

**MISSION
RISE**
ACCELERATING TOWARDS A
SUSTAINABLE FUTURE



MISSION RISE

ACCELERATING TOWARDS A SUSTAINABLE FUTURE

As we embark on this journey of reflection and transparency, we are proud to present Mission Rise - Accelerating Towards a Sustainable Future as the overarching theme of this year's report. Over the years, Sudarshan has taken significant leaps forward in our sustainability efforts, with each advancement building upon the last. This year, with Mission Rise, we are entering a new era of sustainable growth, while staying grounded to our existing initiatives.



'Mission Rise' for us signifies continuous development in line with our values and sustainability vision. Through innovative strategies, responsible practices, and collaborative partnerships, we are charting a course towards a more sustainable future. We strive for growth that is holistic, encompassing not only financial success but also environmental stewardship, social impact, and ethical governance.

In our pursuit of accelerating towards a sustainable future and aligning with our higher purpose, we focus on **Growing Respectfully, Growing Responsibly, Growing Safely, and Growing Together.**

Under 'Growing Respectfully,' we ensure transparency and ethical conduct. Aligned with 'Growing Responsibly,' we are committed to reduce our carbon footprint and conserve natural resources. Within 'Growing Safely,' we emphasise on product stewardship and safety. Through 'Growing Together,' we foster diversity, equity, and inclusion, recognising their crucial role in our journey towards a sustainable future.

In the face of global challenges such as climate change and social inequality, we recognise our responsibility as a corporate citizen and strive to lead by example, inspiring others to join us on this transformative journey.

Together, let us continue to leap forward towards a world where sustainability is not just a buzzword, but a way of life.

Contents



004	About this report
005	Accolades for Sustainability Excellence
006	From the Managing Director
009	Our Sustainability Highlights: FY2023-24
015	Sudarshan at a Glance
024	Business Strategy & Risk management
026	Growing together with our Stakeholders
030	Navigating Sustainability: Our Strategic Approach
037	Business Accountability
053	Environmental Responsibility
065	Manufacturing Excellence
077	Strengthening Social Inclusiveness
107	GRI Content Index
111	UNGC Index
112	ESG Data Pack
115	Assurance Statement
117	Glossary of Abbreviations

About this Report

Sudarshan Chemical Industries Limited, (hereafter referred to as Sudarshan, the Company, our or we), is a leader in the pigment industry, globally known for its innovative solution offerings. Our third edition of the ESG Report FY 2023-24 presents our continuous and relentless sustainability efforts, highlighting comprehensive data, case studies, and specific interventions that have been implemented during the reporting period. The report further records our progress against the identified ESG targets, reflecting the integration of sustainability across all operational aspects.



Reporting Principles and Requirements

This report is prepared in accordance with Global Reporting Initiatives (GRI) Universal Standards, 2021, and complies with reporting requirements prescribed by GRI under GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021. It also demonstrates our commitment towards achieving United Nations SDGs (UNSDGs) and our adherence to Communication Of Progress (COP) on the principles of the United Nations Global Compact (UNGC).



Scope & Boundary

This report discloses our management approach, performance, and aspirations on identified material topics. It covers entire business operations of Sudarshan, including:

- Global Head Office, Pune
- Two Manufacturing Facilities: Roha Plant and Mahad Plant
- Three R&D Centers: Ambadvet (Pune), Roha and Mahad

The data presented in the report covers our sustainability performance for the period 1st April 2023 to 31st March 2024.



External Assurance

This report has been assured externally by TUV India Private Limited, an independent third party. The assurance process was conducted in accordance with the requirements of ISAE 3000 (revised) Assurance Standard, Limited Assurance.



Restatement

This report incorporates no restatement for the reporting year.



Reach us

At Sudarshan, we welcome your feedback and suggestions on any information/disclosure presented in this report. We maintain an open channel of communication with all our stakeholders and would be happy to receive your valuable suggestions. Please feel free to contact us at: contact@sudarshan.com

Accolades for Sustainability excellence



MAHARASHTRA CSR AWARD - 2023

Received award for contribution to creating a sustainable impact on society at large



GREENTECH CSR AWARD - 2023

Received Greentech CSR award for the Rural Development



THE EEF GLOBAL SUSTAINABILITY AWARD 2023 IN PLATINUM CATEGORY

The EEF Global Sustainability Award 2023 in Platinum category for our approach toward Sustainability and ESG



14th CII NATIONAL HR EXCELLENCE AWARD 2023-24

14th CII National HR Excellence Award 2023-24 in the category of "Significant Achievement in HR Excellence" held annually with an objective of promoting HR Excellence in Human Resource and helping in developing "High Performance Organisation"



GREENTECH ENVIRONMENT EXCELLENCE AWARD

Greentech Award for achievements in Environment Excellence



GOLD rating on EcoVadis
CSR Assessment 2024



Score of B (Management Band) on CDP Climate Change and CDP Water Security Assessments 2023

From the Managing Director



Dear Readers,

Color is a power which directly influences the soul - Wassily Kandinsky

In the Reporting Year FY 2023-24, Sudarshan Chemical Industries Limited demonstrated a robust performance marked by sustainable growth. As we expand our operations, we commit to ESG considerations at every stage of our business operations. With a profound sense of responsibility, I am proud to unveil our third Sustainability Report themed “Mission Rise-Accelerating Towards a Sustainable Future.”

FROM THE MANAGING DIRECTOR

Considering the sustainability roadmap, what are the key initiatives that Sudarshan is envisaging to undertake to integrate environmentally friendly solutions into its operation?

Our ESG Policy emphasizes our commitment across various focus areas such as product sustainability, employee well-being, stakeholder engagement, and provides a framework for achieving our sustainability objectives.

As a leading pigment manufacturer, we prioritize environmental protection and comply with regulations in a responsible manner. Our manufacturing facilities at Roha and Mahad, and our Research and Development units are equipped with state-of-the-art wastewater treatment systems. We aim to increase our energy efficiency by gradually increasing the use of renewable energy in our daily operations. Our commitment to reducing emissions by 42.4% by 2030 has been signed through the

SBTi commitment letter, from the base year of 2022. We are committed to implementing our decarbonization plan and other opportunities for emission reduction across the entire value chain. Furthermore, we have conducted Lifecycle Impact Assessment of our select products, which contributes 25% of the total revenue for the reporting year.

Such initiatives in the pipeline indicate our dedication towards achieving environment-friendly operations for Sudarshan.

Product Manufacturing plays a key role in ensuring quality delivery of the products. Thus, what are some of the considerations undertaken to ensure Manufacturing Excellence at Sudarshan?

Manufacturing Excellence forms the backbone of our success in ensuring safe and quality product delivery. As a leading pigment manufacturer, our commitment lies in constantly upgrading our products and optimizing our manufacturing efficiency as per the consumer requirements, keeping our ESG commitments in consideration.

Our specialized Research and Development laboratories, develop sustainable products ensuring minimal resource usage. This highlights our focus on ensuring product safety across the value chain.



FROM THE MANAGING DIRECTOR

Employees form a fundamental part of every organization. In what ways does Sudarshan prioritize “Employee Centricity” and contribute to effective function of the organization?

Talent Acquisition & Retention, Learning & Development, Diversity & Inclusion form the key pillars of our effective Human Resource Management.

Through our “Zero Harm” goal, we are steadfast in our commitment to ensure industry safety by creating an injury free workplace. We have 21% female employees (both permanent and

contractual) and 20% female board members ensuring gender parity in our operation and decision making. Ensuring equal opportunity at workplace, our factories and shopfloors has female representation, adhering to all occupational health and safety parameters.

One of our highlighting initiatives” SUDA SAKHI Employee Resource Group,” serves as a forum for women to openly discuss challenges and address their concerns. We have also devised SCCRT (Seva, Courage, Commitment & Passion, Respect, Trust) model

prioritizing sustainability and inclusivity and thus depicting our commitment toward dedication, respect, and mutual trust. Also, Sudarshan Learning Academy plays a key role in facilitating employees to learn modern technologies and processes aligned with our business operations.

Thus, at Sudarshan we aim to create an inclusive workplace through our diverse employee initiatives and multi-generational workforce creating an exceptional workplace for all.

In what ways does Sudarshan incorporate Corporate Social Responsibility into its business operation, and could you provide examples of initiatives or strategies that demonstrate this integration?

The Sudarshan CSR Foundation, established under Section 8 of the Companies Act, 2013, aligns its CSR initiatives with legal regulations outlined in Schedule VII. Through our Corporate Social Responsibility (CSR) initiatives, we have empowered local communities and marginalized groups, thereby promoting inclusive development. Our CSR initiatives are categorized under the acronym ‘SUDHA,’ representing Sudarshan’s Holistic Aspiration towards social responsibility. In the reporting year, we spent ₹2,39,77,680 on various initiatives, positively impacting 77,365 lives. With the dedication of our workforce, we have contributed to various CSR projects under environment, health, education, women empowerment, and community development.

What sustainable strategy vision do you hold for Sudarshan and how do you plan to integrate sustainable practices in the future trajectory?

As we embark on our journey towards a sustainable future, I am confident that Sudarshan will thrive towards creating a better world for the generations to come through its innovations, collaboration, and steadfast commitment towards creating sustainable value for all its stakeholders.

I would like to express my sincere gratitude to our shareholders and stakeholders for their continued support and dedication to our commitment in creating a sustainable business practice. Together, let us commit towards sustainability as a core value for our business operations and become a global “sustainable” pigment leader.

Thank You,
Rajesh Rathi
Managing Director



Our Sustainability Highlights: FY2023-24



Environmental Responsibility

68%
purchased electricity consumption from renewable sources compared to 59% in FY 2022-23

123^{MT}
specific water withdrawal intensity per unit of product

2.5^{Mn GJ}
total Energy Consumption

6.71^{tCO₂ e/MT}
GHG emissions Intensity

24.7%
waste sent to landfill in FY 2023-24



Manufacturing Excellence

1,08,801^{MT}
total raw material consumption compared to 1,01,760 MT in FY 2023-23

1,634^{MT}
total packaging material consumption compared to 739 MT in FY 2022-23

Lifecycle Impact Assessment undertaken for select products accounting for 25% of the total revenue for FY 23-24



Strengthening Social Inclusiveness

20.9%
total female employees in our workforce

51.12%
young workforce (<30 years of age)

100%
employees received code of conduct and POSH training

77,365
lives impacted through CSR initiatives compared to 52,000 in FY 2023-24

INR 23.97^{mn}
spent towards CSR initiatives

Adherence to the principles of Responsible Care (RC 14001)



Business Accountability

20%
women at Board level from 18.2% in FY 2022-23

100%
ISO Certified (ISO - 9001, 14001 & 45001)

Robust data security practices: Periodic Vulnerability Assessment & Penetration Testing (VAPT) conducted

Our Sustainability commitments

Focus Area	Target	Progress so far (FY 2023-24)	Linkage with SDG target/indicator
ENVIRONMENTAL RESPONSIBILITY			
Energy Management 	Reduce specific energy consumption by 6% Y-o-Y till 2030	Study to identify areas of improvement is underway	● Target 7.2: By 2030, increase the share of renewable energy in the global energy mix ● Target 13.2.2: Total greenhouse gas emissions per year
Climate Change 	Reduce absolute GHG emissions (Scope 1 and Scope 2) by 42.4% by FY 2030-31 from baseline 2022	Exercise to evaluate levers of decarbonisation has been completed	● Target 6.4: By 2030, increase the water use efficiency across all sectors and ensure the sustainable withdrawals and supply of freshwater to address the water scarcity and reduce the number of people suffering from water scarcity
Water Management 	Reduce specific water withdrawal 20% by 2025-26 from baseline FY 2020-21	● Specific water withdrawal reduced by 24% in FY 2023-24 from baseline FY 2020-21 ● 43,87,129 m³ water withdrawal for FY 2023-24	● Target 11.6: By 2030, reduce the adverse per capita environmental impact of the cities, by paying special attention to the air quality and municipal and other waste management
Waste Management 	Achieve zero waste to landfill by FY 2030-31	6,387 MT waste is sent to landfill in FY 2023-24	

Table: Our Sustainability Commitments for FY 2023-24



OUR SUSTAINABILITY COMMITMENTS

Focus Area	Target	Progress so far (FY 2023-24)	Linkage with SDG target/indicator
STRENGTHENING SOCIAL INCLUSIVENESS			
Safety Management 	- System maturity score of min. 80% for critical safety and process safety elements by 2024 - Safety culture maturity score of min. 80% by 2025 - Zero Process Safety Events (Tier 1 & 2 as per API 754) by 2025	Process Safety Management (PSM) Score of 65% achieved in FY 2023-24	Target 3.9: By 2030, reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life
Diversity & Inclusion 	60% overall inclusion by FY 2025-26: - Women workforce (30%) - Inclusion of PWD (2%) 60 % population should be < 30 years	- Gender diversity of 21% achieved in FY 2023-24 51.12% workforce comprises people with age less than 30 years	Target 8.5: By 2030, achieve full and productive employment for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
Learning & Development 	Average 6 person-hours of ESG training annually	- Comprehensive ESG training modules have been developed - Function specific training dissemination is currently in process for employees	Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
Human Rights 	100% training of employees and security personals on HR Policy 100% complaint redressal on Violation of Rights	94% employees and 100% security personals are trained on HR policy	

OUR SUSTAINABILITY COMMITMENTS

Focus Area	Target	Progress so far (FY 2023-24)	Linkage with SDG target/indicator
STRENGTHENING SOCIAL INCLUSIVENESS			
Employee Engagement 	Achieve “Great Place to Work”: Gold standard list (Top 100) by 2025	Dipstick survey conducted in FY 2023; results have been analysed for improving scores	● Target 10.2: By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Sustainable Supply Chain Management 	Based on ESG Criteria: ● Screen all new vendors w.e.f FY 2024-25 ● FY 2025-26: Evaluate all critical suppliers To be achieved till FY 2026-27: ● Include High-risk suppliers in ESG capacity building initiatives	● Procurement Policy and CoC updated ● ESG Evaluation tool circulated to all critical suppliers	
Sustainable Communities	Compute SROI on CSR initiatives and engage with local bodies on quarterly basis	Continuous engagement with local bodies	



OUR SUSTAINABILITY COMMITMENTS

Focus Area	Target	Progress so far (FY 2023-24)	Linkage with SDG target/indicator
MANUFACTURING EXCELLENCE			
Product Stewardship 	● LCIA of products with over 35% projected FY 2024-25 revenue ● Reduce product carbon footprint of top products ● Cover relevant products under nano-associated safety assessment	Lifecycle Impact Assessment undertaken of our select products contributing to 25% of the total revenue, other product lines identified	● Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimise their adverse impacts on human health and the environment
Automation 	Elimination of hazardous manual operations by 2026	Identification of high-risk process through HAZOP/HIRA	● Target 12.5: By 2030, reduce waste generation through prevention, reduction, recycling, and reuse ● Target 12.6: Encourage companies, especially large and transactional companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle
			

OUR SUSTAINABILITY COMMITMENTS

Focus Area	Target	Progress so far (FY 2023-24)	Linkage with SDG target/indicator
BUSINESS ACCOUNTABILITY			
 Board Diversity	30% women directors on Board by FY 2025-26	20% female employees in Board of Directors in FY 2023-24	● Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life ● Target 9.C: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the internet in least developed countries by 2020 ● Target 16.7: Ensure responsive, inclusive, participatory, and representative decision-making at all levels
 Board L&D	Annual 8 hrs. of L&D on ESG for all directors w.e.f. FY 2023-24	● Finalized and developed training modules for Board Capacity Building ● Training dissemination in process	
 Board oversight on ESG	Quarterly Reporting to Board on ESG parameters w.e.f. FY 2023-24	Reporting to the Board with dashboard containing important ESG Parameters has started	
 Compliance	100% with all applicable regulations	Continuous efforts for achieving 100% compliance with applicable regulations by having robust systems in place	
 IT Security	● Half-yearly Penetration Testing of systems and networks w.e.f. FY 2023-24 ● IT cyber security assessment and maturity score benchmarking by FY 2023-24	VAPT Assessment conducted	
 Business Continuity	Implement Business Continuity Plan for critical business applications by FY 2024-25	● BCP review process has been completed ● Planning and implementation in process	
 Cyber Security Awareness	2 person hours (avg.) training on cyber security w.e.f., FY 2023-24	Development of systematic training plan on cyber security	
 Data Privacy	Zero mid & high-level data breaches	No instances of data breaches have been recorded	

Table: Our Sustainability Commitments for FY 2023-24

Sudarshan at a Glance

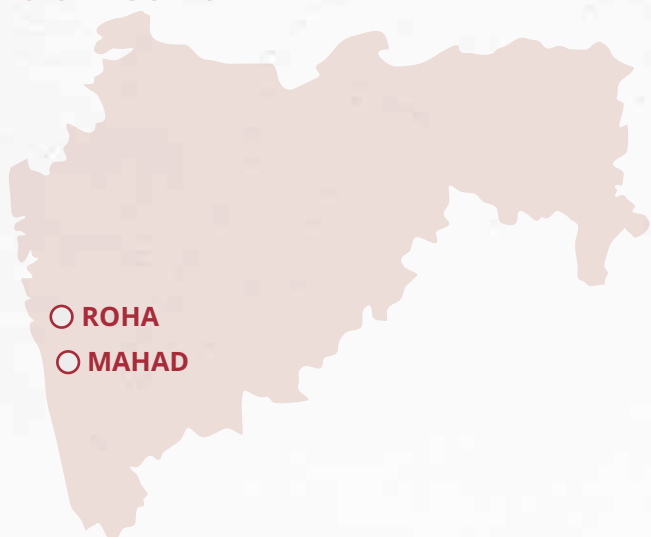
GRI 2-1, 2-6, 2-28

Organization

Sudarshan is the global supplier of color solutions and one of the largest pigment manufacturers globally. Our colors speak for our work, and we remain the prime choice for new age formulations. Over the years, we have been suppliers of various pigments

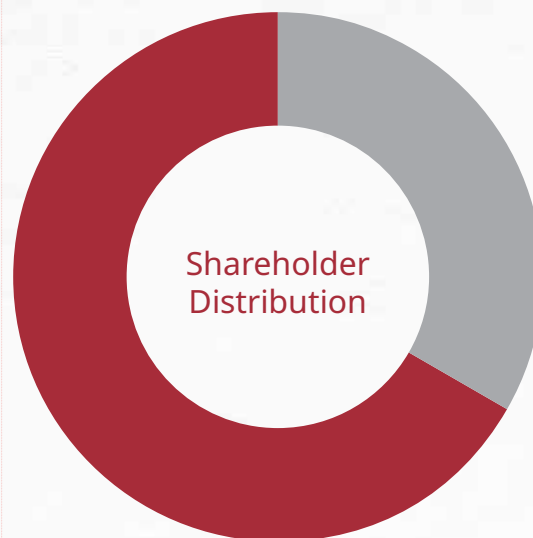
and primarily serve customers in industries such as coatings, plastic, inks, and cosmetics. We have a strong market presence in over 85 countries, showing our manufacturing prowess through our plants in Mahad and Roha, Maharashtra, India and three state-of-the-art research and development centers.

MANUFACTURING SITES



Legal Position & Shareholding Profile¹

Sudarshan was established in 1951 and is a public company limited by shares as per the provisions of the Companies Act, 2013. Our Equity Shares are listed on both BSE Limited and National Stock Exchange of India Limited. Additionally, on July 21st, 2022, the Non-Convertible Debentures of our company were listed on the Wholesale Debt Market Segment of BSE Limited.



- Public: **66.78**
- Promoter & Promoter group: **33.22**

In the total shareholding held by the public category by the following:

Foreign Institutions and Non-Resident Indians	5.22%
Insurance Company	2.68%
Mutual Funds	13.03%

¹<https://www.sudarshan.com/shareholding-patterns/>

SUDARSHAN AT A GLANCE

Charting Our Progress

Our journey spans over 70 years, navigating through challenges effectively and delivering high quality products.

Our Phases of Development

PHASE:1

ESTABLISHING BUSINESS

1951-1988

1951: Established by Dr. R.J. Rathi and L.J. Rathi with ₹40,000

1961: Started manufacturing of organic pigments

1967: Started global export (Europe and Southeast Asia)

1973: Inaugurated Roha manufacturing facility and Roha Housing Colony for employee welfare

1976: Got listed on Bombay Stock Exchange

Also, received Sir P.C. Ray award from ICMA during the first phase



PHASE:2

NEXT LEAP IN TECHNOLOGY

1989-2006

1989: Joint Venture with 'DIC Japan', 3rd largest pigment producer globally

1993: 1st Indian chemical company to be ISO:9001 certified

1994: Established Mahad manufacturing plant

1999: Introduced SAP across all functions



PHASE:3

GOING GLOBAL: LOCAL TO WORLDWIDE BUSINESS

2006-2018

2006: Established a state-of-the-art R&D and Application Centre at Sutarwadi, Pune

2007: Established Sudarshan Europe BV

2009: Established Sudarshan North America Inc.

2010: Sword of Honour from British Safety Council

2017: Certified as a dream company to work for in the chemical sector



PHASE:4

RAISING THE BENCHMARK

2018-Ongoing

2018: Established Sudarshan Mexico S. de R.L de CV

2020: Established Sudarshan Japan Limited

2021: Published First GRI aligned ESG report

2021: Signed up for CDP

2023: Initiated Life Cycle Impact Assessment for its products

2023: Commissioned Capex for INR 750 crores



SUDARSHAN AT A GLANCE

Our Guiding Framework: Vision, Mission, Values, Purpose

INSPIRING OUR 70+ YEARS OF GROWTH



Mission

To be a world-class Global Color Solution provider with an innovative and vibrant culture



Vision

To be amongst the top three pigment players in the world



600+
products in our portfolio

Our Strengths



3rd
largest global manufacturer



100+
R&D department
workforce (Scientists,
Engineers, Technicians)

Higher Purpose



growing
together ...

• Spiritually fulfilled • Socially just • Environmentally sustainable

Our Values at Sudarshan



SEVA



COURAGE



COMMITMENT & PASSION



RESPECT

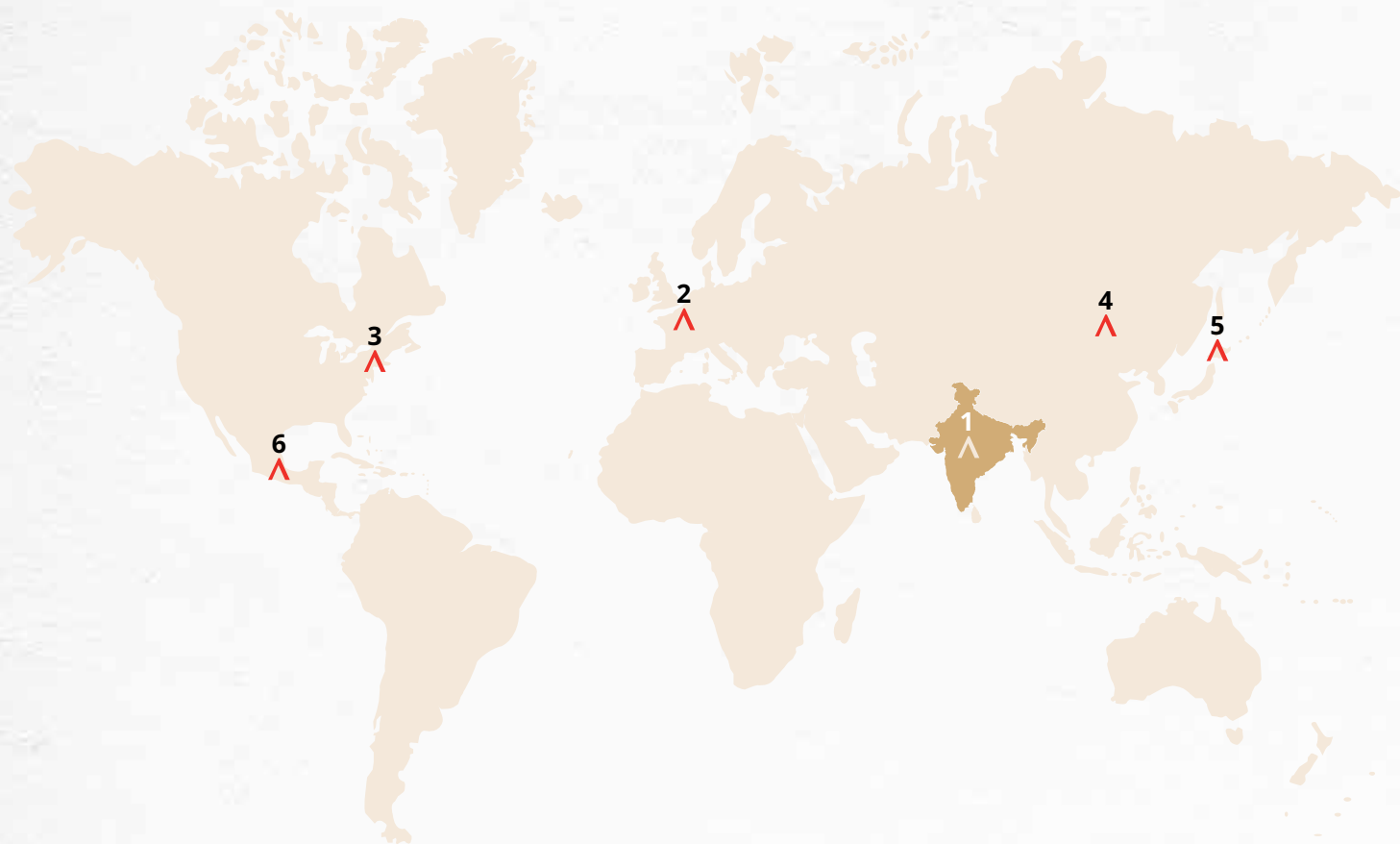


TRUST

SUDARSHAN AT A GLANCE

Sudarshan Worldwide

Our expansion has been facilitated by our extensive technical expertise, robust manufacturing facilities and innovation-driven approach. Furthermore, our diverse pigment range and ongoing efforts to enhance quality distinguish us from other industry players.



1 India:
Sudarshan
Chemical
Industries Ltd



2 Europe:
Sudarshan
Europe B.V



3 USA:
Sudarshan
North
America Inc



4 China:
Sudarshan
(Shanghai)
Trading Co Ltd



5 Japan:
Sudarshan
Japan Limited



6 Mexico:
Sudarshan
Mexico S.
de R.L de CV

Global Head Office: Pune



Production Site:
Roha & Mahad (Raigad
District, Maharashtra)



R&D Centers:
Ambadvet (Pune),
Roha and Mahad



Sales Offices:
Mumbai, Delhi, Kolkata and Chennai

Global Footprint


85+
Countries


60+
Channel Partners


8
Sales Office


19
Stock Points

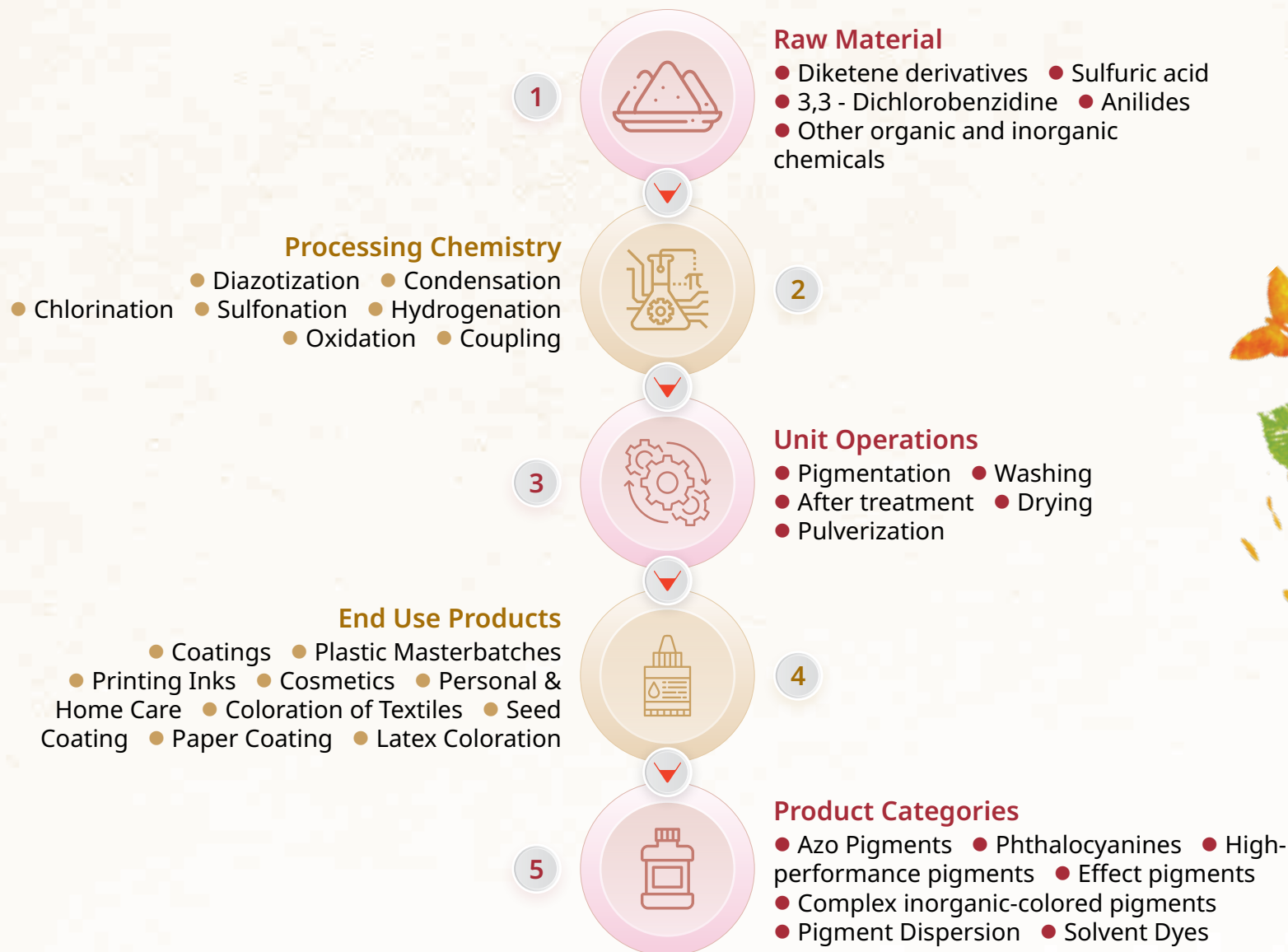

50+
Sales Team

SUDARSHAN AT A GLANCE

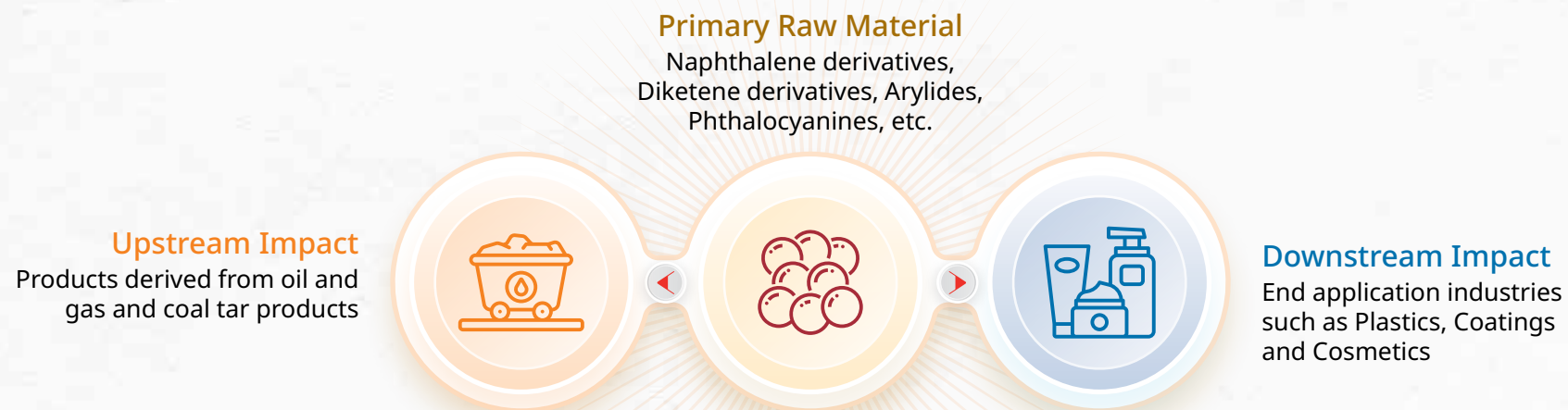


A Peak into Our Operations

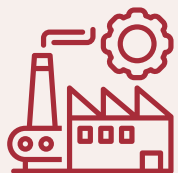
At Sudarshan, we engage in a variety of chemical processes, including diazotization, condensation, chlorination, sulfonation, and more, to manufacture a range of products such as organic pigments, high-performance pigments, effect pigments, solvent dyes and more.



SUDARSHAN AT A GLANCE



Our Key Differentiators



01

Strong manufacturing base in India



02

Comprehensive product portfolio



03

Quality consistency



04

Robust technical services



05

Cost competitiveness



06

Strong focus on ESG and product stewardship



07

Active team with a forward approaching mindset

SUDARSHAN AT A GLANCE

Our Diversified Product Range

With a goal to be among the top three pigment producers globally, we have developed a

diverse and resilient product portfolio tailored for both domestic and global markets. Our pigment range includes organic and inorganic pigments, effect pigments, solvent dyes,

and pigment dispersions. At Sudarshan, our focus remains on innovation, reducing hazardous waste production and upgrading our product portfolio and value chain.

Pigment Overview**Coating****Plastics****Printing****Special applications****Cosmetics****SUDAPERM™****Pigments for high-performance**

A premium range of the highest performance pigments with technical benefits for the most demanding plastic and coating applications

SUDACOLOR™**Quality, value and easy-use pigments**

A well-designed range of organic pigments that provide the best combination of quality, value and ease of use

SUMICA™**Pearlescent pigments**

Offers a full range of general-purpose, high-performance pigments and effect pigments with a unique luster effect, enhancing the aesthetic appeal of plastics, coatings and inks

SUDATHERM™

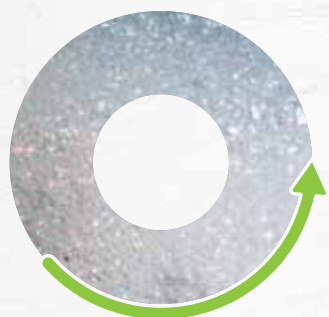
Range of Complex Inorganic Colored Pigments (CICPs) designed to meet high-temperature stability and light and weather fastness properties

SUDASOL™

A range of solvent-soluble dyes for engineering plastics. Sudasol products are extremely pure and have very low impurity content

SUDARSHAN AT A GLANCE

SUMICOS™

**Pearlescent pigments**

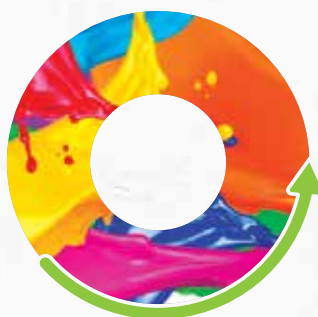
Mica crystalline platelets, coated with metal oxides, produce iridescent, luster, bronze, and glitter, creating new color illusions for cosmetic applications

SUDAJET™



A high-purity range of pigments was selected for inkjet application with long-term ink stability performance

SUDANYL™



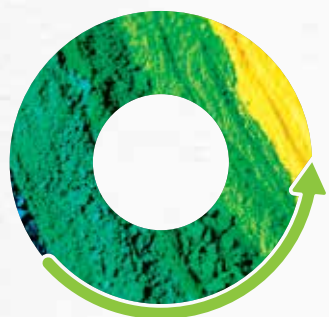
A standard range of high-pigment content water dispersion for coatings and other applications

SUDATEX™



Pigment dispersions for textiles. A carefully selected range of concentrated water-based dispersions is ideal for the surface and thorough coloration of textiles

SUDAFINE™

**Easy-to-use stir-in pigments**

A complimentary range of high pigment-content, water-based, resin-free pastes in easy-to-use stir-in form for decorative paints and other applications

SUDADUR™

**Pigments for durable color**

An extensive range of traditional inorganic pigments that impart excellent color, durability, and coverage for the most demanding applications

SUDAFAST™

**Medium-performance pigments**

A consistently high-quality range of medium-performance organic pigments, increasing the options available for coloration



25+
New products
launched in
FY 2023-24

SUDARSHAN AT A GLANCE

Our affiliated trade and industry chambers/associations



Indian Chemical Council (ICC)

Pigment Manufacturers' Association of India

CHEMEXCIL - Basic Chemicals, Cosmetics & Dyes Export Promotion Council

Maharatta Chamber of Commerce & Industry & Agriculture (MCCIA)

The Ecological & Toxicological Association of Dyes & Organic Pigments Manufacturer (ETAD)

National Safety Council (NSC)

Mahad Manufacturing Industrial Association

Common Hazardous Waste Storage Treatment & Disposal Facility (CHWTSDF)

Mumbai Waste Management Limited (MWML)

Maharashtra Enviro Private Limited (MEPL)

United Nations Global Compact (UNGC)



Business strategy & Risk management

GRI 2-25, 201-2

At Sudarshan, risk management is a continuous procedure that entails identifying, evaluating, and prioritising the various risks to our business and applying resources in a coordinated and economical way to reduce, monitor and control the impact of uncertain events. We continuously improve our product offerings and provide better value to stakeholders. As a result, we have become a reliable business partner in the industry.

BUSINESS STRATEGY & RISK MANAGEMENT

Policy and Basic approach

As risks become more complex, we believe that it is essential to manage them comprehensively. Our risk management policy aims to identify, assess, quantify, mitigate, and manage all current and future material risk exposures of the company. We also aim to establish a framework for the company's risk management process, improve decision-making, ensure systematic evaluation of risks, enable regulatory compliance, and ensure business growth².

Systems and Responsibility

We strive to ensure a safe and secure environment for our company's operations. Our Board of Directors oversee the Risk Management Framework to manage risks within acceptable limits. We have established a Risk Management Committee (RMC) to review our risk management strategy and ensure that risks are managed effectively. We maintain an up-to-date risk register as a part of our risk management system. Sectoral, sustainability, operational, financial, and cyber/information risks are compiled in a risk

register, inclusive of risk ratings and management controls. To keep up with the rapidly evolving operational environment, we regularly review and update our risk register.

We conduct independent assessments of risk management controls and

procedures annually, and the results are reviewed bi-annually by the Risk Management Committee. We adopt appropriate risk response strategy, comprising risk reduction, risk mitigation, and risk sharing based on a thorough analysis.

By continuously monitoring and updating our risk management system, we ensure that our company operates in a secure and sustainable manner. For more information on the risks identified by the company, please refer to page 16 of the ESG report FY23³.

Risk Management Enterprise

We have established robust policies, procedures, and operational initiatives to ensure transparency, compliance, and effective risk management within the company. Our initiatives include an authorization matrix for financial authorities, a foreign exchange risk management framework, and comprehensive policies and procedures for our operations. Further, Sudarshan will implement a Risk Management Information System (MIS) to identify, assess and respond to future risk events. Relevant information from internal and external sources needs to be captured and shared efficiently. Sudarshan will prepare risk registers to capture all risks in operations and functions. Each Risk Officer will have access to all risk registers and be responsible for monitoring them. The Chief Risk Officer will monitor all risks at the Risk Officer level. For details on our Risk Assessment and Management, please refer to our website⁴.

Risk reporting and communication

The following approach should be used for risk reporting and communication

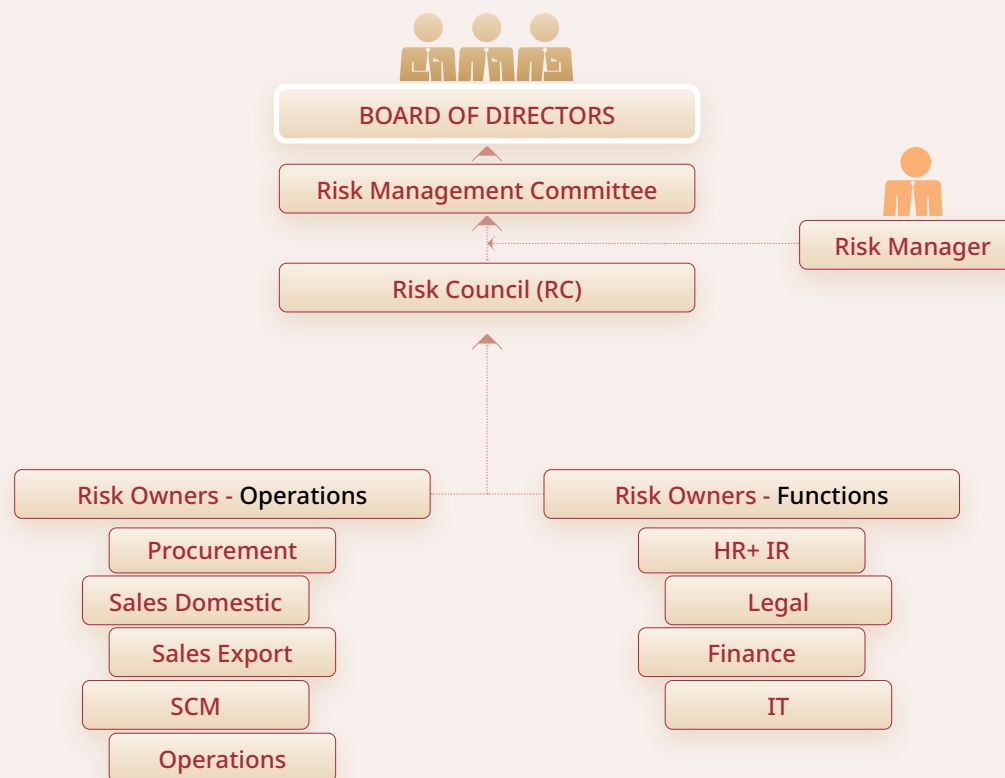


Figure: Risk Governance System Structure

²<https://www.sudarshan.com/risk-management-policy.pdf> | ³<https://www.sudarshan.com/esg-reports/> | ⁴<https://www.sudarshan.com/risk-management-policy.pdf>



Growing together with our Stakeholders

GRI 2-16, 2-26, 2-29, 3-1, 3-2, 3-3

At Sudarshan, we strongly believe that creating value for our stakeholders is essential for our long-term sustainability. We prioritise stakeholder consultation and partnership to ensure that we meet their needs and expectations. We recognise that our stakeholders' feedback is valuable in shaping our organisational goals and strategies. Our communication approach helps us understand our organisational performance and make informed decisions. We are committed to incorporating stakeholder feedback into our ESG and business-related goals to ensure that we create long-term value for all our stakeholders. We follow the best practices to evaluate the risks and opportunities facing our business in the short and long term. We score them based on their importance to us and our stakeholders and create our materiality matrix to prioritise issues that need our attention.

GROWING TOGETHER WITH OUR STAKEHOLDERS

How we identify our stakeholders?

We believe that fulfilling stakeholder expectations is

essential to create lasting value for everyone. The process of identifying stakeholders involves a thorough examination of the

individuals and groups that directly or indirectly impact a company's decisions, products, and operations and are critical in

determining the organisation's responsibilities towards various stakeholders and in managing relationships with them. We

ensure that our stakeholder engagement is equitable and we resolve any tensions while maintaining a focus on priorities.

INTERNAL STAKEHOLDERS

Employees and Contractual Workforce, Board of Directors

**KEY STAKEHOLDERS****EXTERNAL STAKEHOLDERS**

Communities, Vendors/Suppliers, Regulatory Bodies, Customers, Shareholders/Providers of Capital, Industry Forums & Peers & Media

We value our stakeholders' diverse perspectives and have tailored communication channels, including one-on-one meetings, annual general meetings, trainings, group discussions, surveys, supplier and customer meetings, and mechanisms for addressing grievances to engage with them effectively. We value the stakeholder's opinions and feedback to identify and manage critical concerns. We continuously improve our stakeholder engagement process to foster greater participation. Our Stakeholder Engagement Framework outlines our communication methods and approaches. For more details, please refer to page 19 on [ESG Report FY23⁵](#).

⁵<https://www.sudarshan.com/esg-reports/>

The key stakeholder groups identified are:**BOARD OF DIRECTORS****COMMUNITIES****CUSTOMERS****EMPLOYEES & CONTRACTUAL WORKFORCE****INDUSTRY FORUMS & PEERS****VENDORS/SUPPLIERS****REGULATORY BODIES****SHAREHOLDERS/ PROVIDERS OF CAPITAL****MEDIA**

GROWING TOGETHER WITH OUR STAKEHOLDERS

Our Approach to Materiality

Being a sustainability-focused organisation, it is crucial for us to identify and prioritise the critical challenges and imminent opportunities.

To achieve this objective, we conducted a comprehensive materiality assessment through active engagement with our internal and external stakeholders.

This enabled us to identify the key material topics and adopt appropriate actions for managing associated risks and opportunities. During the reporting period FY 2023-24,

we conducted a materiality-refreshment exercise via a leadership consultation workshop, which further helped in understanding the current state and monitoring system of the material topics.

Our detailed process of materiality assessment is presented in our ESG report for FY 2022-23. For more information on materiality assessment, please refer to page 20 on the [ESG report FY23](https://www.sudarshan.com/esg-reports/)⁶.

⁶<https://www.sudarshan.com/esg-reports/>

Matrix of Sudarshan's Material Topics

In FY 2022-23, we refreshed our materiality exercise with a leadership consultation workshop to improve our monitoring system for material topics. The materiality matrix demonstrated below, includes the material topics identified in the assessment which are reflective of the company's strategic sustainability focus, with a particular emphasis on environmental initiatives aimed at reducing carbon emissions. Additionally, the company acknowledges the importance of conserving nature-based

resources, reflected in the assessment's inclusion of ESG topics such as biodiversity and water. Sudarshan aims to limit any negative impacts resulting from its business operations, including pollution. The company's efforts towards sustainability are commendable and demonstrate a commitment to responsible business practices.

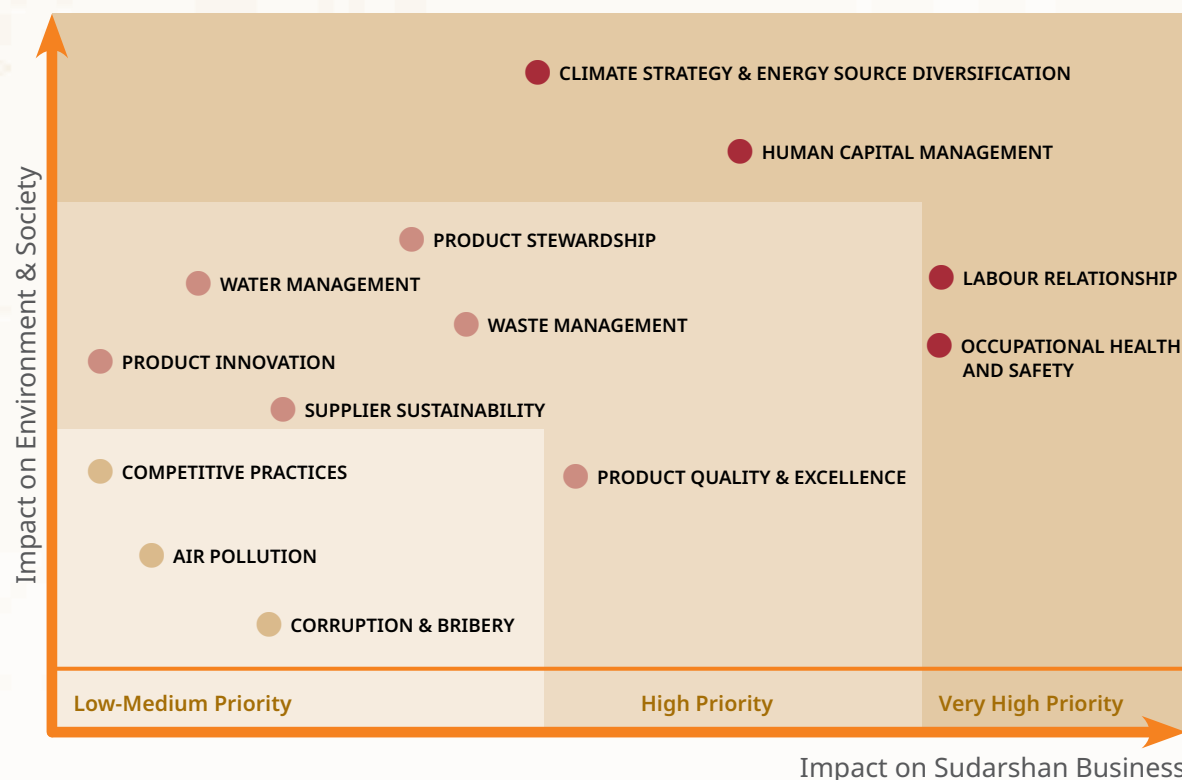


Figure: Materiality Matrix

GROWING TOGETHER WITH OUR STAKEHOLDERS

Our Universe of Material Topics

Our actions can have far-reaching impacts on various stakeholders, and we recognise

the need to take responsibility for our actions.

Therefore, we conduct a materiality assessment to identify the most critical issues that our stakeholders and

businesses face, which helps us to understand and evolve our strategy to maximise opportunities and minimise risks. We gather external insights from a broad range

of stakeholders to understand how these issues may impact our operational or financial performance, reflecting our reputation or growth.

Strategic Pillars



Business Accountability



Environmental Responsibility



Manufacturing Excellence



Strengthening Social Inclusiveness



Corruption and Bribery



Competitive Practices



Climate Change &
Energy Source Diversification



Water Management



Waste Management



Air Pollution



Product Innovation



Product Stewardship



Supplier Sustainability



Product Quality & Excellence



Human Capital Management



Labour Relationship



Occupational Health & Safety

Material Topics



Navigating Sustainability: Our Strategic approach

We are passionate about growing sustainably and we have a clear mission to achieve it. Our approach is a unique fusion of relentless dedication, innovative and sustainable progress, and an unwavering commitment to excellence. We strive to integrate sustainability into every aspect of our business, by considering ESG factors while making decisions and carrying out our operations. At our core, we believe that sustainable practices are essential for the long-term success of our company, stakeholders, and the planet. We are committed to facilitating the transition to a low-carbon economy by implementing our Decarbonisation Plan.

NAVIGATING SUSTAINABILITY: OUR STRATEGIC APPROACH

Sudarshan's Sustainability Scheme Chart



Figure: Sudarshan Scheme Chart



Sudarshan showcases its dedication to sustainability through the implementation of the Sustainability Scheme Chart to streamline its efforts towards continued growth in sustainability. This blueprint strengthens its commitment to sustainable practices and ensures that all stakeholders are working in synergy towards a common goal. To build a resilient and responsible future with a positive impact,

Sudarshan further developed a comprehensive and integrated ESG policy, which serves as a strong foundation. Additionally, its sustainability governance model includes various governance bodies across the organisation who oversee and advise on ESG matters. The process integrates the materiality assessment, roadmap, targets and relevant performance to ensure that Sudarshan's strategies and objectives are aligned with its sustainability and resilience pathways.

NAVIGATING SUSTAINABILITY: OUR STRATEGIC APPROACH

Our Vision for Sustainability

At Sudarshan, our vision is to lead the pigment industry towards a more sustainable and eco-friendly future. We aim to achieve this by creating high-quality pigments that are safe for people and the planet, by promoting responsible practices across our value chain, and inspiring positive change within our industry. This reflects a holistic approach to sustainability, encompassing environmental, social, and economic dimensions, and sets a clear direction for the company's future.

Higher purpose



growing together ...

- Spiritually fulfilled • Socially just • Environmentally sustainable



Vision

To be amongst the top three pigment players in the world



Mission

To be a world-class Global Color Solution provider with an innovative and vibrant culture



ESG Policy Overview

At Sudarshan, we prioritise sustainable, responsible, and ethical business practices. Our ESG policy provides comprehensive guidelines for environmental, social and governance aspects. We are committed to continually improving and engaging with our stakeholders to uphold our values.

Our policy serves as a framework for all our business operations and aligns with globally accepted frameworks. We encourage you to visit our website at⁷ to learn more about our ESG policy and our commitment to operating in a sustainable, responsible and ethical manner.

⁷[https://www.sudarshan.com/environment,-social-and-governance-\(esg\)-policy.pdf](https://www.sudarshan.com/environment,-social-and-governance-(esg)-policy.pdf)

NAVIGATING SUSTAINABILITY: OUR STRATEGIC APPROACH

Shaping our Strategy: A Framework for Sustainability

Our Strategy

Sudarshan's Strategy has been designed to ensure the company's competitiveness, resilience, and adaptability. This has become particularly crucial over the last couple of years, given the challenges posed by the pandemic, alongside an already dynamic and swiftly evolving landscape and industry. The strategy focuses on delivering value by assessing the external macro-environment, risks, opportunities, and material matters. It propels the company towards achieving its vision of becoming the global leader in the pigment industry by operating responsibly and growing sustainably.



Growing Respectfully:
Ensuring and maintaining ethical conduct by upholding governance standards



Growing Responsibly:
Measures to reduce our carbon footprint and conserve natural resources



Growing together by being
Spiritually Fulfilled, Socially
Just & Environmentally
Sustainable



Growing Together:
Embracing diversity, equity and collaboration as a powerful catalyst for positive change



Growing Safely:
Establish a culture of excellence that values the well-being of both our products and employees

We are dedicated to fostering sustainability by following Sudarshan's four core principles: Growing Responsibly, Growing Respectfully,

Growing Safely, and Growing Together, which guide our every move. Our approach is grounded in a deep understanding of the latest trends, risks, and opportunities related

to sustainability, while also meeting the expectations of our stakeholders. With these core values at the heart of our operations, we are confident

that we can achieve sustainable growth that benefits not just our business, but also the wider world around us.

NAVIGATING SUSTAINABILITY: OUR STRATEGIC APPROACH

Our Strategic Pillars



NAVIGATING SUSTAINABILITY: OUR STRATEGIC APPROACH

Sustainability Governance

GRI 2-14



ESG STEERING COMMITTEE

The role includes approving the company's ESG Policy, reviewing existing policies and recommending changes to align with ESG goals, assisting the Board in setting ESG goals and overseeing the development and implementation of ESG strategy. The responsibilities also involve reviewing and disclosing accurate and transparent ESG performance to external stakeholders, improving external ESG ratings, and advising Board Committees on ESG metrics. Finally, the role includes any other functions mandated by the Board from time to time.

Updates ESG Quarterly performance to the Board



ESG WORKING GROUP

The role entails leading the implementation of ESG initiatives, coordinating with various functions, tracking KPIs, developing progress reports, communicating with stakeholders, identifying material ESG issues, reviewing risks and opportunities, recommending policies and actions, and tracking sustainability trends.

Updates ESG monthly performance to the Committee

Updates ESG Weekly performance to the Working Group



RISK MANAGEMENT COUNCIL

Evaluates risk management initiatives



DEPARTMENTS

HR+ IR, Legal, Finance, IT, Procurement, Sales Domestic, Sales Export, SCM

BOARD OF DIRECTORS



Rajesh Rathi
MANAGING DIRECTOR;
CHAIRPERSON OF COMMITTEE

ESG STEERING COMMITTEE



Ashish Vij
Executive Director &
V.P. Operations



Dr. Klaus Baumgart
Head; R&D



Mandar Velankar
General Counsel &
Company Secretary



Shivalika Raje
Head; People
Practices & Chief
Sustainability
Officer

ESG WORKING GROUP



Madhuri Sanas
DGM; CSR & Admin



Ankita Sali
Sr. Product Manager

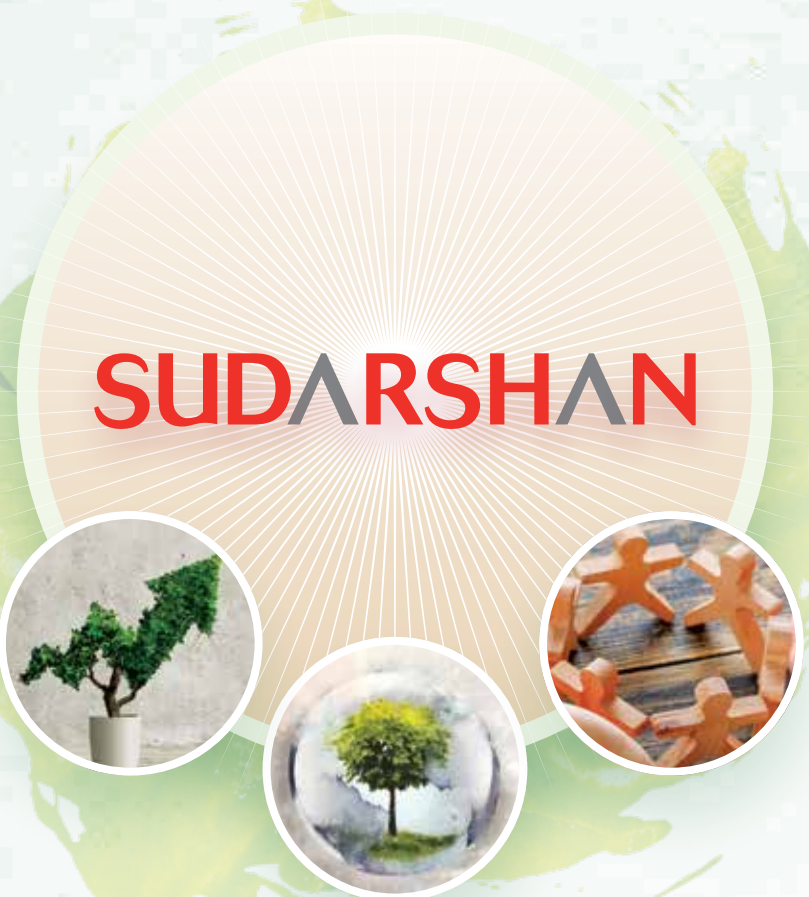


Vaibhav Naik
DGM; EHS



Anil Bhongale
Comptroller

NAVIGATING SUSTAINABILITY: OUR STRATEGIC APPROACH

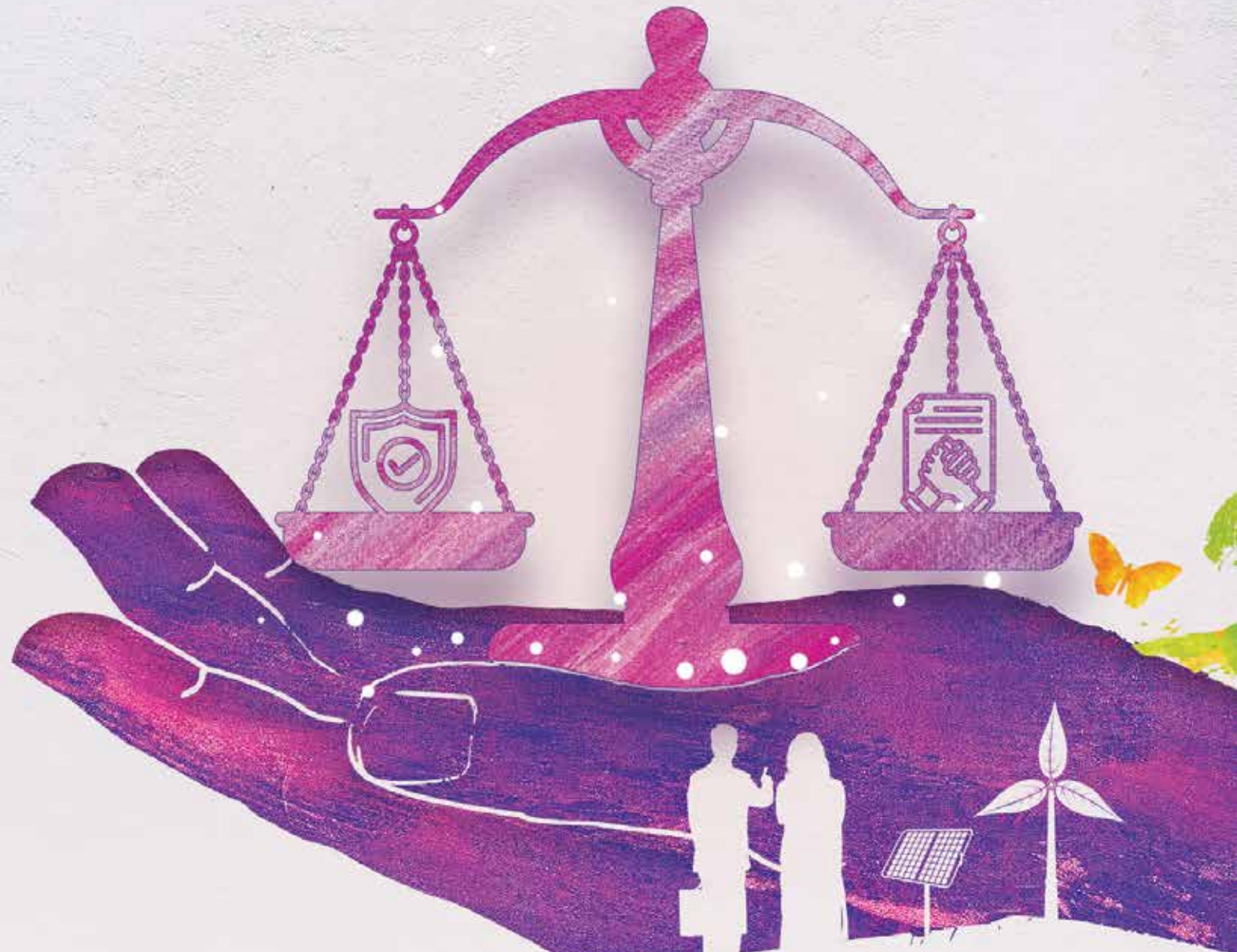


SUDARSHAN

At Sudarshan, we have a strong commitment to conducting our activities in a financially, environmentally and socially responsible manner. To achieve this objective, we prioritise sustainability considerations and integrate them into our strategy and core business. Our ESG Governance model includes various governance bodies across the organization, such as the Board of Directors and Board Committees, who oversee and advise on ESG matters. This includes setting the strategic direction and ambition level as determined by Executive Management and approving our ESG reporting, variable remuneration components and more.

BUSINESS ACCOUNTABILITY

GOVERNANCE FOR SUSTAINABLE IMPACT



BUSINESS ACCOUNTABILITY

20%

FEMALE BOARD OF DIRECTORS

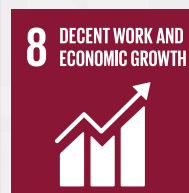
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INCIDENTS OF DATA BREACHES

60%

BOARD INDEPENDENCE

0

FINES OR PENALTIES FOR
NON-COMPLIANCE8 DECENT WORK AND
ECONOMIC GROWTH10 REDUCED
INEQUALITIES16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS

At our company, Accountability is at the core of our business ethos. We hold ourselves responsible for the impact of our decisions and actions on all stakeholders, from employees and customers to the communities we operate in, and the environment at large. Through transparent communication, ethical practices, and a commitment to continuous improvement, we strive to ensure that accountability is ingrained into every aspect of our operations.

BUSINESS ACCOUNTABILITY

Our Approach to Good Governance

At Sudarshan, we strive to champion ethical leadership by cultivating an environment that fosters growth while creating enduring value for stakeholders. By prioritising integrity, responsibility, and accountability, we ensure that our decisions benefit not only our organization but also the communities and environments in which we operate. Our comprehensive and resilient governance framework serves as a protective shield, mitigating legal and regulatory risks, ensuring compliance, and upholding operational integrity. Our company's solid foundation, resilient governance framework, and adaptable market approach enable us to mitigate risks, capitalise on opportunities and optimise value creation.

OUR COMPREHENSIVE GOVERNANCE OBJECTIVES



Mitigating legal and regulatory risks



Ensuring ethical and transparent culture



Upholding operational integrity

Compliance Management

GRI 2-27, 307-1

At Sudarshan, our commitment lies in achieving full compliance with relevant laws and regulations. To ensure this, we have deployed an IT-based Compliance Management Tool, overseen by a third party. This system delegates compliance reporting responsibilities to designated individuals throughout the company, with approvals managed by designated reviewers. The company maintains lists of applicable laws and compliance checklist(s) for regulations across multiple jurisdictions applicable to the company and its subsidiaries, that are monitored and tracked through the compliance tool. Training is provided to various stakeholders on introduction of new provisions and any amendment to existing provisions of the regulations. In the compliance tool, the compliance tasks are mapped to process owners who submit the tasks with supporting evidence.

Identified key stakeholders across functions ensure and confirm compliance with the provisions of all applicable laws. Weekly regulatory updates are disseminated to all the relevant parties to keep them informed of changes, which are then reflected in our legal compliance reporting system, if applicable. Quarterly, we furnish the Board of Directors with a comprehensive compliance report, culminating in a certificate affirming our adherence to all the pertinent laws.



No fines or penalties for non-compliance incurred during the reporting year.

BUSINESS ACCOUNTABILITY

Our Board of Directors

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 405-1

Our Board of Directors, comprising a diverse range of seasoned professionals, plays a pivotal role in ensuring good governance through their expertise, supervision and commitment to ethical conduct. Their collective contributions guide strategic decision-making, fostering transparency and accountability across our organization. As of March 31, 2024, the Board's structure adheres to the guidelines outlined in the Companies Act of 2013 and the Rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') as amended from time to time.

Our Board of Directors actively engages in discussions surrounding matters concerning ESG, emphasising its significance in our organizational strategy. Their commitment to integrating ESG considerations into decision-making processes not only enhances our sustainability efforts, but also reinforces our responsibility towards stakeholders and the broader community.



Drive
business results



Make corporate governance
more effective



Enhance quality and
responsible decision making
capabilities



Ensure
sustainable development



Enhance the
reputation of Sudarshan

Figure: Functions of the Board of Directors



BUSINESS ACCOUNTABILITY

OUR BOARD OF DIRECTORS



Mr. Pradeep R. Rathi

CHAIRPERSON



Mr. Rajesh B. Rathi

MANAGING
DIRECTOR

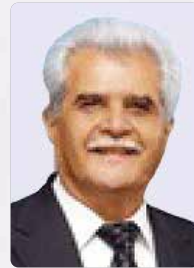
Mr. Ashish Vij

WHOLE TIME
DIRECTOR

Mrs. S. A Panse

NON-EXECUTIVE
& INDEPENDENT
DIRECTOR

Mrs. Rati F. Forbes

NON-EXECUTIVE
& INDEPENDENT
DIRECTOR

Mr. D. N Damiana

NON-EXECUTIVE
& INDEPENDENT
DIRECTORMr. S.
PadmanabhanNON-EXECUTIVE
& INDEPENDENT
DIRECTOR

Mr. Sanjay K. Asher

NON-EXECUTIVE
& INDEPENDENT
DIRECTORMr. Naresh T.
RaisinghaniNON-EXECUTIVE
& INDEPENDENT
DIRECTOR

Mr. Anuj N. Rathi

NON-EXECUTIVE
& INDEPENDENT
DIRECTOR

Composition of Committees

▲ Finance Committee

▲ Audit Committee

▲ Risk Management Committee

▲ Corporate Social Responsibility Committee

▲ Nomination & Remuneration Committee

▲ Stakeholders' Relationship Committee

▲ Shares Committee

BUSINESS ACCOUNTABILITY

Board Diversity

We firmly believe that diverse boards foster superior decision-making processes, elevate governance standards, and ultimately contribute to the creation of long-term value. Embracing diversity in boardrooms ensures a rich tapestry of perspectives, driving innovation, resilience, and sustainable growth for our organization.



Sudarshan's 'Board Diversity, Remuneration and Succession Policy' steers the composition and conduct of our Board of Directors. The Policy ensures diversity on our Board, fostering a range of perspectives to enrich decision-making processes. The policy document is publicly available on the company's website⁸.

The composition of our board reflects a diverse mix of skill sets, expertise, and gender representation. The skill matrix of the company's directors is elaborated in the Report on Corporate Governance of Sudarshan's Annual Report 2023-24⁹.



Number of Board Members

10



Number of Executive Directors

2



Number of Independent Directors

6

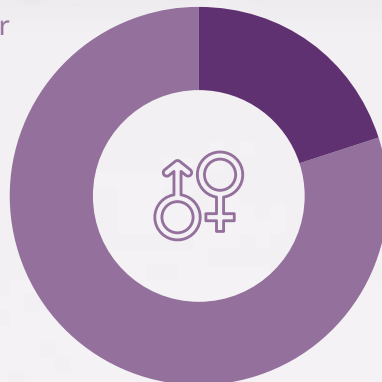


Number of Non-Executive & Non-Independent Directors

2

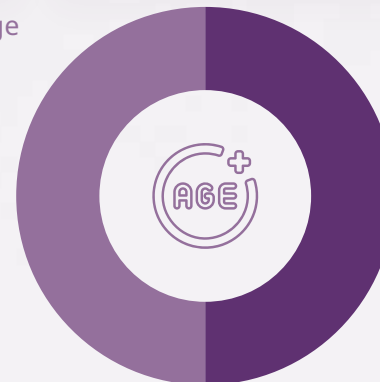
Board Diversity by Gender

- Male: **80%**
- Female: **20%**



Board Diversity by Age

- > 60 years: **50%**
- 40-60 years: **50%**



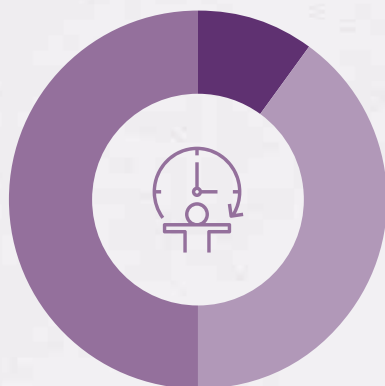
⁸<https://www.sudarshan.com/board-diversity-remuneration-and-succession-policy.pdf>

⁹<https://www.sudarshan.com/annual-report-2022-23.pdf>

BUSINESS ACCOUNTABILITY

Tenure of Board Members

- <5 years: **10%**
- 5-10 years: **40%**
- >10 years: **50%**



Experience of Board Members

- > 5-10 years: **10%**
- >10 years: **90%**



Board Meetings & Attendance

During the reporting year, the Board of Directors convened meetings on eight occasions. The Report on Corporate Governance forming part of the Annual Report offers specifics on the frequency of these meetings and the attendance record of each director. The maximum duration between two meetings did not surpass 120 days, adhering to the regulations outlined in the Companies Act, 2013 and SEBI Listing Regulations, 2015. For further information on board meetings and attendance, kindly refer to the quarterly Corporate Governance Reports¹⁰ for FY 2023-24 submitted to the Stock Exchanges.

Management Bodies

GRI 2-9

To enable the smooth execution of functions and duties, the board delegates responsibilities to management, with Board Committees serving as a coordinating mechanism. Management of Environmental, Social, and Governance (ESG) aspects is overseen by various committees, including the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility ("CSR") Committee, Risk Management Committee and Stakeholders' Relationship Committee.

¹⁰<https://www.sudarshan.com/corporate-governance-reports/>



BUSINESS ACCOUNTABILITY

S No.	Name of the Committee	Responsibilities	Independence
1	Audit Committee	- Ensures the company's compliance with legal and regulatory requirements while overseeing the quality and integrity of its accounting, auditing and reporting practices - Supervises various aspects, including the accounting and financial reporting process, audits of financial statements, appointment, independence, performance, and remuneration of statutory auditors, including Cost Auditors, internal auditors' performance and the company's risk management policies	100%
2	Nomination & Remuneration Committee	- Formulates criteria for appointment and determines remuneration for Directors, Key Management Personnel (KMP) and Senior Management Personnel - Oversees the internal board evaluation process and is composed entirely of Independent Directors	100%
3	Stakeholders' Relationship Committee	- Supervises various aspects concerning the interests of the company's security holders, addressing, and resolving any grievances expressed by them - Assesses the strategies implemented to facilitate our investors' effective exercise of their voting rights	33.33%
4	Risk Management Committee	Offers guidance in monitoring various risks, including those related to environmental, social, and governance factors, and formulates strategies to mitigate them effectively.	50%
5	Corporate Social Responsibility Committee	- Formulates and recommends the CSR policy for Board approval - Recommends CSR expenditure to the Board - Monitors policy implementation and legal compliance - Ensures CSR surplus doesn't add to profits - Oversees CSR activities' alignment with policy - Reports on CSR activities and spending to the Board - Conducts other Board-mandated tasks	33.33%
6	Finance Committee	Approves the terms of financing proposals within the powers conferred by the Board of Directors from time to time, among other functions.	60%
7	Shares Committee	Considers proposals for transmission, transposition, demat, remat etc. as applicable based on the report of the Company's Registrar and Transfer Agent.	Comprises of the Chairman, the Managing Director and a Wholetime Director

Table: Management Bodies & Responsibilities

BUSINESS ACCOUNTABILITY

Assessing Board Performance

GRI 2-18

The process of board evaluation ensures the effective assessment of both the Board and its Committees, including Independent Directors, aligning with regulations and our business strategy. The Nomination and Remuneration Committee holds a pivotal role in identifying qualified individuals for directorship and senior management positions based on predefined criteria. It recommends appointments or removals to the Board and establishes procedures for evaluating the performance of the Board, its committees, and individual directors, while also overseeing the execution and adherence to these evaluation processes. Additionally, it provides recommendations to the Board regarding the appointment, compensation, and removal of Directors, Key Management Personnel (KMP), and Senior Management.



Nomination and Remuneration Procedure

GRI 2-10, 2-18, 2-19, 2-20, 2-21

The Nomination and Remuneration Committee monitors the selection criteria and compensation structure for our Directors, Key Management Personnel (KMPs), and Senior Management Personnel. Our evaluation process for potential candidates encompasses academic qualifications, sector-specific and functional expertise, integrity, public conduct, and strategic acumen. Remuneration decisions are based on various factors, including individual and company performance, annual objectives, adherence to our HR policy, and industry standards.

Business Ethics

GRI 2-23, 2-24, 205-1, 205-2, 205-3, 206-1

At Sudarshan, we maintain a steadfast commitment to refraining from any involvement or endorsement of unethical practices or illegal activities. We have established a range of policies, codes, and Standard Operating Procedures ('SOPs') to operationalize our dedication to good governance.

Anti-bribery & Corruption

At Sudarshan, we enforce a strong Code of Conduct against corruption and bribery. We have in place a 'Code of Conduct for Directors and Senior Management Personnel'¹¹, who adhere to their own ethical standards, disclosing potential conflicts of interest. Annually, they reaffirm their commitment to the company's goals and pledge to avoid conflicts. We also have an 'Individual Code of Conduct'¹² that is applicable to all employees including Directors, Officers, workmen, employees of Sudarshan and its subsidiaries and affiliates in India. It applies to contractors, contractual employees and visitors.

With a zero-tolerance approach to corruption, our Code of Conduct and Whistle-blower Policy serve as robust safeguards against fraudulent behaviour at every level of the company. Through comprehensive risk assessments, we diligently identify and address potential corruption, bribery, and anti-competitive risks across our operations.

¹¹<https://www.sudarshan.com/code-of-conduct-for-directors-and-senior-management-personnel.pdf>

¹²<https://www.sudarshan.com/employee-code-of-conduct-policy.pdf>

¹³<https://www.sudarshan.com/whistle-blower-vigil-mechanism-policy.pdf>

Whistle-Blower Mechanism

Our Whistle-Blower Policy, also known as 'Vigil Mechanism Policy', encourages directors, employees, and business associates to report unethical behaviour, fraud, or Code of Conduct violations without fear of reprisal. We ensure impartial investigation and take appropriate action to uphold professional and ethical standards, while also protecting whistle-blowers from victimization or harassment. Further details of the policy can be accessed through the publicly available Policy document¹³ on Sudarshan's website.

Anti-Competitive Behaviour

We believe in promoting healthy competition by offering high-quality products and services at fair prices, adhere to strict sustainability practices and encourage ethical and fair transactions among competitors without any interference. We only acquire competitive information through legal and ethical means such as public domain data, published news

articles and press releases. Additionally, it is expected that all employees understand and comply with competition law principles.

During the reporting year, no cases of corruption or bribery, unfair trade practices, anti-competitive behaviour, monopolistic practices, or conflicts of interest were reported.

Our Corporate Policies

Our governance framework and policies reinforce stringent ethical standards, promoting honesty, integrity, and compliance throughout our organisation. Clear guidelines explain expected behaviour for employees, management, suppliers and this ensures alignment with our core values. Regular reviews and updates to our code of conduct enhance its effectiveness, with detailed policies and codes accessible on our company website¹⁴.

¹⁴<https://www.sudarshan.com/company-policies/>

BUSINESS ACCOUNTABILITY

S No.	Policy	ESG Aspects		
		Environment	Social	Governance
1	Board Diversity, Remuneration and Succession			
2	Code of Conduct for Business Partners			
3	Code of Conduct for Directors and Senior Management Personnel			
4	Code of Conduct to Regulate, Monitor and Report Trading by Insiders			
5	Corporate Code of Conduct			
6	Code of Fair Disclosure			
7	CSR			
8	Determination of Material Events or Information			
9	Dividend Distribution			
10	Diversity & Inclusion			
11	Environment, Health & Safety			
12	Environment, Social, Governance (ESG)			
13	Employee Benefits			
14	Equal Employment			
15	Employee Code of Conduct			
16	Human Rights			
17	Integrated Management System (IMS)			
19	Investor Communication			
20	IT & Cyber Security			
21	Material Subsidiary			
22	Preservation of Documents			
23	Prevention of Sexual Harassment at the Workplace			
24	Related Party Transactions			
25	Responsible Procurement			
26	Risk Assessment & Management			
27	Whistle-blower (Vigil Mechanism)			

Table: Corporate Policies



BUSINESS ACCOUNTABILITY

Financial Performance Overview

GRI 201-1

Our company's economic performance remains robust, marked by steady growth, sound financial management, and strategic investments. Through prudent decision-making and a focus on value creation, we continue to strengthen our position in the market and deliver sustainable returns to our stakeholders. Striding towards our vision of being among the top three pigment manufacturers globally, we focus on expanding product lines, strengthening manufacturing, exploring new markets, investing in our workforce, and embedding sustainability across all operations.

During the reporting year, our standalone total income reached ₹21,588.23 million, showing a 9% growth from ₹19,802.55 million in the preceding period. EBIT for FY 2023-24 increased to ₹1,556.12 million from ₹745.16 million in FY 2022-23, with Profit After Tax for FY 2023-24 witnessing an increase to ₹3,351.24 million, from ₹314.1 million in the previous reporting year. Retained earnings for FY 2023-24 recorded ₹2,984.11 million compared to ₹(28.6) million in the previous financial year.

Particulars	FY 2023-24 (₹ Million)	FY 2022-23 (₹ Million)	FY 2021-22 (₹ Million)
Net revenue from operations	21,414.29	19,761.05	19,189.11
Revenue from other sources	173.94	41.5	83.82
Total revenue	21,588.23	19,802.55	19,272.93
Operating cost (includes the cost of raw materials, depreciation, and other expenses)	18,557.41	17,787.86	16,432.70
Employee wages and benefit	1,474.70	1,269.53	1,292.54
EBIT	1,556.12	745.16	1,547.69
Interest	287.07	366.89	173.11
Profit before exceptional items and tax	1,269.05	-	-
Exceptional items	3,116.60	-	-
PBT	4,385.65*	378.27	1,374.58
Tax	1,034.41	64.17	370.82
PAT	3,351.24	314.1	1,003.76
Dividend (net of DDT)	353.06	346.14	415.36
Retained earnings (for the FY)	2,984.11	(28.6)	580.15

Table: Economic Performance for FY 2023-24

Note: *Includes Profit before exceptional items and tax & Exceptional items. Exceptional items include sale of freehold land and divestment of wholly owned subsidiary. Refer note 53 of Sudarshan Chemical's Annual Report FY 23-24; Page 243 for further details.

BUSINESS ACCOUNTABILITY

Responsibility Towards Employees: Pension and Retirement Plans

GRI 201-3

Demonstrating our commitment as a responsible employer, we ensure our employees' enduring financial security through a defined contribution plan along with an array of valuable perks. These benefits encompass medical and life insurance, access to healthcare services, maternity, and paternity leave, complementing our defined contribution plan.

According to the law, all employees of Sudarshan and its domestic subsidiary are entitled to benefits under the Provident Fund Act. Contributions to the provident and labour welfare funds are recognised in the Statement of Profit and Loss.

We also contribute to a defined contribution Superannuation Scheme for employees who opt in, administered by Life Insurance Corporation of India, with no further obligation beyond annual contributions.

We have a defined benefit gratuity plan under the Payment of Gratuity Act, 1972. Employees with at least five years of service receive a gratuity upon departure, calculated as 15 days' salary for each year of service. This scheme is funded through insurance policies, and our company accounts for future liabilities based on an independent actuarial valuation as of the reporting date.

Defined Contribution schemes	FY 2023-24 (₹ Million)	FY 2022-23 (₹ Million)	FY 2021-22 (₹ Million)
Contribution to Provident Fund*	64.23	64.38	117.69
Contribution to Gratuity Fund	19.94	21.01	16.61

Table: Pension and Retirement Benefits

*Includes contribution towards Employee State Insurance Scheme

Government Aid

GRI 201-4

During the reporting period, we received only export incentives from Government like EPCG Income, RODTEP and DBK with the total Government grant (exports)

received is ₹165.83 million. The total monetary value of the export incentives received in FY 2023-24 from Government entities are mentioned below:

We have utilised import duty exemption through the Export Promotion Capital Goods (EPCG) scheme, which permits duty-free import of capital goods, including spares, for pre-production, production, and post-production purposes, with the condition of subsequent export. Pursuant to this scheme, we are committed to fulfilling export obligations amounting to six times the duty savings on the imported capital goods.



BUSINESS ACCOUNTABILITY

Tax Management

GRI 207-1, 207-2, 207-3, 207-4

Guided by our commitment to regulatory compliance and equitable wealth distribution, our tax strategy is monitored by the Chief Financial Officer (CFO), ensuring strict adherence to tax laws and initiative-taking planning. We prioritise training our internal stakeholders on domestic and international tax regulations

relevant to our operations, aiming for transparency across all aspects of taxation within our business. Detailed information on tax implications across different geographic regions where we operate is provided below:

Tax Jurisdiction	India	India	USA	Mexico	China	Japan	Europe
Name of Resident entities	Sudarshan Chemical Industries Limited	RIECO Industries Limited	Sudarshan North America Inc.	Sudarshan Mexico S. de R. L. de CV	Sudarshan (Shanghai) Trading Company Limited	Sudarshan Japan Limited	Sudarshan Europe BV
Primary activities of the organization	Pigment Manufacturing, R&D, Sales	Innovative solutions for process optimization	Sales, Marketing & Distribution	Sales, Marketing & Distribution	Sales, Marketing & Distribution, Procurement	Sales, Marketing & Distribution	Sales, Marketing & Distribution
Number of employees and basis of calculation for this number	1,248	319	08	04	02	04	08
Total Employee remuneration (Mn)	₹1,377.9	₹303.19	₹123.87	₹23.76	₹9.01	₹41.20	₹83.45

Table: Tax Management

CONTINUED



BUSINESS ACCOUNTABILITY

Tax Jurisdiction	India	India	USA	Mexico	China	Japan	Europe
Taxes withheld and paid on behalf of the employees (Mn)	₹189.2	₹26.16	₹20.81	₹4.25	Nil	₹2.15	₹22.37
Taxes collected from customers on behalf of tax authority (Mn)	₹130.6	₹27.13	Nil	Nil	Nil	Nil	Nil
Industry related and other taxes or payments to government (Mn)	₹880.6	₹27.50	Nil	Nil	Nil	Nil	Nil
Significant uncertain tax positions (Mn)	₹33.2	None	None	None	None	None	None
Revenues from third party sales (Mn)	₹3,905.3	₹3,165.86	₹1,658.35	₹697.95	₹20.86	Nil	₹2,346.23
Revenues from intra-group transactions with other tax jurisdictions (Mn)	₹17,264.4	Nil	₹17.21	₹5.66	₹1.70	Nil	₹1.80
Profit/loss before tax (Mn)	₹4,385.6	₹633.77	₹68.98	₹38.55	₹0.06	₹2.48	₹89.11

Table: Tax Management

CONTINUED

BUSINESS ACCOUNTABILITY

Tax Jurisdiction	India	India	USA	Mexico	China	Japan	Europe
Tangible assets other than cash and cash equivalents (Mn)	₹10,211.3	₹11.13	₹0.27	₹0.12	₹0.08	₹0.14	₹0.14
Corporate income tax paid on cash basis (Mn)	₹880.6	₹27.50	Nil	₹18.05	Nil	₹0.04	₹28.45
Corporate income tax accrued on profit/loss (Mn)	₹886	₹26.58	Nil	₹11.89	Nil	₹0.04	₹21.13
Reasons for difference between corporate income tax accrued on profit/loss and the tax due if the stationary tax rate is applied to profit/loss before tax'	-	-	-	-	-	-	-
Time period covered by the information reported above	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24

Table: Tax Management



BUSINESS ACCOUNTABILITY

Privacy & Security Measures

GRI 418-1

Digitisation

Acknowledging the transformative effects of technology and the information revolution on the market and business practices, we consistently enhance our technologies, automate processes, and have digitised our information management systems to keep pace with industry advancements. Our initiative to improve and automate vendor communication and transparency has enabled smooth interactions with our valued vendors and resulted in increased operational efficiency and substantial reductions in manual workload. Additionally, we have successfully transitioned to SAP S4 HANA to further increase efficiency.

Our endeavours have led to a remarkable 87.5% decrease in manual auto-billing processes, underscoring the tangible benefits of our digital transformation initiatives.

Data Privacy

At Sudarshan, we understand the importance of upholding stringent data privacy and have a Privacy Policy¹⁵ in place to safeguard sensitive information with the highest standards of integrity. The Policy describes the privacy practices in connection with the information collection by Sudarshan.



IT & Cyber Security

Committed to ensuring data security, we adhere to rigorous regulatory standards, conduct regular vulnerability assessments, including multi-factor authentication and advanced access controls. Our IT and Cybersecurity Policy¹⁶ aims to manage and protect all IT resources used by employees, ensuring optimal utilisation while complying with legal and security requirements. It covers IT infrastructure management, hardware/software procurement, and SAP system administration and development. As part of this overarching Policy, we have an IT Management Policy, which describes the process of reporting to data breaches within our company. We also regularly conduct information security risk assessments. Any identified cyber risks are reported and updated to operations management, senior management, and the Board of Directors of our company at least twice a year. Our company proudly offers Tier 4 data centers, representing the pinnacle of reliability and performance, and adhering to stringent security protocols with multi-layered physical and cybersecurity measures to safeguard sensitive information against any threats. Furthermore, we are committed to achieving ISO 27001 certification to ensure the highest standards of information security.

During the reporting period, no incidents of data breaches across our operations were reported.



¹⁵<https://www.sudarshan.com/privacy.pdf>

¹⁶<https://www.sudarshan.com/it-and-cyber-security-policy.pdf>

ENVIRONMENTAL RESPONSIBILITY

TRANSITION TO LOW CARBON



ENVIRONMENTAL RESPONSIBILITY

42.4%

**GHG EMISSION (Scope 1 and Scope 2)
REDUCTION BY 2030 (SBTi NEAR TERM
TARGET COMMITTED)**

68%

**PURCHASED ELECTRICITY
CONSUMPTION FROM RENEWABLE
ENERGY IN FY 2023-24**

Safeguarding our environment and the climate stands tall as the most significant challenge of our time. As a responsible pigment manufacturer, it is our duty to protect the natural foundation of life for our future generations. This calls for a continuous reduction in emissions in line with our sustainable strategy. At Sudarshan, we work to protect the environment by reducing our carbon footprint through sustainable product design, improved energy efficiency, efficient resource management and responsible waste management. Our focuses include diversifying energy sources, recycling and reusing water and responsible material management.

ENVIRONMENTAL RESPONSIBILITY

Key Initiatives making an Impact



Development of
Decarbonisation
Roadmap



Sudarshan's
commitment to SBTi
Near Term Target

Climate Action Roadmap

We acknowledge the critical need to address climate change and its widespread impacts, and we are fully committed to backing the decarbonisation strategies. Our approach involves setting ambitious science-based decarbonisation targets time bound, accelerating our progress towards net zero emissions, and proactively managing the risks and opportunities associated with climate change. We target each emission source with an aim to significantly reduce all our direct and indirect greenhouse gas emissions sources.

To drive progress, we have laid out a clear roadmap towards carbon neutrality. Specifically, we are striving to transition to low carbon raw materials and fuels, conserve energy by implementing high energy efficient equipment, and maximise the use of renewable energy sources. In 2023, we significantly focused on implementing the decarbonisation plan, completing our Scope 3 base-lining exercise, and now actively working to identify emissions reduction opportunities across the value chain.



ENVIRONMENTAL RESPONSIBILITY

Four Steps Decarbonization Roadmap Analysis

42.4% GHG Emission reduction (Scope 1 and Scope 2) by 2030

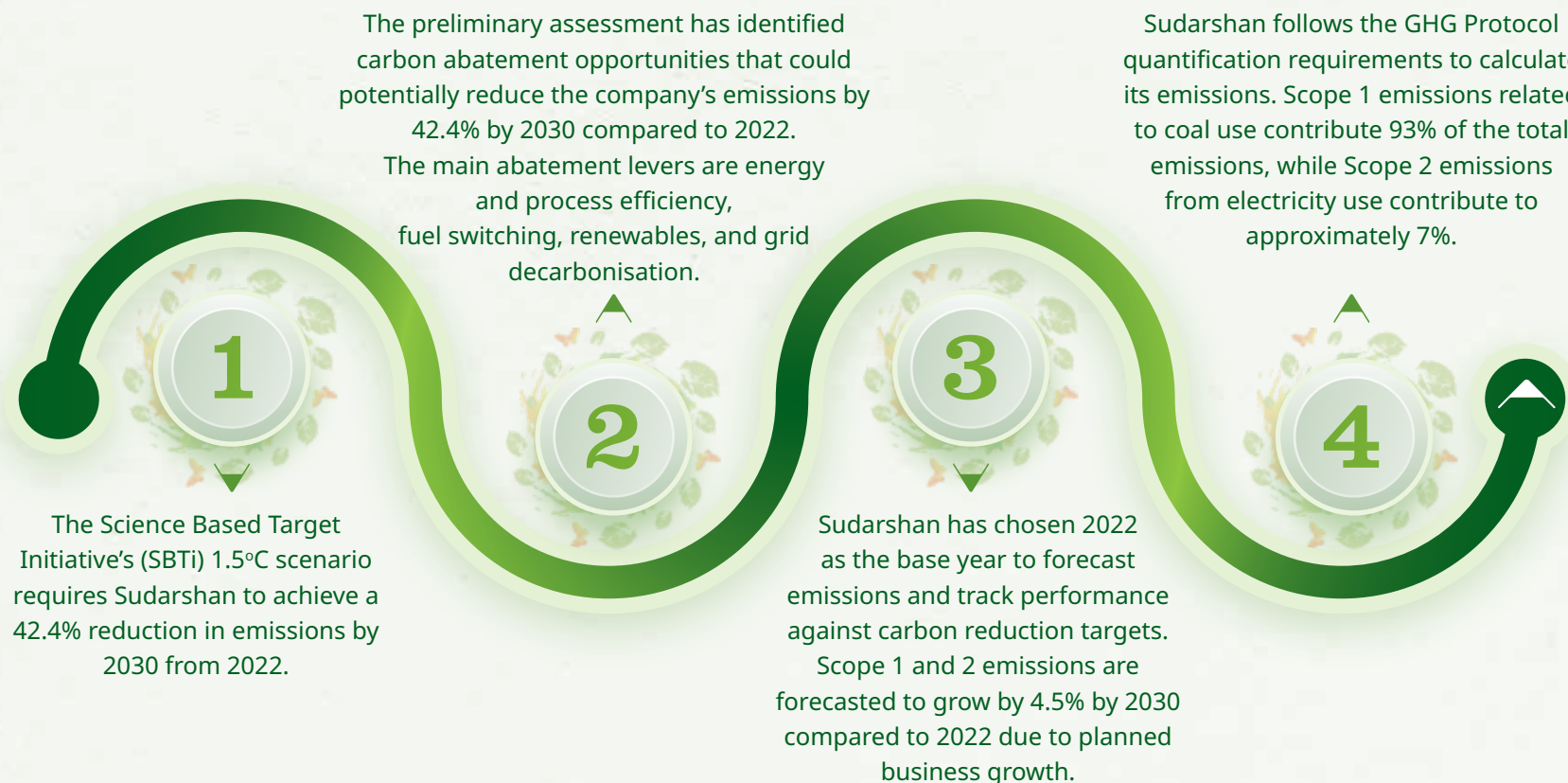


Figure: Sudarshan Four Steps Decarbonization Roadmap Methodology



Sudarshan's commitment to emission related targets

As part of our SBTi commitment, Sudarshan is striving to reduce emissions by 42.4% by 2030 from the 2022 baseline¹⁷.

¹⁷Committed to SBTi Framework: Refer SBTi Website for Sudarshan commitment

ENVIRONMENTAL RESPONSIBILITY

Policy and Management

Sudarshan takes pride in operating in an environmentally responsible manner, further adhering to comply with environmental laws and regulations. Our code of conduct provides guidance on the behaviours we expect from ourselves and our partners. We believe that we have a moral obligation to minimise our reliance on natural resources, promote environmental sustainability, and reduce the impact of our products on the environment from cradle to grave.

To meet these goals, we have implemented an EHS management system as per our policy, which aligns with internationally recognised standards. This system assesses

the environmental risks of our activities, establishes operational controls, and conducts regular checks through a risk-based audit program. Our commitment to the environment is not a one-time effort. We have a periodic management review process in place to ensure that we continue to meet our environmental commitments and seek out new ways to improve our environmental performance. We believe that our efforts to minimise our environmental impact are essential to creating a better world for ourselves and future generations. Our all manufacturing plants are 100% ISO 14001:2015, 45001:2018 & 9001:2015 certified.



Sudarshan is dedicated to promoting safety, health, and environmental protection in all aspects of our activities - from product development to disposal. We believe in being transparent about our efforts and engaging in meaningful dialogue with stakeholders. Furthermore, our ESG¹⁸ & EHS¹⁹ Policy reflects our commitment to environmental stewardship by emphasising our responsibility to operate and maintain our facilities in a safe and environmentally conscious manner. We strive to follow the principles of Comply, Minimise, Conserve, Educate, Evaluate, Audit, and the 4Rs of the circular economy to ensure our work aligns with our goal of environmental sustainability. Sudarshan plays an active role in promoting environmental awareness and sustainability by conducting regular training sessions for its employees on climate change issues. Moreover, we periodically conduct audits of operations to find areas for improvement in compliance with local regulatory bodies.

¹⁸<https://www.sudarshan.com/environment-social-and-governance-esg-policy.pdf>

¹⁹<https://www.sudarshan.com/environment-health-and-safety-policy.pdf>

ENVIRONMENTAL RESPONSIBILITY

Energy Efficiency

GRI 302-1, 302-3

The pigment industry consumes a significant amount of energy during the manufacturing processes. Enhancing energy efficiency can lead to cost savings and lowering the environmental impact. Focusing on energy efficiency is crucial for the industry to enhance its environmental performance and economic competitiveness.

Sudarshan aims to reduce its dependency on fossil fuels and

boost energy efficiency. We utilise steam and power in our manufacturing processes in compliance with global energy management standards. During the reporting period, 5.3% of our total energy consumption was derived from renewable energy sources. Our energy sources include coal, LPG, furnace oil, diesel, grid electricity and renewable energy. We are committed to increasing

the proportion of renewable energy in our portfolio and have signed power purchase agreements with renewable energy companies. We are actively working towards our decarbonization efforts and 68% of our purchased electricity consumption was from renewable energy in FY 2023-24.

S. No	Sudarshan Chemicals	Unit	FY 2023-24	FY 2022-23	FY 2021-22
1.	Electricity - Solar	GJ	89,798	87,488	85,811
2.	Electricity - Purchased	GJ	65,006	75,133	71,571
3.	Electricity - Wind	GJ	47,349	21,463	19,837
4.	Total Purchased (RE+non-RE)	GJ	2,02,153	1,84,083	1,77,219
5.	Coal	GJ	23,60,375	19,02,426	20,35,289
6.	Diesel	GJ	3,737	4,107	6,881
7.	Furnace Oil	GJ	-	3,651	4,404
8.	LDO	GJ	1,207	483	3,046
9.	LPG	GJ	-	1,958	93
10.	Total Energy Consumption	GJ	25,67,472	20,96,708	22,26,931
11.	Energy Intensity per metric ton of product	GJ/MT	72.0	70.4	68.7

Table: Details on Energy Management



Our Initiatives

To optimise energy usage in ongoing projects, we conduct regular energy audits to assess energy consumption and identify areas for improvement. Our business excellence team is continuously working with process engineering and R&D teams for improving the production processes. This has led to lower energy consumption by optimizing process parameters and ensuring that the equipment operate at optimal efficiency. We need to identify non-production activities that consume a significant amount of energy and find ways to reduce their energy consumption. Furthermore, we can explore innovative ways to minimise the energy-intensive nature of new product lines such as HPPs and CICPs, while still maintaining their quality. By taking these steps, we will not only reduce our energy consumption, but also contribute towards a more sustainable future.

ENVIRONMENTAL RESPONSIBILITY

Climate Resilience: Mitigating GHG Impact

GRI 305-1, 305-2, 305-3, 305-4, 305-5

Reducing greenhouse gas (GHG) emissions is essential in combating climate change and mitigating its detrimental environmental impact. This involves implementing a range of strategies targeting various emission sources across our operational areas. These strategies may involve implementing new technologies, modifying existing systems or adopting new processes that

can help reduce GHG emissions. By targeting different sources of emissions, we can work towards creating a sustainable future for ourselves and future generations.

We are committed to reducing our carbon footprint and contributing to global efforts to combat climate change. Our endeavours include cleaner technologies, energy efficiency and responsible waste

management. We increased our use of renewable energy to align with the objectives of the Paris Climate Change Agreement. We have used IPCC guidelines for GHG inventories (2006) to calculate the emissions for FY 2023-24 with the baseline year FY 2021-22. Operational consolidation approach for emissions has been adopted for emission calculation.

S.No	Sudarshan Chemical Industries	Unit	FY 2023-24	FY 2022-23	FY 2021-22
1.	Coal	tCO ₂ e	2,23,291	1,82,823	1,95,620
2.	Electricity - Purchased	tCO ₂ e	15,828	14,922	15,706
3.	Diesel	tCO ₂ e	294	304	510
4.	Furnace Oil	tCO ₂ e	-	283	341
5.	LDO	tCO ₂ e	89	36	226
6.	LPG	tCO ₂ e	-	124	6
7.	Scope 1	tCO ₂ e	2,23,675	1,83,569	1,96,702
8.	Scope 2	tCO ₂ e	15,828	14,922	15,706
9.	Total GHG Emissions	tCO ₂ e	2,39,503	1,98,491	2,12,408
10.	GHG Emissions Intensity per metric ton of product (tCO ₂ e/MT)	tCO ₂ e/MT of production	6.71	6.74	6.52

Table: Details on GHG Emission

Note: Emission factors used for the calculation of scope 2 emissions has been updated and considered up till three decimal place.



Our Initiatives

Our company is leveraging innovative technologies and energy reduction programmes to achieve sustainability. This includes digitising operations, optimising logistics, implementing green chemistry and utilising heat recovery systems to minimise our carbon footprint, contributing to a greener future.

ENVIRONMENTAL RESPONSIBILITY

Scope 3 emissions represent the predominant portion of GHG emissions in our sector. GHG Scope 3 provides guidance to organizations for preparing and publicly reporting their greenhouse gas (GHG) emissions inventory, including indirect emissions from value chain activities. This aims to provide a comprehensive view of the organization's entire value chain emissions, facilitating more informed and sustainable decision-making on its activities.

The total Scope 3 emission for the reporting year is 2,57,676 tCO₂e. Our Scope 3 emissions were calculated for the categories considered important for our business from the baseline year FY 2021-22 which are detailed as:

Upstream Categories

1. Category 1: Purchased goods and services
2. Category 2: Capital goods
3. Category 3: Fuel and energy related activities
4. Category 4: Upstream Transportation and Distribution
5. Category 5: Waste Generated in Operations
6. Category 6: Business Travel
7. Category 7: Employee Commute

Downstream Categories

8. Category 9: Downstream Transportation and Distribution

Our operational activities contribute the maximum in Scope 3 i.e., approximately 52% indicating a large

contribution of our supply chain activities in the overall environmental impact. To calculate Scope 3 emissions, we used emission factors (EFs) from secondary LCIA databases like Ecoinvent, UK BEIS(Defra) and other verified sources. For FY 23-24, there has been a change in the emission factor for Road and Air Freight (Category 4 and Category 9) in the DEFRA database.

For the reporting year, a reduction from the previous reporting year has been observed in Capital Goods and Business Travels and Downstream Transportation and Distribution. This indicates more energy-efficient processes and technologies in the production, use of sustainable technologies for our manufacturing facility, choosing lower emission transport fuels and alternative energy resources and efficient logistics and distribution in our daily operations.

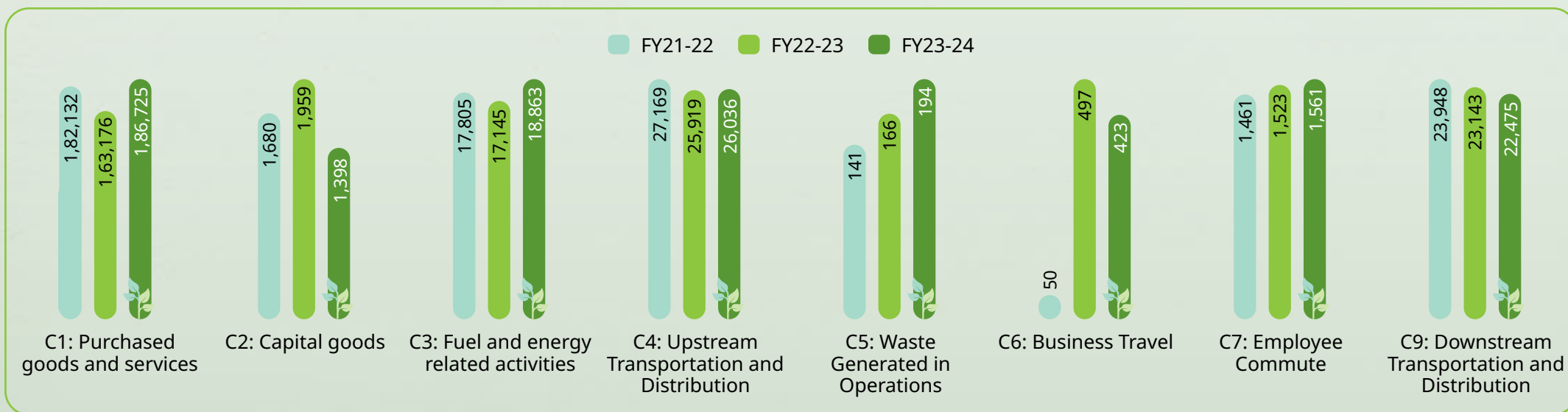


Figure: Y-O-Y Scope 3 Emissions from Indirect sources in tCO₂e

Thus, composition for Scope 1 is 45%, Scope 2 is 3% and Scope 3 is 52% approximately.

ENVIRONMENTAL RESPONSIBILITY

Air Emission and Quality

GRI 305-6, 305-7

Air pollution is a critical issue that requires urgent attention to safeguard the environment, human health and wildlife. The harmful emissions such as PM, SOx, NOx, and ozone-depleting substances pose significant threats to the ecosystem. To address these challenges, our company is committed to consistently monitoring air quality at an operational level. By doing so, we aim

to identify potential environmental risks and take necessary measures to mitigate them. We ensure that our air emissions are always within the established norms and strictly adhere to the obligations governing stack emissions and air quality. Furthermore, we are proud to say that we are contributing to a healthier planet by not using any ozone-depleting substances in our operations.

Air Emission Parameter	FY 2023-24 (MT)	FY 2022-23 (MT)	FY 2021-22 (MT)
SOx Emissions	176.06	141.83	187.36
Particulate Matter (PM)	62.40	89.67	40.85
NOx Emissions	15.43	17.77	11.79

Table: Details on Air Emission



Our Initiatives

We are committed to reducing emissions and preserving natural resources by implementing various strategies. By maximising operational efficiency, we can reduce our carbon footprint and minimise our impact on the environment. We regularly monitor and control harmful emissions to ensure that we maintain a safe and clean working environment for our employees and the surrounding community. In addition, we proactively employ the best practices to reduce air emissions from our operations by using low-sulphur coal in our boilers and installing Electro-Static Precipitators (ESP) and Scrubbers in all exhaust stacks. Our goal is to continuously improve our environmental performance and contribute to a sustainable future for all.

ENVIRONMENTAL RESPONSIBILITY

Water Stewardship

GRI 301-1, 301-2, 301-3, 303-1, 303-2, 303-3, 303-4, 303-5

As a responsible company, we have placed a high focus on managing water-related risks to ensure sustainable use of fresh water and effective wastewater management. In this regard, we regularly monitor our water and wastewater management processes at an operational level, which helps us make informed decisions that contribute towards a better future for all.

We, at Sudarshan, believe in responsible and sustainable water use practices. Our facilities in Roha and Mahad have advanced wastewater treatment systems. In the reporting year, we withdrew 43,87,129 m3 of water, with 123 MT specific water withdrawal intensity per unit of product. Additionally, we also adhere to World Business Council for Sustainable Development's

(WBCSD) WASH Pledge Self-Assessment Tool to evaluate our Safe Water, Sanitation and Hygiene (WASH) facilities and identify gaps in comparison to leading international practices.

We have also implemented various water conservation measures, such as process improvement, recycling treated effluent, rainwater harvesting and condensate recovery, which have led to significant reduction in water consumption to 7,02,390 m3 from 10,78,407 m3 in previous year. We further use the treated water for domestic and gardening purposes. In the reporting year, the total water saved was 1,87,000 m3. We remain committed to using this precious resource responsibly and sustainably.

Our Initiatives

Taking steps towards sustainable water management involves implementing various measures that can help maximise operational efficiency and minimise water usage. Treating wastewater to meet established quality standards and minimising the pollution load of wastewater can go a long way in ensuring that our water resources are utilised in a sustainable and responsible manner. By adopting these strategies, we can contribute towards creating a more sustainable future for generations to come.

Also, we judiciously recycle the water generated (process water, cooling water, boiler feed water, utility water etc.) for gardening at our manufacturing facilities.

Water Particulars	FY 2023-24 (m3)	FY 2022-23 (m3)	FY 2021-22 (m3)
Water Withdrawal	43,87,129	39,02,646	52,64,665
Water Discharge	36,84,739	28,24,239	42,71,265
Water Consumption	7,02,390	10,78,407	9,93,400
Specific Water Withdrawal Intensity per metric ton of product (m3/MT)	123	131	162

Table: Details on Water Management

*Note: Water withdrawal source - Third Party Water



ENVIRONMENTAL RESPONSIBILITY

Reducing Waste

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Our company is committed to implement sustainable practices that minimise waste in its operations. We aim to create a circular economy by adopting the 4R approach, which entails reducing, reusing, recycling, and recovering materials. This approach enables us to prevent and/or minimise waste generation. By prioritizing waste reduction and management, our company aims to contribute to a cleaner and healthier environment.

75%
of waste generated
in FY24 was
recycled

Our Initiatives

We believe that being responsible in our waste management practices is essential for preserving the environment. To achieve this, we have put in place several measures, including responsible storage and inventory management, which helps us reduce waste generation. We also invest in employee training and awareness programs to encourage proper handling of waste materials. We focus on optimising performance and yield, which ultimately helps us reduce waste production. Furthermore, we take measures to prevent spills and leakages, ensuring a responsible approach to waste management. Lastly, we strictly adhere to regulatory norms and guidelines for the responsible disposal of waste materials.

Initiatives/ Programs Supporting Waste Conservations:

Waste-to-Wealth – Aluminium Hydroxide from Aluminium Chloride solution of Phthalocyanine Pigment Plant, Mahad

Opportunity: Phthalocyanine pigment plant generated Aluminium chloride (AlCl₃) solution as a byproduct. Initially, it was sold but later discontinued. Disposal became a challenge, leading to occasional plant shutdowns.

Solution: R&D team worked with Marketing teams to identify viable options for value

added byproduct. R&D team converted AlCl₃ to Aluminium Hydroxide. Production started with 4 TPM to gradually reach 17 TPM and achieved up to 35 TPM. We are planning to increase conversion up to 50 TPM. This has helped optimise time cycle and washing patterns, thereby reducing costs.

Outcome: Turned waste into wealth, achieved a cost-effective solution with a positive impact. Increased production, reduced costs and ensured better marketability of products.

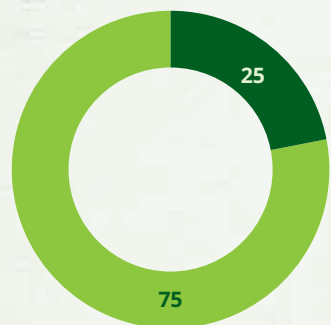
Waste Generated	FY 2023-24 (MT)	FY 2022-23 (MT)	FY 2021-22 (MT)
Plastic waste	715	584	646
E-waste	-	4	0
Bio-medical waste	0.01	0.02	0.03
Battery waste	6	0	0
Other Hazardous waste	6,620	6,587	8,812
Other Non-hazardous waste	19,523	16,195	17,241
Total waste generated	26,865	23,371	26,699

Table: Details on Waste Management



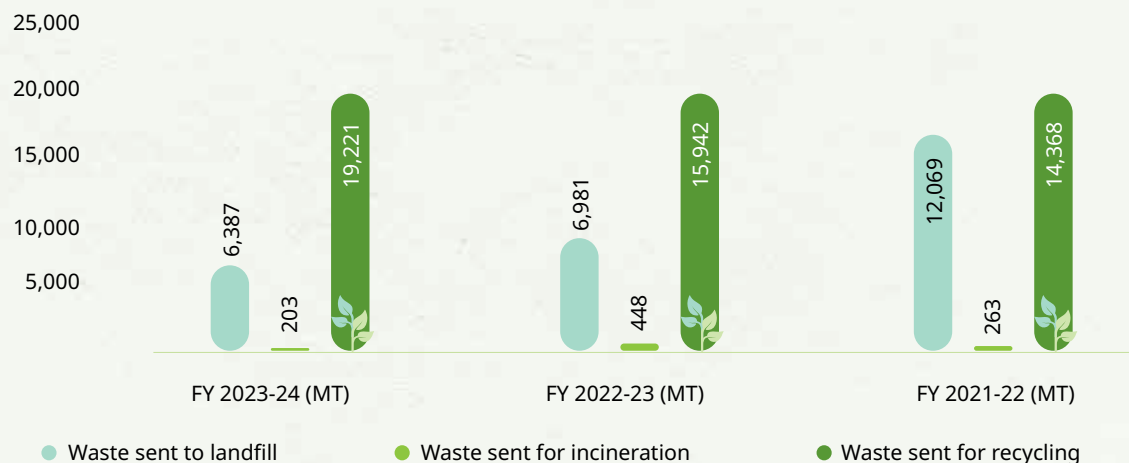
ENVIRONMENTAL RESPONSIBILITY

Segregation of Hazardous and Non-hazardous Waste



● Hazardous waste
● Non-hazardous waste

Waste Disposal



*Note: The total waste directed to disposal (incineration and landfill) for the reporting year is 6,590 MT
- Waste sent for recycling is 19,221 MT which is diverted from the disposal.
• 72.3% of the total waste has been diverted from the landfill in the reporting period.

Conserving Nature

We are proud to be a company that values and prioritises the preservation of biodiversity. We ensure that we are doing our part in conserving the environment. By collaborating with local educational institutions, conservation groups, government, communities, and employees, we are taking active steps towards preserving biodiversity.

We recognise that safeguarding the environment is a significant part of our environmental responsibility, and we strive to make a positive impact in this regard. Our facilities are situated in areas officially designated as industrial zones by MIDC, and we have taken steps to assess and mitigate potential ecological and ecosystem risks.

1,002
Total Trees
Planted in FY24

4,306
Cumulative Trees
planted till FY24

Initiatives/ Programs
Supporting Biodiversity
Conservation:

To improve the greenery around our sites, we have planted 450 tall trees within our premises and 552 trees outside our facilities. We are committed to doing our part in making the world a better place by preserving biodiversity and enhancing the natural environment.

MANUFACTURING EXCELLENCE

PIONEERING SUSTAINABILITY
SOLUTIONS THROUGH INNOVATION



MANUFACTURING EXCELLENCE

17%

CAPEX SPENT ON
ESG INITIATIVES

100+

WORKFORCE (INCLUDING
RESEARCH SCIENTISTS,
ENGINEERS, TECHNICAL EXPERTS)STATE-OF-THE-ART
ANALYTICAL CAPABILITY

As the third largest manufacturer, we are committed to continually improving our product range, process safety, and manufacturing efficiency procedures. Our manufacturing excellence areas include product stewardship, life cycle impact assessment, technology and automation in sectors identified under chemicals, pharmaceuticals, medicinal chemical and botanical products. We have in-house specialised Research and Development laboratories in India to develop innovative and environmentally friendly solutions that meet the global benchmark. The expertise of our team along with our cutting-edge manufacturing plants have contributed to our manufacturing prowess and market leadership.

MANUFACTURING EXCELLENCE

Championing Product Integrity

GRI 416-1

Product Integrity forms a pivotal element of our business strategy, wherein we aim to surpass regulatory mandates to ensure the safe utilisation of our products across their entire value chain. Our key objective is to upgrade our products to make them environment friendly through innovative solutions, minimal waste, and system efficiency. At Sudarshan, we implement innovative strategies to reduce our environmental impact, including analysing and minimising POPs in products, implementing process improvement initiatives to eliminate use of hazardous chemicals and improve solvent recovery, as well as exploring alternative raw materials for yield improvement and adoption of green chemistry.

We ensure that there is minimal environmental impact, product safety and adoption of sustainable practices at each stage. Our primary focus lies on the manufacturing of specialty chemicals, highlighting our proficiency in producing a diverse range of solutions.

Our 'Stage Gate' system of product development includes comprehensive evaluation of products across various stages of product development, while

considering resource optimisation. Our new product development stage gate process has six phases - ideation and business case, technical feasibility and regulatory review, lab scale development, scale-up stage, plant trial and product launch.

After a detailed assessment on key considerations like environmental sustainability, process safety and customer well-being, the product is advanced for the commercialisation stage. Moreover, our products undergo stringent testing to ensure alignment with the regulatory standards. We have implemented innovative solutions like improvement of solvent recovery, reducing Unintentional Trace Impurities from our products and exploring alternative raw materials to mitigate negative environmental impacts, alongside redesigning processes and reducing waste. Also, we have adopted Management of Change guidelines to evaluate our current processes and technologies for their environmental footprint for aspects like material consumption, energy efficiency, water usage and the generation of hazardous waste.

We cultivate an innovation driven culture that thrives on organic transformation of ideas into products that address the evolving needs of our customers. We facilitate knowledge exchange through meetings with suppliers and customers. This indicates our commitment to a continuous and sustainable growth.

We also offer comprehensive training programs including technical and behavioural aspects along with knowledge-sharing sessions that foster collaboration. Our commitment is reflected through our innovative approach, creating sustainable product solutions.



CASE STUDY: Continuous Impurity Reduction

We have implemented a more rigorous testing regime for trace heavy metals in cosmetics pigments, using ICP/MS technique. By selective sourcing and intensive processing, Sudarshan was able to reduce heavy metal impurities such as Lead (Pb), Arsenic (As), Cadmium (Cd) and Mercury (Hg). By integrating ISO 21392:2021 test method into our quality assurance processes on plant, we have achieved significant heavy metal reduction for over 95% of our existing product portfolio, assuring extremely low heavy metal impurity levels, ensuring safer, high-quality products for our customers. Our proactive approach in trace heavy metal impurity reduction underpins our commitment to sustainability, transparency and social responsibility.

MANUFACTURING EXCELLENCE

Research & Development strength

We have a dedicated workforce (Research Scientists, Technical Experts, Application Experts etc.) who develop strategic product solutions to meet our business objectives, spanning across a wide range of products from classical azo and phthalocyanine pigments to high performance pigments, effect pigments and pigment dispersions. Our products play a critical role in producing formulations and end products across various sectors including coating, plastics, printing inks, cosmetics, textiles, among others. Our dedication to broaden our range of sustainable pigment solutions, through our world-class technology, laboratories and R&D centres leads to complete customer satisfaction. Our robust business model and longterm sustainability anchored in customer-centricities distinguish our services.

Our R&D centres strategically located at Ambadvet (Pune), Roha and Mahad serve as a platform for exploration of strategic technologies. Our team emphasises on development of sustainable products with minimal resource wastage by adhering to safety and sustainable standards like Global Product Stewardship and EU REACH (for export products).

For phthalocyanines, we have also implemented phase-wise reduction of cupric chloride to ensure consistent quality and safe processes. This has led to cost reduction, much less copper in the waste stream and efficient wastewater disposal. At Sudarshan, we invite our customers to take a tour of our plants and R&D labs to develop understanding of our stringent manufacturing processes, thus improving confidence in our product quality.



83%

Percentage of R&D investments in specific technologies



100+

Workforce (Including Research Scientists, Engineers and Technical Experts)

MANUFACTURING EXCELLENCE

For the reporting year, 83% R&D expenditure investment in specific technologies has been undertaken to improve the environmental and social impacts of our products and their processes. The key benefits envisaged for the reporting year include reduced POP in products, waste reduction, solvent recovery and yield improvement²¹.

Our state-of-the-art laboratories specialize in manufacturing pigments for coatings, plastics, inks, and cosmetics. We consistently develop innovative pigment solutions through regular upgradation of the technology and skill development programs. Our laboratories are equipped with advanced analytical equipment that can detect impurities at PPM levels and supplement the robust quality control system. Further, we have a dedicated in-house team within our Research and Development division, wherein, the primary objective is to strengthen our portfolio and create a detailed plan for efficiently managing Intellectual Property (IP).



Conscious Materials Handling

GRI 301-1, 301-2, 301-3

Across our operations, we use a variety of organic and inorganic chemicals. We utilise solvents such as methanol, mono-chlorobenzene, xylene, etc., in our manufacturing processes. We strive towards responsible material management to lead to yield improvement, solvent recovery and reduction in hazardous waste. Our primary input material includes anilides and derivatives, crude phthalocyanine and derivatives, inorganic acids, aluminium chloride, mica mineral and other specialty chemical intermediates. Among our significant solvents are methanol, monochlorobenzene, ortho-xylene, and isobutanol. Packaging material includes consumables such as boxes, primary bag packaging, drums, films and labels. During the reporting period, our total raw material accounts for 1,08,801 metric tons (MT) and total packaging material accounts for 1,634 metric tons (MT). We have achieved 88% solvent recovery rate due to our multiple efficiency improvement projects, but the solvent usage has increased from 1.48 MT/MT in FY 2022-23 to 1.54MT/ MT in FY 2023-24. Also, for the reporting year, we have no reclaimed products and their packaging materials.

²¹Refer to the Business Responsibility & Sustainability Report (BRSR) for further information

MANUFACTURING EXCELLENCE

Commitment to Product Excellence

GRI 417-1, 417-2, 417-3

Our products undergo a stringent internal analytical test to ensure compliance to requisite standards. We ensure a transparent and timely communication of our product information to our customers and stakeholders. We ensure customer wellbeing by providing highest quality, eco-friendly products through our state-of-the-art R&D centres. Our commitment to customer transparency includes invitation to tour our manufacturing facilities and research labs, cultivating a trust in our services. Adhering to product safety regulations, we comply by applicable national and international (including the EU's REACH standards, AP 89/1, US FDA, and Japanese norms) health and safety regulations to convey product specifications, hazards, and risk mitigation techniques.

Throughout the reporting period, we have not received any significant customer complaints related to health and safety. Also, we have not incurred penalties, sanctions, or show-cause notices from regulatory authorities for violations of product safety standards.

Recently we have installed Agilent 7900 ICP-MS at our Roha Analab facility for the determination of trace metallic impurities such as As, Pb, Cd, Hg, Zn, Cu, etc.

which enable us to meet the stringent regulatory guidelines for both organic and inorganic pigments for various applications. The data generated by this instrument is also helping us to optimise the processing parameters and the selection of the suitable raw materials for pigment manufacturing.

Apart from ICP-MS, we have acquired Agilent GC 7010/TQ MS. It will be installed at Analab Roha for the determination of organic impurities that are being

generated during the processing of pigments such as Pigment Green, PY 138, etc. This instrument will be mainly used for the determination of trace organic impurities such as hexachlorobenzene, pentachlorophenol, dioxins & dibenzofurans, chlorobenzenes, chlorotoluenes, polychlorinated biphenyls (PCBs), polyaromatic hydrocarbons (PAHs) etc. The data that is being generated greatly assists in meeting the stringent regulatory guidelines and also

in optimising the process parameters to remove such toxic impurities from the pigments.

In summary, the integration of these advanced analytical instruments at our Roha Analab facility enhances our ability to comply with regulatory standards and improve the quality of our pigment products through precise monitoring and optimisation of production processes.

Introduction of Advanced Analytical Instruments at Analab Roha Facility

GC-MS/MS



ICP-MS



MANUFACTURING EXCELLENCE

Upholding Safety Standards

GRI 403-3, 403-8

Safety Verified
manufacturing plants

Sudarshan implements rigorous protocols, stringent quality controls and continuous monitoring to safeguard the wellbeing of our valued customers. Pigments with the help of sensitive analytical equipment are characterised as 'nanomaterial'. Nanoparticles are materials that have external dimension, or have an internal structure, or surface structure at the nanoscale. Due to its widespread use, nanomaterial pigments can be found in several different products, including paints, coatings, printing inks and cosmetics. They are governed under various jurisdiction and do not have a harmonized definition. In Europe, nanomaterial pigments are governed under REACH and CLP legislation. In addition, there are specific provisions for nanomaterials in sector-specific legislation, such as food, biocides, and cosmetics. REACH obligates manufacturers and/or importers to declare if their registered substance is a nanomaterial. The EC recommendation defines nanomaterial as a natural, incidental, or manufactured material consisting of solid particles



that are present, either on their own or as identifiable constituent particles in aggregates or agglomerates, and where 50% or more of these particles in the number-based size distribution fulfill at least one of the following conditions:

- One or more external dimensions of the particle are in the size range 1 nm to 100 nm
- Particle has an elongated shape, such as a rod, fibre or tube, where two external dimensions are smaller than 1 nm and the other dimension is larger than 100 nm
- Particle has a plate-like shape, where one external dimension is smaller than 1 nm and the other dimensions are larger than 100 nm

The recommended and widely accepted form of measuring and characterising nanomaterial is through TEM, SEM and sp ICP-MS. We have established and maintained extensive TEM and SEM data for our substances to corroborate and align with ECHA findings. We have updated our REACH registrations to include nanomaterial characterization

MANUFACTURING EXCELLENCE

of pigments, and consequently have amended our SDS for all affected pigments. Cosmetic Regulation, opposed to EC recommendation, in Europe does not provide any minimum threshold to the number-based size distribution for it to be classified as nanomaterial. However, certain national directives (e.g., France) allow for characterising of pigments as nanomaterial at as low as 10% particles in the size range of 1-100 nm via number-based particle size distribution. Pearlescent Pigment and Iron Oxide pigments among many others are under purview of EU agencies such as Scientific Committee on Consumer Safety (SCCS) to establish nanomaterial as safe for use in cosmetics. Due to this lack of harmonized approach, there are various trade obstacles leading to disruption of supply chain activities. Sudarshan actively participates and provides support in various consortiums working on safety of ingredients with organizations and forums such as The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers (ETAD), Color Pigments Manufacturers Association (CPMA), European Federation of Cosmetic Ingredients (EFFCI) and Cosmetic Europe (CE) for consumers.

As a member of ETAD, we adhere and comply to its Code of Ethics and thereby work with other members to comply with all applicable laws and regulatory

requirements dealing with the safety and the environmental impact of synthetic organic colorants. Our product line-up includes a variety of pigments used in various industries, such as cosmetics and indirect contact with food. Some of our raw materials may contain impurities like Polychlorinated Biphenyls (PCBs), Pentachlorophenol (PCP), and Hexachloro Benzene (HCB), which are classified as Persistent Organic Pollutants (POPs), according to the Stockholm Convention. As a responsible organization, we are committed to minimising the PCB and HCB content in our products. We achieve this through initiatives such as quality control of raw materials, process re-engineering, and rigorous quality assurance at various manufacturing stages to limit the presence of PCB and HCB in our finished goods. We have recently established a Pigment Violet 23 manufacturing plant and process which results in low impurity levels of Dioxins.

We recognise the importance of our contribution in the value chain to help our customers achieve their sustainability goals. To facilitate this goal, Sudarshan has received approval of pigments for use as indirect food additive in polymers for all food types, such as Food Contact Notification (FCN) of Pigment Red 122 from FDA, Letter of No Objection from Keller-Heckman for Pigment Yellow 119.

We have certification of OEKO-TEX® ECO

PASSPORT with ZDHC conformance Level 3 for selected range of aqueous pigment dispersions; OEKO-TEX® ECO PASSPORT Certification is substantial for chemical manufacturers and distributors in the textile, leather and footwear industries for their goal towards Zero Discharge of Hazardous Chemicals. We remain committed to provide solutions to our customers which are in compliance with global regulations, including the annexes XVII and XIV of the REACH directives, ECHA-SVHC candidate list and many more.



CASE STUDY: Process Improvement for reduction for PCBs

- Polychlorinated biphenyls are persistent and bio-accumulative in nature. They accumulate for a long-period and are not easily bio-degraded
- As per Federal Toxic Substances Control Act, they are classified under hazardous substances and have lower allowance in waterways under the Clean Water Act
- To reduce PCB produced as a byproduct, our R&D team has developed process improvements and modified the process of Azo leading to reduction in PCB levels

The following modifications were implemented:

- Improved tetrazotization and coupling process.
- Controlled tests enabling control of impurities.
- Controlled metal impurities during manufacturing to avoid free radical reactions

MANUFACTURING EXCELLENCE

360-Degree Lifecycle Approach

Currently, Sudarshan is undertaking the comprehensive Lifecycle Impact Assessment for select products to evaluate the environmental impact associated and reduce the carbon footprint of our products. The select product groups for our study are Quinacridone, Quinophthalone, Dioxazine Pigment, Effect Pigments and Complex Inorganic Color Pigment (CICP).

Life Cycle Impact Assessment is the criterion to evaluate the potential

environmental impacts associated with the entire life cycle of a product or service. At Sudarshan, we have identified the products for LCIA study to be conducted. We have also reviewed the flow process and the development of the product system has been completed. We have completed the review of PFDs and development of LCIA model after data collection. Our action plan for the reporting year is detailed as:



Targets for FY 2024-25:

- LCIA of the products with over 35% of projected FY 2025 revenue
- Reduce the carbon footprint of our top products
- Cover all relevant products under nano-associated safety assessment

For the reporting year, we have conducted the carbon footprint analysis of our select products and commit to reducing their overall environmental impact further.



MANUFACTURING EXCELLENCE

Tech Evolution: Automation, Innovation, Upgraded Systems

We leverage automation and innovation to drive sustainability through process optimisation, enhanced safety measures, and increased efficiency. Our key objective remains to minimise human error, streamline production processes and enable real time monitoring to ensure reduced environmental footprint. Our key focus areas are elimination of hazardous manual operations by year 2026 and prioritisation of processes for automation.



CASE STUDY: Yield Improvement

In FY 2023-24, we achieved an overall yield improvement of 1.6% from the baseline FY 2020-21. In HPP, yield improvement was done by optimising process parameters, such as flow rate of addition, maintaining reactant concentration, process temperatures, resulting in improved product yield by 4% to 5%. In our Effect pigment plant, improvements were achieved based on our gold product yield by arresting losses in the reaction stage and physical loss due to material handling. This led to the gold product yield improvement from 76% to 84% in FY 2023-24.

Various yield improvement initiatives were undertaken for Azo plant that led to significant monetary savings and 5% average yield improvement in FY 2023-24. More than 30 products were identified and targeted for yield improvement initiatives in Azo plant. The following methodology was followed for yield improvement in Azo plant:

1. Shop Floor Tracking

- Monitoring the Total Suspended Solids (TSS) during the filtration stage

- Tracking the pigment content percentage during the batch-making stage
- Implementing an overall material balance to pinpoint specific stages of loss

2. Loss Elimination

- Conducting brainstorming and idea generation sessions with the shop floor team to identify and eliminate losses observed in specific unit operations
- Collaborating between shop floor staff and management to implement practical solutions

3. Process Parameter Optimisation

- Optimizing critical process parameters such as pH and temperature
- Enhancing the process robustness, leading to more stable chemical reactions and improved yields

4. Laboratory Experiments

- The laboratory team played a crucial role by optimising raw material quantities
- Efforts were focused on minimising reaction losses, contributing significantly to yield improvement

These yield improvement initiatives enhanced the production efficiency and led to environment stewardship through following impacts:

- Resource conservation through waste reduction and minimisation in raw material requirement
- Decrease in environmental footprint by improving process efficiencies and reducing emissions associated with production losses
- Promoting sustainable practices within the plant, aligned with the broader environmental goals
- Thus, the Azo plan has set a commendable example in yield improvement through harmonious integration with environment sustainability
- This could be achieved through meticulous tracking, collaborative problem solving and scientific optimisation

MANUFACTURING EXCELLENCE

Automation

Continuous distillation setup installed for PY138 solvent recovery

- Precise control leading to better purity and % recovery
- Reduction in operational cost

Dense phase system for close loop powder charging installed

- No human exposure during powder charging
- Avoid air ingress in reactor eliminating explosion hazard

Improved scrubbing design by adding activated carbon filters in scrubber system:

Improved scrubbing and reduced odour in the working area

Total Organic Carbon (TOC) plant existing Programmable Logic Controllers (PLC) system improved to Distributed Control System (DCS):

Precise control leading to reduction in operational error and improvement in quality & safety

Multi-point addition for controlling pH of reactor batch

- Control on coating batch pH and improvement in product quality
- Improved pH control due to reactant flow rate control

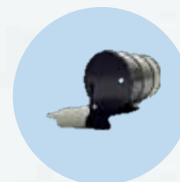
Sequencing of batch process through receipt based operational

Safe operations and deviation reduction

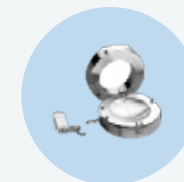
Innovation

- **Manufacturing of Aluminium Hydroxide from streams:** Improved use of byproduct
- **Solvent drum storage shed segregation:** Reduced risk of fire in chemical storage area, enhancing overall safety of the manufacturing plants
- **10% phosphoric acid recovery from waste stream:** Decrease in sludge generation and lime consumption
- **Develop chemical compatibility matrix:** Reduced incident on shopfloor and improved raw material handling

Other provisions

Risk reduction during hazardous material handling

Paraffin Oil system
for spillage control



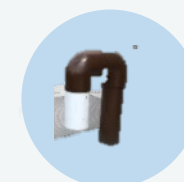
Double rupture
disc system



Bulk
storage tank



Filtration under
nitrogen blanketing



Revalidation of vent
scrubbers



Provision of pressure
control system

Technology Upgrade

- Drying of wet silver product in continuous rotary tray dryer: Decreased operation of loading material and manual operation of tray dryer, yield improvement
- Ball mill for particle size reduction: Energy efficiency operation and upgraded product quality
- Transform batch process to continuous process
- Decrease in operation of loading and unloading material and reduced worker exposure to material
- Jumbo bag lifting and moving through electric hoist: Decreased manual handling, time cycle and workforce

MANUFACTURING EXCELLENCE

Risk Characterization and Management

We prioritise the safety of our employees and workers by enhancing risk awareness through varied initiatives to encourage implementation of safety measures. Risk characterization is an integral part of product safety stewardship including hazard and exposure through the complete product lifecycle. We follow a structured procedure and identify the products that necessitate a comprehensive evaluation and assessment. Product risk management involves the implementation of measures to analyze and address risks. The measures include mitigation of the impact created or controlling the adverse consequences arising due to identified hazards and foreseeable exposures throughout a product's lifecycle.

Our Risk Assessment and Management Policy make sure that our current and future material risks are identified, assessed, quantified and appropriately mitigated. Our Risk Management System methodically identifies, evaluates, and handles health and safety hazards and plausible risk scenarios linked to our operations.

We have established a structured Process Safety Management approach for our organization. A task force is set up to undergo PSM element training for all the employees and workers at every stage. This is supported by an Incident Management Committee to investigate all the incidents and outcomes within the area shared across Sudarshan. Also, no voluntary recalls and forced recalls have been reported in the reporting year.



**STRENGTHENING
SOCIAL
INCLUSIVENESS**
BUILDING BRIDGES, EMBRACING ALL



STRENGTHENING SOCIAL INCLUSIVENESS

100%

SITES CERTIFIED TO OCCUPATIONAL HEALTH
& SAFETY MANAGEMENT SYSTEM (ISO
45001:2018)

0

CUSTOMER COMPLAINTS REGARDING
HEALTH & SAFETY CONCERNS

2,097

WOMEN EMPOWERED

100%

WORKFORCE PAID ABOVE THE
LIVING WAGE



Our goal is to foster connections and build bridges within our diverse communities, ensuring that all stakeholders are embraced and empowered. We are dedicated to creating value not just for ourselves, but for every individual within our sphere of influence. This commitment extends to our employees, value chain partners, and local communities, all of whom are vital to our success. By pursuing sustainable and inclusive growth, we aim to contribute meaningfully to global goals for equitable socio-economic development, working towards a world where everyone has the opportunity to thrive.

STRENGTHENING SOCIAL INCLUSIVENESS

Fostering a Culture of Inclusion

Our Higher Purpose



growing together ...

- Spiritually fulfilled • Socially just • Environmentally sustainable

United in purposeful action, we weave a tapestry of thriving communities, harmonizing with nature, and empowering everyone to reach their fullest potential. Guided by integrity, compassion, and collective growth, our journey unfolds with a commitment to a clear ethos, encompassing purpose, vision, mission, and values. This is the compass that nurtures a culture prioritising sustainability and inclusivity, embodied in our **SCCRT (Seva, Courage, Commitment & Passion, Respect, Trust)** Model, fostering service, respect, and trust among our team.

Sudarshan's Global Culture, embodied in the PCe² (People first in a joyful environment, Collaboration and Teamwork, Execution, Excellence and Agility) resonates with our vision and reinforces our dedication to creating an environment where individuals flourish both socially and psychologically.

The **SCCRT** Model

Seva



Courage



Commitment



Respect



Trust

Sudarshan Global Culture Statements

PEOPLE FIRST IN A JOYFUL ENVIRONMENT

- We care and share with empathy
- We appreciate diversity and inclusivity - We welcome ideas from diverse groups- age, gender and diverse culture
- We connect and share laughter towards creating a joyful environment
- We learn and grow and passionately foster self-development. We believe in culture of continuously seeking and providing feedback

COLLABORATION & TEAMWORK

- We set right expectations and live up to it
- We are, "One team with one goal"
- We respect each other's views, opinion and welcome ideas and information openly
- We proactively seek and provide support

EXECUTION, EXCELLENCE & AGILITY

- We will do, "Right First Time - Quality in everything we do"
- We deliver to our promise
- We are agile and open to multi-task
- We work with sense of urgency, speed and action

EMBRACING CHANGE FOR TRANSFORMATION

- We Think Global and Act Local
- We have an open mindset and are flexible
- We learn, Unlearn and Relearn, since we believe '**there might be a better way!**'

Figure: PCe² (People first in a joyful environment, Collaboration & Teamwork, Execution, Excellence & Agility) Model

**Empowering our Team: Advancing Employee Potential**

Empowering our team means recognising the profound impact our employees have on our success. By nurturing their diverse perspectives, skills, and experiences, we fuel innovation and enable agile adaptation to dynamic market conditions, fostering a culture of continuous growth and development.

STRENGTHENING SOCIAL INCLUSIVENESS

Overview of our Team

GRI 2-7, 2-8, 202-2, 401-1, 401-2

At the heart of our growth journey are our valued employees, whose diverse skill sets, and dedication drive our mission of becoming a world-class Global Color Solution provider with an innovative and vibrant culture. With 1,036 permanent employees and 28 other-than-permanent employees, we form a robust workforce, complemented by 212 permanent workers and 2,544 other-than-permanent workers, shaping our success together.

Particulars	Male	Female	Total
 EMPLOYEES			
Permanent	819	217	1,036
Other than permanent	23	5	28
Total employees	842	222	1,064
 WORKERS			
Permanent	212	0	212
Other than permanent	2,429	115	2,544
Total employees	2,641	115	2,756

Table: Details of employees and workers for FY 2023-24



At Sudarshan, women play a pivotal role, contributing diverse perspectives, innovative ideas, and strong leadership that drive our success. Their presence fosters inclusivity, enhances collaboration and enriches our workplace culture. We are committed to strengthening our workforce by increasing women's representation.

216

New hires in
FY 2023-24

35%

Female as a percentage of new
hires in FY 2023-24

21%

Female employees in
FY 2023-24

STRENGTHENING SOCIAL INCLUSIVENESS

Talent Management

At Sudarshan, our talent management strategy is designed to maximise potential through strategic placement and personalised development, ensuring excellence in every team member. Our HR approach, rooted in Talent Acquisition & Retention, Learning & Development, Diversity & Inclusion, and Equal Opportunity, fosters a merit-based environment. Following the Dave Ulrich model, we focus on recruiting top talent, valuing dedication, and adhering to our comprehensive HR policy to ensure equality and inclusion for all. During the reporting year, we had a turnover rate of 16.94% of employees, with no turnover among workers. Also, we had a turnover rate of 12.5% among the new hires.

Employee Learning & Development

GRI 401-1, 404-1, 404-2, 404-3

Our organizational ethos emphasises Employee Learning & Development, fostering a dynamic workforce and empowering individuals to excel. We customize training to fit each employee's unique career path, ensuring it aligns with company competencies and strategic goals.

Training need fulfillment ratio		Man days		Training effectiveness target	
Target	Actual	Target	Actual	Target	Actual
85%	83%	2	2.56	4	4.54

Table: Details on Employee Learning & Developments for FY 2023-24



The **Sudarshan Learning Academy (SLA)** plays a crucial role in facilitating employee learning of new technologies, systems, and processes, aligning with our business strategy and transformation objectives. It serves as a hub for continuous learning, promoting skill development and enhancing overall business performance. The SLA focuses on three main goals: meeting training needs, optimising man days and ensuring training effectiveness. The chart below illustrates our performance in these areas.



STRENGTHENING SOCIAL INCLUSIVENESS

Our L&D Framework

1
Conducting training needs assessments covering behaviour, safety, and leadership skills.



2
Establishing performance-based KPIs for employees based on assessment results.



3
Implement comprehensive HR programs, including advanced degree pursuit programs, new hire training focusing on problem solving skills, succession planning to develop emerging leaders, and providing diverse opportunities such as on-the-job projects, e-learning and classroom training for skill enhancement across all levels.

**70% On-the-job learning**

Action projects, team assignments, cross-functional projects

**20% Interaction with others**

Ideation forums, mentoring, coaching

**10% Formal training**

Classroom sessions, seminars

81%

Employees received regular performance and career development reviews in FY 2023-24

20

Average training hours per employee per year against a target of 16 hours

100%

Received code of conduct & POSH related training program



The different types and scope of programs implemented, and assistance provided to upgrade employee skills in the reporting year are detailed below:

- 1. Technical Training:** We executed Strategic development programs at different levels.
- 2. Behavioural Training:** We executed BAND 2- Leadership Development Program.
- 3. Purpose Driven:** We executed BAND 3- Manager Development Program.
- 4. Culture & Values:** BAND 4- Executive Development Program

STRENGTHENING SOCIAL INCLUSIVENESS



CASE STUDY 1: Empowering Executives - Sudarshan's Executive Development Program

Anil B Chaher, an executive at Sudarshan, faced challenges in enhancing his leadership, communication and analytical thinking skills while balancing work responsibilities. To address these, Sudarshan enrolled him in the Executive Development Program (EDP), which included leadership training, communication skill development and team-building activities.

The EDP significantly improved Anil's professional growth. His leadership and communication skills advanced, enabling better team mentoring and cross-functional interactions. Anil's confidence in English-speaking and presentation skills grew, along with his analytical thinking and customer focus. He also improved in managing time, overcoming stage fear and handling stress.

As a result, Anil contributed to increased productivity, stronger team collaboration, and better alignment with company values and ESG policies. The EDP empowered him with essential skills, benefiting both his personal development and the organization's overall performance.



CASE STUDY 2: Empowering Executives - Sudarshan's Executive Development Program

Sachin Sanjay Ambike, a high-potential executive at Sudarshan, needed to enhance his capabilities for leadership. His challenges included balancing professional duties with development opportunities, improving communication skills and developing a strategic mindset. Selected for Sudarshan's Executive Development Program (EDP), Sachin engaged in executive modules, practical projects and English improvement initiatives. The EDP led to significant professional growth for Sachin. He improved inventory management, contributing to revenue generation of ₹5 crore, and earned the title of "Suda Star of the Year."

Sachin's verbal English and communication skills improved, and he developed a stronger problem-solving approach. The EDP also positioned him for future leadership roles, enhancing his ability to lead production lines and broadening his strategic perspective.



STRENGTHENING SOCIAL INCLUSIVENESS



CASE STUDY 3: Cultivating Veteran Expertise - Sudarshan's Executive Development Program

Rajesh Gharat, with 32 years at Sudarshan, needed to enhance his expertise to meet evolving industry demands. Despite challenges, including balancing night shifts, Rajesh was included in the EDP, which featured root cause analysis, impactful communication and teamwork exercises. Rajesh excelled in the EDP, maintaining 100% attendance and completing all his assignments on time. His problem-solving skills, teamwork, and communication abilities improved, along with his understanding of executive roles and Sudarshan's strategic goals.

The program prepared Rajesh for future challenges and contributed to his personal growth, including better safety consciousness and team building skills. The EDP successfully enhanced his technical and leadership capabilities.



CASE STUDY 4: Nurturing Technical Leadership - Sudarshan's Executive Development Program

Vikram G Kamble, an Assistant Manager in Mechanical Maintenance at Sudarshan, needed to develop leadership and management skills while balancing demanding responsibilities. Sudarshan enrolled him in the EDP, which focused on time management, cross-functional knowledge and leadership training.

The EDP led to significant improvements in Vikram's planning and organizational skills, as well as his understanding of pigments and their applications. His leadership abilities were enhanced, particularly in guiding and mentoring team members. Vikram's communication and collaboration skills also improved, leading to better alignment with stakeholders. As a result, Vikram became more prepared for higher responsibilities and was selected for promotion. The EDP successfully transformed him into a more strategic leader.

Performance Management

GRI 404-3

Our Performance Management System (PMS) establishes fair and transparent KPIs for all employees, aligned with departmental annual business targets. Semi-annual assessments synchronize objectives, with evaluation ratings based on supervisor feedback guiding targets for the next financial year. This process aids functional leaders in shaping departmental goals to meet company objectives effectively.



During the reporting year, 81.20% employees received regular performance and career development reviews. **246 (28%) employees were identified as high performers, and 104 (12%) were promoted to higher responsibilities during the same period.**

STRENGTHENING SOCIAL INCLUSIVENESS

Living Wage Assessment

As a leading manufacturer in the pigment industry, we adhere to sustainability commitments by unlocking the actual value of social responsibility through our principles of fairness and inclusivity in all areas of our operations. While accelerating towards a sustainable future, our commitment remains to ensure a fair remuneration for our workforce to meet their basic needs, achieve a decent standard of living and strengthen our productivity by fostering a motivated workforce. We ensure dignity and equality for our workforce by adhering to local minimum wage

regulations²² and providing social benefits in accordance with national and international norms. As per the IDH guidelines, living wages is defined as remuneration received for standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family.

Keeping this in mind during the reporting year, we have undertaken a comprehensive Living Wage Assessment benchmarking recognised by IDH Living Wage Roadmap.

It includes a five-step approach to establish living wages in our operational regions, identifying any wage gaps and developing the structured program to gradually bridge this gap over time. We have collected and collated wage related data for our workforce (employees and workers) across Roha and Mahad based on IDH parameters and requirements. The detailed methodology adopted for the assessment:



Identify Living Wages



Measure Living Wage gaps



Verify calculations



Bridge Living Wage gaps

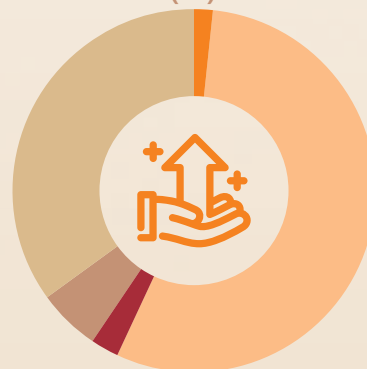


Share learnings

We have also covered 100% of our internal employees and workers for this study and provided various benefits to our employees and contract workers such as Child Education, Housing, Health Insurance, Food Coupons and Transportation benefits for a decent living standard.

During the reporting year, overall, 100% of our workforce are paid above the living wage. Also, none of our internal employees are paid below the living wage indicating our commitment to fair compensation and ensuring responsibility towards employee well-being leading to enhanced productivity and performance.

Benefits & Bonuses (%) FY Benefits 2023-24



- Healthcare Insurance: **1.70**
- Housing: **55.28**
- Food Coupons: **2.64**
- Child Education: **5.48**
- Transportation: **34.90**

²²[https://www.sudarshan.com/environment,-social-and-governance\(-esg\)-policy.pdf](https://www.sudarshan.com/environment,-social-and-governance(-esg)-policy.pdf)

STRENGTHENING SOCIAL INCLUSIVENESS

Ensuring Employee Safety & Well-being

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10



Safety

Committed to industry-leading safety, we pursue a workplace free from fatalities and severe injuries through our 'Zero Harm' goal. This involves enhancing operational safety, nurturing a safety culture, developing employee skills and optimising assets. Sudarshan's risk management system identifies and manages hazards systematically, ensuring employees are fit for work. Actively reducing process safety incidents, we've implemented technical measures and promoted a leadership culture prioritising safety, supported by a structured Process Safety Management (PSM) approach in collaboration with Partner Risk Management Services.



	Energy Isolation Matrix	Personal Protective Equipment (PPEs) Matrix	Confined Space Emergency Rescue Kit
Background	The absence of a documented energy isolation matrix exposed individuals to potential risks during vessel entry, compromising their well-being and safety	Across our manufacturing facilities, there was uncertainty about the appropriate Personal Protective Equipment (PPE) for chemical handling. PPE is essential for evaluating, monitoring, and improving chemical handling processes, impacting human wellbeing, equipment and productivity	To enhance our confined space rescue capabilities and ensure the well-being of workers and productivity, we have implemented a 3M rescue kit designed specifically for emergencies occurring in confined spaces
Improvement as a result of the initiative	- Developing an energy isolation matrix for our facilities - Utilisation of isolation types and LOTOTO devices during emergencies or vessel entry - Tagging each line with equipment tag numbers and descriptions of isolation devices	- Supplying appropriate PPE for specific job tasks to reduce injury risks - Prioritising PPE allocation based on risk assessments for different tasks - Tracking PPE-related incidents for root cause analysis and corrective actions - Assessing PPE consumption and supplier performance for quality, delivery and cost effectiveness	- Identifying critical vessel locations - Providing practical demonstrations to workers - Easy/safe evacuation of people during confined space activity - Increased productivity

Table: Initiatives towards the safety of our people

STRENGTHENING SOCIAL INCLUSIVENESS



Well-being

At Sudarshan, we foster a supportive environment where physical, mental, and emotional health is emphasised for professional and personal growth. Our health management team promotes healthier lifestyles through lifestyle management training and stringent monitoring of hazardous substances. We conduct regular health examinations, pre-employment medical check-ups, and periodic assessments at our Occupational Health Centres (OHC). We also conduct exposure assessments, minimise risks, and prioritise employee well-being across all operational sites, reinforced by the **Fit Sudarshan** program focusing on holistic health.

Spiritual well-being

Cultivating a spiritually fulfilling life at Sudarshan

Mental, Emotional & Social wellbeing

Promoting a Fun@Work culture

Physical well-being

Improving wellness via efficient canteen administration, with a firm focus on health, manifested in routine health examinations and insightful health discussions



Spiritually Fulfilling Life at Sudarshan

In FY23-24, we organised four workshops in which we mentored 128 new employees. We hosted eight reconnect sessions across multiple locations in person during which we conducted yoga, guided meditation and knowledge sessions.



STRENGTHENING SOCIAL INCLUSIVENESS

Employee Engagement Efforts

At Sudarshan, we emphasise vibrant workplace culture through effective communication and interactions, ensuring every voice is valued. Partnering with external specialists, we gauge employee engagement through surveys, utilising a 5-point scale over two weeks. This approach identifies strengths and areas for improvement, which enhances overall engagement.



Figure: Communication at Sudarshan

STRENGTHENING SOCIAL INCLUSIVENESS

EMPLOYEE INSIGHTS AND PROGRESS ON SUDA SAKHI INITIATIVES



ECONOMICAL

NO OF SESSIONS CONDUCTED: 1

EMPLOYEE FEEDBACK

Financial Planning & Awareness:

Commenced saving and investing in available and viable choices while beginning to track expenditures to create additional savings



SOCIAL

NO OF SESSIONS CONDUCTED: 2

EMPLOYEE FEEDBACK

- **Workshops on Gender Sensitization:**

Provided valuable insights into workplace equality and helped grasp importance of workplace etiquette

- **Assertiveness & Resourcefulness:**

Importance of speaking up and being resourceful was emphasized, stressing on every individual's the right to express himself/herself and utilize available resources to support themselves



HEALTH

NO OF SESSIONS CONDUCTED: 4

EMPLOYEE FEEDBACK

- **Health & Nutrition:**

Embarked on a fitness journey through exercise and dietary improvements, including incorporating sprouts and dry fruits and introducing jowar and bajra recipes into daily meals

- **Menstrual Health & Hygiene:**

Prioritizing hygiene during menstrual cycles for overall well-being and gaining insights into conditions like PCOD & PCOS with a commitment to sharing this knowledge with others

- **Health and Work-Life Balance:**

Striving to strike a harmonious balance between health and professional responsibilities by setting priorities and effective work planning. Recognizing the importance of sufficient sleep and nutritious food for maintaining good health

- **YOGA Session:** Found the yoga session to be remarkably rejuvenating and invigorating



EMOTIONAL

NO OF SESSIONS CONDUCTED: 4

EMPLOYEE FEEDBACK

- **Coping with Stress:**

Incorporating meditation and taking breaks when feeling drained to rejuvenate and restart

- **Women's Assertiveness:**

Learning that assertiveness can be challenging but incredibly beneficial

- **Emotional & Mental Wellbeing:**

Discovering strategies to maintain emotional balance and prevent negative impacts

- **Workplace Conflict Resolution:**

Learning that dealing with differing opinions is a constant in the workplace, it is essential to acquire conflict resolution skills (sometimes, conflicts can be constructive)



OVERALL WELLBEING

NO OF SESSIONS CONDUCTED: 2

EMPLOYEE FEEDBACK

- **Makeup along with a neat hairstyle can enhance our professional appearance and boost our self-confidence**

- **Conversations with Senior Sudarshan Employees:**

Engaging in discussions with experienced individuals at Sudarshan to gain insights into their career paths and the factors contributing to their success

Employee Connects & Query Resolution:
FY 2023-24



78.5% CLOSURE

Query Resolution for **Workers**



94% CLOSURE

Query Resolution for **Employees**

STRENGTHENING SOCIAL INCLUSIVENESS

Our Human Rights Agenda

GRI 2-30, 402-1, 407-1, 408-1, 409-1, 410-1, 411-1

At Sudarshan, we prioritise human rights principles, ensuring dignity, equality, and respect for all individuals. Guided by the Universal Declaration of Human Rights (UDHR) and international standards, we uphold human rights throughout our operations.

Our policies align with the UN Guiding Principles on Business and Human Rights, complying with all laws to safeguard rights. We also adhere to The Voluntary Principles on Security and Human Rights, conducting risk assessments and partnering with security entities to prevent abuses.



WE ENSURE:

Zero tolerance towards child labour and any forced labour, whether directly or through contractual ties

Our workplaces remain devoid of discrimination and harassment

Adherence to local minimum wage regulations and provision of social benefits aligned with national and international norms

Our grievance redressal mechanism ensures a transparent and efficient process for employees to address concerns and seek resolutions, fostering a culture of trust and accountability within our organization.



Employee submits a complaint in writing or through email to committee members



Committee appoints a lead investigator



Committee draws consensus and prepares case resolution document



Committee forwards its findings and recommends action to the Leadership



Leadership takes final decision

Figure: Our Grievance Redressal Mechanism

During the reporting period, there were no reported cases of violations of prescribed norms on child labour, forced labour, physical and verbal abuses, or other aspects of human rights across our operations.

POSH: Prevention of Sexual Harassment

At Sudarshan, we prioritise a safe and respectful workplace by strictly adhering to our Prevention of Sexual Harassment at workplace (POSH) Policy²³.

The Policy mandates training for all employees and establishes an Internal Complaints Committee (ICC) to address any reported incidents promptly and impartially.

During reporting period, no POSH cases were reported within our company

²³<https://www.sudarshan.com/policy-on-prevention-of-sexual-harassment-at-workplace.pdf>

STRENGTHENING SOCIAL INCLUSIVENESS

Right to Freedom of Association

Ensuring consistent treatment of human rights issues, we extend our approach to encompass both permanent and contract workers. Our facilities operate under a meticulous system aimed at managing contract labour and safeguarding employee well-being. Upholding the fundamental right to association, we foster transparent dialogues between union representatives and management to establish Collective Bargaining Agreements (CBA). These agreements, covering various aspects including compensation, working conditions, bonuses, health and safety measures and productivity, are integral to our commitment.



During the reporting period, we achieved full coverage of CBAs, with 100% of our eligible full-time workforce benefiting from these agreements.

Diversity and Inclusion

Recognising the pivotal role of diversity and inclusion in fostering a global work culture, we are dedicated to being an equal opportunity employer. Our commitment extends to nurturing an inclusive workplace and a vibrant culture that values and respects all individuals. Our D&I Policy²⁴ outlines our commitments and the roles and responsibilities of key personnel. Detailed information about our policy is available on our website for transparency and accessibility.

We are actively working towards attaining our goal of reaching a 30% gender diversity representation across all levels within our organization. While we value diversity comprehensively, our primary focus areas include promoting gender inclusivity, integrating persons with disabilities, and promoting a multi-generational workforce.

**Gender Inclusivity**

At our company, we consider gender inclusivity paramount, recognising the significance of women in our workforce. We are dedicated to nurturing an environment where women are valued, respected, and provided equal opportunities for growth and leadership.

A notable endeavour, the SUDA SAKHI Employee Resource Group (ERG), serves as a forum for women to openly discuss challenges and address concerns. Monthly training sessions within these forums cover a range of topics including health and safety, self-defence, and emotional wellbeing, promoting empowerment and support.



²⁴<https://www.sudarshan.com/diversity-and-inclusion-policy.pdf>

STRENGTHENING SOCIAL INCLUSIVENESS

Since March 2023, we have introduced 'The Wholesome Women Leadership' award to recognise and celebrate the invaluable contributions of our female employees. This annual award, open for self-nominations from women employees at all levels, is presented on International Women's Day.

Additionally, our SUDA SAKHI initiative supports holistic development through health, well-being, and overall growth initiatives, including physical health, stress management, personality development, financial planning, and skill workshops, ensuring comprehensive satisfaction.



Women in workforce (permanent employees)

FY23-24

217

FY22-23

183



Women as new hires

FY23-24

75

FY22-23

59



Women in senior management positions - India

FY23-24

2

FY22-23

4



Women in senior management positions - Overseas

FY23-24

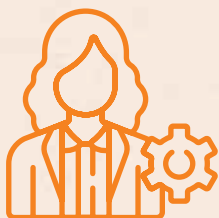
6

FY22-23

5



CASE STUDY 5: Suda Sakhi - Mrs. Sanjana Vaibhav Surve's Journey at Sudarshan



Mrs. Sanjana Vaibhav Surve joined Sudarshan in 1999, witnessing the growth of the female workforce over 25 years. Promoted to Manager in 2022, she led projects in the Troubleshooting Lab, focusing on quality, cost improvement and new product development. Sudarshan's leadership supported her through the Management Development Program, encouraging her strengths and providing constructive feedback. Mrs. Sanjana's leadership contributed to greater profitability and operational excellence at Sudarshan. Her success inspired other women within the company to pursue leadership roles. Her journey exemplifies Sudarshan's commitment to equal opportunities and strengthening women's leadership.

STRENGTHENING SOCIAL INCLUSIVENESS



Inclusion of Persons with Disabilities

Aligned with our ESG and Human Rights Policy, we prioritise promoting the rights of individuals with disabilities, fostering a culture where every employee is treated with dignity and respect regardless of ability. In compliance with The Rights of Persons with Disabilities Act, 2016, inclusive infrastructure facilities have been seamlessly integrated into our premises. As of March 31st, 2024, four individuals with disabilities contribute to our workforce, reflecting our ongoing commitment to D&I.



Multi-generational Workforce

At Sudarshan, we embrace the diversity of our multi-generational workforce, recognising the unique perspectives and experiences each generation brings. We have set a goal to achieve 60% of our workforce to be under 30 years old by FY 2024-25. As of FY 2023-24, 50% of our workforce falls within this age bracket.

FY
21-22



FY
22-23



FY
23-24

Conducted infrastructure assessment to ensure accessibility to the specially-abled

Identified roles from the organization structure suitable for the specially-abled

Set-up target to hire specially-abled. Hired 4 individuals as on 31.03.2024

STRENGTHENING SOCIAL INCLUSIVENESS



Customer-first Philosophy

GRI 416-1, 416-2

At Sudarshan, putting the customer first is more than a principle - it is our guiding philosophy. From personalised service to tailored solutions, every decision revolves around enhancing the customer experience. We believe in not just meeting but exceeding expectations, ensuring every interaction leaves a lasting impression of care and commitment.

Providing value added products that meet specific requirements



Actively seeking feedback and insights from customers and promptly addressing their concerns



Maintaining rigorous and consistent quality standards to ensure safety, effectiveness and user-friendliness of our products



Our Systematic Approach

Sudarshan boasts a diverse pigment portfolio spanning seven decades, renowned for consistently delivering high-quality products, maintaining rigorous standards and adapting to meet evolving customer needs. We prioritise customer satisfaction by providing detailed product information that meets regulatory standards, creating strong relationships with customers through comprehensive compliance.



Enhancing Customer Engagement

Our sales team is highly involved with customers, attentively addressing their needs, and building enduring relationships with specialised key account managers catering to corporate clients, ensuring top-notch delivery and quality. Each customer has a designated salesperson or relationship manager for personalised support, while we provide performance dashboards to key customers to improve engagement by sharing service quality insights.

Figure: Our Customer-focused Approach

Our customer grievance redressal engagement allows customers to reach out to Sudarshan via our Company website²⁵, to report any complaints related to privacy and data security concerns.

²⁵<https://www.sudarshan.com/contact-us/>

STRENGTHENING SOCIAL INCLUSIVENESS

**Reduced Customer Complaints:**

Significantly improved customer experience through close customer collaboration, focused visits to ensure application compatibility, continuous quality improvement and effective communication.



Sudapedia Mobile App: Introduced the Sudapedia mobile application for enhancing engagement with customer and channel partners. Sudapedia is a compressive pigment database offering technical product information for our 300+ products across 35+ applications, improving the overall customer experience. Sudapedia has increased convenience and accessibility of our products and received lot of positive recognition from customers.



Customer Trainings: The Technical Marketing team conducted periodic trainings for customers to provide information on our product range, new launch products, current market trends and regulatory changes in the pigment industry. This has led to an exchange of ideas and improved collaboration, such as targeted developments projects to develop customised solutions on various topics including sustainability, niche end uses and cost efficiency.

We invite customers to tour our facilities, including plants and R&D labs, to validate product quality, enhancing customer involvement, while our code of conduct instructs employees on customer interactions, promoting feedback and swift issue resolution. Through our 'Customer Centric Policy,' employees are instructed to prioritise and respond promptly to customer needs, supported by regular satisfaction surveys to inform sales team improvements.

During the reporting period, there were no customer complaints on health and safety concerns.



STRENGTHENING SOCIAL INCLUSIVENESS



Our Supply Chain integrity

GRI 204-1, 308-1, 308-2, 414-1, 414-2

Recognising the pivotal role of a sustainable supply chain in ensuring our business continuity, given our heavy reliance on raw materials, we prioritise ethical practices and view our suppliers as integral partners in our growth and success, nurturing relationships beyond mere vendor-client dynamics. Our sustainable supply chain ensures ethical sourcing, minimised environmental impact, and equitable partnerships, aligning with our commitment to responsible business practices and long-term environmental stewardship.

Supplier Ethics & Compliance

Our Responsible Sourcing Policy ensures compliance with labour laws, including zero tolerance for child and forced labour, while our Supplier-51 program targets critical suppliers, covering 70% of material spend, to uphold sustainability standards.

We continue to prioritise supplier compliance with environmental and social standards through robust assessment procedures. We achieved a 100% screening rate for new suppliers on ESG criteria, evaluating factors such as environmental clearances, labour standards and human rights protection. Our preferred suppliers maintain certifications like ISO 14001, ISO 45001, or equivalent standards, ensuring alignment with our sustainability objectives.

In our ongoing commitment to sustainability, we continue to prioritize ESG integration within our procurement and supply chain operations through our 'Responsible Supply Chain Initiative'. We have a Supplier Code of Conduct in place emphasizing on ESG principles, extended to all tier- 1 suppliers, and they are encouraged through regular engagement for compliance.

During the reporting year, we have adopted a Supplier Assessment Questionnaire (SAQ) which is extended to all our tier-1 suppliers, wherein the suppliers are evaluated based on ESG criteria. We conduct periodic meetings with our suppliers through various communication channels like vendor portals, emails, phones, conferences, exhibitions, and social media, particularly with critical suppliers,

to strengthen our supplier relationship. Our Supplier Engagement Program (Supplier - 51) targets the critical suppliers based on spending and business risks identified. We also conduct audits for our mica suppliers and undertake criticality assessment for our suppliers to address the ESG factors.



During the reporting period, 42% of our inputs were sourced sustainably

STRENGTHENING SOCIAL INCLUSIVENESS



Supply Chain Logistics Management

In our ongoing commitment to improving supply chain efficiency, we have implemented an automation initiative integrating 'Plan Visage' with SAP, providing end-to-end visibility into demand, supply, and raw material planning, resulting in improved inventory management and waste reduction. Furthermore, the deployment of a Warehouse Management System (WMS) at our Roha facility, integrated with SAP, enhances logistics planning and optimisation, while contributing to reduced greenhouse gas emissions from transportation.



Ethical Procurement: Mica

India, the world's largest mica producer and exporter, sources high-quality mica mainly from Jharkhand, contributing to nearly 60% of India's total production. Sudarshan is an active member of the Responsible Mica Initiative (RMI), working to establish a fair and sustainable mica supply chain by 2030, ensuring compliance with OECD Guidance. Through RMI, we have implemented vendor evaluation processes and conduct regular audits with RMI-approved firms, tracing our entire supply chain and identifying ethical suppliers. Sudarshan maintains a zero-tolerance policy against child labour and supports welfare programs and education initiatives in mica-sourcing regions, collaborating with RMI to advocate for comprehensive supply chain regulations.



STRENGTHENING SOCIAL INCLUSIVENESS

Supply Chain Management Program

We recognize the value of integrating robust ESG practices in our procurement and supply chain management, thus initiating “Responsible Supply Chain Initiative” to integrate sustainable sourcing practices while reducing burden on a single dependency. Thus, to support our initiatives, our processes have been integrated to ensure screening of our suppliers for social and

environmental aspects while preferring local suppliers to grow local economic development after ensuring quality and sustainability value propositions. We engage monthly and weekly (for critical suppliers) with the objective of building supplier relations, strengthening the supply chain sustainability while ensuring competitive pricing through vendor portals, email & phone communication, conferences

& exhibitions, social media etc. Our vision is to include all the critical suppliers (assessed based on risk and spend) in our ESG assessments by FY 2027.

Additionally, we have established systems and procedures to evaluate all our suppliers’ adherence to environmental and social standards. In the reporting period, we successfully assessed 100% of our new suppliers for ESG compliance. Our Code of Conduct Policy for

Business Partners is applicable for all our customers, suppliers, and service providers detailing our expectations regarding compliance with global principles, fair competition, human rights, labor, and social standards and is supplied to all our tier-1 suppliers. Thus, we advocate for these values through our supply chain management, encouraging suppliers to maintain comparable human rights commitments.

We have also implemented a structured supplier engagement program (Supplier-51) to engage with our critical suppliers based on spending and business risks. This indicates our strategic approach and commitment to strengthen our supplier relationship by prioritizing our suppliers that are crucial to achieving our operational and strategic objectives. This ensures to enhance our engagement, mitigate risks, and optimize supply chain efficiencies.

S.No.	Criteria	Response
1	% of new suppliers screened for ESG Compliance	100%
2	Risk category	Low Risk, Medium Risk and High Risk
3	% suppliers reporting BRSR	25%
4	% suppliers achieving ISO 14001	54%
5	% suppliers achieving ISO 9001	80%

Table: Supply Chain Management Criteria Assessment

Also, we have established a system (licenses and consents, commitments to prohibiting a child/forced labour, promotion, and protection of human rights) to evaluate our compliance with environmental and social standards.

In the reporting year, we successfully screened 100% of our new suppliers for ESG compliances. Our preferred suppliers are certified with standards such as ISO 14001, ISO 45001, or equivalent certifications.



We have also implemented a robust system of an automated IT-based tool named “**Plan Visage**” at SAP to provide a comprehensive visibility into our demand, supply, and raw material planning across the entire process.

Furthermore, we have a Warehouse Management System (integrated with SAP) at Roha that supports logistics planning, optimizes efforts, and help in reducing greenhouse gas emissions due to transportation.

STRENGTHENING SOCIAL INCLUSIVENESS

Strengthening Local Communities

GRI 413-1, 413-2

We, at Sudarshan, are dedicated to growing sustainable communities by investing in local development projects, promoting education, healthcare, and environmental initiatives, and collaborating with stakeholders to address societal needs and create lasting positive impact.

Our efforts are aimed at enhancing the lives of communities neighbouring our manufacturing sites, forwarding self-sufficiency through grassroots skill-building and capacity development initiatives. Our CSR endeavours fall under the acronym 'SUDHA,'

representing Sudarshan's Holistic aspirations, encapsulating our commitment to holistic social responsibility.

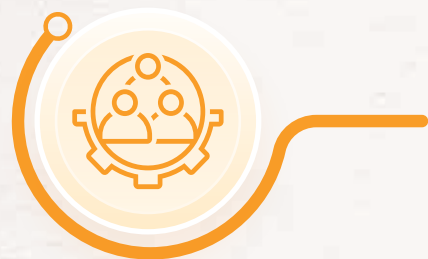
SUDHA serves as the cornerstone of our efforts, bringing together our company and the local community in a collaborative endeavour.

SUDHA's strategic components aim to serve communities holistically, foster inclusivity, empower women and youth and enable sustainable growth. Its scope covers Sudarshan plant communities, emphasising need-based development through social partnerships

and self-driven engagements. Advantages include rigorous needs assessment, purposeful initiatives, engagement beyond funds, intensive monitoring and a sustainable model.

Throughout the reporting year, we have undertaken various CSR projects and initiatives, outlined below:

Community Development

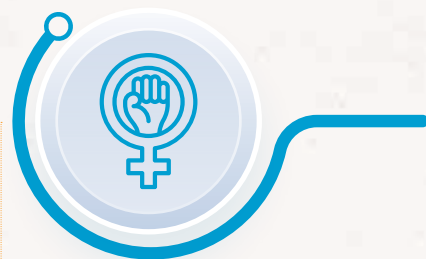


Initiatives:

- Livelihood generating activities
- Community infrastructural projects
- Community bonding activities
- Projects of Clean Roha Healthy Roha & Mahad

IMPACT CREATED / TOTAL BENEFICIARIES: **33,130**

Women Empowerment



Initiatives:

- Over 411 women in 7 villages covered through various livelihood projects
- Initiation of uniform stitching projects for women in Roha
- Tailoring project in the region on Sutarwadi & Roha

IMPACT CREATED / TOTAL BENEFICIARIES: **2,999**

Health



Initiatives:

- Promotion of health through camps and drives
- Asha workers trained further as Arogya Sakhis
- Promotion of female hygiene
- Health awareness in Adiwasiwadi

IMPACT CREATED / TOTAL BENEFICIARIES: **9,011**

Education



Initiatives:

- Making ISO ZP Schools Anganwadis
- E-learning setups & computer education
- Tie ups with Seva Sahyog and IFI
- J.M Rathi school for the people of Roha

IMPACT CREATED / TOTAL BENEFICIARIES: **6,547**

Environment



Initiatives:

- Waste management initiatives - Compost bins and Ghanta Gadis
- Organic farming initiatives
- Cleanliness drives
- Tie up with INORA
- Tree plantation drives

IMPACT CREATED / TOTAL BENEFICIARIES: **21,765**

Figure: Details of CSR Initiatives

STRENGTHENING SOCIAL INCLUSIVENESS

CSR Governance

The Sudarshan CSR Foundation, functioning under Section 8 of the Companies Act, 2013, aligns its CSR initiatives with policy guidelines and legal regulations outlined in Schedule VII. Overseen by the CSR Committee, responsible for proposing policies, monitoring projects, ensuring legal compliance, and promoting community engagement, our efforts have earned accolades supported by the Board. Through a sustainable 'Design, Operate, and Transfer' model, we involve stakeholders for lasting impact, reflecting our commitment to responsible corporate citizenship.

Key CSR Initiatives: Achievements & Impact

*Environment*

Our environment initiatives focus on reducing carbon footprint, conserving resources, and promoting sustainable practices, reflecting our commitment to environmental stewardship and fostering a greener future. In Roha and Mahad, we managed close to 1,81,050 kg of wet waste, gathered 46,501 kg of dry waste, and produced 18,105 kg of compost, generating economic benefits of ₹1,44,840 through composting endeavours.



During the reporting year, we reached 27,916 individuals with our environmental sustainability endeavours, spanning centralised and decentralised waste management, water resource development, organic farming, kitchen garden initiatives and extensive tree planting campaigns.

STRENGTHENING SOCIAL INCLUSIVENESS



Health

Our health initiatives aim to improve access to essential healthcare services, empower communities with knowledge and resources for better health outcomes, and nurture partnerships to address pressing health challenges, reflecting our commitment to enhancing well-being for all.

Arogya Sakhi Engagement:

Addressing the distance between remote villages and Primary Health Centres, our initiative utilizes the government's Asha worker program to ensure convenient healthcare access for villagers, with a focus on enhancing the skills of Asha workers to elevate the quality of care they deliver.

Mental Health Well Being:

Conducted capacity building training of Aarogya Sakhis and created awareness session with colleges and women's SHGs (Self-help groups).

Menstrual Health & Hygiene:

Conducted menstrual health & hygiene awareness programs, yoga and well-being sessions with girls and behaviour and thoughts process improvement activity.

Health Camps:

Free health checkup and medicine distribution and provided training to Aarogya Sakhis to make the local people aware about all the healthy practices.



STRENGTHENING SOCIAL INCLUSIVENESS



Education

Our education initiatives aim to enhance accessibility and quality of education, providing lifelong learning opportunities for all.

Initiatives	Impact
5 ZP schools & 7 Anganwadis received ISO certification	418 students benefitted - Dropout rate of students decreased by 10% - Student's academic growth chart increased by 15% - Created child-friendly learning environments, enhanced teacher morale through improved infrastructure, and elevated student engagement and knowledge levels
Adult education initiative offers literacy classes to tribal individuals, boosting confidence and teaching essential reading, writing, arithmetic skills, alongside health and hygiene awareness	- Empowered 102 tribal individuals with basic literacy skills, enabling them to read bus boards and instructions - Successful prevention of two girl child marriages in the tribal community through our adult education intervention
Empowering Tribal Girls with the Cycle Bank Project: We created a cycle bank of 20 bicycles for these girls. They use the cycles while attending school and return them upon graduation; ensuring new students can benefit from them	- Significant reduction in the absenteeism of girls - This has significantly reduced their commute time to school, cutting it from 80 minutes to just 20 minutes; allowing them to arrive much earlier - This newfound free time is allowing them to engage in other educational pursuits

During the reporting year, we have made a significant difference in the lives of 6,547 students in disadvantaged communities. Our efforts encompassed school and ICDS enhancement through ISO certifications, the Sudha Sitara Scholarship program, educational support for the underprivileged, adult education initiatives, provision of crucial school resources, and life skills programs for urban slum students.



STRENGTHENING SOCIAL INCLUSIVENESS



Women Empowerment

Initiatives	Impact
Paper Bag Project ● Provided training in bag making, marketing & personality development ● Average Monthly sale: 1 Lakh ● Monthly capacity: 2 Lakh Bags ● Stitching project: Training in basic & advanced stitching	● Empowered 300 women across villages of Killa, Vishnunagar, Sutarwadi, Medha ● Increase in monthly average income by ₹3,000 ● Increase in awareness about paper bag usage
Stitching Project ● Provided training in stitching and tailoring from Symbiosis and LIFT ● Women are graded from D to A+ and the ones who get through all the levels get training in LIFT ● Women make from 2k to 18k p.m.	● Empowered 111 women in Sutarwadi in the regions of Ambadvet, Kondhawale and Pirangut ● Women have opened shops and work from their homes. Others stitch for their family and save money on clothes
Goat Rearing Project ● Goats and Chicken are provided to women in Mahad ● This project is currently in its initial stages and the intent is to enable these women to rear the poultry and sell them for meat and eggs	● Providing poultry and goats enable them to have an extra source of income without having to work full time since they have household chores to take care of



STRENGTHENING SOCIAL INCLUSIVENESS



Skill Development and Employability

Through strategic partnerships and targeted programs, we empower individuals by providing skill development opportunities, enhancing employability and strengthening economic independence within our communities.

Throughout the reporting period, our endeavours have facilitated the empowerment of 200+ youth across diverse sectors. We engaged in numerous reskilling initiatives, such as the Footwear Making Project, LED Bulb Making Project, Computer Literacy Training Programs, Vocational Training Program - ITI courses, and Entrepreneurship Development sessions. These initiatives have not only provided families with a stable income, but have also elevated self-assurance, enhanced employability, offered upskilling opportunities, promoted female entrepreneurship and facilitated financial autonomy.



STRENGTHENING SOCIAL INCLUSIVENESS



Community Development

Empowering Community Institutions through ISO 9001:2015 Engagement and Certification, we engage with community institutions like schools and Gram Panchayats to empower them in serving their communities better, recognising robust institutions as vital for sustainable development. Our partner offers tailored consulting services to aid certification, while a steering committee comprising enrolled parents, school members, Sudarshan, and social partners oversees progress and assumes responsibility throughout the process.

Driving Employee Engagement in CSR Initiatives

Embracing our commitment to CSR, Sudarshan actively encourages employee participation in meaningful initiatives that reflect our core values. With the dedication of our 1,845 employees, we have collectively contributed 3,200 hours to various CSR projects, making a tangible impact in the communities where we operate. Our employees have generously volunteered for initiatives such as Livelihood Projects, Self Help Group (SHG) Empowerment, Marketing Training, Skill Development Training, Water Resource Development Project in Mahad, Tree Plantation Program and Waste Management Project.

No potential negative impact on local communities due to our business operations



GRI CONTENT INDEX

GRI Standard	Disclosure	Page Number	Remarks
GRI 2: General Disclosures 2021	2-1 Organizational details	15	
	2-2 Entities included in the organization's sustainability reporting	4	
	2-3 Reporting period, frequency and contact point	4	
	2-4 Restatements of information	4	
	2-5 External assurance	115	
	2-6 Activities, value chain and other business relationships	15-23	
	2-7 Employees	81	
	2-8 Workers who are not employees	81	
	2-9 Governance structure and composition	40, 41, 43	
	2-10 Nomination and selection of the highest governance body	40, 45	
	2-11 Chair of the highest governance body	40, 41	
	2-12 Role of the highest governance body in overseeing the management of impacts	40, 44, 45	
	2-13 Delegation of responsibility for managing impacts	40	
	2-14 Role of the highest governance body in sustainability reporting	35, 40	
	2-15 Conflicts of interest	40	
	2-16 Communication of critical concerns	26, 27	
	2-17 Collective knowledge of the highest governance bod	40	
	2-18 Evaluation of the performance of the highest governance body	45	
	2-19 Remuneration policies	45	
	2-20 Process to determine remuneration	45	
	2-21 Annual total compensation ratio	45	
	2-22 Statement on sustainable development strategy	6	
	2-23 Policy commitments	45	
	2-24 Embedding policy commitments	45	
	2-25 Processes to remediate negative impacts	24	

GRI Standard	Disclosure	Page Number	Remarks
	2-26 Mechanisms for seeking advice and raising concerns	26	
	2-27 Compliance with laws and regulations	39	
	2-28 Membership associations	23	
	2-29 Approach to stakeholder engagement	26	
	2-30 Collective bargaining agreements	91, 92	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26, 28	
	3-2 List of material topics	26, 28	
	3-3 Management of material topics	26	
GRI 201: Economic Performance 2016	3-1 Process to determine material topics	26, 28	
	201-1 Direct economic value generated and distributed	47	
	201-2 Financial implications and other risks and opportunities due to climate change	24	
	201-3 Defined benefit plan obligations and other retirement plans	48	
	201-4 Financial assistance received from government	48	
GRI 202: Market Presence 2016	3-1 Process to determine material topics	26, 28	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	115, 116	Please refer to Annual Report (FY 2023-24): annual-report-2023-24.pdf (sudarshan.com)
	202-2 Proportion of senior management hired from the local community	81	
GRI 203: Indirect Economic Impacts 2016	3-1 Process to determine material topics	26, 28	
	203-2 Significant indirect economic impacts	Not Applicable	Not Material
GRI 204: Procurement Practices 2016	3-1 Process to determine material topics	26, 28	
	204-1 Proportion of spending on local suppliers	97	

GRI CONTENT INDEX (contd.)

GRI Standard	Disclosure	Page Number	Remarks
GRI 205: Anti-corruption 2016	3-1 Process to determine material topics	26, 28	
	205-1 Operations assessed for risks related to corruption	45	
	205-2 Communication and training about anti-corruption policies and procedures	45	
	205-3 Confirmed incidents of corruption and actions taken	45	
GRI 206: Anticompetitive Behaviour 2016	3-1 Process to determine material topics	26, 28	
	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	45	
GRI 207: Tax 2019	3-1 Process to determine material topics	26, 28	
	207-1 Approach to tax	49	
	207-2 Tax governance, control, and risk management	49	
	207-3 Stakeholder engagement and management of concerns related to tax	49	
	207-4 Country-by-country reporting	49	
GRI 301: Materials 2016	3-1 Process to determine material topics	26, 28	
	301-1 Materials used by weight or volume	62, 69	
	301-2 Recycled input materials used	62, 69	
	301-3 Reclaimed products and their packaging materials	62, 69	
GRI 302: Energy 2016	3-1 Process to determine material topics	26, 28	
	302-1 Energy consumption within the organization	58	
	302-3 Energy intensity	58	
GRI 303: Water and Effluents 2018	3-1 Process to determine material topics	26, 28	
	303-1 Interactions with water as a shared resource	62	
	303-2 Management of water discharge-related impacts	62	
	303-3 Water withdrawal	62	
	303-4 Water discharge	62	
	303-5 Water consumption	62	

GRI Standard	Disclosure	Page Number	Remarks
GRI 305: Emissions 2016	3-1 Process to determine material topics	26, 28	
	305-1 Direct (Scope 1) GHG emissions	59	
	305-2 Energy indirect (Scope 2) GHG emissions	59	
	305-3 Other indirect (Scope 3) GHG emissions	59	
	305-4 GHG emissions intensity	59	
	305-5 Reduction of GHG emissions	59	
	305-6 Emissions of ozone depleting substances (ODS)	61	
GRI 306: Waste 2020	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	61	
	3-1 Process to determine material topics	26, 28	
	306-1 Waste generation and significant waste-related impacts	25	
	306-2 Management of significant waste-related impacts	63	
	306-3 Waste generated	63	
GRI 307: Environmental Compliance	306-4 Waste diverted from disposal	62	
	306-5 Waste directed to disposal	63	
	3-1 Process to determine material topics	26, 28	
	307-1 Non-compliance with environmental laws and regulations	39	
GRI 308: Supplier Environmental Assessment 2016	3-1 Process to determine material topics	26, 28	
	308-1 New suppliers that were screened using environmental criteria	97, 99	
	308-2 Negative environmental impacts in the supply chain and actions taken	97, 99	
GRI 401: Employment 2016	3-1 Process to determine material topics	26, 28	
	401-1 New employee hires and employee turnover	81, 82	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	48, 81	
	401-3 Parental leave	114	

GRI CONTENT INDEX (contd.)

GRI Standard	Disclosure	Page Number	Remarks
GRI 402: Labor/Management Relations 2016	3-1 Process to determine material topics	26, 28	
	402-1 Minimum notice periods regarding operational changes	91	
GRI 403: Occupational Health and Safety 2018	3-1 Process to determine material topics	26, 28	
	403-1 Occupational health and safety management system	87, 88	
	403-2 Hazard identification, risk assessment and incident investigation	87	
	403-3 Occupational health services	71, 87, 88	
	403-4 Worker participation, consultation and communication on occupational health and safety	87	
	403-5 Worker training on occupational health and safety	87	
	403-6 Promotion of worker health	87	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	87	
	403-8 Workers covered by an occupational health and safety management system	71, 87	
	403-9 Work-related injuries	87	
	403-10 Work-related ill health	87	
GRI 404: Training and Education 2016	3-1 Process to determine material topics	26, 28	
	404-1 Average hours of training per year per employee	82	
	404-2 Programs for upgrading employee skills and transition assistance programs	82	
	404-3 Percentage of employees receiving regular performance and career development reviews	82, 83, 85	

GRI Standard	Disclosure	Page Number	Remarks
	3-1 Process to determine material topics	26, 28	
	405-1 Diversity of governance bodies and employees	40, 41	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men		Please refer to Annual Report (FY 2023-24): annual-report-2023-24.pdf (sudarshan.com)
	3-1 Process to determine material topics	26, 28	
	406-1 Incidents of discrimination and corrective actions taken		Please refer to Annual Report (FY 2023-24)- Page 117: annual-report-2023-24.pdf (sudarshan.com)
GRI 406: Non-discrimination 2016			
GRI 407: Freedom of Association and Collective Bargaining 2016	3-1 Process to determine material topics	26, 28	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	91	
GRI 408: Child Labor 2016	3-1 Process to determine material topics	26, 28	
	408-1 Operations and suppliers at significant risk for incidents of child labour	91	
GRI 409: Forced or Compulsory Labor 2016	3-1 Process to determine material topics	26, 28	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	91	
GRI 410: Security Practices 2016	3-1 Process to determine material topics	26, 28	
	410-1 Security personnel trained in human rights policies or procedures	11, 91	

GRI CONTENT INDEX (contd.)

GRI Standard	Disclosure	Page Number	Remarks
GRI 411: Rights of Indigenous Peoples 2016	3-1 Process to determine material topics	26, 28	
	411-1 Incidents of violations involving rights of Indigenous peoples	91	
GRI 412: Human Rights Assessment	3-1 Process to determine material topics	26, 28	
	412-2 Employee training on human rights policies or procedures	11	
GRI 413: Local Communities 2016	3-1 Process to determine material topics	26, 28	
	413-1 Operations with local community engagement, impact assessments and development programs	100	
	413-2 Operations with significant actual and potential negative impacts on local communities	100	
GRI 414: Supplier Social Assessment 2016	3-1 Process to determine material topics	26, 28	
	414-1 New suppliers that were screened using social criteria	97, 99	
	414-2 Negative social impacts in the supply chain and actions taken	97, 99	

GRI Standard	Disclosure	Page Number	Remarks
GRI 416: Customer Health and Safety 2016	3-1 Process to determine material topics	26, 28	
	416-1 Assessment of the health and safety impacts of product and service categories	67, 95	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	95	
GRI 417: Marketing and Labelling 2016	3-1 Process to determine material topics	26, 28	
	417-1 Requirements for product and service information and labelling	70	
	417-2 Incidents of non-compliance concerning product and service information and labelling	70	
	417-3 Incidents of non-compliance concerning marketing communications	70	
GRI 418: Customer Privacy 2016	3-1 Process to determine material topics	26, 28	
	418-1 Requirements for product and service information and labelling	70	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52	



UNGC INDEX

UNGC Principle	Category	Description	Page Number
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	91-94
Principle 2		Businesses should make sure that they are not complicit in human rights abuses	91-94
Principle 3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	91-94
Principle 4		Businesses should uphold the elimination of all forms of forced and compulsory labour	91-94
Principle 5		Business should uphold the effective abolition of child labour	91-94
Principle 6		Business should uphold the elimination of discrimination in respect of employment and occupation	91-94
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	26-29
Principle 8		Businesses should undertake initiatives to promote greater environmental responsibility	54-64
Principle 9		Businesses should encourage the development and diffusion of environmentally friendly technologies	67-70 & 74-75
Principle 10	Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery	28, 29, 45



ESG DATA PACK

Index highlighting all the ESG performance of Sudarshan for FY 2023-24

Particulars	FY 2023-24 (₹ Million)	FY 2022-23 (₹ Million)	FY 2021-22 (₹ Million)
Net revenue from operations	21,414.29	19,761.05	19,189.11
Revenue from other sources	173.94	41.5	83.82
Total revenue	21,588.23	19,802.55	19,272.93
Operating cost (includes the cost of raw materials, depreciation, and other expenses)	18,557.41	17,787.86	16,432.70
Employee wages and benefit	1,474.70	1,269.53	1,292.54
EBIT	1,556.12	745.16	1,547.69
Interest	287.07	366.89	173.11
Profit before exceptional items and tax	1,269.05	-	-
Exceptional items	3,116.60	-	-
PBT	4,385.65*	378.27	1,374.58
Tax	1,034.41	64.17	370.82
PAT	3,351.24	314.1	1,003.76
Dividend (net of DDT)	353.06	346.14	415.36
Retained earnings (for the FY)	2,984.11	(28.6)	580.15

Note: *Includes Profit before exceptional items and tax & Exceptional items. Exceptional items include sale of freehold land and divestment of wholly owned subsidiary. Refer note 53 of Sudarshan Chemical's Annual Report FY 23-24; Page 243 for further details.

Defined Contribution schemes	FY 2023-24 (₹ Million)	FY 2022-23 (₹ Million)	FY 2021-22 (₹ Million)	Growth (%)
Contribution to Provident Fund*	64.23	64.38	117.69	0.23%
Contribution to Gratuity Fund	19.94	21.01	16.61	5.09%
Total	84.17	85.39	134.3	1.43%

Table: Economic Performance as on 31st March 2024

S.No.	Sudarshan Chemicals	Unit	FY 2023-24	FY 2022-23	FY 2021-22
1	Electricity- Solar	GJ	89,798	87,488	85,811
2	Electricity- Purchased	GJ	65,006	75,133	71,571
3	Electricity- Wind	GJ	47,349	21,463	19,837
4	Total Purchased (RE+non-RE)	GJ	2,02,153	1,84,083	1,77,219
5	Coal	GJ	23,60,375	19,02,426	20,35,289
6	Diesel	GJ	3,737	4,107	6,881
7	Furnace Oil	GJ	-	3,651	4,404
8	LDO	GJ	1,207	483	3,046
9	LPG	GJ	-	1,958	93
10	Total Energy Consumption	GJ	25,67,472	20,96,708	22,26,931
11	Energy Intensity per metric ton of product	GJ/MT	72.0	70.4	68.7

S.No.	Sudarshan Chemical Industries	Unit	FY 2023-24	FY 2022-23	FY 2021-22
1	Coal	tCO ₂ e	2,23,291	1,82,823	1,95,620
2	Electricity - Purchased	tCO ₂ e	15,828	14,922	15,706
3	Diesel	tCO ₂ e	294	304	510
4	Furnace Oil	tCO ₂ e	-	283	341
5	LDO	tCO ₂ e	89	36	226
6	LPG	tCO ₂ e	-	124	6
7	Scope 1	tCO ₂ e	2,23,675	1,83,569	1,96,702
8	Scope 2	tCO ₂ e	15,828	14,922	15,706
9	Total GHG Emissions	tCO ₂ e	2,39,503	1,98,491	2,12,408
10	GHG Emissions Intensity per metric ton of product (tCO ₂ e/MT)	tCO ₂ e/ MT of production	6.71	6.74	6.52
11	Emission intensity per unit of revenue (INR Million)	tCO ₂ e/INR million	11.09	10.02	11.02

Table: Energy Management

Water Particulars	FY 2023-24 (m3)	FY 2022-23 (m3)	FY 2022-23 (m3)
Water Withdrawal	43,87,129	39,02,646	52,64,665
Water Discharge	36,84,739	28,24,239	42,71,265
Water Consumption	7,02,390	10,78,407	9,93,400
Specific Water Withdrawal Intensity per metric ton of product (m3/MT)	123	131.08	162.33

Table: Water Management

Waste Generated	FY 2023-24 (MT)	FY 2022-23 (MT)	FY 2021-22 (MT)
Plastic waste	715	584	646
E-waste	-	4	0
Bio-medical waste	0.01	0.02	0.03
Battery waste	6	0	0
Other Hazardous waste	6,620	6,587	8,812
Other Non-hazardous waste	19,523	16,195	17,241
Total waste generated	26,865	23,371	26,699

Table: Details on Waste Management



New employee hires			
Total Number of New Employee Hires by Category, Region, Age and Gender			
Categorization	FY 2023-24		
	Male	Female	Total
By Employee Category			
Top Management	2	0	2
Senior Management	2	0	2
Middle Management	20	1	21
Associates	117	74	191
Total	141	75	216
By Region			
West	135	74	209
East	3	0	3
North	2	0	2
South	1	1	2
Total	141	75	216
By Age			
<30	83	67	150
30-50	51	7	58
>50	7	1	8
Total	141	75	216

Table: Total Number of New Employee Hires for FY 2023-24

Total Number of New Employee Hires leaving the organization in the reporting period by Category			
Categorization	FY 2023-24		
	Male	Female	Total
By Employee Category			
Associates	8	3	11
Middle Management	5	0	5
Senior Management	1	0	1
Top Management	0	0	0
Others (Please specify)	6	4	10
Total	20	7	27

Table: Total Number of New Employees Hires leaving the organization in FY 2023-24

Employee Left in reporting year	Average number of employees in FY 23-24	Turnover Rate
211	1,245	16.95%

Table: Employee turnover rate in FY 2023-24

New Hires in the reporting year	Average number of employees in FY 23-24	Turnover Rate
216	1,245	17.35%

Table: New Hire turnover rate in FY 2023-24

Category/ Level/Grade of Employees	Total No. of Employees per Category			No. of Hours of Training per Category			Average hours of training per year per employee		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Associates	701	212	913	14,080	2,385	16,465	20	11	18.03
Middle Management	92	6	98	4,044	44	4,088	44	7	41.71
Senior Management	37	4	41	1,017	112	1,129	27	28	27.54
Top Management	12	0	12	97	0	97	8	0	8.08
Total	842	222	1,064	19,238	2,541	21,779	22.85	11.45	20.47

Table: Employee Training Data for FY 2023-24



Categorization	FY 2023-24		
	Male	Female	Total
By Employee Category			
Top Management	12	0	12
Senior Management	37	4	41
Middle Management	92	6	98
Associates	678	207	885
Contract	23	5	28
Total	842	222	1,064

Contract Employees			
Permanent	819	217	1,036
Contract	23	5	28
Total	842	222	1,064

Employee Type			
Full Time Employees (Headcount)	819	217	1,036
Part Time Employees (Headcount)	23	5	28
Total	842	222	1,064

Table: Diversity of Governance Body and Employees for FY 2023-24

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

Table: Parental Leave (Return to Work and Retention Rate) for FY 2023-24

ASSURANCE STATEMENT

TUVINDIA

Independent Assurance Statement

The Directors and Management,
Sudarshan Chemical Industries Limited,
7th Floor, Eleven West, Panchshil
Survey No.25, Near PAN Card Club Road,
Baner Gaon, Pune 411 045, Maharashtra, India

Sudarshan Chemical Industries Limited (hereafter 'Sudarshan') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information disclosed in the Sudarshan's Sustainability Report (hereinafter 'the Report') for the period April 01, 2023 to March 31, 2024. This engagement was comprised of "limited assurance" of Sudarshan's sustainability information for the applied reporting period. The Report is based on the principles of GRI 2021 standards. This assurance engagement was conducted in reference with ISAE 3000 (revised).

Management's Responsibility

Sudarshan has monitored the ESG data and is responsible for identifying materiality, and related sustainability issues, establishing, reporting performance management, data management, and quality. The management of Sudarshan is responsible for the information provided in the report and the process of collecting, analysing, and reporting the information presented in web-based and printed forms, including website maintenance and its integrity. The Sudarshan's management is responsible for accurately monitoring and reporting the ESG data following the applied criteria so that it is free of intended or unintended material misstatements. Sudarshan will be responsible for archiving and reproducing the disclosed data for the stakeholders upon request.

Scope and Boundary

The scope of work includes limited assurance of the following non-financial performance / KPI disclosures as disclosed in the Report. In particular, the assurance engagement included the following:

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

TUVI has verified the below-mentioned disclosures given in the Report:

Topic	Indicator	GRI Disclosure
Water	Water consumption	303-3, 303-4, 303-5
Waste	Waste generated	306-2, 306-3, 306-4
Emissions	Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions, Other indirect (Scope 3) GHG emissions	305-1, 305-2, 305-3 (limited categories only)
	Emission Intensity	305-4
	Energy consumption within the organization	302-1
Energy	Energy Intensity	302-3
	Areas in hectares of site land owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas.	304-1, 304-4
Biodiversity	Areas in hectares of site land owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas.	304-1, 304-4
Governance	Governance structure and composition	2-8
Procurement Practices	Proportion on spending on local supplier	204-1
Ethics and Integrity	Anti-Corruption, Anti-Competitive behaviour	205-1, 205-2, 206-1
Employment	New Employees higher, Benefits for full time, Part-time employees, Parental Leave	401-1, 401-2, 401-3
Human Rights and Labour	Child Labour, Forced or Compulsory Labour	408-1, 409-1
Occupational Health and Safety	Occupational Health and Safety Management System	403-1, 403-2, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10
Training and Education	Training for Employees, Upgradation of skills	404-1, 404-2, 404-3

The reporting boundaries for the above topics include 2 Manufacturing Facilities - Roha Plant and Mahad Plant, as well R&D center at Sutarwadi. An on-site verification (via, web-based video conference calls, and telephone calls), was conducted for the below locations from November 2023 to December 2023:

Onsite Verification

- Sudarshan Industries Limited - 46, MIDC Area, Dhataw-Roha, Raigad, Maharashtra, 402 116
- Sudarshan Industries Limited - A19/1-2, MIDC Mahad, Mahad, Raigad, Maharashtra, 402 309

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The assurance activities were carried out together with a desk review as per the reporting boundary. Applicable boundaries for disclosures are explained in the Report.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion from the prospective information. During the assurance process, TUVI did not come across any limitations to the agreed scope of the assurance engagement. 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. TUVI expressly disclaims any liability or co-responsibility in the case of erroneous data reported or for any decision a person or entity would make based on this assurance statement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of Sudarshan's strategy or management of sustainability-related issues or the sufficiency of the report against GRI Standards, ISAE 3000 (revised) standard and other requirements mentioned under the scope of the assurance. TUVI's responsibility regarding this verification is in reference with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by Sudarshan. 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 us by Sudarshan are complete and true.

Verification Methodology

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

- TUVI examined and reviewed the documents, data, and other information made available by Sudarshan for non-financial disclosures;
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Sudarshan;
- TUVI reviewed the level of adherence to principles of GRI standards;
- TUVI examined and reviewed the documents, data (on sample basis) and other information made available by Sudarshan for the reported disclosures including the Management Approach and performance disclosure.

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. Sudarshan already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organization.

- Sudarshan can improve the material placement and work place layout throughout the plant
- Sudarshan is reporting supplier data with self-assessment documents shared by suppliers whereas supplier documents verification method is recommended in future.
- Sudarshan can set the targets for Energy, Water and Waste reduction
- Sudarshan can opt for verification of Zero Waste to Landfill in order to improve the waste disclosures
- Sudarshan can set the target of ban on single use plastic target
- Sudarshan can improve the Scope 3 accounting methodology for all applicable GHG sources
- Sudarshan shall opt for third party GHG certification to improve the accuracy of GHG reporting

Our Conclusion

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

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

Universal Standard: Sudarshan followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organization. General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices and reporting process and GRI 3: Material Topics 2021: Disclosures and guidance about the organization's material topics. GRI3 was selected for Management's Approach on reporting information about how an organization manages a material topic.

Topic Standard: 300 series (Environmental topics), and 400 series (Social topics). These Topic Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported

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ASSURANCE STATEMENT

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material topics and Topic Standards that Sudarshan used to prepare its Report are appropriately identified and addressed.

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. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards.

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

Independence: TUVI follows 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 behaviour. In reference with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Evaluation of the adherence to other contemporary Principles

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

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

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

Impact: Sudarshan communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI and its policy framework encompassing the Environmental, Social, Ethical and other policies. Sudarshan reports on sustainability performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of Sudarshan. The Management of the Sudarshan is responsible for the information provided in the Report as well as the process of collecting, analyzing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in reference with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by Sudarshan in the Report.

Our Assurance Team and Independence

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

For and on behalf of TUV India Private Limited



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



Date: 30/09/2024
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GLOSSARY OF ABBREVIATIONS

S.No.	Abbreviation	Full Form
1	BSE	Bombay Stock Exchange
2	CDP	Carbon Disclosure Project
3	CoC	Code of Conduct
4	CLP	Classification, Labelling & Packaging
5	CSR	Corporate Social Responsibility
6	DBK	Duty drawback
7	DEFRA	Department for Environment, Food & Rural Affairs
8	D&I	Diversity & Inclusion
9	ECHA	European Chemicals Agency
10	EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
11	EBIT	Earnings Before Interest & Taxes
12	EHS	Environmental, Health & Safety
13	EPCG	Export Promotion Capital Goods
14	ESG	Environmental, Social & Governance
15	ETAD	Ecological & Toxicological Association of Dyes & Organic Pigments Manufacturers
16	EU REACH	European Union Registration, Evaluation, Authorization & Restriction of Chemicals
17	FY	Financial Year
18	GHG	Greenhouse gases
19	GJ/MT	Gigajoules per Metric Ton
20	HIRA	Hazard Identification & Risk Assessment
21	HPP	High Performance Pigment
22	HR	Human Resource
23	ICMA	Institute of Cost & Management Accountants
24	ICP-MS	Inductively Coupled Plasma-Mass Spectrometry
25	IPCC	Intergovernmental Panel on Climate Change
26	ISAE	International Standard on Assurance Engagements
27	ISO	International Organization for Standardization
28	IR	Investor Relations
29	IT	Information Technology
30	KPI	Key Performance Indicators
31	LDO	Light Diesel Oil
32	LPG	Liquefied Petroleum Gas
33	LTIFR	Lost Time Injury Frequency Rate

S.No.	Abbreviation	Full Form
34	LOTOTO	Lock Out, Tag Out, Try Out
35	L&D	Learning & Development
36	LCIA	Lifecycle Impact Assessment
37	LDM	Lean Daily Management
38	MIDC	Maharashtra Industrial Development Corporation
39	PCB	Polychlorinated Biphenyls
40	PBT	Profit Before Tax
41	PPE	Personal Protective Equipment
42	PFD	Prepared for Dyeing
43	OECD	Organization for Economic Co-operation & Development
44	IFI	International Financial Institution
45	ICDS	Integrated Child Development Services
46	LED	Light Emitting Diode
47	ITI	Industrial Training Institute
48	INORA	International Network of Orofacial Rehabilitation Associates
49	RMI	Responsible Mica Initiative
50	POSH	Prevention of Sexual Harassment
51	PPM	Parts Per Million
52	PSM	Process Safety Management
53	R&D	Research & Development
54	RE	Renewable Energy
55	SAP	Systems, Applications & Products in Data Processing
56	SCCRT	Seva, Courage, Commitment & Passion, Respect, Trust
57	SDS	Safety Data Sheets
58	SEBI	Securities & Exchange Board of India
59	SCM	Supply Chain Management
60	SDG	Sustainable Development Goals
61	SEM	Scanning Electron Microscope
62	SROI	Social Return on Investment
63	TEM	Transmission Electron Microscopy
64	US FDA	United States Food & Drug Administration
65	UN	United Nations
66	Y-o-Y	Year-on-Year

THANK YOU

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