

Environment & Climate Change Policy





Introduction:

Aarti Industries Ltd's (AIL) Environment & Climate Change Policy ("Policy") demonstrates our commitment for actions in reducing environmental and climate risk. It elaborates the core intent of the organization on environment protection, climate change concerns in design of product and processes and business decisions.

The Policy is implemented with an aim to 'Achieve business sustainability by augmenting environmental performance and ensuring overall well-being of our stakeholders. This underpins AIL's strategy of 'Growth with Sustainability for Sustainable Growth'.

Scope:

This Policy applies to all our business operations including subsidiaries over which we have direct control. Our business operations include our manufacturing locations, warehouses, offices, and R&D sites, employees, contractors, visitors and other business partners working at our manufacturing locations. We also encourage our business partners who are part of our value chain but outside our direct control to apply the requirements set out in our Policy.

Our Policy:

To fulfill our commitment to environment protection, climate adaptation and mitigation we are committed to:

- Proactively comply with all applicable statutory or regulatory and other requirements of environment, climate governance and energy and exceed them wherever possible through the framework of Aarti Management system (AMS)
- Identify and evaluate environment and climate impact to facilitate minimizing the risk associated with all activities in our business operations, including our supply chain and prepare mitigation plans.
- Protect environment by preventing pollution at the workplace and surrounding areas, by adopting environment management system and advanced technologies for control of air emission from stack and other environment pollutants from operations
- Conserve the environment by efficient use of energy and natural resources, adopting waste reduction and optimization measures using 4 R's (Reuse, Recovery, Recycle and Repair) inline with industry best practices including diversion of waste from landfill
- Measure GHG emissions, adopt and implement advanced and cost-effective techniques and practices such as use of low carbon alternate fuels for its reduction and Maximizing the use of renewable energy
- Continuously innovate our products and services through product stewardship methodologies to minimize harm to the environment and society during the product use phase. and further evaluate the impacts using tools such as Life Cycle Assessment(LCA)
- Establish sustainability practices by implementing adequate procedures, controls and governance including assigning responsibilities for employees, contractors, sub-contractors, transporters and distributors and other key business partners to safeguard environment and society
- Ensure that the sustainability principles are embedded in the due diligence process, conduct due diligence for new projects, mergers and acquisitions
- Exceeds the regulatory requirement of Extended Producers Responsibility (EPR) by engaging with the customers and other stakeholders to manage the products at end of the life and minimizing environmental impacts.
- Engage actively in with customers and other stake holders for sharing of best practices, innovative solutions to reduce the environmental impact and also consult them to strengthen policy implementation
- Engage with all the regulatory bodies to support the development and adoption of policies that promote environmental stewardship such as circular economy principles, low carbon industrial growth, etc.
- Avoid operations in the ecological sensitive area and critical habitat which are of national or international importance and promote local biodiversity through conservation and sustainable land management
- Commit to no gross deforestation for our own operations and encourage our business partners for same through engagement





- Impart training to employees and contractors for understanding the impacts of business activities on environment and climate and create awareness among business partners & other interested parties through continuous engagement
- Communicate Environment and Climate change policy & sustainability performance to employees, contractors, customers, community, business partners and other interested parties
- Provide adequate financial and human resources necessary for continual improvement in Environment management systems and mitigating and adapting to climate change
- Set, monitor, benchmark and review objectives and targets on Environment and Climate performance and continually improve them by implementing Environment management programs for reducing environmental footprint.

Implementation:

The Policy will implemented through the framework of Aarti Management Systems

Responsibility:

The AIL Board and members of Apex Sustainability Council and sub councils of AIL are responsible for establishing, implementing and monitoring the Policy, consistent with local laws and the applicable Standards.

Governance:

The Policy is governed by Apex sustainability council of AIL

Review:

The Environment and Climate Change policy will be reviewed in the wake of emerging risks/issues/trends in the sector and the ecosystem in which we operate to ensure its applicability. The default period for the review of policy would be 5 years.

Rajendra V Gogri

Chairman and Managing Director





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