

Sustainability Report

FY 2024-25

Sustainable Science For A Healthier Tomorrow



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Science With Purpose: About Us

Advancing pharmaceutical excellence through
innovation, integrity, and impact

At Aarti Pharmed Labs Limited (APL), science is not a narrow pursuit of laboratory breakthroughs or manufacturing efficiency. It is the foundation of our purpose, the guiding force behind our business model, and the reason for our existence. Our philosophy of "Sustainable Science for a Healthier Tomorrow" reflects both an aspiration and a discipline. It is the aspiration to deliver healthcare solutions that enhance human well-being across the world, and the discipline to ensure that these solutions are developed, manufactured, and distributed in ways that conserve resources, protect the environment, and create value for all stakeholders.

FY25 marked a pivotal year in this journey. We consolidated our global partnerships, scaled up our operations, deepened our research pipeline, and expanded our community engagements. Most importantly, we embedded sustainability into strategy and governance, making it inseparable from business growth. The result is a company that not only produces essential medicines and ingredients but also takes responsibility for the impact of its science on the planet and society.

Our Legacy and Organisational Purpose

APL was incorporated in 2022 as an independent listed entity following the demerger of the pharmaceutical division of Aarti Industries. While young as a standalone company, we inherit over four decades of process chemistry expertise and long-standing client trust. Our journey from being a reliable API manufacturer to becoming a globally respected pharmaceutical CDMO solutions provider reflects not only business growth but also the steady integration of sustainability into our identity.

With Seven multipurpose manufacturing facilities, three R&D centres, and a workforce of more than 3,000 employees, we serve over 500 global clients across 50 countries. Our footprint includes advanced regulated markets such as the United States, the European Union, and Japan, alongside emerging markets in Asia, Latin America, and Africa. This dual presence allows us to support critical supply chains worldwide while contributing to India's ambition of becoming a global pharmaceutical hub & CDMO HUB.

Our purpose — to catalyse a healthier tomorrow through responsible science — anchors this journey. It pushes us to measure success not only by financial outcomes but also by environmental impact, community well-being, and stakeholder trust. This is why sustainability is no longer an adjunct at APL but the organising principle of our growth.

Business Model and Global Presence

APL's business model is built on integration, diversity, and resilience. Our portfolio spans three core verticals: APIs and intermediates, xanthine derivatives, and CDMO services. Each vertical complements the others, ensuring that we can deliver value across the healthcare continuum.

In FY25, APIs and intermediates contributed 44.5 percent of total revenues. These products support essential therapies such as cardiovascular, anti-asthmatics (corticosteroids), CNS Agents and oncology. Our ability to deliver at scale while maintaining regulatory compliance makes us a partner of choice for generic manufacturers and innovators alike.

Xanthine derivatives contributed 43.5 percent of revenues in FY25. With an installed capacity of 5,000 tonnes per annum and an expansion underway to reach 9,000 tonnes, we are India's largest producer of caffeine, theophylline, and aminophylline. These products serve both pharmaceutical and nutraceutical markets and highlight how APL bridges diverse segments of healthcare.

Particularly highly potent APIs and corticosteroids, continued to grow in FY25. These molecules are manufactured in advanced containment (OEB-4) facilities that comply with stringent global regulations, strengthening our position in oncology and cytotoxic therapies.

Our CDMO division deepened its global contributing 12% of revenues engagements in FY25, partnering with 21 clients across 60 active projects. Of these, 33 reached commercialisation and 27 are at various stages of development.

This demonstrates the trust placed in our scientific and operational capabilities. The CDMO segment also reflects how our role in global healthcare is evolving — from supplier to strategic collaborator.

With 54 percent of revenues coming from exports in FY25, APL is firmly embedded in global supply chains. Our presence in over 50 countries not only reinforces our business resilience but also contributes to the stability of pharmaceutical access worldwide.

Innovation and Sustainable Science

Innovation is the engine of our long-term growth and the medium through which we express our commitment to sustainable science. In FY25, our R&D ecosystem comprised 110 scientists, including 17 PhDs and 93 postgraduates. Together, they advanced our innovation agenda, launching 25 new products at plant scale and adding 11 APIs to our development pipeline.

Our R&D investment in FY25 was ₹42 crore, equivalent to 5 percent of API and CDMO revenues. This financial commitment underscores our belief that innovation is not discretionary but essential. However, innovation at APL is increasingly measured not only in terms of speed to market or yield but also in sustainability metrics.

During FY25, we improved solvent recovery to 85 percent across key blocks, transitioned multiple products to continuous flow chemistry, and initiated AI-driven route optimisation for new chemical entities. These initiatives reduce environmental burdens while improving efficiency. Importantly, they reflect a shift in how we define scientific success. In FY24, all new projects were mandated to undergo green chemistry evaluations. FY25 demonstrates how that policy has matured into measurable outcomes — less solvent use, safer processes, and greener synthesis pathways. By embedding lifecycle assessments, process mass intensity, and carbon footprinting into our R&D reviews, we are building an R&D function that is future ready. Our ambition is to integrate environmental and social considerations into the earliest stages of scientific design, ensuring that sustainability is not retrofitted but built in from the start.

Manufacturing Excellence and Compliance

Our six multipurpose manufacturing facilities are at the heart of our operational strategy. Located across Maharashtra and Gujarat, these facilities are designed for flexibility, scale, and sustainability. In FY25, we expanded multipurpose reactor capacity to over 2,400 KL, supported by the commissioning of a new block at Tarapur.

Major expansion projects initiated during the year included a ₹425 crore investment in a 450 KL multipurpose plant at Atali and a ₹150 crore expansion in xanthine derivative capacity. Both are scheduled for commissioning in FY26. These projects not only expand capacity but also integrate energy-efficient and resource-optimised design features, ensuring that growth is aligned with sustainability.

Our facilities are regularly inspected and approved by leading regulators including the USFDA, EDQM, ANVISA, KFDA and COFEPRIS. Compliance is not treated as a minimum threshold but as an opportunity to set new benchmarks. In FY25, no major non-compliances were reported, further reinforcing stakeholder trust.

The Akola solar Facility exemplifies our vision of sustainable manufacturing. It integrates a large solar installation into its energy systems, which maximises the use of renewable energy across the facility illustrating the kind of infrastructure that will define APL in the coming decade.

Our People, Our Strength

Our workforce embodies the spirit of APL. From the scientists in our R&D centres to the engineers in our plants and the managers in our offices, it is our people who translate our purpose into action.

In FY25, our workforce grew from approximately 2,000 in FY24 to over 3,000 employees. This expansion reflects our operational scale-up and the increasing complexity of our R&D pipeline. While the representation of women in the workforce stood at 5.90% in FY25, compared to 6.07% in FY24, the company continues to advance programs and policies aimed at fostering a more inclusive workplace.

We invested in training and development, raising average training hours per employee from 13.5 in FY24 to 14.56 in FY25. This included programmes on safety, leadership, and digital capability, preparing employees for the demands of global pharmaceutical markets. Safety remains central to our culture maintaining zero harm safety culture.

Beyond skills, we nurtured culture. The "Future Leaders Programme" was rolled out to identify and train mid-level managers, creating a pipeline of leadership talent. Engagement initiatives focused on transparency, inclusivity, and innovation, building a workplace where employees can thrive and contribute to the organisation's broader purpose.

Community Responsibility

Our responsibility extends beyond the boundaries of our plants and offices. We believe that business growth must translate into community development and improved quality of life for those around us.

CSR expenditure rose from ₹2.72 crore in FY24 to ₹4.30 crore in FY25. Our programmes benefited 71,000 individuals, focusing on rural healthcare, sanitation, education, and women's skill development. Healthcare camps served remote populations with limited access to medical

services. Sanitation infrastructure was provided in schools, improving hygiene and attendance. Scholarships were offered to underprivileged students, expanding educational access. Women in tribal areas were supported with vocational training, enhancing livelihood opportunities.

These programmes are not peripheral but integral to our identity. They are designed with impact assessments and align with the United Nations Sustainable Development Goals, particularly SDGs. They demonstrate our conviction that the true measure of corporate success lies in the well-being of the communities we touch.





Pathways To Progress: Our Responsible Growth

Evolving with Purpose, Scaling
with Sustainability

The story of Aarti Pharmalabs Limited (APL) is one of continuous evolution — from a division within a diversified chemical group into a fully independent, globally recognised pharmaceutical solutions provider. Yet, this evolution has never been about scale alone. Our growth trajectory has been underpinned by a deep conviction that progress must be purposeful, inclusive, and sustainable.

The theme of FY25, “Sustainable Science for a Healthier Tomorrow,” encapsulates the way we now define growth. It is growth that strengthens our business, expands our scientific capabilities, and enhances shareholder value, while simultaneously reducing our environmental footprint, safeguarding the interests of our workforce, and improving the quality of life in the communities where we operate. FY25 represents not just a financial milestone for APL, but also a pivotal chapter in embedding sustainability into our DNA and preparing the organisation for the opportunities and responsibilities of the coming decade.

Evolution of APL: From Legacy to Leadership

APL was created in 2022 through the demerger of the pharmaceutical division of Aarti Industries, marking the beginning of a new era of independence and strategic focus. While the corporate identity is recent, the capabilities we inherited were built over decades. Our expertise in process chemistry, strong regulatory track record, and deep client relationships gave us a platform from which to build a future-ready organisation.

In our early years, the focus was on continuity and credibility — establishing ourselves as an independent listed company, reassuring stakeholders of our long-term stability, and building investor confidence. FY23 and FY24 were periods of foundation-building: we strengthened manufacturing compliance, commissioned new facilities, developed an ESG governance roadmap, and entered high-potential CDMO partnerships.

FY25 marks the transition from foundation to acceleration. During the year, we delivered record revenues, expanded multipurpose reactor capacity beyond 2,400 KL, and launched multiple large-scale expansion projects. Equally importantly, we institutionalised sustainability into our growth model, embedding ESG metrics into board-level oversight and supplier onboarding. This evolution demonstrates that APL's growth has matured from being reactive and opportunistic to being deliberate, structured, and guided by sustainability principles.

Strategic Milestones in FY25

The year was shaped by strategic decisions that will have long-term implications for our business and stakeholders. The commissioning of new capacity at Tarapur and the initiation of large-scale capital expenditure at Atali and in xanthine derivatives are investments not only in scale but also in sustainability. These projects are designed with advanced environmental controls, resource optimisation, and compliance readiness.

The CDMO business expanded to 60 active projects with 21 global clients, a clear sign of trust in our scientific and operational capabilities. Our ability to support both early-stage development and commercialisation strengthens our relevance in the innovation ecosystems of global pharmaceutical companies.

On the ESG front, we established formal governance mechanisms at the board level, expanded workforce diversity, improved training metrics, and scaled CSR initiatives. These milestones underscore our determination to balance financial outcomes with environmental stewardship and social inclusiveness.

Responsible Growth Across Business Segments

Growth across our segments in FY25 demonstrates the balance of diversification and focus. In APIs and intermediates, which accounted for 44.5 percent of revenues, we expanded our therapeutic reach while maintaining compliance in regulated markets.

Specialty APIs, including highly potent APIs and corticosteroids, consolidated our presence in oncology and cytotoxic therapy markets. The CDMO business, with its 60 active projects, became a critical contributor to both revenue diversification and client engagement.

This multi-pronged portfolio ensures resilience. When one segment faces regulatory delays or market pressures, others continue to provide stability. This model also spreads the impact of sustainability practices — green chemistry in R&D, solvent recovery in manufacturing, and ESG assessments in CDMO projects — across the entire organisation.

Integrating ESG into Growth

Growth is sustainable only when it incorporates responsibility. In FY25, energy consumption increased with capacity additions, but intensity metrics improved due to efficiency measures and renewable integration. Water withdrawal rose modestly, yet our investments in zero liquid discharge facilities and water recycling minimised freshwater dependency. Waste generation increased slightly, but waste recycling improved significantly from 3,073 MT in FY24 to 5,578 MT in FY25.

Our workforce grew from about 2,000 in FY24 to over 3,000 in FY25. This expansion was accompanied by stronger inclusion and training efforts. Women's represented witnessed a slight decline from 6.07% to 5.90%, and average training hours per employee rose from 13.5 to 14.56. These improvements were not incidental but deliberate, reflecting our belief that people are at the heart of responsible growth.

CSR expenditure grew from ₹2.72 crore to ₹4.3 crore, impacting over 71,000 beneficiaries, with programmes focusing on healthcare access, sanitation, education, and women's empowerment. The design of these interventions reflects a shift from philanthropy to impact-driven assessed through beneficiary reach and effectiveness.



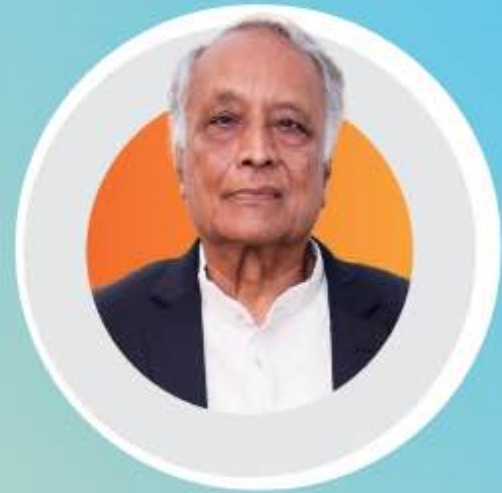
Governance of Growth

Governance is the foundation of sustainable growth. In FY25, APL's Board increased oversight of ESG performance by embedding it into formal reviews. Risk management frameworks were updated to integrate climate risks, regulatory changes, and supply chain vulnerabilities. Supplier onboarding was redesigned to include ESG assessments, signalling that our expectations of sustainability extend across our value chain.

This governance shift transforms growth into a multi-dimensional responsibility. Shareholder value is pursued alongside community well-being and environmental performance. Decision-making now considers not only immediate financial returns but also long-term resilience and stakeholder trust. This governance model differentiates APL as a company where sustainability is not rhetoric but practice.

Responsible Growth as Competitive Advantage

In an increasingly competitive and regulated global pharmaceutical landscape, responsible growth is not just desirable — it is a strategic advantage. By adopting green chemistry, renewable energy, and zero liquid discharge systems, APL enhances efficiency while reducing risks of non-compliance. By investing in workforce inclusivity and training, we attract and retain talent that fuels innovation. By strengthening CSR, we build trust in the communities where we operate, ensuring our social licence to operate. These are not costs but investments that generate competitive advantage."



Shri Chandrakant V. Gogri
Chairman Emeritus

"At Aarti Pharmalabs, we have always believed that science must serve humanity responsibly. As we pass the baton to a new generation of leaders, I remain confident that our unwavering commitment to sustainability, ethics, and innovation will continue shaping a healthier tomorrow for communities worldwide."





Building Trust Through Transparency: About This Report

Reporting with integrity, aligned with global standards and stakeholder expectations

This FY25 Sustainability Report marks a key milestone in Aarti Pharmed Labs' journey toward integrated, stakeholder-centric, and transparent sustainability communication. As part of our commitment to ethical governance, environmental stewardship, and inclusive growth, we have prepared this report to comprehensively disclose our performance across Environmental, Social, and Governance (ESG) pillars.

The report has been developed with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 update) and aligns with key global frameworks including the United Nations Global Compact (UNGC), the Sustainable Development Goals (SDGs), and the SEBI-mandated Business Responsibility and Sustainability Reporting (BRSR) guidelines. This section outlines the report's scope, boundaries, materiality, data sources, assurance process, and alignment with internationally recognized reporting principles.

Objective and Audience of the Report

The primary objective of this report is to inform, engage, and reassure our stakeholders that APL's growth is aligned with both global best practices and societal expectations. The report is intended for a diverse audience viz. investors seeking long-term value creation, customers evaluating our compliance and innovation credentials, employees aspiring to contribute to a responsible organisation, regulators assessing our alignment with national priorities, suppliers working with us to embed sustainability in the value chain, and communities who look to us for social and environmental responsibility.

This is APL's second standalone Sustainability Report, while in previous years sustainability information was integrated into the Annual Report and published as standalone updates, this year's report consolidates internal ESG tracking, board-level engagement, and stakeholder feedback into a single, structured disclosure. It also lays the foundation for enhanced non-financial reporting in future integrated reports, including closer alignment with frameworks such as TCFD.

Scope and Boundary

The scope of this report covers all material operations and activities of Aarti Pharmed Labs Limited for FY25, including our six manufacturing facilities across Maharashtra and Gujarat, three R&D centres, and corporate offices. ESG data is reported across environmental performance (energy, water, emissions, waste), labour practices and safety, diversity and inclusion, governance, ethics and compliance, supply chain responsibility, and corporate social responsibility (CSR).

While this report primarily focuses on FY25 performance, selected trends from FY24 are presented to provide continuity and context. This comparative approach allows stakeholders to see the direction of change and evaluate whether our strategies are delivering results. Subsidiaries, joint ventures, or non-operational assets are excluded unless specifically noted, as they are not material to consolidated ESG performance.

Any assumptions, estimates, or methodological clarifications have been explicitly noted alongside data tables or in annexures to avoid ambiguity.

Reporting Frameworks and Standards Followed

APL's reporting approach is anchored in globally recognised frameworks, ensuring comparability, relevance, and reliability.

The Global Reporting Initiative (GRI 2021 Standards) form the backbone of this report, providing a globally accepted structure for ESG disclosures. We have referenced both Universal and Topic Standards relevant to the chemical and pharmaceutical sectors. The principles of stakeholder inclusiveness, sustainability context, materiality, and completeness, as defined by GRI, underpin this report.

Our commitment to the United Nations Global Compact (UNGC) guides our adherence to the Ten Principles across human rights, labour, environment, and anti-corruption. This report demonstrates our progress in embedding these principles into everyday operations. We also align our activities with the UN Sustainable Development Goals (SDGs), mapping our material topics and initiatives to

specific SDGs such as SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).

Finally, we have adopted the AA1000 Assurance Standard (AA1000AS v3) for independent assurance of this report. This standard emphasises inclusivity, materiality, responsiveness, and impact, ensuring that disclosures reflect stakeholder priorities and are supported by robust evidence.

Materiality Determination

A credible sustainability report must be rooted in materiality, the issues that matter most to both the organisation and its stakeholders. In FY25, APL undertook its comprehensive materiality assessment including the external stakeholders.

This exercise involved structured surveys and interviews with internal stakeholders (employees, leadership, Board members) and external stakeholders (investors, customers, suppliers, regulators, and NGOs).

The topics were prioritised based on their impacts and their strategic importance to APL's long-term business model. The outcomes of this process are detailed in 'Engaging Our Ecosystem: Stakeholders & Material Topics' section.

Data Sources and Methodologies

The reliability of this report depends on the robustness of data. All information has been sourced from verified internal systems, including enterprise resource planning (ERP) systems for production and financial data, environmental dashboards for energy, water, and emissions, human resource management systems (HRMS) for workforce and diversity data, and learning management systems for training metrics. CSR disclosures have been sourced from NGO partner reports and CSR impact assessments. All quantitative disclosures are presented for FY25 unless otherwise noted, with FY24 values provided for year-on-year comparability. For greenhouse gas emissions, we follow the GHG Protocol,

while safety data adheres to OSHA standards. Where estimation methods or conversion factors are used, they are clearly noted. This ensures that stakeholders can assess not only the outcomes but also the robustness of the methodologies employed.

External Assurance Statement

To reinforce stakeholder confidence, APL has voluntarily undertaken independent third-party assurance of this Sustainability Report. SustainEDGE Business Solutions Pvt. Ltd. conducted the assurance using the AA1000AS v3 standard, providing a Type 2, Moderate Assurance.

The assurance process examined inclusivity of stakeholders, materiality determination, responsiveness of disclosures, and impact measurement. It also verified a representative sample of data points across economic, environmental, and social indicators. The detailed Assurance Statement is included in Annexure IV.

By subjecting our disclosures to external scrutiny, we signal our intent to provide not only information but also assurance of accuracy, transparency, and completeness.

The detailed Independent Assurance Statement is included in Annexure IV of this report.

Forward-looking Statements

This report contains forward-looking statements regarding our ESG targets, net-zero ambitions, climate commitments, and social impact programmes. These statements are based on our current strategies, assumptions, and risk assessments. However, actual outcomes may vary due to external factors such as regulatory changes, global market volatility, or environmental conditions. APL remains committed to continuous improvement. In future cycles, we will enhance the granularity of disclosures, benchmark against global peers, and integrate digital reporting platforms for real-time ESG performance tracking. No restatements of data have been made in this reporting cycle.



Chairman's Message.

Vision for a Healthier Tomorrow

Shri Rashesh Gogri

Chairman

Dear Stakeholders

At Aarti Pharmed Labs, we have always believed that business success cannot be measured by financial performance alone. True success lies in how we contribute to society, protect the environment, and uphold the trust of all our stakeholders. FY25 was a year that reinforced this conviction, as we made measurable progress towards embedding sustainability into every aspect of our business. Our theme, *"Sustainable Science for a Healthier Tomorrow,"* captures this balance between scientific excellence and responsible stewardship.

The pharmaceutical industry has a profound responsibility. On the one hand, it must innovate to improve human health; on the other, it must ensure that such innovation does not come at the expense of the environment or future generations. As Chairman, I see Aarti Pharmed Labs playing a dual role: as a provider of essential pharmaceutical solutions and as a custodian of environmental and social responsibility. This is why sustainability is not a side agenda but the foundation of our long-term vision.

FY25 was significant as we secured **validation of our climate commitments by the Science Based Targets initiative (SBTi)**. This validation provides external assurance that our targets — reducing Scope 1 and 2 emissions by **37.8% by FY30** and Scope 3 by **22.5% by FY30** — are aligned with global pathways to limit climate change.

Looking further, our pledge to achieve **net-zero across the value chain by FY2050** demonstrates our willingness to look decades ahead, beyond short-term cycles, and to act for the benefit of future generations.

We also advanced in governance. ESG risks and opportunities are now firmly integrated into Board-level oversight, ensuring that our strategy is resilient to external pressures — be it climate risk, supply chain disruption, or shifting regulations. This level of governance maturity is critical as stakeholders demand not only results but also accountability.

Our commitment to people and communities also grew stronger in FY25. More than **71,000 lives were positively impacted** through our CSR programmes, spanning education, healthcare, women empowerment, and water stewardship. At the same time, within our organisation, we made progress on diversity, with women now forming **~5% of our workforce**. These steps, though modest in numbers, represent deeper cultural shifts towards inclusion and equity.

As I look ahead, my vision is clear. Aarti Pharmed Labs will continue to grow as a global partner of choice for pharmaceutical innovation, but our growth will always be guided by responsibility. We will balance profitability with purpose, efficiency with empathy, and science with sustainability. Our goal is to leave behind a legacy that future generations will not only inherit but also be proud of.

On behalf of the Board, I thank our employees, partners, and stakeholders for walking this journey with us. Together, we are building not just a stronger company, but a healthier and more sustainable tomorrow.



Regards,
Shri Rashesh Gogri
Chairman



Vice Chairperson's & MD's Message

Steering the Sustainability Journey

Smt. Hetal Gogri Gala

Vice Chairperson & Managing Director

Dear Stakeholders

FY25 was a pivotal year for Aarti Pharmed. We delivered strong financial results — with revenues of over **₹1,700 Crore** while taking bold steps to strengthen our sustainability strategy. This balance of growth and responsibility reflects our belief that sustainability is not separate from competitiveness; it is central to it.

The validation of our emission-reduction commitments by the **Science Based Targets initiative (SBTi)** marks a turning point in our strategic journey. Few Indian pharmaceutical companies have secured such validation, and for us, it underscores our seriousness in aligning growth with global climate goals. By FY30, we will reduce Scope 1 and 2 emissions by **37.8%**, Scope 3 by **22.5%**, and by FY2050, achieve **net-zero across our value chain**. These goals are ambitious but strategic: they reduce regulatory risks, reassure global partners, and position APL as a preferred supplier in an increasingly sustainability-conscious market.

To operationalise this, we are investing heavily in renewable energy. The commissioning of a **21 MWp solar project in Akola** and the initiation of a **9 MWp captive solar project in Gujarat** will supply over half our electricity needs once complete. This shift not only reduces our emissions but also protects us from energy volatility, enhancing cost competitiveness. Our sustainability strategy is not limited to climate. In FY25, we expanded CSR interventions, touching more than **71,000 lives**.

These included digital classrooms, women's livelihood programmes, maternal health initiatives, and water conservation projects. Each of these reflects a strategic choice: investing in social capital strengthens the ecosystem around us and enhances our license to operate. Internally, we strengthened our people strategy. Training hours per employee rose, digitised learning platforms were rolled out, and safety protocols were upgraded across plants. Women's participation rose to 5.9%, aided by flexible policies and leadership training. We view diversity not just as a moral imperative but as a driver of innovation and long-term competitiveness.

Looking ahead, our strategy rests on four pillars: responsible operations, science-led innovation, stakeholder value creation, and alignment with global ESG frameworks. We are expanding our R&D to pioneer **green chemistry**, digital manufacturing, and sustainable pharmaceuticals and nutraceuticals. We are embedding sustainability into supply chains, requiring partners to adhere to our **Supplier Code of Conduct**. And we are increasing transparency through robust reporting aligned to **GRI Standards, BRSR Core, and UNGC Principles**.

Our commitment is to ensure that every strategic choice strengthens both business performance and stakeholder trust. With resilience, innovation, and responsibility, APL is prepared to lead the industry into a future where sustainability is the true measure of success.

Regards,

Smt. Hetal Gogri Gala

Vice Chairperson & Managing Director





Managing Director's Message
Leading with Impact

Shri Narendra J. Salvi
Managing Director

Dear Stakeholders

Execution is where our commitments take shape, and FY25 was a year when operational excellence and sustainability came together at Aarti Pharmed. Every initiative — whether in water, waste, energy, or safety — was guided by our belief that responsible operations are the cornerstone of long-term resilience.

Our facilities continue to operate as zero-liquid discharge (ZLD) units, ensuring that no untreated effluents enter the environment. Investments in recycling, process optimisation, and heat recovery enabled us to reduce freshwater dependence and improve efficiency. At the same time, our CSR water projects extended the benefit to communities, ensuring that conservation is embedded both inside and outside our factory gates.

Waste management saw further progress. In FY25, more than 35% of waste generated has been diverted from landfill, which is over 5,500 MT, was recycled, reused, or recovered. By investing in solvent recovery systems and cement kiln co-processing, we advanced circularity and reduced disposal loads. This approach reflects our operational philosophy — waste is not just a cost but a resource waiting to be recovered.

On energy, we combined efficiency improvements with renewable integration. The 21 MWp solar project in Akola and the upcoming 9 MWp Gujarat project are game changers, expected to provide more than half our electricity needs.

Alongside, we optimised energy use through advanced control systems, high-efficiency motors, and process innovations. Safety remained a top priority. In FY25, we eliminated open handling of hazardous materials, implemented advanced powder-handling technologies, and intensified EHS training across sites. Regular audits and leadership oversight reinforced a safety-first culture. While challenges remain, our journey towards zero harm gained momentum this year. Our people strategy was equally robust. Average training hours increased significantly, with digitised platforms ensuring access across functions. Programmes covered technical, behavioural, and leadership skills, preparing our workforce for future demands. Women's representation rose to 5.9%, supported by progressive HR policies. These operational measures not only improve performance but also build resilience and inclusivity. Communities remained central to our operational responsibility. In FY25, our CSR programmes reached 71,000 beneficiaries across education, healthcare, women empowerment, and water security. Each project was executed with rigorous planning and monitoring, ensuring measurable outcomes. For instance, smart classrooms enhanced digital literacy in schools, while maternal health initiatives improved awareness and access in rural communities. FY25 also marked a milestone with our first GRI-aligned standalone Sustainability Report, assured under AA1000AS. This reflects our commitment to transparent, credible disclosure and continuous improvement.

As I look forward, my focus as Managing Director is clear: to keep strengthening operational efficiency while embedding sustainability into every process. We will continue to optimise resources, reduce emissions, safeguard safety, and build capacity among our people and partners. By combining discipline with innovation, APL will ensure that operations remain the strongest foundation of our sustainability journey.

Regards,

Shri Narendra J. Salvi

Managing Director





Pillars Of Progress: Rewards & Recognition

Celebrating Excellence,
Validating Purpose

Receiving an accreditation or recognition is a significant and celebratory moment that we are eager to share with our valued customers, stakeholders, and dedicated team members at APL. Sharing these achievements is not only a source of inspiration for our staff but also fills us with deep pride for our company. We have been accredited and recognised with various institutions and organisations.



SDGs Aligned:



ESG Achievements



Gold Rating in the EcoVadis Sustainability Assessment (Score: 77 out of 100; 96th percentile global ranking)



Science Based Targets Initiative (SBTi)
SBTi Validated Greenhouse gas (GHG) reduction targets



B- for Climate Change
B- for Water Security
C for Forests



a company of **S&P Global**

AA-



Sustainability is not rhetoric but practice.

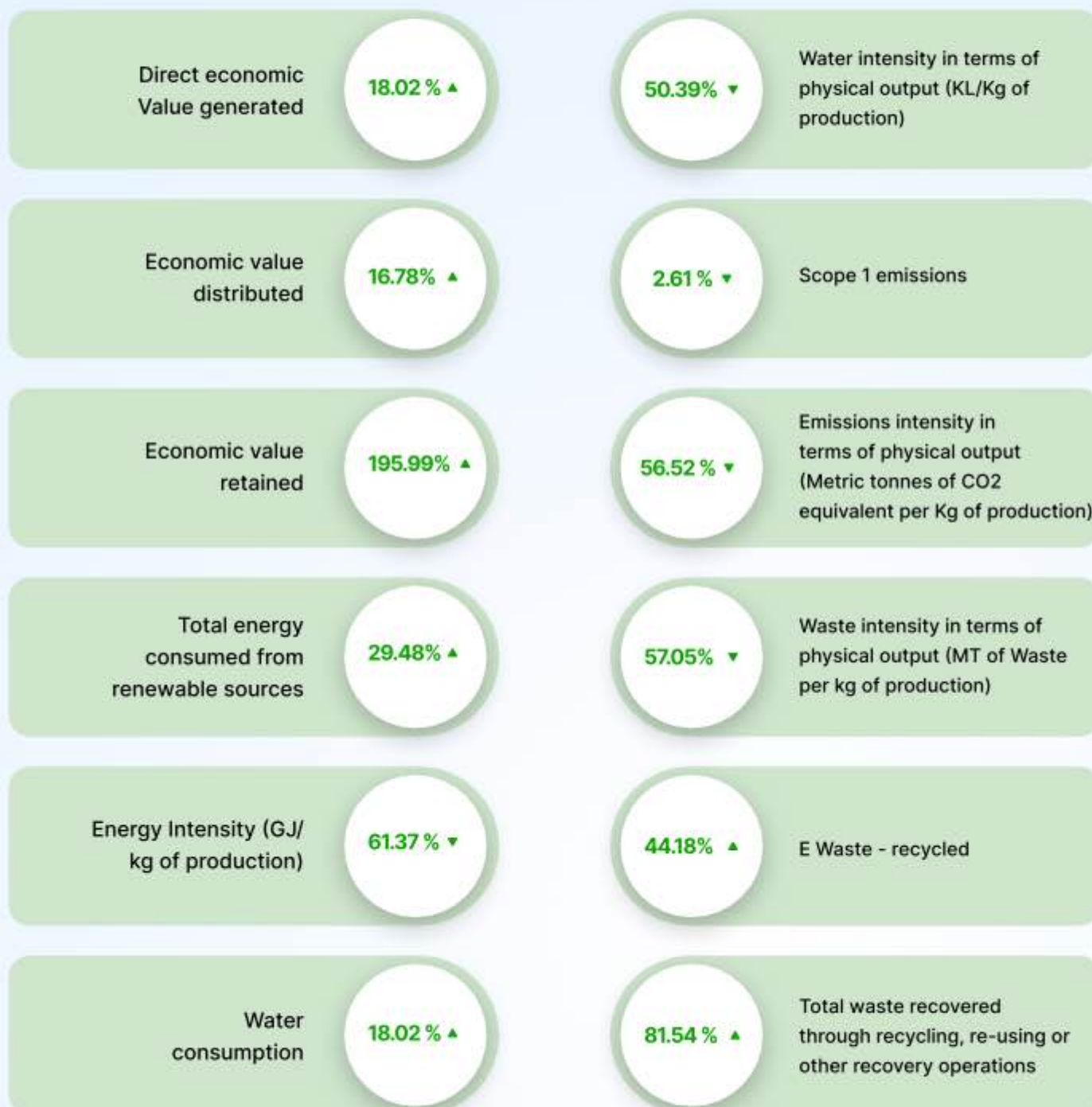


**Driving Impact:
Business Highlights**

Strength in Science, Scale in Impact

Our Sustainability Performance

At APL, we view our business as a commitment to responsible practices and sustainability. Our success is measured not just in financial terms but also by the positive impact we create on the environment, society, and the quality of life for our stakeholders. We are dedicated to continually elevating our standards in product quality, safety, and ethical sourcing, all while minimizing our ecological footprint. Our sustainability initiatives encompass responsible sourcing of raw materials, reducing waste, and promoting efficient use of resources. We firmly believe that true success lies in aligning our business objectives with our unwavering commitment to a sustainable and equitable future, ensuring that every product we deliver contributes to this vision.



These percentage changes are with respect to FY24.



Engaging Our Ecosystem: Stakeholders & Material Topics

Listening, prioritizing, and responding for
lasting stakeholder trust

In an increasingly interconnected world, the success of any business is deeply rooted in the strength of its ecosystem. At Aarti Pharmed Limited (APL), we believe that responsible growth is only possible through continuous, transparent, and meaningful engagement with our stakeholders. Whether it is a community impacted by our operations, a global CDMO partner, or an employee at the front lines of innovation, each stakeholder influences our sustainability direction and is influenced by it.

FY25 marked a significant evolution in how APL identifies, assesses, and responds to the topics that matter most. We adopted a double materiality approach, as defined by GRI 2021 and emerging global sustainability directives, ensuring that our reporting captures both how sustainability issues impact APL, and how APL impacts the economy, society, and the environment.

This section outlines our stakeholder engagement process, materiality methodology, and the resulting material topics along with their boundaries and SDG alignments.

Stakeholder Identification and Engagement

We regularly engage a diverse group of stakeholders who are impacted by or can influence our operations. Stakeholder inputs are critical to shaping our ESG strategy, reporting priorities, risk identification, and long-term goals.

Key Stakeholder Groups and Engagement Mechanisms

Key stakeholders	Key focus areas	Modes of engagement	Frequency of engagement
Board and Committees	Oversight of operations, business performance, risks and opportunities, strategy alignment, ESG initiatives, compliance, and crisis management.	Presentations, reports, surveys, awareness sessions	Quarterly and as needed
Employees and Workers	Engagement to foster a safe, inclusive workplace, provide updates on company and industry developments, encourage feedback and innovation, and support professional growth.	Email, website, notice boards, training sessions, surveys, LinkedIn	Daily
Suppliers	Ensure business continuity, quality compliance, address ESG parameters, and resolve product-related issues and feedback.	Supplier audits, meetings, topic-based engagement	Frequent and as needed
Customers	Enhance market share, introduce new products, ensure fair business practices, and address customer feedback and queries.	Customer meetings, audits, surveys, structured engagements	Frequent
Government and Regulators	Compliance with regulations, facilitate product development and manufacturing, and uphold high standards of operational compliance.	Submissions, meetings, emails, website	Need-based
Community	Support sustainable development, address local community needs, focus on health, education, gender equality, afforestation, and infrastructure development.	Physical visits, digital channels	Frequent and as needed

Investors/Financial Partners	Provide updates on financial performance, strategic direction, sustainability goals, and significant events impacting the company's performance.	Investor meetings, conferences, earnings calls, press releases	Frequent and as needed
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Materiality Assessment Approach

APL conducted a materiality assessment in FY25 using a structured four-step approach. The process was designed to capture both impact and risks and opportunities to our business.

1. Topic Identification

Aligned with GRI, UNGC, BRSR, and SDG frameworks. 26 sustainability topics shortlisted.

2. Stakeholder Engagement

Interactions with different stakeholder groups on economic, environmental, and social matters through periodic, structured consultations, which include surveys, feedback sessions.

3. Impact and Risk Mapping

Each topic scored on impact scale by each stakeholder.

4. Validation and Approval

Approved by ESG Steering Committee; reviewed with Board Sustainability Oversight Team.

Our material issues are of utmost importance to both our organization and our stakeholders, significantly influencing our capacity to generate value. These topics are shaped by the economic, social, and environmental conditions in which we operate. In compliance with the GRI framework, we initiated an impact-based materiality assessment process in 2024 to pinpoint the key sustainability issues relevant to our business and stakeholders. This involved thorough secondary research and active engagement with internal stakeholders to identify and prioritize a shortlist of sustainability topics. Through this comprehensive exercise, we identified 26 sustainability topics of significance. To carry out the materiality assessment, we fostered robust discussions and interactions among our senior management team and external stakeholders. All 26 topics were meticulously examined and ranked based on their potential impact on our business operations. This involved thorough secondary research and active engagement with internal stakeholders to identify and prioritize a shortlist of sustainability topics.

Through this comprehensive exercise, we identified 26 sustainability topics of significance. To carry out the materiality assessment, we fostered robust discussions and interactions among our senior management team and external stakeholders. All 26 topics were meticulously examined and ranked based on their potential impact on our business operations.

Material topics
Air Quality
Climate Change
Energy Management
GHG Emissions
Supplier Environmental Assessment
Waste Management
Water Management
Material Sourcing and Efficiency
Economic Performance
Indirect Economic Impacts
Business Ethics
Compliance
Risk Management
Access to Healthcare
Customer Health and Safety
Diversity and Equal Opportunity
Employee Wellbeing
Learning and Development
Local Communities (CSR)
Non-discrimination
Occupational Health and Safety
Supplier Social Assessment
Data Privacy and Security
Human Rights
Marketing and Labelling
Product Quality and Safety

The collective input from internal stakeholders were combined and consolidated, with each material topic evaluated based on its impact. This process led to the identification of APL's high-impact material topics, outlined as follows. The high-priority topics with significant impact include:

- ✔ Learning and Development
- ✔ Supplier Environmental Assessment
- ✔ Material Sourcing and Efficiency
- ✔ Supplier Social Assessment
- ✔ Climate Change
- ✔ GHG Emissions
- ✔ Economic Performance
- ✔ Energy Management

Learning and Development

At APL, we recognize that the key to sustaining our competitive edge in the pharmaceutical and specialty chemicals industry lies in the continuous development of our workforce. Our commitment to Learning and Development is driven by the understanding that a knowledgeable and skilled workforce is essential for innovation and operational excellence. We provide our employees with access to a wide range of training programs, from technical skills enhancement to leadership development. By investing in both in-house training and external certifications, we ensure that our team is well-equipped to tackle current challenges and embrace future opportunities, fostering a culture of continuous improvement across the organization.

Supplier Environmental Assessment

As a responsible company, APL is deeply committed to ensuring that our environmental standards extend throughout our supply chain. The environmental practices of our suppliers are crucial to the overall sustainability of our operations.

We conduct thorough environmental assessments of our suppliers to ensure they meet the high standards we set for ourselves. This includes evaluating their energy use, waste management, and emissions. We also work collaboratively with suppliers to address any gaps and support their efforts to improve environmental performance. By doing so, we ensure that our supply chain contributes positively to our sustainability goals and reduces risks associated with environmental compliance.

Material Sourcing and Efficiency

Efficient and sustainable material sourcing is critical to APL's operational success and environmental responsibility. We understand that the way we source and utilize materials directly impacts our environmental footprint, cost structure, and ability to meet regulatory standards. At APL, we adopt a strategic approach to material sourcing, focusing on optimizing the use of materials to enhance efficiency and minimize waste. Our efforts include partnering with suppliers who adhere to sustainable practices and continuously assessing our supply chain for opportunities to improve material efficiency. This not only reduces our environmental impact but also contributes to the economic sustainability of our operations.

Supplier Social Assessment

At APL, our commitment to social responsibility extends beyond our direct operations to encompass our entire supply chain. We believe that ethical business practices are fundamental to building a sustainable and reputable brand. To ensure our suppliers uphold the same social standards that we do, we conduct regular social assessments. These evaluations cover critical areas such as labour rights, non-discrimination, and occupational health and safety. When issues are identified, we collaborate with our suppliers to implement corrective actions, ensuring that their practices align with our values. This rigorous approach helps us maintain an ethical and socially responsible supply chain, safeguarding our reputation and contributing to broader societal well-being.

Climate Change

Climate change presents significant risks and challenges that can impact APL's operations, supply chain, and long-term business viability. Recognizing these risks, we have integrated climate change considerations into our strategic planning and risk management processes. At APL, we conduct climate risk assessments to identify vulnerabilities and develop adaptive strategies to mitigate the impacts of extreme weather events and other climate-related disruptions. In parallel, we are taking proactive steps to reduce our contribution to climate change by lowering our GHG emissions and increasing our use of renewable energy. These efforts are aligned with international climate agreements and demonstrate our commitment to building a resilient and sustainable business.

Greenhouse Gases Emissions

Reducing greenhouse gas (GHG) emissions is a central component of APL's commitment to combating climate change. As a company with a global footprint, we understand the importance of minimizing our carbon emissions to mitigate our impact on the environment. APL actively works to reduce our GHG emissions through a combination of energy efficiency measures, the adoption of renewable energy sources, and process improvements. We regularly monitor and report our emissions to track progress and identify further opportunities for reduction. Our commitment to lowering GHG emissions is part of a broader strategy to align with global climate goals and contribute to a sustainable future.

Economic Performance

At APL, robust economic performance is fundamental to our ability to sustain growth, drive innovation, and support our sustainability initiatives. We understand that financial health underpins our capacity to invest in cutting-edge technologies, enhance our sustainability practices, and deliver value to our stakeholders. APL focuses on achieving strong economic performance through strategic market expansion, operational efficiency, and continuous innovation.

Our financial management practices emphasize transparency, risk management, and long-term planning, ensuring that we are well-positioned to navigate market fluctuations and economic challenges. By aligning our economic success with our sustainability goals, we ensure that our growth is both profitable and responsible, contributing positively to society and the environment.

Energy Management

Effective energy management is vital for APL, not only to reduce our environmental footprint but also to enhance our operational efficiency and cost-effectiveness. Given the energy-intensive nature of our manufacturing processes, optimizing energy use is a priority for us. APL has implemented an advanced energy management system that enables us to monitor, control, and reduce energy consumption across our operations. We invest in energy-efficient technologies and continuously seek ways to improve energy use through process optimization and innovation. Additionally, we are exploring renewable energy options to further decrease our reliance on non-renewable energy sources. These initiatives support our commitment to sustainability while also driving operational excellence.



Impact Boundary Mapping

Each material topic has been assessed for boundary whether the impacts are in the APL operations.

Material topics	Upstream	APL	Downstream
Air Quality		✓	
Climate Change	✓	✓	✓
Energy Management	✓	✓	✓
GHG Emissions	✓	✓	✓
Supplier Environmental Assessment	✓	✓	
Waste Management		✓	
Water Management		✓	
Material Sourcing and Efficiency	✓	✓	
Economic Performance		✓	
Indirect Economic Impacts		✓	✓
Business Ethics	✓	✓	✓
Compliance	✓	✓	✓
Risk Management	✓	✓	✓
Access to Healthcare		✓	✓
Customer Health and Safety		✓	✓
Diversity and Equal Opportunity		✓	
Employee Wellbeing		✓	
Learning and Development		✓	
Local Communities (CSR)			✓
Non-discrimination	✓	✓	
Occupational Health and Safety		✓	
Supplier Social Assessment	✓		
Data Privacy and Security	✓	✓	✓
Human Rights	✓	✓	✓
Marketing and Labelling		✓	✓
Product Quality and Safety	✓	✓	✓

Mapping Material Topics to GRI aspects

As an output of stakeholder engagement exercise, following topics were identified to be taken up on priority. Below is their mapping with the relevant GRI material aspects:

Priority material topic	GRI material aspect
Learning and Development	. Training and education
Supplier Environmental Assessment	. Supplier environmental assessment
Material Sourcing and Efficiency	. Materials . Procurement practices
Supplier Social Assessment	. Supplier social assessment
Climate Change	. Energy . Emissions
GHG Emissions	. Emissions
Economic Performance	. Economic performance
Energy Management	. Energy



Responsible Science: Ethical & Resilient Operations

Strong governance is the chemistry that holds
our purpose together

At Aarti Pharmed Labs Limited (APL), responsible operations form the backbone of our corporate philosophy and strategic direction. We recognise that science can only be meaningful if it is practiced responsibly — anchored in ethics, integrity, and accountability. FY25 was a year of reinforcing this foundation. From strengthening our Code of Conduct and expanding supply chain due diligence to embedding ESG into enterprise risk management, we made important strides towards ensuring that our operations remain ethical, resilient, and sustainable.

Responsible science at APL is about trust: trust of regulators in our compliance, trust of employees in our workplace, trust of investors in our governance, and trust of communities in our accountability. By embedding principles of ethics, compliance, risk management, and sustainability into our day-to-day practices, we not only secure resilience for our business but also reinforce our role as a responsible and forward-looking industry leader.

Ethical Business Practices

Ethical conduct is not merely a regulatory requirement at APL — it is a non-negotiable cultural anchor. Our Code of Conduct sets clear expectations on anti-corruption, anti-bribery, prevention of conflicts of interest, fair competition, respect for human rights, and workplace inclusion. In FY25, the Code was refreshed to explicitly integrate environmental and social responsibilities, ensuring that sustainability considerations are factored into day-to-day decisions across the company.

Training and awareness were central to enforcement. Every employee, from senior leadership to new hires, completed mandatory ethics training modules during FY25. Scenario-based workshops were delivered to managers to help them navigate ethical dilemmas, and all completions were tracked through our HRMS to ensure 100% coverage.

The whistleblower programme remains a confidential and independent channel for raising concerns. Accessible to employees, suppliers, contractors, and other stakeholders, the mechanism ensures anonymity and protection from retaliation. An Ethics Committee oversees all cases, with investigations conducted within defined timelines. Lessons from investigations were integrated into corrective actions and training programmes to prevent recurrence.

Ethical expectations also extend beyond our organisation.

All suppliers and partners are required to sign and comply with the Supplier Code of Conduct, which mirrors APL's standards on human rights, labour dignity, anti-corruption, and environmental management. By ensuring that our value chain operates with integrity, we create a consistent culture of responsibility from raw material sourcing to delivery of finished APIs and intermediates.



Corporate Governance

Strong governance enables responsible science. APL's Board of Directors is composed of executive, non-executive, and independent directors with diverse expertise spanning pharmaceuticals, finance, law, and sustainability. This composition ensures strategic guidance balanced with independent oversight.

The Board operates through its committees — Audit, Nomination & Remuneration, Risk Management, CSR, and Stakeholders' Relationship, which meet regularly to review compliance, risk registers, and ESG performance. ESG topics, including climate risk, safety metrics, customer responsibility, and value chain accountability, were integrated into Board agendas during FY25, ensuring that sustainability oversight is embedded at the highest level.

Remuneration for senior executives now includes ESG-linked metrics such as compliance performance, safety outcomes, and supplier ESG engagement. This alignment ensures that sustainability and governance priorities are directly tied to leadership accountability.

Compliance and Regulatory Adherence

In pharmaceuticals, compliance is the foundation of patient safety and reputational trust. APL's facilities continue to be approved by leading regulators, including USFDA, EDQM/EU-GMP, ANVISA Brazil, COFEPRIS Mexico, and Korean FDA. These approvals are not static achievements but are continually reinforced through a dynamic compliance management framework.

In FY25, multiple regulatory inspections were successfully completed across our manufacturing sites, with no major non-compliances reported. Internal audits were conducted across all facilities to test adherence to GMP standards, EHS protocols, and company policies. Corrective and Preventive Actions (CAPA) were monitored centrally, with closure timelines tracked through digital dashboards. We also maintained regular dialogue with regulators, submitted timely disclosures, and actively participated in industry associations to anticipate regulatory changes.

By adopting a proactive approach, APL ensures that compliance remains a driver of business continuity and stakeholder trust.

Risk Management and Business Resilience

In today's interconnected global landscape, risk management is a strategic necessity. APL's Enterprise Risk Management (ERM) framework integrates financial, operational, environmental, social, and reputational risks into a single, regularly updated register. Risks are assessed for likelihood and impact, assigned ownership, and tracked for mitigation.

During FY25, climate risk emerged as a central theme. Physical risks such as extreme weather and water scarcity, along with transition risks such as evolving carbon regulations, were mapped into enterprise risk registers. Scenario planning exercises helped evaluate potential impacts on raw material costs, energy availability, and site operations. Mitigation strategies included diversifying sourcing, expanding renewable energy adoption, and developing water resilience programmes.

Other priority risks included geopolitical volatility, cyber threats, single-source raw materials, and reputational risks linked to ethical supply chain performance. Business continuity plans (BCPs) were maintained across facilities, supported by periodic drills, redundancies in utilities, and vendor diversification. These measures ensured that operations remained resilient in the face of external shocks.



Sustainable and Ethical Supply Chain

Our responsibility extends well beyond our plants to the suppliers and partners who support our production. The Supplier Code of Conduct anchors our value chain in principles of environmental stewardship, labour dignity, fair practices, and transparency.

In FY24, 44.98% of key suppliers were screened for ESG performance using environmental and social criteria. In FY25, this coverage expanded, supported by on-site audits for high-risk suppliers and follow-up corrective action plans. Training sessions were conducted to build supplier capability in emissions reduction, waste management, and occupational safety.

APL also focused on localisation strategies where feasible, reducing dependency on imported inputs and supporting domestic economic ecosystems. Ethical sourcing policies emphasised traceability, compliance with labour standards, and proactive engagement with communities where raw materials originate.

Indicator	FY25	FY24
Suppliers signed code of conduct	100%	100%
Suppliers responded with SAQ	100%	100%
Suppliers with general contract condition	100%	4.98%
Suppliers undergone onsite audit	56.53%	44.59%
Procurement staff trained on sustainability	100%	100%
Suppliers engaged in corrective actions	100%	100%
Women owned suppliers	2.84%	2.84%

Operational Efficiency and Innovation

Operational excellence is deeply tied to responsible operations.

In FY25, APL pursued lean manufacturing and continuous improvement initiatives across facilities to reduce waste, optimise yields, and improve resource efficiency. Predictive maintenance systems and digital dashboards improved reliability and compliance performance.

Energy efficiency was a priority. Investments were made in high-efficiency motors, advanced process control, and LED lighting, complemented by solvent recovery and recycling systems. Water conservation was advanced through recycling and waste minimisation strategies emphasised re-use, recycling and safe disposal in line with regulatory norms.

Innovation drives sustainability at APL. Our R&D teams are developing green chemistry processes to minimise hazardous inputs, improve atom efficiency, and enhance recoveries. These advances demonstrate how operational efficiency and sustainability can move forward together.

Information Security and Data Privacy

With increasing digitalisation and collaboration with global customers, information security has become integral to resilience. APL follows a Board-approved Information Security Policy, which includes data privacy commitments, access controls, incident response mechanisms, and employee awareness programmes.

In FY25, we expanded multi-factor authentication, improved patch management compliance, and conducted company-wide phishing simulations. No material cybersecurity incidents or data privacy breaches were reported. We also committed to GDPR-aligned principles for customer and partner data management.



Transparency and Accountability

Transparency is the cornerstone of our stakeholder engagement. This GRI-aligned standalone Sustainability Report is our most detailed non-financial disclosure, supported by GRI Standards and independently assured under AA1000AS v3, Type 2 Moderate Assurance.

We disclose performance with absolute numbers, highlight areas needing improvement, and openly mark placeholders where data is under validation. ESG metrics are integrated into senior leadership scorecards, ensuring accountability cascades through governance systems.

Innovating for a Sustainable Future: R&D, IP, and Programme Management

APL's innovation ecosystem is designed to deliver science that is commercially viable, globally compliant, and environmentally responsible. Our three R&D centres in Dombivli, Nerul and Vapi provide capabilities in route scouting, process optimisation, scale-up, and life-cycle management. These centres increasingly prioritise green chemistry principles: safer solvents, reduced hazardous reagents, and higher yields.

At plant scale, expertise includes ammonolysis, condensation, chlorination, bromination, halox fluorination, hydrogenation, Grignard, Cyanation, Cryogenic reactions and Nitration, with dedicated CDMO facilities for client projects. At lab scale, asymmetric hydrogenation, biocatalysis, chiral chemistry, and cyclocondensation expand our innovation platforms. Analytical capabilities (HPLC, GC, LCMS, GCMS, NMR, ICPMS and XRD) ensure regulatory compliance and robust data integrity.

Our IP and knowledge management frameworks, aligned with ISO 27001:2013, safeguard proprietary processes and freedom-to-operate. Structured programme management governs projects from first inquiry to commercialisation, with clear allocation of resources, identification of potential risks, and early communication with stakeholders. This approach ensures that our science is not only innovative but also sustainable by design.





Planet-First Chemistry: Our Environmental Impact

Cleaner chemistry, greener tomorrow

As a responsible pharmaceutical and chemical manufacturer, Aarti Pharmedlabs recognizes that environmental stewardship is not just an operational necessity but a strategic imperative. With the increasing urgency around climate change, biodiversity loss, and global resource scarcity, we are committed to embedding sustainability at the molecular level of our operations.

FY25 marked a significant acceleration in our journey toward environmental excellence. With a deepened understanding of our environmental footprint and its long-term implications, we implemented structured strategies to minimize emissions, reduce water intensity, optimize energy use, and divert waste from landfills. We are also laying the groundwork for circular economy transitions through resource efficiency and material recovery initiatives.

This section outlines our environmental performance across energy, emissions, water, effluents, waste, and circularity, and reflects our contribution to global goals.

Energy Stewardship and Renewable Transition

Energy is the backbone of pharmaceutical manufacturing, driving high-pressure reactions, distillations, and utilities. At the same time, energy use represents the largest share of our emissions footprint. APL therefore treats energy management as both a cost efficiency and a climate imperative.

In FY25, our renewable energy consumption increased to 233,761 GJ, up from 180,535 GJ in FY24, raising its share of the overall mix from 12.33% to nearly 15.25%. This was achieved through multiple renewable energy projects, including:

- ▶ A 15 MW AC solar plant at Akola, supplying clean power to the Tarapur cluster

- ▶ A 9 MWp green power arrangement in Gujarat, projected to generate over 11 GWh annually.

Non-renewable energy consumption remained broadly stable at 1,299,598 GJ, compared with 1,283,728 GJ in FY24, reflecting increased production volumes but offset by process efficiency measures. Fuel consumption declined, as several boilers were retrofitted for biomass briquettes, displacing coal and diesel.

Digital energy dashboards were deployed across five sites, providing real-time monitoring of load patterns, predictive maintenance for utilities, and process optimisation. These systems ensure that savings are captured consistently rather than intermittently.



Source	FY25	FY24
Renewable Energy (GJ)	233,761	180,535
Non-renewable Energy (GJ)	1,299,598	1,283,728
Total Energy (GJ)	15,33,359	14,64,263
% of Renewable Share	15.25%	12.33%
Energy Intensity (GJ/Kg of Production)	0.0061	0.0158

Climate Action and GHG Emissions Performance

Addressing climate change is central to APL's environmental strategy. The pharmaceutical and chemical industries are energy-intensive and resource-dependent, and the emissions profile of our operations spans not only direct fuel combustion but also grid electricity and value-chain logistics. For APL, climate action is both a risk management imperative and a competitive differentiator: investors, regulators, and global customers are increasingly scrutinising suppliers on their ability to align with a low-carbon future.

Our approach to climate action rests on three pillars: measuring and disclosing emissions transparently, reducing absolute and intensity levels across Scopes 1, 2 and 3, and building resilience to future regulatory and physical climate risks.

APL's greenhouse gas (GHG) inventory is prepared in accordance with the GHG Protocol Corporate Standard, with Scope 1 (direct fuel use), Scope 2 (purchased electricity), and Scope 3 (value chain) all accounted for. Our boundaries include all manufacturing units, R&D centres, and corporate offices, excluding joint ventures. All calculations use emission factors from the Central Electricity Authority of India for grid electricity and IPCC guidelines for fuels.



Total Emissions (tCO2e)



Total Emissions Intensity (tCO2e/Kg of Production)



The modest reduction in Scope 1 emissions reflects fuel substitution and process optimisation. Scope 2 emissions rose due to higher electricity demand as production volumes scaled, despite new renewable installations. Scope 3 emissions declined significantly, driven by logistics optimisation and supplier engagement. APL's climate strategy is multi-layered, addressing both internal operations and external partnerships:

- ▶ **Fuel Switching and Efficiency:** Boilers at Atali were partially converted to biomass briquettes, displacing coal. PNG adoption was expanded at Dombivli along with Vapi. These shifts reduced carbon intensity without compromising process reliability.
- ▶ **Renewable Energy Integration:** The 15 MW AC solar project at Akola supplied clean electricity to Tarapur, avoiding over 8100.19 tCO₂e in Scope 2 emissions. A 9 MWp green power agreement in Gujarat will supply ~11 GWh annually.
- ▶ **Process Optimisation:** Advanced process controls improved reaction yields, lowering fuel consumption per unit of output. Condensate recovery systems also reduced steam demand.
- ▶ **Logistics Optimisation:** By consolidating shipments and adopting digital route planning, APL reduced freight kilometres, cutting Scope 3 transport emissions.
- ▶ **Supplier Engagement:** Scope 3 reductions were also achieved by screening suppliers on energy performance, initiating dialogues on renewable adoption, and encouraging the use of greener packaging materials.

Case Study: Cement Kiln Co-processing at Vapi – Converting Waste into Energy

Certain process residues and high-calorific organic wastes are difficult to recycle within pharmaceutical operations. Traditionally, these wastes would be incinerated or landfilled, both of which carry environmental drawbacks. In FY25, APL partnered with cement manufacturers in Gujarat to co-process these residues in cement kilns.

The wastes serve as alternative fuels in clinker production, replacing fossil fuels such as coal and petcoke. During the year, approximately 1,400 MT of organic residues were diverted from incineration to co-processing. This not only reduced hazardous waste volumes but also avoided an estimated 2,800 tCO₂e emissions by substituting fossil fuels.

The initiative is a prime example of industrial symbiosis: what is waste for one industry becomes a resource for another. It aligns with SDG 12 (Responsible Consumption and Production) and advances India's circular economy agenda.

Water Stewardship and ZLD Leadership

Water is one of the most critical resources for our sector. Used in synthesis, cooling, steam generation, and cleaning, it directly affects operational reliability and quality assurance. At the same time, India faces growing freshwater stress, particularly in the industrial belts where we operate.

Recognising this duality, APL has prioritised a Zero Liquid Discharge (ZLD) framework across major sites.

In FY25, APL withdrew 431,675 KL of water, compared with 391,904 KL in FY24. Since all withdrawn water was treated and recycled within our facilities, total consumption equalled withdrawal, with no untreated discharge. In FY25, 31% of the total water used was recycled, reflecting our continued commitment to water stewardship."

The water intensity of our operations improved markedly to 0.002 KL per kilogram of production versus 0.0049 in FY24, reflecting both operational efficiencies and higher recycling.

These outcomes were achieved through multiple initiatives:

- ▶ Increase in Condensate recovery reached 75% efficiency by achieving 80% improvement compare to FY24.

Across all sites, water budgeting was introduced to align process consumption with product demand cycles.

Beyond the factory gates, APL contributed to community water security by participating in the India Water Stewardship Network, sharing best practices and supporting pilot conservation projects in local communities.

Indicators	FY25	FY24
Third Party withdrawal	4,31,675.00	3,31,904.00
Total water consumed (KL)	4,31,675.00	3,31,904.00
Water intensity (KL/Kg of production)	0.002025	0.004082

Effluents and Wastewater Treatment

Effluent management is among the most visible indicators of environmental responsibility. APL has invested in advanced treatment systems — including reverse osmosis, multi-effect evaporation, and biological treatment — to ensure that all effluents are treated and recycled.

Sludge generated from treatment was managed through secure disposal or co-processing in authorised facilities, further reducing environmental burden. By ensuring no untreated discharge, we protect local water bodies and reinforce our license to operate.

Waste Management and Circular Economy

Material stewardship is a defining component of our commitment to sustainable science for a healthier tomorrow. In the pharmaceutical and specialty chemicals sector, material use directly influences both the economics of production and the sustainability of operations. Every kilogram of raw material consumed, every litre of solvent used, and every by-product generated has an environmental consequence. For APL, improving material efficiency is not just about reducing costs; it is about embedding circular economy principles into our manufacturing philosophy, thereby minimising environmental impacts while creating new value streams.

Our approach to material efficiency begins with process design. The R&D teams at our Dombivli, Nerul and Vapi centres work closely with production engineers to optimise chemical reactions, enhance yields, and reduce the formation of by-products. Process intensification such as high-efficiency catalysts, microreactors, and green chemistry principles is gradually replacing conventional batch processes. By designing cleaner reactions, we reduce the need for excess reagents and downstream treatment, thereby lowering waste generation at source.

For solvents, which account for a large share of material inputs, APL has invested in advanced solvent recovery systems. These systems not only reclaim solvents for reuse but also minimise emissions of volatile organic compounds. Our recovery yields improved significantly in FY25, translating into reduced demand for virgin solvents and lower hazardous waste volumes. The recovered solvents are tested and revalidated for purity, ensuring they meet stringent quality standards for reuse in subsequent batches. A further dimension of efficiency lies in by-product valorisation.

Instead of disposing of certain process residues, APL has identified pathways to convert them into inputs for allied industries, such as cement kilns and construction materials. This approach reduces landfill dependency and contributes to a circular economy where waste streams become secondary resources.

Case Study: Solvent Recovery at Tarapur site with Unit-IV Closing the Loop in Chemical Manufacturing

Solvents such as methanol, acetone, and toluene are indispensable to pharmaceutical production, but they also contribute significantly to hazardous waste if not recovered and reused. At APL's Tarapur site, a state-of-the-art multi-stage distillation unit was commissioned in FY25 to improve solvent recovery efficiency.

The unit employs fractional distillation columns equipped with advanced reflux controls, enabling the recovery of high-purity solvents suitable for direct reuse in synthesis. In FY25 alone, more than 2,100 MT of solvents were recovered, reducing fresh procurement by approximately 15 percent. This initiative not only lowered hazardous waste volumes but also reduced the site's overall carbon footprint by avoiding the emissions associated with solvent incineration and virgin solvent production.

The project demonstrates how circular economy principles can be embedded within core operations, turning waste streams into value and reducing environmental burdens without compromising product quality.

Even with improved efficiency, some waste generation is inevitable in our industry. Our waste management framework is designed to ensure that all waste whether hazardous or non-hazardous is handled with the highest levels of safety, compliance, and environmental responsibility.

The guiding principles are:

- ▶ **Minimisation at Source:** achieved through process optimisation and efficient resource use.
- ▶ **Segregation at Origin:** hazardous and non-hazardous wastes are separated at the point of generation to improve recyclability.
- ▶ **Safe Storage and Transport:** designated areas and licensed contractors ensure no secondary contamination.
- ▶ **Environmentally Sound Disposal:** through recycling, recovery, co-processing, or secure landfilling as per regulatory requirements

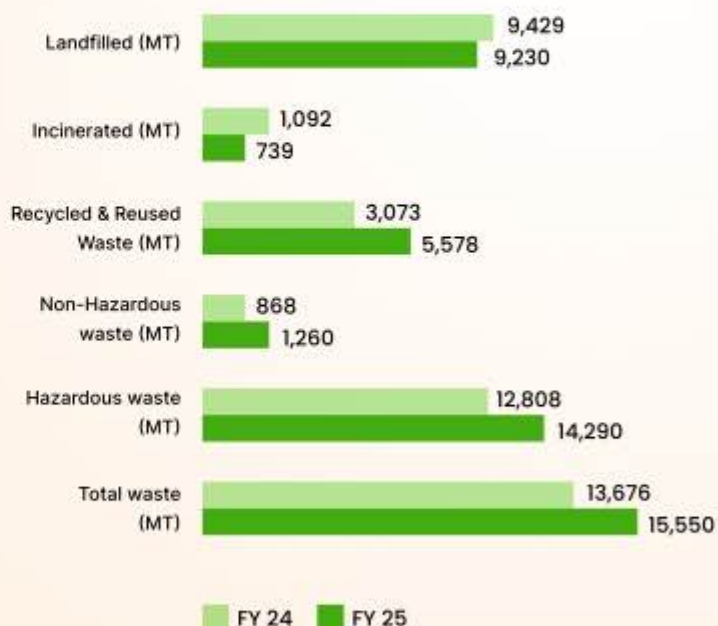
Environmental Impact Assessments and Integrated Management Systems

Environmental considerations begin at the earliest stages of project planning. Every expansion, whether at Tarapur, Vapi or Atali, undergoes a comprehensive Environmental Impact Assessment (EIA). These studies evaluate baseline conditions of air, water and biodiversity, assess potential cumulative impacts, and propose mitigation measures. In FY25, EIAs conducted for expansions at Vapi and Tarapur recommended advanced scrubbers and capacity enhancements in effluent recycling, both of which were implemented during design.

Once operational, sites are governed through an Environmental Management System (EMS) aligned with ISO 14001. Through the Aarti Pharma Management System (APMS), environmental consents, stack monitoring schedules, water balances, and hazardous waste records are centrally integrated. This ensures compliance with state and central pollution control norms and allows corporate management to track performance in real time. Regular internal audits are reinforced by third-party reviews, strengthening transparency and accountability

This integration ensures that sustainability is not a stand-alone program but embedded in daily operations.

By combining precautionary EIAs with dynamic EMS processes, APL is able to anticipate risks, exceed compliance, and continually improve performance.



Indicators	FY 24-25	FY 23-24
Total Active Pharmaceutical ingredient (API's) Sold (MT)	217.092	126.360
Total Active Pharmaceutical ingredient (API's) disposed (MT)	2.146	2.063
Percentage Active Pharmaceutical ingredient (API's) disposed against Active Pharmaceutical Ingredient (API's) sold(%)	0.988%	1.632%



People Behind The Science: Empowering Our Workforce

Our people are the molecules of progress,
powering sustainable growth

At Aarti Pharmalabs Limited (APL), our workforce is the driving force behind our innovations, resilience, and responsible growth. As a knowledge- and technology-driven organization, we believe our people form the most valuable catalyst in delivering science with purpose. From chemists and engineers to safety officers and quality analysts, every APL employee plays a vital role in ensuring that our products not only serve global health needs but are also made responsibly and ethically.

In FY25, we continued to invest in our people-centric culture expanding our talent pipeline, enhancing workplace safety, promoting diversity, and embedding continuous learning. We also focused on strengthening employee engagement, leadership development, and employee wellbeing across all our manufacturing sites, R&D centres, and corporate offices.

This section presents our approach and performance across key areas: employment, workplace health and safety, learning and development, employee engagement, and diversity and inclusion.

Employment and Workforce Profile

Our workforce reflects the complexity and scale of our operations, spread across manufacturing sites, R&D centres, and offices. APL employed 2,166 employees and 841 workers. This includes permanent as well as other-than-permanent categories, with men making up the majority in both groups. Women represented 5.90% of employees and 3.10% of workers, while differently abled colleagues also contributed meaningfully to our operations. Women’s representation on the Board was significantly higher at 33.3%, although women in Key Managerial Personnel roles remained absent, highlighting a gap we are committed to addressing.

Comparing these figures with FY24, when 1,714 employees and 1,086 workers were reported, reveals that while the overall employee base has grown slightly, the worker cohort has reduced. This decline reflects the increasing role of automation, contract optimisation, and improved operational efficiencies. Importantly, our focus is not merely on the numbers but on ensuring that each person in the APL workforce is given fair opportunities, safe conditions, and the tools needed to succeed. Every statistic represents a livelihood supported, a family sustained, and a future made more secure.

Category	FY25	FY24
Total Employees	2,166	1,714
Women Employees	102	104
Women employees (%)	4.71	5.27
Differently abled Employees	2	2

Employment Practices and Worker Well-being

At APL, employment is not seen as a transaction but as a relationship rooted in fairness and respect. Our HR practices are anchored in dignity, transparency, and adherence to both Indian labour laws and international conventions.

Parental leave is another area where APL has made progress. In FY25, all women employees who availed maternity leave returned to work and were retained in employment, compared to an 80% retention rate in FY24. This improvement indicates that our workplace environment is increasingly supportive of working parents, offering not only policies on paper but the trust and flexibility needed for them to balance personal and professional lives.

We also respect the right to freedom of association. In FY25, 30.41% of permanent workers were members of trade unions or associations, a slight increase from 29.91% in FY24.

While employees in managerial and professional categories typically remain outside unions, Works Committees, open houses, and direct dialogue with leadership ensure that their voices are heard.

When it comes to grievances, APL has established mechanisms accessible to all categories — permanent employees, non-permanent employees, permanent workers, and contractual workers. No grievances relating to labour or working conditions were pending at the end of FY25. This reflects not just the presence of systems but their effectiveness, giving employees confidence that their concerns will be heard and resolved fairly.

Diversity, Equity, and Inclusion

A diverse workforce contributes to resilient and innovative science. At APL, we view diversity not only as a metric but as a catalyst for new perspectives and breakthrough solutions. In FY25, women accounted for 5.9% of employees, a modest decrease from 6.07% in FY24. While the overall percentage is still low, especially in shopfloor roles, the direction of change is encouraging. Women's representation is stronger at the Board level (33.3%), showing that leadership commitment is well established, even as operational layers require targeted interventions.

Policies supporting women's participation include maternity and parental leave, flexible timings, and infrastructure upgrades at plants, such as dedicated facilities and safe commuting arrangements. The Prevention of Sexual Harassment (PoSH) framework is strictly enforced, with Internal Committees functioning at every location and zero cases reported in FY25. This creates an environment of trust where women can participate without fear.



Case Study: Women in Science Mentorship Programme

For long, women in the Indian pharmaceutical and chemical sectors have faced structural barriers — limited representation in shop-floor roles, slow progression into leadership, and an undercurrent of bias in career development opportunities. At APL, while women comprised 5.90% of our workforce in FY25, we recognised that retention and advancement were as important as recruitment. Many women employees, particularly in the early stages of their careers, reported challenges in finding role models, mentors, and professional networks that could help them navigate their growth.

To address this, APL launched the Women in Science Mentorship Programme in FY25, a structured initiative pairing senior women leaders with early-career scientists in R&D and Quality functions. The programme was designed as a six-month engagement, blending one-on-one mentoring, group workshops, and exposure visits to leadership meetings. Mentors offered guidance on technical problem-solving, project management, and personal growth strategies. The initiative was also supported by external facilitators who conducted workshops on selfleadership, resilience, and balancing work-life responsibilities. In its inaugural year, 42 women employees participated. Surveys conducted before and after the programme showed marked improvement in participants' confidence levels, clarity about career pathways, and willingness to pursue leadership roles. Attrition among early-career women scientists reduced significantly compared to the previous year, providing quantitative evidence of the programme's impact. Beyond metrics, participants shared personal stories of renewed motivation and belonging, demonstrating that representation and mentorship can reshape organisational culture. The programme will be institutionalised in FY26 with a larger cohort and extended to manufacturing and operations roles. APL also aims to integrate it into the broader Diversity & Inclusion roadmap, positioning mentorship as a long-term lever for gender equity.

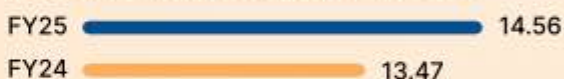
Building a Skilled, Future-Ready Workforce

The science of tomorrow demands new skills today. At APL, capability building is not a side activity but a core part of business strategy. In FY25, 100% of employees received training in health, safety, and wellness, alongside modules for skill upgradation. Among workers, all received safety training, while 34.80% of permanent workers were covered under skill upgradation initiatives. Performance reviews were completed for 84.69% of employees and 71.89% of permanent workers. These figures demonstrate both broad coverage and targeted improvements compared to FY24, when 71.58% of employees and 33.49% of workers had skill-upgradation opportunities.

To make training more impactful, APL has invested in digitised learning systems. A centralised platform is being rolled out to house technical modules, leadership courses, and behavioural interventions. This platform increases accessibility, especially for employees at remote sites, and ensures that learning is not restricted to classrooms or schedules. For our scientific staff, training includes advanced courses on green chemistry and regulatory compliance, while frontline workers benefit from modules on process safety and operational efficiency.

The significance of training extends beyond individual growth. It builds resilience into the organisation, allowing us to adapt to rapid changes in regulations, technology, and market expectations. By embedding continuous learning into our DNA, we ensure that APL remains competitive and future ready.

Average training hours per employee



Prioritising Safety and Well-being

Safety is more than a policy at APL it is a culture. In FY25, there were no fatalities and no recordable injuries among employees or workers, a marked improvement from FY24, when one worker injury was reported. The Lost Time Injury Frequency Rate (LTIFR) stood at 0.00 for both employees and workers in FY25, compared to 0.32 for workers in FY24. This achievement is the result of deliberate and sustained interventions.

Hazardous operations such as powder handling are being redesigned with advanced closed systems, reducing exposure risks. Automation has been introduced in high-risk processes, supported by rigorous permit-to-work systems. Behaviour-based safety programmes encourage employees to observe, report, and act on unsafe practices. The result is a workplace where safety is internalised, not imposed.

Health and well-being complement safety. Our sites house occupational health centres that provide routine health check-ups, fitness assessments, and medical surveillance. Campaigns on ergonomics, mental health, and preventive care further embed well-being into daily life at APL. The pandemic years taught us that health resilience is as important as production resilience, and we continue to integrate those lessons into practice.

Particulars	Category	FY25	FY24
Lost Time Injury Frequency Rate(LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.32
Total recordable work-related injuries	Employees	0	0.81
	Workers	0	2.25
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1
No. of days lost due to injuries	Days	0	16

Case Study: Digital Learning Transformation

As the pharmaceutical industry undergoes rapid technological change, from green chemistry to digital twins, continuous learning has become indispensable. Historically, training at APL was delivered through classroom sessions, often limited to employees at larger sites. This created uneven access to learning opportunities, especially for employees in smaller facilities or those with shift constraints. FY24 surveys highlighted a need for more flexible, accessible, and personalised training options.

In FY25, APL invested in a digitised learning platform, centralising technical, behavioural, and leadership modules into one system. Accessible on desktops and mobile devices, the platform allowed employees to complete courses at their own pace. Modules were developed on key topics such as process safety, ESG disclosures, green chemistry, and leadership development. Importantly, the system tracked progress, allowing managers to identify skill gaps and design targeted interventions. To encourage adoption, gamified features such as points, badges, and leaderboards were introduced.

The platform witnessed strong uptake within its first year. Employees across geographies accessed the same high-quality content, reducing disparities in training opportunities. Early metrics showed higher completion rates than classroom-based modules, particularly for technical topics. Feedback indicated that employees valued the flexibility, especially those balancing work and family commitments. The system also enabled the creation of digital training records, enhancing compliance with regulatory expectations.

In FY26, the platform will be expanded to include advanced modules on artificial intelligence in pharma R&D, climate risk reporting, and sustainability-linked finance. Plans are underway to integrate virtual reality (VR)-based safety training, offering immersive experiences for high-risk tasks. This marks the evolution of learning from being a "support function" to becoming a strategic enabler of APL's long-term competitiveness.

Total manhours worked	Workhours	79,74,710	84,87,526
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Human Rights and Labour Practices

Our commitment to human rights is uncompromising. We prohibit child labour, forced labour, or discrimination of any form. Contracts with suppliers and contractors include human rights clauses, extending our expectations into the value chain. In FY25, audits covered 61% of procurement spend for human rights and labour compliance, with no violations reported.

We also ensure that employees and workers have access to grievance redressal mechanisms without fear of retaliation. Transparency in processes and swift resolution are non-negotiable. In FY25, no grievances related to labour or working conditions were left unresolved.

Aarti Pharmalabs has embedded the principle of living wages into its compensation practices for contract employees and workers. While continuing to pay above the prescribed minimum wages as per industry standards, the company goes further to ensure that wages adequately cover essential needs such as housing, nutrition, healthcare, and education. At present, this practice has been implemented in two of our units, and the company is actively working towards extending it across all operations in the future.

This initiative reinforces our commitment to employee well-being and reflects our broader goal of fostering an equitable and sustainable workplace in accordance with the IDH benchmark.



Employee Engagement and Culture

A strong culture holds organisations together, especially in times of change. At APL, employee engagement is reinforced through multiple touchpoints: recognition programmes such as APL Stars, leadership dialogues like Ask the MD, and volunteering opportunities that allow employees to contribute to communities. Cultural events and wellness initiatives also create cohesion, fostering a sense of belonging that transcends job roles.

In FY24, the engagement score was 79%. For FY25, survey results indicated progress, supported by enhanced recognition mechanisms and more transparent communication. Volunteering continued to build bridges between employees and the communities around our sites, demonstrating that science is not confined to laboratories but lived in society.





Caring Beyond Chemistry: Social Responsibility & Communities

Our science finds its highest purpose
when it touches lives beyond business

At Aarti Pharmalabs Limited (APL), our sustainability philosophy extends well beyond our manufacturing operations to the communities in which we operate. Guided by our values of Care, Integrity, and Excellence, our CSR strategy seeks to foster equitable growth by addressing pressing social needs while creating long-term developmental impact. For us, corporate social responsibility is not a compliance requirement but an integral part of building shared value and advancing the theme of Sustainable Science for a Healthier Tomorrow.

Our CSR policy prioritises interventions in education, healthcare, water conservation, women empowerment, livelihood enhancement, environment, and community infrastructure. These focus areas are aligned with national development priorities and global frameworks such as the UN Sustainable Development Goals (SDGs), ensuring that our actions contribute to broader societal progress.

During FY25, APL's CSR efforts directly impacted over 70,000 lives through multiple flagship programmes, partnerships with NGOs, and infrastructure projects. Our projects combined short-term relief with long-term empowerment, ensuring that our communities become more resilient, self-reliant, and future-ready.

Education and Skill Development

Education is one of the most powerful drivers of social mobility and economic progress. At Aarti Pharmalabs Limited (APL), we view education not only as a statutory CSR focus but as an ethical responsibility to nurture the next generation of scientists, professionals, and responsible citizens. Our philosophy of Sustainable Science for a Healthier Tomorrow is incomplete unless we invest in building a literate, skilled, and empowered society that can carry forward this vision.

In FY25, we intensified our efforts to bridge the education divide, especially in rural and underserved communities around our operations. By combining infrastructure support, digital learning innovations, scholarships, and vocational training, our programmes directly benefitted 1,786 students and children. This reflects a steady progression from FY24 (~1,200 beneficiaries), underscoring our commitment to scaling both reach and impact.

Addressing Barriers to Rural Education

Children in rural areas often face structural challenges that hinder continuous learning: lack of basic infrastructure, seasonal migration of families, shortage of teachers, and limited exposure to digital tools.

Girls are disproportionately affected, as inadequate sanitation facilities and social constraints often force them to discontinue schooling.

APL's interventions in FY25 were designed to respond to these realities. By investing in school infrastructure, supporting innovative models like Sagar Shalas, and providing scholarships, we ensured that education remained accessible and inclusive.

Key Programmes and Initiatives

Vallabh Vidyalaya, Mundra (Kutch, Gujarat): APL continued its long-standing support to Vallabh Vidyalaya, a school that provides quality education to children of salt pan workers and fishermen. Many of these children face interrupted schooling due to seasonal migration. To address this, the school operates Sagar Shalas — temporary classrooms set up near salt pans during migration months.

In FY25, 863 children benefitted from this unique model. Teachers travelled with families to remote salt pan sites, ensuring uninterrupted access to education. This approach prevented high dropout rates that typically affect migrant communities. Parents reported greater confidence in their children's future, while teachers observed improved attendance and performance in core subjects.

Lokhit Media Sangh, Palghar (Maharashtra):

To support early education, APL partnered with Lokhit Media Sangh to provide 242 desk bags and learning kits to Anganwadi children and primary school students. While seemingly small, such interventions had a profound impact on enrolment and attendance. Children felt motivated to attend school with proper supplies, and Anganwadi teachers reported increased participation in classroom activities.

School Infrastructure Development (Igatpuri, Ratnagiri, Palghar):

In several government schools, APL supported the construction of classrooms, repair of sanitation facilities, and installation of digital elearning systems. Over 600 students benefitted from improved infrastructure, which not only enhanced learning conditions but also addressed gender barriers. The presence of safe sanitation facilities encouraged more girls to continue education beyond primary levels.

Scholarships and Higher Education Support:

APL awarded scholarships to students from marginalised families, enabling them to pursue higher education without financial constraints. A particular focus was placed on supporting girls pursuing STEM fields, reinforcing our belief that gender equity in science and technology is critical for future innovation.

Vocational Training and Employability Skills:

In collaboration with ITIs and vocational centres, APL supported training programmes that aligned with industry demand. Courses in laboratory practices, machinery operations, and quality control were designed to bridge the gap between classroom learning and job readiness. Several trainees secured placements in nearby industrial units, underscoring the success of this model.

Initiative / Partner	Location	Beneficiaries (FY25)
Vallabh Vidyalaya & Sagar Shalas	Mundra, Gujarat	863 children
Lokhit Media Sangh	Palghar, Maharashtra	242 children
School Infra Development	Igatpuri, Ratnagiri, Palghar	600+ students
Scholarships	Multiple locations	81 students (Placeholder if exact not available)
Vocational Training	With ITIs	~100 youth (Placeholder)



Case Study

Sagar Shalas – Bringing Schools to Salt Pans

The Kutch region of Gujarat is home to thousands of families who depend on salt pan labour for their livelihoods. These families migrate seasonally to remote salt pans for 6–8 months every year. While this seasonal migration sustains household incomes, it severely disrupts children's education. Schools in their home villages are inaccessible, and salt pan locations are often isolated, without any formal learning infrastructure.

As a result, many children of salt pan workers historically faced repeated interruptions to their education. Dropout rates were high, literacy levels remained low, and young girls were particularly vulnerable to being pulled into household or wage labour. This cyclical disadvantage perpetuated intergenerational poverty.

Intervention by Vallabh Vidyalaya and APL

To break this cycle, Vallabh Vidyalaya, with support from Aarti Pharmed Labs Limited (APL), pioneered the concept of Sagar Shalas ("sea schools"). These are temporary but fully functional classrooms set up close to salt pans during migration months. Teachers accompany the families and establish structured learning environments amidst the salt flats.

APL's CSR funding supported:

- ▶ **Logistical set-up:** Provision of portable classroom structures, blackboards, mats, and solar lamps for evening study sessions.
- ▶ **Teacher mobility:** Ensuring trained teachers travelled with families to salt pan sites.
- ▶ **Learning continuity:** Supply of textbooks, notebooks, and basic learning aids to all enrolled children.
- ▶ **Nutrition and health:** Midday meal linkages and periodic health check-ups, recognising that learning outcomes are closely tied to children's well-being.

Outcomes in FY25

- ▶ **863 children** benefitted from uninterrupted schooling in Sagar Shalas.
- ▶ Parents reported that children were able to stay in the education system despite migration.
- ▶ Teachers observed higher attendance and improved performance in subjects like mathematics and science compared to previous years.
- ▶ Girls, who were at the highest risk of dropping out, maintained participation, supported by safe environments and availability of sanitation facilities.

Beneficiary Voices:

"Earlier, my daughter would stay at home when we moved to the salt pans. Now, she carries her books and goes to the Sagar Shala every day. She dreams of becoming a teacher herself." — Parent, salt pan worker.

"It is difficult to teach in such conditions, but the joy on the children's faces when they can study without interruption makes it worthwhile." — Teacher, Vallabh Vidyalaya.

"I love reading stories in Gujarati and solving sums in maths. I don't have to miss school anymore when we go to the salt pans." — Student, age 10.

Healthcare and Well-being

Health is the foundation of human well-being and community resilience. Without access to affordable and reliable healthcare, communities remain vulnerable to preventable diseases, productivity losses, and intergenerational poverty. At Aarti Pharmed Limited (APL), we view health not only as a humanitarian obligation but also as an enabler of long-term socio-economic development.

Our CSR focus in healthcare is driven by the belief that good health creates a virtuous cycle: healthier individuals can work, learn, and contribute productively to society, which in turn strengthens community resilience. In FY25, APL's healthcare initiatives directly benefitted 593 people, building upon ~400 beneficiaries supported in FY24. Through a combination of infrastructure development, preventive outreach, and awareness campaigns, we worked to bridge the gap between medical need and access.

Key Programmes and Initiatives

Tirthankar Mahaveer Jain Hospital, Nalanda (Bihar)

APL's most significant healthcare initiative in FY25 was its contribution to the establishment of the Tirthankar Mahaveer Jain Hospital in Nalanda, Bihar. This state-of-the-art facility is designed to be a 300+ bed hospital with advanced diagnostic and treatment services. Nalanda is one of the most underserved regions in India, where people often travel long distances sometimes hundreds of kilometres to access specialised care. Our support targeted critical infrastructure development, ensuring the hospital would be well-equipped to handle critical care, maternal and child health services, and general medical needs. Once operational, this hospital is expected to transform healthcare access for thousands of families in Bihar, especially for those in rural and low-income segments.

Shree Shantinath Educational Medical Research Centre, Mumbai

APL supported the renovation of infrastructure at this medical research centre, benefitting over 300 patients annually. The facility serves primarily

economically weaker communities, providing subsidised and free treatments in addition to research-driven healthcare services. Our contribution ensured safer patient environments, modernised diagnostic equipment, and enhanced outreach for preventive care.



Preventive Health Camps and Community Outreach

APL, in partnership with NGOs and local health authorities, organised preventive health camps and awareness drives across Gujarat and Maharashtra. These camps focused on:

- ▶ Screening for lifestyle diseases such as hypertension and diabetes.
- ▶ Addressing anaemia in adolescent girls.
- ▶ Maternal health check-ups and nutrition counselling.
- ▶ General medical consultations and distribution of essential medicines.

Initiative	Location	Beneficiaries (FY25)
Tirthankar Mahaveer Jain Hospital	Nalanda, Bihar	long-term 1,000s to benefit
Shree Shantinath Medical Research Centre	Mumbai	300+ patients annually
Preventive Health Camps	Gujarat, Maharashtra	293+ villagers

Case Study

Tirthankar Mahaveer Jain Hospital, Nalanda – A Lifeline for Rural Bihar

Healthcare inequity is one of the most pressing challenges in India's development story. Rural states such as Bihar continue to face a chronic shortage of healthcare infrastructure and professionals. With just 0.6 hospital beds per 1,000 people, far below the national average, districts like Nalanda remain underserved. For villagers, a simple medical emergency often translates into hours of travel to Patna or even Delhi, leading to delayed treatment, high out-of-pocket expenses, and poor health outcomes.

Maternal and child health indicators reflect this gap: infant mortality rates remain high, and preventable diseases such as diarrhoea and anaemia continue to affect vulnerable populations. For families in Nalanda, healthcare is not just a matter of access — it is a matter of survival.

Intervention by APL

Recognising the urgent need for a robust healthcare system in the region, Aarti Pharmed Labs Limited (APL), through its CSR initiatives, contributed significantly to the development of the Tirthankar Mahaveer Jain Hospital in Nalanda.

This facility, envisioned as a 300+ bed, multi-specialty hospital, is designed to bring modern healthcare within reach of thousands of underserved families. APL's role was to ensure that the hospital had the necessary infrastructure to support critical care, maternal and child health, diagnostic services, and outreach units for preventive care.

Our intervention focused on:

- ▶ **Infrastructure Development:** Funding the construction and equipping of specialised wards and diagnostic centres.
- ▶ **Maternal and Child Care:** Ensuring that dedicated facilities for women and children were prioritised in the design.
- ▶ **Affordability and Accessibility:** Integrating models for subsidised treatment for low-income families.
- ▶ **Community Integration:** Planning for outreach services that would take healthcare to villages through mobile units.

Outcomes in FY25

Once fully operational, the hospital is expected to:

- ▶ Serve tens of thousands of patients annually, significantly reducing the need for longdistance travel.
- ▶ Provide affordable and subsidised care, lowering the financial burden on low-income households.
- ▶ Create direct employment for doctors, nurses, technicians, and support staff, along with indirect opportunities in allied services.
- ▶ Strengthen public health outcomes in Nalanda district by addressing maternal mortality, child nutrition, and lifestyle diseases.
- ▶ Improve health resilience, ensuring communities are better prepared to manage pandemics and future health crises.

Beneficiary Voices:

"We used to spend days arranging travel to Patna for any serious illness. Now, having a modern hospital in Nalanda means my family can get treatment nearby. It will save money and lives." — Local farmer, Nalanda

Women Empowerment

At Aarti Pharmed Labs Limited (APL), we firmly believe that empowering women is essential for building resilient families, thriving communities, and inclusive economic growth. Women are at the heart of social transformation, and their participation in education, livelihood, and leadership is critical to advancing our theme of Sustainable Science for a Healthier Tomorrow.

Despite progress, many women in rural India still face significant barriers — limited access to education, inadequate income opportunities, restrictive social norms, and health challenges. APL's CSR programmes are designed to address these barriers holistically by combining skillbuilding, livelihood support, awareness programmes, and community mobilisation.

In FY25, our women empowerment initiatives reached 64,450 women across Gujarat, Maharashtra, and Bihar, making this our single largest area of CSR impact. This was a substantial increase from ~55,000 beneficiaries in FY24, reflecting both scale and deeper engagement.

Key Programmes and Initiatives

Skill Development and Livelihood Enhancement

Women's economic empowerment is closely linked to their ability to generate independent income. In FY25, APL supported skill-building workshops in tailoring, handicrafts, food processing, and micro-entrepreneurship. These programmes were delivered in partnership with local NGOs and Self-Help Groups (SHGs), ensuring that women acquired not only technical skills but also basic financial literacy.

Many participants reported using their new skills to set up micro-enterprises or contribute additional household income. For instance, tailoring trainees began taking orders within their communities, while groups trained in food processing supplied products to local markets.

Health and Nutrition Awareness

APL conducted targeted health campaigns to improve maternal and child health outcomes. These included nutrition counselling for pregnant and lactating women, anaemia prevention programmes for adolescent girls, and awareness drives on menstrual hygiene. By linking health awareness to livelihood and education, these initiatives ensured a holistic approach to empowerment.



Strengthening Self-Help Groups (SHGs)

APL supported the formation and strengthening of SHGs, enabling women to pool resources, access microfinance, and create collective businesses. In FY25, several SHGs successfully launched smallscale ventures in agriculture and food production. SHG members also received capacity-building training on governance, record-keeping, and conflict resolution, enhancing the sustainability of their groups.

Education and Awareness on Rights

In parallel, awareness programmes were conducted to inform women about their rights under the Prevention of Sexual Harassment (POSH) Act, labour laws, and welfare schemes. These sessions empowered women to demand safe working conditions and equitable treatment, both within industries and in their communities.

Initiative	Location	Beneficiaries (FY25)
Skill Development & Livelihood	Nalanda, Bihar	~10,000 women
Health & Nutrition Awareness	Mumbai	~20,000 women
SHG Strengthening	Gujarat, Maharashtra	~25,000 women
Awareness & Rights Education	Maharashtra, Gujarat	~9,450 women



Case Study

Women's Self-Help Groups – From Dependence to Independence

In rural India, women often face systemic barriers that keep them excluded from financial independence and decision-making. Limited access to skills, credit, and markets forces many into informal, low-paying work or total economic dependence on male family members. These challenges are particularly acute in tribal and rural areas such as Palghar (Maharashtra) and Jhagadia (Gujarat), where APL operates.

APL recognised that true empowerment required more than one-time interventions. It needed a community-led, sustainable model where women could organise, share resources, and build collective strength. This is why our flagship CSR programme under Women Empowerment has centred on strengthening Self-Help Groups (SHGs).

Intervention by APL

In FY25, APL supported the mobilisation and training of SHGs, engaging women from marginalised households and helping them to build both economic and social capital. The programme included:

- ▶ **Skill-Building Workshops:** Training in tailoring, agarbatti making, food processing, and handicrafts, designed to match local demand.
- ▶ **Financial Literacy Training:** Equipping women with knowledge of savings, bookkeeping, and credit management.
- ▶ **Market Linkages:** Helping SHGs sell products in local markets, schools, and cooperatives.
- ▶ **Awareness on Rights:** Conducting sessions on women's legal rights, labour rights, and protection under laws such as POSH (Prevention of Sexual Harassment).

Through this integrated approach, SHGs evolved from being informal collectives to structured, income-generating groups.

Outcomes in FY25

- ▶ SHGs empowered women to earn independent incomes, directly contributing to household expenses.
- ▶ Women reported greater decision-making power in family and community matters, shifting traditional gender dynamics.
- ▶ Participation in SHGs helped women access microfinance and small loans, enabling them to expand their enterprises.
- ▶ Collectively, women gained a stronger voice in community governance — from advocating for better local infrastructure to negotiating fair prices for their goods.

This initiative was part of APL's wider women empowerment programmes that reached 64,450 women in FY25, making it one of the largest CSR interventions in scale.

Voices from the Community

"I never thought I could earn on my own. Now, with tailoring orders from nearby villages, I contribute to my children's school fees." — SHG member, Palghar.

"Before, we depended on men to handle money. Now, our SHG maintains savings and records. We even give small loans to each other." — SHG leader, Jhagadia.

"The training gave me confidence. We women are now working together, and people in the village respect us more." — Participant, Women's Livelihood Programme.

Water Conservation and Environment

Water is life — and for rural communities, it is the foundation of survival, dignity, and prosperity. India, home to 18% of the world's population but only 4% of its water resources, is already experiencing rising stress on groundwater, erratic rainfall, and seasonal droughts. These pressures are amplified in semi-arid regions like Gujarat and Maharashtra, where Aarti Pharmed Limited (APL) has manufacturing operations. For farming families and daily wage workers in these areas, water scarcity is not an abstract environmental issue but a lived reality that determines food security, health, and livelihoods.

At APL, we recognise that our commitment to Sustainable Science for a Healthier Tomorrow must extend beyond our factory gates. While our operations are designed as zero-liquid discharge (ZLD) facilities, ensuring no untreated effluents enter the environment, our responsibility as a corporate citizen is broader: to help neighbouring communities secure their water future. We therefore prioritise CSR investments in water conservation, pond rejuvenation, watershed management, and awareness programmes, creating impact that is both immediate (improved access to water) and long-term (sustainable groundwater recharge and behavioural change).

In FY25, these initiatives benefitted 3,115 people across multiple villages, compared to around 2,500 in FY24. Importantly, the projects combined physical infrastructure creation with social mobilisation, ensuring that communities were not only recipients but also co-owners of water conservation.

Watershed Development

Watersheds are the lifelines of rural hydrology, capturing rainfall and recharging aquifers. Yet, over the years, many micro-watersheds in Gujarat had degraded due to siltation, deforestation, and poor maintenance. This left farming families dependent on erratic monsoons, often resulting in one poor harvest and months of financial insecurity. APL, in partnership with local NGOs and gram panchayats, undertook watershed management projects near Jhagadia and Vapi. Key interventions included:

Case Study: Pond Rejuvenation in Jhagadia

Jhagadia, a block in Bharuch district of Gujarat, faces acute water stress during summer months. Agriculture here depends largely on groundwater, but wells have been drying due to over-extraction and poor recharge. The village pond, once a lifeline, had lost much of its capacity due to siltation. By 2022, it could barely hold water beyond the monsoon, leaving households struggling for drinking water and farmers unable to irrigate winter crops.

Intervention by APL

In FY25, APL undertook a comprehensive rejuvenation of this pond. Activities included:

- Excavation of accumulated silt to increase water holding capacity.
- Embankment reinforcement to prevent overflow losses.
- Diversion of rainwater runoff into the pond through newly constructed channels.
- Tree plantation around the pond to reduce erosion and enhance micro-climate.

Outcomes:

- The rejuvenated pond now provides reliable water to over 600 households in Jhagadia.
- Farmers irrigating from the pond reported the ability to grow a second crop of vegetables, pulses, and fodder, improving food security and incomes.
- Women no longer walk 2–3 km daily for water, freeing time for income-generating work and children's education.
- Groundwater levels in adjacent wells rose by 1–1.5 metres, according to community reports.
- Local biodiversity improved, with sightings of migratory birds returning to the pond.

Community Voices:

- "Earlier, the pond would dry up by February. Now, it has water even in May, saving us hours of walking for drinking water." — Woman villager, Jhagadia.
- "With irrigation secured, I can now cultivate vegetables in addition to grains. My family's diet and income have both improved." — Farmer, Jhagadia

- Check dams and percolation tanks to slow water runoff and allow groundwater percolation.
- Nala deepening and canal cleaning to improve water flow and storage.
- Recharge pits and bunds to restore soil moisture and reduce topsoil erosion.

These activities revived micro-watershed catchments, directly improving irrigation for smallholder farmers. Villagers reported visible improvements in well water levels, enabling multiple cropping cycles. Farmers who once abandoned fields in the dry season could now cultivate vegetables, creating both nutritional and financial benefits.

Pond Rejuvenation

In many villages, traditional ponds once served as community reservoirs, sustaining households, livestock, and agriculture. However, decades of neglect and silt accumulation reduced their storage capacity. In peak summer months, these ponds often dried up, forcing women and children to walk kilometres for water and leaving farmers with parched fields.

APL's pond rejuvenation programme tackled this challenge through a structured approach:

- Desilting and deepening to restore pond capacity.
- Strengthening embankments to prevent breaches during monsoons.
- Recharge channels to divert rainwater from surrounding fields.

- Community ownership drives to ensure cleanliness and prevent solid waste dumping.

Rejuvenated ponds not only store water for year-round use but also improve groundwater recharge, stabilising levels in nearby wells. In several cases, rejuvenated ponds also became local biodiversity hotspots, attracting migratory birds and reviving village ecosystems.

Awareness and School Programmes

Infrastructure alone cannot sustain water security; it must be coupled with awareness and behavioural change. In FY25, APL conducted awareness programmes in schools and villages, reaching over 300 individuals with sessions on:

- Water conservation practices at household level (rainwater harvesting, efficient use).
- Segregation of solid waste to prevent pollution of water bodies.
- Sustainable agriculture techniques to reduce water consumption.

Initiative	Location	Beneficiaries (FY25)
Watershed Development	Jhagadia & Vapi	~1,800 people
Pond Rejuvenation	Jhagadia, Gujarat	~1,000 people
Awareness in Schools & Villages	Multiple	~315 people



Case Study

Hydrogen Bank Vehicle Of Gas Cylinders Leakage, Fire & Explosion

What happend?

On 03/08/2024@ 02:00 hrs; A truck carrying Hydrogen gas cylinder bank containing 148 no.of Hydrogen Gas Cylinders was overturned.It resulted in damage,leakage of 37 cylinders & blast of 3 nos of Hydrogen Gas cylinders followed by fire to 12 cylinders on the Mumbai- Ahmedabad highway near Vasai in Palghar district, Maharashtra.

The driver of the Hydrogen gas cylinder bank was injured. The window glasses of residential building were broken. The nearby community was panic.Also Transportation was disturbed.There was continuous raining during this event. APL team was informed about this accident.

Actions by Emergency Response Team of Aarti Pharmalabs Limited

- ▶ The emergency handling operation was started on 03/08/2024, 11.30 am & controlled 04/08/2024, 1:45 am.
- ▶ ERP Team instructed all gathered persons not to use Cell phone to avoid ignition source.
- ▶ Advised to Fire Brigade for continuous cooling of cylinders.
- ▶ The leaking cylinders were detected by soap solution & LEL meter.
- ▶ Minor leakages were arrested by tightening the cylinders nozzle by using non sparking spanners, keys.
- ▶ Spreaded cylinders collected at one place safely.
- ▶ Manifold attached 113 cylinders were isolated & removed safely from vehicle by Crane.
- ▶ The big water pit was made by JCB & dumped the leakage cylinders in it safely.
- ▶ After that the truck trolley was shifted to safe place.

Key Learnings

- ▶ Ensure effective & prompt communication in case of Hydrogen gas cylinder leak.
- ▶ Ensure uncontrolled leaky gas cylinders are safely treated by using water.
- ▶ Inspect integrity of Hydrogen gas cylinder bank before transportation & also before operation.
- ▶ Ensure all individual cylinder nozzles shut Off completely before transportation also when not in use.
- ▶ Cylinder Nozzle protection Cap must be provided on Hydrogen gas cylinders.
- ▶ Late night driving must be avoided for Hazardous vehicle transportation.
- ▶ Ensure Driver carrying gas Cylinder vehicles & Hazardous chemicals is trained in emergency handling.
- ▶ Ensure Driver is well trained, experienced in safe & defensive driving.
- ▶ Periodic HPT Testing must carried out for compressed gas cylinders by competent person.
- ▶ Always use non-sparking tools for Hydrogen gas cylinders.

ERT Members From Aarti Pharmalabs T3 Site

1. Mukesh Kadam
2. Anil Pimpale
3. Pravin Patil
4. Bishnupada Das
5. Amit Singh

"HAPPY TO SAVE LIVES & HELP SOCIETY"



तारापुर एमआयडीसी की आरती लॅक्स के कर्मचारियों ने महामार्ग पर हाइड्रोजन सिलेंडरों में लगी आग पर काबू पाया

संबंधिता पालवर :

3 तारीख को रात 2 बजे के आस पास अहमदाबाद-मुंबई महामार्ग पर एक हाइड्रोजन गैस की गाड़ी फ्लटी हुई और एक बहुत बड़ा हादसा हुआ। उस हादसे में 3 सिलेंडर का विस्फोट हुआ और 40 सिलिंडर रास्ते पर और बाहर फेंके गये। करीबन 148 सिलेंडर को संभाला था और उसमें से 12 सिलेंडर को नोजल में आग लगी हुई थी और गैस जल रहा था।

3 तारीख को सुबह 8.46 के आसपास आरती फार्मा लॅक्स मैनेजमेंट को महाराष्ट्र शासन आपत्ति व्यवस्थापन से सूचना मिली की चर्ने घटनास्थल पर जाकर

अंकीकृत करवाना है। महाराष्ट्र शासन के निर्देश को अनुसरत सुबह करीबन 11.30 को अंकीकृत रिपोर्ट पर पहुंचे तो वहां 1 किलोमीटर पर सिक्रेटर लगे हुए थे। एक बी.एस.डी. ऑफिसर और फायर फाइटर उसको नजदीक जाने का साहस नहीं कर रहे थे। ऑपरेशन के दौरान बारिश थी, जो सिंगलर जैसा काम बारिश कर रही थी और रेस्प्यू ऑपरेशन में मदद कर रही थी।

आरती फार्मा सेना की टीम ने बिकरे हुए सिलेंडर को पानी में डालने का फैसला किया, उसको लिए एक गड्ढा बनाया और क्लीन सिलिंडर को पानी में डाला। लेकिन यह जलते हुए बॉम्ब को पानी

में डालने विनाश मुक्ति का काम था। उन्होंने फायर विभाग को सूचना दी की जलते हुए सिलिंडर पर पानी का छिड़काव करें। एक सिलिंडर पानी में डालने के बाद कड़े निष्कास आग भी ने यह कर सकते हैं और उसको हिंसा सहित सिलिंडर का डिस्कॉन्ट किया और पानी में डाल करीबन 4 घंटे बितारे हुए सिलिंडरों को सुखाने से पहले के बाहर निकाला और राब ने राहत की संतुष्टि की।

अभी सबसे मुश्किल काम था टूटिनी में सिलेंडर के साथ फसे हुए सिलिंडर को निकालना। उसमें से करीबन 5 सिलिंडर आग के लपेट में थे। आरती फार्मा लॅक्स की टीम ने सबसे बात करके फंसला किया तो

गाड़ी तो उदा नहीं सकते लेकिन एक एक करके सिलिंडर निकाल सकते हैं, वे निकालना मतलब जोरियम से भरना काम था। फिर टीम ने एक एक सिलिंडर को पानी भरकर बाहर निकालना शुरु किया। सुरवास न सिर्फ पांच ही लोग उससे काम कर रहे थे, क्यूंकी कोई कर्मिक आने का साहस नहीं जुटा रहा था। फिर कुछ सिलिंडर निकालने के बाद केने की सहायता मिली। करीबन 4 बजे से रात 11.30 बजे आधी सिलिंडर निकाल के राहत का सांस लिया।

पुलिस विपार्टमेंट और सरकारी अफसरों ने आरती फार्मा लॅक्स की टीम की प्रशंसा कि। उसके साथ ही

यह टीम भगवान का आभार मानकर इतनी राती दुबा और उम्मीदोंको साथ लेकर फिरसे अपने कंपनी को और निकल पड़ी। 15 घंटे थला यह ऑपरेशन सभी के मार्गदर्शन और साहस के साथ साफलता से पूरा हुआ और फिर से साबित किया कि APL ग्रुप ऐसे साहसी काम करने में माहिर है। इस टीम में मुकेश कदम, अजित पिपळे, प्रविण पाटील, विसनुपाडा दास, अमित सिंग आदी सहभागी थे। साथ ही टीम को मार्गदर्शन और सपोर्ट मिला उसमें डायरेक्टर, युनिट हेड सुरेश सर, पाटिल सर, इन्स्ट्रुमेंट इंजिनियर, पाडा के सदस्य गैरलकर और सभी का भी योगदान रहा।

अपघाताच्या टिकाणी सिलिंडरच्या सुरक्षित हाताळणीमुळे धोका टळला

लोकसत्ता प्रतिनिधी

पालवर : हायड्रोजन सिलिंडर घाटून नेवल्या टुकड्या 3 ऑपरेटर रोकने पाहटेव्या सुभासय कार्यालयक इन्व्हेन्स्य अपघातामुळे देण सिलिंडरचा स्फोट झाला होता त्यामुळे मुंबई-अहमदाबाद राष्ट्रीय महामार्गावर धोक्यादाक स्थिती निर्माण झाली होती. मात्र येथेच तारापुर औद्योगिक वसाहत (एमडीसी) टिमा मार्ग का सुरक्षा पालकने परिस्थिती नियंत्रणत अचलपणाने मोठा धोका टळला.

अपघातानंतर दाना सिलिंडरचे स्फोट आणि 30 सिलिंडर रस्तावर फेकले गेले होते. 92 सिलिंडरमधून गळती झाल्याने आग लागली, परंतु सुरक्षा पथकाने वेळीच उपाययोजना केल्याने धोका टळला.



94 तासांनंतर स्थिती पूर्वपादव

अहमदाबादच्या सहभागाचे अहमदाबादच्या हायड्रोजन सिलिंडरला आग लागू गये म्हणून रस्तावर पाचघात आता कायम ठेवण्याची ठरवण्यात आले. फिरकोड गावठी अचलपणाने सिलिंडरचे मोडणूक चढू करून गावठी टोकणयला अली. तसेच गावठी मर्यागन्या अहमदाबादच्या सहभागाच्या हायड्रोजन सिलिंडर वॉन सुखरवणाने सहभागाच्या येथेच कळम केवनाका घटनेने पाहटून काढण्यात आले. एका सुरक्षित हाताळ हायड्रोजन सिलिंडर अचलपणाने टूटिनी ठेवण्यात आल्या. महामार्गावरीलसुरक्षा सुरक्षा विभाग व अचलपणाने घटनेला सहाय्येने आपल्यातील परिस्थिती 94 तासांच्या अवका प्रवचनानंतर परिस्थिती पूर्वपादव अचलपणाने मजत झाली.

सुमारे १४८ हायड्रोजन सिलिंडर घाटून नेवल्या का घाटणाता अपघात इन्व्हेन्स्य देण

सिलिंडरचे स्फोट झाले होते, तर उरले 30 सिलिंडर रस्तावर

फेकले गेले होते, त्यापैकी 92 सिलिंडरमधून गळत्या गळती

होत अचलपणाने त्या सिलिंडरना आग लागली होती, यावेळी सुरक्षा

पथकाचे भीती पाहता आरती परिस्थिती हाताळने आचलपणाने

उरले होते, औद्योगिक सुरक्षा व औद्योगिक संघटनेने (पान 3 वर)

हाडवे पर हाइड्रोजन गैस सिलेंडर दुर्घटना रोकने पहुंचे रसायन तज्ञ को किया सम्मानित

औद्योगिक सुरक्षा व आतंन्य विभाग और टीमा मार्ग ने किया सम्मानित



संबंधिता बोर्डसर : तारापुर एमआयडीसी क्षेत्र स्थित टीम डील में टीमा मार्ग और औद्योगिक सुरक्षा व आतंन्य विभाग, पालवर के समूह अनुमोदन के तहत तारापुर औद्योगिक इस्टेट में विनांक 29 अगस्त 2024 को एक प्रोजेक्ट का आयोजन कर, एम एच 48 हाडवे पर हाइड्रोजन गैस सुरक्षितता को रोकने वाले विशेषज्ञों को सम्मानित किया गया और सुरक्षा ऑडिट के नए नियमों के कार्यान्वयन पर प्रशिक्षण दिया गया।

में मुकेश कदम, अजित पिपळे, प्रवीण पाटील, विसनुपाडा दास, अमित सिंह **आरती फार्मा लॅक्स** (युनिट-3) के अधिकारियों और इस्टीम इन्व्हेन्स्य के अधिकारियों को सम्मानित किया गया।

कार्यक्रम की सुरक्षात करते हुए अचल पालवर ने इस दुर्घटना की गंभीरता को बारे में बताया कि यह दुर्घटना बहुत गंभीर है और इससे निपटने के लिए अपनी जान जोखिम में डालने वाले तारापुर के विशेषज्ञ लोगों का सम्मान करते हुए हम सभी को गर्व है और हम अपने टीमा मार्ग के माध्यम से ऐसे ज्ञानवा रूपां पर ज़रो है। इस समय एम ए. देवराज (संयुक्त निदेशक-DISM) मुख्य अतिथि गौरी (पुलिस उप-निरीक्षक), हिमाचल सिंघे (DISM), सचिन (DISM), सुरेश किर्लोस्कार (आरती फार्मा लॅक्स) और विभागीय (TIIMA-मार्ग वसाहत), टीमा के डायरेक्टर सिंघे, एन टीमा मार्ग के अधिकारी उपस्थित रहे। इस सम्मान समारोह

हाडवे पर हाइड्रोजन गैस सिलेंडर दुर्घटना रोकने पहुंचे रसायन तज्ञ को किया सम्मानित

पृष्ठ क्र. 1 से खिमासिया, प्रदीप घैसर – कैमिकल स्पेशलिस्ट (ठाणे), अमोल बाईत – DISM विभाग, पुलिस प्रशासन, फायर ब्रिगेड और **आरती फार्मा** के सभी निदेशक का योगदान मिला। आगे उन्होंने इस घटना से मिली सीख को भी साझा किया। इस अवसर पर ल्यूपिन कंपनी के सुरक्षा अधिकारी ससीन पाटिल ने हाइड्रोजन गैस के संबंध में अधिक जानकारी दी और सभी को धन्यवाद दिया।



Strategic Outlook: Advancing Sustainable Science

Charting a Net-Zero Pathway, Powered by Innovation and Responsibility

At Aarti Pharmed Labs Limited (APL), sustainability is not an adjunct to our business; it is the very lens through which we view our future. Our philosophy of Sustainable Science for a Healthier Tomorrow reflects a dual responsibility: to deliver high-quality pharmaceutical ingredients that support human health globally, and to do so in a way that preserves natural resources, empowers people, and creates value for all stakeholders.

The world is at a crossroads with increasing climate risks, rising stakeholder expectations, and rapid technological advancements reshaping industries. In this context, APL's strategic outlook rests on four pillars: responsible operations, science-led innovation, stakeholder value creation, and alignment with global ESG frameworks. Together, these define our roadmap for growth in FY26 and beyond.

ESG Integration into Strategy

Our ESG integration is no longer limited to compliance; it has become a driver of competitiveness and resilience. Over the next five years, APL is committed to:

Carbon and Climate Commitments: Expanding renewable energy integration, improving process energy efficiency, and mapping a pathway to align with India's national net-zero goal by 2070.

Sustainable Products: Increasing the share of green chemistry and low-carbon APIs in our portfolio, catering to global customers who are embedding ESG in their supply chains.

Water Stewardship: Extending zero-liquid discharge principles across all sites and doubling our CSR-led water conservation footprint.

Workforce Transformation: Investing in skills, safety, and diversity to ensure a future-ready workforce that thrives in a rapidly digitising pharmaceutical industry.

Governance and Risk: Strengthening oversight of ESG at Board level, ensuring transparent reporting, and embedding double materiality in decision-making.

Driving Science-led Innovation

Science is the core of APL's identity. Our strategic outlook emphasises innovation as the enabler of sustainability.

R&D for Green Chemistry: APL will invest in developing processes that minimise hazardous solvents, reduce effluents, and improve yields.

Our goal is to pioneer eco-friendly production pathways that reduce the environmental intensity of pharmaceutical manufacturing.

Digitalisation and Industry 4.0: Adoption of AI, advanced analytics, and IoT-based monitoring will drive predictive maintenance, optimise energy use, and ensure higher quality consistency.

Product Diversification: Expanding into nutraceuticals and specialty intermediates with lower carbon intensity, opening new markets aligned with consumer demand for sustainability.

Collaborative Innovation: Partnering with academia, start-ups, and global pharma companies to co-develop solutions for complex therapeutic areas with sustainable processes.

Stakeholder Capital and Shared Value

APL's future growth is inseparable from the well-being of our stakeholders. Our strategy is therefore grounded in shared value creation:

Communities: Expanding CSR interventions in education, healthcare, water, and women empowerment to deepen impact across 100,000+ direct beneficiaries annually.

Employees: Strengthening programmes for safety, diversity, and learning, targeting higher training hours per employee and greater representation of women across roles.

Customers: Providing sustainable, compliant, and high-quality APIs that enhance patient safety while meeting rising ESG criteria in global supply chains.

Investors: Delivering transparent ESG reporting aligned with GRI, BRSR Core, and emerging global disclosure standards, ensuring confidence in APL as a responsible investment.

Alignment with National and Global Goals

APL's strategic vision aligns with both India's national development priorities and global frameworks:

India's Net Zero Commitment (2070): By decarbonising operations and embedding energy efficiency, we contribute to the nation's climate ambition.

National Health Priorities: By ensuring resilient supply of APIs, we support India's role as the "Pharmacy of the World."

Sustainable Development Goals (SDGs): Our materiality assessment has mapped each strategic initiative against priority SDGs, ensuring accountability to global goals.

UN Global Compact: By upholding all four pillars: Human Rights, Labour, Environment, and Anti-Corruption, we align with international expectations of responsible business.

Future Outlook and Targets

APL is setting ambitious but achievable ESG-linked goals for the medium term:

Reduce absolute Scope 1 and Scope 2 emissions by 37.8% by FY30 (baseline FY24)

Reduce absolute Scope 3 emissions by 22.5% by FY30 (baseline FY24)

Achieve a 90% reduction across Scopes 1, 2, and 3 by 2050

Reach net-zero GHG emissions across the value chain by 2050.

Scale up renewable energy adoption across sites.

Deepen water-positive programmes through both operational efficiency and community CSR.

Expand employee skilling and leadership development, with emphasis on gender diversity.

Strengthen transparency and disclosure, aligning with evolving international frameworks



APL's strategic outlook reflects a balance of pragmatism and ambition. We recognise that the transition to sustainable science is complex and requires sustained investment, innovation, and collaboration. But we also know that it is the only path forward — one that secures the health of people, the resilience of our planet, and the prosperity of future generations.

As we advance, our commitment is clear: to harness science responsibly, to integrate sustainability into every decision, and to build a healthier tomorrow not only for our stakeholders but for society at large.



Annexure 1

ESG Performance Data

Annexure -ESG Data

Particular	Units	FY 2024-25
Economic Performance		
Direct economic value generated	₹ in crore	1,785.84
Revenue	₹ in crore	1,771.35
Other income	₹ in crore	14.49
Economic value distributed	₹ in crore	1,532.78
Operating cost	₹ in crore	1,191.92
Personnel expenses (wages + benefits)	₹ in crore	152.88
Interest Charges	₹ in crore	25.63
Depreciation	₹ in crore	79.05
Taxes and royalties (given to various govt. wherever business units are located) - Taxes expenses	₹ in crore	78.99
Community development/CSR investments	₹ in crore	4.31
Economic value retained	₹ in crore	593.92
Environment Performance		
Sites assessed for environmental risks	%	100
Total energy consumption	GJ	12,99,598.24
Total electricity consumption	GJ	2,33,760.96
Total fuel consumption	GJ	4,00,858.37
Total energy consumption from other sources	GJ	6,60,575.88
Energy Intensity	GJ/kg of production	0.006099
Total GHG Emissions	tCO2e	3,53,637.75
Total Scope 1 emissions	tCO2e	73,461.10
Total Scope 2 emissions	tCO2e	105,577.65
Total Scope 3 emissions	tCO2e	1,74,599.00
Category 1: Purchased goods and services	tCO2e	69,898.54
Category 2: Capital goods	tCO2e	4,648.21
Category 3: Fuel and energy activities	tCO2e	17,944.68
Category 4: Upstream transportation and distribution	tCO2e	1,340.41
Category 5: Waste generated in operations	tCO2e	1,093.26
Category 6: Business travel	tCO2e	113.23
Category 7: Employee commuting	tCO2e	373.65
Category 9: Downstream transportation and distribution	tCO2e	1947.80
Category 11: Use of sold products	tCO2e	45,968.54

Annexure - ESG Data

Particular	Units	FY 2024-25
Category 12: End of Life treatment of sold products	tCO2e	6,790.58
Category 15: Investment	tCO2e	24,480.10
Biogenic Emissions	tCO2e	12,781.86
Emission Intensity (GJ/Tonne of production)	tCO2e/kg of production	0.0016
Total Waste generated	Metric Tonnes	15,550.04
Total hazardous waste generated	Metric Tonnes	14,290.49
Total non-hazardous waste generated	Metric Tonnes	1259.55
Total Waste Recycled/Reused/Recovered	Metric Tonnes	5,578.44
Total Waste diverted from landfill	%	35.87%
Waste Intensity (GJ/Tonne of production)	Tn/ kg of production	0.000073
Total Water consumption	kL	4,31,675.00
Water consumption from third party water	kL	4,31,675.00
Water Intensity	kL/kg of production	0.002025
Emissions other than GHG		
Sulphur Oxides (SOx)	Tonnes	481.68
Nitrogen Oxides (NOx)	Tonnes	200.28
Particulate Matter (PM)	Tonnes	542.83
Social Performance		
Total employees	No.	3,007
Women employees	No.	128
Differently abled employees	No.	2
New hires	No.	402
No. of employees taken parental leave	No.	2
Return to work rate after parental leave	%	100%
Retention rate	%	100%
Average training hours per employee	Hours/employee	14.56
No. of fatalities	No.	0
Lost Time Injury Frequency Rate (LTIFR) - Employees	Injuries/10,00,000 work hours	0

Annexure –ESG Data

Total Number Of Employee By Category, Region, Age, And Gender

Categorisation	FY 2024-25		
	Male	Female	Total
By Employee Category			
Associates	570	7	585
Executive & Dy Manager	1,332	89	1,421
GM and Managers	147	6	153
Top Management	7	0	7
Contract Employee	815	26	841
By Employee Contract			
Permanent	2,064	102	2,166
Contract	815	26	841
By Employee Type			
Full Time Employees (Headcount)	2,064	102	2,166
Part Time Employees (Headcount)	815	26	841
By Region			
Maharahstra	2,163	86	2,249
Gujarat	910	24	934
By Age			
<30	884	44	928
30-50	1,096	37	1,133
>50	178	5	183
Total	2,879	128	3,007

Annexure – ESG Data

Total Number Of New Employee Hires By Category, Region, Age, And Gender

Categorisation	FY 2024-25		
	Male	Female	Total
By Employee Category			
Associates	15	5	20
Executive & Dy Manager	333	27	360
GM and Managers	20	1	21
Top Management	1	0	1
Subsidiary Employee	0	0	0
By Region			
Maharahstra	229	27	256
Gujarat	140	6	146
By Age			
<30	213	28	241
30-50	155	4	159
>50	2	0	2
Total	362	23	385

Employee Training Information

Category/ Level/ Grade of Employees	Total No. of Employees per Category			No. of Hours of Training per Category			Average hours of training per year per employee		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Associates	578	7	585	8,536	141	8,677	14.77	20.14	14.83
Executive & Dy Manager	1,332	89	1,421	26,253	1,839	28,092	19.71	20.66	19.77
GM and Managers	147	6	153	2,819	124	2,943	19.18	20.67	19.24
Top Management	7	0	7	57	0	57	8.14	0.00	8.14
Contract Employee	815	26	841	3,088	910	3,998	3.79	35.00	4.75
Total	2,879	128	3,007	40,753	3,014	43,767	14.16	23.55	14.56

Particulars	Units	FY 2024-25
Trained on environmental issues	%	100
Trained on social issues	%	100

Annexure –ESG Data

Ratio Of Basic Salary And Remuneration Of Women To Men

Categorisation	FY 2024-25		
	Male (₹ Lakh)	Female (₹ Lakh)	Ratio (F/M)
By Employee Category			
Associates	2,097.16	25.38	1.21%
Executive & Dy Manager	8,824.32	455.86	5.17%
GM and Managers	3,529.11	96.30	2.73%
Top Management	630.50	0.00	0.00%
Subsidiary Employee	0.00	0.00	--
By Employee Contract			
Permanent	1508.11	577.53	3.83%
Contract	0.00	0.00	0.00%
By Employee Type			
Full Time Employees (Headcount)	1508.11	577.53	3.83%
Part Time Employees (Headcount)	0.00	0.00	0.00%
By Region			
Maharahstra	10,847.27	493.78	4.55%
Gujarat	5,014.95	83.75	1.67%
By Age			
<30	2208.78	221.82	10.04%
30-50	11902.88	316.34	2.66%
>50	2433.95	39.37	1.62%
Total	1508.11	577.53	3.83%



Annexure 2 GRI Content Index

GRI Content Index

Statement of use	Aarti Pharmalabs Limited has reported the information cited in this GRI content index for the period 1st April 2024 - 31st March 2025 with reference to the GRI Standards.
GRI 1	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	AR 110
	2-2 Entities included in the organization's sustainability reporting	10
	2-3 Reporting period, frequency and contact point	9-11
	2-4 Restatements of information	9-11
	2-5 External assurance	11,80
	2-6 Activities, value chain and other business relationships	5-8
	2-7 Employees	40,61-64
	2-8 Workers who are not employees	61-64
	2-9 Governance structure and composition	AR 47-48
	2-10 Nomination and selection of the highest governance body	AR 47-48
	2-11 Chair of the highest governance body	AR 48
	2-12 Role of the highest governance body in overseeing the management of impacts	AR 44
	2-13 Delegation of responsibility for managing impacts	AR 47-48
	2-14 Role of the highest governance body in sustainability reporting	AR 44-48
	2-15 Conflicts of interest	29
	2-16 Communication of critical concerns	29
	2-17 Collective knowledge of the highest governance body	AR 47-48
	2-18 Evaluation of the performance of the highest governance body	AR 44-48
	2-19 Remuneration policies	AR 67
	2-20 Process to determine remuneration	AR 67
	2-21 Annual total compensation ratio	AR 81
	2-22 Statement on sustainable development strategy	17
	2-23 Policy commitments	AR 117
	2-24 Embedding policy commitments	AR 117

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
	2-25 Processes to remediate negative impacts	29
	2-26 Mechanisms for seeking advice and raising concerns	29
	2-27 Compliance with laws and regulations	30
	2-28 Membership associations	30
	2-29 Approach to stakeholder engagement	13
	2-30 Collective bargaining agreements	40
GRI 3: Material Topics 2021	3-1 Process to determine material topics	24
	3-2 List of material topics	24
	3-3 Management of material topics	24-27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	61-64
	201-2 Financial implications and other risks and opportunities due to climate change	AR 114
	201-3 Defined benefit plan obligations and other retirement plans	AR 95, AR 126
	201-4 Financial assistance received from government	AR 126
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	64
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	45-55
	203-2 Significant indirect economic impacts	45-55
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	29
	205-2 Communication and training about anti-corruption policies and procedures	29
	205-3 Confirmed incidents of corruption and actions taken	AR 122
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	AR 143

AR: APL's Annual Report FY2024-25 (<https://www.aartipharmalabs.com/investors/annual-report-2024-25.pdf>)

BRSR: APL's Business Responsibility and Sustainability Report FY2024-25 (<https://www.aartipharmalabs.com/investors/apl-brsr-2025.pdf>)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	60
	302-2 Energy consumption outside of the organization	60
	302-3 Energy intensity	60
	302-4 Reduction of energy consumption	60
	302-5 Reductions in energy requirements of products and services	AR 140
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	36
	303-2 Management of water discharge-related impacts	36-37
	303-3 Water withdrawal	36,61
	303-4 Water discharge	36
	303-5 Water consumption	36,61
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	35,60
	305-2 Energy indirect (Scope 2) GHG emissions	35,60
	305-3 Other indirect (Scope 3) GHG emissions	35,60
	305-4 GHG emissions intensity	60
	305-5 Reduction of GHG emissions	35
	305-7 Nitrogen oxides (NOx), sulfuroxides (SOx), and other significant air emissions	61
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	37
	306-2 Management of significant waste-related impacts	37
	306-3 Waste generated	38,61
	306-4 Waste diverted from disposal	38,61
	306-5 Waste directed to disposal	38,61
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	AR 135
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	AR 126
	401-3 Parental leave	AR 125

AR: APL's Annual Report FY2024-25 (<https://www.aartipharmlabs.com/investors/annual-report-2024-25.pdf>)

BRSR: APL's Business Responsibility and Sustainability Report FY2024-25 (<https://www.aartipharmlabs.com/investors/apl-brsr-2025.pdf>)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	AR 127
	403-3 Occupational health services	AR 127
	403-4 Worker participation, consultation, and communication on occupational health and safety	AR 127-129
	403-5 Worker training on occupational health and safety	AR 127-129
	403-6 Promotion of worker health	AR 127-129
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	AR 127-129
	403-8 Workers covered by an occupational health and safety management system	AR 127
	403-9 Work-related injuries	61
	403-10 Work-related ill health	61
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
404-2 Programs for upgrading employee skills and transition assistance programs		4
404-3 Percentage of employees receiving regular performance and career development reviews		AR 128
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	62
	405-2 Ratio of basic salary and remuneration of women to men	64
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	AR 134
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	AR 130
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	AR 130
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	AR 130
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	45-55
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	AR 130

AR: APL's Annual Report FY2024-25 (<https://www.aartipharmlabs.com/investors/annual-report-2024-25.pdf>)

BRSR: APL's Business Responsibility and Sustainability Report FY2024-25 (<https://www.aartipharmlabs.com/investors/apl-brsr-2025.pdf>)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	AR 145
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	AR 145
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	AR 145
	417-2 Incidents of non-compliance concerning product and service information and labelling	AR 145
	417-3 Incidents of non-compliance concerning marketing communications	AR 145
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	AR 146



Annexure 3 SDG Index

SDG Goal

Initiatives



- ✓ **Focus Area / Initiative** : Healthcare initiatives
- ✓ **Details of FY25 Initiatives** : Rural health camps, mobile clinics, preventive health awareness programmes
- ✓ **Beneficiaries / Impact** : 3,500+ rural patients served



- ✓ **Focus Area / Initiative** : Education & skill development
- ✓ **Details of FY25 Initiatives** : Scholarships for underprivileged students, infrastructure support in schools (sanitation, classrooms)
- ✓ **Beneficiaries / Impact** : 300+ students benefitted



- ✓ **Focus Area / Initiative** : Women empowerment & skill building
- ✓ **Details of FY25 Initiatives** : Vocational training in tribal belts of Gujarat & Maharashtra; mentorship & D&I policies
- ✓ **Beneficiaries / Impact** : 64,450+ women supported through empowerment programmes



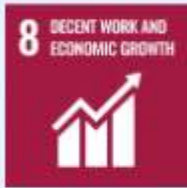
- ✓ **Focus Area / Initiative** : Sanitation and water management
- ✓ **Details of FY25 Initiatives** : Zero Liquid Discharge (ZLD) facilities at Akola, sanitation facilities in 10 schools
- ✓ **Beneficiaries / Impact** : 3,115+ community members benefitted



- ✓ **Focus Area / Initiative** : Climate change mitigation
- ✓ **Details of FY25 Initiatives** : Solar installations, biomass substitution, renewable energy integration
- ✓ **Beneficiaries / Impact** : Renewable energy share increased to over 15%

SDG Goal

Initiatives



- ✔ **Focus Area / Initiative** : Workforce skilling & livelihoods
- ✔ **Details of FY25 Initiatives** : Future Leaders Programme, vocational training for women, skill development for rural youth
- ✔ **Beneficiaries / Impact** : Workforce grew to 3,000+, training hours increased to 14.5 hours per employee



- ✔ **Focus Area / Initiative** : Sustainable R&D & infrastructure
- ✔ **Details of FY25 Initiatives** : Adoption of continuous flow chemistry, green chemistry innovations
- ✔ **Beneficiaries / Impact** : 5 molecules developed using flow chemistry



- ✔ **Focus Area / Initiative** : Waste management & circularity
- ✔ **Details of FY25 Initiatives** : Increased recycling, solvent recovery, waste-to-value initiatives
- ✔ **Beneficiaries / Impact** : Waste recycling improved from 3,073 MT (FY24) to 5,578 MT (FY25)



- ✔ **Focus Area / Initiative** : Livestock development & biodiversity
- ✔ **Details of FY25 Initiatives** : Support for animal welfare initiatives, afforestation and biodiversity conservation
- ✔ **Beneficiaries / Impact** : Waste recycling improved from 3,073 MT (FY24) to 5,578 MT (FY25)



Annexure 4

UN Global Compact Index

UN Global Compact Index

Particulars	LOCATION
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	29,44
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	44
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	44
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	44
Principle 5: Businesses should uphold the effective abolition of child labor.	44
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	40
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	33-38
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	33-38
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	33-38
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	29



Annexure 5 Glossary

Acronyms

Acronym	Description
AA1000AS	AccountAbility AA1000 Assurance Standards
AGT	Aarti's Got Talent
API	Active Pharmaceutical Ingredients
APL	Aarti Pharmed Labs Limited
APMS	Aarti Pharma Management System
BRSR	Business Responsibility and Sustainability Reporting
CDMO	Contract Development and Manufacturing Organization
CEPs	Certificates of Suitability
COP	Communication on Progress
CPCB	Central Pollution Control Board
CSD	Custom Synthesis Division
CSR	Corporate Social Responsibility
EDQM	European Directorate for the Quality of Medicines & HealthCare
EHS/HSE	Environment Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
EPR	Extended Producer Responsibility
ESG	Environment Social and Governance
EUGMP	European Union Good Manufacturing Practice
GHG	Greenhouse Gases
GJ	Gigajoule
GRI	Global Reporting Initiative
HAZOP	Hazard and Operability Study

Acronyms

Acronym	Description
HIRA	Hazard Identification and Risk Assessment
IHC-FR	Incident of High Consequence Frequency Rate
ISO	International Organization for Standardization
KL	Kiloliters
LCA	Life Cycle Assessment
LFI	Learning from Incidents
LOPA	Layer of Protection Analysis
LTIFR	Lost Time Injury Frequency Rate
NCE	New Chemical Entities
NDCs	Nationally Determined Contributions
NGOs	Non-Governmental Organizations
PSCI	Pharmaceutical Supply Chain Initiative
QRA	Quantitative Risk Assessment
R&D	Research and Development
RSM	Regulatory Starting Materials
SBTi	Science Based Targets Initiative
SDG	Sustainable Development Goals
SDS	Safety Data Sheet
SEBI	Securities and Exchange Board of India
SIL	Safety Integrity Level
SOPs	Standard Operating Procedures
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
TRIFR	Total Recordable Injury Frequency Rate

Acronyms

Acronym	Description
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
USDMF	United States Drug Master File
USFDA	United States Food and Drug Administration
ZLD	Zero Liquid Discharge

INDEPENDENT ASSURANCE STATEMENT

Introduction and Engagement

Aarti Pharmed Labs Limited (hereafter referred as “APL”) assigned SustainEDGE Business Solutions Pvt. Ltd. (hereinafter referred as “SustainEDGE”) to conduct the independent assurance of non-financial information and key performance indicators (KPI) disclosed in APL’s sustainability report (hereinafter referred as “the report”) for the reporting period. The Assurance Report covers APL’s sustainability Information for the period of 1st April 2024 to 31st March 2025. This assurance engagement was conducted against the Global Reporting Initiative (GRI) Standards and AA1000AS v3 (Type 2 Moderate Level) for verification of the Sustainability Report.

Management’s Responsibility

APL developed the Report’s content by monitoring the performance data. APL’s management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the GRI Standards, such that it’s free of intended or unintended material misstatements. APL will be responsible for archiving and reproducing the disclosed data for the stakeholders upon request.

Scope and Boundary

In particular, the assurance engagement included the following:

- Verification of the application of the principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the ESG data over the reporting period.
- Review of the policies, initiatives, practices and performance described in the Report.
- Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards.
- Verification of the reliability of the GRI Standards Disclosure on environmental and social topics by verifying sample data.
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users.

SustainEDGE has verified the below-mentioned disclosures given in the Report as per GRI Standard 2021 and BRSR Core by SEBI:

- | | |
|---|--|
| ▪ GRI 3: Material Topics 2021 | ▪ GRI 404: Training and Education 2016 |
| ▪ GRI 202: Market Presence 2016 | ▪ GRI 405: Diversity and Equal Opportunity 2016 |
| ▪ GRI 203: Indirect Economic Impacts 2016 | ▪ GRI 406: Non-discrimination 2016 |
| ▪ GRI 204: Procurement Practices 2016 | ▪ GRI 407: Freedom of Association and Collective Bargaining 2016 |
| ▪ GRI 205: Anti-corruption 2016 | ▪ GRI 408: Child Labor 2016 |
| ▪ GRI 206: Anti-competitive Behaviour 2016 | ▪ GRI 409: Forced or Compulsory Labor 2016 |
| ▪ GRI 302: Energy 2016 | ▪ GRI 410: Security Practices 2016 |
| ▪ GRI 303: Water and Effluents 2018 | ▪ GRI 411: Rights of Indigenous Peoples 2016 |
| ▪ GRI 305: Emissions 2016 | ▪ GRI 413: Local Communities 2016 |
| ▪ GRI 306: Waste 2020 | ▪ GRI 414: Supplier Social Assessment 2016 |
| ▪ GRI 308: Supplier Environmental Assessment 2016 | ▪ GRI 415: Public Policy 2016 |
| ▪ GRI 401: Employment 2016 | ▪ GRI 416: Customer Health and Safety 2016 |
| ▪ GRI 402: Labor/Management Relations 2016 | ▪ GRI 417: Marketing and Labelling 2016 |
| ▪ GRI 403: Occupational Health and Safety 2018 | ▪ GRI 418: Customer Privacy 2016 |

BRSR Core

Attribute	Parameter
GHG footprint	Scope 1 emissions
	Scope 2 emissions
	GHG emissions intensity
Water footprint	Total water consumption
	Water consumption intensity
	Water discharge by destination and levels of treatment
Energy footprint	Total energy consumed
	% of energy consumed from renewable sources
	Energy intensity
Embracing circularity	Plastic waste
	E-waste
	Bio-medical waste
	Construction and demolition waste
	Battery waste
	Radioactive waste
	Other hazardous waste
	Other non-hazardous waste
	Total waste generated
	Waste intensity
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations
	For each category of waste generated, total waste disposed by nature of disposal method
	Enhancing employee wellbeing and safety
Details of safety related incidents for employees and workers	
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid
	Complaints on POSH
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
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
	Number of days of accounts payable
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties, Loans and advances & investments with related parties

The reporting boundaries for the above topics includes,

Plant Locations:

- i. Unit - I, Plot No. D - 53, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District: Thane - 421204
- ii. Unit - II, Plot No. D - 55,56,57,59,60, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District: Thane - 421 204
- iii. Custom Synthesis Division, Plot No. 22-C/1 & 22-C/2, 1st Phase, G.I.D.C., Vapi 396 195, District - Valsad
- iv. Unit - III, Plot No. K - 17/18/19, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
- v. Unit - IV, Plot No. E - 50, 50/1, 59/1, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
- vi. Unit -V, Plot No. L - 28/29, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
- vii. Unit - I, Plot No. K - 67, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506

- viii. Plot No. L - 10, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
- ix. Unit - VI, Plot No. D - 18, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
- x. Unit - VII, Plot No. K - 65, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
- xi. Unit - VIII, Plot No. K - 14, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506

R&D Centre:

- i. Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi 396 195, Dist. Valsad, Gujarat
- ii. Plot No. D - 54, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District - Thane - 421 204
- iii. Plot No D - 176, 1st & 2nd Floor, TTC Industrial Area, M.I.D.C., Nerul, Navi Mumbai - 400 706

The onsite verification was conducted in June 2025 at CSD, Vapi, Gujarat and Tarapur Unit III, V, VI, Maharashtra along with the corporate office at Mumbai, Maharashtra. Desk review was carried out for all other sites as reported under the sustainability report.

Limitations

SustainEDGE did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, SustainEDGE draws no conclusion from the prospective information. During the assurance process, SustainEDGE did not come across any limitations to the agreed scope of the assurance engagement. SustainEDGE is contracted by APL and answerable to the APL's management only. SustainEDGE verified the data on a sample basis, the responsibility for the authenticity of the data entirely lies with APL. SustainEDGE expressly disclaims any liability or co-responsibility in the case of erroneous data reported or for any decision a person or entity would make based on this assurance statement.

Our Responsibility

SustainEDGE's responsibility in relation to this engagement was to perform agreed level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of APL's strategy, management of sustainability-related issues or the sufficiency of the Report against the GRI Standards and AA1000AS v3 other than those mentioned in the scope of the assurance. SustainEDGE's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by APL. This assurance engagement assumes that the data and information provided to us by APL are complete and true.

Verification Methodology

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

- i. SustainEDGE examined and reviewed the documents, data, and other information made available by APL for non-financial KPI's (non-financial disclosures).
- ii. SustainEDGE conducted interviews with key representatives, including data owners and decision makers from different functions of APL.
- iii. SustainEDGE performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and quantitative).
- iv. SustainEDGE reviewed the level of adherence to the GRI Standards and BRSR Core.

Exclusions

The Assurance scope Excludes the following:

- Our engagement did not include an assessment of the adequacy or the effectiveness of APL's management of sustainability related issues and APL's strategy for sustainability.
- During the assurance process, SustainEDGE did not visit any external stakeholder's premises and even no external stakeholders were interviewed as a part of the sustainability engagement.
- Review of the economic performance indicators included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records only.

- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim of future intention

Our Observations

Aarti Pharmed Labs Limited (APL) demonstrates a clear alignment of its sustainability initiatives with the UN Sustainable Development Goals (SDGs), focusing on areas such as healthcare, education, gender equality, clean water, economic growth, responsible consumption, climate action, and partnerships. These initiatives reflect a strategic intent to contribute to long-term sustainable development.

APL's continued investments in research and development, particularly in green chemistry, biotechnology, and continuous-flow technologies, showcase an industry-leading approach to reducing environmental impact. These innovations, coupled with progress in renewable energy integration and water stewardship, set benchmarks for sustainable operations in the pharmaceutical and chemical sectors.

The company's Corporate Social Responsibility (CSR) programs demonstrate a holistic approach to community development, addressing healthcare, education, women empowerment, livelihood generation, and environmental conservation. Large-scale interventions in hospital infrastructure, digital classrooms, water conservation, and rural skilling initiatives underline the depth of APL's social commitment.

APL has also demonstrated a willingness to collaborate with diverse stakeholders, including industry peers, government bodies, NGOs, and community institutions. Its membership in initiatives such as the United Nations Global Compact and alignment with the Science Based Targets initiative (SBTi) amplify its role in shaping global sustainability agendas.

While APL's disclosures are robust and comprehensive, there remain opportunities to strengthen transparency on measurable outcomes and impact indicators. Enhanced disclosure of quantifiable benefits, such as direct emission reductions, energy efficiency improvements, or community impact metrics, will further strengthen accountability and comparability. Expanding partnerships with international organizations may also help amplify impact at a global scale.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards.

Disclosures: SustainEDGE is of the opinion that the reported disclosures meet the GRI Standards reporting requirements and BRSR Core requirements. APL refers to general disclosure to report contextual information about APL, while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: APL followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organization. General Disclosures were followed when reporting information about an organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices and reporting process and GRI 3: Material Topics 2021: Disclosures and guidance about the organization's material topics. GRI 3 was selected for Management's Approach on reporting information about how an organization manages a material topic.

SustainEDGE is of the opinion that this report has been prepared in with reference to the GRI Standards and BRSR Core Framework.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to economic, environmental and social topics. SustainEDGE is of the opinion that the

reported material topics and Topic-specific Standards that APL used to prepare its Report are appropriately identified and addressed.

Assurance Conclusion: Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. SustainEDGE found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards and BRSR Core.

In the context of Assurance, the following contemporary principles has been observed:

Evaluation of the adherence to other contemporary Principles

Inclusivity: Stakeholder identification and engagement is carried out by APL to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the APL range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of APL. In our view, the Report meets the requirements.

Responsiveness: SustainEDGE believes that the responses to the material aspects are fairly articulated in the Report, i.e., disclosures on APL policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: APL communicates its ESG performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Governance and other policies.

Our Assurance Team and Independence

SustainEDGE is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. SustainEDGE states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting years i.e., FY 2024-2025, SustainEDGE did not work with APL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. SustainEDGE was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. SustainEDGE maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of SustainEDGE Business Solutions Private Limited



R Vijaya Kumar
Executive Director
Date: 17 September 2025

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000-944/V3-KBC6E **AA1000**
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000-944

SustainEDGE Business Solutions Pvt. Ltd.

Feedback

Transparency is meaningful only when it invites dialogue. We welcome feedback, suggestions, and critical observations from all stakeholders.

This engagement not only strengthens the credibility of our disclosures but also informs our strategy for future cycles. Feedback can be shared with:

Mr. Tanaji Shinde

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