

Independent Assurance Statement

To,
The Directors and Management
Sudarshan Chemical Industries Limited,
7th Floor, Eleven West Panchshil, Survey No. 25,
Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India

Sudarshan Chemical Industries Limited (hereafter 'Sudarshan') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information (Essential and Leadership Indicators) disclosed in Sudarshan's Business Responsibility and Sustainability Report (hereinafter 'the BRSR') for the period April 01, 2023 to March 31, 2024. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), SEBI circular: [SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122](#), dated 12/07/2023 about Business Responsibility and Sustainability Report (BRSR) requirement. This assurance engagement was conducted in reference to BRSR and ISAE 3000 (Revised) requirements.

Management's Responsibility

Sudarshan developed the BRSR's content. Sudarshan management is responsible for identifying materiality, and related sustainability issues along with the "Essential and Leadership" indicators, carrying out the collection, analysis, and disclosure of the information presented in the BRSR (web-based and print forms), including website maintenance, integrity, and for ensuring its quality and accuracy in reference with the applied criteria stated in the BRSR, such that it's free of intended or unintended material misstatements. Sudarshan will be responsible for archiving and reproducing the disclosed data to the stakeholders upon request.

Scope and Boundary

The scope of work includes the assurance of the following non-financial performance - Essential and Leadership Indicators disclosed in the BRSR. In particular, the assurance engagement included the following:

- i. Review of General Disclosure, Management & Process, and the disclosures against all 09 BRSR principles submitted by Sudarshan;
- ii. Review of the quality of information;
- iii. Review evidence (on a sample basis) for identified non-financial indicators.

TUVI has verified the below Essential and Leadership Indicators disclosed in the BRSR

Principles	Essential Indicators	Leadership Indicators
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1,2,3,4,5,6,7	1, 2
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2	1,2,3
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15	1,2,3,4, 5, 6
Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.	1,2	1,2
Principle 5: Businesses should respect and promote human rights.	1,2,3,4,5,6,7,8,9,10	3, 4
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	1,3,4,6,7,8,9,10,13	1, 5,7
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1,2	-
Principle 8: Businesses should promote inclusive growth and equitable development.	3,4, 5	6
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	1,2,3,5	1,2,3, 4

The reporting boundaries for the above topics include 02 manufacturing plants across India.

1. Sudarshan Chemical Industries Limited – 46, MIDC Area, Dhatav-Roha, Raigad, Maharashtra, 402 116
2. Sudarshan Chemical Industries Limited – A19/1-2, MIDC Mahad, Mahad, Raigad, Maharashtra, 402 309

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The onsite verification was conducted at the Pune corporate office (April 15, 2024) and Production Mahad and Production Roha (April 16, 2024 to April 17, 2024). The assurance activities were carried out together with a desk review of other integrated Production units located at Mahad and Roha and R & D India unit located at Amralewadi, as per reporting boundary i.e. Sudarshan India operations as stated above.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the report, including targets, expectations, and ambitions. Consequently, TUVI does not conclude the prospective information. During the assurance process, TUVI did not come across any limitations to the agreed scope of the assurance engagement. TUVI didn't verify any ESG goals and claims through this assignment. TUVI is contracted by the Sudarshan and answerable to the Sudarshan's management only. TUVI verified the data on a sample basis; the responsibility for the authenticity of the data entirely lies with Sudarshan.

Our Responsibility

TUVI's responsibility for this engagement was to perform a limited level of BRSR assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of Sudarshan's strategy or management of ESG-related issues or the sufficiency of the report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in about the agreed scope of work which includes non-financial quantitative and qualitative information (KPIs) disclosed by Sudarshan. The reporting Organization is responsible for archiving the related data for a reasonable period. The intended users of this assurance statement are the management of 'Sudarshan'. This assurance engagement is based on the assumption that the data and information provided to TUV by Sudarshan are complete and true. TUVI expressly disclaims any liability or co-responsibility 1) for any decision a person or entity would make based on this assurance statement and 2) for any damages in case erroneous data is reported. This assurance engagement is based on the assumption that the data and information provided to TUVI by Sudarshan are complete and true.

Verification Methodology

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

- i. TUVI examined and reviewed the documents, data, and other information made available by Sudarshan for Essential and Leadership Indicators (non-financial disclosures) non-financial Essential and Leadership Indicators (non-financial disclosures);
- ii. TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Sudarshan;
- iii. TUVI reviewed the level of adherence to BRSR reporting principles;
- iv. TUVI examined and reviewed the documents, data (on a sample basis), and other information made available by Sudarshan for the reported disclosures including the Management Approach and performance disclosure.
- v. TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative);

Opportunities for Improvement

The following are the opportunities for improvement reported to Sudarshan. However, they are generally consistent with Sudarshan management's objectives and programs:

- i. Sudarshan may start verifying environmental and social performance of supply chain
- ii. Sudarshan can increase the % share of green mobility in its Production units, and other company-owned vehicles
- iii. Sudarshan may encourage their suppliers, especially logistics for green mobility,
- iv. Sudarshan's current renewable energy usage is limited to specific initiatives. Expand the use of renewable energy sources such as solar and wind power across all facilities.
- v. Waste management practices need further enhancement, particularly in tracking and reducing plastic and hazardous waste.
- vi. Incorporate biodiversity conservation and ecosystem services into Sudarshan's environmental management plans. Initiatives could include habitat restoration projects, promoting native species planting, and partnerships with local environmental organizations.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR essential indicator performance reported in the BRSR report along with the referenced information provide a fair representation of the material topics, and related strategies, and meet the general content and quality requirements of the BRSR.

Disclosures: TUVI thinks that the reported disclosures generally meet the BRSR requirements. Sudarshan refers to general disclosure to report contextual information about Sudarshan, while the Management & Process discloses the management approach for each indicator (Essential and Leadership).

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

The report complies with the below requirements

- a) Governance, leadership, and oversight: The messages of top management, business model to promote inclusive growth and equitable development, action and strategies, focus on products, risk management, protection and restoration of the environment, and priorities are disclosed appropriately.
- b) Connectivity of information: Sudarshan discloses various principles and their interrelatedness and dependencies with factors that affect the organization's ability to create value over time.
- c) Stakeholder responsiveness: The Report covers mechanisms of communication with key stakeholders to identify major concerns and associated strategies. The BRSR provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the BRSR provides a fair representation of the extent to which the organization understands, takes into account, and responds to the legitimate needs and interests of key stakeholders.
- d) Materiality: The materiality assessment process has been carried out to arrive at the material issues. The materiality assessment process has been carried out already during GRI reporting, based on the requirements of "GRI".
- e) Conciseness: The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to-the-point sentences, graphs, pictorial and tabular representation are applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
- f) Reliability and completeness: Sudarshan has established internal data aggregation and evaluation systems to derive the performance. The reported data is duly verified and authenticated by Sudarshan. The majority of the data and information was verified by TÜV's assurance team (on a sample basis) during the assessment of the BRSR and found to be fairly accurate. All data is reported transparently, in a neutral tone, and without material error.
- g) Consistency and comparability: The information in the Report is presented on an annual basis in a reliable and complete manner. Thus, the principle of consistency and comparability is established.

This assurance statement has been prepared in reference to the terms of our engagement and ISAE 3000 (revised) requirements

Independence: TÜV follows the IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy, and familiarity. The Assessment Team was safeguarded from any type of intimidation.

Quality control: The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behavior. In reference with the International Standard on Quality Control, TÜV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

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

For and on behalf of TÜV India Private Limited



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



Date: 26/06/2024
Place: Mumbai, India
Project Reference No: 8122820099

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