Work execution, invoice processing and payments, business scaling, ideas to attract customers, and brand partnerships
Customers	No	Website, Email, Newsletters, Brochures, social media platforms, helpline, and store visits	Regularly	Identifying opportunities to improve customer service and products, retain them, improve overall experience.
Shareholders/ Investors	No	Email, Newspaper advertisements, portals of regulatory bodies, real time meetings and investor discussions.	Quarterly	Financial Results, Financial Statements and matters requiring approval of shareholders as per applicable laws.
Regulatory bodies like SEBI, NSE, BSE and MCA	No	Respective Portal for regulatory filing	Regularly	Financial Results, Financial Statements, Press Release and matters to be reported / filed with regulatory bodies as per applicable laws, investor meeting platforms.
Communities and NGOs/ Implementation Agencies	Yes	Various collaborations with NGOs, direct consultations, field-visits & trainings, digital platforms, volunteering work, including e- volunteering, reviewing program achievements and impacts	Regularly	To understand the concerns of communities our business operates in, the underprivileged as well as society at large. Implement programmes that help drive inclusive growth and equitable development among relevant communities in education, upskilling and entrepreneurship. As detailed in indicator 6 of principle 8

Leadership Indicators

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

Nykaa demonstrates its commitment to Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) principles through a dedicated committee of board of directors. This committee fosters a consultative and inclusive approach, overseeing CSR projects and addressing socio-economic and environmental topics. The Company collaborates with long-term NGO partners who provide periodic reports on project progress. These reports include observations made during site visits by program managers, and any feedback received from stakeholders. The Board committee reviews these reports and any other relevant concerns on a periodic basis.

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

Nykaa actively engages with its stakeholders to understand their perspectives and aspirations regarding management of key social and environmental topics. This continuous dialogue helps the Company to prioritize focus areas and ensure our CSR and ESG efforts are aligned with the most pressing concerns of our stakeholders.

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

Through "constant dialforces" conducted with NGO partners, Nykaa identifies the specific needs of marginalized and vulnerable stakeholders. This data guides the development of targeted CSR programs that empower these groups. For instance, our partnership with Sambhav Foundation's LabourNet program trains women for self-employment in the beauty and grooming industry. This initiative fosters their economic upliftment and financial independence.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 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	1,669	1,669	100%	1,625	1,625	100%
Other than permanent	1,018	1,018	100%	777	777	100%
Total Employees	2,687	2,687	100%	2,402	2,402	100%
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	4,340	1,164	27%	3,756	427	11%
Total Workers	4,340	1,164	27%	3,756	427	11%

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

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,071	-	-	1,071	100%	995	-	-	995	100%
Female	598	-	-	598	100%	630	-	-	630	100%
Other than Permanent										
Male										
Female										NA*
Workers										
Permanent										
Male	0	0	0.00%	0		-	-	-	-	-
Female	0	0	0.00%	0		-	-	-	-	-
Other than Permanent										
Male	4,185	259	6%	3,926	94%	3,617	175	5%	3,442	95%
Female	155	2	1%	153	99%	139	3	2%	136	98%

*Other than Permanent category consists of fixed term contractors (FTCs) and interns. The professional fees / stipends paid to them are not comparable to the salaries paid to employees.

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	6	Refer Director's report	4	Refer Director's report
Key Managerial Personnel	2	Refer Director's report	1	Refer Director's report
Employees Other than BoD and KMP	1,067	9.91 lacs	596	7.21 lacs
Workers	4,185	1.62 lacs	155	1.61 lacs

Note: In FY 2023-24, the Company has standardized remuneration calculation methodology aligned with latest BRSR guidelines. Consequently, previous year data is not comparable.

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

	FY 2023-2024	FY 2022-2023
Gross wages paid to females as % of total wages	30.90%	31.47%

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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)

Our Human Resource (HR) department assumes the responsibility for addressing human rights concerns and issues. Additionally, a dedicated POSH Committee handles matters related to harassment, ensuring a safe and respectful work environment for all employees.

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

Demonstrating its dedication to human rights, Nykaa recently adopted a comprehensive Human Rights Policy. This policy outlines the Company's commitment to non-discrimination, prevention of child labor, non-retaliation, employee health and safety, and a harassment-free workplace. For any concerns related to these issues, employees can utilize the designated email address, speakup@nykaa.com and POSH(Posh@nykaa.com). The policy ensures timely resolution and escalation procedures for addressing employee grievances.

Nykaa's Whistleblower Policy allows for anonymous reporting of suspected fraud, unethical practices, or any other misconduct through our designated email address, nykaa@tip-offs.in, auditcommitteechair@nykaa.com or by calling our toll-free number, 1800 210 8988.

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

Benefits	FY 2023-24			FY 2022-23		
	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	1	0	-	1	-	-
Discrimination at workplace	-	-	-	-	-	-
Child labour	-	-	-	-	-	-
Forced labour/ involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

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

	₹ in Millions	
	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.06%	0.07%
Complaints on POSH upheld	0	0

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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

Nykaa strives to create a workplace free of inappropriate behavior, in which people are free to share their opinion, concern, and issues without any fear of retaliation. All our employees and business partners are encouraged to speak up about any concerns they may have and redress their grievances. The Company prohibits any form of retaliation or adverse action against any person who raises a concern in good faith. To facilitate this, the company has created various channels to report such incidents, including the Whistle-Blower helpline, which is being managed by a credible third party to bring in objectivity, transparency and create comfort for Whistle-Blowers regarding their confidentiality. Nykaa ensures confidentiality of the complaint throughout the investigation process, to the best extent possible.

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

Yes. Nykaa integrates human rights, ethical business conduct, and statutory compliance into its vendor onboarding process. This ensures that all business and vendor partners uphold these same principles throughout their operations. Business agreements include clauses to ensure that partners follow appropriate guidelines on employee qualifications, working hours, safety training, emergency preparedness, and general workplace safety rules. For long-term contractors, Nykaa conducts periodic audits to verify compliance with these standards.

10. Assessments for the year

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

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

Nil.

Leadership Indicators

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

Nykaa prioritizes the protection and respect of human rights within our operations. We regularly ensure assessment focused on critical areas such as labor practices, child labor prevention, equal pay for equal work, and non-discrimination. The assessment also include a process for identifying and remedying any human rights violations discovered.

2. 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?

Nykaa is committed to creating an inclusive environment that is accessible to all employees and visitors. We continually strive to improve the accessibility of our office and warehouse facilities to ensure a positive experience for everyone. This commitment is reflected in our continuous efforts to enhance infrastructure and meet accessibility standards. The Human Rights policy adopted this year further declares our commitment to adhere to the standards as laid down under the Rights of Persons with Disabilities Act.

3. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Several initiatives are in place to promote responsible behaviour by suppliers/vendors:
Forced/ involuntary labour	• Vendor Assessments: The supply chain team conducts periodic on-site visits to all contract manufacturing and packaging vendors, verifying adherence to safe and healthy working conditions.
Sexual harassment	• Child Labor Prevention: Central HR and warehouse team undertakes KYC verification to mitigate child labor risks.
Discrimination at workplace	
Wages	
Others – please specify	

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

Essential Indicators

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

Parameter	FY 2023-24 (GJ)	FY 2022-23 (GJ)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	17,144	14,400
Total fuel consumption (E)	3,206	2,600
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	20,350	17,000
Total energy consumed (A+B+C+D+E+F)	20,350	17,000
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (GJ / ₹ million)	0.40	0.39
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP) (GJ / ₹ million)	8	8

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96.

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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

Not applicable, as we are not an energy-intensive industry as outlined under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

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

Parameter	FY 2023-24 (KL)	FY 2022-23 (KL)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	62,816	16,306
(iii) Third party water (tanker)	1,566	590
(iv) Seawater / desalinated water	-	-
(v) Others (water cans and municipal supply system)	31,869	27,859
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	96,251	44,755
Total volume of water consumption (in kilolitres)	96,251	44,755
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (KL / ₹ million)	1.91	1.03
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP) (KL / ₹ million)	40	22

The Company has installed water meters at many of its locations and in the process to gradually cover other locations to accurately measure water consumption. This is unlike previous years where water consumption was derived basis high level assumption and judgements involving high level of estimation uncertainty.

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96.

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

Yes, the independent assessment has been carried out by TUV India Private Limited on the above indicator.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	At Nykaa offices and warehouses, the water consumed is only for 'Domestic purpose' and not for manufacturing of goods and services. Therefore, the question is not applicable.	
- 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		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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

Not applicable for Nykaa as the company does not manufacture any products and water is solely used for domestic consumption.

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	FY 2022-23
NOx		Nykaa prioritizes operational resilience through efficient backup power with diesel generators. We actively monitor and control the use of DG sets across our locations to minimize environmental impact. To further strengthen our environmental practices, we are exploring the feasibility of measuring non-GHG emissions, such as NOx and VOCs, from our generators in the near future.	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

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

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
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	223	182
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	3,410	2,840
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) (MTCO ₂ e / ₹ million)		0.07	0.07
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) (MTCO ₂ e / ₹ million)		2	1

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96.

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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

Yes, Nykaa has initiated efforts to implement initiatives aimed at reducing greenhouse gas emissions through the adoption of renewable energy sources. This transition is being implemented in phases, commencing from FY25.

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

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	141	#
E-waste (B)	0	4
Bio-medical waste (C)	Not Applicable	-
Construction and demolition waste (D)	Not Applicable	-
Battery waste (E)	0	-
Radioactive waste (F)	Not Applicable	-
Other Hazardous waste. Please specify, if any. (G) (Expired products)	12.17	54
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,492.717 (Carton waste)	#
Total (A+B + C + D + E + F + G + H)	1645.887	58
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT / ₹ million)	0.03	0.00
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) (MT / ₹ million)	1	0.03

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	0	The Company has started recycling and/or reusing paper and other packaging waste generated in the warehouse, quantity details will be measured from FY2024.
(ii) Re-used	13.827^ (Carton waste)	
(iii) Other recovery operations	0	
Total	13.827	

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration (Expired products disposed via incineration)	12.17	54
(ii) Landfilling	0	-
(iii) Other disposal operations (Plastic waste disposed via third party vendors for recycling)	141	4*
(Carton waste disposed via third party vendors for recycling, excludes the quantity that is re-used within the reporting boundary)	1,478.89	-
Total	1,632.06	58

*E-waste disposed through CBCP authorized vendor

#Plastic waste and corrugated boxes generated within the premises was not quantified in FY 22-23. The Company fulfilled the annual EPR compliance and achieved EPR targets outlined by the CPCB in FY 22-23 and FY 23-24.

^In an effort to minimize its waste footprint, the Company re-uses 100% of carton waste generated within the premises of its Private Label warehouses.

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 20.96.

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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.

Nykaa prioritizes responsible waste management and chemical safety, but doesn't use, produce, or dispose of hazardous chemicals due to the nature of its business.

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:

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	Warehouse operation located at Baprou village, Patiala (Punjab)	Warehouse	Yes, Landlord has obtained requisite approvals/clearance for one of our warehouses taken on lease.

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
Not applicable as none of Nykaa's projects require environmental impact assessments					

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

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
Yes, Nykaa's operations/offices comply with applicable environmental law, regulations of the country and operate as per Consent to Operate conditions from the Central and State Pollution Control Boards. Further, no fine/penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/guidelines.				

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: Bengaluru, Dwarka, Gurgaon, Delhi, Haryana, and Punjab
- (ii) Nature of operations: Offices and warehouses
- (iii) Water withdrawal, consumption and discharge in the following format: At Nykaa offices and warehouses, the water consumed is only for 'domestic purpose' and not for manufacturing of goods and services. Therefore, water discharge is not applicable.

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	-
(ii) Groundwater	34,143	7,281
(iii) Third party water (tanker)	1,566	590
(iv) Seawater / desalinated water	0	-
(v) Others (water cans and municipal supply system)	17,384.14	7025
Total volume of water withdrawal (in kiloliters)	53,093	14,896
Total volume of water consumption (in kiloliters)	53,093	14,896
Water intensity per rupee of turnover (Water consumed / turnover) (KL / ₹ million)	1.05	0.34
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kiloliters)		

The Company has started installing water meters at many of its locations and in the process to gradually cover other locations to accurately measure water consumption. This is unlike previous years where water consumption was derived basis high level assumption and judgements involving high level of estimation uncertainty.

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

2. 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, as none of Nykaa's operations fall under ecologically sensitive zones.

3. 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.	A shift towards increased utilization of paper over plastic and the incorporation of recycled plastic materials.	Nykaa has implemented several impactful initiatives within its packaging processes. Firstly, the company has significantly reduced the usage of plastic bubble wrap, opting instead for eco-friendly alternatives to minimize plastic waste. Furthermore, Nykaa has revamped its corrugated box designs to align with eco-conscious principles. The new boxes prominently display messages emphasizing their 100% recycled and eco-friendly nature, along with social media logos and instructions for customer engagement. In addition, Nykaa has taken steps to reduce the usage of BOPP tape, effectively cutting down its consumption by approximately 30%. This reduction not only diminishes the company's carbon footprint but also contributes to overall resource conservation. Moreover, in a move towards streamlined luxury packaging, Nykaa has eliminated the practice of including separate thank-you cards in luxury boxes. Instead, these messages are now integrated within the luxury box itself, enhancing the aesthetic appeal while reducing unnecessary paper usage.	Resulted in reduced plastic usage, increased eco-friendly materials, and streamlined luxury packaging, enhancing sustainability and customer experience.
2.	Tree plantation in the vicinity of the warehouse	Nykaa has initiated a commendable endeavor in environmental stewardship by spearheading a tree plantation initiative outside the confines of its warehouse premises. This initiative, which was initiated by our valued partner, signifies a collaborative effort towards ecological sustainability and conservation. A notable milestone in this initiative was the generous donation of 254 trees to the Trees for Tigers project in Ramtek, Maharashtra, India, as part of Project Aranyam. In recognition of this significant contribution, Nykaa received a certificate acknowledging its dedication to environmental welfare and the proactive steps taken to mitigate the impacts of deforestation and habitat loss.	Plantation of 254 trees

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

At Nykaa, we have implemented a cloud-based Disaster Recovery Framework, with critical databases being backed up on an hourly basis in the cloud account. Additionally, we conduct Disaster Recovery (DR) drills biannually to ensure the entire website is operational on the DR account, adhering to defined Recovery Time Objectives (RTOs). A majority of users are provided VPN access to enable remote work capabilities.

To remain at the forefront of contemporary business continuity management practices, we have initiated a project aimed at enhancing our Business Continuity Management (BCM) program. This initiative involves raising awareness at an enterprise level and conducting a structured Business Impact Analysis across key functions and processes of the organization. We anticipate completion and implementation of this project in FY 2024-2025.

5. 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.

Nykaa's business agreements include Health, Safety, and Environment (HSE) declarations, with provisions for termination in case of breaches. Waste generated at our warehouses is sent to Pollution Control Board-affiliated vendors for safe disposal and recycling. Certificates verifying proper waste disposal are maintained for audit and assurance purposes, showcasing our commitment to environmental responsibility and compliance. These measures ensure transparent and accountable waste management practices aligned with our sustainability goals.

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.

5

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	FICCI – Federation of Indian Chambers of Commerce and Industry	National
2	IBHA – Indian Beauty Health Association of India	National
3	CII – Confederation of Indian Industries	National
4	RAI – Retailers Association of India	National
5	NASSCOM – National Association of Software and Service Companies	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.

Name of authority	Brief of the case	Corrective action taken
No such cases observed in the reporting period.		

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	<p>We collaborated with external associations such as the Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), Indian Beauty Health Association (IBHA), National Association of Software and Service Companies (NASSCOM), and Retailers Association of India (RAI) for regulatory compliance. This collaboration aimed at addressing regulations such as the Drugs & Cosmetic Act 1940, Cosmetic Rules 2020, Import Regulations, Legal Metrology Act 2009, and standards set by the Bureau of Indian Standards (Cosmetic and Footwear). The focus was on drafting new regulations, effectively implementing existing and new rules, and improving compliance among operational and vendor partners.</p> <p>Our involvement in regulatory agendas included addressing labeling issues under Legal Metrology, obtaining import permissions and assessments from CDSCO, implementing Quality Control Orders for footwear, and advocating for the reduction of compliance burdens for retailers under the Bureau of Indian Standards and Legal Metrology Act.</p>	With member of association representing industry POV and its comments in draft stage of regulatory documents	Yes	Annually	Association and regulatory authority links for new regulations and updates

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.

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
Not applicable as none of Nykaa's projects require social impact assessments.					

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

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 ₹)
During FY 2023-24, we at Nykaa have not undertaken any projects that require Rehabilitation and Resettlement (R&R).						

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

We are dedicated to fostering community development across our locations and addressing their grievances and concerns. Our team regularly engages with all stakeholders, including communities, NGOs, and implementation agencies, to understand their concerns. In the event of a specific grievance, it is duly recorded, investigated, and acted upon. Nykaa provides a dedicated email address, grievanceofficercs@nykaa.com, to establish a grievance redressal mechanism.

Nykaa encourages all its stakeholders to voice concerns about potential wrongdoing. Our robust Whistleblower Policy allows for anonymous reporting of suspected fraud, unethical practices, or any other misconduct through our designated email address, nykaa@tip-offs.in, auditcommitteechair@nykaa.com or by calling our toll-free number, 1800 210 8988.

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

Source	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	21%	30%*
Directly from within India	98%	96%#

*Figures for FY 2022-23 have been restated in accordance with the 'Input Material' definition as specified by BRSR Core

#Pursuant to the new requirements of the BRSR Core, previous year figure has been restated to include all domestic purchases within India, rather than solely those sourced directly from within the district and neighbouring districts.

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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	FY 2022 – 2023
Rural	-	-
Semi-urban	0.43%	0.01%
Urban	3.57%	0.42%
Metropolitan	96.00%	99.57%
Total	100%	100%

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

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

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):

Details of negative social impact identified	Corrective action taken
Not applicable for Nykaa as there was no Social Impact Assessment required to be conducted during FY 2023-24.	

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 ₹)
Nykaa, does not operate in designated aspirational districts identified by government bodies. Therefore, we do not have any CSR projects undertaken specifically in those areas.			

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

No, Nykaa does not currently have a preferential procurement policy in place.

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

NA

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

NA

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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not applicable as Nykaa doesn't have any IPR based on traditional knowledge				

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
Not applicable, as there are no adverse orders in intellectual property related disputes wherein the usage of traditional knowledge was involved		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Labournet – Training program for young women on Beauty & Wellness across Bangalore and Guwahati with new centers added in Noida, Pune and Mysore this FY24	256	100%
2.	Beauty & You – Incubation program in association with Estee Lauder to support three young entrepreneurs in the Impact category	3	0%
3.	Daniel Bauer & Salaam Bombay Foundation – Kay Beauty partnered with Daniel Bauer Academy to provide five young women training to become professional makeup artists	5	100%
4.	Project Rangeet - Social skills development for government school children between 7 to 14 years	17772	100%
5.	Nykaa Chair in Consumer Technology at IIM – Ahmedabad.	This project aims to create marketing education materials and conduct workshops/hackathons, but variable student attendance makes precise impact assessment difficult.	-
6.	Sponsoring Indian Deaf Cricket Association in the development, training, and promotion of Differently Abled Cricket Specially Deaf Cricket in India	180	100%
7.	Supporting Slum Soccer – using football to bring about a change in the lives of street dwellers.	672	100%
8.	Supporting West Wind Association in the construction of a classroom for underprivileged children	100	100%
9.	Anushkaa Foundation – supporting children in the elimination of Clubfoot	75	100%
10.	NCAER – survey to assesses the state of women's economic empowerment and financial independence	Evaluation in progress as project began in March 2024 and will continue for the next one year	-
11.	Aatapi Seva Foundation – for training of rural women in beauty care services	80	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.

As a consumer-centric organization, we value all consumer feedback and have set up various channels through which consumers can reach out to us. We have made available Grievance Officer and Nodal Officer details, including their names, addresses, email IDs, and phone numbers, for all e-commerce platforms and websites. These officers handle customer feedback, comments, and grievance submissions. Additionally, each product we market carries labeling with information about the registered office address, email ID, and phone number of the marketing entity. Complaints received through various channels are logged in to our system with a unique ticket ID. Customers are notified of the resolution status via email, app notification, and/or SMS.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

*Our products are labelled with instructions for appropriate usage and any necessary precautions to ensure safe and effective use.

#Our products are labelled with the appropriate recycling symbols to guide consumers on proper disposal.

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

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	8,156	-	All consumer complaints have been closed	9,684	-	All consumer complaints have been closed

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

	Number	Reasons for recall
Voluntary recalls	Nil	No such instances of forced nor voluntary recall during the reporting period.
Forced recalls	Nil	

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, Nykaa has a Data Privacy Policy in place. The policy covers details about the customer information collected - purpose of collection, details of its disclosure to other parties, data security practices and customers' rights.

The policy can be accessed here: <https://www.nykaa.com/policy#privacy-policy>

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.

Product Recalls

We enforce rigorous mandatory quality standards, regularly verifying compliance through audits and self-assessments. These standards guarantee that our products are supplied with safety and excellent quality in mind, adhering to relevant industry and regulatory standards in our operational countries. We have comprehensive management procedures in place to mitigate risks and

safeguard our consumers and markets. Whenever products fail to meet these standards, we take immediate and decisive action to ensure that only products of the highest quality are introduced to the market.

Cyber Security and Data Privacy

Nykaa has implemented a comprehensive Information Security Incident Management process. This process outlines clear procedures for:

- Identifying and reporting security incidents.
- Taking necessary actions to contain and minimize the impact of incidents.
- Investigating the root cause of incidents and collecting relevant evidence.
- Recovering affected systems and data.
- Preventing future incidents through learnings and continuous improvement of the process.

The Company emphasizes employee training, utilizes threat intelligence platforms, and ensures proper evidence collection to effectively manage security incidents.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

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

0

c. Impact, if any, of the data breaches

None

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

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

Leadership Indicators

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

Information regarding Nykaa's products and services can be accessed from the following channels:

- Website: <https://www.nykaa.com/>
- Nykaa Retail Stores.
- General Trade Stores and Modern Trade Stores where Nykaa products are available.
- Nykaa App

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

Nykaa is committed to empowering consumers with the knowledge necessary to make informed choices and utilize products safely. All Nykaa products carry clear and detailed instructions pertaining to safe and responsible usage. These are supplemented by

- **Buying Guides:** Nykaa offers buying guides on its platform, providing consumers with additional information to guide purchase decisions.
- **Editorial Articles:** Educational content through editorial articles empowers consumers with further product knowledge.

Nykaa further collaborates with cosmetic experts and beauty bloggers who host regular awareness sessions on skincare and hygiene best practices. These sessions provide consumers with valuable information directly from industry professionals.

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

At Nykaa, we do not deal with any essential services. However, in case of any disruption, we can disseminate information through our website, various social media platforms, distribution network, sales representatives, emails, etc.

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.

Nykaa prioritizes providing consumers with clear and comprehensive product information. All mandatory product labels adhere to industry regulations and established norms. Beyond mandatory requirements, Nykaa displays logos or additional information on its product labels to highlight specific product attributes. These attributes might include:

- **Cruelty-Free:** Products that have not been tested on animals.
- **Vegan:** Products formulated without animal-derived ingredients.
- **Clean:** Products meeting specific criteria related to sustainability or the absence of certain ingredients.

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)

Nykaa's website features an extensive rating and review mechanism for all products. This system allows customers to share their experiences and satisfaction levels, providing valuable feedback on product performance and use. We actively analyse customer reviews to identify areas for improvement and product development. This customer-centric approach allows Nykaa to better cater to consumer needs and preferences.

Independent Assurance Statement

To
The Board of Directors,
FSN E Commerce Ventures limited,
Mumbai 400013

Nykaa E-Retail Limited and FSN E Commerce Ventures limited (hereafter 'Nykaa') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of BRSR Core disclosures (*09 attributes as per Annexure I - Format of BRSR Core*) following the (*BRSR Core - Framework for assurance and ESG disclosures for value chain* stipulated in SEBI *circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023*). Nykaa developed Business Responsibility and Sustainability Report (hereinafter 'the BRSR') for the period April 01, 2023 to March 31, 2024. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), *SEBI circular: SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10/05/2021* followed by the *notification number SEBI/LAD-NRO/GN/2023/131, dated 14/06/2023* pertaining to Business Responsibility and Sustainability Report (BRSR) requirement. This assurance engagement was conducted in reference with BRSR, the terms of our engagement and ISAE 3000 (Revised) requirement.

Management's Responsibility

'Nykaa' developed the BRSR's content pertaining to the Core disclosures (*09 attributes as per Annexure I - Format of BRSR Core*). 'Nykaa' management is responsible for carrying out the collection, analysis, and disclosure of the information presented in the BRSR (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in reference with the applied criteria stated in the BRSR, such that it's free of intended or unintended material misstatements. Nykaa will be responsible for archiving and reproducing the disclosed data to the stakeholders and regulators upon request.

Scope and Boundary

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

- i. Review of *09 attributes as per Annexure I - Format of BRSR Core* submitted by Nykaa
- ii. Review of the quality of information
- iii. Review of evidence (on a random samples) for all 9 attributes and its KPI

TUVI has verified the below *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint Boundary: Scope 1 Boundary - Consumption from all Corporate Locations and Warehouses are part of financial statement. Scope 2 Boundary - All Corporate locations and Warehouses	Total Scope 1 emissions (with breakup by type) - GHG (CO ₂ e) Emission in MT - Direct emissions from organization's owned- or controlled sources (Calculated)
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provide (Calculated)
	GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP (MTCO ₂ e/INR Million) (Calculated)
Water footprint Boundary: Covers all warehouses and corporate locations.	Total water consumption (in kL) (Calculated)
	Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP (KL/INR Million) (Calculated)
	Water Discharge by destination and levels of Treatment (kL)- Not applicable
Energy footprint Boundary: Refer attribute "Green-house gas (GHG) footprint"	Total energy consumed in GJ (Calculated)
	% of energy consumed from renewable sources - In % terms- (reported nil)
	Energy intensity -GJ/ Rupee adjusted for PPP (GJ / INR million) (Calculated)
Embracing circularity - details related to waste management by the entity Boundary: Covers all Corporate Offices and Warehouses	Plastic waste (A) (MT) (Calculated)
	E-waste (B) (MT) (Reported Nil)
	Bio-medical waste (C) (MT)- (Reported Not applicable)
	Battery waste (D) (MT) (Reported Nil)
	Other Hazardous waste. Please specify, if any. (G) (KG/MT) Expired products (Calculated)
	Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) (KG/MT) Carton waste (Calculated)
	Total waste generated (A + B + C + D + E + F+G+H+I) (MT) (Calculated)
	Waste intensity: MT / Rupee adjusted for PPP (MT/INR Million) (Calculated)
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) (Calculated)
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity)
	✓ kg of Waste Recycled Recovered /Total Waste generated

	For each category of waste generated, total waste disposed by nature of disposal method (MT)
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) <ol style="list-style-type: none"> kg of Waste Recycled Recovered /Total Waste generated Expired products (Incineration) (reported) Plastic waste (Recycling via third party vendors) (reported) Carton waste (Recycling via third party vendors) (reported)
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company - In % terms (Calculated) Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) <ol style="list-style-type: none"> Number of Permanent Disabilities (reported Nil) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) (reported Nil) No. of fatalities (reported Nil)
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid - In % terms (Calculated) Complaints on POSH <ol style="list-style-type: none"> Total Complaints on Sexual Harassment (POSH) (reported) Complaints on POSH as a % of female employees / workers (Calculated) Complaints on POSH upheld (reported)
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India – In % terms – As % of total purchases by value (Calculated) Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost <ul style="list-style-type: none"> Rural - NIL Semi-Urban (calculated) Urban (calculated) Metropolitan (calculated)
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events (Nil) Number of days of accounts payable - (Accounts payable *365) / Cost of goods/services procured (Calculated)
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and investments with related parties <ol style="list-style-type: none"> Purchases from trading houses as % of total purchases (reported Nil) Number of trading houses where purchases are made from (reported Nil) Purchases from top 10 trading houses as % of total purchases from trading houses (reported Nil) Sales to dealers / distributors as % of total sales (Calculated) Number of dealers / distributors to whom sales are made (Calculated) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors (Calculated) Share of RPTs (as respective %age) in - <ul style="list-style-type: none"> Purchases (reported) Sales (reported) Loans & advances (reported) Investments (reported)

The reporting boundaries cover FSN E Commerce Ventures Limited and Nykaa E-Retail Limited operations.

Onsite Verification

- 6th Floor, Old Standard Mill Compound, Cnergy It Park, Appasaheb Marathe Marg, Century Bazaar, Prabhadevi, Mumbai, Maharashtra 400025 - 17 April 2024,
- 104, Vasan Udyog Bhavan Sun Mill Compound, Tulsi Pipe Road Lower Parel, Mumbai 400 013- dated 18 April 2024
- Warehouse: 73HW+R7C Shanti Complex, Bhadwad Gaon, Sonale Village, Bhiwandi, Gholgaon, Maharashtra 421302 dated 29 April 2024,
- Warehouse: Gate No.650/651, village Moi, near shree Multi-speciality Hospital, Nighoje Road, Moi, Kuruli, Taluka khed, Pune -410501 dated 30 April 2024.

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

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the BRSR, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI verified 09 attributes and corresponding KPIs independent of any ESG goals. TUVI verified data on a sample basis; the responsibility for the authenticity of data entirely lies with Nykaa. The application of this assurance statement is limited w.r.t SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#). TUVI has taken reference of the financial figures from the audited financial reports. Nykaa will be responsible for the appropriate application of the financial data.

Our Responsibility

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

TUVI is responsible

- i. For planning to obtain the reasonable assurance for BRSR attributes so that it is free from material misstatement,
- ii. Forming an independent opinion, based on the sampled evidence,
- iii. Reporting the opinion to the Directors of 'Nykaa'.

This assurance statement is prepared by considering that the data and information presented by 'Nykaa' are free from material mis-statement. The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting organization. Reporting Organization is responsible for archiving the related data for a reasonable time period. This assurance statement is intended solely for the information and use of 'Nykaa' and is not be used by anyone other than 'Nykaa'.

Verification Methodology

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

- a) TUVI examined and reviewed the documents, data, and other information made available by Nykaa for non-financial [09 attributes as per Annexure I – Format of BRSR Core](#) (non-financial disclosures),
- b) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Nykaa,
- c) TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative),
- d) TUVI reviewed the adherence to reporting requirements of "BRSR" framework.

Opportunities for Improvement

The following are the opportunities for improvement reported to Nykaa. However, they are generally consistent with Nykaa management's objectives and programs. Nykaa already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organization.

- i. Warehouses: More visible and legible signage can be implemented. Visual display of evacuation plan can also be introduced;
- ii. Nykaa can utilize the best practices/ requirements of ISO 20400 to develop its sustainable procurement policy;
- iii. Nykaa can opt for the principles and requirement of ISO 46001:2019 – water efficiency management standard;
- iv. Health check-up can be regularize annually. Ergonomic wellness sessions can also be introduced.

Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the credibility of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

Our Conclusion

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

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

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

BRSR complies with the below requirements

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

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#), TUVI confirms that there is no conflict of interest with Nykaa.

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

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

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing ESG Assurance services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with 'Nykaa' on any engagement that could compromise the independence or impartiality of our findings, conclusions, and observations. TUVI was not involved in the preparation of any content or data included in the BRSR, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited



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



Date: 31/07/2024
Place: Mumbai, India
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