



# Growth with Sustainability & Innovation

Sustainability Report FY 2021-22



## IN THIS REPORT

As the world around us constantly evolves, we are conscious of keeping up with the changing national and international norms and regulations to ensure sustainability and innovation is in our DNA and governs our operations and objectives. With corporates expected to run their businesses conscientiously, while maintaining transparency and accountability in reporting, we are pleased to present our maiden Annual Sustainability Report highlighting our performance on the Environmental, Social, and Governance (ESG) parameters. The report is prepared with reference of GRI Standard 2021 for measuring, monitoring and disclosing performance in areas related to Environmental, Social and Governance (ESG). We have taken the 3R approach of Research, Recalibrate and Report to present our performance.

## FRAMEWORK APPLIED



 **FIND OUT MORE ON**

<https://www.amiorganics.com>

### REPORTING SCOPE AND BOUNDARY

The report encompasses the quantitative and qualitative information of the financial and non-financial performance of the company for the Financial Year 2021- 22. This report covers the company's manufacturing facilities located at Sachin and Jhagadia. This report does not cover Ankleshwar plant as it is under construction.

### REFERENCE

The report also talks about our commitment to the United Nations Sustainable Development Goals (UN SDGs) and demonstrates our journey of working in alignment with the United Nations Global Compact (UNGC)'s 10 principles.

### RESTATEMENT OF INFORMATION

It is our maiden report on sustainability. Restatements will be added on successive versions of report.

### ASSURANCE

The quantitative data included in this report has been externally verified and assured by Growlity Private Limited, an independent third-party assurance provider and our ESG & Sustainability Partner. The assurance statement is part of this Report.

### FEEDBACK AND SUGGESTIONS

Feedback from internal and external stakeholders enables us to improve our procedures and objectives.

In case of feedback reach out to

**Mrs. Ekta Srivastava**  
(Company Secretary and Compliance Officer).

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+91 7573015366

*Ami Organics is committed to driving positive change through a journey of Inclusive Growth with Sustainability and Innovation.*

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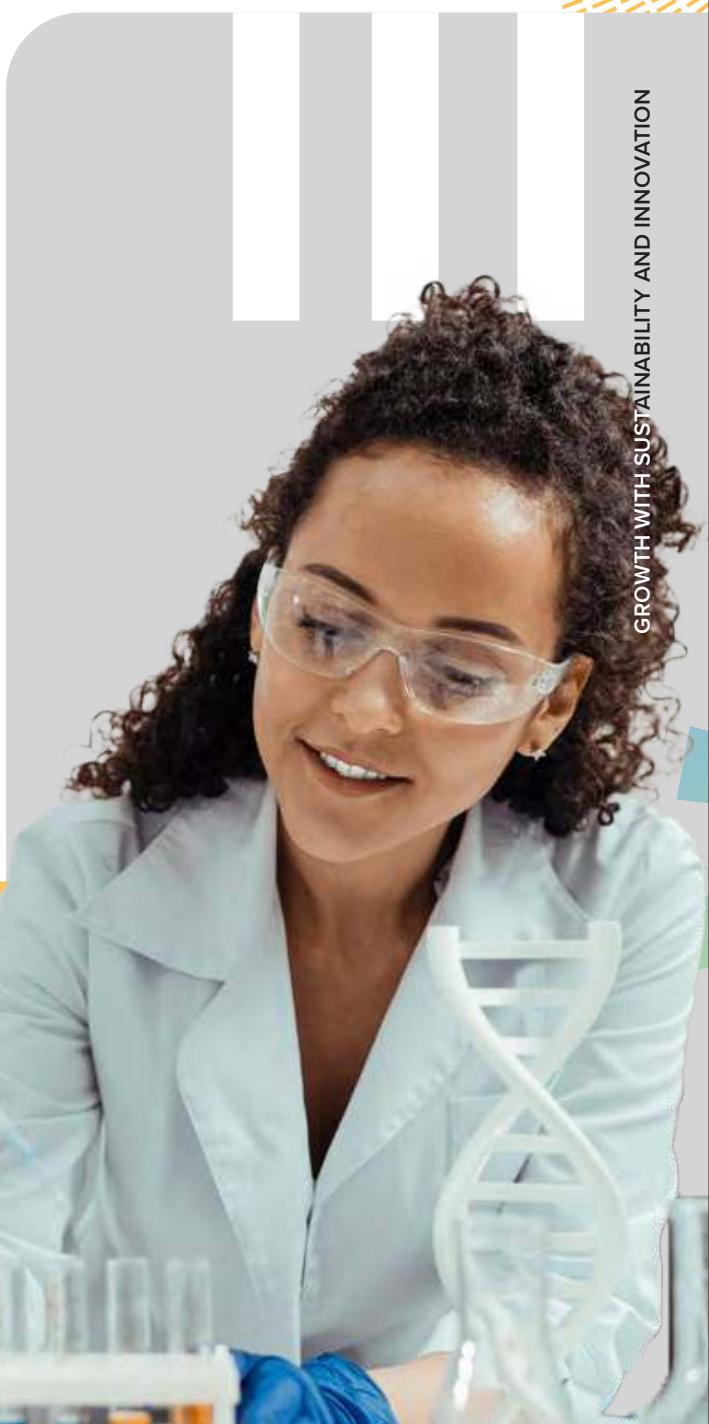
## 2 Growth with Sustainability and Innovation

Post-pandemic world is being led by a collective agenda for sustainable growth and inclusive value creation. Indian Economy is growing manifolds with increased development and spending across various sectors. With these massive transitions and transformation, the emphasis is more on creating businesses, not just for profit, but about people and the planet. We are committed to promote sustainable practices in our operations with the belief we can only be successful in the long run with respect to the triple bottom line of **“People, Planet & Performance”**.

At Ami Organics, growth and sustainability go hand in hand and to achieve this, implementing sustainable innovative ideas plays a big role. Our top-class research facility works diligently to bring innovative products and processes which not only drives growth of the company but also addresses the technological improvement of processes and operations. Adoption of regulatory framework across all verticals of the organization enables long term thinking, broader understanding of risks and opportunities and improve connectivity between financial and non-financial drivers.

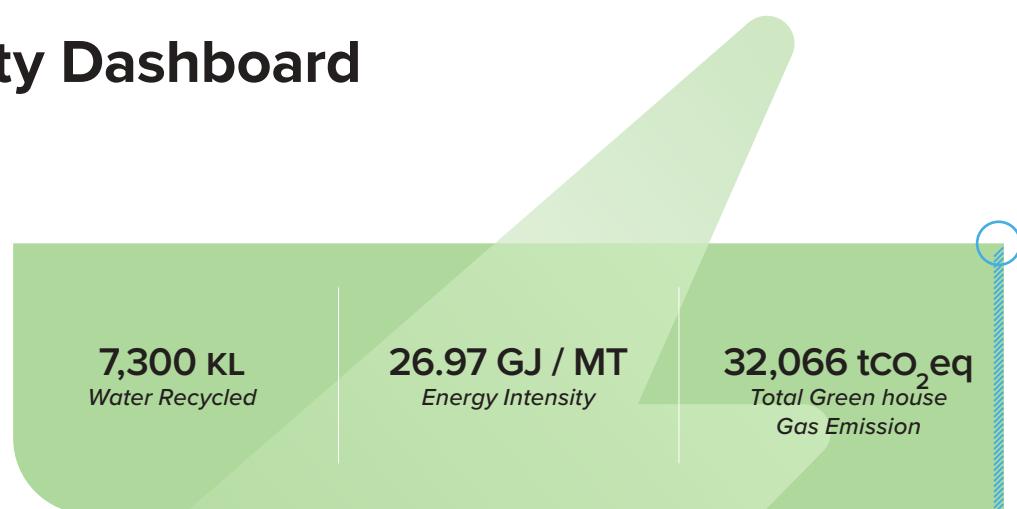
### FORWARD-LOOKING STATEMENT

There are a few statements in the report that refer to our future operations and performance. The forward-looking statements and the identified risks are necessarily based on projections and trends in the industry, and could differ from the actual results. These statements include all the statements other than historical facts, ESG performance highlights, sustainability objectives, strategy and mitigation plans.



# Sustainability Dashboard

3



1 OUT OF 2  
Zero Liquid  
Discharge Unit

2 OUT OF 2  
ISO 9001  
Manufacturing Units

2 OUT OF 2  
ISO 14001  
Manufacturing Units

1 OUT OF 2  
ISO 45001  
Manufacturing Units

64 %  
Materials sourced  
from local suppliers

398 LTA  
Free Days

6 MAN HOURS  
Training per employee

100 %  
Employee over  
minimum wage

25 %  
Women at  
Board Level

NIL  
Incidence of  
noncompliance  
in product and  
service information

NIL  
Pending complaints  
from investors &  
stakeholders

1 GRANTED  
7 PUBLISHED  
4 APPLIED  
Patents

SUSTAINABILITY DASHBOARD

## 4 Sustainability is driven by technology, cooperation, and clear goals

**I am proud to announce that our sustainability efforts have been assessed by Ecovadis which has certified our Company in the Bronze Category from last version, reassuring our commitment to sustainable growth and development. More recently, we also became a member of the United Nations Global Compact (UNGC) and signatory to the Climate Neutral Now Initiative assuring our commitment to minimise climate-related risks and the environmental impact of our operations.**

It gives me immense pleasure to present the first Annual Sustainability Report of Ami Organics Limited ("Ami Organics") that outlines our approach, strategy, and performance on the triple bottom line of People, Planet & Performance for the financial year 2021-22.

### RE-EVALUATING BUSINESS STRATEGIES IN A POST-PANDEMIC WORLD

The COVID-19 pandemic has taught us to evaluate our business strategy with a fresh lens. We demonstrated our strength and tenacity throughout the pandemic period. During these challenging times, our people strived to deliver a stellar performance with consistent enthusiasm. As the pandemic tapered, we were infused with a renewed hope of growth and resurgence, but with added sensitivity towards our people, planet and environment. Our optimism, and belief in the ability to build a climate-resilient manufacturing facilities is a catalyst to pursue our sustainability goals rigorously.

### CLIMATE CHANGE CONCERN AND EFFICIENCY

We are aware of the challenges posed by climate change and the events associated with it and have witnessed an increased frequency of extreme weather events in the past few years. Effective climate protection and scarce resources are

the central challenges of our time. With climate concerns and the need for a sustainable outlook gaining momentum, it is increasingly evident that the world must equitably transition to a low carbon economy faster than previously anticipated. As a responsible organisation, we support global efforts to mitigate human-induced climate change and achieve global goals or the Sustainable Development Goals (SDGs). We are committed to ramp-up our sustainability performance and build credibility while strengthening our process improvement and reporting systems. We remain committed to minimise our environmental footprint by improving resource efficiency, practicing water reuse and recycling, diversifying the energy mix, reducing waste generation, and handling materials responsibly, etc.

### OUR SUSTAINABILITY PERFORMANCE

*As a responsible organisation, we support global efforts to mitigate human-induced climate change and achieve global goals or the Sustainable Development Goals (SDGs). We are committed to ramp-up our sustainability performance and build credibility while strengthening our process improvement and reporting systems.*

### INTEGRATING SUSTAINABILITY INTO OUR DNA

Sustainability is seamlessly integrated into our business and manifests at each stage of the product cycle. Our efforts to transition into a low carbon company is one of the crucial components of a larger objective to reduce the environmental burden on the resource use. We are striving to minimise the environmental impact of our activities while enhancing the socio-economic benefits of our products throughout its lifecycle. When we look back at our journey, a considerable investment has been made in the area of sustainability to create zero liquid discharge (ZLD) sites, process automation, process safety, and zero exposures, etc. over the last five years. During the reporting period i.e., FY 2021- 22, we introduced the assessment and calculation of specific GHG emissions for all Scope 1, 2 & 3 emissions as per GHG protocol.

### TOWARDS A SUSTAINABLE TRANSFORMATION

At Ami Organics, it is our endeavour to reduce our GHG emissions by 25% by 2030 compared with our baseline year 2021- 22. We also endeavour to achieve the target of being a Net-Zero Emissions Company by 2050. Albeit an ambitious goal, we have a focused strategy to



## REDUCE BY 25% BY 2030

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reach this milestone. We believe it is one of the biggest transformations in the history of the pharma and chemical industry, considering that production is energy intensive and that companies want to accelerate their growth momentum at the same time. While the energy transformation will make great demands on us, we are confident that we will succeed! We aim to install a 5 MW of renewable energy through solar power plant capacity in the fiscal 2024 and embark on our journey to initiate the renewable energy usage in our operations. We are also working to ensure single-use plastic-free in our manufacturing plants.

I am proud to announce that our sustainability efforts have been assessed by Ecovadis which has certified our Company in the Bronze category, reassuring our commitment to sustainable growth and development. More recently, we also became a member to the United Nations Global Compact (UNGC) and signatory to the Climate Neutral Now

Initiative assuring our commitment to minimising climate-related risks and the environmental impact of our operations.

## HUMAN CAPITAL, GOOD GOVERNANCE AND COMMUNITY OUTREACH

Our long-term value creation efforts for stakeholders drives our business performance and growth. We continue to invest in our human capital by identifying the right talent and enhancing their capacity and capability through trainings across all levels within the organisation. We foster a safe workplace culture while creating awareness on occupational health and safety. Our CSR committee, through several community outreach programmes has been working to serve the communities through skill development trainings and local employment prospects in the area.

Good governance system is fundamental for ensuring responsible business practices. At Ami Organics, we have implemented policies and robust systems of governance that will facilitate in achieving our vision. We have set up an ESG Internal Committee and tasked with regular tracking of our ESG performance. Our CSR committee has crafted a very clear and transparent agenda for inclusive growth and development of the community and established us as responsible corporate citizens.

## GRATITUDE AND LOOKING AHEAD

We believe that the future lies in growing our business with sustainability and enhancing value for our stakeholders. I take this opportunity to express deep gratitude for the support and confidence vested in us by our stakeholders. I am once again pleased to share our first Annual Sustainability Report for FY 2021-22 and look forward for your continued support and trust in us.

Warm Regards,

**Nareshkumar Patel**  
*Chairman and Managing Director*

Date: February 4, 2023  
Place: Surat

# Building a sustainable business through innovation

**AMI Organics is a research and development driven manufacturer of specialty chemicals with varied end usage and is focused on the development and manufacturing of advanced pharmaceutical intermediates (“Pharma Intermediates”) for regulated and generic active pharmaceutical ingredients (“APIs”) and New Chemical Entities (“NCE”) and key starting material for agrochemical and fine chemicals.**

Started in 2007, we are a prominent global manufacturer of pharma intermediates and specialty chemicals as well for Agrochemicals, Cosmetics and Polymers for some of the leading companies in the world. With three strategic manufacturing units in the country's industrial state (Gujarat), we have a strong market presence in India and over 50 countries across the globe.

We have established a reputation as a dynamic player offering pharmaceutical intermediates that adhere to GMP requirements. Leading our way to provide the most efficient and quality services, we have implemented Integrated Management Systems at all our sites with various ISO standards for fine and specialty chemicals. We intend to establish our footprint in the global market, and are prepared to deepen our partnerships to create potential future synergies within our core business segment. We are focused on synthesizing new products as well as developing existing products in technologically better ways to have optimum use of resources while reducing carbon footprint. Our technological capabilities have made us an affordable supplier with great quality and supply continuity thereby retaining trusted customers for years. Scientists and research professionals at Ami Organics have been researching and innovating newer ways of manufacturing existing products to stay cost-competitive with optimum resource utilisation, reduced emissions, conserving energy and recycling of wastes. This will not only help company move towards cleaner sources of energy, but also contribute to transformation with climate resilient infrastructure. Our business focus revolves around initiating to decarbonising the energy system, a principal lever for climate change mitigation.

## FOOTPRINT IN THE GLOBAL MARKET

*We intend to establish our footprint in the global market, and are prepared to deepen our partnerships to create potential future synergies within our core business segment.*

During the year, we developed a couple of important products using continuous flow technology to keep costs under check, reduce higher dependence on solvents, and released excess capacity for other products. Both the products were developed by our Research team at the R&D centre at Surat, thereby proving our technical capabilities not only in synthetic chemistry but also in process technology. Our team successfully developed capabilities in Plug Flow, Catalytic fixed-bed flow as well as Tubular flow reactors. We continue to design and upgrade indigenously developed processes to achieve our goals of growth with sustainability. As we move ahead, our focus will be on building a sustainable and responsible corporate entity that actively contributes to building a safer world for our generations, today and tomorrow.



## PRESENCE

We have strong, long-term relations with a diversified customer-base across geographies covering more than 50 countries globally. We cater to domestic and multinational companies across fast-growing markets of Europe, China, Japan, Israel, the United Kingdom, Latin America, and the United States. We have long term supply contract with key customers and several international pharmaceutical companies. Our exports account for 58% of the total revenue generated from sales and we have a two-star rated export house certification.

**58%**

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## 8 Membership, Associations & Awards

Through various groups and methods, we aim to advance sustainability advocacy. When combined, the diverse experience and perspectives of different stakeholders from the corporate, government, academic, and civil society sectors may have a profoundly positive influence on development.

We are member of the following notable organizations.



**The Southern Gujarat Chamber of Commerce and Industry**



**United Nations Global Compact (UNGC)**



**Confederation of Indian Industry**

**Confederation of Indian Industry**



**Chemexcil set up by the Ministry of Commerce & Industry Government of India**



**Federation of Gujarat Industries**



### AWARDS RECEIVED SO FAR :

- CHEMEXCIL 2nd Award for highest exports, **2017**
- “Business Innovation Award” under Dare to Dream awards by SAP, **2018**
- Federation of Gujarat Industries Award for excellence in Research & Development, **2021**
- Safe & Secure Manufacturing Facility Fire & Safety Association of India, **2021**
- Southern Gujarat Chamber of Commerce and Industry (SGCCI) Outstanding entrepreneur in MSME segment, **2021**
- Federation of Gujarat Industries (FGI) Outstanding Business Leader, **2022**

# Financial Performance and Growth

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Over the past five years, the Company has been growing sustainably with a CAGR of around 25% and maintain its growth momentum while creating value to its stakeholders. We have accelerated our growth capacity in the last few years without compromising the integrity of our balance sheet, which remains robust, profitable, and sustainable.

This credible journey has helped us mobilize additional resources and capitalize on unprecedented opportunities. During the FY 2021–22 the company delivered remarkable financial performance on all spheres by crossing ₹5,000 million revenue and ₹1,000 million EBITDA. The Company's IPO received favorable response by the public, garnering a 64.54 times oversubscription.

The Company exhibited its technological prowess coupled with sustainability goals by developing and commercializing two products using continuous flow technology. This technology reduced the cycle time to manufacture the product leading to lower utilization of utilities. Continuous flow reactors are more efficient and sustainable when compared to manufacturing products using traditional reactors. Our superior Research and Development facility enables us to maintain our new product development pipeline and helps the business to consistently grow on a year-on-year basis. In the pharmaceutical intermediates and specialty chemicals industry, our company is aggressively looking to expand by introducing new products and gaining access to niche markets.



FINANCIAL PERFORMANCE AND GROWTH

The following list can be used to summarize the major business highlights for the FY 2021–22:

- Launched 17 new products.
- During the year, the company successfully created three additional existing items that are currently on a pilot scale, while marketing two products employing continuous flow reactors. Continuous flow reactors will be used to commercialize the items in FY23, and the company has already placed an equipment order.
- Effectively developed capabilities in reactor types with plug flow, catalytic fixed-bed flow, and tubular flow.
- Operational revenue for the company increased by 52.7% YoY to ₹5,201.3 million during the reviewed financial year.

During FY2021-22, the company completed the integration of two facilities acquired from Gujarat Organics Limited and company's team displayed exemplary operational finesse by improving the EBITDA margin from these facilities through various technological advancements and process improvements.

**52.7%**  
Operational revenue for the company increased by 52.7% YoY to ₹5,201.3 million during the reviewed financial year.

# Board of Directors



**Nareshkumar Patel**  
**Executive Chairman & Managing Director**

Mr. Nareshkumar Patel is the visionary who founded AMI Organics. He oversees the company's Process Engineering, Business Development, Marketing, R&D, and Product Implementation divisions. He holds a Bachelor's Degree in Chemical Engineering.



**Chetankumar Vaghisia**  
**Whole-time Director**

Mr. Chetankumar Vaghisia is the co-founder of the company and oversees the company's Procurement, Planning, Logistics, Information Technology, Marketing, Human Resources, and Administration divisions. He holds a Diploma in Man-made Textile Processing.



**Virendra Mishra**  
**Whole-time Director**

Mr. Virendra Nath Mishra is responsible for the organisation's Operations, Project Management, and Planning for production and Inventory. He holds a Master of Science Degree in Chemistry.



**Ram Mohan Rao Locande**  
**Whole-time Director**

Mr. Ram Mohan Rao Locande steers the company's Production, Plant Operations, Project Management & Commissioning, and Technology adoption. He holds a B.Tech Chemical engineering degree from the National Institute of Technology (NIT) Warangal.



**Girikrishna Maniar**  
Non-executive, Independent Director

Mr. Girikrishna Maniar's business acumen include Financial Management, Corporate Negotiation, Financial Control, Strategic Planning, Due Diligence, Cost Control, Organisational Growth, and People Development. He is a fellow member of the Institute of Cost Accountants of India and holds a Bachelor of Science Degree in Chemistry.



**Hetal Gandhi**  
Non-executive, Independent Director

Mr. Hetal Gandhi has more than 34 years of experience in the financial services sector, which includes work in investment banking, credit markets, and private equity. He is an Associate Member of the Institute of Chartered Accountants of India and holds a Bachelor of Commerce Degree.



**Richa Goyal**  
Non-executive, Independent Director

Mrs. Richa Goyal has more than 22 years of experience as a legal consultant and expert in the areas of Insolvency and Bankruptcy Law, Intellectual Property Law, and Company Law. She holds a Bachelor of Commerce Degree and an LLB Degree and is the fellow member of the Institute of Company Secretaries of India.



**Dr. Anita Bandyopadhyay**  
Non-executive, Independent Director

Dr. Anita Bandyopadhyay is an acclaimed HR Consultant with in-depth knowledge of HR Processes, Talent Management, Performance Management, Leadership Development, and Corporate Succession Planning. She holds an Executive MBA degree from the SP Jain Institute of Management & Research in Mumbai and a Doctorate in Applied Psychology from Kolkata University.

12 **Our sustainability journey**

**2005**

Gujarat Gas Safety  
Award – developing and  
implementing effective  
HSE Management System



**2011**

- Implemented the Integrated Management System (IMS)
- Obtained SA 8000 certification



**2015**

Achieved turnover of

**₹ 1,000MN**



AMI ORGANICS LIMITED

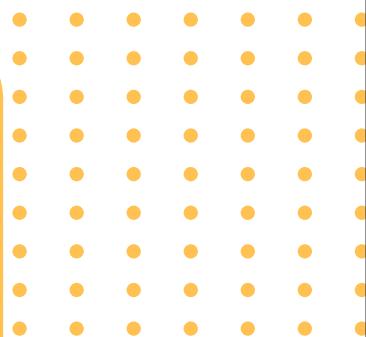
**2017**

- Outstanding export performance “Second Award” Panel - II: Inorganic, Organic and Agro Chemicals
- Applied for process patents for 5 products in India



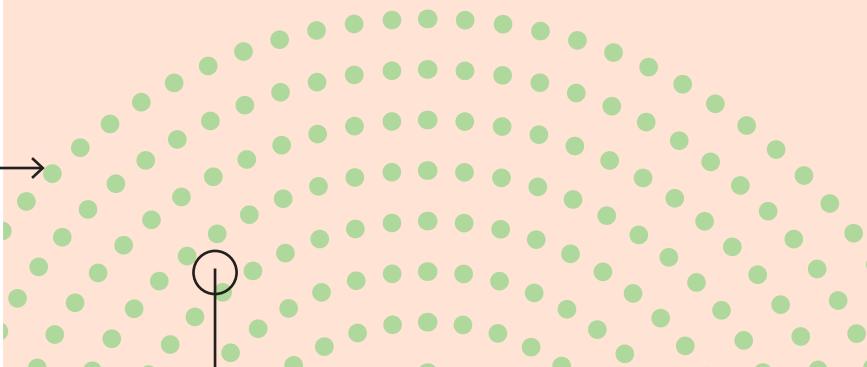
**2016**

- Obtained certifications for ISO 9001:2015 and ISO 14001:2015.
- Established a tertiary ETP to become zero liquid discharge plant
- Received recognition from the DSIR of India for in-house R&D unit.



## 2018

- Completed assessment of and established a GMP compliant manufacturing and warehouse facility at Sachin.
- Applied for process patents for 3 additional products in India.
- Recognized as “Two Star Export House” by Directorate General of Foreign Trade (DGFT).
- “Business Innovation Award” under Dare to Dream awards by Systems, Applications & Products in Data Processing (SAP).
- Received first Establishment Inspection Report (EIR) from USFDA



## 2019

Obtained certifications for ISO 45001:2018

## 2020

- Received second EIR from USFDA for manufacturing facility at Sachin.
- Commencement of a new R&D lab at Sachin.
- Commencement of the new solvent recovery plant at Sachin.

## 2021

- Excellence in ‘Research in Science & Technology’ Award
- Fairdeal Filaments Awards for Outstanding Entrepreneur in MSME Segment
- Applied for process patents for three additional products in India
- Got listed on BSE & NSE after its successful maiden IPO in September 2021

## 2022

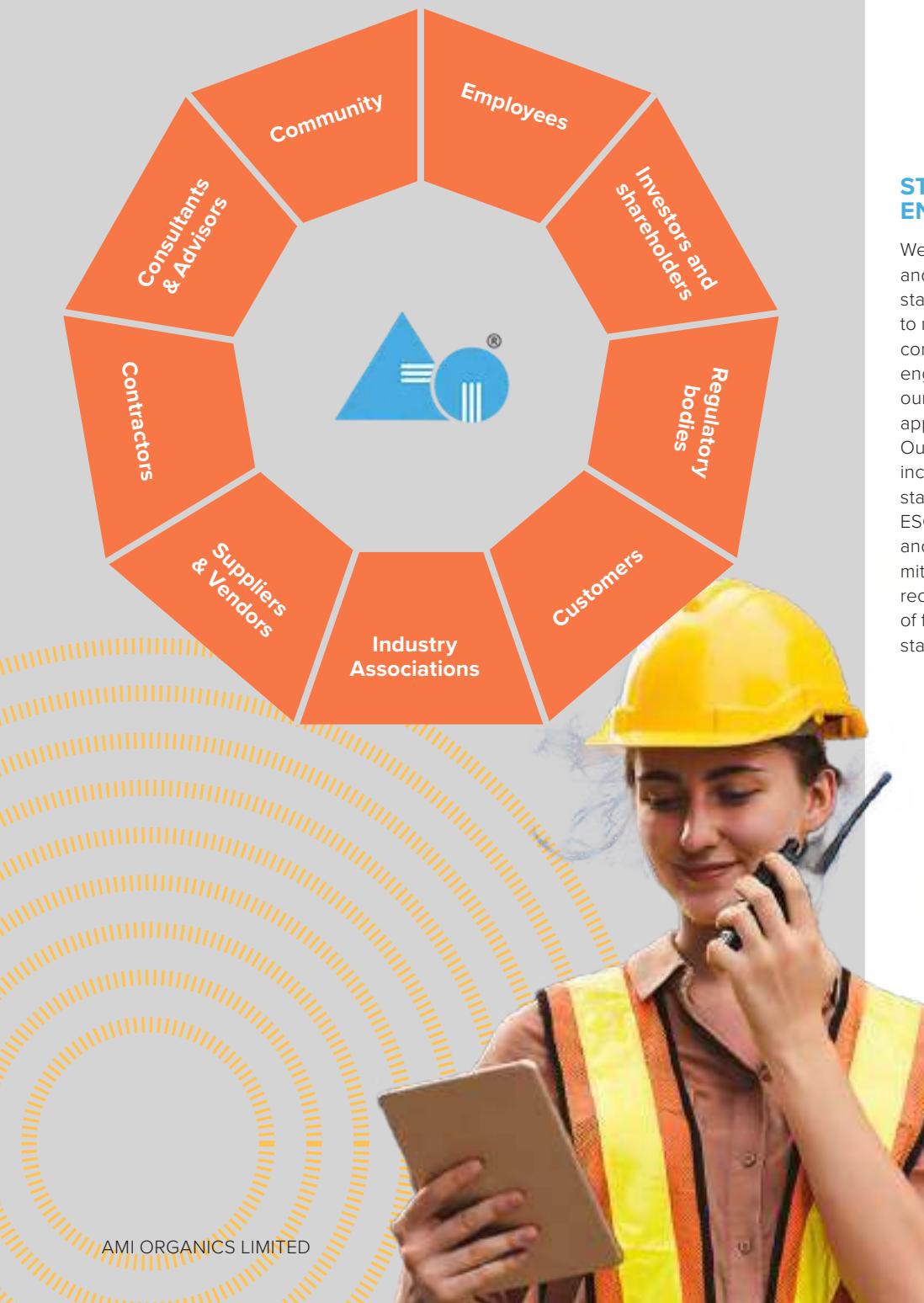
- Achieved sales milestone of ₹5,000MN and EBIDTA of ₹1,000MN
- First Business Responsibility Report report published

# Creating Value for our Stakeholders

In our journey towards inclusive growth with sustainability and innovation, we are devoted to collaborating closely with all our stakeholders.

We integrate Environment, Social, and Governance (ESG) parameters into our core business, thereby focussing on inclusive value creation for our stakeholders. We strongly believe in embedding ESG principles in our business to secure the interest of our stakeholders, while increasing our knowledge, getting technical advice, and working together to create a sustainable business.

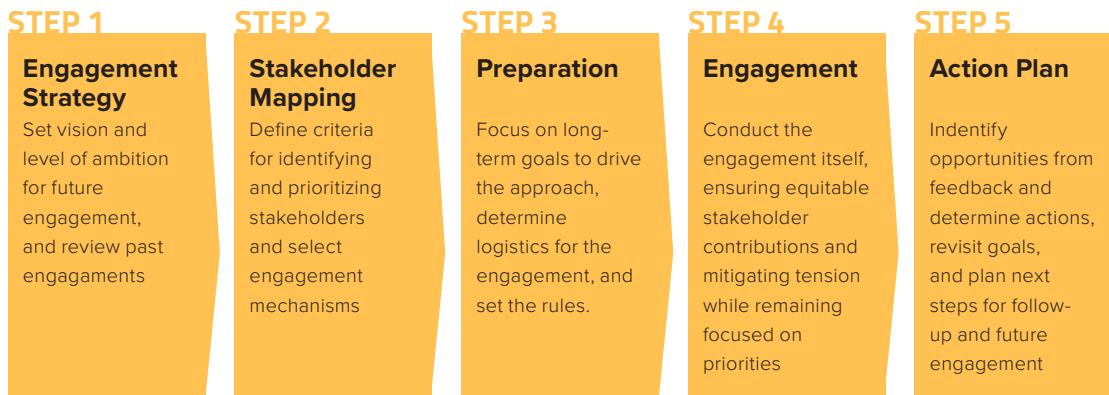
We interact with a wide range of stakeholders as part of our business throughout the year utilizing both official and formal engagement approaches. The company continues to solicit various viewpoints from them, including customers, employees, suppliers and dealers, shareholders/investors/analysts, and community members, through stakeholder forums, questionnaires, and on-site visits.



## STAKEHOLDER ENGAGEMENT

We believe that our responsiveness and consistency in engaging with key stakeholders puts us in pole position to move the conversation beyond compliance. Through our stakeholder engagement initiatives, we make our desire to adopt a collaborative approach with our stakeholders. Our sustainability initiatives include listening to and addressing stakeholder demands. By identifying ESG and business-related difficulties and implementing the required mitigation measures, the input we receive helps us pursue our mission of fostering sustainable growth via stakeholder engagement.

## FIVE-STEP APPROACH TO STAKEHOLDER ENGAGEMENT

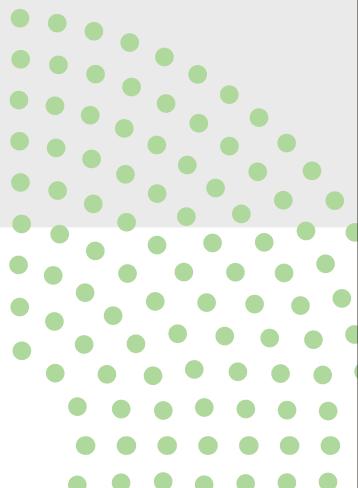


Engagement Type: Yearly Quarterly Monthly Event Based

Stakeholder Category	Nature of Engagement	Key Priorities Derived Out of the Engagement Process	Frequency of Engagement
Workforce	<ul style="list-style-type: none"> <li>Induction programmes</li> <li>Trainings</li> <li>Meetings</li> <li>Email interaction</li> <li>Employee satisfaction survey</li> <li>Employee engagement activities</li> <li>Open forums</li> </ul>	<ul style="list-style-type: none"> <li>Skill development</li> <li>Workplace satisfaction</li> <li>Healthy and safe operations</li> <li>Employee engagement and involvement</li> <li>Career progression</li> </ul>	
Customers	<ul style="list-style-type: none"> <li>Telephone</li> <li>Email</li> <li>Customer meets</li> <li>Personal visits</li> <li>Advertisements</li> <li>Customer satisfaction reports</li> </ul>	<ul style="list-style-type: none"> <li>Availability of the product</li> <li>Pricing of the product</li> <li>Quality of the product</li> <li>New product development</li> <li>Logistics</li> <li>Efficient service</li> <li>Grievance redressal &amp; transparency</li> <li>Information on the safe use of products</li> </ul>	
Investors and Shareholders	<ul style="list-style-type: none"> <li>Media releases</li> <li>Annual reports</li> <li>Investor meets</li> <li>Analyst meets</li> <li>Annual General Meeting</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Business growth</li> <li>Business strategy</li> <li>Future investments</li> <li>Transparency</li> <li>Good governance practices</li> <li>Social responsibility</li> </ul>	
Suppliers	<ul style="list-style-type: none"> <li>Personal interaction</li> <li>Site visits</li> <li>Telephonic conversations</li> <li>Email communication</li> </ul>	<ul style="list-style-type: none"> <li>Long-term association</li> <li>Innovation opportunities</li> </ul>	
Local Communities	<ul style="list-style-type: none"> <li>Visits</li> <li>Meetings</li> <li>Camps</li> <li>Need assessment</li> </ul>	<ul style="list-style-type: none"> <li>Health</li> <li>Education</li> <li>Indirect economic impact</li> <li>Sanitation</li> </ul>	
Non Governmental Organisations (NGOs)	<ul style="list-style-type: none"> <li>CSR initiatives</li> <li>Site visits</li> <li>Telephonic discussions</li> </ul>	<ul style="list-style-type: none"> <li>Support on implementation of programmes in Ami's focus areas</li> <li>Support for community-based organisation</li> </ul>	
Regulatory Authorities	<ul style="list-style-type: none"> <li>Industry bodies and forums</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Community initiatives</li> </ul>	
Contractors	<ul style="list-style-type: none"> <li>Personal interaction</li> <li>Telephonic conversations</li> <li>Email communication</li> <li>Contract discussion meetings</li> </ul>	<ul style="list-style-type: none"> <li>Long-term association</li> <li>Efficient service</li> <li>Compliance with applicable laws and regulations</li> <li>Health &amp; Safety</li> </ul>	
Consultant & advisor	<ul style="list-style-type: none"> <li>Media releases</li> <li>Annual reports</li> <li>Analyst meets</li> <li>Sustainability reports to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>High Reputation and Brand Image</li> <li>Socially &amp; Environmentally Responsible conduct</li> <li>Advisory on sustainable growth</li> </ul>	

16 **Sustainability Framework**

*Delivering  
sustainable  
business growth*



## PRODUCT QUALITY & SAFETY

We place utmost importance on the quality of the products we supply to our clients, as well as on environmental and safety concerns.

- We strive to deliver high-quality products and services that meet our clients' expectations.
- We pledge to uphold the "Quality First" maxim and work to increase the dependability and quality of our products and services across all business segments, including sales, production, and R&D.
- Our inclusive Integrated Management System is something we are constantly working to organize, maintain, and enhance.
- Before introducing a new product to the market, we carry out sufficient Safety Assessments.

## ETHICAL SALES PRACTICES

We fulfill our responsibilities of ethical sales by clearly identifying and implementing a code of ethics and code of conduct for selling. Using ethical sales techniques helps us build client loyalty and trust while enhancing our reputation.

## BUSINESS ETHICS

High ethical conduct is at the core of our decision making process, and we strive to maintain this by leading practices with integrity and transparency in our processes. Our Management and specialised Auditors team critically assesses our operations in compliance with the Code of Conduct. The audits

are performed periodically, and scope of the audit covers aspects such as EHS aspects, internal finance control, labour law compliances, process control, asset utilisation, statutory compliances, governance framework, IT & cyber security, document control among others. The results of such audits are presented to the Board / Audit Committee and Corrective Action and Preventive Action plans are decided upon. Our policies and Code of Conduct are reviewed and revised periodically as per requirements. Our stance of zero tolerance towards bribery and corruption is stated in the Code of Conduct for employees and Suppliers. We reported no case of bribery in the reporting period.

## PRODUCT ENVIRONMENTAL H&S

We are committed to conserve energy, encouraging the use of renewable energy, and lowering GHG emissions, with an emphasis on result-oriented continuous improvement in process technology with a general goal of lowering our carbon footprint.

- We strategically obtain equipment, products, and materials with the help of our supply chain partners to cut down on the production of hazardous waste.
- We make an effort to minimize, reuse, and recycle products and materials to help the environment, as well as to conserve water and energy.
- We are dedicated to the safe and proper usage and disposal of our products.
- We have effective systems in place to safeguard people's health, safety, and environment, which encourage us to walk the talk of the UNSDGs that we are aligned to.

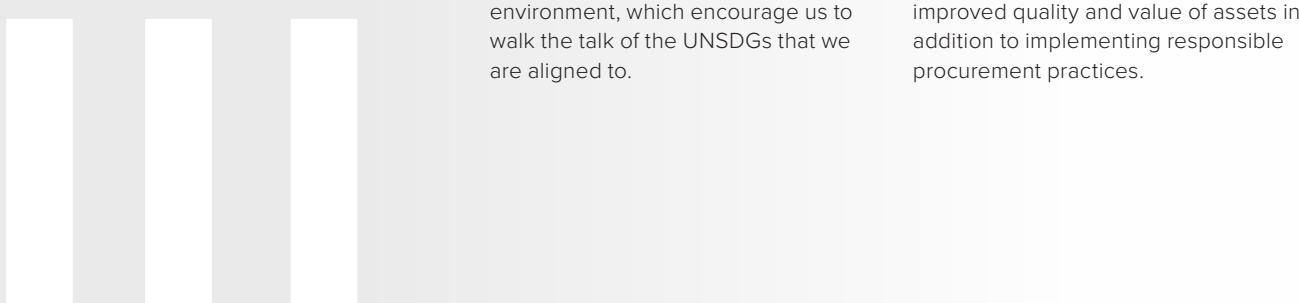
## HUMAN CAPITAL MANAGEMENT

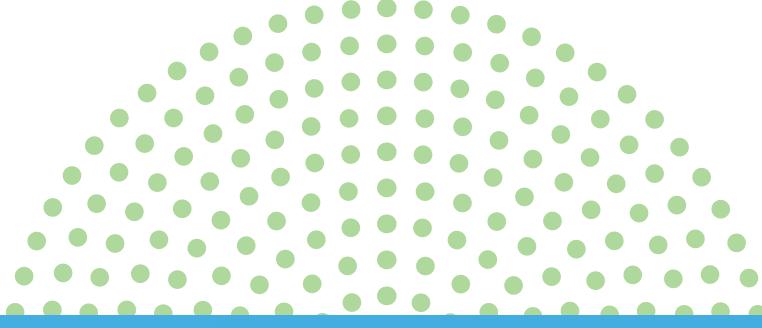
We uphold the fundamental human rights and vow to protect them at all our sites. We provide equal opportunities to all our employees and eliminate discrimination at workplace. As a responsible organisation, we have established dedicated channels that allow our stakeholders to register their grievances and voice their concerns directly to us. We ensure adequate safety conditions at the workplace and raise awareness by providing health and safety trainings. We regularly organise wellness camps, health check-ups and have set up on-site health facilities for our employees. Our employee-centric policies focus on holistic development through career progression, equal opportunities and learning programmes.

## SUPPLY CHAIN MANAGEMENT

At AMI Organics, we are working towards integrating ESG parameters in our supply chain towards the expansion and endurance of our business. We have integrated the Supplier Code of Conduct in the selection process for suppliers, which considers various ESG aspects such as environmental protection, health and safety compliance, human rights, and business ethics.

In response to the challenge of ensuring a sustainable supply chain and resource efficiency, we have increased our focus on sustainable procurement and identifying ESG related risks in the supply chain. We focus on ethical business practices, adhere to all regulatory requirements and urge our suppliers to follow the same. We work closely with our suppliers, particularly local vendors, to ensure improved quality and value of assets in addition to implementing responsible procurement practices.





**Our goal is to set one of the industry milestones for operational eco-efficiency and significantly reducing CO<sub>2</sub> in production through innovation in process technology.**

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Mr. Ram Mohan Rao Locande | Whole time Director





# Making the world a better place

At Ami Organics, we support creating a coordinated strategy for environmental sustainability under various national and international guidelines. Given that we have three production facilities and an R&D facility, we strive to minimize our operations' environmental impact while continuing to aim for growth. Our main area of focus includes the efficient use of resources (including water and materials), lowering emissions, and conserving energy. Our goal is to set one of the industry milestones for operational eco-efficiency and significantly reducing CO<sub>2</sub> in production through innovation in process technology. Our manufacturing sites have received ISO 14001:2015 Environmental Management System certifications.



## STRATEGY FOR FY23

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# Energy

**Our energy focus revolves around initiating the decarbonization of the energy system, a principal lever for climate change mitigation. We focus on initiatives to reduce environmental consequences by putting energy use under control via energy management systems.**

The Energy Management Systems will enable us to take a goal-oriented approach to utilize conventional resources against nonrenewable resources. The results will be tracked and assessed every quarter using Key Performance Index (KPI) methods.

Ami Organics Limited is dedicated to introducing Renewable Energy (Solar) of up to 5MW capacity in the coming years, to lessen the dependency on non-renewable resources while reducing environmental impacts.

## ENERGY INTENSITY DURING THE REPORTING YEAR FY2021-22

<b>25,589 GJ</b> <i>Steam Purchased</i>	<b>3,153 GJ</b> <i>Natural Gas</i>	<b>33 GJ</b> <i>Nitrogen</i>
<b>1,120 GJ</b> <i>Diesel</i>	<b>25 GJ</b> <i>Hydrogen</i>	<b>73,157 GJ</b> <i>Oil</i>
<b>33,457 GJ</b> <i>Electricity Consumption</i>		

**1,36,535 GJ —26.97 GJ/MT**

*Total energy consumption*

*Energy Intensity*



Since non-renewable energy sources were used during the reporting year, the key factor affecting the impact on our emissions is electricity consumption. This further emphasizes how crucial it is that we continue to fund energy efficiency programs. Following are few major energy-saving initiatives that were carried out in reporting year. This will help the company to reduce the consumption of electricity gradually over the years.

### OUR INITIATIVES

- Installed VFD in Brine Plant
- Installed ATFD machines to reduce power consumption
- Installed ACs with effective energy conservation
- Automatic buttons on reactors for lighting and energy saving
- Replacement of CFL light fittings by LED light fittings
- Replacement of old pumps and motor with high efficiency pumps & motors
- Reduction in generation and distribution losses after converting into centralized operation of chilled water and sub-zero brine to save power

## We are aware of the importance of climate change; environmental issues and the advantages of moving towards a low-carbon economy.

### GREEN HOUSE GAS (GHG) EMISSIONS

As a responsible company in the pharma and chemicals sector, we are committed to advancing the global climate agenda and aligned our operations to achieve the Paris Agreement ambition of keeping the rise in the average global temperature below 2 degrees Celsius from pre-industrial levels.

Our manufacturing processes are inevitably energy-intensive, and the high-temperature machinery we use, produces greenhouse gas emissions as a byproduct. We have invested in several strategies to optimize our energy use and reduce the accompanying carbon emissions. Additionally, the essential safeguards are in place to maintain emission levels substantially below the state-defined permitted limits.

### EMISSIONS

**15,247 TCO<sub>2</sub>E**

Scope 1

**6,875 TCO<sub>2</sub>E**

Scope 2

**9,944 TCO<sub>2</sub>E**

Scope 3 (Partially)

**32,066 TCO<sub>2</sub>E**

Total Emission

Emission Intensity (Scope 1 + Scope 2)

/ Tons of production = 4.37

### OTHER ATMOSPHERIC RELEASES

NO<sub>x</sub> and SO<sub>x</sub> emissions from our industrial operations make for most of our air emissions. The stack emissions are checked every month to ensure that they fall under the Pollution Control Board-mandated permitted levels.

We use boilers at our manufacturing facilities and have managed to keep emissions of Sulphur Oxides (SO<sub>x</sub> 4.5) and Nitrogen Oxides (NO<sub>x</sub> 15) significantly below the Gujarat Pollution Control Board's (GPCB) permissible limits of 100 ppm and 50 ppm respectively.

### CARBON SEQUESTRATION

Carbon sequestration is the technique of removing and storing carbon dioxide from the atmosphere. It is one strategy for lowering atmospheric carbon dioxide levels to combat climate change. Recently, there has been a lot of interest worldwide in the technique of carbon sequestration.

The Kyoto Protocol, which was created in 2004, placed restrictions on GHG emissions, which are intimately tied to this process.

We have also planted around 3500 trees to develop a green belt in Sachin GIDC, which will allow us to set off and minimize GHG emissions. In a year, we aim to absorb and eliminate up to 100,000 kg of CO<sub>2</sub> equivalent. The Company has plans to extend the plantation initiative by planting around 2000 more trees by the next year. The initiative will be carried out near Jhagadia facility in 20,000 square meters of land area dedicated by GPCB for developing a green belt.

**We endeavour to reducing our CO<sub>2</sub> emissions by 25% by the year 2030 compared with our baseline period FY 21-22. We endeavour to achieve Net-Zero emissions by 2050.**



# Water

**At the sachin facility, industrial wastewater is treated using cutting-edge, high- efficiency treatment equipment. Our ZLD treatment plant uses zero liquid discharge technology for wastewater treatment.**



We are aware of our dependency on water for many of our activities and are equally conscious of the risks arising from water shortages. We have thus, set a goal of responsible use of water in our operations.

We get all our water from the Gujarat Industrial Development Corporation (GIDC), which is meant for industrial usage. Our manufacturing process, cooling towers, and steam generation require water to carry on operations. Water consumption at our production facility is tracked regularly, and efforts are made to water recycling & optimize water usage depending on new product development.

At the sachin facility, industrial wastewater is treated using cutting-edge, high- efficiency treatment equipment. Our ZLD treatment plant uses zero liquid discharge technology for wastewater treatment. The water processed at the wastewater treatment facility is released within the Gujarat Pollution Control Board's (GPCB)'s authorized limits. To lower Chemical Oxygen Demand (COD) and guarantee that wastewater is less chemically contaminated, we have implemented a variety of initiatives, including the improvement of effluent treatment capacity.

The waste water treatment facilities installed at each manufacturing facility ensure that water from certain operations is reused in those production processes and other activities like gardening and cleaning. There are no harmful environmental effects, ensuring the highest level of environmental protection.

**15,705 KL**  
*Total water consumption*

**7,300 KL**  
*Total water recycled*

**3.1 KL / MT**  
*Water Intensity*

**Water consumption at our production facility is tracked regularly, and efforts are made for water recycling & optimize water usage depending on new product development.**



# Waste

For disposal, all hazardous waste is delivered to accredited recyclers. We are constantly improving our processes, increasing yields, and recycling wastes to limit the generation of hazardous wastes.

The pharma-chemical sector is prone to producing plenty of hazardous waste during production and usage by nature. As a result, we rigorously follow CPCB and GPCB laws when disposing of and treating our wastes.

We have established a specialized internal team to carry out routine EHS risk assessment and analysis of the waste produced by our activities as well as the development of plans for risk reduction. The group is made up of plant heads, functional HODs and safety employees. To guarantee effective and secure management, storage, and disposal of wastes across all our locations, strict standard operating procedures and process routines have been put in place. During the reporting period, no production facility experienced any significant leakages. Additionally, we are working together with several authorized waste management organizations and other sectors to dispose industrial wastes and garbage in an effective and ecologically friendly manner.

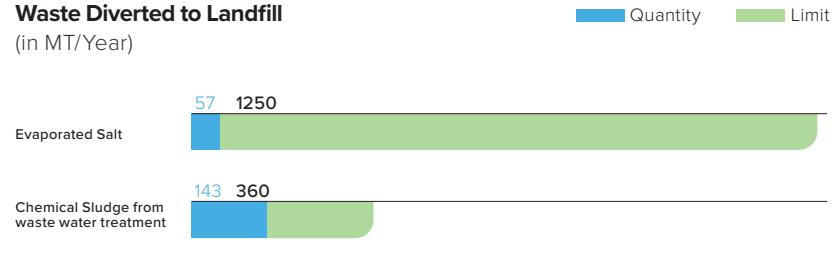
Presently, our facilities' effluents are handled and treated for recycling using cutting-edge technology. We have established plans to achieve zero liquid discharge for the remaining locations as well. Our manufacturing facility in Sachin is a Zero-Liquid Discharge unit. To meet the discharge standards established by the Pollution Control Boards, the facilities of Ankleshwar and Jhagadia, have a full-fledged Effluent Treatment Plant (ETP) with primary, secondary, and tertiary stages.

**1717 TONS**  
Hazardous Waste

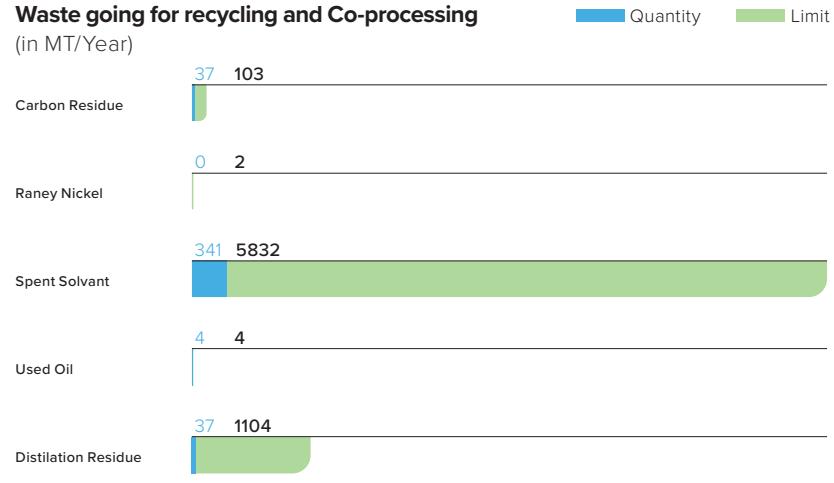
**149 TONS**  
Non-Hazardous Waste



## Waste Diverted to Landfill (in MT/Year)



## Waste going for recycling and Co-processing (in MT/Year)



## RETRIEVING AND REPROCESSING

We have internal primary treatment, secondary treatment using agitated thin film dryers (ATFD), and tertiary treatment using soil biotechnology reactors to treat the effluents produced during our manufacturing processes. This allows us to recycle effluents in the most efficient way possible.

We continuously strive to increase recycling rates at our facilities. For the Sachin unit, we can retain our Zero Liquid Discharge (ZLD) status because we can reuse treated effluent inside the plant.

We are the existing participants of Sachin Industrial Estate's Common Effluent Treatment Plant (CETP) and encourage our neighboring companies to release effluents more responsibly by discharging modest amounts of tertiary processed effluents to a common effluent treatment plant (CETP). Among the tasks we have completed include:

- Evaporator condensate water is recycled for use in washing and processing.
- Gardening and cooling towers, both use and require tertiary treated water.

# Materiality

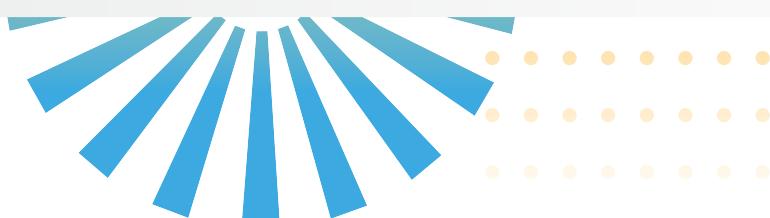
## MATERIALITY ASSESSMENT

Materiality assessment exercise plays a vital role in enhancing our ability to create value for our stakeholders. We constantly

strive to understand and resolve the key material issues that impact our business and environment, to achieve long-term success as a responsible and sustainable business. We and our stakeholders, our

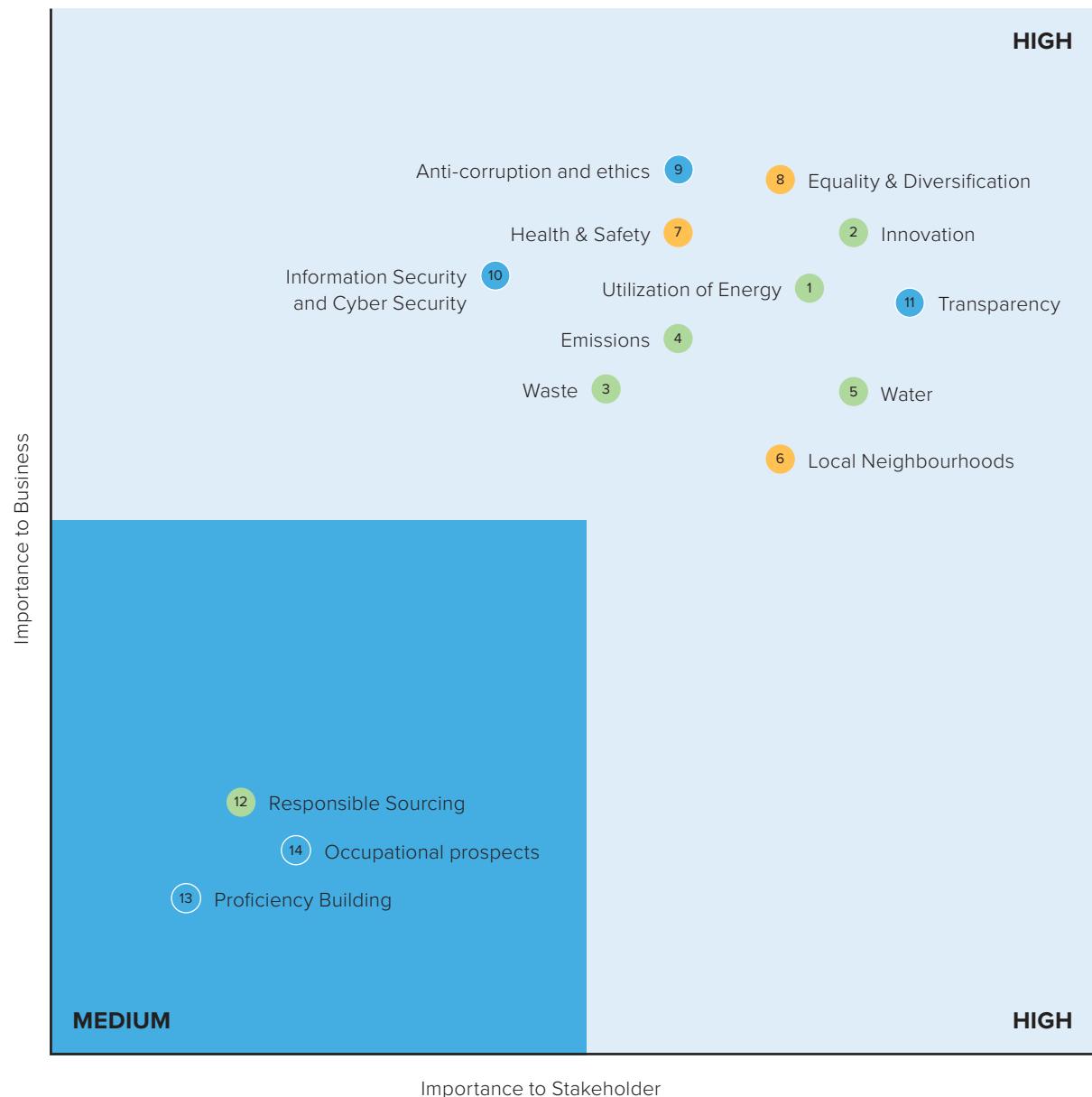
board, group and business management teams, workforce, customers, vendors, key players in the industry, and shareholders rank the significance of various subjects in the evaluation.

Material topic	What the subject entails	How Ami Organics manages	Alignment with UN SDGs	Topic boundary
<b>Anti-corruption and ethics</b>	Standards and procedures for combating corruption and upholding commercial ethics. This provides ways for internal or external stakeholders to anonymously voice their concerns (whistleblowing).	<ul style="list-style-type: none"> <li>Anti-Corruption &amp; Anti Bribery Policy</li> <li>Whistle blower Policy</li> <li>Code of Conduct for employees</li> <li>Internal Control Mechanism</li> <li>High Employee Morals</li> </ul>	 	Ami Organics, clients, partners, and suppliers
<b>Health &amp; safety</b>	Worker welfare, accident prevention, lost time injuries, and operational and process safety are all addressed through standards and procedures.	<ul style="list-style-type: none"> <li>Vaccination Drive for Employees during COVID-19 pandemic</li> <li>ISO Certified Occupational Health Center for employees</li> <li>Safety Instruction Board (Cardinal Rule) &amp; Sign Boards, Safety SOPS and protocols</li> <li>Training &amp; Awareness Programs</li> <li>Mock Drill for emergencies</li> <li>Personal Protective Equipment for workers &amp; employees</li> <li>Work permit system across the Company</li> <li>Material Safety data sheet for hazardous products</li> </ul>		Customers, suppliers, and partners of Ami Organics
<b>Information security and cyber security</b>	Information and resource availability, confidentiality, and integrity are all requirements for protection against both internal and external threats. Legal protection of employee and third- party personal data.	<ul style="list-style-type: none"> <li>Information Security Management System (ISMS Implementation)</li> <li>Trend Micro end point protection</li> <li>Drive Encryption</li> <li>Firewall security</li> <li>Cloud based Mail Server</li> <li>Data sharing through secured FTP Recourses.</li> </ul>	 	Ami Organics and customers
<b>Equality &amp; Diversification</b>	Equal treatment and absence of any form of discrimination based on a person's gender, race, nationality, age, religion, or another characteristic.	<ul style="list-style-type: none"> <li>No Discrimination policy at workplace</li> <li>Equal treatment &amp; opportunity for employees</li> <li>Encouragement of the cultural diversity of employees</li> </ul>	  	Ami Organics



Material topic	What the subject entails	How Ami Organics manages	Alignment with UN SDGs	Topic boundary
<b>Responsible sourcing</b>	Business ethics, anti-corruption, working conditions, skill development, health and safety, diversity and inclusion, emissions, waste management, and recycling are all addressed through standards and practices.	<ul style="list-style-type: none"> <li>Emphasis on responsible design and engineering, product lifecycle improvements, ethical sourcing, energy use, recyclable materials, eco-friendly packaging, and product longevity and durability.</li> <li>Preference to local suppliers</li> <li>Supplier Assessment, Vendor visits, responsible sourcing assessment including key supplier evaluation, vendor visits, QA audits, vendor questionnaire, and supplier codes of conduct.</li> <li>Compliance with Code of conduct of Supplier</li> </ul>	 	Ami Organics, partners, and suppliers
<b>Proficiency building</b>	Initiatives for training and development in new areas of knowledge help the organization prepare for future needs.	<ul style="list-style-type: none"> <li>Leadership Engagement Programs</li> <li>Performance Management System</li> <li>Career Development and Skill Upgradation Programs</li> <li>Continuous on the job innovation and learning in product and process development, evolving chemistries and technological upgradation in Research &amp; Development and production operations</li> </ul>	 	Ami Organics
<b>Water</b>	Water is to be used optimally to reduce the company's water footprint and cost.	<ul style="list-style-type: none"> <li>Zero Liquid Discharge plant at Sachin, Surat</li> <li>Recycling and reuse of waste water</li> <li>Solvent based process for some products</li> </ul>	 	Ami Organics
<b>Emissions</b>	Emissions both direct and indirect from own and customer operations (GHG, SOx, NOx).	<ul style="list-style-type: none"> <li>Monitoring of emissions on monthly basis so that emissions are within permissible maximum limit of GPCB</li> </ul>	 	Customers and Ami Organics
<b>Waste</b>	Assessment of different types of wastes being generated and their disposal activities.	<ul style="list-style-type: none"> <li>Controlled generation &amp; Assessment of hazardous waste</li> <li>Segregation of waste generated and storage at Hazardous Storage area</li> <li>GPCB approved vendors for waste disposal within prescribed time</li> <li>Recover, recycle &amp; reuse of the waste byproducts</li> <li>Waste processing and disposal through accredited Recyclers and treatment plants.</li> </ul>	 	Ami Organics and Recycling Organisations
<b>Occupational prospects</b>	Human rights, working conditions, labor standards, and labor relations are all addressed through rules and practices, including freedom of association, working hours, rest breaks, the legal minimum age, fair pay, and adherence to the International Labor Organization	<ul style="list-style-type: none"> <li>SA 8000 certified units</li> <li>Trained in-house 60 numbers of certified First aiders to handle an emergency.</li> <li>No major accidents during the reporting year causing danger to life of employees and workers</li> <li>Nil Complaints from employees and workers</li> <li>Compliance with all Labor laws at all units</li> </ul>	 	Ami Organics

Material topic	What the subject entails	How Ami Organics manages	Alignment with UN SDGs	Topic boundary
<b>Innovation</b>	Investment in and development of cutting-edge technology, procedures, and skills that support the creation of environmentally friendly products and processes	<ul style="list-style-type: none"> <li>Commercialization of two products using the Continuous Flow Technology</li> <li>Development of Electrolyte Additive for Cells used in energy storage devises</li> <li>Development of capabilities in plug flow, catalytic fixed bed flow, and tabular flow kind of Reactors</li> <li>Introduction of 17 advanced intermediate products</li> </ul>		Ami Organics
<b>Transparency</b>	Transparency about ESG, sustainability goals, initiatives, and outcomes. Stakeholder involvement for context and expectations.	<ul style="list-style-type: none"> <li>Integrity and transparency in reporting of financial statements</li> <li>Responsible reporting through Annual Reports and Sustainability Report</li> <li>Clear and Responsible stakeholders communication</li> </ul>		Ami Organics
<b>Utilization of energy</b>	Using renewable and non-renewable energy sources for internal operations.	<ul style="list-style-type: none"> <li>Ami Organics aims to continuously lower energy use and reduce greenhouse gas emissions</li> <li>Plans for establishment of Solar Power project of 5MW</li> <li>Control mechanism for use of non renewable sources of energy through continuous monitoring, process improvements and switching to lower GHG emitting energy resource</li> </ul>	 	Ami Organics
<b>Local Neighborhoods</b>	Investment in local infrastructure and the development of jobs, support for information exchange, human rights, and neighborhood sponsorships.	<ul style="list-style-type: none"> <li>Preference on local hiring of workforce</li> <li>CSR initiatives in local areas of units</li> <li>Green Belt Development by plantation of trees at Sachin, Surat &amp; Jhagadia</li> </ul>	     	Ami Organics



ENVIRONMENT	SOCIAL	GOVERNANCE
Utilization of Energy	Local Neighbourhoods	Anti-corruption and ethics
Innovation	Health & Safety	Information Security and Cyber Security
Waste	Equality & Diversification	Transparency
Emissions		Proficiency Building
Water		Occupational prospects
Responsible Sourcing		

# Sustainable Supply Chain Management

At Ami Organics, while we have made an effort to integrate sustainable goals across several areas, implementing these is equally imperative for our suppliers, vendors, entire sellers, and partners who are involved in the value chain of our products. Additionally, we assist in instructing them about sustainability criteria and lowering the social and environmental risks of our affiliated business partners and suppliers.

To foster a diverse business environment, we have built procedures and systems to evaluate suppliers and other external service providers not only based on their technical proficiency and commitment to quality, but also their sustainability practices. We hope to demonstrate our commitment to a cleaner, greener environment and meeting our social obligations.

A specific policy for sustainable procurement is in place with the company, and it is consistently evaluated to ensure it advances our sustainability agenda. We encourage all our supply chain partners to align themselves to this ideology and ensure their ongoing business transactions with us reflect these values and procedures. We

encourage our vendors to adhere to sustainable practices including the usage of renewable energy, water conservation, and waste reduction as part of our onboarding process.

A crucial part of our supply chain structure also includes sustainability assessments of our primary suppliers. Our goal is to create a value chain that is responsible and ecologically beneficial. In the geographies and areas where we operate, including those from which we obtain any materials, products, and/or services, we are dedicated to abide by all applicable local environment laws and regulations.



## SUSTAINABILITY ASSESSMENTS

A crucial part of our supply chain structure also includes sustainability assessments of our primary suppliers. Our goal is to create a value chain that is responsible and ecologically beneficial.

### LOCAL SOURCING

- We at AMI Organics, prioritise local procurement to reduce carbon footprint from logistics & transportation while encouraging the local vendors. Over the last few years, procurement of locally sourced goods has progressively increased as we procure nearly 64% of our supplies locally. By doing so, a major portion of our resources are allocated domestically.
- Our reliance on China is a lesser i.e 27% for procurement of raw materials in general and 19% for our pharmaceutical intermediate business.
- This has allowed us to lower lead times, costs, and freight emissions thanks to robust sustainable procurement practices and preference to local vendors.



## SUPPLIER AUDITS

We audit our suppliers through organized interactions with our supply chain partners on issues revolving around sustainability, and wherever possible, influence their behaviour or switch to suppliers that employ more sustainable and responsible business practices.

In the coming years, we want to work closely with suppliers to evaluate the real consequences and develop an action plan for addressing any sustainability issues.

A minimum of once every three years, we audit internal suppliers to cover strategic vendors. Performance evaluations against criteria including the environment, labour practices, human rights, and social effects are part of supplier quality audits.



# Product, Innovation and Responsibility

## PRODUCT RESPONSIBILITY

With an expertise in process innovation involving chemistry and R&D, we are working towards developing products and processes that are more sustainable from the perspective of resource consumption and the positive impact they may have on the planet. We are also collaboratively working with our supply chain for safer operations. This focus on product stewardship is strengthening our brand reputation by delivering quality products and positioning us attractively in a market where customers are increasingly seeking sustainable products.

We publish clear instructions on safe handling, usage, storage, and disposal. Clear labelling on the packaging of each product informs the consumer of the hazards associated with the product. The company follows the GHS/CLP labelling standards with safety instructions which are customised as per the product/service and revised when needed. The Company ensures all relevant information about its products and services is publicly disclosed and accessible on its website. The company abides by the GHS/CLP labelling requirements to help inform and educate its customers about safe and responsible usage of its products and services and provides material safety data sheets along with all products. We have reported ZERO incidence of non-compliance concerning product and service information, labelling or marketing communications in the reporting period. The company also has customer grievance redressal mechanisms and procedures in place to address consumer complaints based on its criticality.

## ZERO

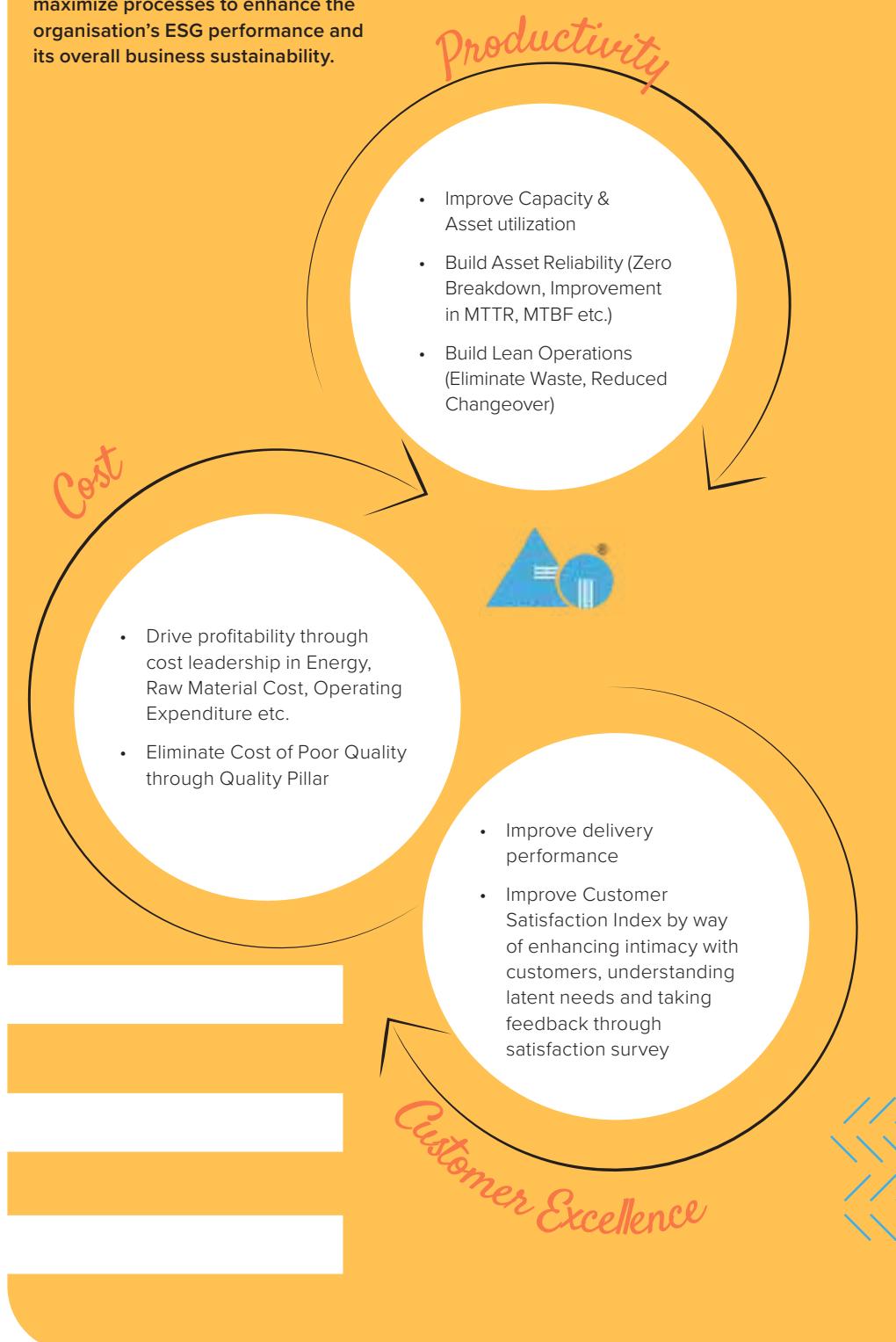
We have reported ZERO incidence of non-compliance concerning product and service information, labelling or marketing communications in the reporting period.



## OPERATIONAL EXCELLENCE

At AMI Organics, we believe that Operational Excellence is integral to the overall functioning and business growth and is entrenched across the length and breadth of the organisation. Our Company has chosen a value stream management strategy to stay focused on customer demands, empower workforce, and maximize processes to enhance the organisation's ESG performance and its overall business sustainability.

We use a framework of global operational excellence to enhance both its performance in its main objective and all other sustainability-related areas. This is effectively executed by a systematic, end-to-end "review and governance" approach.



## RESPONSIBLE MARKETING AND LABELLING

We recognize the changing nature of marketing initiatives and client expectations. Customer expectations for a product's pricing, quality, and delivery have historically relied on its ability to maximize profit. We have, however, taken a much broader approach to our marketing initiatives as part of our entire sustainability plan.

We are aware that there are effects on society and the environment at every stage of the product life cycle, right from its design to product usage and final disposal.

We believe that responsible marketing is a foundation for value-creation for our external stakeholders. Our marketing efforts encompass:

- Fair Business Practices  
Anti- Competitive and Anti-Trust Behavior
- Customer and product health and safety
- Resolution and remedy of disputes
- Important Services
- Privacy and Data Protection

# RESPONSIBLE MARKETING

**We believe that responsible marketing is a foundation for value-creation for our external stakeholders.**

With each of our products, we include a comprehensive Material Safety Data Sheet (MSDS) that conveys information on the chemical ingredients used, transport requirements, hazardous/non-hazardous data, logistical needs, safer keeping conditions, etc. When a product leaves the plant, this MSDS document is passed along until it is used and disposed of.

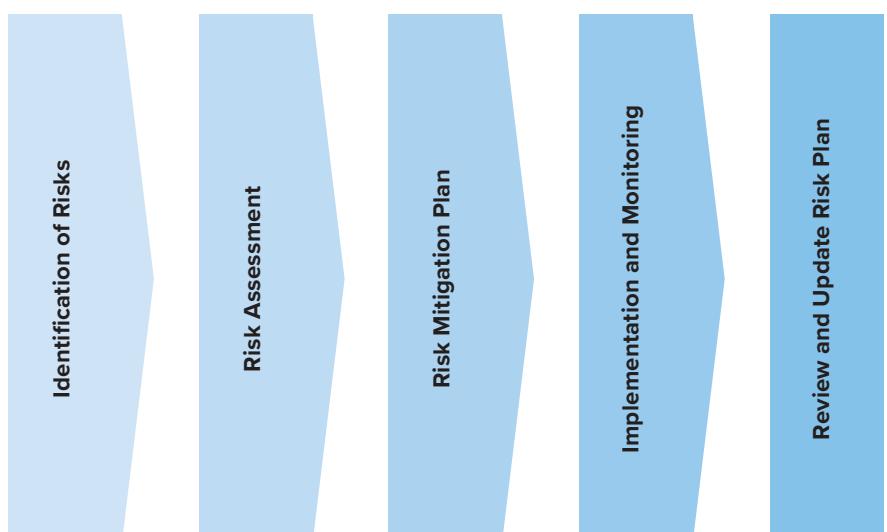


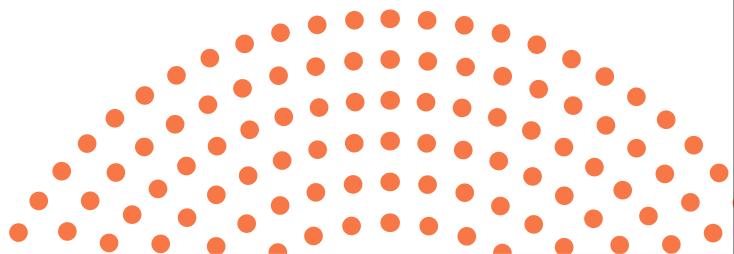
## RISKS AND OPPORTUNITIES

At both the strategic and operational levels, identifying risks and opportunities is an essential task. It aids in the identification of important risk factors, even those beyond the organization's control. To achieve sustainable growth, we detect various risks at an early stage that may hinder the achievement of business objectives and take suitable measures to mitigate these risks. Our Risk Management Committee constituted

by the Board focuses on building and expanding a framework for risk identification, management and mitigation. We continuously enhance our risk and opportunity management system and successfully navigate through difficult circumstances. We identify risks and opportunities not just in the context of the current socioeconomic and regulatory environment, but also in the context of how the environment is evolving.

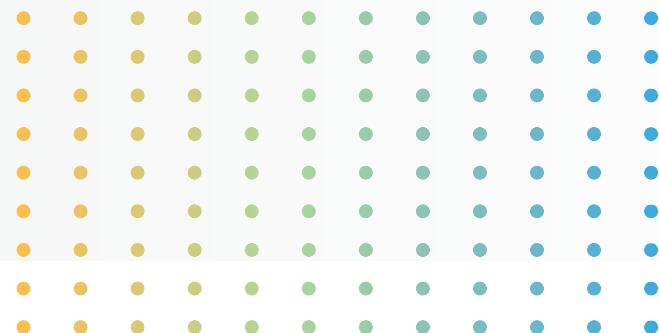
### Risk Management Process





Risks Faced	Risk Description	Mitigation Strategy
Raw Material	Our Company is susceptible to fluctuations in price and availability of raw materials and may not be able to pass on any rise in manufacturing costs to customers efficiently, which could have an impact on margins, sales, operational performance, and cash flows.	To supply essential raw materials, our company chooses and authorizes several vendors, and regularly places purchase orders with them. Our company purchases more raw material as its product portfolio and production capability grow. To maintain cost- competitive rates, our company chooses to make buy orders with suppliers on a frequent basis as opposed to signing long- term supply agreements
Technology	The expense of creating new products and technologies, upgrading manufacturing facilities, and employing research scientists and professionals is significant, which has an impact on operating performance and cash flows.	To build a product pipeline, we devote a large amount of time, money, and other resources to research and development. We also adapt to changes in the industry owing to developments in technology and scientific research. We make sure that our equipment, facilities, and technology adhere to the most recent global standards.
Product	Changes in consumer demand might even compel our company to put a stop to already- in-development products. If the required expenditures are not made promptly, our company's operations, reputation, and financial standing may suffer significantly and negatively.	We develop, test, and manufacture cutting- edge products that meet regulatory requirements; environmental sustainability and secure the required regulatory approvals to remain competitive. We ensure our finances are secure to deal with unforeseen circumstances.
Operational	Operational risks that the manufacturing units encounter include breakdowns or failure, interruptions in the power supply or processes, production that falls below plan, inefficiency, labour disputes, strikes, environmental challenges, lockouts, and inadequate services from external contractors.	Our company complies with cGMP regulations, which call for very well and managed facilities and equipment, established guidelines and standards, a separate quality assurance unit, properly trained staff and management, adherence to process and product controls, as well as lab controls necessary for drug quality assurance, and proper documentation of all of these.
Environmental	If company does not abide by present and future environmental legislation and regulations, it may be subject to fines in the future or have its production halted, which may harm its operations, reputation or ESG performance.	Due to the numerous risks associated with the production of chemicals such as the use, handling, processing, storage, and transportation of hazardous materials, as well as incidents like chemical leakages, the company invests significant capital in the establishment of machineries and equipment to regulate the discharge of effluents. These include a Zero Liquid Discharge based effluent plant, a soil biological treatment system, and a RO plant with a pre-treatment system.

Risks Faced	Risk Description	Mitigation Strategy
Customer	Demand from customers, particularly the top five customers, determines revenue levels and operational performance hence production and inventory levels of customers have a direct impact on sales.	Pharmaceutical companies across the globe and in the United States have been Ami Organics' long-standing clients. Purchase orders that are frequently placed by major clients serve as the foundation for sales. Our company uses projected client order quantities to forecast production levels and revenue for particular items.
Demand	Due to changes in product demand, the actual production numbers may range dramatically from the predictions.	The company generally tries to make up for any gaps through new orders, either with existing or with new clients, when actual production quantities differ considerably from the predictions.
Regulatory	Various industry specific laws, standards rules and regulations relating to chemical production, quality, safety, labour, finance etc. apply to the Company.	In addition to abiding by national laws, Company complies with the applicable global standards and specifications of foreign authorities like GMP of USFDA. We have a significant competitive edge over other companies since we comply with all regulatory criteria for producing intermediates based on Good Manufacturing Practices ("GMP").
Currency	The majority of international transactions in our company, are made in foreign currencies. It is therefore vulnerable to currency fluctuations risk.	By using derivatives like foreign exchange forward contracts to reduce exposure, the company evaluates the exchange rate risk posed by foreign currency transactions. The Company buys products, supplies, and services in the corresponding currencies to help mitigate currency risk
Competition	Our company runs the risk of losing major client / supplier to its competitors which might harm the company, cash flow, and financial position if anyone of the competitors divert / influence the Company's customers or suppliers.	By being able to distinguish its products and deliver them efficiently, as well as by being able to reduce costs through productivity gains, redundancies, and technology adoption, the company is better able to compete.



# Governance and Ethics

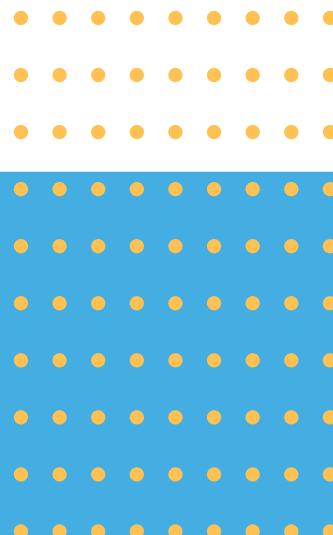
## GOVERNANCE

At Ami Organics, we believe in inclusive and long-term value creation for our stakeholders through responsible business conduct. Our robust governance structure and policies guide us in ESG risk management and transparent disclosures. Our governance structure is headed by the Board of Directors (Board), who guides our business in the right direction. They provide overall strategic insights for our business operations. The Board Diversity Policy seeks to improve Board effectiveness by diversifying its composition. Our Board represents an appropriate balance between executive, non-executive, and independent directors to safeguard the interests of stakeholders, including shareholders. The Board comprises of 50% Independent Directors, with two women independent directors. The members come from diverse backgrounds to guide our governance strategy with expertise in critical business aspects such as business development, engineering, risk management, governance, compliances, finance, people management among others.

Human capital is the key to running a successful enterprise. We have standard training programs in place to empower and strengthen all of our employees on these regulations and concepts. Our efficient and diligent compliance management procedure addresses

reports of violations of any of these rules or regulations. By establishing compliance management systems it is encouraged to foster a transparent and compliant ecosystem in company.

## ORGANIZATION STRUCTURE



## NOMINATION AND REMUNERATION OF THE BOARD

Our Nomination and Remuneration Policy governs the compensation for the Board members and key management personnel and abides by the SEBI Listing Obligations and Disclosure Requirements (SEBI LODR). The Nomination and Remuneration Committee (NRC) is the sole decision-making entity for appointment and remuneration of the Board members. 100% of the NRC is comprised of independent directors.

## REMUNERATION TO NON- EXECUTIVE DIRECTORS

Remuneration to the Non-Executive Directors is paid in the form of commission from a portion of the net profit of the Company. In addition to the commission, the Non-Executive Directors are paid sitting fees for attending other committees

along with actual reimbursement of expenses, incurred for attending each meeting of the Board and Committees.

## REMUNERATION TO THE EXECUTIVE DIRECTORS

The Committee recommends the remuneration of Executive Directors to the Board. It is decided based on multiple factors such as performance evaluation of the Executive Directors, the industry benchmark, and Company's performance. It is subject to approval by at least 75% of the voting shareholders.

## DIVERSITY OF THE BOARD

Our Board's composition follows the Policy on Board Diversity, which has been formulated by the NRC in adherence with SEBI Regulations for Board Diversity. The

Policy aims to improve the effectiveness of the Board by broadening its horizons with respect to inclusion and diversity to ensure balance skillsets to enable better decision-making. The Policy prohibits discrimination based on gender, ethnicity, nationality and educational qualification. 25% of the Board comprises of women independent directors.

## COMMITTEES OF THE BOARD OF DIRECTORS

To ensure the effectiveness of good corporate governance, the Board has established committees and subcommittees that supervise various

business functions. This enables the Board to remain updated on developments on business aspects. All the Committees conduct regular meetings

to ensure smooth functioning of the business operations they are responsible for. Committees to the Board have at least 50% Independent Directors.

### Stakeholders Relationship Committee

This Committee oversees the resolution of any complaints or grievances from our stakeholders and assists in improving engagement with them.



**Mrs. Richa Goyal,**  
*Chairperson & Independent Director*

**Mr.**  
**Nareshkumar**  
**Patel, (Member)**  
*Managing*  
*Director*

**Mr.**  
**Chetankumar**  
**Vaghisia,**  
**(Member) Whole**  
**Time Director**

### Audit Committee

This Committee is entrusted to monitor and control financial control, internal audit process, oversees the statutory and internal audit process and ensures accounting integrity in financial reporting. The Internal Auditors and Statutory Auditors of the Company directly report to the Audit committee.



**Mr. Girkrishna Maniar,**  
*Independent Director*

**Mr. Hetal**  
**Gandhi,**  
*Independent*  
*Director*

**Mrs. Richa**  
**Goyal,**  
*Independent*  
*Director*

### CSR Committee

This Committee is responsible for creating the company's CSR policy, devising Annual Action Plan as well as making recommendations for the activities and allocating budgets for different CSR activities.



**Mrs. Richa Goyal,**  
*Independent Director*

**Mr.**  
**Nareshkumar**  
**Patel, Managing**  
**Director**

**Mr.**  
**Chetankumar**  
**Vaghisia,**  
**Whole Time**  
**Director**

### Nomination & Remuneration Committee

This Committee is responsible for devising Nomination and Remuneration Policy and criteria for remuneration of Directors and Senior Management persons, criteria for performance evaluation of Directors and Board, recommend appointment of Directors and senior management etc.



**Mr. Hetal Gandhi,**  
*Independent Director*

**Mr. Girkrishna**  
**Maniar,**  
*Independent*  
*Director*

**Dr. Anita**  
**Bandyopadhyay,**  
*Independent*  
*Director*

### Risk Management Committee

This Committee monitors operational risk management including identification and implementation of risk mitigation strategy. Identifying probable occurrences that might have an impact on the continuation of company, managing risk within risk appetite, and giving reasonable confidence that the company's goals will be met are all in line with its mission.



**Mr. Chetankumar Vaghisia,**  
*Whole Time Director*

**Mrs. Richa**  
**Goyal,**  
*Independent*  
*Director*

**Mr. Abhishek**  
**Patel, Chief**  
**Financial**  
**Officer (Till May**  
**31, 2022)**

**Mr. Bhavin Shah,**  
*Chief Financial Officer*  
*(Since July 15, 2022)*

Chairperson

Member

## BOARD EFFECTIVENESS EVALUATION

The Board and its committees are assessed annually in compliance with the terms of the Companies Act, 2013, and the SEBI Listing Regulations. Our Board of Directors' performance is evaluated based on several factors, including its composition and organization structures as well as the efficiency of its decision-making, communication, and overall operation. Aspects like the Director's participation in meetings of our Board of Directors and Committee, including preparation on the topics to be discussed, meaningful and valuable contribution, and input during meetings, are part of the criteria for evaluating the performance of the individual Directors. The Chairperson is also evaluated on the essential aspects of his position.

## ETHICS AND FAIR BUSINESS PRACTICES

### COMPLIANCE MECHANISM

Compliance Management is one of the factors that we rely on to improve performance and strategy. Under the compliance framework, we concentrate on the four pillars of Statutory compliances, ISO compliances, ESG including statutory and regulatory compliances, Corporate Governance Compliance, and Contractual Commitments.

**To make sure there are no gaps in operational and regulatory compliances we also have internal audit mechanism in place.** We also support openness and strong mechanisms to uphold ethical standards in crucial areas including the environment, health and safety, compliance, human resources, product responsibility, and social responsibility. Ethical behaviour goes beyond the realms of abiding by rules and laws. All our operational sites and subsidiaries

are subject to our Anti-Corruption and Bribery Policy, which covers all our employees, contingent workers, suppliers, and agents. Training, communication, and internal audits are used to guarantee that the Policy is implemented. At the time of induction, all employees are informed about the Policy's provisions and our expectations.

All stakeholders have access to the grievance redressal procedure ensuring that any issues are properly addressed and as needed, brought to the knowledge of management.

Any allegations of corruption and policy violations are looked into by our Vigilance and Ethics Officer. Following any such inquiry, appropriate remedial steps and /or disciplinary procedures are implemented.

We have not reported any instances of environmental or socio-economic law being violated during the year. Additionally, we did not document any instances of corruption or unfair competition.

## ENVIRONMENTAL COMPLIANCE

At AMI Organics, sustainability extends well beyond satisfying monetary, statutory, or other legal criteria. It is one of the many ways we build long-lasting value for our stakeholders, the environment, and society at large. Through awareness and involvement, we also contribute to finding solutions to the most stubborn problems. We see it as our duty to lessen not just the negative effects of our company on the social and environmental spheres, but also to contribute to the solutions to the different social and environmental problems that exist in our society. We want to co-create sustainable business value for our stakeholders by adopting and promoting sustainable business practices.

We assess the effects of our corporate activities using the three main sustainability pillars, People, Planet & Performance. As a result, we constantly work to improve efficiency in all these areas.

We have created a Corporate Integrated Management System (IMS) Policy which makes environmental protection a crucial component of the company's operations and improves stakeholder relationships. According to IMS policy, we are dedicated to preventing pollution, reducing waste, recycling, conserving energy and resources (including water), and protecting the environment in a way that is pertinent to our company.

We use management systems and audits to monitor compliance with all applicable laws and regulations. We also adhere to the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System.

By establishing a check system based on our initial environmental audits, as well as via environmental education and other HR development programs, we give environment the greatest priority in our management operations.

## POLICY FRAMEWORK

An employees code of conduct is established and reviewed frequently to make sure that employees are aware of the expected behaviours at work and understand how to report misconduct. The framework specifies what constitutes misbehaviour, what constitutes acceptable disciplinary action, and what the consequences are for violating the code of conduct. Managing ethical misbehaviour can be difficult, but with these rules in place, we have established corporate practices and procedures that aid in the management of code of conduct violations.

Our dedication to serving stakeholders fairly, ethically, and honestly is strengthened by our key policies and principles. We have devised and strictly adhere to the policies like Code of Conduct, Risk Management Policy, Suppliers Code of Conduct, Sustainable Procurement Policy, Environment Policy, Human Rights Policy, Whistle Blower Policy, Anti Corruption and Anti Bribery Policy, Nomination and Remuneration Policy, CSR Policy, etc.



## GRIEVANCE REDRESSAL MECHANISM

Effective grievance redressal procedures is available at all units of company which help employees to raise their concerns to the management of the company. The grievance redressal mechanism for stakeholders and employees operates at three levels. At the lowest level Grievance Officer receives and resolves grievances within five working days. If the concerned employee is not satisfied the grievance escalates to Unit Grievance Committee which tries to resolve the matter within 7 working days. If the grievance still persists the matter escalates to Central Grievance Committee which shall resolve or make recommendation to the Chairman with fifteen working days. The grievance or complaint is handled in a 4-step approach of

- 1) Receive Grievance and acknowledge
- 2) Communication and Information,
- 3) Resolution and
- 4) Decision-making.

## INFORMATION SECURITY

Several SDGs depends on the effective application of new technology, and without adequate cyber security, the way toward achieving those objectives would be severely hampered. An efficient, and powerful plan to deal with this threat has become essential in the modern day when cyber-attacks are regarded as one of the greatest risks that mankind will face in the years to come. We are progressing well on implementation of ISO 27001 Information Security and Management Systems in our organisation.

## PERSONAL DATA PRIVACY OF EMPLOYEES

We acknowledge that protecting personal information is a basic right of workers and that misusing such information is a violation of human rights. We think that employees have rights regarding the personal information about themselves that the company processes, and that as company employees, they also have obligations regarding the personal information about others (such as clients, customers, and co-workers) that they process during the course of their employment. The HR Guideline on Confidentiality of Employee Personal Data/Information is contained in the HR Operations Manual.

## AVOIDANCE OF CONFLICT OF INTEREST

Our conflict-of-interest policy consist of set of principles in which the Directors and Senior Management are required to notify the Chairman/Managing Directors of the company if their private interest's conflict with those of the company. Additionally, by Regulation 26 of the 2015 SEBI (Listing Obligations and Disclosure Requirements) Regulations. The Directors and Senior Management are also expected to affirm to the Chairman/Managing Directors on a yearly basis that they have not engaged in major financial or commercial transactions that might potentially conflict with the interests of the whole Company.

# Our People

We are committed to providing our employees a holistic work ecosystem with the flexibility to balance work and personal obligations.

## EMPLOYEE BENEFITS

We ensure that we provide benefits to all levels of employees. Employment perks offered to both permanent and temporary employees include pensions, provident funds, gratuities, mediclaim, and group accident insurance. All permanent employees working at our sites are eligible for retirement plans and programs which include parental leave, group medical insurance for employees, and disability and invalidity coverage under the Employee Compensation Act. We provide maternity leave of six months to all female employees.

## EMPLOYEE PERFORMANCE MANAGEMENT

We recognize excellence, foster talents, and maintain employee enthusiasm, and it is the foundation of our performance management system (PMS), which establishes a direct connection between organizational and personal goals. To track the success of each employee, a performance-linked reward program has been put in place. Our salary structure for the Executive Directors and Senior Management Persons include fixed pay and performance-based variable pays. We pay more than the statutory minimum wage required for workers and junior level employees at all units.

## NOMINATION AND REMUNERATION PROCESS

Our Nomination and Remuneration Committee designed our compensation policy, which aids in the appointment of directors and senior management as well as the determination of their compensation. Our rules are in alignment with the offering of best practices and the Equal Remuneration and Minimum Wages Act's legal obligations. As a responsible company, we uphold a fair compensation policy and take into account the following factors to ensure equitable compensation for all:

- For each designation, compensation is compared to that of similar employment in the industry.
- Pay scale at junior level is determined based on an individual's experience and also includes the person's cost of living.

## TRAINING AND DEVELOPMENT

We conduct several structured trainings for our employees through our Learning Management System (LMS), which enables them to undergo technical, broad-based programmes and customised training. The trainings are designed to cater to the varied needs of the employees. During the several reporting period, we conducted 270 training programmes and provided technical training to 663 employees including 658 male and 5 female employees. We conducted training programmes for the Board and Key Managerial Personnel on topics such as ESG, regulatory, governance and general induction. We conduct induction training programme for new joiners in every quarter with ESG specific trainings being provided. The seven-day long training has dedicated covering Code of Conduct, POSH policy, HR policies, safety, sustainability initiatives, governance and compliance, risk management, etc.

As a demonstration of our commitment, we carried training of around 4036 Manhours in various departments in the Last Financial year (21-22)

<b>2,952 HRS</b> On Job Training	<b>300 HRS</b> Annual
<b>512 HRS</b> On Job Safety	<b>224 HRS</b> Induction

**4,036 MAN HOURS**



## EMPLOYEE ATTRITION

To better meet each employee's needs, we have enhanced career planning, development opportunities, and talent mobility. The human resources team at the company plays a critical role in building a successful employee platform by giving them sound leadership principles and opportunities to progress. Attrition rate in the company is 12%.

## LOCAL HIRING

We are committed to the communities we operate in and in the areas surrounding our production sites, notably in Gujarat, we see a rising need for local employment. While we hire people based on their merit and skill set, more than 60% of workers in important operations are locals and are given preference, should they fit the responsibilities that the company has established. Employee pay is always greater than the minimum wage required by local law.

## FAIR HIRING PRACTICES

When it comes to promoting an inclusive workplace, our company is dedicated to upholding diversity, integrity, we don't discriminate based on religion, caste, gender, ethnicity, or race. Our hiring procedure is transparent and merit based. We follow the rules of merit based hiring. Equal treatment is given to both male and female employees in terms of employment, professional advancement, pay, and other perks. We are devoted to uplifting the number of women in the workforce.

## EMPLOYEE HEALTH

We believe that healthy employees resonate healthy organisation and are committed to ensuring their overall health and well-being. We have adopted a holistic approach towards the welfare of our employees and have programmes and practices in place to ensure the same. Our recruiting process includes a comprehensive health check-up, post which we categorise the health condition of potential recruits as high risk, medium risk and normal. We consider various measures and support systems for high and medium-risk category employees. Furthermore, we organise biannual and annual health check-ups for our employees to monitor their health and wellness. For general health care services, we have collaborated with hospitals in the vicinity of our operational locations. We conduct wellness programmes for employees such as regular yoga sessions and physical therapy to inculcate a healthier lifestyle as part of their routine. We also have an in-house medical team

## INDICATOR TABLES FY 2021-22

Professional Classifications of Employees (number)

Designation	SACHIN		JHAGADIA	
	Male	Female	Male	Female
Directors (MD & Whole Time Directors)	4	-	-	-
Senior Managers	23		1	
Middle Managers	26	4	3	-
Executives / Staff	243	24	150	7
Workers	45	1	23	-

Employees by gender and age group (number)

LOCATION	AGE	MALE	FEMALE
Sachin	< 30	171	16
	30 ≤ x ≤ 50	151	13
	>50	19	0
Jhagadia	< 30	76	3
	30 ≤ x ≤ 50	75	2
	>50	26	2
Total		518	36

and work in accordance with the human rights compliances. We acknowledge the discriminatory aspects while sustaining a dignified work culture across our operations. By implementing policies, processes, and control measures across our operations, we safeguard the rights of our employees and other than permanent employees. By government legislation, we have outlawed any type of forced or child labour at all our locations. Beyond what is necessary, we aggressively conduct due diligence checks at all our locations to refrain from illegal activities. We also acknowledge our workers right to freedom of association and Collective bargaining.

## DIVERSITY AND INCLUSION

Diversity and inclusion are of paramount importance to us and are reflected through our ESG policy and implementation. We focus on creating a conducive workspace for all our workforce. We have a Non-Discrimination and Gender Equality Policy in place to ensure that we do not discriminate between employees or potential employees based on age, gender, colour, race, religion, ethnicity, nationality, employment etc. We believe that gender diversity is imperative in leveraging the different perspectives of

work culture and enhancing the decision-making process. We are proactively working towards increasing gender diversity in our workplace. We have invested in infrastructural elements like safety, and are striving to create a workplace free of harassment, where people are treated with respect and dignity. As an equal opportunity employer, we ensure that our awards and remuneration reflect these ideals. During the reporting period, there were no incidents of discrimination reported.

## CORRUPTION AND BRIBERY

Our guideline emphasizes a zero-tolerance attitude to bribery and corruption. It defines the principles governing relevant anti-bribery and anti-corruption regulations. We are aware that the practice of corruption can negatively impact our reputation and corporate integrity. As a result, we closely collaborate with our team members and outside partners, using strict regulations and a strong system of checks and balances to combat any instances of bribery and corruption. Additionally, our business or any of our employees have never been the target of any known corruption or bribery case.

40 **Occupational Health and Safety**

“Doing things Safer means doing things Better” is a motto we strive to live by to protect the safety and wellness of our employees across our business operations. Our ISO 45001 certified Occupational Health and Safety (OHS) Management System entails several initiatives to build responsible safety practices for our employees.

We have qualified medical practitioners at each of our sites for first aid and health emergency management. We conduct pre-health check-ups to screen people with occupational health and risks and hire the right talent for right job. We also carry out annual health checkup of employees and other staff. We have dedicated Ambulances made available at each site of our company.

We take a holistic approach to occupational health and safety, adhering to laws like the Factory Act and State Factory Rules, the Manufacture Storage and Import of Hazardous Chemical Rules (MSIHC), Indian Boiler Act and Rules, Petroleum Rules, Environment Protection Act & Rules among others. Our commitment to providing best-in-class safety standards for our workers is shown by Bureau Veritas' accreditation of all our facilities under the ISO 45001 Occupational Health and Safety Standard.

Our Health, Safety and Environment Management Systems (HSEMS) reinforce our safety strategy while raising employee safety awareness and reducing the possibility of accident. A Safety committee has been setup under the requirements of the Factories Act, 1948 and includes a minimum of 50% of the non-management employees.

We also conduct safety audits for improvement of safety performance at our workplace as per the PDCA principle of OHS management system at regular intervals. These audits are carried out internally through trained internal auditors as well as by external third- party

## SAFETY STRATEGY & STANDARDS

**Our Health, Safety and Environment Management Systems (HSEMS) reinforce our safety strategy and standards while raising employee safety awareness and reducing incident incidence**

auditors. We conduct mock drills for fire and environmental emergencies and have a strong Environmental Emergencies Response Plan to mitigate any unforeseen tragedy.

Our EHS Policy is designed based on Occupational health, Safety and Environmental regulations under the guidance of the Safety Committee.

### OBJECTIVES OF OUR HSE POLICY

- Developing the workforce's capacity for safety, emergency readiness, and response.
- Conducting health checkups
- Constant risk evaluations, waste minimization, and optimal resource use
- Minimizing negative impacts caused by industrial activity at all relevant locations and locales
- Including building safety in the design process
- Participant involvement
- Upholding the requirements for health, safety, and the environment Performance and statutory compliance together



## SAFETY

At AMI Organics, safety and well-being of our people is amongst our first and foremost priorities. In line with our goal of 'Zero Harm, Zero Incidence', we are committed to building a safe working environment for our employees and contract workers. Our robust safety system encompasses an integrated approach of policies, processes, systems, best practices and high standards. Our Occupational Health and Safety system incorporates policy, hazard identification and risk assessment, detailed SOPs, and an on-site emergency plan at each facility. We continuously monitor and evaluate the safety performance and periodically carry out internal as well as external audits. We have adopted a preventive rather than reactive approach to safety concerns and management. Our Safety Committees constituted at every unit are accountable for the effective enforcement of necessary safety legislations and requirements throughout all of our operations.

We are accredited with ISO 45001:2018 Occupational Health and Safety Management System for our operations and have set a goal of 'Zero Damage'. We follow a systematic and proactive approach of Plan, Do, Check, Act (PDCA) cycle at all our sites. We have adopted new technologies and have enhanced our safety procedures to mobilise safe workplace.

### Hazard Identification:

We have established and aligned globally recognised high level safety intervention and hazard identification programmes. This includes Safety Interaction, Vulnerability Safety Risks assessment

with business specific Integrated Management System (IMS) based Hazard Identification and Risk Assessment (HIRA). We provide on-the-job training to cascade the identified hazards and related risks with defined control measures to be taken for executing or performing work safely. We have robust work permit mechanism for performing all high-risk activities including working at a height, electrical maintenance, etc. Our process for identifying hazards takes an all-encompassing approach to risk assessment, utilizing several instruments to develop suitable strategies and mitigation strategies as well as the verification of implementation plans. The entire method for identifying hazards and mitigating their effects are put into practice under the supervision of the Safety Committee.

### Safety Audit:

We conduct safety audits for improvement of safety performance at our workplace as per the PDCA principle of OHS management system at regular intervals. These audits are carried out internally through trained internal auditors as well as by external third-party auditor.

During the reporting period, 100% of our plants were assessed on working conditions and health and safety parameters by an external agency. We identify systemic deficiencies, review the execution of corrective action plans regularly to ensure that safety findings are addressed effectively. We also conduct mock drills for fire and environmental emergencies. We have also formulated an Environmental Emergencies Response Plan to mitigate any unforeseen tragedy.

### Emergency Preparedness:

We have taken necessary precautions to efficiently address any emergency that might influence our operations either directly or indirectly. To cope with emergencies and unexpected events, we have a trained group of personnel who have been educated in emergency coping methods. Furthermore, our EHS policy encourages capacity-building training for our staff in safety, emergency preparation, and response. We have always been committed to sustainable growth, with a primary focus on protecting human life, safety, and the environment. We have continuously used appropriate procedures, industry standards and finest practices to guarantee the protection of our environment and the security of our personnel.

### IMPORTANT HIGHLIGHTS OF OUR HEALTH AND SAFETY PERFORMANCE AT THE PLANT INCLUDE

- CO<sub>2</sub> Flooding system installed in every electrical panel for the prevention of firebreak-out and helps collect real-time data at the time of fire-breakout.
- New fire foam sprinkler system installed at every location of the departmental area
- Installed a barcode scan automation system to fill up the raw material tank, in which one has to scan the barcode sticker of the specific tank in which raw material needs to be filled. Once the raw material is filled to the defined level the sensor will cut-off automatically and the tank filling process will stop to avoid spillage.
- Regularly updated work instructions and Standard Operating Procedure revised every three years
- Third Party Safety Audit
- No major noncompliance reported during the period
- 60 trained in-house certified First aiders to handle an emergency



## ZERO DAMAGE

We are accredited with ISO 45001:2018 Occupational Health and Safety Management System for our operations and have set a goal of 'Zero Damage'. We follow a systematic and proactive approach of Plan, Do, Check, Act (PDCA) cycle at all our sites.

## 42 Commitment Towards Our Communities

**We make an unwavering effort to keep positive connections with the communities that surround our activities. Our efforts are concentrated on having a beneficial effect on neighbourhood communities in order to uplift and provide them with a satisfying livelihood.**

We make an unwavering effort to keep positive connections with the communities we operate in. Our efforts are concentrated on having a beneficial effect on neighbourhood communities to uplift and provide them with a livelihood. We spend more than two percent of the average net profit for the past three years on implementation of various CSR projects and activities. Our CSR Committee recommends total expenditure in Annual CSR Plan to the Board for review and approval. During the reporting period, we contributed ₹9.3 Millions through Trusts and NGOs in community development projects.

To guarantee sustainable growth, we understand how important it is to improve the livelihood of the communities. During the pandemic, we took progressive steps to improve critical CSR target areas and devised a planned course of action for the post-pandemic period. Our CSR initiatives are aligned with the UN SDGs with priority areas including eradicating hunger, education, health, women's empowerment, skill development, building sustainable communities and climate action. Through our developmental

activities, we made a significant difference in the lives of marginalized communities close to our plant locations and across the State of Gujarat. To maximize our reach and guarantee a beneficial impact for all our stakeholders, we continue to deepen our connections with NGOs and other groups.

In line with subsection (1) of section 135 of the Companies Act 2013, we have established a CSR committee to oversee CSR initiatives and offer recommendations on the company's CSR strategy. Additionally, our CSR policy has served as the foundation for our designated CSR emphasis areas and projects. To maximize our reach and guarantee a beneficial impact for all of our stakeholders, we continue to deepen our connections with NGOs and other groups.

**₹9.3 MILLIONS**

**Our CSR Committee recommends total expenditure in Annual CSR Plan to the Board for review and approval. During the reporting period, we contributed ₹9.3 Millions through Trusts and NGOs in community development projects.**



## OUR CSR INITIATIVES ALIGNED WITH SDGs:

### SDG 1, SDG 2, and SDG 6

This goal of the Sustainable Development Agenda aims for the eradication of Poverty in all its forms by 2030. It strives to provide social protection for the poor and vulnerable, improve access to essential services. In association with various NGOs, we worked for the eradication of poverty in rural areas through rural development programmes.



### SDG 4

We carried out projects in schools and through NGOs like Shree Jagatbharti Education and Charitable Trust. We imparted vocational training for inclusive development of the youth. The investment made in the project was ₹2 million.

We also carried out an education and awareness program named "High on Life Foundation" for spreading awareness on drug addiction in youth across Gujarat. The investment made in the project was ₹1 million. We also helped marginalised families by providing school fees and educational material for children in association with the Rotary Club of Surat Gujarat.



### SDG 3

In line with the SDG 3, our CSR initiative included contribution towards community healthcare and nutrition programmes. Along with the organizations 'Samast Patidar Arogya Trust' and 'Raginiben Bipinchandra Sevakarya Trust', we took progressive steps in the construction of a community hospital and establishing medical infrastructure. The total investment made on the project was ₹3.9 million.



### SDG 8

We continue to improve the quality of life of the communities through integrated and sustainable development. With our commitment to the cause of social service, our community outreach programmes in rural and tribal areas of Gujarat range across providing education, skill development, community health and nutrition, sustainable livelihood, infrastructure development, and water and environment. Along with Brahmarshi Gyan Samvardhak Trust, Friends of Tribal Society and Shree Gujarat Vanvasi Kalyan Parishad we helped rural and tribal areas of Gujarat in developing rural infrastructure and promotion of livelihoods. The total investment made for the purpose was ₹2.4 million.





Growlity/AR/2201

Reporting Period - April 01, 2021 to March 31, 2022

The Management and Board of Directors  
 Ami Organic Limited  
 Plot no. 440/4, 5 & 6, Road No. 82/A,  
 GIDC Sachin, Surat. PIN - 394230  
 Gujarat, India

#### **Independent Assurance Report**

Growlity Private Limited (the "Growlity") was engaged by Ami Organics Limited (the "Company") to provide independent assurance for its Annual Sustainability Report (the "Report") for the Financial Year 2021-22 covering the company's sustainability performance during the period from April 01, 2021 to March 31, 2022.

The development of the Report is based on Global Reporting Initiative's (GRI) Sustainability Reporting Standards, its content, and presentation is the sole responsibility of the management of the Company. Growlity's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects of Environmental, Social & Governance (ESG) & Business Sustainability Management of the Company.

#### **Scope of Assurance and Methodology**

The Scope of our work for this assurance engagement was limited to review of information pertaining to Environmental, Social and Governance (ESG) performance for the period 1st April 2021 to 31st March 2022. We conducted, on a sample basis, review and verification of data collection / calculation methodology and general review of the logic on inclusion / omission of necessary relevant information / data and this was limited to :

- On-site & Remote verification of data, on a selective test basis, for the following units / locations, through consultations with the site team and ESG team of the Company.
  - a) Sachin (Gujarat)
  - b) Jhagadia (Gujarat)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Review of Company's plans, policies and practices, pertaining to their Environmental, Social & Governance (ESG) & Business Sustainability Management, so as to be able to make comments on the fairness of sustainability reporting.
- Review of company's approach towards materiality assessment disclosed in the report to identify relevant issues.

#### **Limitation of our Review:**

The assurance scope excludes:

- Operations of the Company other than those mentioned in the "Scope of Assurance";
- Data and information outside the defined reporting period. i.e. 1st April 2021 to 31st March 2022;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters;
- Data and information on financial performance of the Company.

#### **GROWLITY PRIVATE LIMITED**

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### Our Observations

During the review process, we observed that;

- The Company has demonstrated its commitment to sustainable development by reporting its performance on various material topics for FY 2021-22.
- The Company has prepared Report having sustainability data with reference with the GRI standards 2021 of the Global Reporting Initiative.
- The Annual Sustainability Report includes a description of the Company's stakeholder engagement process, materiality assessment and relevant performance disclosures on the identified material topics.
- The Company has been working towards improving its sustainability performance and robustness of the ESG & Business Sustainability Management.
- We have identified and submitted the opportunities for improvement for strengthening the data management system to ensure uniform and accurate reporting of Greenhouse Gases (GHG) emissions.
- These observations do not affect our conclusion presented in this statement.

### Conclusion

On the basis of our global standard operating procedure for this limited assurance, nothing has come to our attention that causes us not to believe that the company has reported on material sustainability issues relevant to its business impacting their ESG & Business Sustainability Management.

A handwritten signature in black ink, appearing to read 'Nitin Dumasia'.

Dr. Nitin Dumasia  
President & CEO

Date: 25<sup>th</sup> January 2023

Place: Surat

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46 **United Nations Global Compact Principles Index**

**THE TEN PRINCIPLES OF UN GLOBAL COMPACT**

**AMI ORGANICS LIMITED CONTRIBUTION TO THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES**

**HUMAN RIGHTS**

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	17,38
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Principle 2	Make sure that they are not complicit in human rights abuses.	25,26,29,36
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**LABOUR**

Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	25,26,39
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Principle 4	The elimination of all forms of forced and compulsory labor	39
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Principle 5	The effective abolition of child labor	39
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Principle 6	The elimination of discrimination in respect of employment and occupation	24,34,39
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**ENVIRONMENT**

Principle 7	Businesses should support a precautionary approach to environmental challenges	4,20
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Principle 8	Undertake initiatives to promote greater environmental responsibility	4,5,20,21,22
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Principle 9	Encourage the development and diffusion of environmentally friendly technologies	19,20,21,32,6,40
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**ANTI-CORRUPTION**

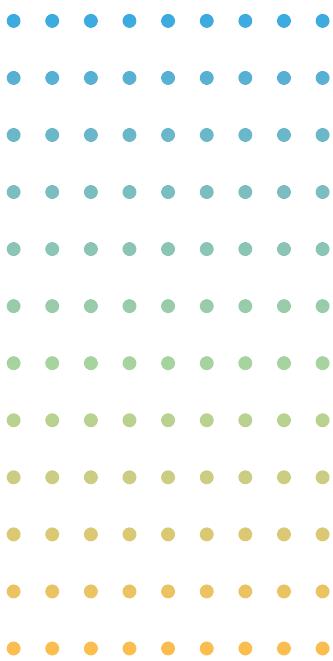
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	17,24,36,39
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<b>2-1</b>	Organizational details	<b>8</b>
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<b>2-3</b>	Reporting period, frequency and contact point	<b>First page of report</b>
<b>2-4</b>	Restatements of information A	<b>First page of report</b>
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