



Growing Together for a Sustainable Future

ESG REPORT FOR FY 2022-23

Growing Together for a Sustainable Future

At Sudarshan, 'Sustainability' is not just a buzzword; it is ingrained in our organizational DNA and guides our operations and strategy. As a leading pigment manufacturing company in the country, we understand the far-reaching implications of our operations on society and the environment. We have embraced sustainability as a key tenet of our business operations. Along with our core values of Seva, Courage, Commitment and Passion, Respect, and Trust, this serves as the compass that directs us toward a more sustainable and prosperous future for everyone. With this strong foundation, we are proud to present our second sustainability report for the reporting year FY 2022-23, with our continued theme of ***"Growing Together for a Sustainable Future"***.

- "Growing Together" goes beyond business operations and performance. It underpins our commitment to inclusivity and collaboration with all our stakeholders. This includes ensuring the safety and well-being of our employees, maintaining a responsible and sustainable supply chain, nurturing communities, upholding human rights, investing in human capital development and prioritizing customer-centricity.
- Our vision of a "Sustainable Future" is supported by the four pillars of our ESG Strategic Framework - 'Business Accountability' ensures robust corporate governance at Sudarshan. 'Environmental Responsibility' aids in reducing our carbon footprint and conserving natural

resources. 'Manufacturing Excellence' prioritizes product stewardship, thereby ensuring responsible and safe production of chemicals. 'Strengthening Social Inclusiveness' fosters diversity and inclusion in our company. All our ESG initiatives are mapped under these key pillars with clearly defined and time-bound targets.

Sustainability is a journey that we have embarked upon together with all our valued stakeholders, with a belief that only by working together we can leave behind a greener and cleaner planet. This journey is an investment in our collective future. Hence, our theme "Growing Together for a Sustainable Future" remains as relevant as ever. By aligning our ESG goals with our theme, we are working towards achieving our set targets in a continuous and focused manner, reviewing our progress regularly and making improvements whenever necessary. Our second ESG Report of FY 2022-23 showcases the progress we have made on targets set in the previous year and our goals for the next few years. We strongly believe that growth and sustainability are not mutually exclusive and true success can only be achieved when they coexist harmoniously.

Sudarshan remains steadfast in its commitment to preserving and protecting the world we live in for future generations and this report serves as a testament to our shared commitment to making a positive impact on our world.

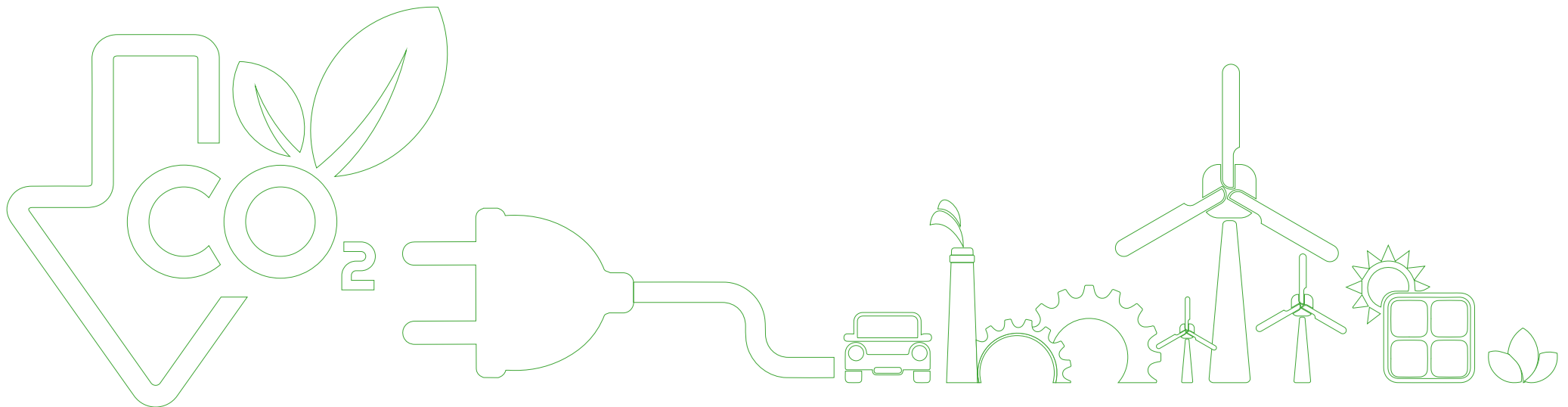
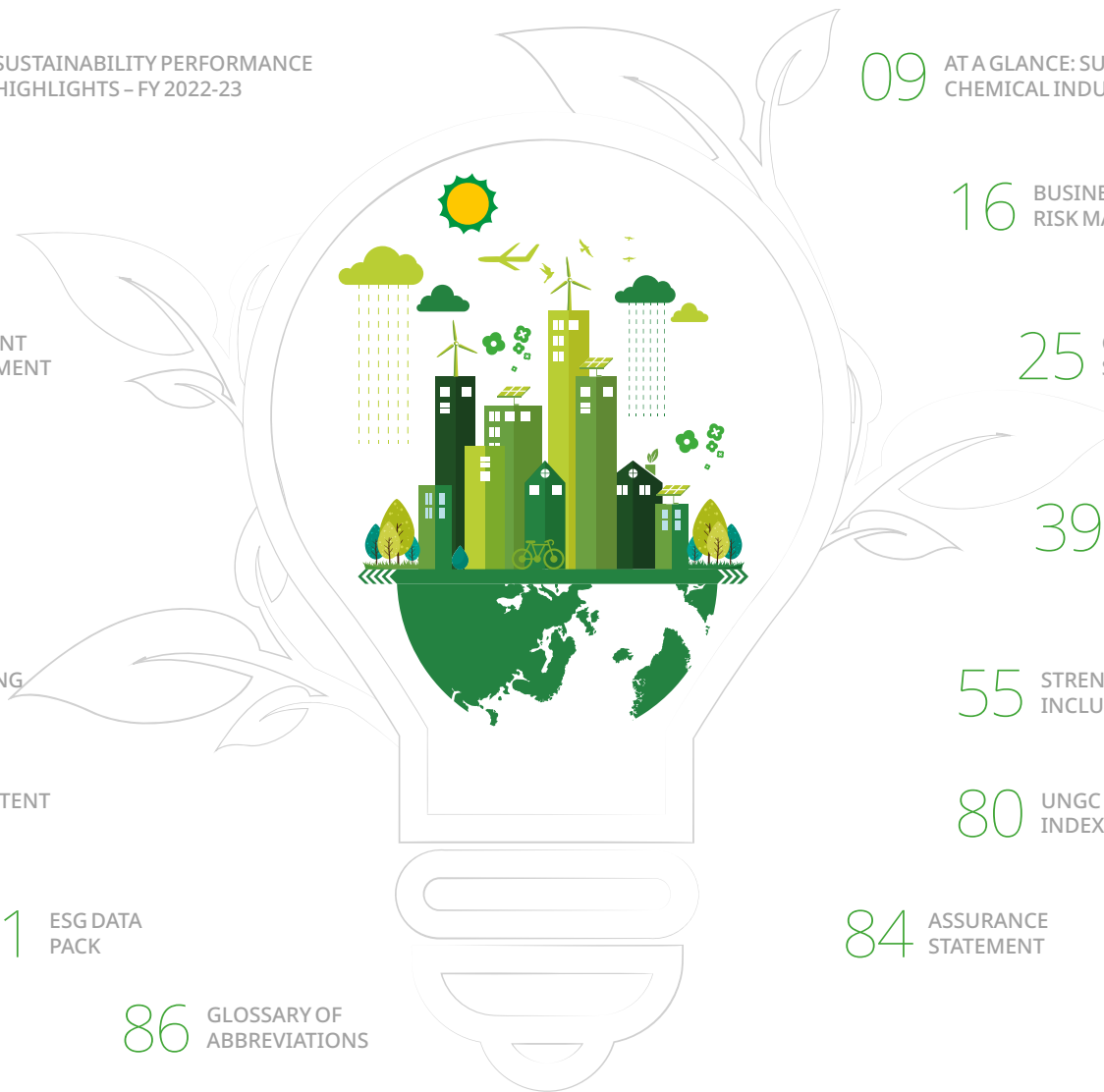


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About the Report

We, Sudarshan Chemical Industries Limited (hereafter referred to as Sudarshan, the Company, ours, us, we) are delighted to present the second ESG report showcasing our sustainability performance over the Financial Year (FY) 2022-23. This report includes comprehensive data, case studies, and details of specific initiatives that we have implemented across the ESG spectrum over the past year as we strive to meet our sustainability targets. Our ESG objectives are aligned with our core purpose of 'Growing Together for a Sustainable Future'. In this report, you will also find our targets and roadmap for the subsequent years while we work steadfastly to integrate sustainability into every aspect of our business.



Reporting Principles and Requirements

This report has been prepared in accordance with Global Reporting Initiatives (GRI) Universal Standards, 2021, and complies with the reporting requirements prescribed by GRI under GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021. It also emphasizes our dedication to supporting the United Nations Sustainable Development Goals (UN SDGs). Furthermore, it also includes Communication of Progress (CoP) on the Principles of United Nations Global Compact (UNGC).



Scope and Boundary

The scope of disclosures includes our management approach, performance, and aspirations on identified material topics. The boundary of our report covers the entire business operations and activities of Sudarshan, inclusive of the below-mentioned sites and offices in the state of Maharashtra (India):

- 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 is for the reporting period of FY 2022-23; i.e., 1st April 2022 to 31st March 2023.



Materiality

The contents of this report are focused on material topics that have been identified after an extensive stakeholder engagement process and form the basis of our ESG Materiality Matrix. Stakeholder inclusivity strengthens our ability to deliver long-term value for all our stakeholders. We are committed to conducting our business ethically and responsibly, while prioritizing the core economic, environmental, and social goals that have emerged from our Materiality Assessment and are essential to ensuring our growth and a sustainable future for the planet.



Assurance

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



Contact 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 reach out to us at contact@sudarshan.com.



Message From the Managing Director

As a leading global pigment manufacturer, we understand and recognize the pivotal role that we should be playing in shaping the future of our industry and planet Earth. In line with our resolve to embrace sustainability, we have further refined our ESG Vision, Mission and Framework with inputs from key stakeholders. Our ESG Vision - *'To be the global leader in the pigment industry by operating responsibly and growing sustainably'* - flows from our larger purpose of 'Growing together by being Spiritually Fulfilled, Socially Just, and Environmentally Sustainable', which has been our guiding force over the past seven decades.

Indian Chemicals Sector is poised to reach USD 290-310 billion by FY 2027, promising immense growth prospects for us. We proactively monitor emerging industry trends, macroeconomic development, and evolving business landscape. Changing consumer preferences for safer and more sustainable products provides not only risks but also presents an opportunity. We have substantially invested in making our operations eco-efficient and building a product portfolio comprising HPPs and CICPs which are more ecofriendly. We have also planned to phase out some product lines which have an adverse impact on the environment.

Sustainability at Sudarshan: Past, Present, and Future

It gives me immense pride to present our second Sustainability Report for FY 2022-23, with the continued theme of - *'Growing Together for a Sustainable Future'*.

This report provides insights into our sustainability approach, ESG performance, and future goals. Aligned with our mission to be a world-class global color solution provider with an innovative and vibrant culture, we are dedicated to building a truly global workforce. This commitment stems from our belief that sustainability integration is crucial, aligning with global efforts to address climate change impacts and changing stakeholder preferences.

Sudarshan's ESG Framework: Guiding Our Future Initiatives

As we forge ahead on our growth trajectory, Sudarshan proudly introduces a robust ESG Strategic Framework. Anchored by four key pillars - Business Accountability, Environmental Responsibility, Manufacturing Excellence, and Strengthening Social Inclusiveness - this framework will guide our sustainability initiatives in the foreseeable future. Over the next few years, this Framework will not only help us in setting specific, quantifiable targets for key focus areas under each of these pillars, but also in tracking our progress as we march towards Net-Zero.



Enforcing Business Accountability

"The most valuable business commodity is trust". At Sudarshan, our robust governance framework forms the basis of business resilience and accountability.

Ethical business conduct and leadership have always been paramount at Sudarshan. We take pride in our holistic approach to ensure business integrity and ethical conduct. Our governance framework ensures transparent reporting, stakeholder engagement, and a defined code of conduct, fostering trust and accountability. With a zero-tolerance policy towards non-compliance and unethical behavior, Sudarshan is steadfast in building trust among stakeholders for long-term success.

We are mindful of our accountability towards data privacy and information security. We have shifted to a co-location datacenter and accessed the Vulnerability Assessment and Penetration Testing of all our critical networks and assets. We are well prepared to protect the integrity of information.

Building Environmental Responsibility

"The earth and its environment is what we all have in common". At Sudarshan, we strongly believe that it is everyone's responsibility to protect the environment.

We as a chemical company prioritize environmental responsibility and are committed to sustainability. Currently, 59 % of our purchased electricity is from

renewable energy sources. We have planned to commit to the Science Based Targets Initiative (SBTi) and set an ambitious target to reduce our GHG emissions by 42% by 2030.

We have installed one of the largest and most efficient Effluent Treatment Plants in the region, significantly reducing our freshwater usage, and vastly improving the quality of effluents discharged. We successfully converted aluminum solution, a by-product from our green pigment plant, into a valuable resource aluminum hydroxide, which is sold further into the market. Our waste-to-landfill has been reduced by half from the previous fiscal year. We aim to achieve zero-waste-to-landfill by 2032.

Augmenting Manufacturing Excellence

We believe that "Excellence is possible in all areas of life". At Sudarshan, we take this very seriously.

Manufacturing excellence is central to our success. A holistic approach involving automation, innovation, and technology upgrades ensures the production of high-quality and sustainable products. Sudarshan goes beyond regulatory requirements, emphasizing safe product usage throughout the value chain. Our 'Stage-Gate' system prioritizes product development with considerations for resource consumption, process safety, and environmental impact. We endeavor to



continuously improve the sustainability and safety of our products through proper checks and controls, on various aspects such as environmental sustainability, process safety and product safety. We believe that responsible product stewardship delivers lasting value to all our stakeholders.

We are in the process of conducting a detailed Lifecycle Impact Assessment study of select products to identify key environmental impacts and leverage points to make products greener.

Forging Social Inclusiveness

At Sudarshan, we follow a simple philosophy that “when everyone is included, everyone wins”. We practice the culture of ‘Seva’ (service) as one of the core values.

Our people and communities are integral to our success. Inclusive people practices nurture a resilient workforce, promoting diversity, equality, and inclusion. At Sudarshan, we have implemented several measures to build a truly diverse and inclusive workforce in line with global trends.

Our culture of ‘Seva’ extends to comprehensive CSR initiatives through SUDHA, focusing on women’s empowerment, health, education, and community development. Last year, we directly impacted over 50,000 beneficiaries and 10 villages through our several programs. Our environment

sustainability led projects across these villages have touched 22,250 individuals. Our goal is to expand our reach further every year.

In Conclusion

“The World changes by action and not by mere words”.

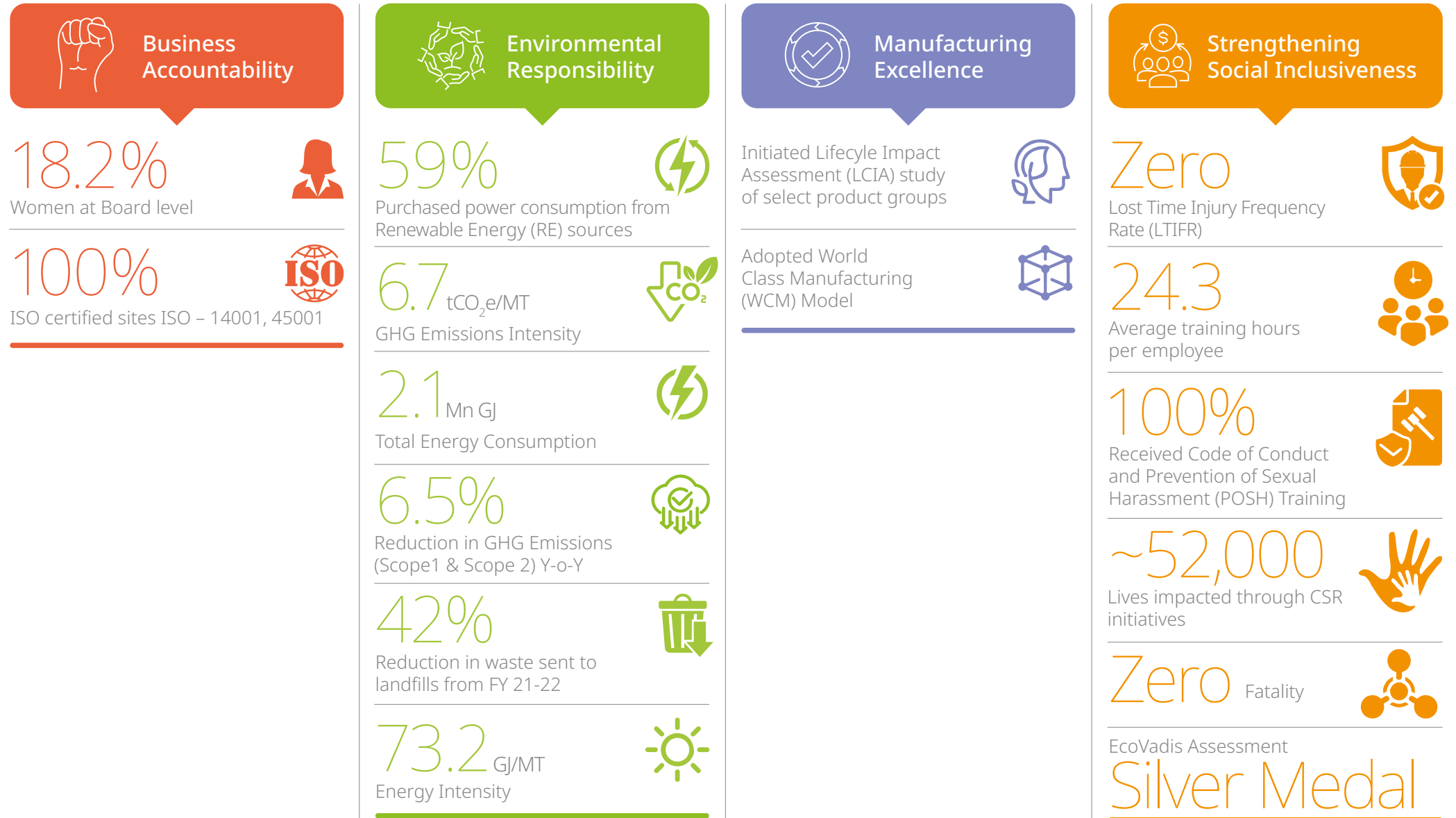
Sustainability is an ongoing and evolving journey, one that requires collective global resolve and effort. Our commitment to ‘operate responsibly and grow sustainably’ has been there for a long time and has now been further emboldened.

The past year has underscored our resilience and adaptability. Sustainability is not just an obligation; it is an opportunity to shape a brighter future. While encouraged by our progress, we remain steadfast in our commitment to overcoming challenges. I extend my heartfelt gratitude to all stakeholders for their dedication and trust. Together, we will continue pursuing our dream of global leadership in the pigment industry and leave behind a world where sustainability is not just a vision but a reality.

Rajesh Rathi

Managing Director

Sustainability Performance Highlights – FY 2022-23



At A Glance: Sudarshan Chemical Industries Limited

GRI 2-1, 2-6

About Sudarshan

We are a global color solutions provider catering to diverse sectors such as coatings, plastics, inks, and cosmetics, our comprehensive range of offerings includes organic, inorganic, and effect pigments, along with dispersions with specialty pigment at its core. With a robust global presence and a history spanning over seven decades, we are one of the largest pigment manufacturers with the widest portfolio of color solutions.



Legal Status & Shareholding Pattern

GRI 2-1

Incorporated on 19th February 1951, we are a public company limited by shares as per the provisions of the Companies Act, 2013. We are registered with The Registrar of Companies, Pune. Our Equity Shares are listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE), and on 21st July 2022, Non-Convertible Debentures of the Company were listed on the Wholesale Debt Market Segment of BSE Limited. As on 31st March 2023, our market capitalization was ₹ 27,213 million. The Company's Promoter and Promoter Group holds 35.82% of the Company's total shareholdings and the other 64.18% shareholding is held by other public shareholders as of 31st March 2023. For more details on our shareholding pattern, please refer to our website: <https://www.sudarshan.com/shareholding-patterns/>.



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



Values

- Seva (Service)
- Courage
- Commitment & Passion
- Respect
- Trust

Higher Purpose

“Growing together
by being Spiritually
Fulfilled, Socially Just,
and Environmentally
Sustainable”.

Geographical Footprint

Operating across 85 countries, we have a workforce of over 3,000 individuals and manufacturing facilities at Roha and Mahad along with three specialized Research and Development Centers in India. In addition, we have established sales offices in Europe, the USA, Mexico, China, and Japan, complemented by a robust global distribution network.

Production Sites

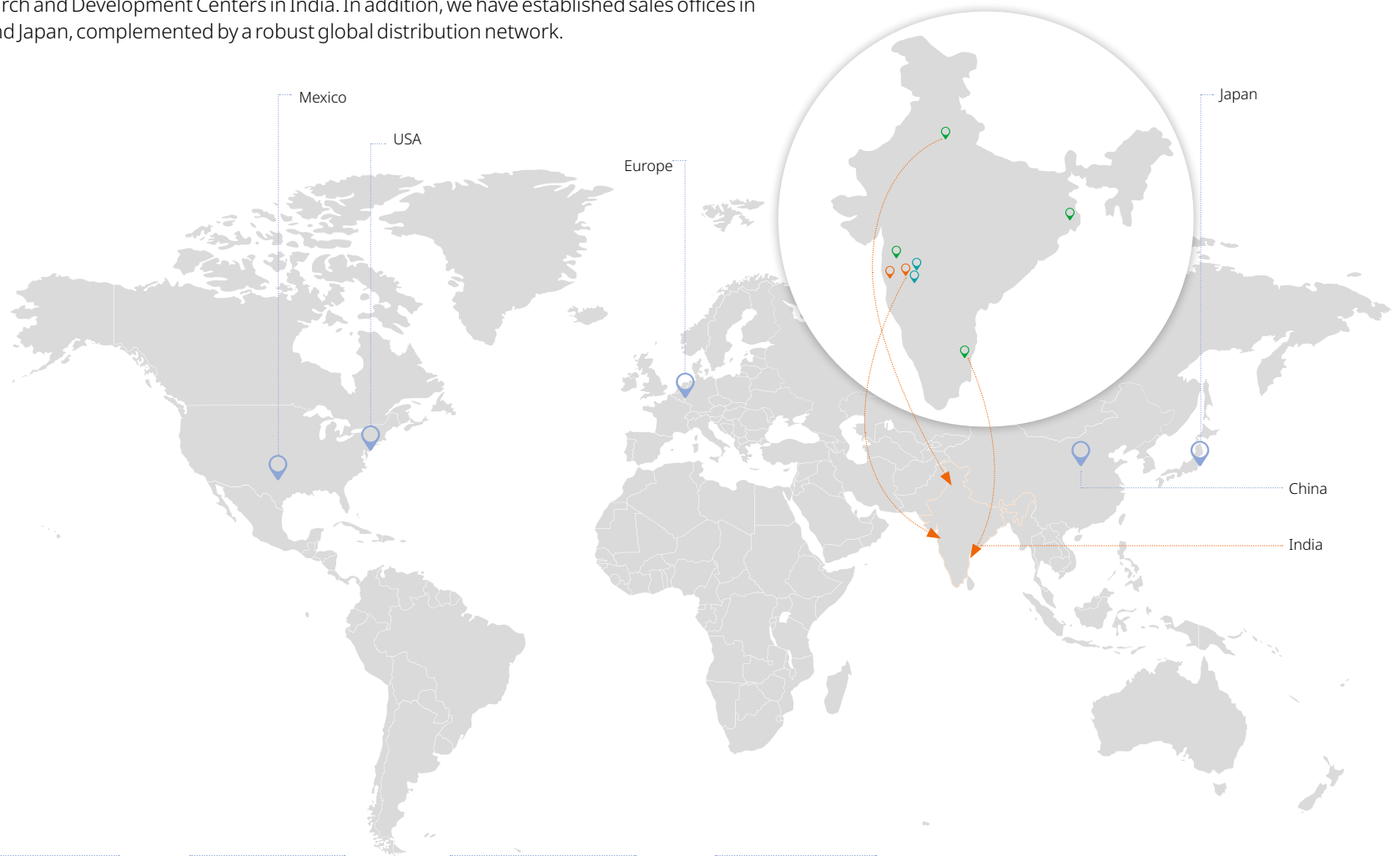
Roha and Mahad (Raigad District, Maharashtra)

R&D Centres

Ambadvet (Pune), Roha and Mahad

Regional Offices

Mumbai, Delhi, Kolkata and Chennai



Europe
Sudarshan Europe B.V.

USA
Sudarshan North America Inc.

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

China
Sudarshan (Shanghai) Trading Co Ltd.

Japan
Sudarshan Japan Limited.

Figure 1: Global Footprint - Our Geographical and Market Presence

Our Journey

Ever since our formative years, we have laid a solid foundation for our sustained growth. This aided us in achieving resilience, agility, and adaptability in our business operations. Our journey of over seven decades is a testament to our ability to navigate challenges successfully and emerge stronger. We have consistently looked beyond business, shaping a transformative blueprint for sustainable development.



Figure 2: Snapshot of our key milestones towards our journey from being a local player to global contender

Product Portfolio

Our pigment portfolio is strategically designed to meet a wide spectrum of end applications and performance criteria. This comprehensive range includes organic and inorganic pigments, effect pigments, solvent dyes, and dispersions. Our color solutions cater to a broad range of end applications, including coatings, printing inks, plastic masterbatches, cosmetics, personal and home care, textiles, arts and crafts, seed coatings, paper coating and latex coloration, offering an extensive palette of hues to choose from. Our product portfolio is categorized into various brands which are highlighted below.



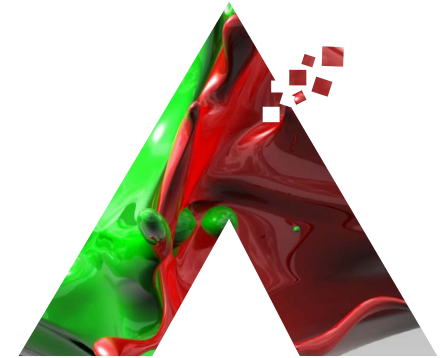
Figure 3: Exploring our product portfolio



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.



Sudafast™

Medium-performance pigments

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



Sudatherm™

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

Figure 4: Our Brands with Multiple 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.



Sumica™

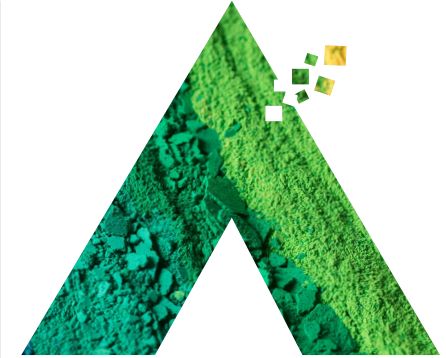
Pearlescent pigments

This product in the pearlescent pigments category 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.



Sudanyl™

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



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.



Sumicos™

Pearlescent pigments

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



Sudajet™

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



Sudatex™

Pigment dispersions for textiles

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



Sudasol™

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

Operational Insights

At Sudarshan, we perform various chemical processes namely diazotization, condensation, chlorination, sulfonation, etc. to produce several products such as azo pigments, high-performance pigments, effect pigments, solvent dyes, etc. Our major raw materials are diketene derivatives, aniline derivatives, sulfuric acid, among others.

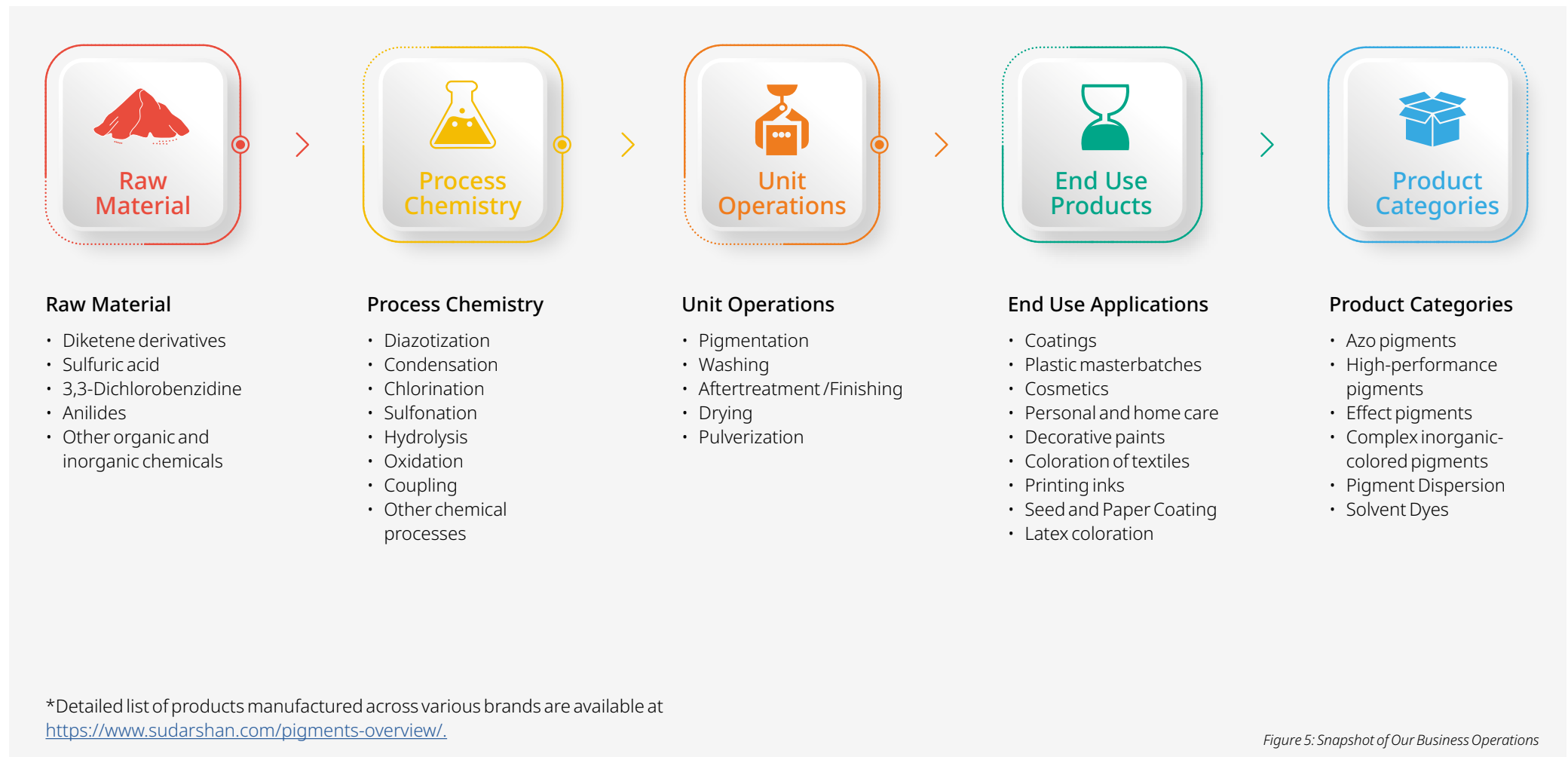


Figure 5: Snapshot of Our Business Operations

Awards and Accreditations



Global Sustainability Award by Energy & Environment Foundation



Mahabrand – Sakal Media Group



Best CSR Video- India's CSR Film Festival.



Navbharat Navrashtra CSR Awards



Mahatma Award – CSR Excellence



Rating Achieved



Silver Medal in the EcoVadis Assessment in 2022

Corporate HR Best Practices award by NHRD Gender Smart Business Solution – Employing Women Catalyses Change at Shopfloor at Chemical Plant

Membership of Associations (MOA)

Figure 6: Membership of Associations (MOA) for Sudarshan

- Indian Chemical Council (ICC)
- Pigment Manufacturers' Association of India (PMAI)
- CHEMEXCIL- Basic Chemicals, Cosmetics & Dyes Export Promotion Council
- Maharashtra Chamber of Commerce and Industry and Agriculture (MCCIA)
- ETAD- The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturer
- National Safety Council (NSC)
- Mahad Manufacturing Industrial Association
- Common Hazardous Waste Storage Treatment and Disposal Facility (CHWSTDF)
 - Mumbai Waste Management Limited (MWML)
 - Maharashtra Enviro Private Limited (MEPL)
- United Nations Global Compact (UNGC)



Certified as a Great Place to Work for four consecutive years

Business Strategy And Risk Management

GRI 2-25

Our Value-Creation Strategy

Our vision is to be among the top three global pigment producers. We continue to be a resilient company built on a solid foundation, with a clear, long-term business strategy and poised for growth. We have integrated the principles of sustainability into our core operations for attaining sustainable and inclusive growth. We strive to enhance our product offerings consistently, by driving incremental improvements across our entire product range through a solution-oriented pathway, thereby providing a better value proposition to our stakeholders. This has enabled us to establish ourselves as a dependable business partner in the industry.

Management of Risk Universe

At Sudarshan, risk management is a continuous procedure that entails identifying, evaluating, and prioritizing 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. Effective risk management, coupled with the capacity to capitalize on opportunities, are key components of our Risk Management Framework, in addition to identifying and managing any potential threats that could have severe consequences on our operations.

The Board of Directors oversees our Company's Risk Management Framework. In compliance with Regulation 21 of the

2015 Listing Regulations, a Risk Management Committee (RMC) has been established. The Committee's major objectives are reviewing Sudarshan's risk management strategy and ensuring that risks are managed within acceptable bounds. A documented Risk Management Policy and an up-to-date risk register are 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. With ever-evolving operational environment and our operations, such risks are continually reviewed and updated on a timely-basis. Furthermore, independent assessments of risk management controls and procedures are conducted 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.

Operational Initiatives for Managing Risks

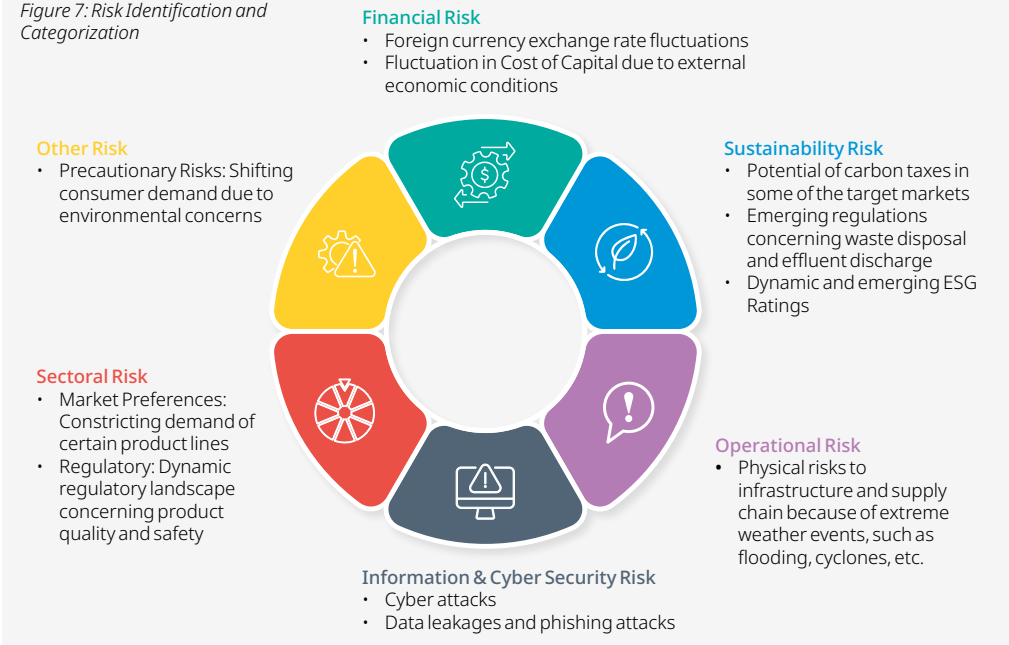
To ensure transparency, compliance, and effective risk management within the Company, we have designed robust policies, procedures and have implemented a range of operational initiatives to enhance internal control over our business processes. These initiatives include developing and circulating various policies and procedures throughout the Company. Some examples are mentioned below:

- **Approval Limits:** We have established an authorization matrix that defines the financial authorities for different types of transactions with defined Level of Authority(ies) (LOA).
- **Foreign Exchange Risk Management Policy (FERM):** Our Company has exposure arising from export, import, loans, and other transactions. We have a robust foreign exchange risk management framework, which guides our approach to managing foreign exchange risk. This ensures that FX Spot rate risk for trade and

capital transactions, and interest rate risk for capital transactions is managed as per the policy guidelines.

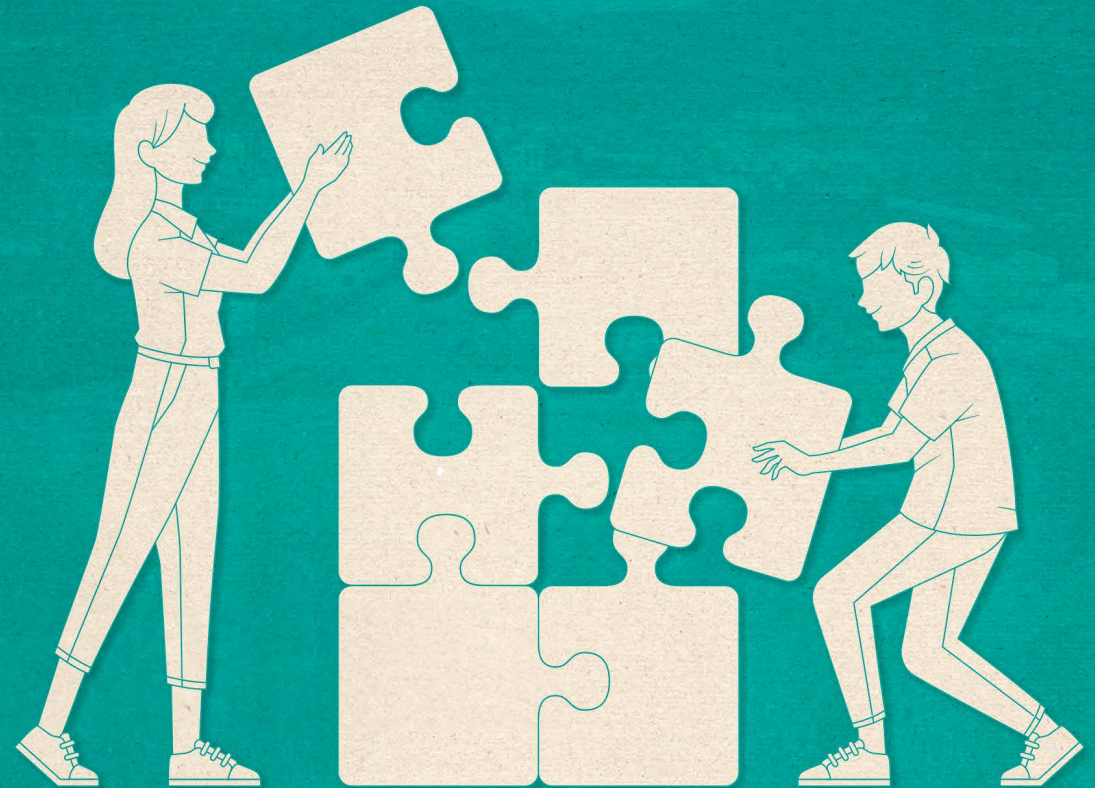
- **Policies and Procedures Framework:** We have formulated comprehensive policies and procedures for our operations, including accounting policies, Environmental, Health, and Safety (EHS), Procurement, and Employee Benefits Policy among others. The risks associated with our business activities and decisions are classified below:

Figure 7: Risk Identification and Categorization



For details on our Risk Assessment and Management Policy, please refer to our website: <https://www.sudarshan.com/risk-management-policy.pdf>

Stakeholder Engagement and Materiality Assessment



Stakeholder Engagement

And Materiality Assessment

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

At Sudarshan, we value our esteemed stakeholders and the trust they place in our Company. We believe that meeting stakeholder expectations is central to creating enduring value for everyone. We prioritize engaging with our key stakeholders and ensure the integration of their inputs into our sustainable business strategy. These engagements provide key insights and help us identify ESG (and business) challenges and develop mitigation strategies.

Stakeholder Identification

We prioritize both our internal and external stakeholders based on their significance to and influence on our business. Throughout the year, we actively engage with our key stakeholders through various channels to understand their needs and expectations and share information about the Company's performance and future outlook.



Our Key Stakeholder Groups

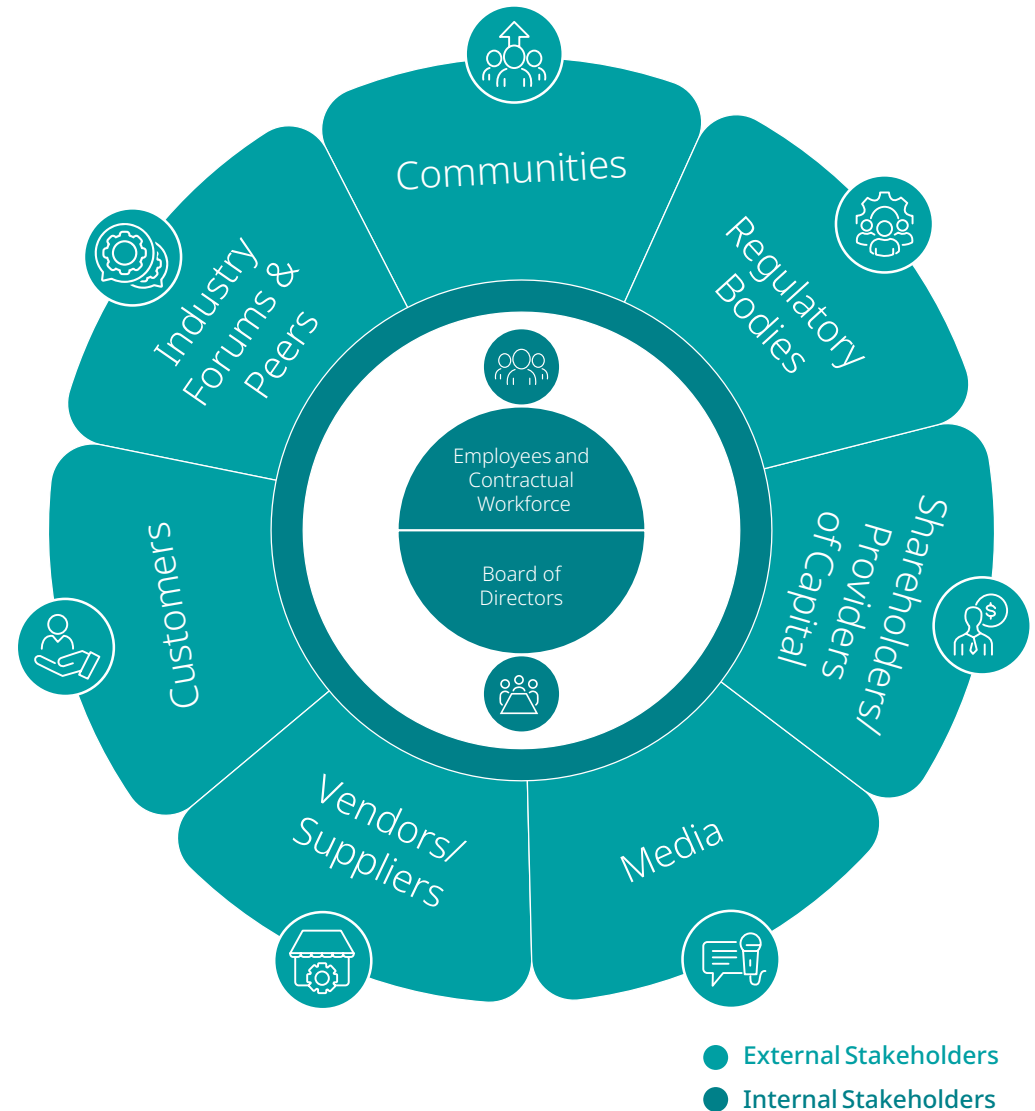
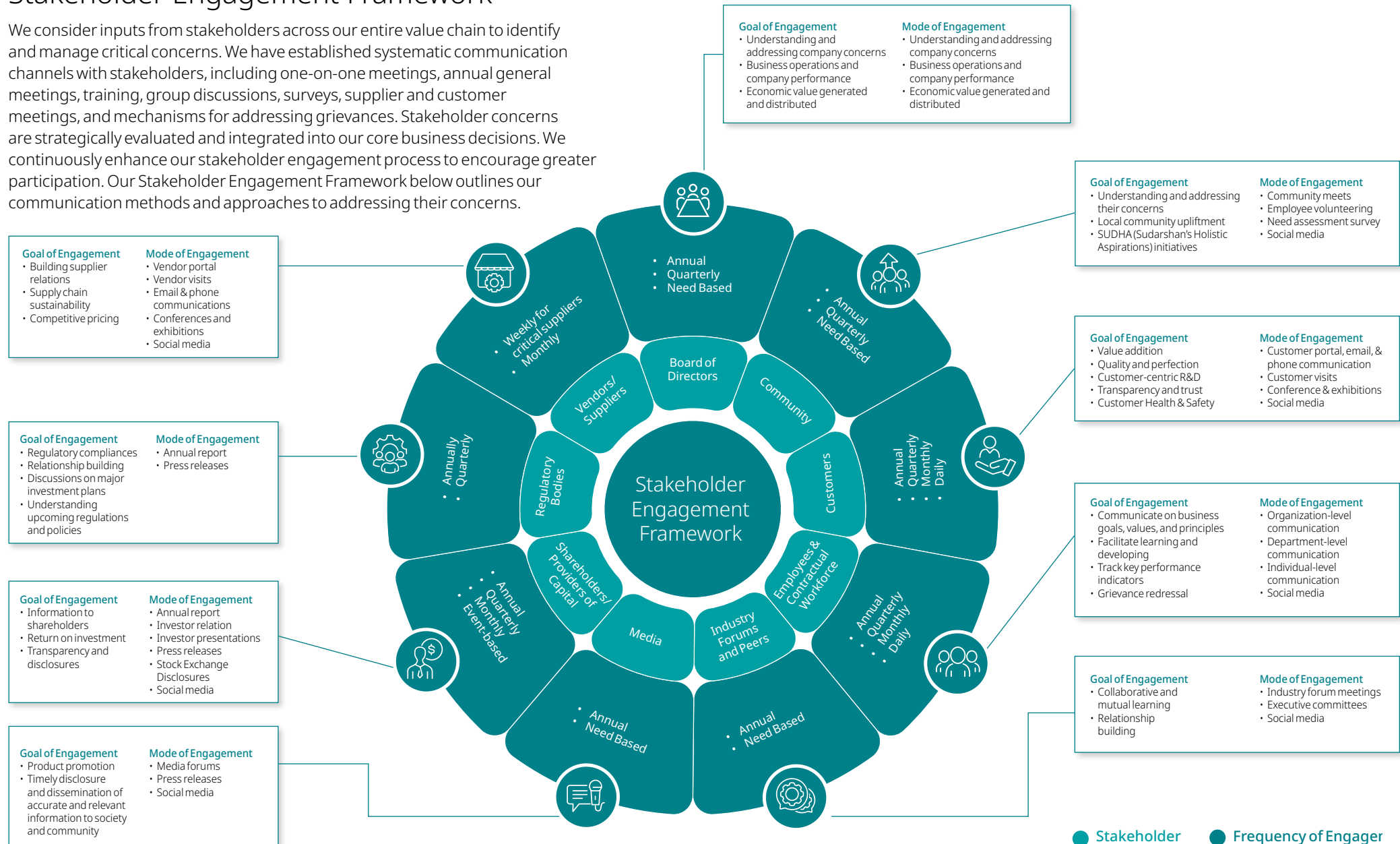


Figure 8: Our Key Stakeholder Groups

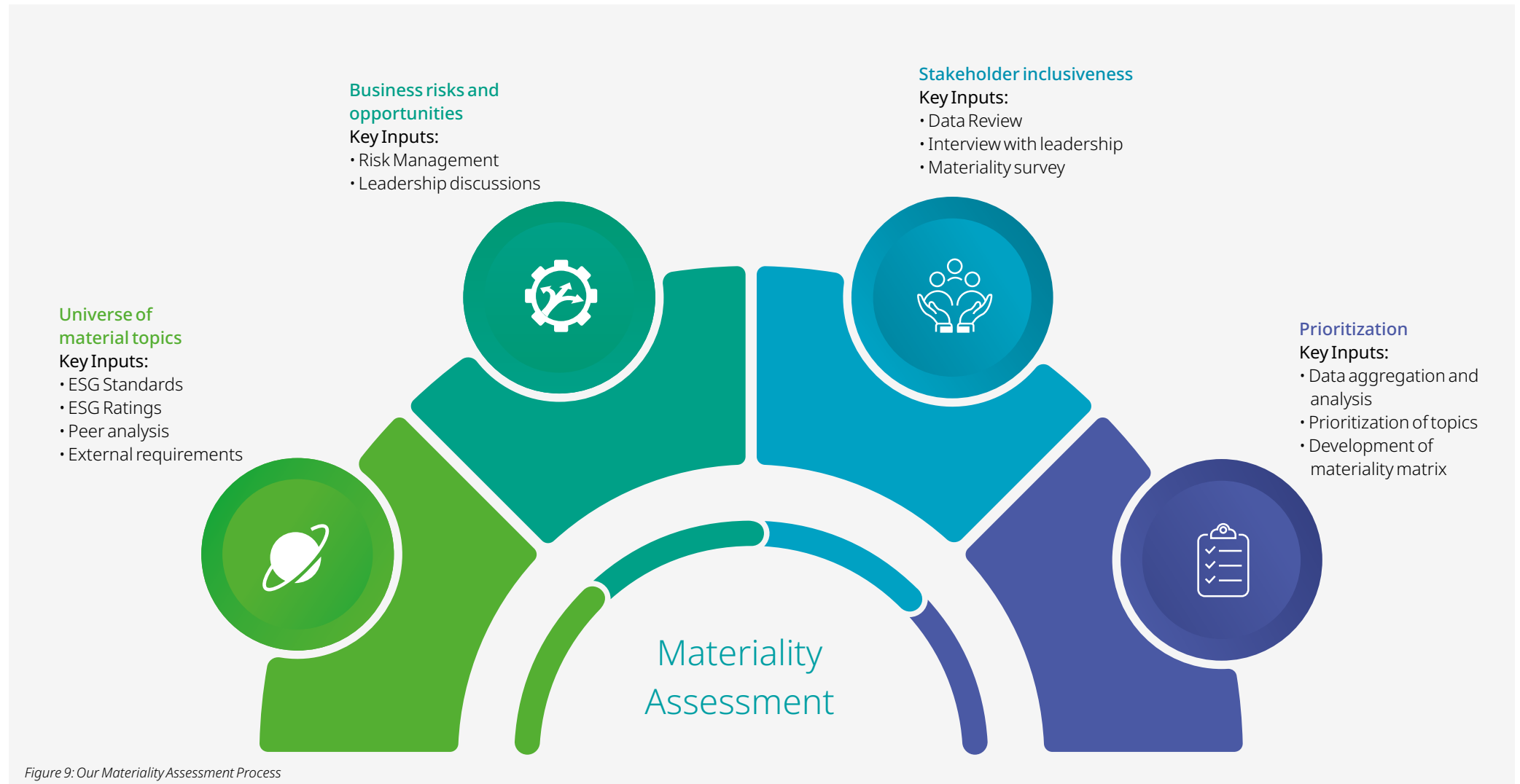
Stakeholder Engagement Framework

We consider inputs from stakeholders across our entire value chain to identify and manage critical concerns. We have established systematic communication channels with stakeholders, including one-on-one meetings, annual general meetings, training, group discussions, surveys, supplier and customer meetings, and mechanisms for addressing grievances. Stakeholder concerns are strategically evaluated and integrated into our core business decisions. We continuously enhance our stakeholder engagement process to encourage greater participation. Our Stakeholder Engagement Framework below outlines our communication methods and approaches to addressing their concerns.



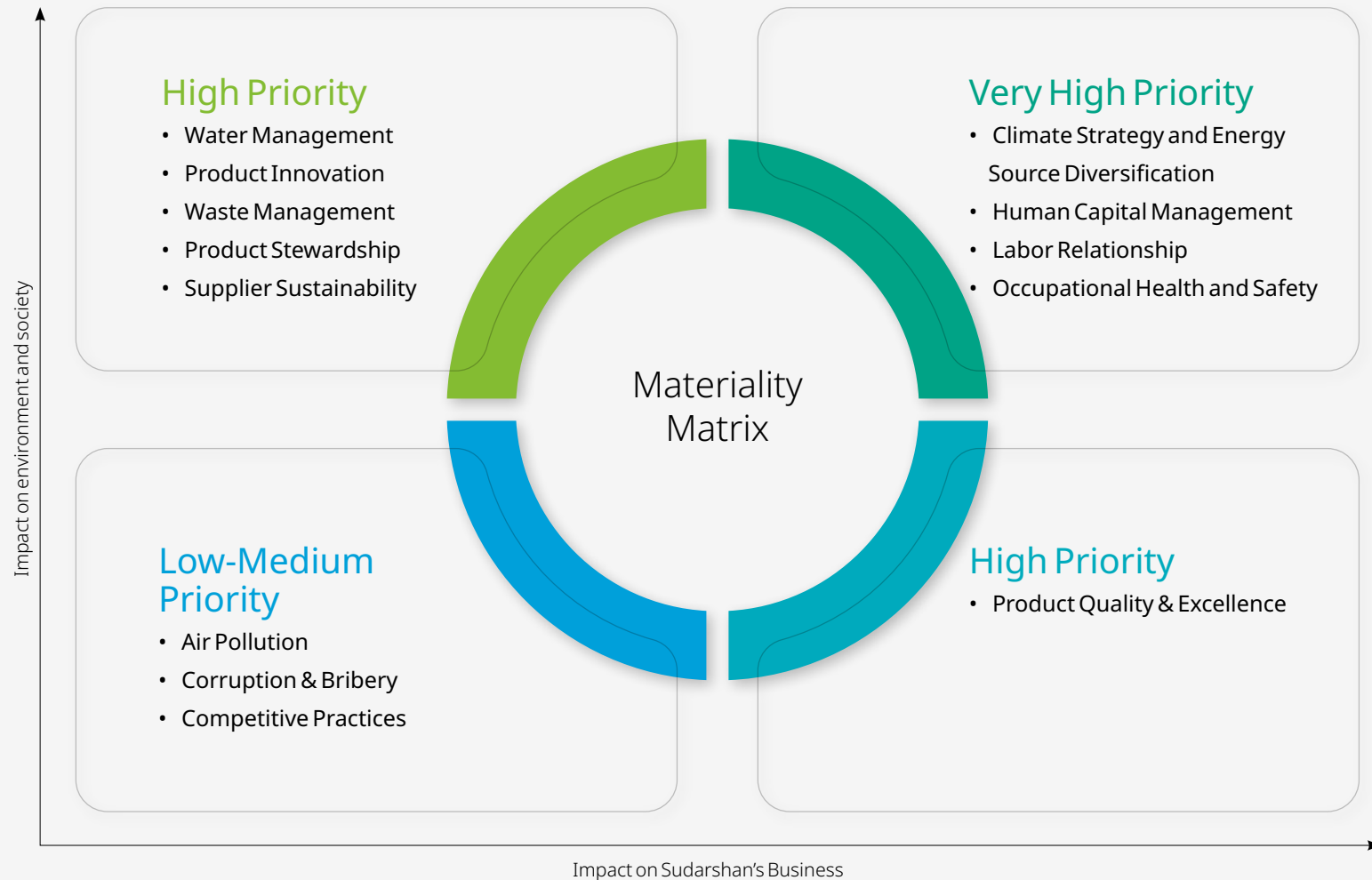
Materiality Assessment

Being a sustainability-focused and environmentally responsible organization, it is crucial for us to identify and prioritize the critical challenges and imminent opportunities. To achieve this objective, in the last financial year (FY 2021-22), 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 2022-23, 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.



Materiality Matrix

Our materiality matrix buckets identified topics in four quadrants, i.e., very-high, high, and low-medium priorities, across two dimensions - the impact a topic has on our business operations, and the impact our operations have on the environment and society.



Key Material Topics and Linkage with UNSDGs

Material Topic	ESG Pillar	SDGs Linked			Material Topic	ESG Pillar	SDGs Linked		
Energy Source Diversification					Product Stewardship				
Human Capital Management					Supplier Sustainability				
Labor Relationship					Product Quality & Excellence				
Occupational Health & Safety					Air Pollution				
Water Management					Corruption and Bribery				
Product Innovation					Competitive Practices				
Waste Management									
Legend Environment Social Governance									

Material Issue Identified	Risk / Opportunity	Rationale for identifying Risk / Opportunity	In case of Risk, Approach to adapt / mitigate	Financial implications of risk / opportunity (positive or negative implications)
Climate Change and Energy Source Diversification	Risk	IPCC's Sixth Assessment Report warns of rapid global temperature rise, leading to more extreme weather events. Unchecked warming poses physical risks to operations, and climate-related transitional risks can impact markets.	We are proactively managing climate change risks through energy conservation and source diversification to reduce our carbon footprint. Initiatives to enhance physical infrastructure and diversify the energy mix, aim to mitigate acute risks.	Negative, due to higher capex on mitigation measures.
Human Capital Management	Opportunity	India is emerging as a knowledge-based economy. Due to a strong demographic dividend, a competent workforce is available. This workforce provides an opportunity for us to expand and grow.	We prioritize equal opportunities for all employees, irrespective of gender, race, or religion. Our policies, procedures, and ongoing online training programs underscore our commitment to employee protection and well-being. Training initiatives are integral to our Human Resource strategy.	Positive, due to higher productivity of people.
Labor Relationship	Risk	We have a complex global value chain in chemical manufacturing. Non-adherence to global standards on Human Rights has the potential to affect our operations, reputation, and business relationships.	We are committed to the protection and promotion of fundamental human rights. We have adopted a comprehensive Human Rights Policy and all employees are trained on this Policy. We engage with our value-chain partners on the management of human rights.	Negative due to expenditure on training and due diligence.
Occupational Health & Safety	Risk	Due to the nature of our business operations, occupational safety is one of the risks posed to us.	Our safety strategy includes behavior-based safety, process automation, and asset integrity. More details are available in the 'Strengthening Social Inclusiveness' section of the report.	Negative, due to expenditure on automation, training and asset management.
Water Management	Risk	Climate change-related water disruptions pose a growing risk. In addition, Inefficient water usage, pollution, can lead to regulatory compliance issues, reputational damage, and operational disruptions.	We fulfil our daily water requirements by obtaining water from Maharashtra Industrial Development Corporation (MIDC). We have implemented various water conservation measures, controlling filtration parameters, R&D sites recognized as Zero Liquid Discharge (ZLD), and the recovery of condensate.	Negative, since water scarcity or contamination can disrupt production processes, impacting supply chains and revenue.
Product Innovation	Opportunity	Innovative products drive market expansion, boost sales and profits, conferring a competitive advantage. Environmentally friendly innovations align with sustainability trends, appealing to eco-conscious consumers.	We are implementing innovative solutions to reduce environmental impacts, including minimizing HCB in products, adopting Diethyl Sulfate (DES) for ethylation, and exploring alternative raw materials for solvent and catalyst recovery.	Positive, as successful product innovation can drive revenue growth and profitability.

Material Issue Identified	Risk / Opportunity	Rationale for identifying Risk / Opportunity	In case of Risk, Approach to adapt / mitigate	Financial implications of risk / opportunity (positive or negative implications)
Waste Management	Risk	Dynamic regulations	We are implementing innovative solutions to reduce environmental impacts, including minimizing HCB in products, adopting Diethyl Sulfate (DES) for ethylation, and exploring alternative raw materials for solvent and catalyst recovery.	Positive, as successful product innovation can drive revenue growth and profitability.
Product Stewardship	Opportunity	Technological advancements and scientific progress have made it feasible to identify and manage the environmental and social impacts of products with reasonable certainty.	We have implemented measures to minimize POPs in our products, ensuring low VOC content. Our adherence to strict standards includes compliance with EU REACH, USFDA, Turkey REACH, UK REACH, US Toxic Substance Control Act, TPCH.	Positive, due to enhanced stakeholder trust.
Supplier Sustainability	Risk	Complex and diverse supply chains pose several risks affecting the cost and quality of raw material.	We have adopted the supplier-51 program to engage with suppliers on several financial and non-financial aspects to de-risk the supply chain.	Negative, due to expenditure on supplier due diligence.
Product Quality & Excellence	Opportunity	Top-tier product quality boosts market share, brand recognition, and competitiveness for chemical companies, fostering lasting customer relationships, securing contracts, and driving revenue growth.	We prioritize customer health and safety, delivering high-quality, environmentally sustainable products through advanced R&D facilities. Our transparent approach invites customers to tour our plants and R&D labs, ensuring confidence in product quality.	Positive due to higher profit margins, increased sales, reduced operational costs, and improved overall financial performance, positioning the company as an industry leader.
Air Pollution	Risk	Emissions regulations can incur costly compliance and fines, impacting reputation and sales. Environmental damage may harm our image, while employee health issues can raise healthcare costs and lower productivity.	We adhere to strict air quality standards, using low-sulfur coal and implementing Electro-Static Precipitators (ESP) and Scrubbers in all exhaust stacks to keep emissions well below legal limits.	Negative due to increased operational costs
Corruption and Bribery	Risk	Corruption and bribery pose significant risks to a company as they can lead to unethical practices, compromising the integrity of operations and the reputation of the Company.	We firmly oppose corruption and bribery. Our zero-tolerance policy extends beyond our operations, supported by our Code of Conduct (COC) and Whistle Blower Policy to prevent fraud at all levels.	Negative, due to potential legal fines, penalties, and reputational damage impacting customer trust and investor confidence. Corrupt practices may distort fair competition, eroding market share and profitability.
Competitive Practices	Risk	Engaging in anti-competitive practices, like price-fixing or monopolistic behavior, can trigger legal issues, hefty fines, and damage a company's reputation.	We provide training on Sudarshan's Code of Conduct to all employees. This reinforces adherence and commitment to the anti-competitive, anti-corruption and bribery laws.	Negative, due to potential legal costs, fines, and the erosion of profits.

Our Approach to Sustainability



Our Approach To Sustainability

As a leading pigment manufacturer in India, we intend to provide exemplary leadership to the industry to contribute towards national and global commitments towards sustainability. We have devised an Environmental, Social, and Governance (ESG) strategy and roadmap designed to make positive impact on our communities and environment. Our strategy is informed by our baseline data, industry benchmarks, global best practices, and emerging sustainability trends in the industry. Our materiality matrix encompasses our key material topics, resulting in a framework that sets specific targets for each of these material topics.



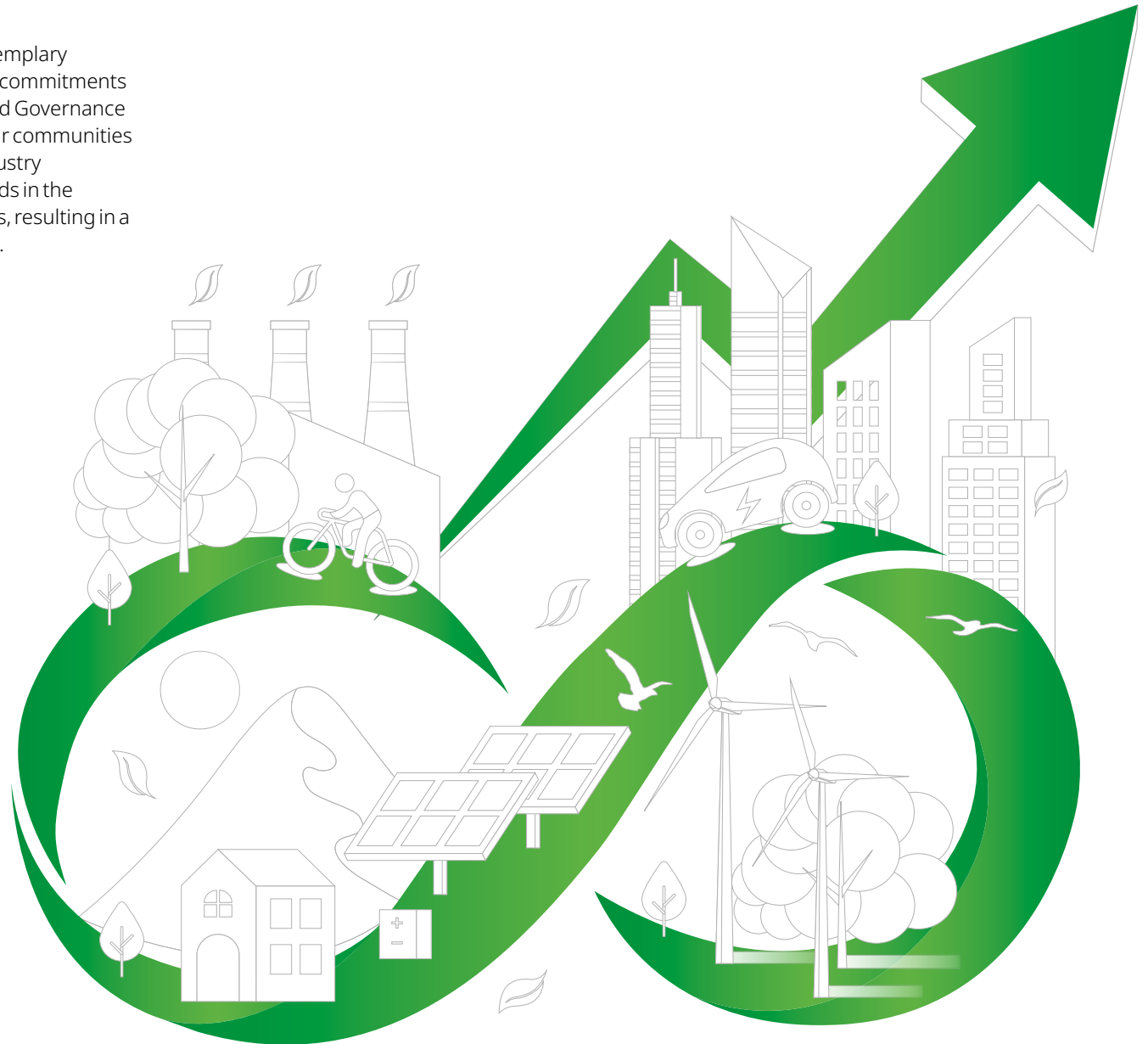
ESG Vision

To be the global leader in the pigment industry by operating responsibly and growing sustainably



ESG Mission

To provide a safe, inclusive, and enriching environment to drive an eco-efficient business



ESG Strategic Framework

Our framework is in harmony with our overarching purpose of *'Growing Together by being Spiritually Fulfilled, Socially Just, and Environmentally Sustainable.'* It is based on four pillars across ESG aspects: Business Accountability, Environmental Responsibility, Manufacturing Excellence and Strengthening Social Inclusiveness. Each pillar is further categorized into critical focus areas with clear objectives and plans to achieve them.



Figure 10: Our ESG Strategic Framework

ESG Policy

We have adopted a comprehensive Environment, Social, and Governance Policy (ESG Policy) highlighting our policy commitments across various focus areas and providing a framework for achieving our sustainability objectives across business operations. Our Policy applies to all our business operations across our value chain, including our suppliers. The Policy is aligned with norms prescribed and expectations spelled out by National Guidelines on Responsible Business Conduct (NGBRC), Sustainable Development Goals (SDGs), Universal Declaration of Human Rights (UDHR), United Nations Global Compact (UNGC), Eco Vadis, Responsible Care, and other globally accepted frameworks, and recommendations concerning ESG metrics and performance.

Our Policy can be accessed at our website:

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

ESG Targets

We have set ambitious targets across high-priority areas that have emerged from our materiality assessment. We believe in the transparent reporting of our progress to ensure that our stakeholders can monitor our efforts and be motivated to continue embracing sustainability.

Over the next few years, we aim to reduce our GHG emissions and energy consumption significantly by adopting sustainable and efficient means of consumption. We will actively promote diversity and inclusivity at Sudarshan and provide a conducive work environment for all our people to thrive. We have presented our specific targets and progress made against these in the subsequent sections of this report.

Robust ESG Governance

We have embedded the highest standards of corporate governance in our business operations, with focus on managing our business affairs fairly and transparently. Our robust corporate governance mechanism is driven by our policies, governance philosophy, corporate codes and is in accordance with the evolving laws and regulations. It forms the basis of our sustainability strategy that enables responsible growth.

At Sudarshan, a Steering Committee has been established with the primary objective of ensuring robust governance practices. The Steering Committee is responsible for assisting the Board of Directors (BOD/Board) in having effective oversight and providing guidance on ESG initiatives of the Company.

Furthermore, the Committee is responsible for shaping our sustainability strategy and setting long-term goals and targets. It plays a pivotal role in making business decisions that prioritize workplace safety, mitigate harm to the environment, strengthen our commitment to stakeholders, and uphold our corporate reputation as a leader in the industry.

ESG Governance Structure

The Steering Committee is the cross-functional amalgamation of various business functions, thereby bringing a diversified perspective to achieving our business sustainability objectives. The Managing Director (MD) leads the Steering Committee, which comprises the Executive Director, Head of People Practice and Chief Sustainability Officer, Company Secretary, and Head of R&D. The Committee convenes monthly to review progress against set targets.

The Committee is supported by a Working Group with representation from various business functions – CSR and Administration, Product Development, EHS, and Compliances. The Working Group anchors the implementation of ESG initiatives across the Company and reports to Steering Committee through Chief Sustainability Officer on progress made with respect to the ESG parameters.



Rajesh Rathi
Managing Director (MD)
Chairperson of
Committee



Ashish Vij
Executive Director and
V.P. Operations



Dr. Klaus Baumgart
Head-R&D



Mandar Velankar
General Counsel and
Company secretary



Shivalika Raje
Head-People Practices and
Chief Sustainability Officer



Madhuri Sanas
DGM, CSR & Admin



Ankita Sali
Product Manager



Vaibhav Naik
DGM, EHS



Anil Bhongale
Compliances

ESG Governance

Board of Directors (BOD)



Quarterly performance update to Board on ESG targets



ESG Steering Committee

Rajesh Rathi
Managing Director (MD)
Chairperson of Committee

Ashish Vij
Executive Director and
V.P. Operation

Dr. Klaus Baumgart
Head-R&D

Mandar Velankar
General Counsel and
Company Secretary

Shivalika Raje
Head-People Practices and
Chief Sustainability Officer



Working Committee

Madhuri Sanas
DGM, CSR & Admin

Ankita Sali
Product Manager

Vaibhav Naik
DGM, EHS

Anil Bhongale
Compliances

Figure 11: Our ESG Organogram

Terms of Reference of ESG Steering Committee:

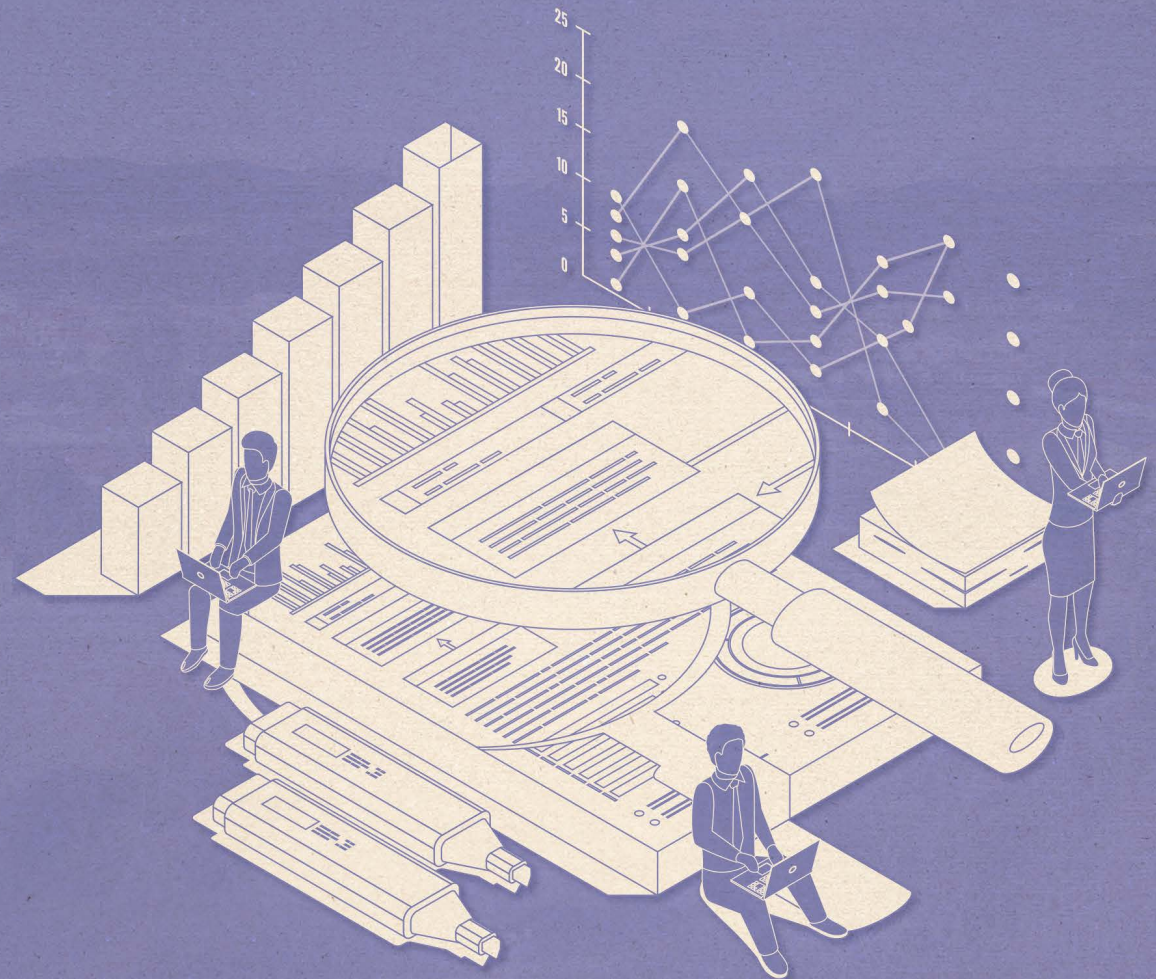
- Approve the Company's ESG Policy, including all subsequent amendments to the Policy.
- Review the existing Code of Conduct, other ESG-related policies, business strategies, systems and practices of the Company and recommend changes/modifications therein to align with ESG goals, targets and ambitions.
- Recommend and assist the Board in setting up and improving ESG goals, targets and ambitions for the Company, aligned with NGRBC, UN-SDGs and other national and international standards and practices.
- Oversee development and implementation of ESG Strategy and ensure its alignment with SDGs and other globally recommended standards and frameworks.
- Oversee the progress of the Company against the set ESG targets on monthly basis.
- Review the Company's non-financial performance on identified KPIs and ensure accurate, transparent, and timely disclosure of ESG performance to external stakeholders.
- Review the Company's performance on external ESG ratings and Indices and guide the Company in improving such ratings and submit a periodic/half-yearly report to Board.
- Advise the Audit, Risk, Nomination and Remuneration Committee, and other Board Committees on metrics relating to Board Matters on ESG.
- Undertake any other function as mandated by the Board from time to time.

Terms of Reference of the ESG Working Group:

- Spearhead implementation of ESG initiatives across the Company.
- Coordinate with various functions for the effective execution of ESG initiatives.
- Track performance of the Company on the identified KPIs.
- Develop Monthly Progress Report and update the Steering Committee.
- Spearhead development of external and internal ESG communications in a transparent, accurate, and timely manner.
- Spearhead submitting responses to various rating agencies.
- Spearhead responses to questionnaires from customer, investors, and other stakeholders.
- Review and identify existing and emerging material ESG issues, their impacts on business and other stakeholders, risks and opportunities associated with it and recommend actions/ approaches to adapt or mitigate or seize such ESG risks and opportunities.
- Recommend appropriate policies, processes and procedures for extending the ESG practices of the Company to value chain partners and review the performance of significant value chain partners on ESG practices.
- Track emerging trends in sustainability and work on the Company's preparedness to mitigate risks and leverage opportunities arising from these trends.



Business Accountability



Business Accountability

Fostering growth through ethical leadership and creating value for stakeholders

Linkage with UNSDGs



Strategic Focus Areas



Strategic Targets

Focus areas	Targets	Progress so far
Board Diversity	30% women directors on the Board by FY 2026	18.18% women directors
Board L&D	Annual 8 hours of L&D on ESG for all directors w.e.f. FY 2024 (Including self-learning)	L&D plan in progress
Board Oversight on ESG	Quarterly Reporting to the Board on ESG parameters w.e.f. FY 2024	Reporting to the Board with dashboard containing important ESG Parameters has started
Compliance	Ensure 100% compliance with all applicable regulations	We continue our efforts to achieve 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 2024 and annual Vulnerability Assessment (already completed for FY 2024) - IT cyber security assessment and maturity score benchmarking by FY 2024	Vulnerability Assessment and Penetration Testing (VAPT) conducted
Business Continuity	Enhance and improve our Business Continuity Plan (BCP) by FY 2025	BCP review in progress
Cyber Security Awareness	Average 2-person hours training on cyber security w.e.f., FY 2024	Training plan in progress

Our Approach to Robust Corporate Governance

GRI 3-3

At Sudarshan, we are steadfast in upholding fair, ethical, and transparent governance practices. We take pride in being a responsible corporate entity and operate with the highest standards of accountability, integrity, and probity. Our robust governance framework safeguards us against regulatory and legal risks. A powerful, independent, and diverse board is essential for providing strategic direction, ensuring effective oversight, and ensuring an ethical and transparent organization culture, helping us strengthen our reputation in the industry as a well-governed and trustworthy organization.

Our 'Board Diversity, Remuneration, and Succession Policy' shape the composition and behavior of our Board of Directors ('Board'). This Policy on Board Diversity ensures adequate diversity on our Board and is devised in consultation with the Nomination and Remuneration Committee (NRC) of the Board.

We have implemented various policies, codes, and Standard Operating Procedures (SOPs) to translate our commitment to good governance into action. Sudarshan's strong fundamentals, robust governance structure and an agile approach to the market, help us mitigate risks, seize opportunities, and maximize value creation. Our commitment to responsible business conduct extends beyond our short-term objectives.

Corporate Governance And Compliance

Our Board

GRI 2-11, 2-12, 2-15

Our Board comprises a diverse mix of professionals who bring with them extensive experience and competencies. The skill matrix of the Company's directors is detailed in our Report on Corporate Governance which can be accessed from Sudarshan's Annual Report 2022-23 (<https://www.sudarshan.com/annual-report-2022-23.pdf>).

Number of Board Members

11

Number of Executive Directors

2

Number of Independent Directors

7

Women Directors

18.18%

Since 2015, Sudarshan has had two (2) women independent directors on its Board, which exceeds the minimum compliance requirements and brings a balanced, comprehensive perspective to our governance practices.

Board of Directors	Designation
Mr. P. R. Rathi	Chairman and Non-Executive Director
Mr. R. B. Rathi	Managing Director
Mrs. S. A. Panse	Non-Executive and Independent Director
Mrs. R. F. Forbes	Non-Executive and Independent Director
Mr. D. N. Damania	Non-Executive and Independent Director
Mr. S. Padmanabhan	Non-Executive and Independent Director

Board of Directors	Designation
Mr. S. K. Asher	Non-Executive and Independent Director
Mr. N. T. Raisinghani	Non-Executive and Independent Director
Dr. Deepak Parikh	Non-Executive and Independent Director
Mr. Ashish Vij	Whole time Director
Mr. A. N. Rathi	Non-Executive and Non-Independent Director

Board-level Committees

The Board entrusts functions and duties to the management, and to facilitate these processes, Board Committees serve as an integrating mechanism. Responsibilities related to the management of Environmental, Social, and Governance (ESG) aspects are carried out by the appropriate committees, including the Audit Committee, Nomination and Remuneration Committee, CSR Committee, Risk Management Committee, and Stakeholders' Relationship Committee. Salient features and composition of Board Committees are mentioned below:

- **Audit Committee** – The Audit Committee oversees the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance, and remuneration of the statutory auditors including the Cost Auditors, the performance of internal auditors and the Company's risk management policies. The Committee consists of all members who are Independent Directors.

- **Nomination and Remuneration Committee** – The Committee is responsible for formulating criteria for appointment and fixing remuneration of Directors/ KMP/Senior Management Personnel. Additionally, it also anchors the internal board evaluation process. The Committee consists of all members who are Independent Directors.
- **Stakeholders' Relationship Committee** – The Committee oversees various aspects of the interest of security holders of the Company and addresses and resolves grievances expressed by our security holders. The Committee also evaluates the strategies in place to ensure our investors can effectively exercise their voting rights.
- **Risk Management Committee** – Risk management is an integral and inseparable component of the business operations of a Company. The Company believes that identifying significant risks which can adversely impact the Company and devising risk assessment and mitigation procedures to tackle such risks play an important role in protecting shareholder value, improving governance processes, and meeting unforeseen exigencies. The Committee provides guidance to us in monitoring potential risks, including those stemming from environmental, social, and governance aspects, and develops strategies to mitigate them.

Policies

GRI 2-23, 2-24

Our code of conduct, policies, and governance framework instill a meticulous value system. Setting high standards for honesty, integrity, ethical conduct, and compliance across all aspects of our business and among all our team members. We have put in place clear and well-defined guidelines that outline the desired behavior for employees, management, and our suppliers. To ensure the effectiveness of our code of conduct, we periodically review and update it as and when necessary. Details on policies and codes are available on the company's website as follows: [Company Policies | Sudarshan](#)

Board Performance Management

GRI 2-18

Board evaluation is the process through which we assess the Board and the Committees effectively to ensure compliance with regulations and alignment with our business strategy. The Nomination and Remuneration Committee plays a crucial role in identifying individuals qualified to serve as directors and senior management members based on predefined criteria. It makes recommendations to the Board regarding their appointment or removal and outlines the procedures for evaluating the performance of the Board, its committees, and individual directors. Furthermore, it oversees the execution and adherence to

these evaluation processes. The Nomination and Remuneration Committee also provides recommendations to the Board concerning the appointment, compensation, and removal of Directors, Key Management Personnel (KMP), and Senior Management.

Nomination and Remuneration Process

GRI 2-19, 2-20, 2-21

Our Nomination and Remuneration Committee is responsible for laying down norms for selection and setting the compensation for our Directors, Key Management Personnel (KMPs), and Senior Management Personnel. We evaluate potential candidates on a variety of parameters including academic qualifications, sector-specific and functional expertise, integrity, public conduct, and capability to provide strategic direction to the Company. When it comes to determining remuneration related decisions, we consider multiple criteria, including individual and company performance, annual objectives, our HR policy, and industry benchmarks.

Board of Director



Mr. Pradeep Rathi



Mr. Rajesh Rathi



Mr. Ashish Vij



Mr. D. N. Damania



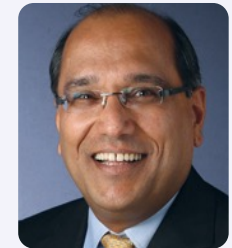
Mr. S. Padmanabhan



Mrs. S. A. Panse



Mr. Naresh T. Raisinghani



Mr. Sanjay K. Asher



Mrs. Rati F. Forbes



Dr. Deepak Parikh



Mr. Anuj N. Rathi

Business Ethics And Conduct

At Sudarshan, we are firmly dedicated to eradicating corruption and bribery in all our business activities. We never participate in or endorse unethical business practices, unfair exploitation, or any illegal actions. We have a zero-tolerance stance against corruption. Our Code of Conduct and Whistle Blower Policy are effective safeguards against fraudulent and corrupt activities across all levels in the Company. We have conducted a comprehensive risk assessment for corruption, bribery, and anti-competitive practices across our operations.

During the reporting year FY 2022-23, there have been no cases of corruption or bribery, anti-competitive behavior, monopolistic practices, or conflicts of interest reported.

Compliance

At Sudarshan, we aim to achieve 100% adherence to relevant laws and regulations. To realize this, we have implemented an IT-based Compliance Management Tool managed by a third party. As per this system, the responsibility of reporting compliances is delegated to performers across the Company and the compliances are approved by reviewers. On a monthly basis, we send regulatory updates to all performers and reviewers to apprise them of the regulatory changes and update the same in the legal compliance reporting system. We generate a report on compliances for the Board of Directors on a quarterly basis. Based on these reports, a certificate confirming compliance with all applicable laws is presented to the Board.

During the reporting period FY 2022-23, no fines or other penalties for non-compliance were levied for violation of norms concerning listing regulations, competitive practices, human rights protection, and ethical business conduct.

Economic Performance

GRI 201-1

Despite facing several challenges last year, from geopolitical tensions and inflationary pressures in global economies to restrictive monetary policies, we managed to conclude the financial year with a stable performance. Our gross margin was impacted due to the escalating costs of raw materials and limited flexibility in passing on price increases, largely because of subdued global demand. In addition to raw material costs, energy and logistics expenses remained elevated for most of the year. Despite the demanding external environment, we pursued cost-cutting initiatives and implemented a pricing strategy that struck a balance between maintaining volume growth and profitability. Additionally, we successfully commissioned several capex projects which we will continue to gradually scale-up over the next few years. As we move forward towards our vision of becoming one among the top three pigment manufacturers globally, our strategy involves expanding our product range, fortifying our manufacturing capabilities, exploring new markets, investing in our workforce, and embedding sustainability principles across all aspects of our operations.

Standalone

On a standalone basis, our total income amounted to ₹ 19.80 billion for FY 2022-23, showing a 3% growth compared to ₹ 19.27 billion in the previous period. However, EBITDA for the fiscal year 2022-23 stood at ₹ 1.815 billion, a decrease from ₹ 2.333 billion in FY 2021-22. Profit After Tax also saw a decline, settling at ₹ 314 million as opposed to ₹ 1.004 billion in the previous fiscal year. Earnings Per Share (excluding exceptional items net of related tax and tax related to the earlier year) for FY 2022-23 amounted to ₹ 4.5, in contrast to ₹ 14.5 recorded in the previous fiscal year.

Particulars	FY 2022-23 (INR Million)	FY 2021-22 (INR Million)	FY 2020-21 (INR Million)
Net revenue from operations	19,761.05	19,189.11	17,085.01
Revenue from other sources	41.50	83.82	59.22
Total revenue	19,802.55	19,272.93	17,144.23
Operating cost (includes the cost of raw materials, depreciation, and other expenses)	17,787.86	16,432.70	14,187.81
Employee wages and benefit	1,269.53	1,292.54	1,087.26
EBIT	745.16	1,547.69	1,869.16
Interest	366.89	173.11	164
PBT	378.27	1,374.58	1,812.44*
Tax	64.17	370.82	450.10**
PAT	314.10	1,003.76	1,362.34*&**
Dividend (net of DDT)	346.14	415.36	0#
Retained earnings (for the FY)	(28.60)	580.15	1,354.62##

Notes:

* Includes exceptional items. Exceptional item includes reversal of impairment on the Company's investment in its wholly owned subsidiary, RIECO Industries Limited. The Company assessed its investment in RIECO Industries Limited and consequently reversed impairment amounting to Rs. 107.28 Mn during the year ended 31st March 2021.

** Includes tax on exceptional items and tax adjustment related to earlier year of ₹ 14.71 Mn. Refer note 31 of Standalone Financial Statements from Annual Report for the FY 2020-21

Retained earnings for the financial year include the impact of Other comprehensive impact (net of tax) and exceptional items (net of tax)

As per SOCIE instead of cash flow

Defined benefit plan obligations and other retirement plans

GRI 201-3

As a responsible employer, we are committed to supporting our employees' long-term financial well-being by providing them with a defined contribution plan and a range of valuable perks. These employee benefits include medical insurance, life insurance, access to healthcare services, maternity leave, and paternity leave, in addition to our defined contribution plan.

Defined Contribution schemes	FY 2022-23 (₹ Million)	FY 2021-22 (₹ Million)	FY 2020-21 (₹ Million)
Contribution to Provident Fund	64.38	117.69	97.60
Contribution to Gratuity Fund	21.01	16.61	19.96

Financial Assistance from the Government

GRI 201-4

During the reporting period, we received the below-mentioned financial assistance from the government:

- Tax exemptions (AA, EPCG)
- Duty drawbacks

Tax Strategy

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

Our tax strategy is primarily guided by our commitment to compliance with all relevant regulations and our desire to contribute to the fair distribution of wealth. Our Chief Financial Officer (CFO) plays a pivotal role in devising a suitable tax strategy that ensures strict adherence to tax laws and timely tax planning. We make it a priority to adequately train our internal stakeholders on both domestic and international tax regulations that apply to our operations. Our principal goal is to achieve tax transparency in all aspects of our business. Detailed information regarding tax implications in various geographies where we operate is mentioned as follows:

Tax Jurisdiction	India	US	Mexico	China	Japan	Europe
Name of Resident entities	Sudarshan Chemical Industries Ltd.	Sudarshan North America Inc	Sudarshan Mexico S. de. R. L. de. CV	Sudarshan (Shanghai) Trading Company Ltd.	Sudarshan Japan Ltd.	Sudarshan Europe BV
Primary activities of the organization	Pigment Manufacturing	Pigment Trading	Pigment Trading	Pigment Trading	Pigment Trading	Pigment Trading
Number of employees and basis of calculation for this number	1280	8	2	3	4	8
Total Employee remuneration (mn)	₹ 1,123.35	₹ 105.00	₹ 14.00	₹ 8.50*	₹ 33.90	₹ 109.12
Taxes withheld and paid on the behalf of employees (mn)	₹ 158.00	-	₹ 2.24	-	₹ 3.80	₹ 46.61
Taxes collected from customers on behalf of tax authority (mn)	₹ 2,985.30	-	₹ 184.73	₹ 3.20	-	₹ 72.21
Industry related and other taxes or payments to government	-	-	-	-	-	-
Significant uncertain tax positions	None	None	None	None	None	None
Revenues from third party sales (mn)	₹ 15,731.00	₹ 1,531.50	₹ 572.45	₹ 22.50	-	₹ 2,591.08
Revenues from intra group transactions with other tax jurisdictions (mn)	₹ 2,989.10	₹ 77.10	₹ 15.80	-	-	₹ 21.83
Profit/loss before tax (mn)	₹ 378.27	₹ 120.70	₹ 25.95	-₹ 0.50	₹ 11.10	₹ 91.01
Tangible assets other than cash and cash equivalents (mn)	₹ 11,011.49	₹ 0.37	₹ 0.04	₹ 0.01	₹ 0.11	₹ 0.21
Corporate income tax paid on cash basis (mn)	₹ 51.00	-	₹ 13.67	-	₹ 0.05	₹ 18.98
Corporate income tax accrued on profit/loss (mn)	₹ 64.17	-	₹ 8.34	-	₹ 0.10	₹ 19.31
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 for the information reported above	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23

* Employee cost reimbursed by Sudarshan Chemical Industries Ltd

Data Privacy And Security

GRI 418-1

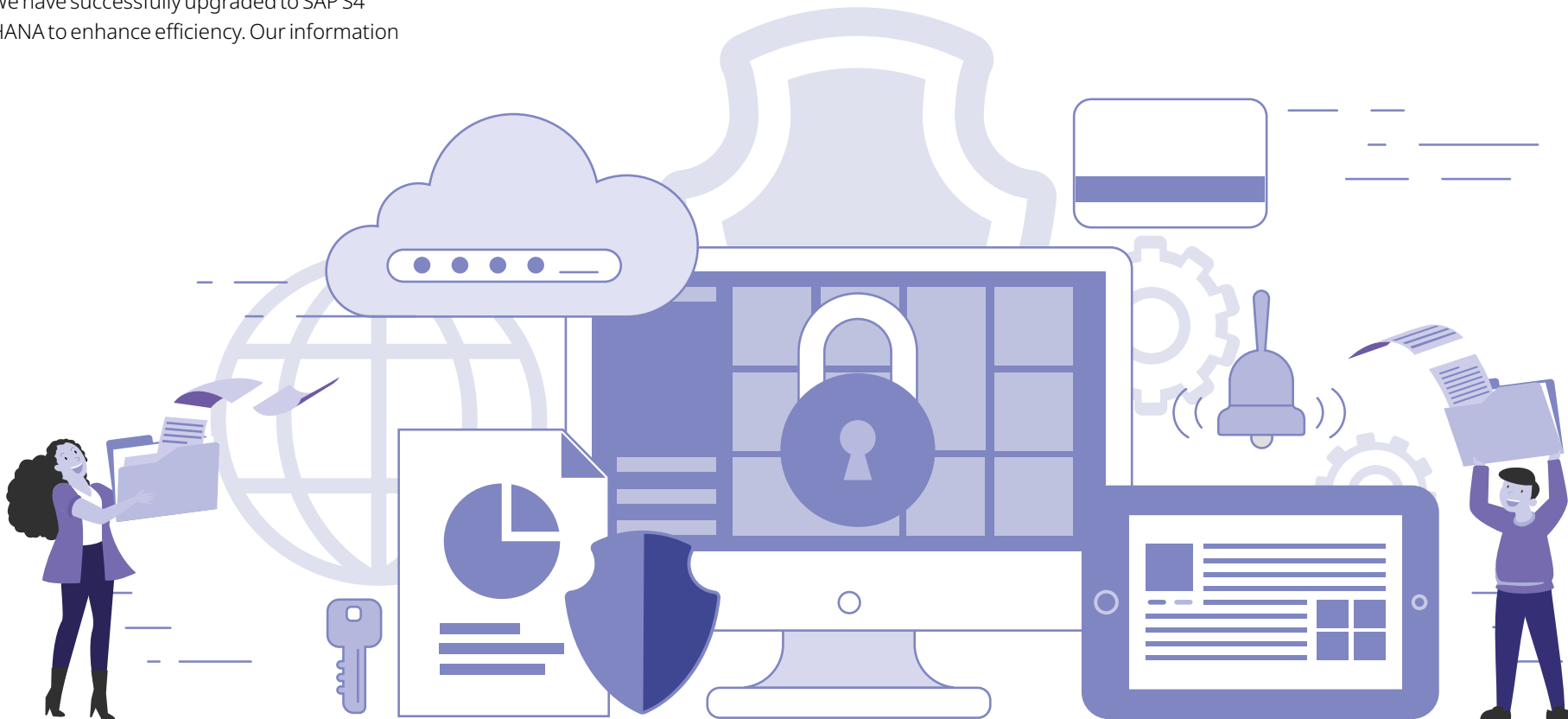
Recognizing the transformative impact of technology and the information revolution on the market landscape and business conduct, we continually upgrade our technologies, automate processes, and have digitized our information management systems to align with industry developments. We continually improve application systems and business processes by adopting leading industry practices, automation and the latest IT tools. We have successfully upgraded to SAP S4 HANA to enhance efficiency. Our information

security framework aligns with regulatory standards across the markets we serve.

We are committed to data protection and confidentiality and conduct regular vulnerability assessments, penetration testing, and aligning processes with global standards. We have implemented multi-factor authentication, access control systems, firewalls, antivirus protection

on centralized servers, training sessions, and employee awareness programs to bolster our IT and cyber security systems. During the reporting period, there were no incidents of data breaches across our operations. To enhance and automate communication with our vendor base, we have developed the vendor portal, which went live from 1st September 2022. Its

implementation has resulted in increased transparency in our operations. This intervention has streamlined accounts payable process and reduced manual work of auto-billing by 93%.





Environmental Responsibility



Environmental Responsibility

At Sudarshan, environmental responsibility ranks high among our priorities. As a leading pigment manufacturer, we believe that we have an obligation to protect the environment and mitigate the impact of our operations. We strive to achieve these objectives by consistently reducing our carbon footprint through sustainable product design, improved energy efficiency, efficient resource management and responsible waste management.

Our key focus areas are improving energy efficiency, diversifying energy sources, recycling and reusing water, responsible handling of materials and waste, and efficient use of precious resources. We strongly believe in pursuing operationally resilient and environmentally sustainable growth.

Linkage with UNSDGs

Growth with operational resilience and environmental sustainability



Strategic Focus Areas



Energy Management



Air Emission and Quality



Climate Strategy



Waste Management



Water and Effluents



Biodiversity

Strategic Targets

Focus areas	Targets	Progress so far
Energy Management	To reduce specific energy consumption by 6% year-on-year till 2030	Improvement study has been initiated
Climate Change	To reduce absolute GHG emissions by 42.4% by FY 2029-30 from baseline of FY 2021-22	Decarbonization plan finalized
Water Management	To reduce specific water withdrawal by 20% by FY 2025-26 from baseline of FY 2020-21	Specific water withdrawal reduced by 8% in FY 2023 from FY 2021
Waste Management	To achieved zero waste to landfill by FY 2030-31	Feasibility assessment of Anaerobic Digestion of Organic Waste

Our Approach to Environmental Sustainability

GRI 3-3

Our Environment, Health, and Safety (EHS) Policy clearly articulates our commitment to environmental stewardship. The Policy highlights our dedication to operating and maintaining our facilities in an environmentally responsible and safe manner. We are guided by the principles of Comply, Minimize, Conserve, Educate, Evaluate, Audit and the 4Rs of the circular economy, as we pursue our environmental sustainability goals. Our EHS policy can be accessed on our website at: <https://www.sudarshan.com/environment-health-and-safety-policy.pdf>.

Our Guiding Principles towards Environmental Sustainability				
Minimize	Conserve	Educate	Audit	4 Rs
Minimizing environmental impact through safe technologies, facility design and operating procedures	Conserving energy and work to improve the manufacturing efficiency of the products and operations	Regular training to ensure knowledge of updated laws and regulations, pollution-prevention and waste-minimization practices, and technological developments. local laws	Periodic audit of operations to confirm compliance with these principles and local laws	Adherence to the principles of the circular economy led by the 4Rs- Reduce, Reuse, Recycle, Responsible Disposal

Energy Management

GRI 302-1, 302-2, 302-3, 302-4

At Sudarshan, our operations are predominantly reliant on fossil fuels for energy consumption. We are committed towards reducing our energy consumption and continuously making efforts to identify areas of improvement. We have adopted a two-pronged approach to manage our energy consumption and resulting Greenhouse Gas (GHG) emissions. The first involves optimizing energy efficiency within our operations, while the second entails diversifying our energy sources. Our manufacturing processes primarily utilize energy in two forms, i.e., steam for chemical reactions and power for operating utilities and process equipment.

We are committed to aligning our energy management system in accordance with global standards. We regularly conduct energy audits and implement improvements in energy efficiency based on the findings from these audits.

During the reporting period, we have implemented various ongoing energy efficiency initiatives. Key initiatives are highlighted below:

- Installed 15 MW cogeneration power plants with two 62 TPH boilers at the Roha site
- Used 1,84,084 GJ of renewable energy which was 59% of our total purchased power consumption
- CT fan temperature interlocking at our facilities
- Brine pump
- Jet mill air compressor at our various facilities
- Motor modification across facilities

These initiatives have reduced power consumption by 5-10% based on the over consumption of high-performance pigment plant, and net savings of ₹ 10-20 lakhs every month, accrued from January 2023 to March 2023.

Our primary energy sources include coal, LPG, furnace oil, diesel, grid electricity, and purchased wind and solar. As part of our decarbonization efforts, our goal is to boost the proportion of renewable energy (RE) in our overall energy portfolio. To achieve this, we have engaged in power purchase agreements with renewable energy firms in Aurangabad (wind power) and Sutarwadi & Roha (solar power). Under these agreements, we are committed to procuring 27 million units of renewable energy. During the reporting period FY 2022-23, our consumption of renewable energy reached 1,84,084 GJ, accounting for 59% of our total purchased power consumption.

Energy Management	FY 2022-23 (GJ)	FY 2021-22 (GJ)	FY 2020-21 (GJ)
Purchased Electricity			
Electricity – Purchased	75,133	71,571	76,418
Electricity – Wind	21,463	19,837	21,014
Electricity – Solar	87,488	85,811	31,065
Total Purchased (RE+non-RE)	1,84,084	1,77,219	1,28,497
Fuel Consumption			
Coal	19,02,426	20,35,289	19,07,323
LPG	1,958	93	92
Furnace Oil	3,651	4,404	6,561
Diesel	4,107	6,881	5,199
LDO	483	3,046	1,772
Total Fuel Consumption	19,12,625	20,50,012	19,20,947
Total Energy Consumption	20,96,708	22,27,231	20,49,444
Energy Intensity per metric ton of product (GJ/MT)	71.38	69.01	66.13



Climate Change

GRI 305-1, 305-2, 305-4

We are committed to reducing our carbon footprint and contribute to global efforts towards climate change. In this endeavor, our approach comprises initiatives such as implementation of cleaner technologies, energy-efficient practices, and responsible waste management, among other strategies. To align with the objectives outlined in the Nationally Determined Contributions (NDCs) as part of the Paris Climate Change Agreement, we have increased use of renewable energy, which contributes directly to abating carbon emissions.

During the reporting period, our operations resulted in 1,83,569 tCO₂e for Scope 1 emissions and 14,992 tCO₂e for Scope 2 emissions. Notably, our Scope 2 GHG emissions decreased by 4.54% due to our increased utilization of renewable energy sources.

Emission factors are used to calculate emissions for all direct emission-related activities as per IPCC guidelines for GHG inventories (2006). We used the Baseline Carbon Dioxide Emission Database Version 17 factor for indirect emissions (*i.e., purchased electricity*).

GHG Emissions	FY 2022-23 (tCO ₂ e.)	FY 2021-22 (tCO ₂ e.)	FY 2020-21 (tCO ₂ e.)
Diesel	304	510	385
Furnace Oil	283	341	508
LDO	36	226	131
Coal	1,82,823	1,95,620	1,83,294
LPG	124	6	6
Scope 1 Emissions	1,83,569	1,96,702	1,84,324
Grid Electricity	14,992	15,706	16,769
Scope 2 Emissions	14,992	15,706	16,769
Total GHG Emissions	1,98,491	2,12,408	2,01,093
GHG Emissions Intensity per metric ton of product (tCO₂e./MT)	6.67	6.55	6.06

Our energy and GHG intensity have increased year-on-year (YoY) by 3.4%, and 1.8% respectively. This increase is primarily due to the following :

- Consumption of energy for non-production activities for ongoing projects which amounted to approximately 1.63% of total energy consumption
- Increase in production of new product lines such as HPPs, and CICPs, which are significantly more energy intensive than other product lines

Decarbonization Journey at Sudarshan

Diversification of energy sources is one of the crucial pillars of decarbonization. To minimize the carbon intensity of our business operations, we are formulating our decarbonization strategy, highlighting our near-term plans for emission reduction. We have committed to reducing our GHG emissions by 42.4% by 2029-30 from the baseline of 2021-22. We will share our progress on this in subsequent reports.



Air Emission And Quality

GRI 305-6, 305-7

In our operations, oxides of nitrogen, sulfur, and particulate matter are emitted in to the environment. We are committed to maintaining our air emissions at a level well below the norms prescribed by the Air (Prevention and control of pollution) Act, 1981 (and amended from time to time) and Environment Protection Act, 1986 rules and regulations.

Our plant operations are dedicated to reducing the release of sulfur and nitrogen oxides, particulate matter, Volatile Organic Compounds (VOCs), and other potentially harmful chemicals into the environment. We rigorously adhere to the established regulations governing stack emissions and ambient air quality. The strategies we employ in pursuit of these goals include:

- Utilizing low-sulfur coal in our boilers
- Installing Electro-Static Precipitators (ESP)
- Scrubbers in all exhaust stacks

We do not use any Ozone Depleting Substance (ODS) in our manufacturing operations; therefore, there are no emissions of ODS from our manufacturing facilities.

Case Study: New scrubber for reusing of absorbed Ammonia

Challenge: At one of our High Performance Pigment plants in Roha, the source of ammonia gas generation is during the amination process. The facility has two ammonia reactors, wherein the amination is carried out using 20% ammonia solution. Due to this, excess ammonia was vented through the scrubber before further processing. Based on reaction stoichiometry, the excess ammonia quantity was affirmed. This scrubbed ammoniacal solution was sent to the ETP, resulting in an increased ammoniacal nitrogen load of ETP.

Improvement Plan: Upon reviewing the design capacity of the existing scrubber setup through simulation, a new scrubber was designed for the increased load, considering future expansion. The reactor was designed with brine cooling and a venturi system. The vented ammonia was recycled with the new design to reduce the ammoniacal nitrogen load of ETP. This intervention aided in recovering 70% of vented ammonia.

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

At one of the operating sites, a smaller boiler with bag filter was used due to operational reasons, which has resulted in increased emissions of particulate matter and NOx.

Water And Effluents

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

Water is a scarce resource hence, we are duty-bound to use it responsibly, and minimize adverse impact on the water bodies around our operations. At Sudarshan, we source our daily water requirements from the Maharashtra Industrial Development Corporation (MIDC). Our facilities in Roha and Mahad are equipped with advanced wastewater treatment systems, and our R&D site operates as a zero liquid discharge (ZLD) facility. During the reporting period FY 2022-23, we achieved a 19% reduction in water intensity per production unit. Our total water withdrawal during FY 2022-23 was 39,02,646 m3. We consumed approximately 20% of the water withdrawn and the rest is discharged in compliance with the regulatory norms. Furthermore, we provide safe water, sanitation, and hygiene facilities for all individuals working on our premises. We utilize the WBCSD WASH Pledge Self-Assessment Tool to evaluate the level of WASH (Water, Sanitation, and Hygiene) facilities available. This tool allows us to identify gaps in comparison to leading international practices and helps us evaluate implementation at our facilities on an annual basis.

Additionally, we have implemented various water conservation measures, including rainwater harvesting, utilization of recycled effluent and the recovery of condensate. These initiatives have led to substantial water savings amounting to 3,56,189 m3. Water intensity had increased in FY 2022-23 due to use of water for non-production activities and changes in the product portfolio which are more steam intensive.

Water Particulars	FY 2022-23 (m3)	FY 2021-22 (m3)	FY 2020-21 (m3)
Water Withdrawal	39,02,646	52,64,665	47,25,725
Water Discharge	28,24,239	42,71,265	41,10,452
Water Consumption	10,78,407	9,93,400	6,15,273
Water Intensity per metric ton of product (m3/MT)	131.08	162.33	142.47

Case study: Water Consumption Reduction – Project Filtration

To reduce our water consumption, we have implemented various interventions across our manufacturing facilities, like controlling filtration parameters during product washing, minimizing wastage in domestic usage and reducing utility water consumption. This has resulted in a 21% reduction in water consumption, i.e., up to 2.5 MLD. With these interventions, we have achieved norm reduction from 165 m3/MT to 112 m3/MT.

Case study: Expansion of Effluent Treatment Plant (ETP)

At our manufacturing sites, the adequacy of existing effluent treatment facilities has been evaluated for composite streams coming from various product lines. Also, the requirement for a combined biological treatment including the accommodation of wastewater expected to be generated from expansion has been assessed for effluent quality as per norms prescribed by Environmental Clearance (EC). Based on this analysis, we have undertaken large scale expansion of our water treatment infrastructure. The new water treatment infrastructure comprises the following:

Primary Treatment: As the manufacturing process is in batches, fluctuation in incoming hydraulic and organic load is expected. To address these variations, the existing primary treatment has been enhanced by implementing the following improvements:

- Additional equalization volume of 6-8 hours retention time for both (AZO & HPP) streams.
- Introduction of scum removal system for existing primary clarifier.
- Sludge Thickener for Primary Sludge – to ensure effective sludge removal and sludge handling.

Secondary Treatment: Existing anaerobic reactor (AHR) and aerobic biological oxidation have aided in the desired reduction in Chemical Oxygen Demand (COD).

However, the existing biological treatment will be improvised by providing the following:

- Provision of mixing in existing equalization (Homogenized feed to biological reactors) New energy efficient biological system with retrievable diffused aeration system. The new system is 39% more energy efficient, as the new bio system consumes 0.47 KWh/Kg of COD, whereas, old bio system consumes 0.77 KWh/Kg of COD.
- Additional secondary clarifier for the new bio reactor.
- Sludge Thickener for Biological Sludge to ensure effective sludge removal and sludge handling.

Impact

The new wastewater treatment structure will help in handling a higher volume of wastewater and a higher COD load. Specific power consumption for biological treatment (Kwh per kg of COD) is expected to go down by 39% due to the new energy-efficient retrievable diffused aeration system for the bio reactor. Because of the improved quality of treated water, consumption of recycled water for utility purposes will increase, thus reducing freshwater withdrawal from outside. Furthermore, discharge-effluent quality will be vastly improved and well-below the permissible limits, prescribed by Pollution Control norms.

Waste Management

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

We are committed to effectively manage the waste streams and implement several initiatives to reduce waste generation, such as recycling programs, recovery & reuse of solvents, reducing packaging material and optimizing production processes. We incorporate the 4-R Principle of circular economy - Reduce, Reuse, Recycle, and Responsible Disposal, for responsible waste management.

These strategies and initiatives have begun yielding good results. During the reporting year, there has been a 12.5% reduction in the total waste generated by our operations.

Our strategy for waste management is outlined as follows:

- **Responsible storage and inventory management** to proactively reduce waste generation.
- **Investing in employee training** and awareness programs concerning the proper handling of waste materials.
- **Responsible logistics and transportation** management practices to further reduce our environmental impact.
- **Responsible asset management** aimed at optimizing performance and yield, ultimately minimizing waste production.
- **Prevention of spills and leakages**, ensuring a responsible approach to waste management.
- **Responsible disposal of waste materials**, adhering strictly to regulatory norms and guidelines.



Case study: Waste-to-Wealth - Aluminum Hydroxide from AlCl₃ solution of Green Pigment Plant, Mahad

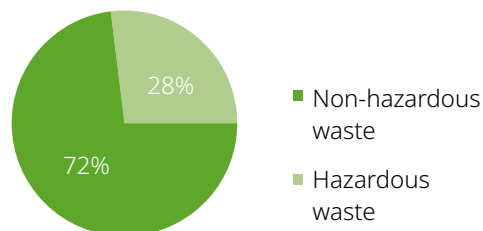
Challenge: In the green pigment plant, Aluminum chloride (AlCl₃) solution is a by-product generated during the chlorinated mass immersion process. Initially, this 14% AlCl₃ solution was sold to vendors who used it as a coagulant or neutralization agent in their Effluent Treatment Plant (ETP), however that was discontinued. Disposal of nearly 2,800 kiloliters per month of AlCl₃ at the Mahad plant was a difficult. Furthermore, management of this waste led to multiple plant shutdowns and became a significant hindrance to plant capacity

Improvement Plan: With the intent of turning waste to wealth, our Research and

Development (R&D) and Marketing teams explored potential options for converting this by-product. The primary products under consideration were Poly Aluminum Chloride (PAC) solution, Aluminum Hydroxide, and Pseudo Boehmite. After a failed attempt at producing PAC solution due to poor market response, we initiated the production of Aluminum Hydroxide. Initially, the plant was started at 4 TPM. However, with continual improvement in reaction patterns, and washing patterns we have achieved 17 TPM and further it was increase up to 35 TPM and planning for 50 TPM ahead. The present process is optimized on time cycle and washing patterns have reduced our manufacturing cost to the extent that we could sell our products in the market better.

Waste Generated	FY 2022-23 (MT)	FY 2021-22 (MT)
Plastic waste	584.26	646.52
E-waste	4.07	0
Bio-medical waste	0.02	0.03
Battery waste	0	0
Other Hazardous waste	6,587.57	8,812.18
Other Non-hazardous waste	16,195.23	17,241.08
Total waste generated	23,371.15	26,699.30

Segregation of Hazardous and Non-hazardous Waste



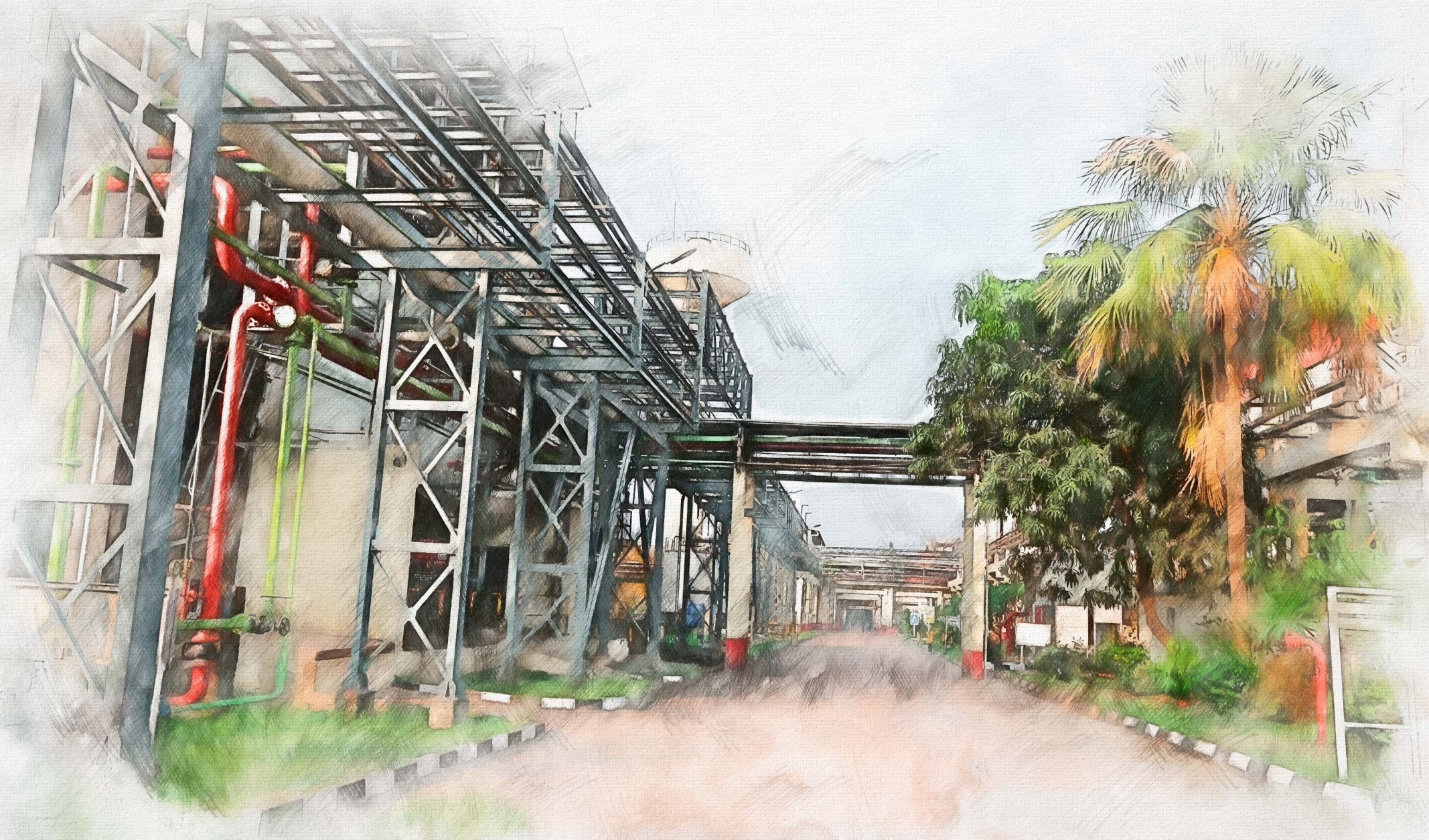
Waste Disposal	FY 2022-23 (MT)	FY 2021-22 (MT)
Waste sent to landfill	6,981.49	12,069.39
Waste sent for incineration	447.60	262.55
Waste sent for recycling	15,942.06	14,367.86

Biodiversity

GRI 304-1, 304-2, 304-4

Safeguarding the environment is an integral component of our environmental responsibility. Our facilities are situated in areas officially designated as industrial zones by MIDC. We have conducted a thorough assessment of our environmental impact to assess potential ecological and ecosystem risks and to develop mitigation strategies. Additionally, to enhance the greenery around our sites, we have planted 1,645 tall trees within our premises and 1,800 trees outside our facilities.





Manufacturing Excellence



Manufacturing Excellence

At Sudarshan, we believe that manufacturing excellence is crucial for achieving business success and eco efficiency in our operations. We are committed to continuously improving our performance on product stewardship, process safety and manufacturing excellence. As an agile and responsible company, we have prioritized product stewardship to achieve a sustained competitive advantage. Innovation and technology form the bedrock of manufacturing excellence. Our manufacturing operations are driven by continuous improvements in technology and process efficiency that enable us to manufacture world-class products.

Linkage with UNSDGs

Growth with operational resilience and environmental sustainability



Strategic Focus Areas



Product Stewardship

- Product Quality and Excellence,
- Lifecycle Approach
- Product Safety



Automation, Innovation and Technology Upgradation

Strategic Targets

Focus areas	Targets	Progress so far
Product Stewardship	• Life Cycle Impact Assessment (LCIA) of products with over 35% of projected FY 2025 revenue*⁴ • Reduce product carbon-footprint of top products**⁵ • Cover all relevant products under nano-associated safety assessment	• Products finalized for LCIA • Data collection has been initiated
Automation	• Elimination of hazardous operations by year 2026	Identification of high-risk process through HAZOP/HIRA

4 * Current revenue contribution of the products those have been selected for LCIA is approximately 25%

5** PCF reduction will be finalized after analyzing results of the ongoing LCIA study

Product Stewardship

GRI 416-1

'Product Stewardship' is a crucial component of our business strategy. We go above and beyond regulatory requirements to ensure the safe usage of our products throughout their value chain. Sustainability is integrated into our products right from the product conceptualization phase. We have adopted the 'Stage-Gate' system of product development developed by our Research and Development (R&D) function. This system involves a thorough evaluation of products at different stages, considering factors like resource consumption, process safety, and environmental safety. A product is brought for commercialization only after a thorough assessment check on aspects such as environmental sustainability, process safety and health and safety of our customers. Hence, our products undergo rigorous internal analytical testing to ensure compliance with regulatory norms and standards.

To minimize adverse environmental impact, in addition to redesigning processes and designs, we have implemented several innovative solutions. These include improvement of solvent and catalyst recovery, eliminating/reducing Unintentional Trace Impurities (UTIs) from our products, and exploring alternative raw materials. We have implemented Management of Change (MoC) guidelines, which involve a systematic evaluation of existing processes and technologies in terms of their environmental impact, including material usage, energy consumption, water usage, and hazardous waste generation.

Case Study:

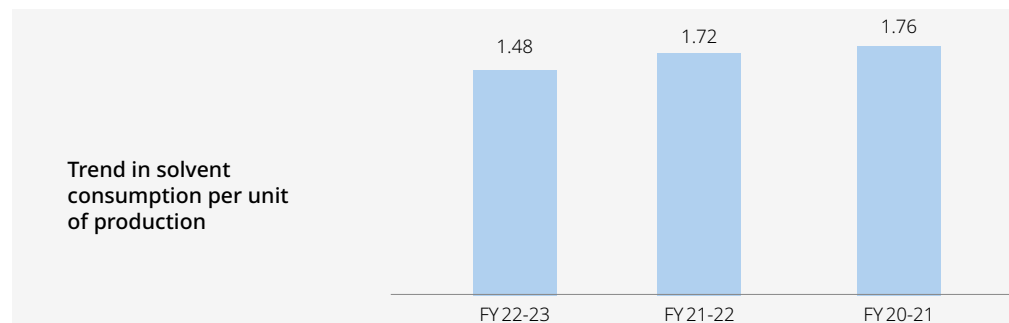
Process Innovation – Green Process Phthalocyanine Green is produced through the chlorination of Crude Copper Phthalocyanine Blue (CPC). The production process comprises two distinct phases. The first phase involves the synthesis of crude phthalocyanine green from CPC Blue, followed by a solvent finishing step to obtain pigmentary phthalocyanine green. In the crude green chlorination process, cupric chloride is used as a catalyst. In the second phase, after the precipitation and filtration of crude phthalocyanine green, the filtered slurry undergoes treatment to eliminate any remaining copper, after this the waste stream is directed to a wastewater treatment facility. This results in increased copper load in the waste stream.

Our R&D team has devised an improved chlorination process that results in a significant reduction in the amount of catalyst consumption by up to 60%. We've implemented phase-wise reduction of cupric chloride to ensure consistent quality and safe processes. The process improvement has resulted in cost reduction and a much lower amount of copper in the waste stream. This has further aided in efficient wastewater disposal.

Responsible Materials Management

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

Across our operations, we use a variety of organic and inorganic chemicals. We also utilize solvents such as methanol, mono-chlorobenzene, xylene, etc., in our manufacturing processes. Our goals in responsible materials management are to yield improvement, solvent recovery and reduction in hazardous waste. During the reporting period FY 2022-23, we have consumed 101,760 MT metric tons of raw materials. Our major input raw materials are sulfuric acid, hydrochloric acid, caustic soda lye, nitric acid, CPC blue, aluminum chloride, uncalcined mica, lead metal, methanol, chlorine, and sodium nitrite. Major solvents are methanol, mono-chlorobenzene, orthoxylene, isobutanol. We recover up to 95% of solvents based on our improvement projects, and our solvent usage has decreased from 1.76 MT/MT in FY 2021-22 to 1.48 MT per MT in FY 2022-23.



Materials	FY 2022-23 (MT)	FY 2021-22 (MT)
Total Raw Materials	101,760	91,096
Total Packaging Material	739	810

Product Quality and Excellence

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

We provide accurate, transparent, and timely communication of relevant product information to our customers and other stakeholders. We comply with all applicable health and safety norms, utilizing Material Safety Data Sheets (MSDS) and other mandated documents to convey product specifications, hazards, and risk mitigation techniques.

Additionally, we adhere to all relevant international regulations, including the European Union's Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) standards, as well as equivalent regulations such as AP 89/1, US FDA and Japanese norms. During the reporting period, we did not receive any significant customer complaints related to health and safety. Furthermore, we have not incurred any penalties, sanctions, or show-cause notices from regulatory authorities for violations of product safety norms.

Product Safety

At Sudarshan, we implement rigorous protocols, stringent quality controls, and continuous monitoring to safeguard the well-being of our valued customers. Sudarshan has an extensive portfolio of pigments with different physical characteristics, one of them being characterized as 'nanomaterial'.

Nanoparticles are materials that exhibit any external dimension in the nanoscale or have an internal structure or surface structure in 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 legislations and jurisdictions across the world. 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 fulfil 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, fiber 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.

We have updated our REACH registrations to include nanomaterial characterization of pigments, in maintaining its compliance, where applicable. The landscape to risk assessment in terms of human health and environmental exposure is evolving and can be seen through the development of various standardized methods for having a harmonized approach. The recommended and widely accepted form of measuring and characterizing 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.

Cosmetic Regulation 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 characterizing of pigments as nanomaterial at 10% particles in the number-based size distribution. Pearlescent Pigment and Iron Oxide pigments among many are under purview of EU authorities such as Scientific Committee on Consumer Safety (SCCS) to establish nano components for safe

use as cosmetic ingredient. Sudarshan, with its active participation in various consortia, contributes to establishing the safety of these cosmetic ingredients for safe and healthy use for consumers. In addition, Sudarshan is committed to participating and provide support to various organizations and forums such as ETAD, the European Federation of Cosmetic Ingredients (EFFCI) and Cosmetic Europe (CE), to name a few.

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), Dioxins, 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 minimizing 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.

Lifecycle Approach

To reduce our product carbon-footprint, we have planned to conduct a detailed Lifecycle Impact Assessment (LICA) study to assess the environmental impact associated throughout the lifecycle of our select products. We look forward to sharing progress made on this in our subsequent reports.

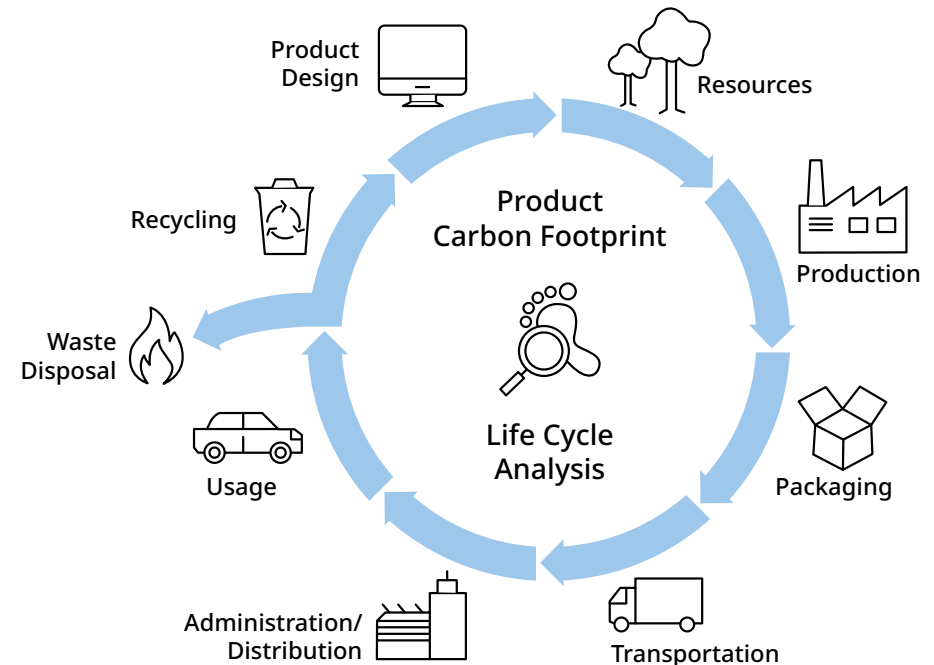
Case study: Process improvement for reduction of PCBs

Polychlorinated biphenyls (PCBs) are persistent and bio-accumulative in nature. They are accumulated in the environment for a long-period and are not easily bio-degraded. They are categorized under hazardous compounds under the Federal Toxic Substances Control Act (TSCA) and have a much lower allowance in waterways under the Clean Water Act.

In our production processes, PCBs are generated as a by-product while manufacturing of Diarylide Yellow series (Azo), Phthalocyanine and Red pigments. The treatment of chlorine-based solvents also generates PCBs.

In order to reduce PCBs, our R&D team has developed process improvements and modified the process of Diarylide Yellow pigments. This improvement has led to a significant reduction in PCB levels, which are much lower than the permissible limit. The following modifications were implemented:

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



Automation, Innovation, And Technology Upgradation

Automation is a crucial in driving the efficiency and excellence in manufacturing operations. At Sudarshan, automation and innovation drive sustainability by processes optimization, enhancing safety, reducing waste, and enhancing efficiency. By elimination of hazardous operations, we strive to minimize human error, streamline production, and enable real-time monitoring, ensuring resource conservation and reducing environmental footprint.

During the reporting period, we have implemented various interventions across categories, namely, technology upgradation, automation, and innovation. The matrix below highlights the key benefits attained because of specific technological interventions undertaken.

Case Study – World Class Manufacturing (WCM)

Adhering to the principals of World Class Manufacturing is one of our key business goals. This initiative has nine Core Pillars, including Safety, Quality and Change Management, Availability, Environment and Community, Engineering and Projects, Productivity, Inventory, Fit-for-purpose Automation, and People and Change Management. These pillars form the cornerstone of our efforts to deliver excellence in every facet of our operations. Each Pillar has clearly defined initiatives and future paths to achieve excellence in manufacturing.

At the core of our WCM strategy are our employees, who drive success by leveraging

technology and innovation. ‘People and Change Management’ is a central pillar as it is connected to the human asset of the organization. Under this pillar many interventions are designed with the objective of empowering individuals and shop floor transformation. Some recent initiatives include:

- Rolling out and stabilizing change initiatives: LDM, Gemba and LSW, S&OP and data flow
- Self-Managed Team (SMT): Design of assessment of capability and training program towards shop floor transformation
- Reward & Recognition: Ensuring development of talent, and recognizing the efforts of our human capital through promotions and rewards



Technology Upgrade

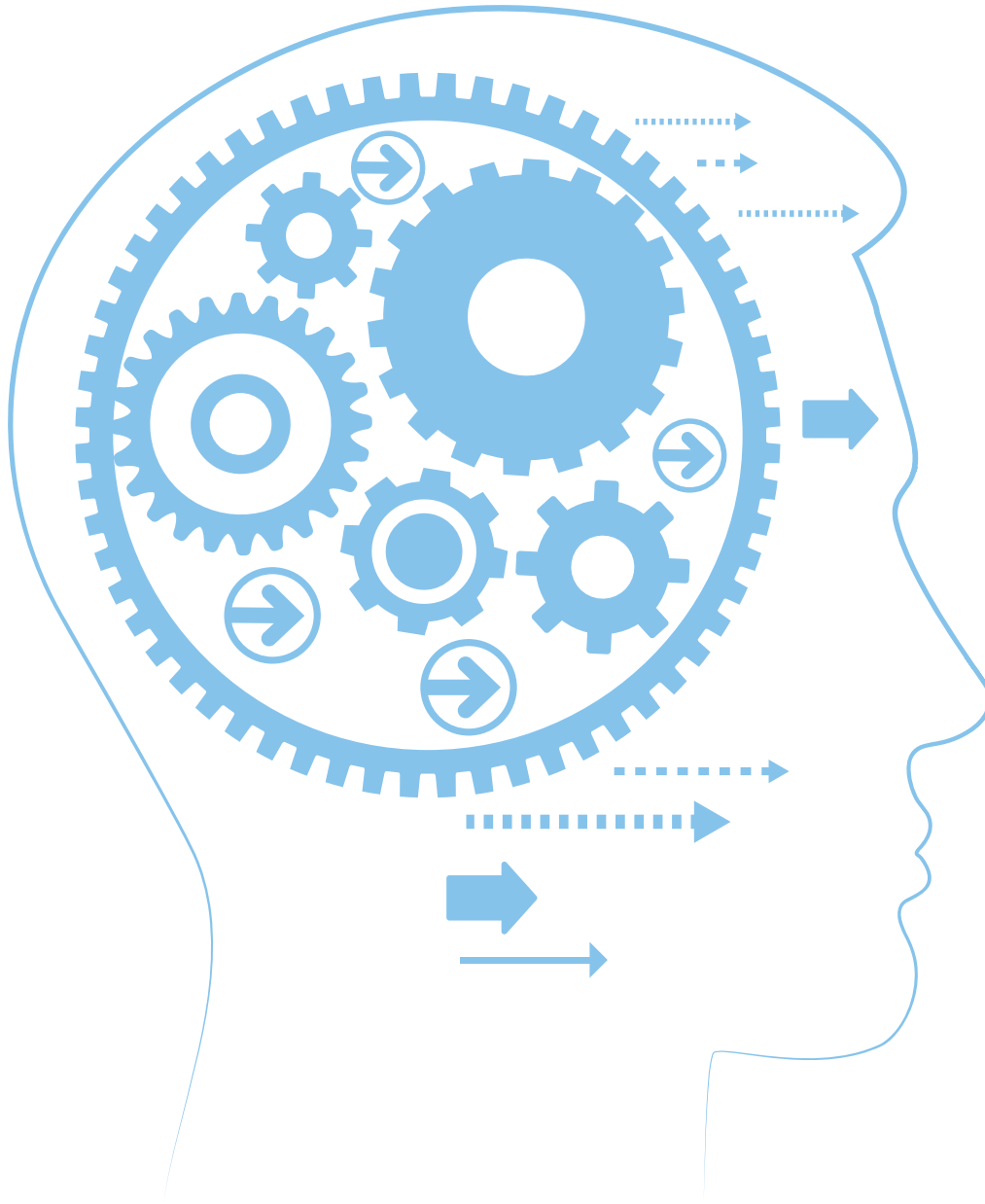
Intervention	Benefits
Drying of wet silver product in continuous rotary tray dryer instead of traditional tray dryer	- Reduction in rigorous operation of loading material in tray trolley - Reduction in manual operation of tray dryer - Close system transfer of dryer product till packing, resulting in avoiding people exposure to product - Yield improvement - Elimination of handling of wet cake as well as dry product in tray trolley
Transformation of batch process to continuous process	- Close loop manufacturing of product - Reduction in rigorous operation of loading & unloading material at different stages - Close transfer of material - Yield improvement - Reduction in people exposure to material
Use of ball mill for particle size reduction for High-Performance Pigment	- Energy efficient operations - Improvement in product quality
Jumbo bag lifting and moving through electric hoist	- Reduction in manual handling - Reduction in time cycle - Reduction in manpower

Innovation

Intervention	Benefits
Manufacturing of Aluminum Hydroxide from streams containing aqueous aluminum	- Utilization of by-product - Creation of wealth from waste
10% phosphoric acid recovery from waste stream	- Reduction in sludge generation - Reduction in lime consumption
Dedicated solvent drum storage shed segregation	- Reduction in risk of fire in the chemical storage area and safe storage of flammable chemical - Enhanced safety at manufacturing plants
Preparation of chemical compatibility matrix	- Avoiding incompatibility incident on the shopfloor - Safe storage of hazardous chemical - Enhancement in knowledge of raw-material handling

Automation

Intervention	Benefits
Multipoint addition for controlling pH of reactor batch	- Precise control on coating batch pH - Improvement in yield and product quality - pH control was improved basis the ration control of reactant flow rates
Sequencing of batch process through receipt based operational control through DCS	- Controlled and safe operations - Improved safety - Reduction in deviation
Provision of : - Paraffin Oil system for Spillage control at TiCl₄ Storage; - Bulk storage tanks for RM like Para Toluidine & Aniline and other critical hazardous RMs (in place of drum handling to avoid exposure to workman); - Nitrogen blanketing for Major / Critical Solvent Storage and handling; - Overflow line, Level Indicator (level transmitter) & Level switch (double protection)	- Minimization of risks associated with handling and processing hazardous materials - Reduction in the potential for accidents and ensuring improved worker safety
Recipe based process operation to avoid any manual mistakes (DCS/PLC/SCADA based operations)	- Minimization of risks associated with handling and processing hazardous materials - Reduction in the potential for accidents and ensuring improved worker safety
Provision of Nitrogen blanketing wherever solvent vapors present to avoid formation of explosive mixture	
Filtration under nitrogen blanketing and vacuum breaking with Nitrogen	
Double Rupture disc system for venting during emergency	
Revalidation and augmentation of vent scrubbers for Ammonia and HCl	
Provision of Temp and Pressure control system with stand by provision to avoid any deviations	- Minimization of risks associated with handling and processing hazardous materials - Reduction in the potential for accidents and ensuring improved worker safety
Conducting HAZOP of all hazardous processes based on their severity	



Case Study – Self-Managed Team (SMT)

In our operations, we have initiated a world-class manufacturing journey. One of the key components of this initiative is the Self-Managed Team (SMT). SMTs are empowered, self-sufficient & self-reliant groups of employees who assume full ownership and responsibility for completing assigned targets within a shift. This encompasses production of a product, delivery of a service, or execution of a particular project, encouraging a high level of cooperation and collaboration among team members. SMT was established with the intent of enhancing ownership and accountability among supervisors/field officers and improving multiskilling and multitasking to boost productivity and minimize losses.

At Sudarshan, SMT Crew System includes:

- A team of multi-skilled individuals pursuing common goals.
- Specialist Employees in Rotational Shift and highly experienced in quality product.
- Leaders in General Shift, managing administrative challenges, training, and support for Rotational Shift.
- Ensuring the effectiveness of SMT and achieving set goals.

- Collaborative decision-making and issue resolution.
- Autonomy, flexibility, and expertise in specific areas while pursuing common objectives.

We have taken several steps to enhance the capabilities of our operations teams. This includes providing classroom and on-the-job training on unit operations, processes, and safety culture. Additionally, we have offered cross-functional training to all team members to enable them to take on additional responsibilities.

We have also created opportunities for employees to assume higher roles and responsibilities within our organization through a fill-in system. One of our supervisors from HPP department was entrusted with leadership of the entire crew for the HPP SBU after successfully addressing various challenges related to yield improvements and cost reduction. In this role, he led a team of approximately 100 employees during each shift and consistently met the shift targets. The outstanding performance of the crew in the HPP SBU earned the quarterly best crew award.



Strengthening Social Inclusiveness



Strengthening Social Inclusiveness

Stakeholders, our biggest strength, are at the core of everything we do. Our commitment to our people and communities is encapsulated in our vision of 'Growing Together Sustainably'. We believe in creating value for all our stakeholders. Our employees, value chain partners, and local communities, constitute our critical stakeholders. Hence, we strive to achieve sustainable, inclusive growth and contribute towards global goals on equitable socio-economic development.

Linkage with UNSDGs



Strategic Focus Areas



Human Capital Development



Sustainable Supply Chain



Human Rights



Sustainable Communities



Employee Safety and Wellbeing



Customer Centricity

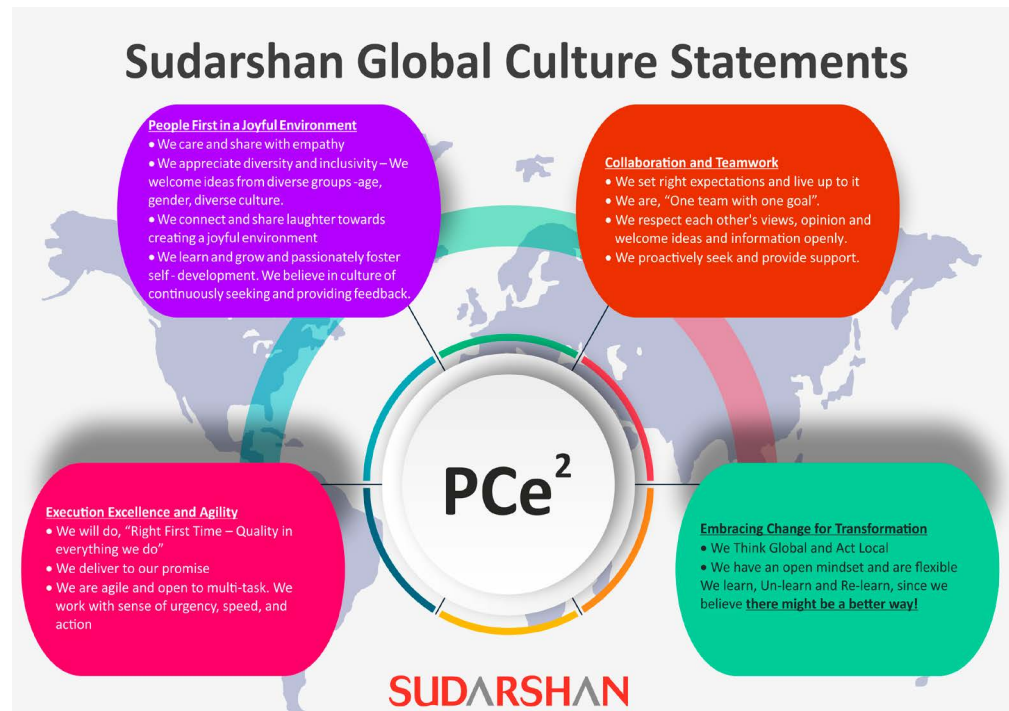
Strategic Targets

Focus areas	Targets	Progress so far
Safety Management	System maturity score of a minimum of 80% for the following critical safety and process safety elements by 2024 • HIRA - Hazard Identification & Risk Assessment • PTW - Permit to Work • CSM - Contractor Safety Management • PSI - Process Safety Information Safety culture maturity score of a minimum of 80% by 2025 Zero Process Safety Events (Tier 1 and 2 as per API 754) by 2026	• Process Safety Management (PSM) Score of 65% achieved in FY 2023
Diversity & Inclusion (D&I)	60% overall inclusion by FY 2025 • Women participation in workforce (30%) by FY 2025 • Inclusion of 'person with disability (PWD)' people (2%) by FY 2025 • 60 % population should be less than 30 years by FY 2025	• Gender diversity of 18% achieved in FY 2023 • 1% of workforce belongs to PWD category • 43% workforce comprises people with less than 30 years of age
Learning & Development	Average 6 person-hours of ESG training annually	• Master trainers identified • Training modules are being developed
Human Rights	• 100% employees and security personnel trained on Human Rights Policy • 100% redressal of complaints concerning violation of Human Rights	• Development of training modules
Employee Engagement	Great place to work: Get listed in the gold standard list (top-100) by 2025	• Dipstick survey conducted in FY 2023. Achieved average of 6 key health indicators at 83% in FY 2023 against the target of 86% by FY 2024-25
Sustainable Supply Chain	• Screening of all new vendors on ESG criteria w.e.f., FY 2025 • Evaluation of all critical supplier* (identified based on risk and spend) on ESG criteria by FY 2026 • Inclusion of High-risk suppliers** in ESG capacity building initiatives by FY 2028	• Mapping of critical suppliers • Development of supplier assessment tools
Sustainable Communities	• Computation of SROI on CSR initiatives • Engagement with local bodies on quarterly basis	• Continuous engagement with local bodies

Strengthening People Inclusiveness

At Sudarshan, we are guided by our higher purpose of 'Growing together by being spiritually fulfilled, socially just, and environmentally sustainable'. We have well-defined overarching purpose, vision, mission, and a set of values that serve as our compass in promoting a culture of sustainability and inclusivity. Sudarshan's Global Culture (PCe2 – P: People first in a joyful environment; C: Collaboration and Teamwork; e2 - Execution Excellence and Agility and Embracing Change for Transformation) is in alignment with our vision and based on our core value system of Seva, Courage, Commitment & Passion, Respect, Trust (SCCRT). Our PCe2 & SCCRT model embodies conducive environment for social and psychological wellbeing.

PCe2 Model



SCCRT Model



Two-fold approach to ensure Global Culture at Sudarshan

1 Awareness Creation: During induction program, our employees undergo a one-hour mandatory session on Global Culture and values, which helps them in understanding our core value system.

2 Sustainability and Reinforcement: To ensure reinforcement of our Global Culture, various channels of communication like flyers, videos, newsletters, like Suda Prabhat, Suda Soul, Suda Essence, Nudges (newsletters), Suda Tete a Tete are

adopted, acting as a refresher for our employees.

Our in-house trainers ensure continuity and reinforcement of our culture and values. These trainers have completed a one-day “Train the Trainer” (TTT) workshop, conducted in English and vernacular languages. We have successfully trained over 50 trainers for both the Global Culture and Values initiatives. We have achieved a coverage of 86% and 90% for Global Culture workshop, and Value Workshop respectively.



Figure 12: Glimpses of Global Culture and Value workshop

Human Capital Development

Snapshot of Our Workforce

GRI 401-1, 401-2, 401-3, 402-1

Talent Acquisition & Retention, Learning & Development (L&D), Diversity & Inclusion (D&I), and Equal Opportunity, are the foundational pillars of our Human Resource (HR) Management. At Sudarshan, our aim is to establish a merit-based process where employees are empowered to make sound business decisions in a fair, open, and inspiring workplace. We are dedicated to nurturing an atmosphere that promotes continuous learning and personal development, enabling us to shape a forward-thinking approach that prioritizes innovation and thought leadership.

Our HR system functions in accordance with Dave Ulrich model for managing HR operations. We identify and hire top talents from renowned institutes and entrust them with impactful roles to achieve their full potential. We consistently acknowledge the dedication of our employees, both in their regular business roles and for their contributions beyond work towards community development and care. In addition to competitive benefits and compensation, we take pride in offering an inclusive and caring work culture. We also have a ‘Human Resource Policy’ that highlights our commitment towards equality, diversity & inclusion. As an equal opportunity employer, we recruit and promote qualified personnel across all job categories regardless of religion, age, gender, sexual orientation, gender identity, marital status, or disability. We also offer equal wages to all our employees, regardless of their gender.

At Sudarshan, women are an integral part of our organization and critical to growth aspirations. We firmly believe that women's rights and economic inclusion are fundamental to inclusive growth and the long-term success of a society. As of 31st March 2023, we have a total workforce of 1,240 in our company (India operations), inclusive of 177 women.

27% Female as a percentage of new hires in FY 2022-23

14% Female employees in FY 2022-23

7% of Senior Management are Female

18% of Board of Directors are Female

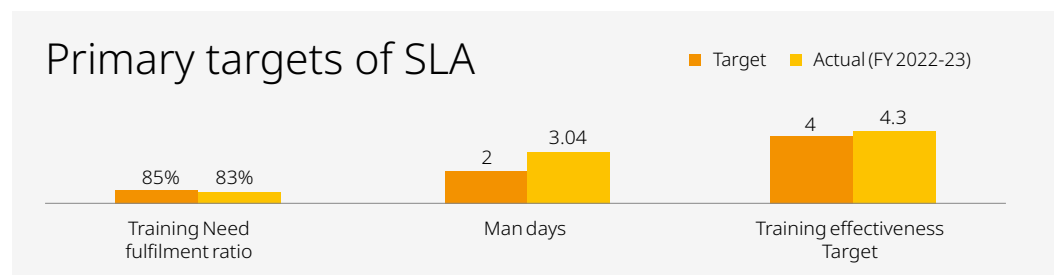
Employee Upskilling, Learning & Development

GRI 401-1, 404-2

Sudarshan Learning Academy (SLA) plays a vital role in facilitating employee learning of new technologies, systems, and processes. SLA serves as a hub to assist employees in fulfilling their greater goals. It was established with primary goals of aligning learning strategy with our business strategy and transformation objectives. SLA aids in cultivating a culture of continuous learning throughout our Company and serving as a catalyst and facilitator for skill development. This ultimately enhances overall business performance.

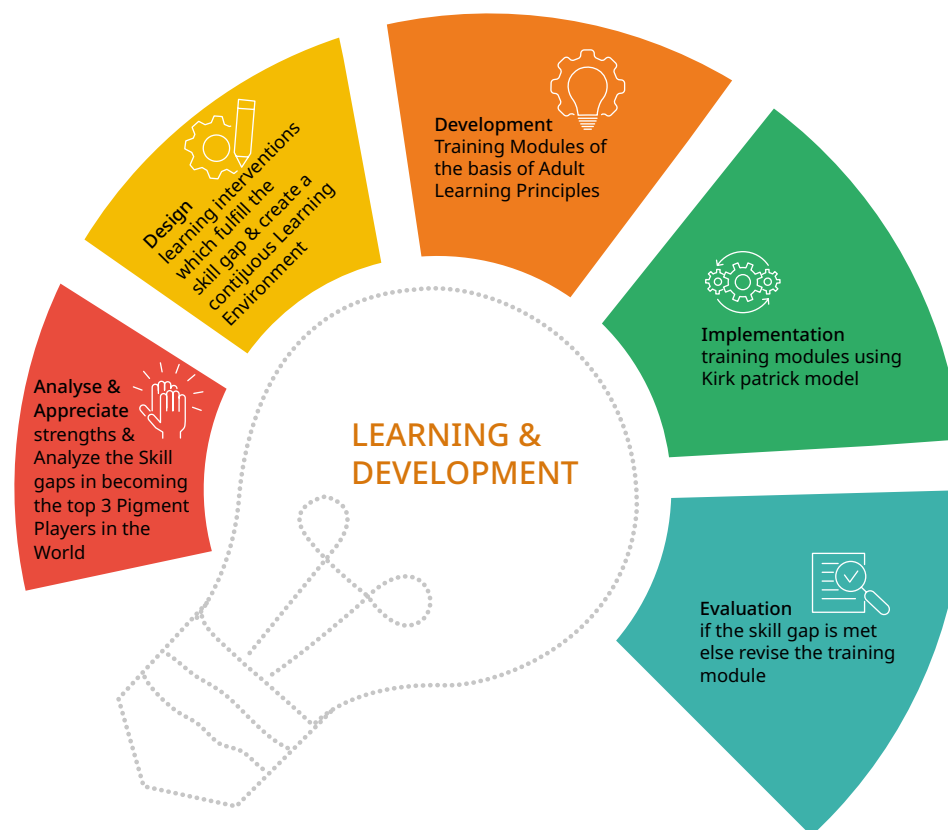


SLA has three primary objectives with respect to training need fulfilment ratio, man days, and training effectiveness. Our performance against these objectives is depicted in the chart below.



Our learning strategy is founded on the belief that each employee has a unique learning curve. We ensure that every training program offered is aligned with our Company's competencies. Our in-house team is encouraged for program content development, ensuring alignment with our core strategy.

Learning & Development



Our L&D framework model comprises 70% on-the-job learning (*inclusive of action learning projects, team assignments, cross-functional team projects*); 20% interaction with others (*inclusive of ideation forums, brainstorming sessions, mentoring, coaching*); and 10% formal training (*inclusive of classroom sessions, management discussions programs, seminars, conferences*).

After conducting training needs assessments, including behavior-based training, safety training, leadership skills, our L&D interventions establish performance-based Key Performance Indicators (KPIs) for our employees to measure their achievements over a specified timeframe. Our HR initiatives encompasses the

following:

- Offering comprehensive, top-tier programs for individuals, enabling them to pursue advanced degrees while working.
- Providing training for new hires to cultivate unique problem-solving skills.
- Focusing on development of emerging leaders, with a strong emphasis on succession planning.
- Offering a range of opportunities, including on-the-job projects, learning management systems, e-learning, classroom training, and more, to help employees at all levels enhance their leadership and general business skills.

83%

received career and skill related training program in FY 2022-23

24.3hr

average training hours per employee- against target of 16 hours

100%

received code of conduct & POSH related training program

Case Study – Learning from Management Development Program (MDP)

"I joined Sudarshan in 2020 as a Utilities Manager, focused on improving operational efficiency and sustainability. I completed essential certifications like MDP, Train the Trainer, and Six Sigma. Within a short span I progressed to lead the Mechanical Maintenance team as a Senior Manager promoting sustainable practices. I was also recognised as a Champion of Asset Integrity in the Suda

Kavach initiative. Starting with a team of around 100 employees, I fostered a collaborative culture. In a span of three years, I grew as a professional due to multiple learning opportunities and trainings provided by Sudarshan, as a result of which I currently lead a diverse workforce of over 200 employees."

Mr.Gurwinder J. Singh, Sr.Manager, Utility

Case Study- My Journey at Sudarshan

I started my journey in Sudarshan in 1991 as a Junior Chemist in R&D and have been developed over 100 new products till date. I have collaborated with global technical experts on various projects. As a reward of my consistent performance, I have steadily stepped up in the organization, taking on more responsibilities. Notable contributions include - involvement in the organization's first ISO certification in 1993 and a pivotal role in a product patent case in FY 2012-13. I have also led a key project in special applications with a valued customer in Japan from 2021 to 2023.

I am passionate about learning and development and have achieved SudaTech graduation, DOE certification, and am active participant in various training programs. I am an in-house trainer for Global Culture, Values, and Safety Training. An integral member of SudaSakhi, I lead the Women Employee Resource Group at R&D. I received the Wholesome Woman Leadership award and Manager of the Year award for the FY 2022-23. Recently, I have been nominated for a Leadership Development Program and am looking forward to the new growth prospects.

Suvarna Kasture, Sr.Manager R&D



Performance Management

GRI 404-3

Our Performance Management System (PMS) involves the identification of relevant KPIs for all employees and is based on principles of fairness and transparency. The individual KPIs are aligned with annual business targets for respective departments. We maintain a robust review structure to synchronize business objectives with semi-annual assessments for eligible employees. On receiving feedback from immediate supervisors, annual evaluation ratings are determined objectively, and targets for the upcoming financial year are formulated. The process aids functional leaders in shaping their departmental goals and action plans to achieve the Company's objectives.

During the reporting period FY 2022-23, performance assessments were conducted for 100% of all eligible employees by an assigned committee. We recognized 241 employees as high performers and promoted 97 employees to the next level for higher responsibilities in FY 2022-23.

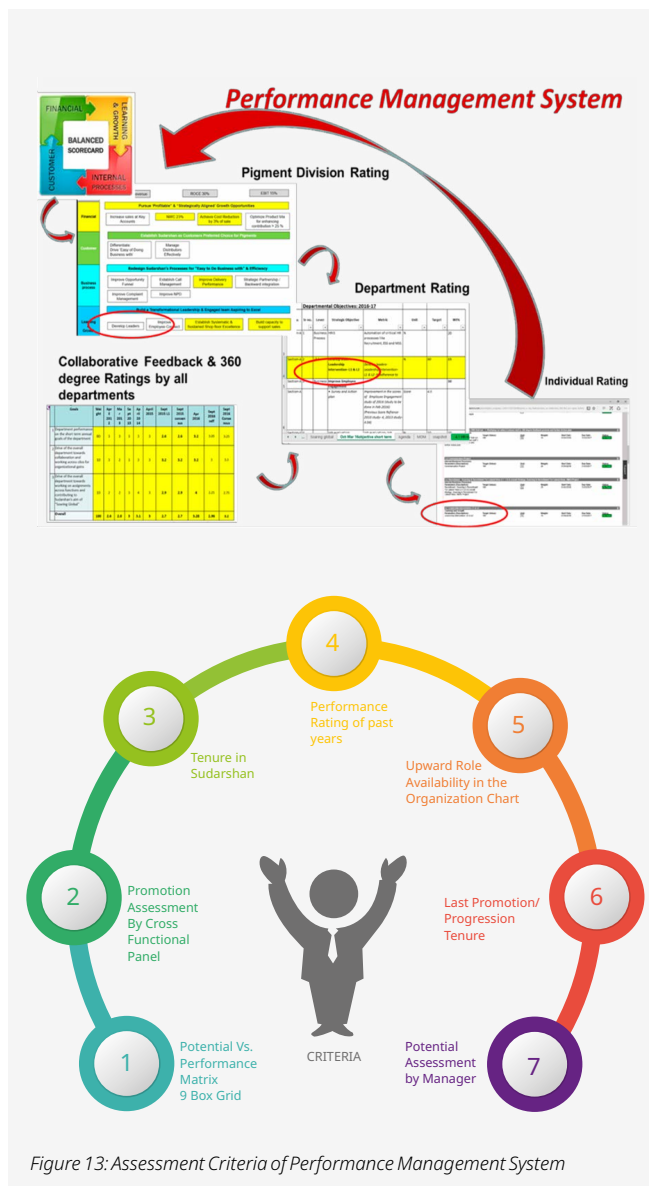


Figure 13: Assessment Criteria of Performance Management System

Human Rights

GRI 406, 402, 408, 409, 410, 411, 202-1

At Sudarshan, our endeavors towards the protection of human rights are guided by the Universal Declaration of Human Rights (UDHR) and other international standards on human rights protection and promotion. Our Human Rights Policy⁷ is aligned with the UN Guiding Principles on Business and Human Rights. We adhere to all relevant local, state, and national laws to uphold the human rights of our employees, communities, and all individuals across our value chain. We also adhere to The Voluntary Principles on Security and Human Rights. We conduct comprehensive risk assessments to accurately evaluate risks critical to the safety of our personnel, local communities, assets, as well as our short- and long-term operations. This also aids in fostering a collaborative relationship between Sudarshan and public security entities to mitigate the risk of human rights abuses and promote respect for human rights.

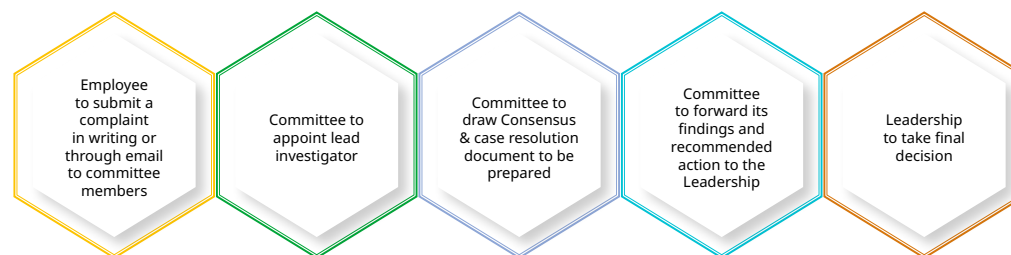


Figure 14: Our Grievance Redressal Process

During the reporting period FY 2022-23, there were no reported cases of violations of prescribed norms on child labor, forced labor, physical and verbal abuses, and other aspects of human rights across our operations. We encourage our suppliers, contractors, and business partners to share and uphold their commitment to the protection of human rights by implementing appropriate policies and processes. We strictly adhere to national and international legal requirements, ensuring that:

- We maintain a zero-tolerance stance towards child labor and any form of forced labor, whether occurring directly or through contractual relationships.
- Our workplaces are free from all types of discrimination and harassment.
- We comply with local minimum wage standards and provide social benefits in accordance with national and international norms and standards.

Right to Freedom of Association

GRI 404-3

In matters concerning human rights, we maintain a consistent approach that covers both permanent and contract workers. We have implemented a thorough system for managing contract labor and ensuring the well-being of employees at all our facilities. We fully support the right to freedom of association and facilitate transparent and equitable dialogues between union representatives and management to establish collective bargaining agreements (CBA). These agreements encompass various aspects, including compensation, allowances, working conditions, incentives, bonuses, health and safety measures, and workforce productivity, among others. During the reporting period, 100% of our eligible full-time workforce was covered under CBA.

Prevention of Sexual Harassment (POSH)

To create a safe work culture and safeguard our employees, we have a detailed policy on the Prevention of Sexual Harassment at Workplace⁸, which is publicly available on our website. All employees must complete the training module highlighting policy requirements. In alignment with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, we have established an Internal Complaints Committee (ICC). This committee is

responsible for receiving, addressing, and resolving any complaints related to POSH, legal aspects, their role, responsibility, sensitivity, and confidentiality pertaining to this aspect. We also conduct refresher awareness training sessions on the POSH policy at various locations. During the reporting period FY 2022-23, there was no harassment cases observed across our company.

Diversity and Inclusion (D&I)

GRI 405-1, 405-2

Sudarshan is committed to promoting Diversity, Inclusion, and Equal Opportunity in our workforce. We do not discriminate on the grounds of religion, caste, gender, ethnicity, race, etc. We understand the immense role that a diverse and inclusive workforce plays in creating a global work culture. Therefore, we are committed to being an equal opportunity employer and strive to cultivate an inclusive workplace, and vibrant work culture that values and respects all individuals.

During the reporting year, we have officially introduced our D&I Policy, available in detail on our website. The policy highlights our D&I policy commitments and roles and responsibilities of key personnel.

An awareness session was conducted to disseminate this policy to our entire workforce. We are currently progressing towards our target of achieving 30% gender diversity across all organizational levels. While we embrace diversity in all its aspects, our three key focus areas are:

1. Gender inclusiveness
2. Inclusion of persons with disabilities
3. Inclusion of a multigenerational workforce

Gender Inclusiveness

We have organized a series of training and awareness programs with the objective of creating a safe and supportive work environment for our workforce. One of our key initiatives - SUDA SAKHI Employee Resource Group (ERG) was established as a platform for women to discuss their challenges and address their concerns transparently. These forums include monthly training sessions covering topics such as health and safety, self-defense, and emotional well-being.



⁸ <https://www.sudarshan.com/policy-on-prevention-of-8sexual-harassment-at-workplace.pdf>

SUDHA SAKHI

To provide support & address developmental needs



To recognize and celebrate the valuable contributions of our women employees, 'The Wholesome Women Leadership' award has been introduced at Sudarshan w.e.f. March 2023. This award is presented annually on International Women's Day and is open for self-nominations from all our women employees, regardless of their position.

Particulars	FY 2022-23 (Nos.)	FY 2021-22 (Nos)
Women in our workforce	177	113
Women as new hires	59	37
Women in senior management positions	4	4

Inclusion of Persons with Disabilities and Multi-Generational Workforce

We are committed to promoting the rights of people with disabilities in alignment with our ESG and Human Rights Policy, thereby, providing an inclusive work culture. We provide equal employment opportunities and actively foster an inclusive workplace, where every employee is treated with respect and dignity. We strive to ensure that our workforce includes individuals with disabilities, based on their qualifications and merits, in compliance with applicable regulations. Our Policy aligns with the stipulations of The Rights of Persons with Disabilities Act, 2016. We have established inclusive infrastructure facilities within our premises to accommodate needs of individuals with disabilities. As of March 31st, 2023, we have five employees with disabilities. In line with our D&I Policy, we have formulated a plan for FY 2023-24. The key highlights of the plan are as below:



We encourage multi-generational workforce across our operations, as it aids in diverse perspective, problem solving, knowledge sharing, skill transfer, enhanced creativity & innovation, and succession planning. We have adopted a target of having 60% workforce to be less than 30 years by FY 2025. As of FY 2023, we have 43% of workforce less than 30 years of age.



Employee Safety & Wellbeing

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

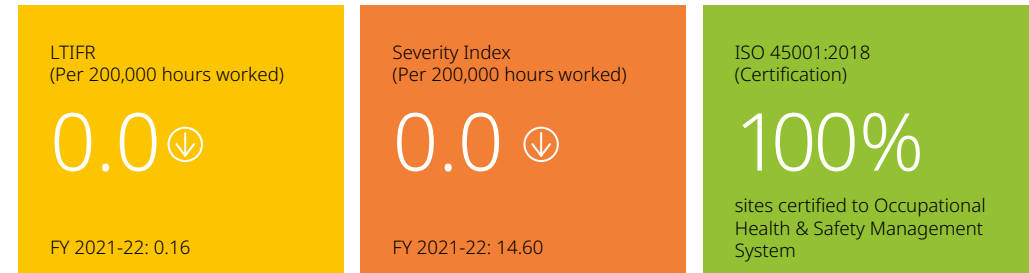
We uphold an unwavering commitment to employee safety with the goal of becoming a safety leader in the industry, striving for a workplace free from fatalities and severe injuries. To achieve our goal of 'Zero Harm' to our employees, our plan encompasses several key elements, including enhancing operational safety, nurturing a safe culture, developing employee skills, implementing a robust safety governance structure, and optimizing our assets.

Sudarshan's risk management system enables us to methodically identify, assess, and manage health and safety hazards and credible risk scenarios associated with our operations. We also mandate that every employee entering our industrial sites is in a fit-for-work condition, free from fatigue and not under influence of substances (alcohol, drugs, etc.) that could impair their ability to work safely.



Safety

We actively strive to reduce process safety incidents and enhance awareness of potential risks amongst our workforce. To minimize process safety incidents, we have implemented technical measures and are fostering a leadership culture focusing on process safety. We have partnered with Partner Risk Management Services to establish a structured Process Safety Management (PSM) approach within our company.



Safety Management System & Process Safety Management System



Commit To Process Safety

- HSE Leadership & Commitment
- Statutory Compliance & Standards Benchmarking
- Workforce Involvement

Understanding Hazards And Risk

- Process Safety Information
- Process Hazard Analysis
- Hazard Identification, Risk Assessment & Risk Control

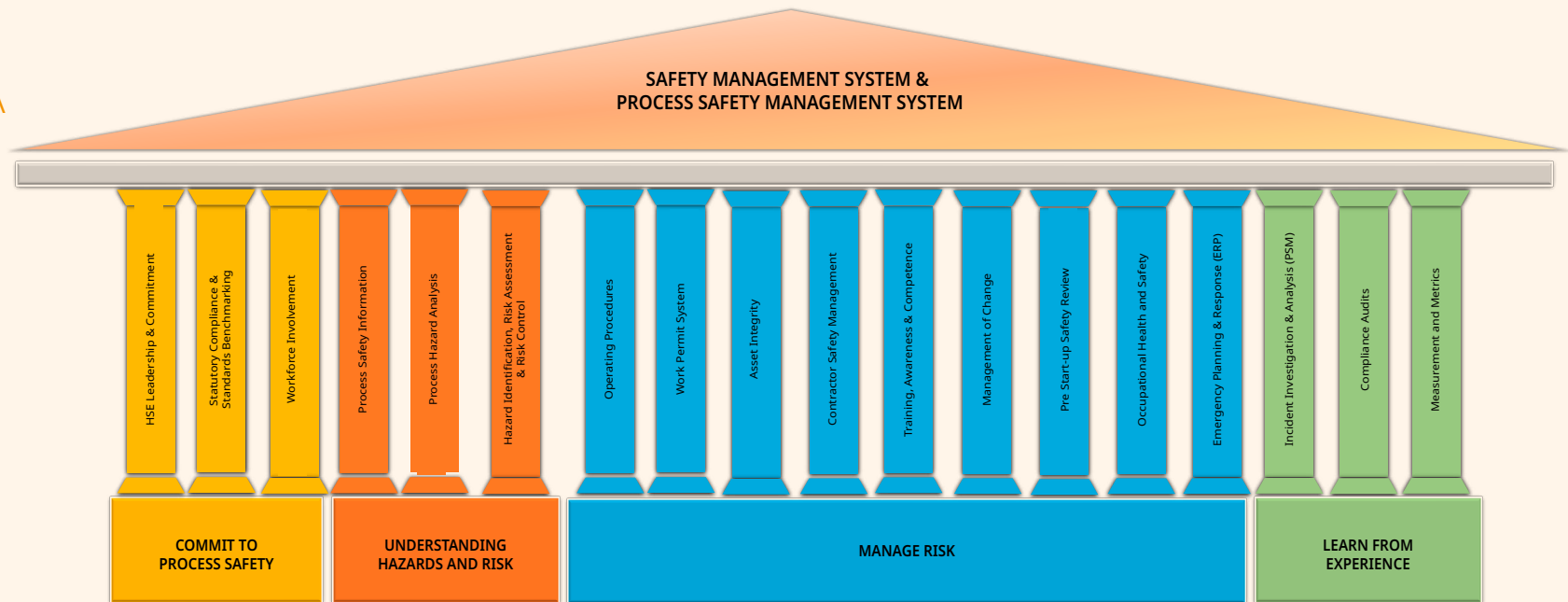
Manage Risk

- Operating Procedures
- Work Permit System
- Asset Integrity
- Contractor Safety Management
- Training, Awareness and Competence
- Management of Change
- Pre-Start-up Safety Review
- Occupational Health and Safety
- Emergency Planning & Response (ERP)

Learn From Experience

- Incident Investigation & Analysis (PSM)
- Compliance Audits
- Measurement and Metrics

Reflecting SUDA Kavach Journey



Suda Kavach - A safety culture transformation journey at Sudarshan focused on implementing 18 elements of the Safety and Process Safety Management (PSM) System. The transformational journey is anchored on integrating safety and process safety in line with business processes, fully owned by line management and thereby preventing catastrophic accidents, particularly explosions, fires, and toxic releases associated with hazardous chemicals. The management team has created a Safety Vision, Mission, and Core values to demonstrate its commitment towards safety and provide strategic direction in this journey.

Governance - A governance structure has been formed at the corporate and site level with Element Champion and taskforce teams to drive this journey. The task force comprises employees from various departments who undergo comprehensive PSM training, including introductory boot camp sessions, competency building, train-the-trainer programs. A culture of line -management responsibility towards safety is being created. As part of improving PSM capability of line management, competency building programs on various PSM topics have been conducted for our employees and workers, like

induction safety training, on-the-job safety training, safety town hall meetings, and field safety audits. Each of our operational sites has a comprehensive Emergency Preparedness Plan covering various risks associated with operational activities, including potential disasters. Adequate engineering controls are in place to mitigate and manage emergencies, and we conduct risk mapping for all possible scenarios. Regular mock drills and training for rescue teams ensure that our emergency response procedures are robust and effective. Unit leadership regularly reviews emergency preparedness and contingency planning at their respective sites.

Impact - Strengthening of process safety systems not only prevents process safety events but also contributes significantly to the social component of Sudarshan's ESG journey. Strong process safety measures help mitigate operational and environmental risks. By preventing accidents, spills, emissions, and other incidents, we can reduce potential harm to people and ecosystems, thus positively impacting the social and environmental aspects.

During the reporting period, we have adopted various occupation health and safety initiatives which are highlighted below.

Implementation of Energy Isolation Matrix

Due to lack of an established document highlighting our energy isolation matrix, various potential risks were posed to the well-being and safety of individuals during vessel entry.

Improvement:

1. Preparation of energy isolation matrix for our facilities
2. Type of isolation and LOTOTO device was used during emergency or vessel entry
3. Tagging on each line which consists of equipment tag number and description of isolation device

Benefits:

1. Life-saving tool for attending confined space emergency
2. Swift and safe vessel entry
3. Easy and safe working conditions

Confined Space Emergency Rescue Kit

In order to strengthen our confined space rescue services, and to ensure overall well-being of workers and efficient productivity, we have put in place a 3M rescue kit for an emergency in a confined space. A list of critical vessels across sites where 3M rescue kit can be installed have been identified, and a practical demonstration has been provided to workers.

Benefits:

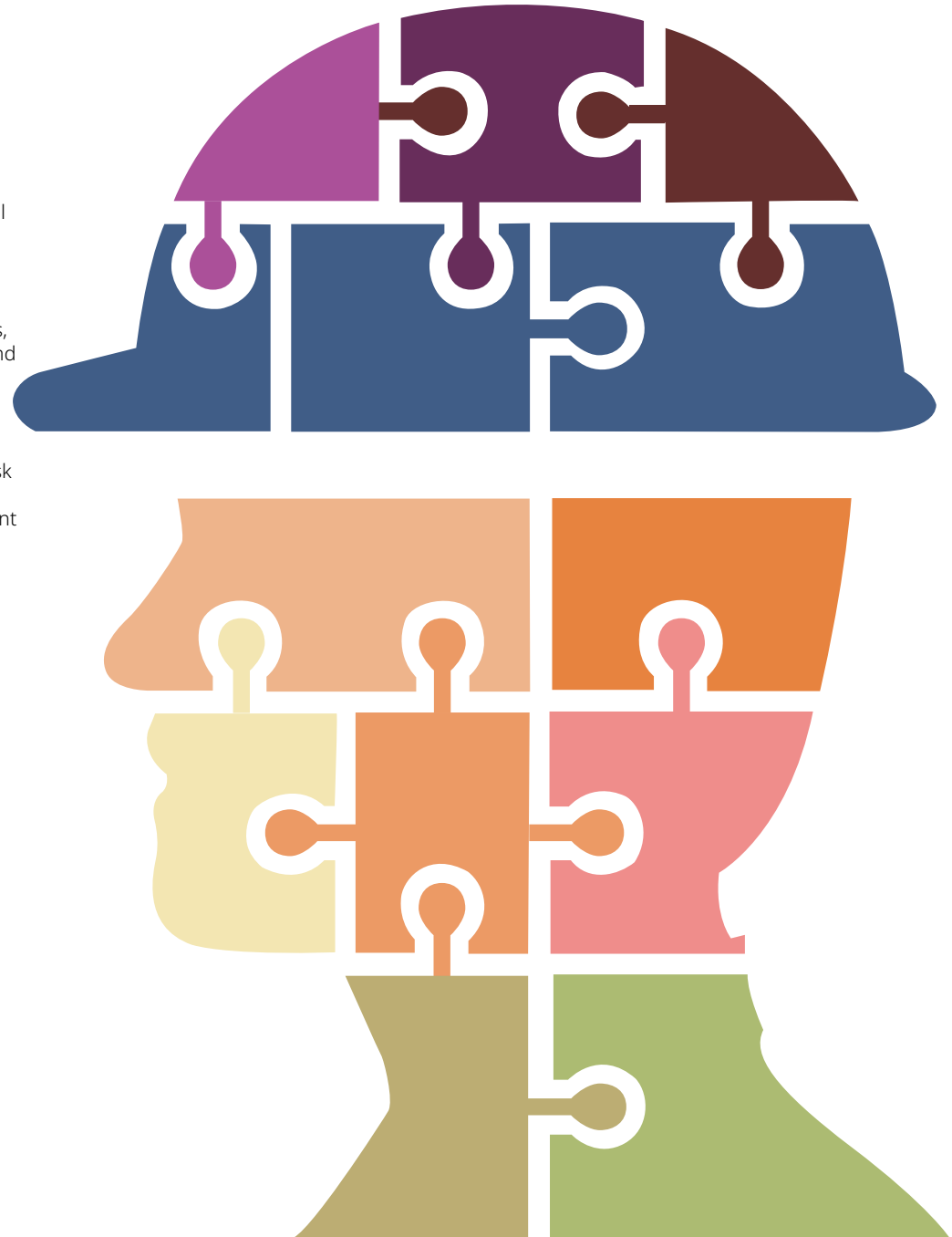
1. Life-saving tool for attending to confined space emergencies
2. Within a short period of time, emergencies can be controlled
3. Ease/safe evacuation of human beings can be done during confined space activity
4. Increased productivity

Personal Protective Equipment (PPEs) Matrix

Across our manufacturing facilities, an uncertainty regarding appropriate Personal Protective Equipment (PPE) for chemical handling was observed. PPE serves as a valuable means to evaluate, monitor, and enhance chemical handling processes, impacting individuals and overall outcomes, including human well-being, equipment, and productivity.

Improvement:

1. Ensuring appropriate PPE is provided to workers in specific job tasks, reducing risk of injuries and accidents
2. Incorporating risk assessment component in the matrix to prioritize PPE allocation based on level of risk associated with different job tasks/work areas
3. Track incidents or near misses related to PPE failures, allowing for root cause analysis and corrective actions
4. Assessing and monitoring PPE consumption and PPE suppliers' performance of quality, delivery and cost-effectiveness



Employee Well-Being

Our health management team is dedicated to promoting and preserving health and productivity of our workforce. Occupational hygiene is an important aspect of our approach for achieving employee well-being. We actively encourage a healthier lifestyle among our employees, by providing lifestyle management training while consistently monitoring and controlling exposure to hazardous substances.

We have established Occupational Health Centers (OHC) at all our locations. These centers conduct regular health examinations for both permanent and contractual employees. Additionally, we provide health benefits such as pre-employment medical check-ups and periodic medical assessments, overseen by the on-site medical professionals who ensure compliance with occupational exposure limits.

Our Occupational Health Assessment is a central component of on-site industrial hygiene practices across our operational locations, including those of our business partners. We plan to conduct exposure assessments at all our sites and develop strategies to minimize exposure levels. Our goal is to mitigate potential health risks by identifying, evaluating, and controlling occupational health hazards and exposures. To prioritize health and well-being of our employees, we have introduced the Fit Sudarshan program, which is designed to focus on three essential aspects of well-being:



Spiritual Wellbeing

Cultivating a spiritually fulfilling life at Sudarshan.



Mental, Emotional, and Social Wellbeing

Promoting a Fun@Work culture.



Physical Wellbeing

Enhancing well-being through effective canteen management, a strong emphasis on health through regular health check-ups and informative health talks.

Spiritually Fulfilling Life @ Sudarshan

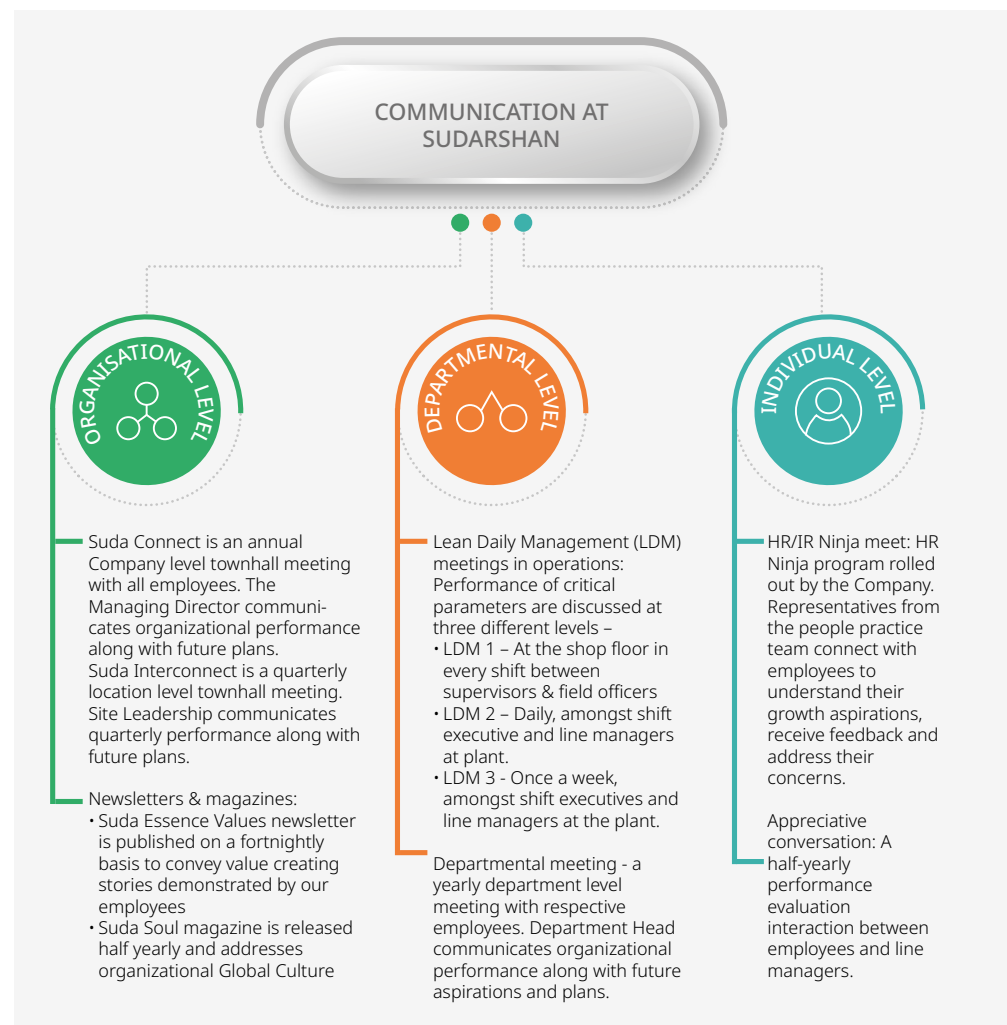
Our spirituality partners conducted a three-day workshop at Roha, where 100% of our existing employees participated. During the reporting period FY 22-23, we have conducted four workshops that included 131 new employees. Additionally, we hold a monthly Reconnect Session at various locations, virtually and/or in person, which includes a guided meditation



Figure 15: Figure 2: Some glimpses of Spiritually workshop & Reconnect sessions

Employee Engagement

Regular employee communication plays a vital role in aligning employees with our core value system and impacts productivity and overall employee satisfaction. To assess employee engagement, we periodically collaborate with external domain experts. Employee engagement surveys (on a 5-point scale) are conducted among our workforce over a two-week period. Through this we identify our key strengths and areas of improvement to help increase employee engagement.



Employee / Worker Connects & Query Resolution: FY 2022-23

Connects with Workers **98.2%**

Query Resolution for Workers **86%** Closure

Connects with Employees **98.0%**

Query Resolution for Employees **93%** Closure

13,134 (98.4%)

Employee connects against target 13,353

Employee Insights and Progress on SUDA Sakhi Initiatives

Employee Feedback

- Financial Planning and Awareness: Commenced saving and investing in available and viable choices while beginning to track expenditures to create additional savings.



Suda Sakhi Sessions conducted under themes

Economical

No of Sessions conducted **1**

Employee Feedback

- Workshops on Gender Sensitization: Provided valuable insights into workplace equality and helped grasp importance of workplace etiquette.
- Assertiveness and 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.



Suda Sakhi Sessions conducted under themes

Social

No of Sessions conducted **2**

Employee Feedback

- Health and 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 and Hygiene: Prioritizing hygiene during menstrual cycles for overall well-being and gaining insights into conditions like PCOD and 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.



Suda Sakhi Sessions conducted under themes

Health

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 and 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).



Suda Sakhi Sessions conducted under themes

Emotional

No of Sessions conducted **4**

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.



Suda Sakhi Sessions conducted under themes

Overall Wellbeing

No of Sessions conducted **2**

Customer Centricity

GRI 416-1, 416-2

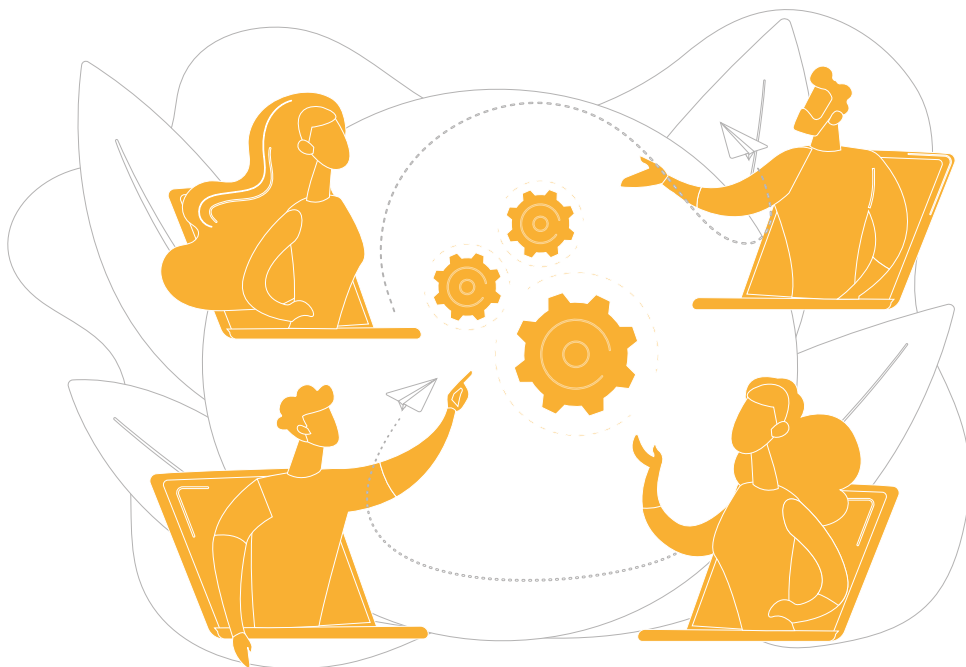
Our ESG strategy underlines our dedication to providing value to all our stakeholders, including our customers. We prioritize well-being and safety of our customers by delivering high quality products. We have well-equipped Research & Development (R&D) facilities to meet customer needs and create innovative products that adhere to global standards and promote environmental sustainability.

Our customer-focused approach includes:

Providing value-added products that meet specific requirements

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

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



We take pride in having one of the widest range of pigment portfolios in the industry, with a brand history spanning seven decades. We have consistently delivered high-quality pigments, establishing Sudarshan as a preferred brand in the industry. Our success is built on our competitive advantage and the trust of our customers. Therefore, it is imperative for us to maintain rigorous product quality standards and continuously adapt to meet the evolving needs and expectations of our customers.

We prioritize a customer-centric approach, ensuring that we meet the needs and expectations of our customers effectively. We ensure to provide detailed information about our products, including safe storage, transportation, handling, usage, and disposal, in accordance with relevant norms and regulatory requirements. We have nurtured a strong relationship with our customers by providing comprehensive product information that adheres to all labelling regulations and compliance standards.

Our sales team actively engages with customers, listens to their concerns, and maintains strong customer relations. We have appointed dedicated key account managers to oversee our top corporate customers, focusing solely on delivery and quality. Each customer is assigned a salesperson or relationship manager as their primary point of contact. We generate and distribute a performance dashboard to all key customers, offering insights into our service

quality and performance, which enhances customer engagement.

We also extend invitations to our customers to visit our plants and R&D labs, allowing them to experience and ensure the quality of our products firsthand. These initiatives deepen customer engagement. Our code of conduct guides our employees on how to interact with customers, encouraging regular customer feedback and motivating them to address any concerns promptly. Under our "Customer Centric Policy," employees are guided to be attentive and responsive to customer needs and concerns. We conduct periodic customer satisfaction surveys and share feedback with our sales teams to address any concerns and queries.

During the reporting period, we have not faced any ongoing cases related to anti-competitive behavior, misuse of a dominant position, or unfair business practices. We received no customer complaints regarding health and safety concerns in FY 2022-23.

Sustainable Supply Chain

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

We firmly believe in a collaborative approach throughout our value chain to promote business sustainability. Recognizing the importance of integrating strong ESG practices into our procurement and supply chain management, we have embarked on the 'Responsible Supply Chain Initiative'. Within this initiative, we have formulated and adopted a Supplier Code of Conduct that comprehensively addresses ESG considerations. This Code has been circulated to all our tier-1 suppliers, and we strongly encourage them to comply.

Our Responsible Sourcing Policy protects human rights and labor rights across our extended supply chain. We comply with global and local laws, upholding a zero-tolerance policy against child and forced labor, ensuring workplaces remain discrimination and harassment-free, and meeting or exceeding minimum wage and social benefits standards as per international norms. We have adopted a systemic supplier engagement program (supplier-51) to engage with critical suppliers that has been identified through a criticality assessment of all our suppliers based on spend and business risks. Approximately, 70% of the total spend of materials is from these suppliers.

Furthermore, we have implemented systems and procedures to assess all our suppliers for compliance with environmental and social standards. During the reporting period, we successfully screened 100% of our new suppliers for ESG compliance. This assessment covers various aspects, including securing environmental clearances, obtaining necessary licenses and consents, commitment to prohibiting child and forced labor, and promotion and protection of human rights. Our preferred suppliers hold certifications such as ISO 14001, ISO 45001, or their equivalent certifications. During the reporting period, 30% of our inputs were sourced sustainably.

Raw Material Planning & Logistics

To enhance efficiency of our supply chain and logistics operations, we have introduced an automation initiative and have integrated an IT-based tool called 'Plan Visage' with SAP, offering comprehensive visibility into demand, supply, and raw material planning throughout the entire process. This integration has led to enhanced inventory management and waste reduction. Additionally, we have introduced a Warehouse Management System (WMS) at our Roha facility and seamlessly integrated it with SAP. This system aids in logistics planning and optimization while also contributing in reduction of GHG emissions associated with transportation.

Sustainable MICA Sourcing

India is the largest producer and exporter of mica in the world. Our high-quality mica is sourced from the state of Jharkhand, which has a reserve of 13 million tons of mica and contributes almost 60% of the mica sourced across India.

The Responsible Mica Initiative (RMI) is a global coalition for action – putting policy into practice – comprised of multiple organizations committed to establishing a fair, responsible and sustainable mica supply chain in the states of Jharkhand and Bihar in India that will eliminate unacceptable working conditions and eradicate child labor by 2030. The RMI works to provide tools, resources and partnerships necessary for companies to carry out their due diligence in accordance with the OECD Guidance. RMI helps in EHS due diligence and also provides a road map for independent third-party assessment for mica processors.

We are a member of RMI and has been actively involved in their strategies. With the help of RMI, we have developed an evaluation process for vendor identification. Our current suppliers are also members of RMI. We conduct routine internal and external audits with the assistance of RMI-approved third-party auditing firms, such as SGS. Our entire supply chain, including raw materials, can be traced through comprehensive documentation, which undergoes regular internal audits conducted by our team. We have assessed and identified three mica suppliers who adhere to ethical practices and comply with all government regulations on sourcing.

Sudarshan has a zero-tolerance policy towards child labor. We do not employ workers below the age of 18 at any of our locations globally. We insist that all our vendors and partners adhere to this policy. Additionally, we help with several welfare programs for children aimed at preventing child labor. Our vendors have also funded schools in these regions to help provide education to children. Sudarshan works with RMI to influence the rules and regulations required for legalizing the full supply chain.



Sustainable Communities

GRI 413-1, 413-2

Sudarshan's corporate social responsibility (CSR) seeks to create a meaningful and lasting impact on society. These initiatives are focused on uplifting underprivileged segments of society, particularly those residing near our manufacturing facilities. We aim to empower our communities by nurturing grassroots skills and capabilities so that they can become self-sustaining.

Our Contribution to Society

51,769

beneficiaries reached through our engagement programs

₹30.3 million

amount spent on CSR

491

solar streetlights installed

44

water coolers provided in schools and communities.

5,730

trees planted through employee

65 million

paper bags sold

All CSR initiatives undertaken by the Company operate under the umbrella of 'SUDHA', which stands for 'Sudarshan's Holistic Aspiration'.

SUDHA CSR Contribution to Sustainable Development Goal's

Community Development

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

Education

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

Women Empowerment

- Over 654 women in 10 villages covered through various livelihood projects
- Initiation of uniform stitching projects for women in Roha
- Tailoring project in the region on Sutarwadi & Roha

Community Development

Environment

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

Environment

Education

Health

Women Empowerment

Health

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

SUDHA plays a pivotal role in aligning all our initiatives with the holistic perspective. It is conceived as a movement that engages both our Company and the local community in a joint mission to elevate living standards and protect the environment. We have implemented a range of CSR projects and activities during the FY 2022-23, as below:

Lives touched through CSR initiatives					
	Women's Empowerment & Livelihood	Health	Education	Environment & Agriculture	Community Development
Roha	1,254	2,795	2,154	14,350	8,650
Mahad	174	444	740	3,332	7,291
Sutarwadi	669	232	1,615	4,568	3,500
Total Beneficiaries	2,097	3,471	4,509	22,250	19,441



Sudarshan CSR Foundation, a fully owned subsidiary of Sudarshan Chemical Industries Limited, operates as a non-profit entity in accordance with Section 8 of the Companies Act, 2013 and its associated regulations. The primary mission of CSR Foundation is to execute CSR initiatives in alignment with our CSR Policy, which guides us in implementing initiatives according to Schedule VII of Section 135 of Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the Company's website at [https://www.sudarshan.com/corporate-sustainability-\(csr\)-policy.pdf](https://www.sudarshan.com/corporate-sustainability-(csr)-policy.pdf).



The CSR Committee assesses CSR initiatives against the annual action plan and provides direction to ensure efficient execution of CSR responsibilities. The Committee's role is to establish a transparent monitoring system for the CSR projects and programs.

The key responsibilities of the Committee include:

- 1 Formulating and proposing a CSR policy to the Board for approval
- 2 Outlining activities specified in Schedule VII of the Companies Act, 2013
- 3 Recommending the budget for eligible expenditures
- 4 Overseeing the implementation and impact of the CSR policy
- 5 Ensuring compliance with legal requirements
- 6 Ensuring that any surplus generated from activities does not contribute to our business profits

7 Providing periodic reports to the Board during scheduled meetings

With the support and guidance of the Board and CSR Committee, we have received several awards and acknowledgements in recognition of our CSR initiatives.

Over the years, we have consistently engaged with communities and have established a well-structured and comprehensive outreach model. This model operates on principle of 'Design, Operate, and Transfer', focusing on delivering sustainable impact by harnessing the expertise, participation, and commitment of all stakeholders.



SUDHA – Our Corporate Social Relationships Strategy

Inception of Sudarshan's Holistic Aspiration (SUDHA) commenced in 2011. This initiative was designed to provide a framework for existing projects and to launch new endeavors aimed at involving and empowering women within community.



Vision of SUDHA

Wholesome sustainable growth of women and children in communities around Sudarshan's plants.



Mission of SUDHA

Reach out to communities by engaging in projects pertaining to Women's Empowerment, Health, Education, Environment and Community Development.



Objectives of SUDHA

- SERVING communities for a better future
- CREATION of belongingness through sustainable inclusive growth
- EMPOWERING women for leadership
- CREATING groups to lead projects ahead

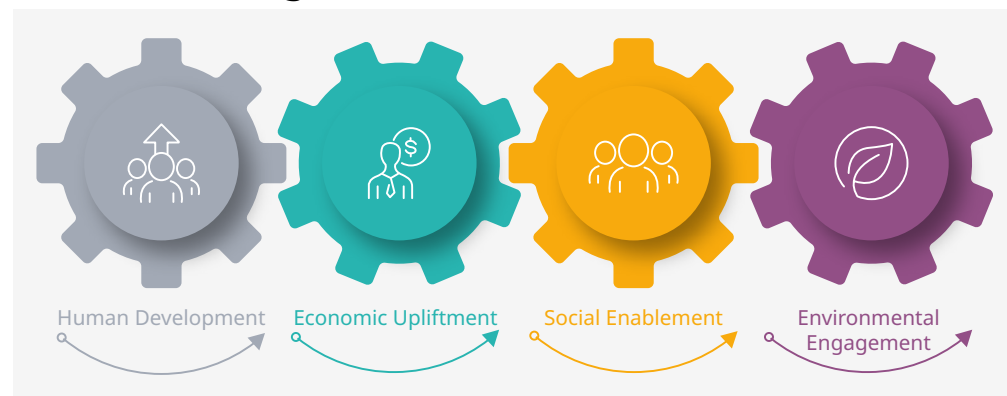


SUDHA'S Strategic Components and Outcomes

Inception of Sudarshan's Holistic Aspiration (SUDHA) commenced in 2011. This initiative was designed to provide a framework for existing projects and to launch new endeavors aimed at involving and empowering women within community.



SUDHA Strategic Outcomes



Highlights of our key CSR initiatives and impact

Environment

Our efforts towards environmental sustainability have touched 22,250 individuals through various initiatives like centralized and decentralized waste management projects, water resource development projects, organic farming, kitchen garden projects and large-scale tree plantation drives. Highlights of our key initiatives across our locations are mentioned below:

Across Roha and Mahad, we processed nearly 1,81,050 kg of wet waste, collection of 46,501 kg of dry waste, and 18,105 kg of compost generated. This resulted in economic benefits of approximately ₹ 1,44,840 through composting.



Health

Arogya Sakhi Engagement

Given that many villages are located far away from Primary Health Centres, this program utilizes the government's Asha worker initiative to guarantee convenient access to essential healthcare services to villagers. Efforts are made to enhance the skills of Asha workers to improve the quality of care they provide.



Description	Impact
- A dozen (12) Asha Workers designated by the government received additional training from SUDHA to become Arogya Sakhis. - These female healthcare workers visit households in the village to oversee the health and welfare of the residents.	- Documentation of household activities, encompassing factors like living conditions, sanitation, medication, and instances of domestic abuse. - Ensured prompt reporting, treatment, and additional support when necessary.

Education

Under the pillar of 'Education', we have positively impacted the lives of 4,509 students from underprivileged communities. Our initiatives include comprehensive development of schools and ICDS through ISO certifications, the Sudha Sitara Scholarship program, supportive classes for the underprivileged community, an adult education program, provision of essential school facilities, and life-skills enhancing programs for students from urban slum areas.

5 ZP schools & 7 Anganwadis received ISO certification	
Quantitative Outcome	Qualitative Outcome
418 students benefitted - Dropout rate of students decreased by 10% - Student's academic growth chart increased by 15%	- Established an environment conducive to child-friendly and unified learning. - Boosted teachers' enthusiasm for educating their students supported by attractive infrastructure. - Increased and improved students' engagement and their level of knowledge.



Skill Development and Employability

Our efforts have empowered 2,678 young individuals in an array of industries. We undertook several reskilling projects including the Footwear Making Project, LED bulb Making Project, Computer Literacy training Programs, Vocational training Program – ITI courses and Entrepreneurship Development sessions. Our skill development initiatives have supported various families with a steady source of income, boosted self-esteem and confidence, increased employability, provided upskilling, encouraged women's entrepreneurship, and financial independence.



Adult Education Activity	Impact
- Provides basic literacy classes that gives a measure of confidence to illiterate tribal men and women - Acquaint adults with reading, writing and arithmetic skills to enhance literacy skills - Awareness about health (physical and mental) and hygiene	102 tribal people are now skilled in basic reading and writing - They can easily read bus boards, instructions - Through our adult education intervention, we successfully prevented 2 girl child-marriages in the tribal wadi



Community Development

Catalyzing International Organization for Standards (ISO) 9001:2015 Engagement and Certification

ISO engagements are directed toward community institutions such as schools and Gram Panchayats. Our aim in designing these initiatives is to empower these institutions to serve their communities better. The establishment of robust institutions are crucial factors in promoting sustainable development.

- Certification Consultancy – Our partner provides customized consulting services during both the design and operational phases to facilitate the certification process for these institutions.
- School Management Committee (SMC) and Gram Sevaks – A steering committee composed of representatives from Enrolled Parents, school members, Sudarshan, and Social Partners regularly convenes to - discuss areas of improvement during the design phase, evaluate progress in the operational phase and assume responsibility during the transfer phase.

Thematic Focus Areas of ISO Certification



Opportunity

- New enrolments in schools
- Enhanced Gram Panchayat visibility at Block level



Accessibility

- Reduced dropout rates in schools due to lack of amenities and provisions
- Increased community coverage under government schemes
- Improved data management practices aid Gram Panchayats



Quality

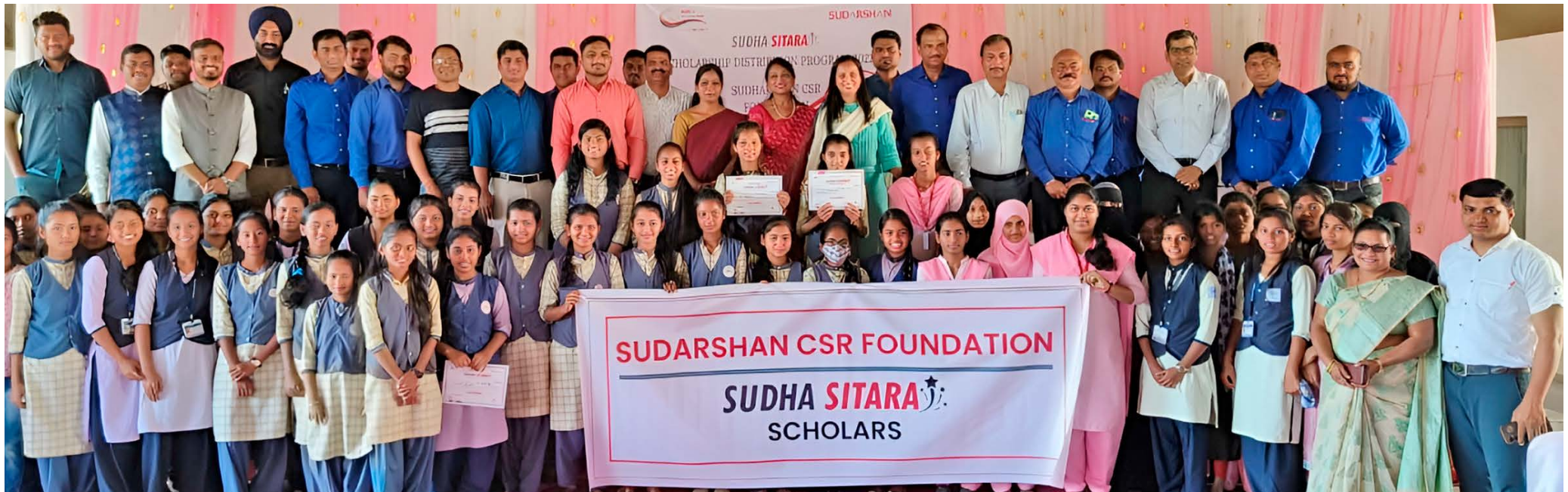
- Infrastructure Improvement
- Process Improvement
- People Improvement

Employee Engagement in CSR

At Sudarshan, we encourage our employees to voluntarily participate in our CSR initiatives in line with the Company's core values. This helps increase employee engagement and creates opportunities for meaningful connections with co-workers and the community. The commitment of our 656 employees has collectively contributed 1,450 hours to diverse CSR initiatives so far, creating an impact that matters to the communities we operate in. Our employees have volunteered for activities like:

- Livelihood Projects
- Self Help Group (SHG) Empowerment
- Marketing Training
- Skill Development Training
- Water Resource Development Project Mahad
- Tree Plantation Program
- Waste Management Project

In one of our key initiatives, i.e., SUDHA SITARA – The Adoption of a Girl Child for Education, employees have adopted more than 46 girl children for education in 2022, 35 employees have sponsored the tuition fee and periodically mentor the children. A total of 150 girl children have been adopted for education so far by our employees.



GRI Content Index



GRI Content Index

GRI Standard	Disclosure	Page No.	Reason of Omission (if any)
GRI 2: General Disclosures 2021	2-1 Organizational details	9	
	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	-	Not applicable
	2-5 External assurance	4	
	2-6 Activities, value chain and other business relationships	9	
	2-7 Employees	58	
	2-8 Workers who are not employees	58	
	2-9 Governance structure and composition	28	
	2-10 Nomination and selection of the highest governance body	28	
	2-11 Chair of the highest governance body	33	
	2-12 Role of the highest governance body in overseeing the management of impacts	33	
	2-13 Delegation of responsibility for managing impacts	29	
	2-14 Role of the highest governance body in sustainability reporting	29	
	2-15 Conflicts of interest	33	
	2-16 Communication of critical concerns	18	
	2-17 Collective knowledge of the highest governance body	28	
	2-18 Evaluation of the performance of the highest governance body	34	
	2-19 Remuneration policies	34	
	2-20 Process to determine remuneration	34	
	2-21 Annual total compensation ratio	34	
	2-22 Statement on sustainable development strategy	5	
	2-23 Policy commitments	34	
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	2-25 Processes to remediate negative impacts	16	
	2-26 Mechanisms for seeking advice and raising concerns	18	
	2-27 Compliance with laws and regulations	35	
	2-28 Membership associations	15	
	2-29 Approach to stakeholder engagement	18	
	2-30 Collective bargaining agreements	62	

GRI Standard	Disclosure	Page No.	Reason of Omission (if any)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	18	
	3-2 List of material topics	18	
	3-3 Management of material topics	32	
GRI 201: Economic Performance 2016	3-3 Management of material topics	31	
	201-1 Direct economic value generated and distributed	35	
	201-2 Financial implications and other risks and opportunities due to climate change	23	
	201-3 Defined benefit plan obligations and other retirement plans	36	
	201-4 Financial assistance received from government	36	
GRI 202: Market Presence 2016	3-3 Management of material topics	32	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	61	
	202-2 Proportion of senior management hired from the local community	61	
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Not applicable	Not material
	203-1 Infrastructure investments and services supported	Not applicable	Not material
	203-2 Significant indirect economic impacts	Not applicable	Not material
GRI 204: Procurement Practices 2016	3-3 Management of material topics	40	
	204-1 Proportion of spending on local suppliers	70	
GRI 205: Anti-corruption 2016	3-3 Management of material topics	32	
	205-1 Operations assessed for risks related to corruption	35	
	205-2 Communication and training about anti-corruption policies and procedures	24	
	205-3 Confirmed incidents of corruption and actions taken	83	
GRI 206: Anti-competitive Behavior 2016	3-3 Management of material topics	32	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	35	
GRI 207: Tax 2019	3-3 Management of material topics	32	
	207-1 Approach to tax	36	
	207-2 Tax governance, control, and risk management	36	
	207-3 Stakeholder engagement and management of concerns related to tax	36	
	207-4 Country-by-country reporting	36	

GRI Standard	Disclosure	Page No.	Reason of Omission (if any)
GRI 301: Materials 2016	3-3 Management of material topics	32	
	301-1 Materials used by weight or volume	43, 49	
	301-2 Recycled input materials used	43, 49	
	301-3 Reclaimed products and their packaging materials	43, 49	
GRI 302: Energy 2016	3-3 Management of material topics	32	
	302-1 Energy consumption within the organization	41	
	302-2 Energy consumption outside of the organization	41	
	302-3 Energy intensity	41	
	302-4 Reduction of energy consumption	41	
GRI 303: Water and Effluents 2018	3-3 Management of material topics	32	
	303-1 Interactions with water as a shared resource	43	
	303-2 Management of water discharge-related impacts	43	
	303-3 Water withdrawal	43	
	303-4 Water discharge	43	
	303-5 Water consumption	43	
GRI 304: Biodiversity 2016	3-3 Management of material topics	32	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	45	0%
	304-2 Significant impacts of activities, products, and services on biodiversity	45	No significant impact identified
	304-3 Habitats protected or restored	45	Not applicable
GRI 305: Emissions 2016	3-3 Management of material topics	32	
	305-1 Direct (Scope 1) GHG emissions	42	
	305-2 Energy indirect (Scope 2) GHG emissions	42	
	305-3 Other indirect (Scope 3) GHG emissions	42	
	305-4 GHG emissions intensity	42	
	305-5 Reduction of GHG emissions	42	
	305-6 Emissions of ozone-depleting substances (ODS)	43	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	43	

GRI Standard	Disclosure	Page No.	Reason of Omission (if any)
GRI 306: Waste 2020	3-3 Management of material topics	32	
	306-1 Waste generation and significant waste-related impacts	44	
	306-2 Management of significant waste-related impacts	44	
	306-3 Waste generated	44	
	306-4 Waste diverted from disposal	44	
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	32	
	308-1 New suppliers that were screened using environmental criteria	70	100%
	308-2 Negative environmental impacts in the supply chain and actions taken	70	
GRI 401: Employment 2016	3-3 Management of material topics	32	
	401-1 New employee hires and employee turnover	58	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58	
	401-3 Parental leave	58	
GRI 402: Labor/ Management Relations 2016	3-3 Management of material topics	32	
	402-1 Minimum notice periods regarding operational changes	58, 61	
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	32	
	403-1 Occupational health and safety management system	64	
	403-2 Hazard identification, risk assessment, and incident investigation	64	
	403-3 Occupational health services	64	
	403-4 Worker participation, consultation, and communication on occupational health and safety	64	
	403-5 Worker training on occupational health and safety	64	
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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	
	403-8 Workers covered by an occupational health and safety management system	64	
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GRI Standard	Disclosure	Page No.	Reason of Omission (if any)
GRI 404: Training and Education 2016	3-3 Management of material topics	32	
	404-1 Average hours of training per year per employee	59	
	404-2 Programs for upgrading employee skills and transition assistance programs	59	
	404-3 Percentage of employees receiving regular performance and career development reviews	61, 62	
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	32	
	405-1 Diversity of governance bodies and employees	62	
	405-2 Ratio of basic salary and remuneration of women to men	62	
GRI 406: Non-discrimination 2016	3-3 Management of material topics	32	
	406-1 Incidents of discrimination and corrective actions taken	61	
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	32	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	62	
GRI 408: Child Labor 2016	3-3 Management of material topics	32	
	408-1 Operations and suppliers at significant risk for incidents of child labor	61	
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	32	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	61	
GRI 410: Security Practices 2016	3-3 Management of material topics	32	
	410-1 Security personnel trained in human rights policies or procedures	61	
GRI 411: Rights of Indigenous Peoples 2016	3-3 Management of material topics	32	
	411-1 Incidents of violations involving rights of Indigenous peoples	61	
GRI 413: Local Communities 2016	3-3 Management of material topics	32	
	413-1 Operations with local community engagement, impact assessments, and development programs	71	
	413-2 Operations with significant actual and potential negative impacts on local communities	71	
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	32	
	414-1 New suppliers that were screened using social criteria	70	100% suppliers screened
	414-2 Negative social impacts in the supply chain and actions taken	70	
GRI 415: Public Policy 2016	3-3 Management of material topics		
	415-1 Political contributions		

GRI Standard	Disclosure	Page No.	Reason of Omission (if any)
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	32	
	416-1 Assessment of the health and safety impacts of product and service categories	48, 69	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	69	
GRI 417: Marketing and Labelling 2016	3-3 Management of material topics	32	
	417-1 Requirements for product and service information and labelling	49	
	417-2 Incidents of non-compliance concerning product and service information and labelling	49	
	417-3 Incidents of non-compliance concerning marketing communications	49	
GRI 418: Customer Privacy 2016	3-3 Management of material topics	32	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	37	

UNGC Index

UNGC Principle	Category	Description	Page No.
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	34,61
Principle 2		Businesses should make sure that they are not complicit in human rights abuses	34,61
Principle 3	Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	61, 62
Principle 4		Businesses should uphold the elimination of all forms of forced and compulsory labor	61, 62, 71
Principle 5		Business should uphold the effective abolition of child labor	61, 62, 71
Principle 6		Business should uphold the elimination of discrimination in respect of employment and occupation	61, 70
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	17
Principle 8		Businesses should undertake initiatives to promote greater environmental responsibility	40, 41, 42, 43, 44, 45
Principle 9		Businesses should encourage the development and diffusion of environmentally friendly technologies	40, 48, 49, 50, 51, 52,
Principle 10	Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery	24



| MD Desk

| ESG Highlight

| Business Accountability

| Environmental Responsibility

| Manufacturing Excellence

| Social Inclusiveness

ESG Data Pack



ESG Data Pack

Index highlighting all the sustainability performance of Sudarshan for FY 2022-23

Economic performance as on 31st March 2023

Particulars	FY 2022-23 (INR Million)	FY 2021-22 (INR Million)	FY 2020-21 (INR Million)
Net revenue from ops	19,761.05	19,189.11	17,085.01
Revenue from other sources	41.5	83.82	59.22
Total revenue	19,802.55	19,272.93	17,144.23
Operating cost (includes the cost of raw materials, depreciation, and other expenses)	17,787.86	16,432.70	14,187.81
Employee wages and benefit	1,269.53	1,292.54	1,087.26
EBIT	745.16	1,547.69	1,869.16
Interest	366.89	173.11	164
PBT	378.27	1,374.58	1,812.44*
Tax	64.17	370.82	450.10**
PAT	314.10	1,003.76	1,362.34
Dividend (net of DDT)	346.14	415.36	0 [#]
Retained earnings (for the FY)	(28.60)	580.15	1,354.62^{##}

Notes:

* Includes exceptional items. Exceptional item includes reversal of impairment on the Company's investment in its wholly owned subsidiary, RIECO Industries Limited. The Company assessed its investment in RIECO Industries Limited and consequently reversed impairment amounting to Rs. 107.28 Mn during the year ended 31st March 2021.

** Includes tax on exceptional items and tax adjustment related to earlier year of ₹ 14.71 Mn. Refer note 31 of Standalone Financial Statements from Annual Report for the FY 2020-21

Retained earnings for the financial year include the impact of Other comprehensive impact (net of tax) and exceptional items (net of tax)

As per SOCIE instead of cash flow

Defined Contribution schemes	FY 2022-23 (INR Million)	FY 2021-22 (INR Million)	FY 2020-21 (INR Million)
Contribution to Provident Fund	64.38	117.69	97.60
Contribution to Gratuity Fund	21.01	16.61	19.96

Energy

Energy Management	FY 2022-23 (GJ)	FY 2021-22 (GJ)	FY 2020-21 (GJ)
Purchased Electricity			
Electricity – Purchased	75,133	71,571	76,418
Electricity – Wind	21,463	19,837	21,014
Electricity – Solar	87,488	85,811	31,065
Total Purchased (RE+non-RE)	1,84,084	1,77,219	1,28,497
Fuel Consumption			
Coal	19,02,426	20,35,289	19,07,323
LPG	1,958	93	92
Furnace Oil	3,651	4,404	6,561
Diesel	4,107	6,881	5,199
LDO	483	3,046	1,772
Total Fuel Consumption	19,12,625	20,50,012	19,20,947
Total Energy Consumption	20,96,708	22,27,231	20,49,444
Energy Intensity per metric ton of product (GJ/MT)	71.38	69.01	66.13

Emissions

GHG Emissions	FY 2022-23 (tCO ₂ e.)	FY 2021-22 (tCO ₂ e.)	FY 2020-21 (tCO ₂ e.)
Diesel	304	510	385
Furnace Oil	283	341	508
LDO	36	226	131
Coal	1,82,823	1,95,620	1,83,294
LPG	124	6	6
Scope 1 Emissions	1,83,569	1,96,702	1,84,324
Grid Electricity	14,992	15,706	16,769
Scope 2 Emissions	14,992	15,706	16,769
Total GHG Emissions	1,98,491	2,12,408	2,01,093
GHG Emissions Intensity per metric ton of product (tCO₂e./MT)	6.67	6.55	6.06

Air Emission Parameter	FY 2022-23 (MT)	FY 2020-21 (tCO ₂ e.)
NOx Emissions	17.77	11.79
SOx Emissions	141.83	187.36
Particulate Matter (PM)	89.67	40.85

Water

Water Particulars	FY 2022-23 (m3)	FY 2021-22 (m3)	FY 2020-21 (m3)
Water Withdrawal	39,02,646	52,64,665	47,25,725
Water Discharge	28,24,239	42,71,265	41,10,452
Water Consumption	10,78,407	9,93,400	6,15,273
Water Intensity per metric ton of product (m3/MT)	131.08	162.33	142.47

Waste

Waste Generated	FY 2022-23 (MT)	FY 2021-22 (MT)
Plastic waste	584.26	646.52
E-waste	4.07	0
Bio-medical waste	0.02	0.03
Battery waste	0	0
Other Hazardous waste	6,587.57	8,812.18
Other Non-hazardous waste	16,195.23	17,241.08
Total waste generated	23,371.15	26,699.30

Waste Disposal	FY 2022-23 (MT)	FY 2021-22 (MT)
Waste sent to landfill	6,981.49	12,069.39
Waste sent for incineration	447.60	262.55
Waste sent for recycling	15,942.06	14,367.86

Material

Materials	FY 2022-23 (MT)	FY 2021-22 (MT)
Total Raw Materials	101,760	91,096
Total Packaging Material	739	810

Total Number of New Hires as on 31st March 2023

New Hires in FY 2022-23					
Job Family	Age Group			Gender	
	< 30 years	30-50 years	> 50 years	Male	Female
Senior Management	0	3	1	4	0
Middle Management	1	16	1	18	0
Junior Management	57	27	0	74	10
Staff	111	1	0	63	49
Total	169	47	2	159	59

Total number of employees as on 31st March 2023

Total Full-time Employees in FY 2022-23					
Job Family	Age Group			Gender	
	< 30 years	30-50 years	> 50 years	Male	Female
Senior Management	0	36	20	52	4
Middle Management	3	67	38	101	8
Junior Management	136	226	59	387	34
Staff	385	14	0	268	131
Workers	1	101	153	255	0
Total	526	444	270	1,063	177

Women in the workforce as on 31st March 2023

Particulars	FY 2022-23 (Nos.)	FY 2021-22 (Nos.)
Women in workforce	177	113
Women as new hires	59	37
Women in senior management positions	4	4

Number of complaints of following	FY 2022-23 (Nos.)
Sexual harassment	0
Child labor	0
Forced labor/involuntary labor	0
Corruption or bribery, anti-competitive behavior, monopolistic practices, or conflicts of interest	0
Human rights	0
Discrimination at workplace	0
Wages	0

Assurance Statement

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, 2022 to March 31, 2023. 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 accordance 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	305-1, 305-2
	Emission Intensity	305-4
Energy	Energy consumption within the organization	302-1
	Energy Intensity	302-3
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
Materiality	Materiality Assessment Process and Analysis	3-1, 3-2, 3-3
Supply Chain	Supply Chain Evaluation	308, 413
Governance	Governance structure and composition	2-9
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. 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 Chemical Industries Limited – 46, MIDC Area, Dhatav-Roha, Raigad, Maharashtra, 402 116
- Sudarshan Chemical 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 accordance 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 target the net zero carbon, and develop policies focusing on the GHG and energy reduction along with the targets and timelines
- Sudarshan can set the targets for Energy, Water and Waste reduction
- Sudarshan can plan the visits to waste recyclers on periodic basis
- Sudarshan can set the target of ban on single use plastic target
- Sudarshan can improve the material placement and work place layout throughout the plant
- Sudarshan may strengthen its internal reporting by opting a smart cloud-based data management system and compliment the same with periodic internal data and performance reviews

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

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that the reported material topics and Topic-specific 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 accordance with the terms of our engagement. In accordance 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 accordance 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 Chemical. 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 accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by Sudarshan in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by Sudarshan are complete and true.

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: 10/01/2024
Place: Mumbai, India
Project Reference No: 8122190270

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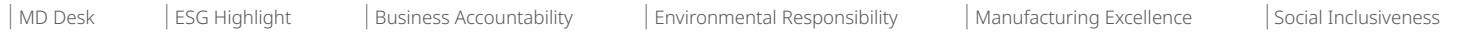
Glossary of Abbreviations

S.No.	Abbreviation	Full Form
1	AGM	Annual General Meeting
2	AlCl ₃	Aluminum Chloride
3	AV	Anti-Virus Protection
4	BCP	Business Continuity Plan
5	BOD	Board of Directors
6	BSE	Bombay Stock Exchange
7	CE	Cosmetic Europe
8	CEO	Chief Executive Officer
9	CFO	Chief Financial Officer
10	CLP	Classification, Labelling and Packaging
11	COC	Code of Conduct
12	CoP	Communication of Progress
13	CPC	Centralized Processing Center
14	CRM	Customer Relationship Management
15	CS	Centralized Servers
16	CSM	Contractor Safety Management
17	CSR	Corporate Social Responsibility
18	D&I	Diversity and Inclusion
19	DES	Diethyl Sulfate
20	EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
21	EC	European Commission
22	EFFCI	European Federation of Cosmetic Ingredients
23	EHS	Environmental, Health, and Safety
24	EPCG	Export Promotion Capital Goods
25	EPS	Earnings Per Share
26	ERG	Employee Resource Group
27	ERM	Enterprise Risk Management
28	ERP	Enterprise Resource Planning
29	ESG	Environmental, Social, and Governance
30	ESP	Electro-Static Precipitators
31	ETP	Effluent Treatment Plant
32	EU	European Union
33	FERM	Foreign Exchange Risk Management
34	FW	Firewalls

S.No.	Abbreviation	Full Form
35	FX	Foreign Exchange
36	FY	Financial Year
37	GHG	Greenhouse gases
38	GJ	Gigajoule
39	GRC	Governance, Risk, and Compliance
40	GRI	Global Reporting Initiative
41	HANA	High-performance ANalytic Appliance
42	HCB	Hexachlorobenzene
43	HDPE	High-density polyethylene
44	HIRA	Hazard Identification & Risk Assessment
45	HPP	High Performance Pigment
46	ICC	Internal Complaints Committee
47	ICDS	Integrated Child Development Services
48	ICP-MS	Inductively coupled plasma mass spectrometry
49	IPCC	Intergovernmental Panel on Climate Change
50	ISO	International Organization for Standardization
51	KMP	Key Managerial Personnel
52	KPI	Key Performance Indicator
53	KWh	Kilowatt Hour
54	LCIA	Lifecycle Impact Assessment
55	LDM	Lean Daily Management
56	LDPE	Low Density Polyethylene
57	LOA	Level of Authority(ies)
58	LOTOTO	Lock-Out - Tag-Out - Try-Out
59	LSW	
60	LTIFR	Lost Time Injury Frequency Rate
61	MFA	Multi-Factor Authentication
62	MFPR	
63	MIDC	Maharashtra Industrial Development Corporation
64	MOA	Membership of Associations
65	MSDS	Material Safety Data Sheets
66	MT	Metric Ton

S.No.	Abbreviation	Full Form
67	NDC	Nationally Determined Contributions
68	NGRBC	National Guidelines on Responsible Business Conduct
69	NM	Nanometer
70	NOx	Nitrogen oxides
71	NRC	Nomination and Remuneration Committee
72	NSE	National Stock Exchange of India
73	ODCB	Ortho Dichloro Benzene
74	ODS	Ozone Depleting Substance
75	OECD	Organization for Economic Co-operation and Development
76	OHC	Occupational Health Centres
77	PAC	Poly Aluminum Chloride
78	PAT	Profit After Tax
79	PBT	Profit Before Tax
80	PCB	Polychlorinated Biphenyls
81	PCOD	Polycystic Ovarian Disease
82	PCOS	Polycystic ovary syndrome
83	PGS	Participatory Guarantee System
84	PHC	Primary Healthcare Center
85	PM	Particulate Matter
86	PMAI	Pigment Manufacturers Association of India
87	POP's	Persistent Organic Pollutants
88	POSH	Prevention of Sexual Harassment
89	PPE	Personal Protective Equipment
90	PSH	Pollution Control Board
91	PSI	Process Safety Information
92	PSM	Process Safety Management
93	PT	Penetration Testing
94	PTW	Permit to Work
95	R&D	Research and Development
96	RE	Renewable Energy
97	REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
98	RMC	Risk Management Committee

S.No.	Abbreviation	Full Form
99	RMI	Responsible Mica Initiative
100	SAP	Systems, Applications, and Products in Data Processing
101	SBU	Strategic Business Unit
102	SCADA	Supervisory Control and Data Acquisition
103	SCCRT	Seva, Courage, Commitment & Passion, Respect, Trust
104	SDG	Sustainable Development Goal
105	SEBI	Securities and Exchange Board of India
106	SEM	Scanning Electron Microscope
107	SLA	Sudarshan Learning Academy
108	SMC	School Management Committee
109	SMT	Self-Managed Team
110	SROI	Social Return on Investment
111	SUDHA	Sudarshan's Holistic Aspiration
112	TEM	Transmission Electron Microscopy
113	TNA	Training Needs Analysis
114	TPCH	Transaction Processing and Database Benchmark specific to decision support
115	TPM	Tons Per Month
116	TS	Training Sessions
117	TSCA	Toxic Substances Control Act
118	TTT	Train-the-Trainer
119	UN SDGs	United Nations' Sustainable Development Goals
120	UNGC	United Nations Global Compact
121	USFDA	United States Food and Drug Administration
122	VA	Vulnerability Assessment
123	VOCs	Volatile Organic Compounds
124	VP	Vendor Portal
125	WBCSD	World Business Council for Sustainable Development
126	WCM	World Class Manufacturing
127	ZLD	Zero Liquid Discharge



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SUDARSHAN

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