

Sustainability Report
FY 2023-24



Driven by
Commitment
Defined by
Excellence

Chemplast Sanmar Limited
Chemplast Cuddalore Vinyls Limited



DRIVEN BY COMMITMENT DEFINED BY EXCELLENCE

The theme signifies our commitment and dedication to the sustainability journey. We aim to manage our sustainability risks while leveraging opportunities that promote continuous improvement. We believe that true excellence can only be achieved through persistent and responsible actions that benefit society and the environment. As leaders in the chemical industry, we remain devoted to excelling in sustainability efforts.

Every action at Chemplast Sanmar Limited is guided by the relentless pursuit of sustainability, excellence, and thoughtful planning. Over the years, we have taken several measures to integrate sustainability into our decision-making and processes. We are aware of the environmental and social impact of our activities and strive to lessen our environmental footprint and amplify our positive impact.

We do not view sustainability as a regulatory obligation. We see it as a crucial focus area that requires constant attention. As a responsible player in the chemical industry, we aim not just to meet, but surpass all our stakeholders' expectations and deliver holistic value to them.

With 'commitment' as our compass and 'excellence' as our destination, we look forward to contributing to a sustainable future.

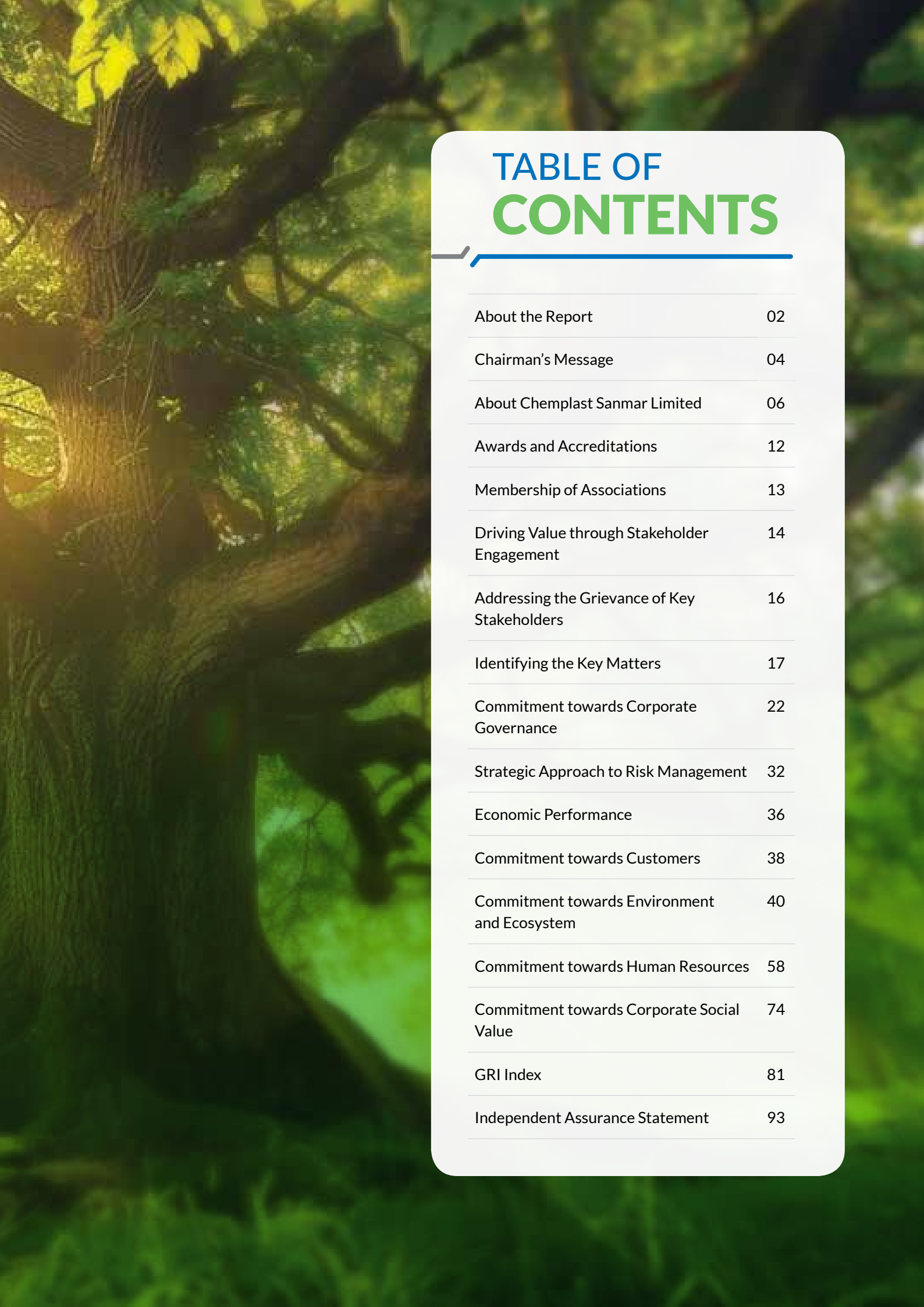


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ABOUT THE REPORT



Dear Stakeholders, we are glad to present our 16th annual Sustainability Report for the financial year 2023-24 (hereafter referred to as the 'Reporting Period'). Across the report, Chemplast Sanmar Limited is referred to as 'We', 'CSL', 'Chemplast', 'Our Company' and 'The Company'. Similarly, Chemplast Cuddalore Vinyls Limited is also referred to as 'CCVL', 'Our Company' and 'The Company'.



Reporting Period

GRI 2-3

Financial Year 2024, i.e., April 1, 2023, to March 31, 2024.



Re-statements of Information

GRI 2-4

There are no restatements of information for the report.



Reporting Scope and Boundary

GRI 2-2

The report covers the manufacturing units of –

1. Chemplast Sanmar Limited - Mettur, Karaikal, Berigai and Vedaranyam.
2. Chemplast Cuddalore Vinyls Limited (CCVL) – Cuddalore.



Frameworks

Prepared 'in accordance' with Global Reporting Initiative (GRI) Standards.



Target Audience

The audience for this report comprises all our stakeholders.



Authenticity of the Reported Content

GRI 2-14

This report has been presented to the Board of Directors and the senior management. The Sustainability Report receives approval from both the Group's Chairman and the senior management of our Company.



Alignment with Financial Report

The scope and boundary of the report are not the same as the Annual Report for FY 2023-24. The reporting boundary covers the operations of Chemplast Sanmar Limited (CSL) at Mettur, Karaikal, Berigai, and Vedaranyam and Chemplast Cuddalore Vinyls Limited (CCVL) at Cuddalore, unless stated otherwise.



INDEPENDENT ASSURANCE

GRI 2-5

The data in this report has been collected from our manufacturing sites and audited by Ernst & Young LLP, the independent external assurance provider.

FORWARD-LOOKING STATEMENT

This report contains forward-looking statements about expected future events that may have a bearing on the Company's operations. By their nature, such forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Appropriate caution is advised concerning the consideration of assumptions, predictions, and other such statements that may not prove to be accurate. Actual future results and events may differ materially from those expressed in the forward-looking statements. The Company undertakes no obligation to update these forward-looking statements, which reflect events or circumstances, after the publication of this document.

CONTACT POINT

GRI 2-3

To improve our sustainability report, we invite the feedback of our stakeholders. Please email us at:

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Managing Director

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Executive-level position with responsibility for sustainability

Dr. R. Palaniappan

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General Manager- Environment

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CHAIRMAN'S MESSAGE



VIJAY SANKAR

CHAIRMAN, CHEMPLAST SANMAR LIMITED

“Our systems and processes have been continuously improved and implemented ahead of time to achieve environmental excellence. We have also allocated substantial resources to operate, develop, and maintain these systems. Despite significant challenges inherent to chemical manufacture, all our facilities have adopted Zero Liquid Discharge.”

Dear Stakeholders,

I am honoured to address you all through the 16th edition of our Sustainability Report. At Chemplast, our annual sustainability strategy has evolved holistically over the years, placing equal importance on all ESG (Environment, Social, and Governance) parameters.

The far-sighted vision of our late Chairman, N Sankar, has resulted in Chemplast Sanmar emerging as one of India's leading sustainability champions, especially in the chemical industry.

The efforts of our senior management, combined with the sage guidance of the Board members, have enabled us to integrate sustainability principles seamlessly into our operations. Our functional departments have played a crucial role in adhering to industry best practices and achieving the highest standards in sustainability. The robust management systems and strong governance structures, grounded in ethics, fairness, and transparency, further enhance our business and sustainability performance. Chemplast Sanmar is well-equipped with internal controls, audit mechanisms, and procedures to ensure compliance with all relevant regulations and statutory requirements.

Our systems and processes have been continuously improved and implemented ahead of time to achieve environmental excellence. We have also allocated substantial resources to operate, develop, and maintain these systems. Despite significant challenges inherent to chemical manufacture, all our facilities have adopted Zero Liquid Discharge. Additionally, we have eliminated dependence on groundwater in our coastal facilities, through investing in desalination plants. Our subsidiary, Chemplast Cuddalore Vinyls (CCVL) was recognised for this effort by being awarded the 'National Award for Excellence in Water Management 2023' by CII

We have also set up mechanisms within the Company to identify and highlight areas of improvement on the environmental front, which ultimately contribute to improving our sustainability practices. Furthermore, our environment management systems adhere to ISO 14001 standards.

Additionally, we uphold responsible procurement practices that eliminate using raw materials that may cause unwanted environmental impact. Our 5S framework enables us to re-use materials within our processes.

On the social front, we have a deep respect for all our employees and value chain partners. Our work culture is based on principles of professionalism and inclusivity. All our stakeholders are provided with

diverse communication channels to log their grievances, the effort being to ensure that every concern is heard and addressed promptly. Due to the nature of our operations, occupational health and safety aspects are prioritised within our premises. Our safety management systems are benchmarked with the ISO 45001 standards.

Achieving five million safe man-hours without any Lost Time Injury was a significant milestone for our Mettur PVC plant last year. This year, CCVL retained the prestigious 'Five Star' rating for Occupational Health and Safety from the British Safety Council for the fourth consecutive year. Our plants at Mettur and Karaikal also received the top 'Five Star' rating from the British Safety Council after an audit on the implementation of the latest Occupational Health and Safety specifications. We have been awarded the Sword of Honour from the British Safety Council in 2023 for our Karaikal Plant and Mettur Plants 1 and 4, a recognition given only to the crème-de-la-crème of the Five Star awardees.

We believe in shared growth, not solitary pursuits. Our success is intertwined with the development of the communities around us. Our CSR arm engages in activities aimed at improving the lives of underserved communities. The initiatives undertaken during the year spanned several areas, including healthcare, education, sports, rural development, women empowerment, and promoting access to clean drinking water.

This has been possible because of the internal drive at our Company to prioritise ESG impact. Sustainability is no longer a complementary initiative but integral to the core of the business. Recognising this, it is our continuing effort to imbibe the spirit of sustainability in everything we do at Chemplast Sanmar.

None of this would have been possible without the active cooperation and encouragement from our many stakeholders. I would like to express our gratitude to all our employees, customers, value chain partners, shareholders, investors, and regulators for being wonderful partners in our growth story. We will continue to enhance our sustainability efforts by investing in improvement and innovation.

With Regards,

Vijay Sankar

Chairman,
Chemplast Sanmar Limited

ABOUT CHEMPLAST SANMAR LIMITED

GRI 2-1

Chemplast Sanmar Limited is an India-based chemical company headquartered at Chennai, Tamil Nadu, which commenced its operations in 1967. A publicly traded company, it is the flagship company of The Sanmar Group, one of the oldest and most prominent corporate groups in Chennai.

GRI 2-6

It manufactures specialty chemicals like paste PVC resin and custom-manufactured chemicals for agrochemical, pharmaceutical and fine chemicals sectors. It also produces chemicals such as caustic soda, chloromethane, hydrogen peroxide, refrigerant gas, and industrial salt. It has attained a status of unequivocal association with the principles of quality and sustainability in the chemical industry. The Company holds a prominent stature within the Indian Market as the largest producer of specialty paste PVC resin. It also has a leading position in the realm of custom manufactured chemical space, fulfilling the needs and requirements of diverse industries.

Our Company is guided by the Sanmar Group's vision of creating value for all stakeholders and conducting its operations in a conscientious manner. Our Company prioritises customer satisfaction alongside product stewardship to ensure a top-notch experience for our customers.





MISSION

Combining integrity with excellence to ensure prosperity to all 'stakeholders' on a continuous basis.



GUIDING PRINCIPLES

Shareholders

Increase shareholder value by focusing on optimal usage of resources

Customers

Professional excellence to meet or exceed customer expectations

Employees

Enhance skills, provide opportunities to grow and a safe work environment

Society

Be a good corporate citizen and a responsible member of the community

Work Ethics

Ensure intellectual honesty in every aspect of work and monitor ethical status of the Company continuously



STANDARDS AT CSL AND CCVL

- Enhance Stakeholder Value
- Follow Fair Business Practices
- Foster Sanmar Culture

MARKET LEADERSHIP OF CSL & CCVL

Largest manufacturer of Paste PVC resin in India

Leading manufacturer of Suspension PVC in South India & 2nd largest in India

Leading player in Custom Manufactured Chemicals

Largest manufacturer of Hydrogen Peroxide in South India

Fourth largest manufacturer of Caustic Soda in South India

Became the first chemical manufacturer in 2009 to achieve 100% Zero Liquid Discharge in all the plants

OUR STORY OF SIX DECADES



2023

Commissioning of Phase 1 of a new multi-purpose block within the Custom Manufactured Chemicals Division at Berigai.

2021

Listing on Indian stock exchange

2013

Augmentation of Speciality Paste PVC capacity to 66,000 mtpa at Mettur, and Suspension PVC to 3,00,000 mtpa at Cuddalore

2003

Acquisition of Kothari Petrochemicals' Caustic Soda facility at Karaikal

1967

Commencement of PVC resin manufacturing at the Mettur facility

2024

Inauguration of the new Paste PVC facility having a capacity of 41,000 mtpa at Cuddalore

2022

Enhancement of Suspension PVC capacity to 3,31,000 mtpa through debottlenecking

2019

Setting up of Hydrogen Peroxide plant at Mettur

Demerger of Suspension PVC undertaking of the Company at Cuddalore, into CCVL

Merger of Sanmar Speciality Chemicals Limited with the Company

2009

Establishment of greenfield Suspension PVC facility at Cuddalore

2007

Commissioning of Marine Terminal facility and EDC Plant at Karaikal

1997

Expansion of production capacity of PVC resins to 60,000 mtpa

1962

Incorporation of erstwhile Chemicals and Plastics India Limited

PRODUCT PORTFOLIO

GRI 2-6

Our product portfolio is developed to service diverse industries. We are committed to producing these products sustainably and maximising their social utility. With integrated manufacturing facilities in Tamil Nadu and the Union Territory of Puducherry, we are known for our closed manufacturing loop, eco-friendly practices, and pioneering role in specialty chemicals. We strive to follow the highest standards of safety, efficiency, quality, customer support and innovation for delivering a seamless customer experience. The relationship with our value chain and business partners is based on trust, mutual respect, and transparency (evident in procurement-related processes and decisions).

Furthermore, customer experience and satisfaction are actively gauged at our Company. We conduct an annual customer service satisfaction survey to seek our customers' needs and expectations. These help us shape strategies that are in line with our customer's demands.

Capacity

Product Portfolio	Specialty Paste PVC Resin	Custom Manufactured Chemicals	Other Chemicals		Suspension PVC
			Caustic Soda	Hydrogen Peroxide	
			1,19,000 mtpa	34,000 mtpa	
			Chloromethanes	Refrigerant Gas	
	1,07,000 mtpa	3,068 mtpa	35,000 mtpa	1,700 mtpa	3,31,000 mtpa

Advantages	- CSL is the oldest player and one of only two companies in India having the requisite technology 60% of Paste PVC capacity (post-expansion) is backward integrated - Long-standing customer relationships	- In-house process research, process engineering and large-scale manufacturing capabilities - World-class Research and Development capability combined with a broad range of chemical technologies - One-stop shop manufacturing of newly discovered molecules - Proactive investment in 'best in-class' hardware - production blocks, lab and pilot capabilities, process safety labs	- Fully integrated operations resulting in sufficient control over feedstock - Entire chlorine is consumed in-house, with no issues of disposal - Diversified product portfolio and customer base	- Strong customer relationships with a diversified dealer/customer network - Shore-based facility for seamless and safe import of feedstock - Asset-light model with sufficient infrastructure for future expansions
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MARKET PRESENCE

GRI 2-6

Specialty Paste PVC Resin

The manufacture of high-quality PVC resin products in Chemplast began in May, 1967 at Mettur, near Salem in Tamil Nadu. The Mettur plant today only produces Specialty PVC resin grade. We are the largest PVC manufacturer with approximately 83% share of domestic capacity and 66% market share.

Specialty Paste PVC resin is a crucial component used in footwear, automotive and furniture upholstery, artificial leather goods, and floor mats.

Caustic Soda

We are the fourth largest producer of Caustic Soda in South India. It finds application in several industries like paper, textiles, alumina, water treatment, organic and inorganic chemicals.

Hydrogen Peroxide

We are the largest manufacturer of Hydrogen Peroxide in South India. Hydrogen Peroxide is a value-added product of Chemplast that has emerged as a part of our downstream integration. This environment-friendly chemical finds application in many industries like pulp & paper, textiles, and water treatment for chemical synthesis, sterilisation, bleaching, and effluent treatment, amongst other processes.

Custom Manufactured Chemicals Division (CMCD)

CMCD is involved in the manufacture of starting materials, advanced intermediates, and active ingredients for innovators in the agrochemical, pharmaceutical and fine chemical industries. Our CMCD has an annual capacity of 3,068 mtpa. It is equipped with world-class Research and Development labs, pilot plants and manufacturing blocks.

Chloromethanes

Chloromethanes are a group of solvents comprising Methyl Chloride, Methylene Dichloride (MDC), Chloroform and Carbon Tetra Chloride (CTC) that are used extensively in pharmaceutical, agrochemical, and refrigerant gas manufacturing. We are one of the earliest manufacturers of Chloromethanes in India.

Suspension PVC

Our subsidiary, Chemplast Cuddalore Vinyls Limited (CCVL), is the largest producer of Suspension PVC in South India. It has a manufacturing capacity of 3,31,000 mtpa and ranks the second largest in India.

VALUE CHAIN OF CSL AND CCVL



GRI 2-6

The Company ensures a smooth flow of raw materials, products and services through our resilient, well-structured and highly efficient supply chain systems. Our facilities are positioned strategically to efficiently utilise raw materials and by-products among our plants. These strategic arrangements not only minimise external environmental risks but also foster internal dependency within our Company. We have also successfully reduced waste generation at many of our sites and improved the quality of raw materials procured. This can be undoubtedly attributed to industrial symbiosis and material exchange.

Our Marine Terminal Facilities (MTF) at Cuddalore and Karaikal are primary entry points for essential raw materials like Vinyl Chloride Monomer (VCM) and Ethylene (for direct chlorination process). These are then supplied to the PVC plant in Cuddalore and the EDC plant in Karaikal, respectively. The requirement of VCM at Mettur is met through either imported EDC or locally manufactured EDC from the Karaikal plant. The EDC is utilised for producing PVC resin in the PVC Mettur plant.

Methanol is sourced from overseas suppliers for the production of Chloromethanes in Mettur. Methanol is delivered via ships to the Kochi port and then transported to the Mettur facility. The salt pan facility at Vedaranyam supplies the salt for caustic soda and chlorine production at Mettur and Karaikal.

The production of Refrigerant Gas R-22 at Mettur requires Anhydrous HF and Chloroform. Anhydrous HF is procured locally, while Chloroform is manufactured at the Chloromethane facility in Mettur.

Our captive power plant is of Mettur powered by utilising low-ash and low-sulphur coal through ships, unloaded at the Karaikal port and then transported to Mettur via rail wagons.

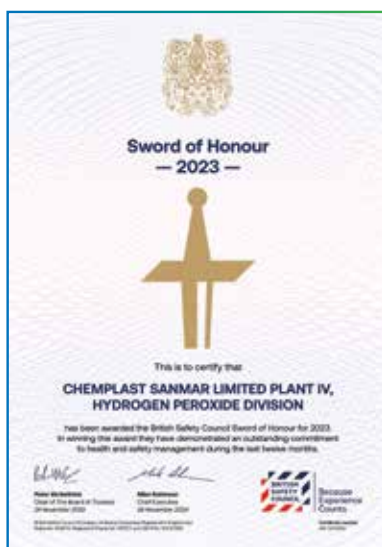
GRI 2-6

States	Cities
Tamil Nadu	• Mettur • Cuddalore • Berigai • Vedaranyam
Puducherry	• Karaikal

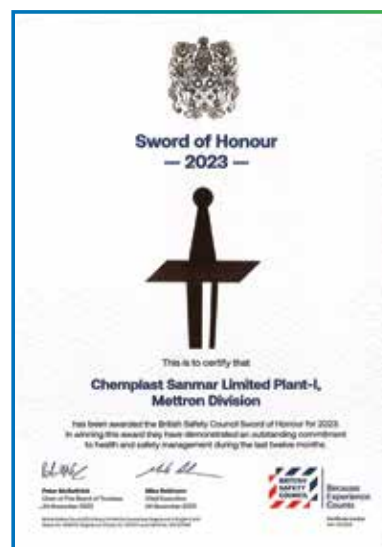
AWARDS AND ACCREDITATIONS



**Sword of Honour from the
British Safety Council for
Karaikal Plant**



**Sword of Honour from the
British Safety Council for
Mettur Plant 4**



**Sword of Honour from the
British Safety Council for
Mettur Plant 1**



The Karaikal plant received the Second Prize in the Best Industrial Garden competition organised by the Karaikal District Administration & Tourism Department (Government of Puducherry)

Other Recognitions



- Company's management system was found to be in accordance with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018
- The Karaikal plant received Integrated Management System (IMS) recertification for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards from Bureau Veritas (India) Private Limited, valid until August 14, 2026
- Our plants at Mettur and Karaikal received the top 'FIVE STAR' rating from the British Safety Council after an audit on the implementation of the latest Occupational Health and Safety specifications

MEMBERSHIP OF ASSOCIATIONS

At Chemplast, the motive behind engaging with prominent industry associations and apex bodies is to champion and promote sustainable business practices. We strive to drive positive transformations within the sector through advocacy for the best Environmental, Social and Governance practices.



Indian Chemical
Council



Chemical Industries
Association



Madras Chamber of Commerce
and Industry



National Safety
Council



Alkali Manufacturers
Association of India



Madras Management
Association



Federation of Indian Chambers of
Commerce and Industry (FICCI)



Confederation of Indian
Industry (CII)



ASSOCHAM
India

Association of
Chloromethane
Manufacturers

Refrigerant Gas
Manufacturers'
Association



Employers'
Federation of India



Indo-Japan Chamber of
Commerce and Industry



Industrial Waste Management
Association



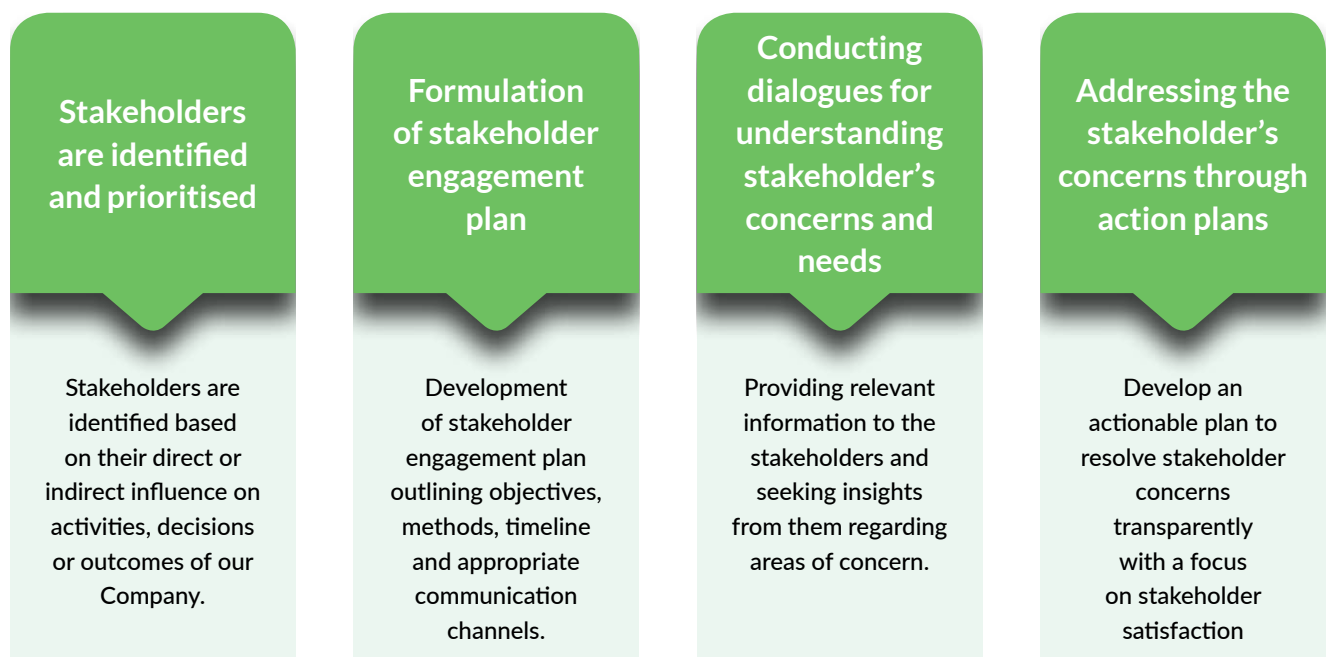
Indo-American Chamber
of Commerce

DRIVING VALUE THROUGH STAKEHOLDER ENGAGEMENT

We view our stakeholders as our partners. They are the foundation of our success. We strive to provide them with transparent communication and opportunities for interactions to foster a meaningful and collaborative engagement.

GRI 2-29

KEY STAKEHOLDERS



Stakeholder Group	Key Concerns	Engagement Mechanism
 Employees and Workers	• Health and safety • Skill development and training • Diversity and inclusion • Recognition and rewards	• Regular team meetings • Periodic employee surveys • Mock drills
 Customers	• Quality control and testing • Sustainable and responsible practices	• Multiple channels (e.g., email, phone, online platforms) • Comprehensive annual business reviews with key customers • Plant visits by the customers
 Regulatory Authorities	• Chemical product safety and labelling • Emergency preparedness and response • Proactive monitoring practices • Compliance with environmental regulations/ stipulated conditions	• Meetings and discussions • Regular plant visits and inspections
 Local Bodies/Associations	• Environmental impact mitigation • Community development programmes • Transparency and ethics	• Industry associations or trade groups • Periodic meetings • Event participation
 Transporters	• Safety and compliance • Hazardous material handling and transportation system/ practices • Monitoring of transportation through GPS • Training and development of transport crew	• Training programmes • Quarterly site visits • Incident reporting • Plant visit
 Local Communities	• Health and safety • Community wellbeing and development • Education and awareness • Grievance and redressal mechanisms	• Community outreach programmes • Community surveys • Community partnerships
 Investors	• Financial performance • Risk management • Corporate governance • ESG performance	• Periodic investor presentations • Annual general meetings • Investor newsletters • Quarterly publication – Matrix
 Suppliers	• Health and safety • Regulatory compliance • Supplier code of conduct • Supply chain management • Risk mitigation	• Supplier development programmes • Supplier surveys and supplier reviews • Contract discussion meetings

ADDRESSING THE GRIEVANCES OF KEY STAKEHOLDERS



CUSTOMERS

Customers can write to the marketing team about product quality issues and dispatches. They can do this either directly or through dealers and associated agents. These complaints include specific information such as batch numbers and invoices. All such complaints are treated as high priority and are escalated to the respective Quality Control (QC) team at the plant if they are related to product quality or to the Sales Logistics team if they pertain to dispatch issues. The members of the QC team may also visit the customer, depending on the severity of the issue. They provide corrective recommendations either on-site or by analysing samples of the affected material in the laboratory.



SHAREHOLDERS

A robust mechanism is in place to address grievances of shareholders and investors concerning their shareholdings. Shareholders can direct their complaints to the Registrar and Transfer (R&T) agents and the secretarial team. The stakeholder relationship committee takes the responsibility of addressing grievances that remain unresolved within the stipulated time frame.



EMPLOYEES AND WORKERS

Employees and workers can write to the Human Resources Department Head or the Plant Head via email or suggestion boxes. Our whistleblower policy protects employees against any retaliation or censure. Furthermore, the company has implemented a mechanism that empowers employees to report any observed misconduct, wrongdoing, or other irregularities within the organisation.



VALUE CHAIN PARTNERS AND COMMUNITIES

Value chain partners or communities can raise their grievances through grd@sanmargroup.com or by reaching out to the respective plant or functional head. The concerns are promptly addressed for effective resolution. If the issue persists without resolution within the stipulated time interval, they are escalated to the top management for resolution.

We strive to improve our grievance mechanisms by incorporating relevant suggestions from our stakeholders to ensure their effectiveness.

IDENTIFYING THE KEY MATTERS

MATERIALITY ASSESSMENT PROCESS



Identification of ESG Issues	Engagement with Stakeholders	Establishing the Criteria for Assessment	Prioritisation of Material Topics	Deciding on the Actionables	Monitor and Review the Process
An exhaustive list of material issues is identified based on stakeholder feedback, industry trends, peer assessment and sustainability standards. All the relevant issues based on the Company's impact on the economy, environment, people, human rights and the external financial impact on our Company are covered.	We interact with all our key stakeholder groups and gather their standpoint on our ESG impacts and areas of concern.	Every ESG issue is assessed based on its impact on the economy, environment, people and human rights. Additionally, the financial impact of these issues on our Company is also taken into account.	The issues are prioritised based on their materiality and significance to stakeholders and the Company. Once the assessment is done, the results are validated with key stakeholders and decision-makers.	The finalised topics are integrated into the process of sustainability reporting. Further, a blueprint is developed for prioritising these issues. Measurable targets along with timelines are established for implementation.	The progress against the material issues is monitored and reviewed. The assessment is updated to reflect changes in our Company's operations, stakeholder expectations, and emerging ESG trends.

MATERIALITY TABLE

GRI 3-2

GRI 3-3

Material Issues	Rationale behind the Material Topic	Linkage with GRI	SDG Relevance	Management Approach
Emissions	The production processes in chemical manufacturing generate Scope 1 (due to combustion of fuels), Scope 2 (emissions from the use of purchased electricity) and Scope 3 (resulting due to raw material procurement and finished goods) emissions. GHG emissions can create regulatory compliance costs or penalties and operating risks for chemical companies.	GRI 305	 	We have established an online monitoring system, CEMS, for monitoring our SO_x, NO_x and SPM. The real-time monitored data is connected with the State Pollution Control Board / Pollution Control Committee / CPCB. Additionally, we adhere to all the emission compliance norms. We strive to use alternative fuels like Hydrogen gas and natural gas and encourage innovation in energy efficiency (electrical and thermal). We also have a LDAR (Leak Detection and Repair) programme to monitor fugitive emissions from chemicals used in our operations (if any).
Energy Management	Chemical manufacturing processes are energy-intensive. The energy is used to power processing units, cogeneration plants, machinery, and non-manufacturing facilities. Energy intensity, hence, becomes crucial as the energy sourcing decisions affect its operating efficiency and risk profile over time.	GRI 302	  	Most of our electricity is used in our operations and power supply for employee's residential colonies and townships is generated through a captive power plant.
Safety & Environmental Stewardship of Chemicals	Safety and environmental stewardship of chemicals are crucial as they influence product demand and regulatory risks. This can have an impact on revenue generation, high operating expenses and unwanted fines and penalties.	-	   	All our chemical plants follow 'Responsible Care' international codes. For the company, developing innovative approaches to manage the potential impacts of the products is therefore crucial in mitigating regulatory risk and growing market share, improving competitive positioning, and maintaining higher brand value. Our OHS system is legally compliant. Additionally, we also have an emergency preparedness plan as stipulated in the manufacture, storage, and import of hazardous chemical rules.
Sustainable Supply Chain	Production of chemicals requires various procurement methods for sourcing chemicals, water, and energy. Due to the regulatory landscape, it becomes crucial to engage critical suppliers through training, audit, and assessment process for minimising supply chain risks.	GRI 414 GRI 308	   	We strive to develop the highest standards of supply chain practices within our Company. The supply chain aspects are assessed before onboarding the suppliers. Further, we engage with suppliers in areas of shortcomings for continuous improvement.

GRI 3-2

GRI 3-3

Material Issues	Rationale behind the Material Topic	Linkage with GRI	SDG Relevance	Management Approach
Waste Management	The chemical industry generates various wastes during production processes, including hazardous wastes such as heavy metals, spent acids, catalysts, and wastewater treatment sludge. Hence, it becomes important to treat and dispose of them for mitigating unwanted impacts on the environment.	GRI 306	   	We strive to reduce waste generation from our operations by deploying environmentally friendly waste disposal methods. Risks pertaining to waste management is assessed and analysed.
Water Management	Water is an essential component in chemical production. It is used for various processes like cooling, steam generation, and feedstock processing. Issues like water scarcity and environmental regulations can pose risks to operational disruptions.	GRI 303	 	We have taken various water conservation measures across our plants. All our plants are Zero Liquid Discharge (ZLD) plants. We also have desalination plants in Karaikal and Cuddalore locations to meet operational water requirements. Additionally, we have zero dependence on groundwater in most of the operations except for Berigai & Karaikal. We also have implemented rainwater harvesting facilities at our locations.
Materials	Conservation of materials is important for maintaining and safeguarding the planet and a sustainable future. Hence, it becomes crucial to reduce the dependence on natural resources.	GRI 301		Our company believes in taking responsibility for the materials sourced for our processes. We also encourage our suppliers to obtain ISO 14000 certification for becoming an approved vendor. Our suppliers are also required to produce MSDS and identify the environmental impacts of any of the materials supplied. Additionally, we abide by 4R principles and 5S framework for re-using materials.
Employee Wellbeing	Employee well-being is crucial for ensuring employee productivity and efficiency. It ensures that employees are in their best physical and mental state to function effectively. Further, it also provides avenues to address their health risks and concerns.	GRI 401 GRI 403	   	We take care of employees by providing them with opportunities for their growth. Additionally, we take several initiatives to improve their health and mental well being.

Material Issues	Rationale behind the Material Topic	Linkage with GRI	SDG Relevance	Management Approach
Local Communities	Chemical companies are important economic contributors to many communities, providing employment opportunities and community development through taxes and capital generation. By contributing towards the development of communities, our Company can build strong Relationships. This can help in mitigating the potential operational disruption, retaining top employees and ensuring a better image of our Company among its stakeholders.	GRI 403	   	Every department of the Company has have safety objectives to ensure continual improvement in occupational health and safety performance. We keep conducting several safety-centric training programmes for increasing their awareness. Additionally, compliance with health and safety standards both within our Company boundaries and across the supply chain is monitored.
Occupational Health and Safety	The chemical industry poses several risks to the employee's health and safety risks from exposure to heavy machinery, harmful substances, high temperatures, high pressures, and electrical hazards. Hence, it becomes crucial to work on these areas and improve safety measures.	GRI 403	 	The Company has safety objectives to ensure continual improvement in occupational health and safety performance. We keep conducting several safety-centric training programmes for increasing their awareness. Additionally, compliance with health and safety standards both within our Company boundaries and across the supply chain is monitored.
Product Responsibility	Material efficiency is crucial because of the resource scarcity and regulations that drive low-energy consumption and emissions. Developing products that take into account these aspects can enhance customer satisfaction.	-	  	We have implemented standard operating procedures for the effective implementation of 'responsible product practices'. All our plants have received 'Responsible Care' certification for maintaining the best operational practices. Additionally, we follow all the codes of practices for product distribution, product stewardship, and safe distribution of our products.
Business Ethics	Ethical conduct is important for maintaining the licence to operate as well as securing stakeholder trust and confidence.	GRI 2		We conduct our business ethically and have built a culture that is ingrained in integrity and ethical conduct. We have established several policies and practices that ensure ethical values are not being compromised in our Company.

GRI 3-2

GRI 3-3

Material Issues	Rationale behind the Material Topic	Linkage with GRI	SDG Relevance	Management Approach
Economic Performance	Economic performance is important for our Company to run the business profitably and provide a good return on investment for investors.	GRI 201	   	We invest in future-proof technology that helps us operate sustainably and improve our financial performance. We prioritise the interests of our stakeholders and make investments for their betterment. We also consider environmental risks to improve our economic performance.
Marketing Communications	Responsible marketing communications is essential for our customers. Hence, customers should always get better access to information about product composition, their proper use and disposal.	GRI 417		Our customers are provided with detailed Material Safety Data Sheets (MSDS) of our products. These contain information on the product handling, transportation, storage, and emergency mitigation in case of spillage and disposal.
Operational Safety, Emergency Preparedness and Response	Occupational safety risks are prevalent in the chemical industry. Health, safety, and emergency management is a critical issue for companies in the chemical industry. The combustible nature of chemical substances, combined with the high operating temperatures and pressures involved in manufacturing elevates the risk of explosions, hazardous spills, or other emergencies. Such events can harm workers or people in nearby communities.	GRI 403	  	We strive to maintain the highest standards of safety to avoid any occurrence of chemical-related incidents. Chemplast ensures strong management of process safety that can reduce operational downtime, mitigate costs and regulatory risk and enhance workforce productivity.
Regulatory Compliance	The chemical industry is governed by strict regulations for air emissions, water discharge, chemical safety, and process safety, among other issues.	GRI 2		We strive to comply with all the applicable regulations and statutory requirements through management systems and audits. For environmental compliance, we have an Environmental Management System (ISO 14001) and a health and safety management system (ISO 45001) that helps in tracking and documenting compliance requirements. Chemplast's strategy for managing the regulatory environment aligns its corporate performance with sustainable environmental outcomes and take into consideration societal externalities that benefit from reduced regulatory uncertainty, stronger brand value, and improved competitive positioning.

Our Board of Directors oversee the management of impacts and alignment of our activities with our stakeholders' interests. Additionally, the Board reviews all the sustainability-related aspects on a regular basis as part of the business presentation.

COMMITMENT TOWARDS CORPORATE GOVERNANCE

Corporate Governance is indispensable for conducting business in an ethical and responsible manner. It fosters our Company's resilience, trust, and enduring success. At Chemplast, we respect and embrace the principles of ethical conduct, transparency and accountability. Our systems and processes are driven by our values. We have established clear processes and structures for managing risks, compliance, and oversight to optimise the value we create for our stakeholders.

Our Board of Directors is the key to driving our trajectory towards the best corporate governance practices. They align our vision with stakeholder's expectations and act in the best interests of our Company. They are well-equipped with knowledge, expertise and competence to drive our leadership and oversee our operations. We have established clear roles, responsibilities and obligations of the Board. The Directors are selected based on our Company's nomination and remuneration policy, which can be accessed here.

https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/2024/Nomination_and_Remuneration_Policy_and_Board_Evaluation_Policy.pdf

Our Directors are kept informed on substantial developments within our Company. Additionally, Independent Directors undergo familiarisation programmes as per the document here.

<https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/familiarization-programme-for-ids.pdf>

Our Board of Directors further takes responsibility for appointing the members of Board Committees for effective functioning in alignment with our Company's objectives. The members are also responsible for ensuring that they make decisions in the best interests of our Company and stakeholders. The Board keeps reviewing and updating the terms of reference for the established committees in line with statutory requirements. Chairpersons of the respective committees are responsible for convening their meetings and reporting discussions with the Board. The minutes of the meetings are shared promptly with the committee members and Directors for transparency of communication.

GRI 2-10



BOARD OF DIRECTORS

GRI 2-9

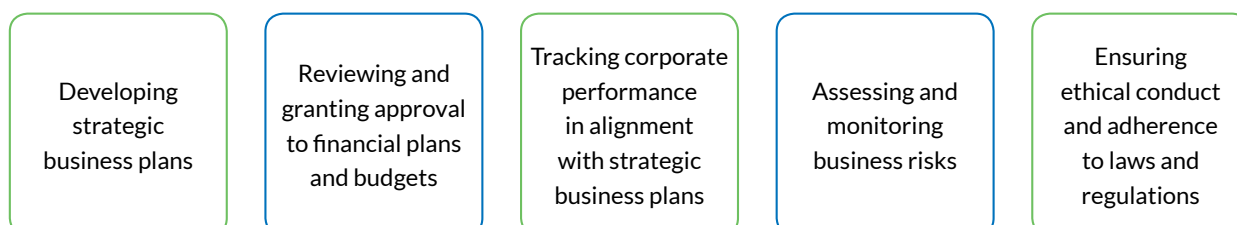


BOARD COMPOSITION

Particulars	CSL	CCVL
Non-Executive Chairman	1	-
Managing Director	1	1
Non-Executive Directors	2	1
Independent Directors	4	2

In Chemplast, the Managing Director's tenure is for a period of five years, subject to reappointment upon completion. Non-Executive Directors serve a term of three years and are subject to retirement by rotation. Moreover, Independent Directors are eligible to serve two consecutive terms of five years each.

RESPONSIBILITIES OF THE BOARD



COMMITTEES OF THE BOARD

GRI 2-9

Mandatory Committees



Non-mandatory Committees



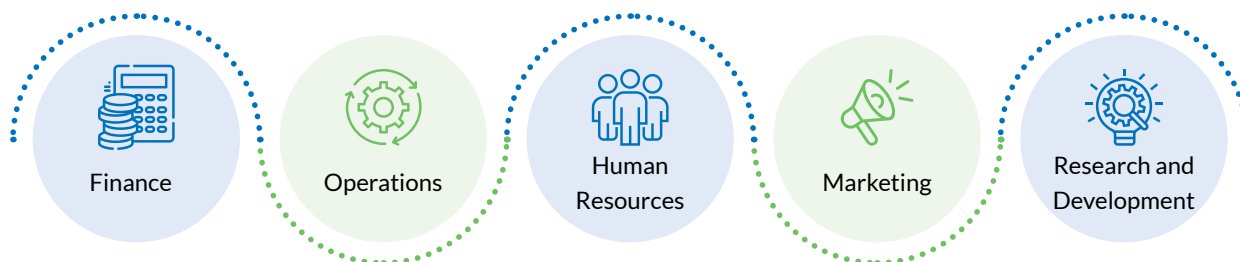
EXECUTIVE MANAGEMENT TEAM

Led by the Managing Director

RESPONSIBILITIES

Implementing strategic vision of the Board and day-to-day operations

FUNCTIONAL AREAS



AGE DIVERSITY

GRI 405-1

Age Categorisation	CSL	CCVL
40-60 Years	50%	50%
61 Years & Above	50%	50%

GENDER DIVERSITY

Gender-wise Categorisation	CSL	CCVL
Male	7	3
Female	1	1

PROFILE OF THE BOARD

At Chemplast Sanmar Limited



Mr Vijay Sankar

Non-Executive Chairman

Areas of Expertise

Leadership, Business Strategy & Development, Commercial acumen, Finance, Economics & Global Business, Corporate Governance and General Management & Human Resources

Related Committees



Mr Ramkumar Shankar

Managing Director

Areas of Expertise

Business Strategy & Development, Commercial acumen, Finance, Sales and Marketing, General Management

Related Committees



**Mr Vikram Taranath
Hosangady**

Non-Executive Director

Areas of Expertise

Finance, Commercial acumen, Business Strategy, Economic Affairs, Corporate Governance, General Management & Human Resources

Related Committees



Dr. Lakshmi Vijayakumar

Independent Director

Areas of Expertise

General Management, Human Resources and Corporate Governance

Related Committees





Mr Aditya Jain

Independent Director

Areas of Expertise

Finance, Business Strategy & Development, General Management & Human Resources, Economic Affairs and Corporate Governance

Related Committees



Mr Sanjay Vijay Bhandarkar

Independent Director

Areas of Expertise

Finance including audit and taxation, Business Strategy & Development & Corporate Governance

Related Committees



Mr Prasad Raghava Menon

Independent Director

Areas of Expertise

Business Strategy & Development and Finance including taxation, General Management & Human Resources and Corporate Governance

Related Committees



Mr Chandran Ratnaswami

Non-Executive Director

(upto May 10, 2024)

Areas of Expertise

Finance, Business Strategy & Development, Economics & Global Business

At Chemplast Cuddalore Vinyls Limited



Mr Ramkumar Shankar
Managing Director



Mr Aditya Jain
Independent Director



**Dr. Amarnath
Ananthanarayanan**
Non-Executive Director



**Dr. Lakshmi
Vijayakumar**
Independent Director

Particulars	CSL	CCVL
The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	98.71	43.02
The ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	9.03	3.62

GRI 2-21

The remuneration data between the years are not comparable.

PERFORMANCE EVALUATION PROCESS OF THE BOARD

GRI 2-18

The annual performance evaluation process of the Board has been conducted in accordance with the requirements of the Act and Regulation 17(10) of the Listing Regulations. The process was conducted by the Nomination and Remuneration Committee. The evaluation was done utilising a questionnaire prepared in accordance with the SEBI Guidance Note and approved by the Nomination and Remuneration Committee. The process encompassed evaluation of the Board's collective performance, individual assessment of Directors (including Independent Directors), and the functioning of various committees. The evaluation was based on various criteria like attendance, active participation in discussions, understanding of our Company's business and industry, and providing guidance on business-related decisions.

BOARD'S NOMINATION AND REMUNERATION

GRI 2-10

At Chemplast, we are committed to selecting adept and skillful individuals owing to the criticality of their role in leading our Company effectively. Our Independent Nomination and Remuneration Committee takes the responsibility of overseeing and implementing the nomination and selection process. It defines clear criteria to identify potential board and committee members. The process is reviewed on a timely basis to align with our Company's evolving needs. Our shareholders play a key role in the selection of Board members. They are afforded the opportunity to vote on board nominations during the Annual General Meeting. The final appointment of the board members is contingent upon the voting of shareholders.

GRI 2-19

GRI 2-20

The NRC committee also oversees the compensation process while taking objectivity and fairness into consideration in its decisions. The NRC policy can be accessed here.

https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/2024/Nomination_and_Remuneration_Policy_and_Board_Evaluation_Policy.pdf

SUSTAINABILITY GOVERNANCE

GRI 2-13

At Chemplast, sustainability is viewed as a fundamental responsibility. We strive to ensure that our operations do not compromise the ability of future generations to meet their needs and disrupt ecological balance. We follow a structured approach to ESG governance. The key ESG KPIs are delegated to key personnel and departmental heads at each of our five plants.

We have established a committee of Directors, including the Chairman and Managing Director of our Company. The committee meets with the Board to discuss the progress made in the realm of sustainability. The Board actively participates in reviewing the progress made for effective governance and management of ESG initiatives. The frequency of these reviews varies from a half-yearly to an annual basis, depending on the requirements and timelines set by our Company.

Critical ESG aspects like safety and procurement are reported monthly. Safety reports encompass data points regarding incidents, near misses, safety audits, and adherence to safety protocols. Procurement reports, on the other hand, detail supplier sustainability, responsible sourcing practices, and ethical procurement practices. ESG KPIs related to environmental impact, energy consumption, waste management, and emissions are reported on a quarterly basis. All the related data is gathered and reported in our annual sustainability report. The report is further presented to the Board and senior management, and approval is obtained from both the group's Chairman and senior management. They are also involved in prioritising topics for materiality assessment.

GRI 2-14

Our Board plays a pivotal role in shaping our purpose, values, and mission statements. They give strategic direction and set guiding principles and objectives for ESG efforts. All our senior executives work closely with the Board to realise these objectives. They are accountable for achieving our Company's objectives. The Board also has the ultimate authority to approve sustainability policies that guide our actions.

GRI 2-12

We are currently in the process of implementing sustainable development training programmes specifically designed for the Board of Directors.

GRI 2-17

BRSR Policy

At Chemplast, we have established a Business Responsibility and Sustainability Policy in line with the National Guidelines on Responsible Business Conduct (NGRBC). The policy entails all the nine principles of NGRBC, with focus areas like business integrity, accountability, sustainable production, employee well-being, responsive stakeholder engagement, human rights, environmental protection, inclusive growth, and good customer service. The policy can be accessed here.

<https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/csl-business-responsibility-sustainability-policy-v1.pdf>

ETHICS AT CHEMPLAST SANMAR LIMITED

At Chemplast, principles of ethics are enshrined in our code of conduct. It ensures that our business operations are conducted responsibly, ethically and in the interest of our stakeholders. Our code of conduct is a crucial part of our corporate governance framework, ensuring compliance with the applicable laws and regulations.

It has laid out clear standards, general principles, and expectations for the conduct of our senior management and the Company's Directors. The code covers a wide range of things, like conflicts of interest, insider trading, and being socially responsible as a Company. The Directors, KMPs and Senior Management Personnel are expected to follow and abide by the same. In case of any violations, it specifies procedures to be followed. Our code of conduct can be accessed here.

<https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf>

We have also set out several policies to ensure well-structured, efficient, and ethical conduct in our business. We act in accordance with authoritative intergovernmental instruments such as the International Labour Organisation (ILO) conventions, National Guidelines on Responsible Business Conduct (NGRBC), and the United Nations Guiding Principles on Business

and Human Rights. All our policy commitments are publicly available on our website.

<https://www.chemplastsanmar.com/corporate-governance-policies.php>

The Board approves all our policies which are applicable to all our activities, including operations, supply chain management, and business relationships with suppliers, partners, and customers. Communication regarding the policy commitment is done to workers, business partners, employees, and other relevant stakeholders through various means, including internal training programmes, supplier engagement initiatives, and public disclosures on the website. We take it upon ourselves to actively engage with stakeholders to ensure awareness and understanding of the commitments. We have allocated the responsibility to our Company's functional departments and individuals to implement and monitor various aspects of policy commitments. For instance, the Human Resources Department is responsible for adherence to labour rights, the Environmental Health and Safety (EHS) Department is responsible for environmental commitments, and Legal takes responsibility for regulatory compliance. Our policy commitments are transparently disclosed in our annual sustainability reports.

GRI 2-23

GRI 2-24

MANAGEMENT OF CRITICAL CONCERNS

GRI 2-16

We follow a diversified approach to communication with our stakeholders.

We also maintain transparent communications by frequently engaging with our operational heads. All the critical concerns identified during internal audits are conveyed to the Board through the Audit Committee and are addressed promptly. The concerns are referred to relevant functional heads for taking appropriate actions.

There were not any cases of critical concerns during FY 2023-24.

MITIGATION OF CONFLICT OF INTERESTS

GRI 2-15

Our Code of Conduct contains specific provisions pertaining to the conflict of interests. Our Board is made well aware of their expectations of conduct in the favour of our Company, keeping their gains aside. Our code of conduct states that our Directors, executives and personnel should refrain from actions that may give rise to such situations. The policy on the code of conduct can be accessed here.

<https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf>

ANTI-CORRUPTION AND ANTI-BRIBERY

The Company does not condone any instances of corruption and bribery. Such practices are against the values of our Company. We maintain a rigid stance against such practices. Such activities pose risks to our Company's reputation. All the Directors and members are expected to adhere to fundamental ethical values set forth by our Company. We have comprehensive checks and systems in place to identify, evaluate and counter such instances.

Our ethics policy covers aspects pertaining to anti-corruption and anti-bribery, which applies to all employees. Any instances of violation of the ethics policy are thoroughly investigated. The Supplier Code of Conduct binds all our suppliers and service providers. This code sets forth the criteria for legal and ethical standards for Directors and employees (constituting senior management).

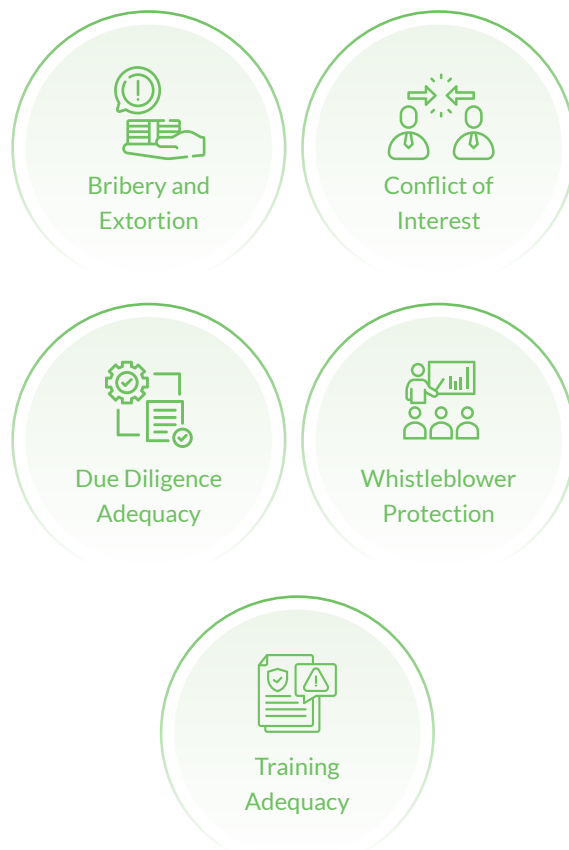
The 'Code of Conduct' is designed to prevent any instances of wrongdoing and promote:

- Honest, fair and ethical conduct (including ethical handling of conflicts of interest between personal and professional relationships)
- Protection and utilisation of corporate assets and confidential information
- Compliance with applicable laws, rules and regulations
- Internal reporting of violations with 'the Code'

We conduct regular assessments to evaluate risks associated with corruption in our operations. All of our operations were assessed to identify risks of corruption. During the reporting period, the Company did not find significant risks related to corruption.

This assessment covers our activities, including procurement, supply chain, and business relationships. The risk assessments were based on:

GRI 205-1



Our Company and employees did not have any cases registered for corruption and bribery during this reporting period.

GRI 205-3

Our anti-corruption policies and procedures have been communicated to governing body members, employees (regardless of their region and category) and value chain partners (including suppliers, contractors, and other stakeholders across different plants). Additionally, we disseminate knowledge about anti-corruption policies and procedures to any other relevant parties or companies as required. All the employees and governance body members are also trained on the Company's anti-corruption policies and procedures.

GRI 205-2

VIGIL MECHANISM

GRI 2-26

We sustain ethical practices within our Company by encouraging our employees to report instances of ethical misconduct or violations of our policies. These can be reported to the Audit Committee and designated officer acting as the ombudsman on behalf of the Audit Committee. This policy further safeguards individuals' identity from victimisation. We have a dedicated email address, ombudsman@sanmargroup.com for reporting such cases of violation.

During the reporting period, we did not have any ethical / misconduct violations.

REGULATORY COMPLIANCE

GRI 2-27

At Chemplast, we understand compliance is critical to governance and risk management. Failure to comply with these regulations can result in financial penalties and losses for our Company. Hence, we strive to follow and adhere to applicable laws, regulations, and industry standards that govern our activities. We conduct audits and have established robust management systems to avoid any potential cases that may arise. Our Company's relevant personnel stay updated on changes in the regulatory landscape to ensure regulatory adherence. Our environmental management system complies with ISO 14001 standards, while our health and safety management system adheres to ISO 45001 standards. These standards enable us to monitor, track, and document compliance with the requirements.

Furthermore, we have an initial-stage Compliance Management System. Additionally, compliances are also monitored manually using department-wise and function-wise checklists.

For FY 2023-24, our Company did not have any instances of non-compliance for regulatory and statutory non-compliance.



STRATEGIC APPROACH TO RISK MANAGEMENT

Chemplast's Risk Management Philosophy



OUR APPROACH TO RISK MANAGEMENT

Risk identification is done through continuous monitoring of events that impact our Company's goals, data analysis, internal audit reports, and past occurrences. The risks are categorised based on their nature. For instance, economic, environmental, competition, and government policies or internal – project execution, operational efficiency and environmental management. Risks are mitigated through suitable measures by the Risk Management Committee, such as risk transfer, appropriate internal controls, risk elimination, and risk tolerance.

At Chemplast, we have a risk management policy, which is specifically designed to establish a comprehensive risk management and mitigation framework. The policy covers all divisions, departments, subsidiaries, and acquired entities.

In adherence to the Companies Act 2013 and SEBI regulations, our board and risk management committee have developed and mandated a structured enterprise-wide risk management. Independent Directors also play an essential role in ensuring the strength and autonomy of the risk management system by offering necessary guidance.

We actively involve all functions in identifying risk, conducting periodic risk ratings, and integrating the risk management process with strategic planning and internal audits. Our policy, furthermore, specifies a reporting approach for the Board review and evaluation of our risk management system. The MD, CFO and Chief Compliance Officer are responsible for implementation and reporting.

Our risk management framework is reviewed on a biannual basis to identify various internal and external risks, including financial, operational, sectoral, sustainability, information, cyber-security, or any other as determined by the committee. To understand our risk management framework comprehensively, click here- https://www.chemplastsanmar.com/downloads/cslfinancials/Annual_Report_2023_24.pdf

We turn risks and uncertainties into opportunities that enable us to expand and solidify our leadership position. Our precautionary approach to risk management against economic, social and governance issues are outlined in the table below.



Economic Risks

Key Risks/ Opportunities	Our Strategy
Sustaining leadership position in Paste PVC and Suspension PVC production	• Leverage differentiation and quality for capitalising on growing demand • Effective customer relationship management • Increase the value for shareholders • Cost minimisation through optimised sourcing and energy
Minimising the energy cost through captive power and maximising the surplus power for export	• Efficiency improvement initiatives for power generation units at Mettur and Karaikal (Coal & NG) • Replace captive power with import from the grid
Enhancing the production capacity of our products for sustaining the leadership position in the Indian market	• Enhance production capacities in comparison with peers. • Installation of greenfield project of 5,000 mtpa at Custom Manufactured Chemicals Division at Karaikal to take a significant stride towards leadership on CMCD products • Environmental clearance obtained
Improving production and energy efficiencies	• Routine maintenance to ensure optimal production capability • Conduct reviews and audits for identifying and acting towards bottlenecks • Implementation of energy conservation measures
Improving power consumption in Caustic Soda manufacture at Mettur and Karaikal Plants for improving the economical contribution to the bottom line	• Implemented power reduction measures in caustic soda manufacturing units of Mettur and Karaikal • Implementing energy conservation measures and schemes to improve the profitability
Becoming the supplier of choice	• Excellence in (Safety, Health, and Environment) systems • Cost-effective operation • Meet and surpass quality requirements • Adapt to technical changes and advancement • Respond to evolving customer needs • Innovation • Sustainability practices
Identifying new opportunities in Custom Manufacturing Chemicals Business	• Investment in R&D, new assets, capabilities • Investment in top-notch human resources • Introduction of new products / molecules that have good market demand
Sustaining Zero Liquid Discharge (ZLD) status at all locations	• Enhance the operational efficiency of ZLD plants • Identify opportunities for lowering evaporation costs • Increase the reuse and recycling rate of effluents • Reduction of generated effluent quantity at the source • Extend the ZLD status for the future projects envisaged



Environmental Risks

Key Risks/ Opportunities	Our Strategy
Adhering to emission regulatory requirements	- Emission reduction initiatives - Investment in efficient systems and processes in pollution control aspects to reduce environmental risks - Utilise low Sulphur coal to meet the stringent SO₂ emission level stipulated by the regulating authorities - Retrofitting of DG sets
Managing waste effectively	- Incineration of organic waste generated from the VCM Plant and Chloromethane Plant through a captive incinerator - Source low ash coal in the power plant to reduce the Fly Ash generation - Usage of a common waste disposal facility (TSDF) instead of a captive secured landfilling - Safe disposal of Brine Sludge after recovering sulphate to reduce the waste quantity. Replacement of the old incinerator with the latest technology-based incinerator at Karaikal during FY 2023 - Wherever feasible, waste generated from the operation shall be explored for co-processing to avoid landfilling
Managing water	- Usage of rainwater collection systems to reduce the water requirement - Recycling of treated effluent back in the process - No dependency on the ground or river water sources at CCVL-Cuddalore due to our desalination plant - Installed raw water bulk storages of 75,000 KL capacity at the Mettur location to combat uncertain water availability during the summer for industrial supply from the Reservoir - Initiated measures to collect and recycle the roof water at all plants at Mettur as an alternative water source
Reducing the unwanted impact of water scarcity in the local communities	- Supply potable water to local communities around the Mettur plant, amounting to 25-30 % of the total water withdrawal - Continuous financial support for the desilting of lakes and water storage facilities
Managing the carbon footprint of our operations	- Adopt energy-efficient systems and technologies - Usage of alternative fuels and renewable energy sources - Incineration of R-23 in a captive incinerator to prevent global warming - Usage of Hydrogen and natural gas as clean sources of energy - Monitor Scope-3 emissions and strategic actions to reduce this carbon footprint in the value chain - Installation of microturbine at coal power plant for energy conservation - Installation of high-efficiency chillers & increasing steam condensate recycling at Berigai
Managing financial impact due to climate change	Implementation of strategies to address risks arising from climate change and any such impact
Mitigating Health, Safety and Environmental risks for employees and near-by communities	- Responsible Care code of practices in place to reduce HSE risks for employees and near-by community - Consistent safety training, audits, and initiatives to enhance safety culture - Implement Process Safety Management Systems across all plants makes the operation very safe



Social Risks

Key Risks/ Opportunities	Our Strategy
Minimising the risks of chemical transportation on society	- Enforce safety protocols to combat the risks associated with transport safety - Installation of GPS for vehicles carrying hazardous chemicals to monitor them - Develop strategic plans to reduce transport incidents and improve chemical transportation safety aspects - Introduce safety initiatives like journey risk management, defensive driving techniques, setting useful life periods for transportation vehicles and providing safety videos for transport crews etc - Member of "Nicer Globe", a responsible care initiative promoted by the Indian Chemical Council on transport distribution safety, emergency response, and transport security
Managing potential/actual negative impacts due to chemical operation in near-by areas	- Environmental surveillance to monitor the air/water and soil in the surrounding areas of operation - Engage with the Ministry of Environment, Forests, and Climate Change for approval of the agency for the environmental surveillance system and to exclude the possibility of "signature presence" of chemicals in operation as raw material/intermediate product/final product to prove the operational integrity of the industrial activity - Implement LDAR system to eliminate the fugitive emissions of targeted chemicals (e.g., Vinyl Chloride) into the environment
Responding to the needs of local communities	- Collect feedback from the local communities to assess their needs for developing CSR programmes - Regular engagement and grievance resolution system to ensure the effectiveness of public relation and mitigate the issues related to people complaints apart from the implementation of our CSR programmes to the communities



ECONOMIC PERFORMANCE

The ultimate goal of conducting our business is to give back to our investors, stakeholders, and society. We take a proactive approach to adapting to evolving market conditions and risks. We invest in new-age technologies for safeguarding sustainability and financial performance. We capitalise on our assets and expansion strategies to create value and maintain a competitive edge in the marketplace. We ensure that sustainability is well integrated into our financial decision-making process.

We have developed our execution capabilities over several decades. This has effectively contributed to our success and turned us into a high-quality business enterprise. The current focus is on prudent investments to expand our business operations and enhance our product portfolio. In FY 2023-24, we have commissioned a new 41 ktpa Specialty Paste PVC facility at Cuddalore.

We are also aware of the risks and opportunities posed by climate change. In the context of physical risks, the financial implications of physical risks and opportunities include potential losses from operational disruptions, increased maintenance costs, and potential savings from efficiency improvements. However, regulatory risks arise from changing climate change regulations, such as carbon pricing or emissions reduction targets. Opportunities include incentives aimed at encouraging the adoption of cleaner technologies and sustainable practices. Inadequate management of regulatory risks may lead to unnecessary compliance costs, whereas opportunities can create competitive advantages through the early adoption of sustainable practices.

GRI 201-2

During the year, our Company has not received any financial assistance from the Government.

GRI 201-4

Financial Highlights	Amount (INR crore)	
	CSL	CCVL
Gross Sales and Other Income	1,697.29	2,486.46
Profit Before Tax (PBT)	(156.17)	(69.24)
Capital Employed	5,170.86	812.06
Direct Economic Value Generated	1,697.29	2,486.46
Economic Value Distributed	2,080.63	3,375.09
Interest and Finance Charges	32.70	147.83
Community Development	4.17	4.82
Contribution to the National Exchequer, through taxes and duties (Taxes Paid to the Government)	348.96	864.03
Personnel Cost (Salaries, wages and amenities to staff)	117.61	52.62
Contribution to Employee Gratuity Fund	1.24	0.56
Total Environmental Expenditure	27.45	4.72
Procurement from Local Markets	41%	11.89%
Purchase of Materials and Services from Suppliers	1,547.23	2,158.03

GRI 201-1

Defined Benefit Plan Obligations and Other Retirement Plans

GRI 201-3

At Chemplast, we adhere to all the government-mandated retirement plans. This applies to all the locations included in this report. We strive to provide them with all the benefits that will make the retirement phase smooth.

Expenditure on Environment

GRI 203-1

In FY 2023-24, both CSL and CCVL incurred INR 32.17 crore to carry out fresh initiatives on the environment front. These initiatives included advancements in research and development, continuous monitoring of the work environment, and the implementation of an Environment Management System (EMS) across all sites. Additionally, we fulfilled statutory requirements and obtained the necessary approvals/certifications.

These funds were also allocated to energy-efficient technologies, renewable energy sources, resource conservation efforts to reduce carbon emissions, water usage, energy consumption, and infrastructure improvement. The infrastructure improvements included enhancing environmental, safety and occupational health standards.

By adopting these proactive measures, we successfully mitigated the negative impacts of our operations, safeguarded the environment, and conserved natural resources.

CSR Expenditure

GRI 203-1

We are dedicated to preserving the social values and cultural heritage of local communities while enhancing their overall development. Throughout FY 2023-24, we actively participated in numerous CSR initiatives. The list of activities is detailed in the CSR section of this report.

Significant Indirect Economic Impacts

GRI 203-2

Indirect economic performance refers to the broader economic impact our operations have on various stakeholders and the economy beyond our immediate business activities. This impact can be considerable, affecting multiple sectors and communities.

Indirect economic performance is measured through various factors and indicators that evaluate our contributions to economic growth, job creation, supplier networks, innovation, and community development.

Following are the reportable performances related to indirect economic performance during FY- 2023-24:

- In Mettur location, 190 students were provided with “On the job Practical Training” to enhance their skill sets through Industry Integrated training Programme (IITP) Earn and Learn scheme.
- Total number of trainees imparted with requisite knowledge to enhance skill sets .

Mettur	Cuddalore	Berigai	Karaikal
49	13	58	43



COMMITMENT TOWARDS CUSTOMERS

MARKETING COMMUNICATION EFFORTS

GRI 417-1

We are committed to product transparency and safety by ensuring our customers are well-informed about our products. It enhances customer trust and strengthens our reputation. All our customers receive a detailed Material Safety Data Sheet (MSDS) with vital information on product handling, storage, transport precautions, emergency response procedures, disposal recommendations, and manufacturer contact details. The PVC product grades produced at the Cuddalore and Mettur facilities undergo rigorous testing to meet REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations and standards.

We ensure all our marketing and labelling communications are reliable, accurate and free from any misleading claims.

With a strong focus on integrity and ethics, we ensure compliance with all relevant laws and regulations.



GRI 417-1

GRI 417-2

GRI 417-3

GRI 206-1

ENHANCING CUSTOMER TRUST THROUGH PRODUCT RESPONSIBILITY

As a responsible manufacturer, we are dedicated to minimising potential health, safety, environmental, and social impacts throughout the entire lifecycle of our products. We rigorously assess and manage any adverse effects associated with our products. We adhere to stringent principles of product responsibility, ensuring our chemicals are safe to manufacture, transport, use, and dispose of.

The prioritisation of health, safety, and environmental considerations is done during the planning of the existing products and the development of new ones. We aim to mitigate risks related to health, safety, security, and the environment at every stage, including design, development, manufacturing, handling, storage, and distribution. This approach ensures our products are

managed in a manner that safeguards the well-being of individuals, communities, and the environment. We continually evaluate and refine our processes to minimise potential negative impacts, consistently promoting the safe and responsible use of our products. Our success is gauged by the satisfaction and experience of our customers. We pride ourselves on delivering high-quality products that consistently meet or exceed customer expectations. Understanding our customers' needs and expectations is paramount, which is why we conduct an annual survey to measure customer service satisfaction. The feedback obtained from these surveys is invaluable, guiding our strategic decisions and initiatives to better serve our customers and deliver the value they seek.

OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS AND RESPONSE

At Chemplast, we place a strong emphasis on responsibly managing our products throughout their entire lifecycle. We are dedicated to creating products that not only meet the highest safety standards but also comply with all relevant regulations and industry guidelines. Each product undergoes extensive testing, thorough assessments, and meticulous quality control to ensure it is safe for our customers, end-users, and the environment.

We regularly conduct comprehensive risk assessments to identify potential hazards. This proactive approach helps us implement effective risk management measures, including safety protocols, labelling requirements, and handling guidelines. By addressing these risks head-on, we ensure the safety of our products throughout their lifecycle.

Our commitment to environmental responsibility is evident in our active participation in product stewardship programmes. These efforts include waste reduction, recycling, and the use of sustainable packaging, all aimed at minimising the environmental impact of our products.

In addition to focussing on product safety, we run rural health centres in various locations and work closely with communities and transport crews to address and mitigate occupational health and safety risks. Through these programmes, we aim to ensure the well-being and safety of

everyone involved, both within our organisation and in the surrounding areas.

We have implemented preventive and mitigation measures through initiatives like Hazard Identification & Risk Assessment (HIRA) and Hazard and Operability Study (HAZOP). All operational and work-related risks are managed using well-defined corporate guidelines. We systematically assess work-related hazards and opportunities for improvement. Similarly, plant and operational risks are managed through process hazard analysis tools like HAZOP, Quantitative Risk Assessment (QRA), Hazardous Area Classification (HAC), and Lighting Protection Studies (LPS). Routine and non-routine risks are evaluated with a 5 X 5 Risk Assessment Matrix, while critical non-routine task risks are assessed through Job Safety Analysis and Task-based Safety Risk Assessment. We regularly conduct mock drills to enhance our emergency preparedness across all sites. Additionally, we perform environmental surveillance studies to analyse air, water, and soil samples near our plants, ensuring we minimise any negative chemical impacts. These proactive measures have enabled us to establish a safe and secure working environment for all our employees and the surrounding communities.

CUSTOMER SATISFACTION SURVEY

At Chemplast, success is gauged by the satisfaction and experience of our customers. We take pride in delivering a portfolio of high-quality products that consistently meet our customers' expectations. We understand our customers' needs and expectations by conducting an annual survey to measure customer service satisfaction. Their valuable feedback is crucial in shaping our strategies and initiatives to serve them. A customer satisfaction survey was held in FY 2023-24, where we received responses from 103 participants for PVC products, of which 78% were totally satisfied. For Caustic Soda, we received responses from 67 participants, of which 79% were totally satisfied. For Solvent products, we received responses from 6 participants, of which 83% were satisfied. Additionally, for CMCD products, 100% of participants were satisfied. The survey consisted of a diverse range of customers from various sectors, such as PVC, Refrigerant Gas, Chloromethanes, Hydrogen Peroxide and Caustic Soda. By actively seeking and listening to our customers' voices, we strive to continuously improve our products and services, fostering long-term relationships and customer loyalty.



COMMITMENT TOWARDS ENVIRONMENT AND ECOSYSTEM

At Chemplast, we recognise that protecting ecosystems is crucial not just because of the changing regulatory environment but for maintaining and protecting the biodiversity and stability of our planet. Industries and companies can play an active role in addressing environmental concerns by working on and adapting sustainable practices. We understand our role in contributing to a sustainable future for the coming generations. We strive to contribute towards it by monitoring, improving and strategically aligning our processes for the good of the planet.



EMISSIONS MANAGEMENT

GRI 305-1

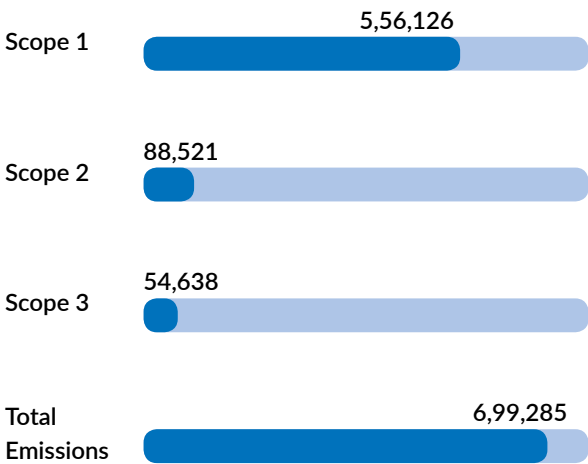
GRI 305-2

GRI 305-3

At Chemplast, we are vigilant of the impact that our emissions can have on the environment. These emissions result from our processes, energy sources, transportation and other operational activities. We are committed to lowering greenhouse gas emissions and contributing to global efforts to combat climate change. To achieve this, we also prioritise responsible sourcing and resource utilisation. We have a comprehensive accounting approach for computing GHG emissions.

Additionally, we assess the air pollutants generated from our operations. Air quality standards are maintained within our premises and our facilities. All the local and national regulations are followed, and emissions are well-monitored to remain below the limits prescribed by the regulators.

Absolute GHG Emissions for FY 2023-24 (tCO₂e)



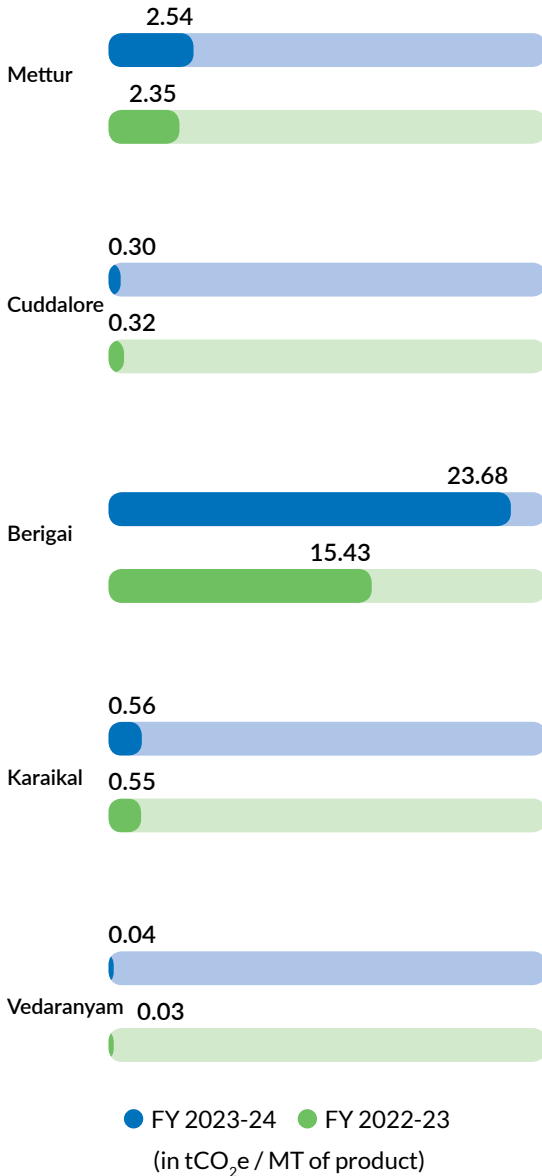
During the reporting period, the Company's emissions were reduced by 8,885 tCO₂e.



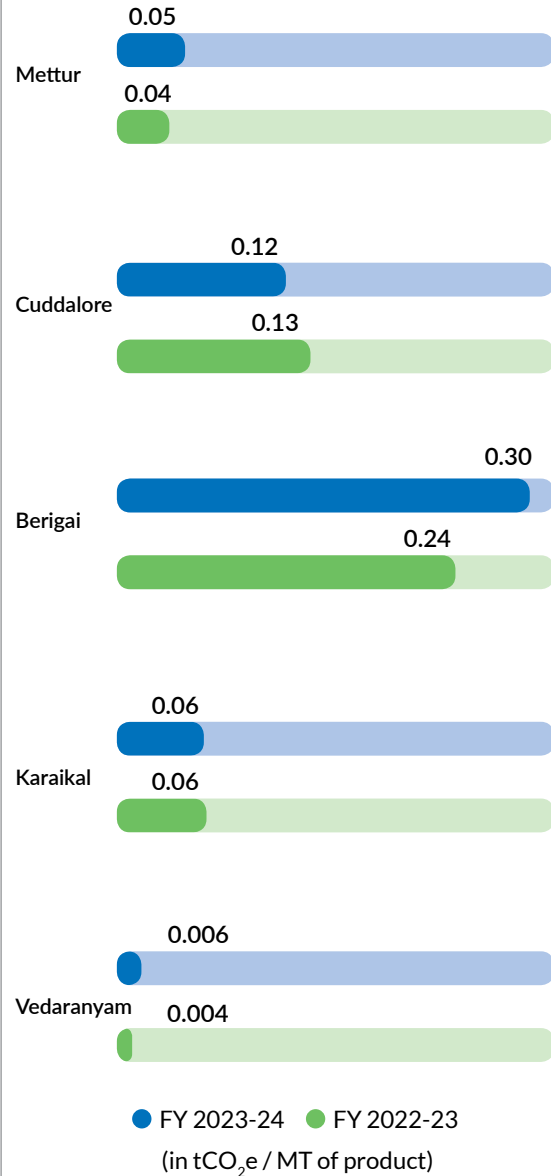
GHG EMISSIONS INTENSITY

GRI 305-4

GHG Emissions Intensity by Plant (Scope 1 & 2)



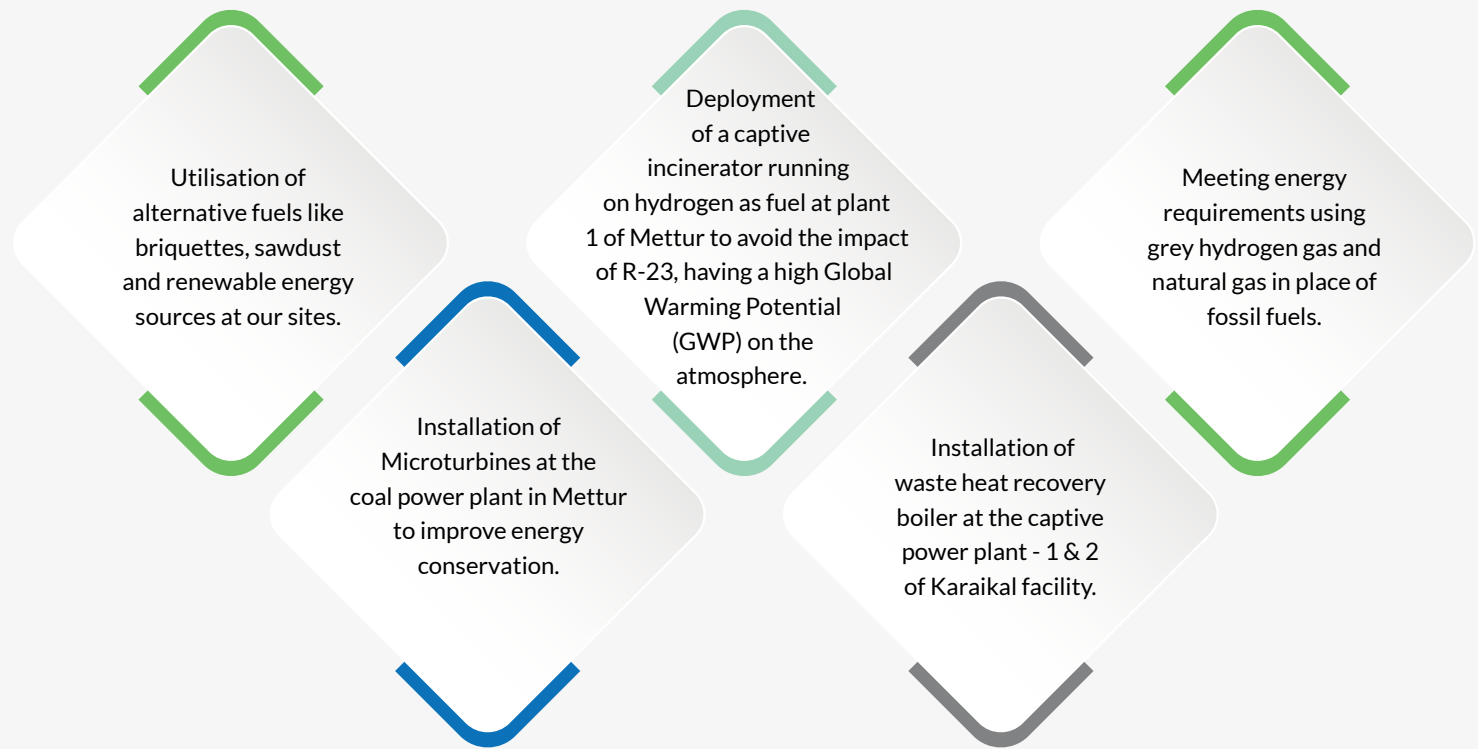
GHG Emissions Intensity by Plant (Scope 3)



At Chemplast, we track our progress by measuring and monitoring the GHG emission intensity. Emission intensity refers to emissions produced per unit of the material output. (This excludes biogenic emissions). Continual monitoring of the emissions intensity is done to ensure a constant performance threshold. The usage of briquettes at Mettur and sawdust at Cuddalore plants respectively contribute to direct GHG emissions (Scope 1) in the form of biogenic emissions, amounting to 9,728.40 tCO₂e and 1,761.59 tCO₂e, respectively.

GRI 305-1

MEASURES TAKEN TO REDUCE EMISSIONS



OZONE DEPLETING SUBSTANCES

GRI 305-6

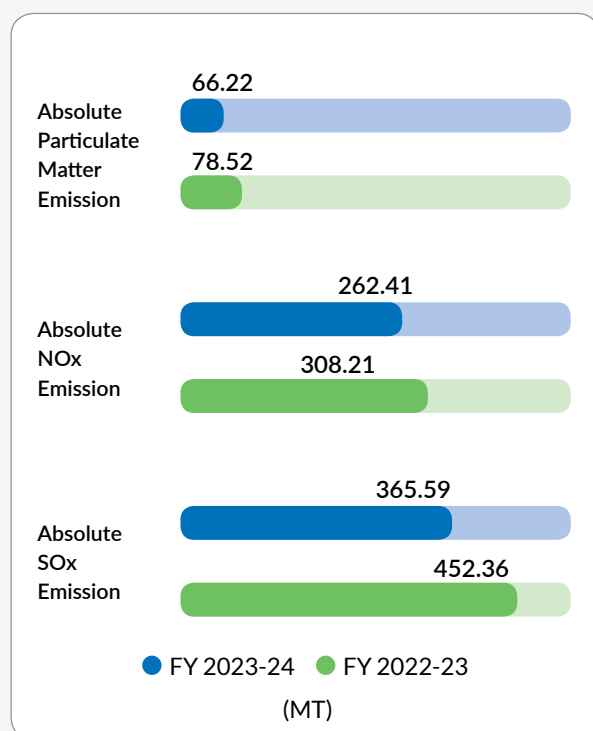
The total ODP potential of the refrigerant gases R-22 (3.719 MT), R-404 (0.15 MT), and R-134A (0.438 MT) used by our Company during FY 2023-24 amounts to 0.205 MT of CFC-11 equivalent.

Air Emissions

GRI 305-7

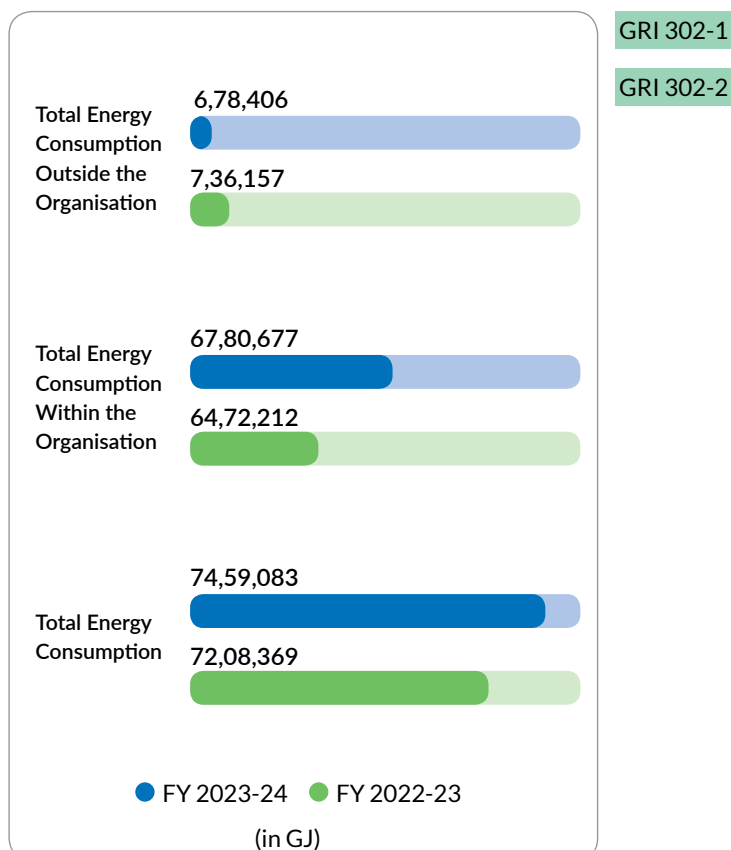
At Chemplast, we have a well-established system comprising advanced technologies to oversee, control and mitigate air emissions like Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x), and Particulate Matter (PM). This is crucial to maintaining air quality in nearby areas and communities. We also collaborate with regulators and industry peers to evaluate our performance and upgrade the practices followed. At our facilities, we do not have any sources of Hazardous Air Pollutants (HAP) and Persistent Organic Pollutants (POP) emissions. To mitigate fugitive emissions of Volatile Organic Compounds (VOCs) from process equipment such as flanges and connectors, a Leak Detection and Repair (LDAR) programme has been carried out through an external agency. As a result, there is no significant presence of VOC, and hence, it has not been tracked.

A Continuous Emission Monitoring System (CEMS) at Mettur and Cuddalore facilities have been employed for continual monitoring of SPM, SO_x, NO_x, etc. This system is connected to the Care Air Centre of the State Pollution Control Board.



ENERGY MANAGEMENT

At Chemplast, our energy management measures are aimed at enhancing operational efficiency, contributing to cost savings, and reducing unwanted impacts from our activities on the environment. We utilise biofuel for heating, retrofitting existing machinery and capturing and recycling energy; we have ensured our energy footprint is under control.



ENERGY SAVING INITIATIVES

Particulars	Reduction in Energy Consumption per Annum	GRI 302-4
Change of soft starter pump to VFD (Mettur Plant 2)	0.39 Lakhs kWh	
Power savings due to installation of VFD for auto transformer starter in ZLD (Mettur Plant 2)	0.27 Lakhs kWh	
VFD provided for counter-current pump motor (30 KW/40 HP) (working solution pumping operation in hydrogen peroxide plant)	1.06 Lakhs kWh	
Installation of five IE3 motors in hydrogen peroxide plant	0.23 Lakhs kWh	
Total savings	1.95 Lakhs kWh	

CASE STUDY

Utilising Bio-Briquette in Coal-Based Power Plant

In Mettur, we utilise bio-briquette and coal for boilers 1 and 2 in coal-based power plant. This initiative started in January, 2023. The introduction of bio-briquettes, sawdust and biomass is aimed at reduction of GHG emissions. Bio-briquettes are considered to be carbon neutral because of their balanced carbon-neutral cycle.

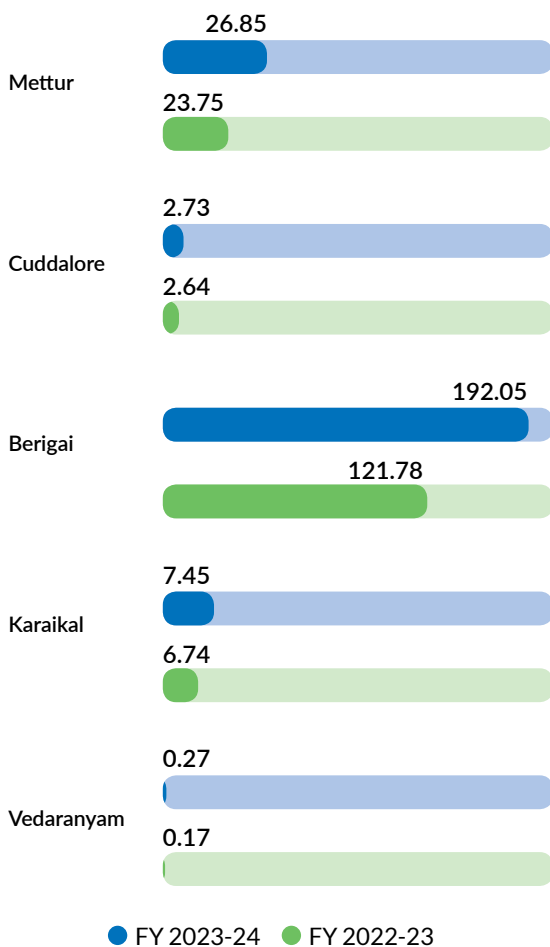
BENEFITS

- Reduction in environmental pollution
- Bio-briquettes are cost-effective in comparison to coal, leading to cost savings
- Bio-briquettes are sustainable substitutes for fulfilling plant energy requirements

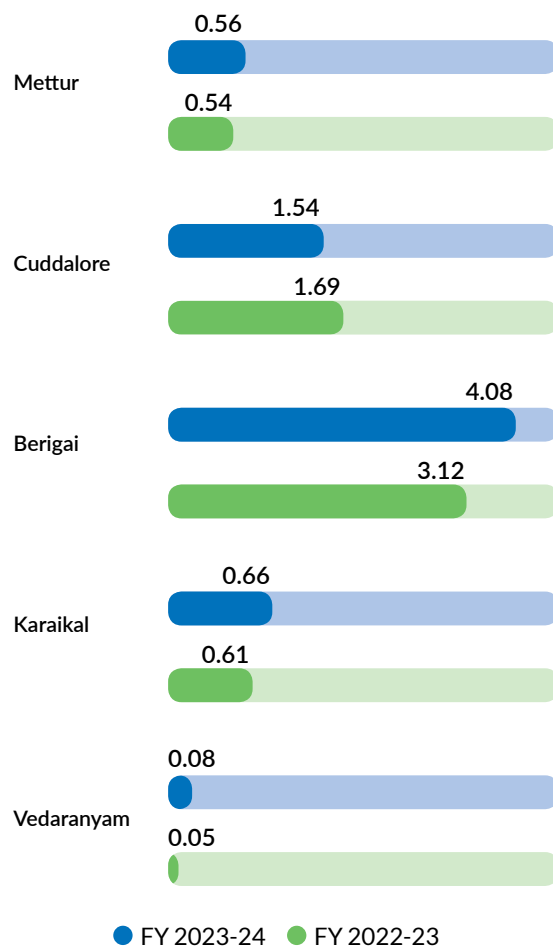
ENERGY INTENSITY

GRI 302-3

Intensity Ratio for Energy Consumption within the Organisation (in GJ/MT)



Intensity Ratio for Energy Consumption Outside the Organisation (in GJ/MT)



KEY ENERGY CONSERVATION MEASURES

GRI 302-4

Initiative Taken	Location	Energy Savings (GJ)	Emission Reduction (tCO ₂ e)
Retrofitting of electrical equipment	Karaikal	892	177
Energy reduction-fuel (waste heat recovery-based steam generation in CPP I)	Karaikal	94,946	18,884
Energy reduction-fuel (waste heat recovery-based steam generation in CPP II)	Karaikal	46,421	9,233
Energy reduction-fuel (usage of hydrogen in caustic flaker unit)	Karaikal	39,299	7,816
Online meetings (Microsoft Teams/Google Meet)	Cuddalore	50	10
Energy savings due to staff commute through vehicle pooling	Cuddalore	257	51
Energy saving due to the implementation of heat transfer from centrate water to DM water	Cuddalore	13980	2,780
Implementation of battery operated fork lift instead of diesel operated fork lift	Cuddalore	759	151
Energy savings due to the Implementation of energy recovery turbine at desalination plant	Cuddalore	3,72,474	74,081
RO reject water used in Plant-3	Mettur Plant 2	275	55
Pretreated water used HCL absorber	Mettur Plant 2	841	167
Replacement of 40 watts conventional tube lights with 20 watts LED Lamps (thirty units)	Mettur Plant 2	7	1
P-09A filter feed pump motor VFD installation	Mettur Plant 2	40	8
PU 16x steam condensate pump motor VFD installation	Mettur Plant 2	6	1
Replacement of IE2 to IE3 motors (five units)	Mettur Plant 4	55	11
Installation of VFD in AO-1 counter current pumps	Mettur Plant 4	173	34
Total reduction in energy consumption (GJ) / emission reduction (tCO ₂ e)		5,70,475	1,13,460

CASE STUDY

Implementation of Energy Recovery Turbine at Desalination Plant

During the reporting period, we decided to implement an Energy Recovery Turbine (ERT) in our seawater reverse osmosis (SWRO) desalination plant at Chemplast Cuddalore Vinyls Limited (CCVL). The primary objective of this initiative was to reduce the energy consumed by the desalination plant as well as support the long-term sustainability of our water supply infrastructure.

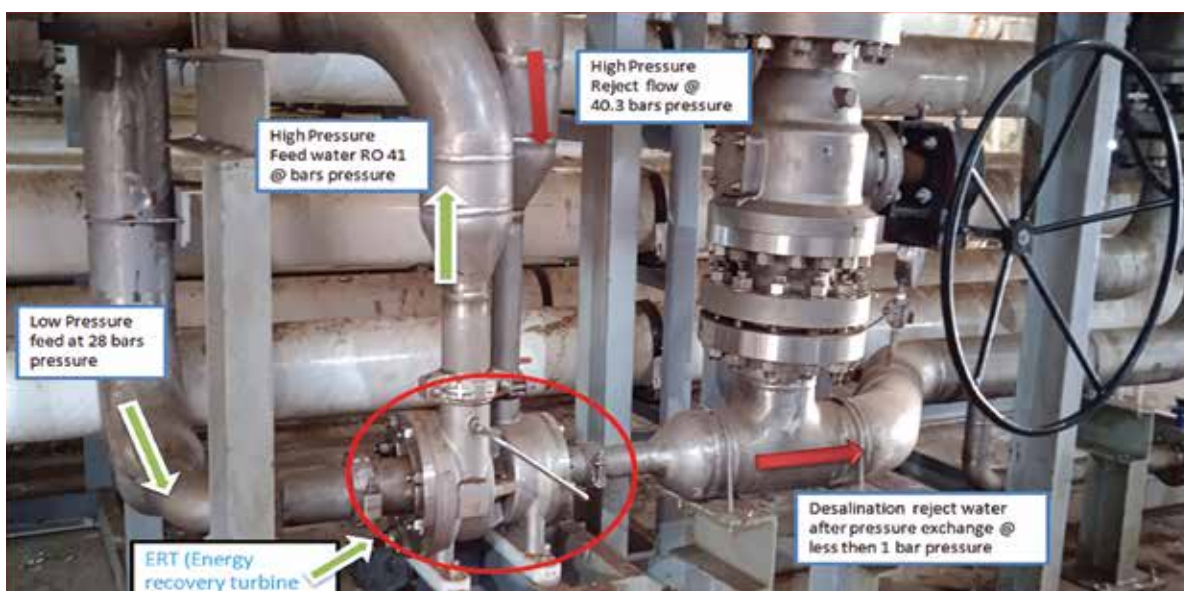
Since high-pressure pumps were used to push seawater through semi-permeable membranes, the SWRO desalination plant was consuming 3.0 KWh of electricity per cubic metre of produced water. Thus, to reduce the heavy load on the high-pressure pumps, our aim was to capture the pressure energy from the reject brine and shift it to the incoming seawater. To accomplish this task, we used the Pressure Exchanger.

We selected the Pressure Exchanger system for two reasons: firstly, because it was highly efficient, and secondly, it could be integrated into our existing infrastructure quickly and conveniently. To ensure

this project attains success, we installed the ERT devices in the brine stream and linked them with the incoming seawater feed line. For efficient maintenance of the new system and to ensure that it was running at a hundred percent efficiency, plant operators were provided rigorous training, control systems such as SCADA were integrated to ensure seamless operations and monitoring systems were installed at strategic locations to make sure the system was performing at maximum capacity.

Thanks to our dedicated staff and due to the implementation of efficient technology, we got excellent results. Statistics revealed that our energy consumption decreased from 2.4 kWh/m³ to 1.7 kWh/m³, an impressive reduction of 30%.

Such humongous energy conservation allowed us to achieve multifold benefits. Firstly, it helped us to lower our carbon footprint. Secondly, it reduced our operational costs as our energy consumption fell by 30%.



CASE STUDY

Implementing Battery-Operated Forklifts at CCVL

We initiated an ambitious energy-saving initiative at Chemplast Cuddalore Vinyls Limited (CCVL) by implementing battery-operated forklifts to be used for three distinctive purposes: loading PVC resins, unloading PVC resins, and material movement. Prior to this, we used thirteen forklifts in the warehouse and production areas that were run on diesel. Six of these were replaced with battery-operated forklifts for two specific reasons: firstly, to bring down our energy consumption and secondly, to reduce our carbon footprint, positioning ourselves as the leader in sustainable practices within the PVC resins manufacturing industry.

This initiative was carried out in multiple stages. We started off by conducting a detailed analysis of

our energy requirements and diesel consumption, followed by identifying the diesel-operated forklifts that were fit to be replaced. Then, we developed a charging station to ensure we had the required infrastructure in place for a smooth transition. We also conducted several training workshops to upskill our workforce to make sure they were well-versed with battery-operated forklifts.

Through this battery-operated forklift initiative, we have not only reduced our operation costs and improved workplace air quality but also built our reputation as an environmentally responsible Company.



We are glad to share that the impact of this project has been tremendous, especially from an ESG perspective.

Each battery-operated forklift saved about 126.54 GJ, totalling an impressive 759 GJ. Moreover, battery-operated forklifts emitted only 27.5 tCO₂e as compared to 66.7 tCO₂e (by six diesel-operated forklifts), reducing emissions by 39.2 tCO₂e.

CASE STUDY

Innovation in Chemistry

At Custom Manufactured Chemicals Divn (CMCD), we provide solutions to customers through innovative chemistry and practices. We develop or modify existing processes to be more sustainable by reducing waste generation or improving efficiency. We constantly look for innovative chemistry solutions to reduce our carbon footprint. For example, in one of the products for which the tech pack was provided by the customer, we had improvised to reduce the carbon footprint by reducing the waste generated. The techpack uses a dilute solution

of the reactant in a solvent. The reaction also generates the solvent as a by-product, and as a result, the process generates about 3kg of solvent per kg of the product produced, which will have to be incinerated. We looked at the use of solid reactants directly in the process and used the solvent generated to make a solution. This required changes in the process and the procedure adopted, which were incorporated, thereby saving 3kg/kg of solvent generation, which would have resulted in 6kg of CO₂/kg of product is completely avoided.

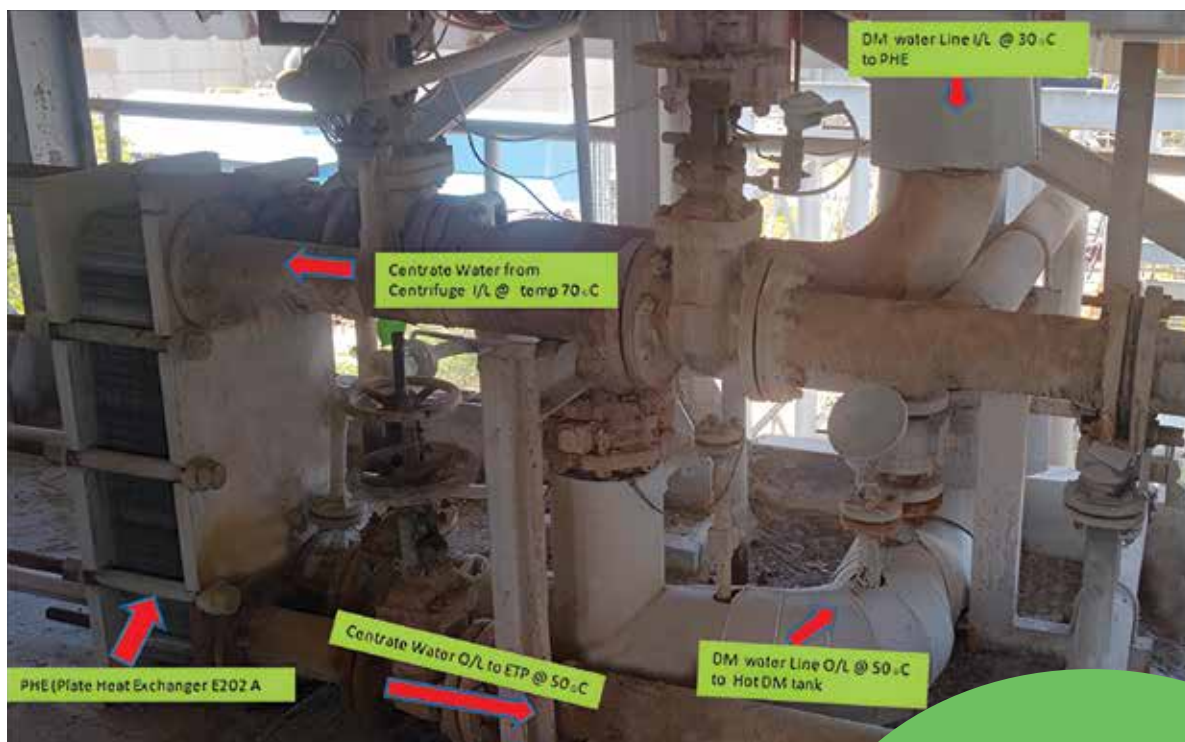
CASE STUDY

Energy Conservation Initiative by Implementing a Heat Recovery System from Centrate Water to DM Water

We embarked on an energy conservation initiative at Chemplast Cuddalore Vinyls Limited (CCVL). This initiative focussed on implementing a heat recovery system from centrate water to demineralised (DM) water. The main objective of this initiative was to extract residual heat from process-centrate water and use this heat to preheat DM water, which could save enormous energy and improve the efficiency of our heating processes for PVC resin manufacturing.

Since the heat harnessed from this process would decrease the requirement of additional heating of DM water, it would eventually allow us to accomplish three goals: reducing our greenhouse gas emissions by cutting our fuel consumption, increasing our reliance on available natural resources, and increasing the lifespan of boiler units by decreasing the load on primary heating systems.

We created a foolproof blueprint to ensure the success of this initiative. The first stage consisted of a technical evaluation, which revealed that the centrate water can pass through a Plate Heat Exchanger (PHE - E202) by gravity from the PVC slurry centrifuge boiling at a temperature of approximately 70 degrees Celsius. This process raised the temperature of the centrate water, which was then channelled through the equalisation tank to the Zero Liquid Discharge (ZLD) facility. Over here, the temperature of the DM water went down to 50 degrees Celsius. Subsequently, the temperature of the DM water was risen to 93 degrees Celsius using steam. Finally, this hot DM water was used to charge the reactor, allowing us to save around 1 MT/hr of steam.



The initiative resulted in significant environmental benefits, including saving 13,980 GJ of energy and reducing our emissions by 1,347 tCO₂e.

CHEMICAL STEWARDSHIP

GRI 306-2

Significant Spills

We realise the adverse effect on the environment posed by spillages of hazardous materials like chemicals. They are highly detrimental to public health and the environment. We also have well-defined stringent processes to avoid such instances.

This year, our Company did not have any instances of chemical spillage.

CASE STUDY

Implementation of Nano Filter-Based Sulphate Recovery System in Electrolyser Operations at Plant-3, Mettur

We have three electrolyzers at plant-3 at Mettur that produce Caustic soda, Chlorine, and Hydrogen. The raw material used in the manufacturing process is salt, which contains various impurities such as Calcium, Magnesium, and Sulphate. These impurities significantly harm the anodes, cathodes, and membranes, which are critical components of the electrolyser.

To protect these vital components, the impurities need to be removed using chemical treatment processes utilising chemicals such as Soda ash,

Caustic Lye, and Barium Chloride in the brine treatment section. After this treatment, the brine solution should be fed into the electrolyser.

We were using 3.5 to 4.0 MT barium chloride per day for the treatment. Hence, we introduced a membrane process i.e. nano filtration-based sulphate recovery system since August, 2023. The objective was to reduce the generation of brine sludge, consumption of barium chloride and disposal cost to the common TSDF.



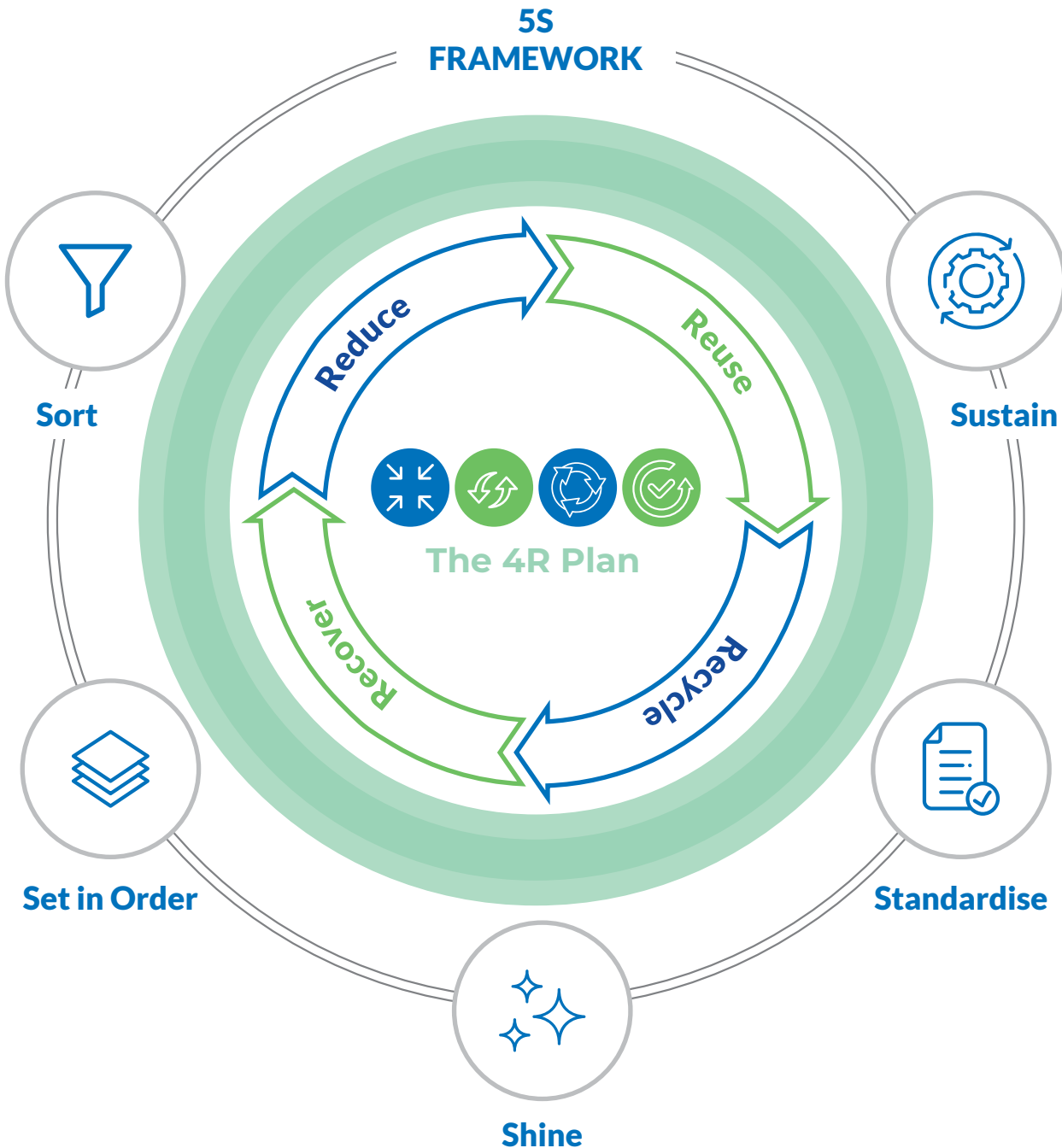
IMPACT OF THE INITIATIVE

- Sludge generation reduced approximately by 19 Kg/MT of Caustic soda
- Chemical consumption reduction (of brine sludge) was 649 MT for the reporting period
- Quantity of HW reduction for FY 2023-24: 727 MT (on a dry basis) sludge
- The anhydrous sodium sulphate recovered from this process was sold in the market. The quantity of Sodium Sulphate produced for the year is 354.65 MT
- Reduction in transportation costs during disposal to common TSDF
- Enhanced membrane efficiency and increased lifespan of electrodes

WASTE MANAGEMENT

GRI 306-1

GRI 306-2



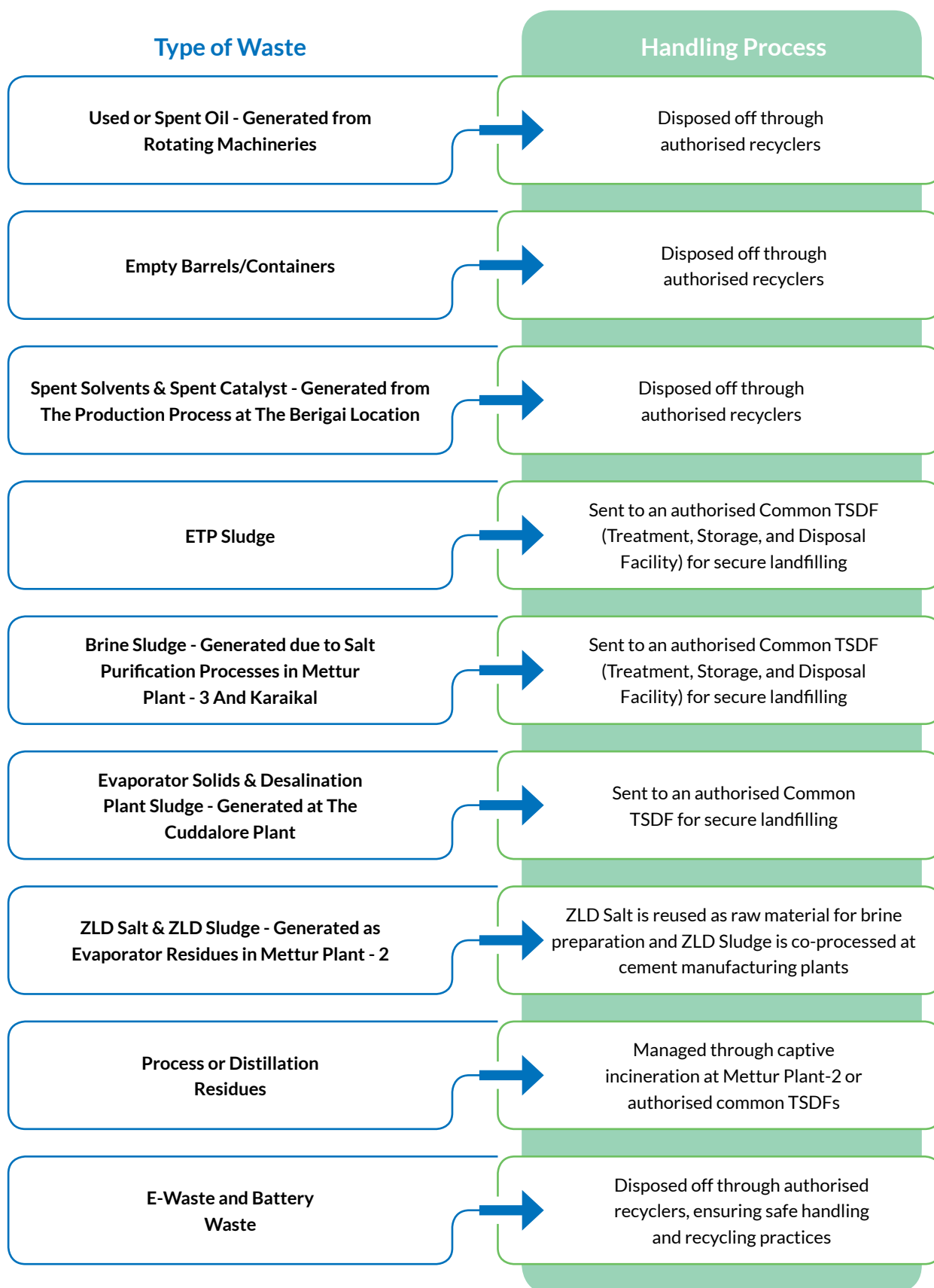
At Chemplast, waste is properly managed and monitored. Through our 5S framework, we ensure the safe handling and management of waste. Our 5S framework helps us follow the 4R (Reducing, Reusing, Recycling, and Recovering) philosophy based on operating procedures. We have a dedicated team for systematic identification and analysis of potential risks of waste generation. The team comprises store staff, functional Head of Departments, 5S trainers and plant heads. Furthermore, the strategies are developed with a focus on waste mitigation while prioritising safety standards, compliance and operational effectiveness. We prioritise responsible waste management practices, including recycling and sale of raw materials for co-processing in other industries.

We also have well-defined approaches to managing hazardous and non-hazardous waste.

DISPOSAL OF HAZARDOUS WASTE

GRI 306-1

GRI 306-2

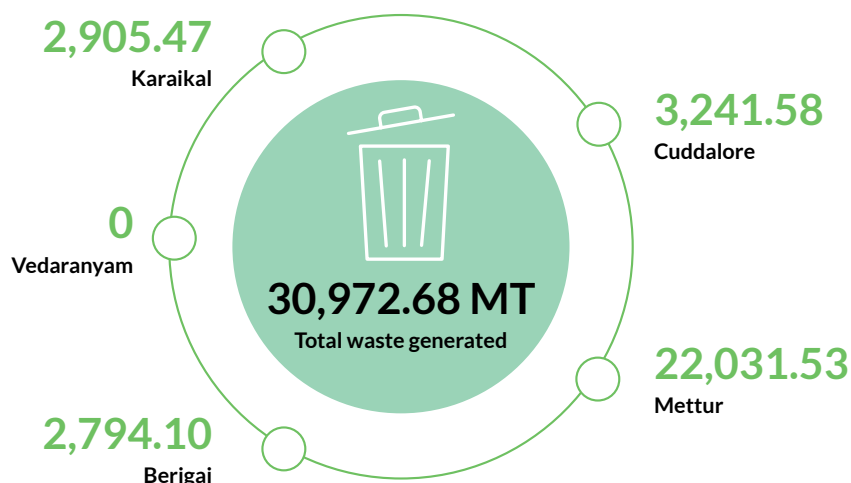


DISPOSAL OF NON-HAZARDOUS WASTE

Non-hazardous waste like fly ash and bottom ash is sold to brick manufacturers for reuse. Wastes like metal and wood wastes generated during our operations and maintenance are sold to recyclers.

DETAILS OF TOTAL WASTE GENERATED & DISPOSED

Total Waste Generated (in MT)



GRI 306-3

Total Waste Disposed (in MT)

GRI 306-5

Location	Waste Directed to Disposal (in MT)
Incineration	
Karaikal	0.53
Vedaranyam	-
Berigai	0.06
Cuddalore	0.02
Mettur	1,603.78
Total	1,604.39
Landfilling	
Karaikal	2,091.80
Vedaranyam	-
Berigai	2,485.25
Cuddalore	1,115.31
Mettur	2,337.90
Total	8,030.27
Total Waste Disposed (Incineration+Landfilling)	9,634.66

GRI 306-4

Location	Waste Directed from Disposal (in MT)
Via Recycling	
Karaikal	156.68
Vedaranyam	-
Berigai	269.99
Cuddalore	6.7
Mettur	69.86
Total	503.23
Via Reusing	
Karaikal	-
Vedaranyam	-
Berigai	0.08
Cuddalore	2,121.23
Mettur	17,918.15
Total	20,039.46
Total Waste Disposed (Recycling & Reusing)	20,542.69

AUDIT AND COMPLIANCE PROCESS

We conduct regular audits of the sites operated by authorised vendors responsible for our waste management. Such audits are crucial for ensuring the integrity of waste management operations and compliance with legal requirements. The responsibility for waste collection, disposal and regulatory filings lies with the environmental department of all facilities.

At Chemplast, the waste management process is done in adherence to the guidelines specified in the Plastic Waste Management Rules established by the Central

Pollution Control Board (CPCB). We are also registered with the Extended Producers Responsibility (EPR) portal of CPCB. Moreover, there are well-defined procedures for the disposal of recyclable waste, including e-waste, hazardous waste, and other materials, through the State Pollution Control Board (SPCB) and authorised agencies. Plants that are registered under the EPR portal of CPCB are required to comply with the Plastic Waste Management Rules of 2016 and its subsequent amendments, both as 'Brand Owner' and 'Importer'.

SUPPLY CHAIN SUSTAINABILITY

At Chemplast, procurement processes and supplier relationships are built on transparent and accountable approaches. Supply chain evaluation and assessment is a regular practice at our Company for ensuring quality and safety apart from the compliance towards environmental and social aspects. The assessment provides the opportunity to build a risk mitigation strategy to minimise the negative impacts on businesses, environment and society.

We have longstanding relationships with our suppliers, which makes our supply chain resilient and robust. We diversify our sourcing, monitor supplier performance, collaborate with industry peers and invest in efficient technology to ensure smooth operations in the supply chain. Awareness programmes are conducted to make our suppliers aware of responsible and sustainable sourcing. Regular communication with major suppliers keeps them updated with current changes in supply chain practices. During the onboarding process we also assess our supply chain partners for environmental, social, and legal compliance aspects. We keep identifying potential risks and relevant actions for compliance pertaining to sustainability goals.

To ensure responsible and ethical sourcing, we formulate corrective action plans and design capacity-building programmes to foster a resilient supply chain. We diligently follow a structured approach for responsible sourcing and regularly engage with our suppliers to review the environmental and social impact of their operations through a standard questionnaire. The engagement process helps in the identification and mitigation of all procurement-related risks. Our strategy is to identify loopholes related to sustainability. It also facilitates the redressal of key challenges our suppliers face during operational and procurement processes. We keep devising corrective plans and capacity building for vendors to enable adherence to best practices in supply chain management.

We also support them in developing mitigation plans for the risks identified to ensure business continuity and sustainability in the supply chain. They are encouraged to embed sustainable practices in their operations and align themselves with EHS standards.

We collaborate with them on various initiatives. Regular connection with them through personal interactions, periodic discussions, and visits to their facilities are a crucial part of our strategy.

GRI 308-1

GRI 308-2

Details of Supply Chain Management Assessments

GRI 414-1

GRI 414-2

Particulars	Karaikal	Berigai	Mettur	Cuddalore
New suppliers that were screened using social criteria	100%	100%	100%	100%
Supply Chain Assessment for FY 2023-24			Number of Suppliers	
Supply chain responses received from vendor				87
New supplier responses				6
Suppliers evaluated for environmental & social parameters				87
Suppliers adhering to ISO 14001				39
Suppliers adhering to ISO 45001, ISO 9001			59 (ISO 9001) and 37 (ISO 45001)	
Suppliers who were re-contacted for non-compliance or for improvement				19
Suppliers disengaged from material supply /services				-
Suppliers evaluated at the site				3

MANAGEMENT OF WATER SOURCES

GRI 303-1

Water scarcity and freshwater resource management is a pressing concern for all of us. It is important for sustaining the availability of water resources for future generations. Hence, it becomes imperative to plan, develop, distribute and utilise water resources effectively. We also utilise stringent measures and efficient techniques for treating effluents to curb water pollution. We are dedicated to ensuring that our

operations have minimal impacts on water resources and the environment.

Chemplast, has upheld Zero Liquid Discharge (ZLD) status across the plants for many years. The focus now is on responsible usage of water and potable water conservation.

Details of Water Management

Water Withdrawal

GRI 303-3

Particulars	Volume (in KL)					
	Karaikal	Vedaranyam	Berigai	Cuddalore	Mettur	Total
Surface water	36,493	-	-	-	27,90,430	28,26,923
Groundwater	2,03,579	-	68,792	-	-	2,72,371
Seawater	4,52,661	99,10,400	-	18,63,208	-	1,22,26,269
Total	6,92,733	99,10,400	68,792	18,63,208	27,90,430	1,53,25,563

153.26 Lakhs KL

Total water withdrawal

Water Consumption

GRI 303-5

Location	Water Consumption (in KL)
Karaikal	4,16,711
Vedaranyam	99,10,400
Berigai	68,792
Cuddalore	6,44,492
Mettur	14,25,626
Total	1,24,66,021

Note:

None of the facilities within the reporting boundary of this report falls within a water stress region.

Water Discharge

GRI 303-4

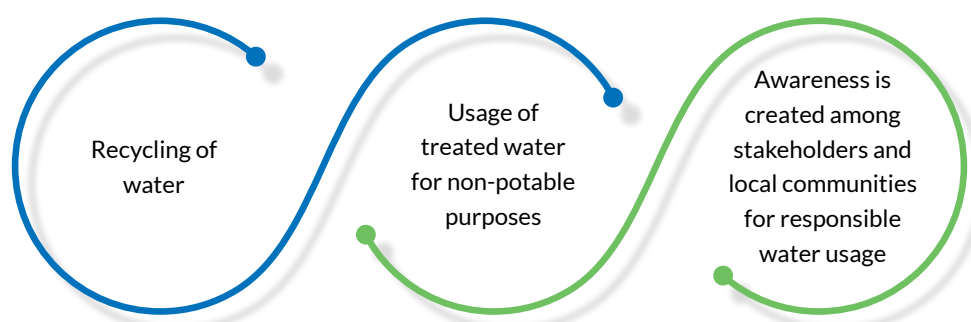
Location	Water Discharged (in KL)
Karaikal	4,15,048
Vedaranyam	-
Berigai	-
Cuddalore	11,40,162
Mettur	-
Total	15,55,210

Note:

In Karaikal apart from seawater (452,661 KL), PASIC water (127,921 KL), recycled water (11,105 KL), and rainwater (36,493 KL), a total of 628,180 KL is also processed through the desalination system.

Our locations at Cuddalore and Karaikal have seawater-based desalination plants. Water that remains unutilised for operations, known as 'Rejects', gets released back into the sea. In FY 2023-24, the desalination rejected water amounted to 4,15,048 KL and 11,40,162 KL from the Karaikal and Cuddalore plants, respectively. Additionally, 1,05,327 KL of treated sewage water was reused in our Company's greenbelt.

Water Conservation Measures



GRI 303-2

All our facilities are strategically located away from biodiversity significance and concerns. We do not have any chemical manufacturing facilities within the water-stressed regions in India.

Zero Liquid Discharge Practices

GRI 303-4

Since 2009, we have sustained Zero Liquid Discharge (ZLD) at all our factories by utilising in-house treated water for recycling and reuse. We do not discharge any wastewater in the environment. Desalination units and Zero Liquid Discharge systems in coastal areas have helped us achieve exceptional water management standards. The Zero Liquid Discharge status is being continuously monitored by the State and Central Pollution Control Board. IP-enabled night vision cameras have been installed for 24x7 monitoring and capturing real-time water flow data. The ZLD system metre data is transmitted to the water quality watch centres of TNPCB. Industrial and treated sewage water is utilised to develop green belts for irrigation purposes.

CASE STUDY

On Purpose Adiabatic Cooling Towers

Custom Manufactured Chemicals Divn (CMCD), Berigai relies on underground water for its operation. Given the scale of our operation, the water lost in the cooling tower by way of evaporation is substantial. For our scale of operations, nearly 60 to 65% of the total freshwater used is for cooling the tower to make up for the evaporation loss. On the other hand, Berigai, at an elevation of about 850 m from sea level, has a pleasant ambient temperature throughout the year, and only in summer does the peak temperature reach about 36 degrees C. Harnessing this weather at Berigai and to meet our commitment to sustainable operations, we have incorporated the concept of an 'On Purpose' Adiabatic cooling tower into the design of the production block to save water lost through cooling towers.

Adiabatic coolers use wetted pads to pre-cool the ambient air before entering the tower. This pre-cooled air is then employed to cool process water or other refrigerants. The result is a lower temperature than the ambient dry bulb temperature. The cooling water operates within a closed circuit, ensuring better water quality maintenance than conventional systems.

The adiabatic cooling is 'on purpose' when the cold well temperature goes above 32 Degrees C; when it is below 32 Degrees C, the cooling tower becomes air-cooled automatically.

Given that the prevailing ambient temperature remains around 30°C for most of the year, the towers can function effectively as simple air-cooled exchangers.



Only when the circulating water temperature is above 32 degrees C will water be used on the pads, thereby meeting the temperature requirement and also reducing the water consumption.

This innovative approach resulted in up to 75% water savings compared to conventional cooling towers." Although the cost of these cooling towers is nearly 8-9 times that of conventional cooling towers, they were installed for the sole purpose of reducing the water footprint.

RESPONSIBLE MATERIAL CONSUMPTION

GRI 301-1

The chemical industry is material intensive. We prioritise practices for responsible sourcing and employ an optimal resource utilisation strategy for maintaining the highest quality of raw materials. Moreover, our customers are encouraged to take charge of packaging materials at the end of product life because of the intricacies associated with packaging in the chemical industry.

Materials Used by Weight (in MT)

Raw Materials	Karaikal	Vedaranyam	Berigai	Cuddalore	Mettur	Total
Ethylene	21,602	-	-	-	-	21,602
Salt (from sea)	64,309	-	-	-	86,458	1,50,766
Methanol	-	-	465	-	10,482	10,947
Potassium Methoxide 32 % - Com	-	-	485	-	-	485
D-Serine	-	-	193	-	-	193
Sodium Cyanide	-	-	267	-	-	267
Vanillin	-	-	649	-	-	649
VCM	-	-	-	3,22,138	-	3,22,138
Anhydrous HF	-	-	-	-	145	145
EDC-Ethylene Di Chloride	-	-	-	-	1,18,150	1,18,150

Safety Protocols during Transportation of Hazardous Chemicals / Products

Measures	Description
Chemical Transport Safety Film for Truck Crews	Awareness related to safety practices is raised among truck crews (involved in transportation) through educational videos.
HAZCHEM Label	Vehicles comply with motor vehicle rules by displaying HAZCHEM labels as per regulatory requirements.
Periodic Safety Check	- Drivers undergo alcohol breath analyser tests - Vehicles exceeding a 15-year threshold are not eligible for transporting hazardous materials.
Pollution Check Certificate	Vehicles have active emission certificates, and drivers require endorsements for the transportation of hazardous materials.
Material Safety Data Sheet (MSDS)	Suppliers are made to furnish Material Safety Data Sheets (MSDS) for hazardous goods supplied, detailing comprehensive information about environmental and safety ramifications with the materials provided.
Safeguarding Valves	Trucks have sturdy metallic frames installed to protect non-metallic valves and to withhold impact during collisions.
Periodic Training	Drivers receive periodic training for handling emergencies and mitigating risks during transportation.
ISO 14000 and ISO 45000 Certification	Suppliers are urged to acquire ISO 14000 and ISO 45000 certifications for rigorous compliance pertaining to environmental and occupational health benchmarks.
Safety Review with Truck Crews	Periodic evaluations are conducted with truck crews every quarter to check upon safety considerations for chemical transportation. This alleviates transportation risks. A designated transport safety officer also oversees transportation practices and regulatory adherence.
Rubber Lining Certification	Vehicles transporting acids undergo quarterly certification by pre-qualified agencies to verify the integrity of rubber linings and mitigate the risk of failure. Thorough inspections and cleaning of all tankers are done to decrease the probability of rubber lining failure arising from high temperatures resulting from exothermic reactions between incompatible materials.
GPS Tracking	Vehicles utilised for transportation are equipped with GPS systems for real-time monitoring and communication.

Details of Recycled Input Materials

GRI 301-2

At Chemplast, we prioritise responsible sourcing of materials. Our 'Optimal Resource Utilisation' strategy helps us to maintain the quality of raw materials during transportation and minimise waste. We also encourage our customers to handle packaging materials at their end, acknowledging the challenges in reclaiming these materials in the chemical business.

We integrate sustainability into our production processes. For instance, we recycle process salt, chloroform, chlorine, and hydrogen in our manufacturing process. The crystalized salt obtained from ZLD - Reject Management System of Mettur is reused in brine preparation of Caustic Soda process. Chloroform from our Chloromethane plant in Mettur is used as a recycled input material to manufacture R-22. Chlorine produced at our Caustic soda plants in Mettur and Karaikal is utilised to produce chloromethanes and EDC. Reusing these materials, reduces waste and enhances efficiency.

Recycled Materials (in MT)	Karaikal	Vedaranyam	Berigai	Cuddalore (CCVL)	Mettur	Total
Chloroform	-	-	-	-	385	385
Chlorine	34,000	-	-	-	30,936	64,936
Hydrogen	-	-	-	-	769	769
Process Salt (ZLD)	-	-	-	-	597	597

GRI 301-3

Products Reclaimed

At Chemplast, we prioritise producing our products efficiently and responsibly. While not all items can be directly reclaimed after use, our commitment to quality, efficiency, and responsible manufacturing helps reduce waste and promote sustainability across our diverse product range. We carefully select packaging materials to minimise environmental impact and support recycling initiatives. Additionally, we explore opportunities to reuse materials within our operations by adhering to the 4Rs principles and the 5S framework.

COMMITMENT TOWARDS HUMAN RESOURCES

We believe that our employees are the strongest pillars of support, and hence, we ensure the well-being of our workforce. We take several steps to boost their productivity and personal growth. Diversity and inclusion are a core principle of our hiring strategy, ensuring equal opportunities for people having different gender identities, age, nationalities, ethnicity, colour, religion, etc. We also organise training sessions, career guidance programmes, and performance reviews to help our employees adapt to recent industry developments.

We strive to nurture a culture of excellence by incentivising their efforts through both monetary and intangible benefits. We have also set up a training and development programme where employees must complete a fixed number of training hours to support their learning and development.

To raise awareness about our work policies and conduct, we also provide resources like HR policy manuals, code of conduct, etc. This keeps our employees informed and aligned with our core values.



Category	FY 2024 (as on 31.03.2024)		
	Male	Female	Total
Number of Permanent Employees	1,169	-	1,169
% of Permanent Employees	100%	0%	100%
Number of Contractual Employees	2,118	376	2,494
% of Contractual Employees	85%	15%	100%

GRI 2-7

GRI 2-8

* There are women employed in the Head Office, which is outside the scope of the report.

Age-Wise Categorisation of Regular Employees

Age Group	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
<30	103	57	57	1	241	459
30-50	310	65	95	31	97	598
>50	33	23	24	22	10	112
Total	446*	145	176	54	348	1,169

GRI 2-7

* No. of employees at Mettur comprising 16, 210, 136, and 49 at Plant 1, 2, 3, 4 respectively. In addition, there are 35 common employees in the Mettur location

Contractual Employees (as on 31.03.2024)

Gender	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
Male	917	166	541	188	306	2,118
Female	98	10	27	235	6	376
Total	1,015	176	568	423	312	2,494

GRI 2-8

The contractual workers are deployed in house-keeping services, mechanical fabrication processes, repairing and maintenance activities, assisting the process employees on the shop floor and in gardening.

ADHERING TO PRINCIPLES OF DIVERSITY AND INCLUSION

We believe in giving everyone a fair chance, irrespective of their background. Our HR policy ensures everyone gets access to fair job opportunities without any discrimination. Our ethics manual includes a Code of Conduct that guarantees equal opportunities for everyone, regardless of gender identity, age, nationality, ethnicity, colour, religion, sexual orientation, disability, faith, or marital status. It encourages our employees to talk to their supervisors, department heads or designated Ombudsman if they have any questions or concerns. Diversity and inclusivity bring in fresh perspectives and make the workplace more creative and dynamic. This helps us grow stronger and foster innovation within our Company.

Diversity of Management Cadre Employees

Gender-Wise Breakup	Mettur	Cuddalore	Berigai	Karaikal	Vedaranyam
Males (%)	100	100	100	100	100
Females (%)	-	-	-	-	-

GRI 405-1

Age Category	Mettur	Cuddalore	Berigai	Karaikal	Vedaranyam
<30 Years (%)	23.09	32.39	69.25	39.31	1.85
30 – 50 Years (%)	69.51	53.98	27.87	44.83	57.41
> 50 Years (%)	7.4	13.64	2.87	15.86	40.74

HIRING AND EMPLOYEE TURNOVER

Our notice period policy is based on the Industrial Disputes Act of 1947. Junior and non-management employees need to serve 21 days to 4 weeks of notice period. For executives, the notice period varies from 8 to 16 weeks, depending on their seniority.

GRI 402-1

Operational changes that may impact employees are communicated with minimal notice period, post consultation with relevant authorities. These changes are aimed at reducing unwanted affects concerning employee safety. Sufficient training and familiarity are also developed to ensure employees are up to date with the requirements.

New Employee Hires During the Reporting Period

GRI 401-1

Age	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
<30	15	29	14	-	156	214
30-50	17	6	3	-	32	58
>50	1	-	1	-	-	2
Total	33	35	18	-	188	274

Gender	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
Male	33	35	18	-	188	274
Female	-	-	-	-	-	-

Employee Turnover

Age	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
<30	24	5	17	-	67	113
30-50	32	3	8	-	9	52
>50	6	1	4	-	2	13
Total	62	9	29	-	78	178

Gender	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
Male	62	9	29	-	78	178
Female	-	-	-	-	-	-

Employee Turnover Rate (Male)

Age	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai
<30	17%	11%	31%	0%	33%
30-50	11%	5%	8%	0%	11%
>50	20%	5%	18%	0%	20%

Gender	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai
Male	14%	7%	16%	0%	27%
Female	0%	0%	0%	0%	0%

New Hires Leaving the Organisation

Age	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
<30	2	1	-	-	13	16
30-50	-	-	-	-	-	-
>50	-	-	-	-	-	-
Total	2	1	-	-	13	16
New Hire Turnover Rate	13%	3%	0%	0%	7%	6%

Gender	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	Total
Male	2	1	-	-	13	16
Female	-	-	-	-	-	-

REWARDING OUR EMPLOYEES

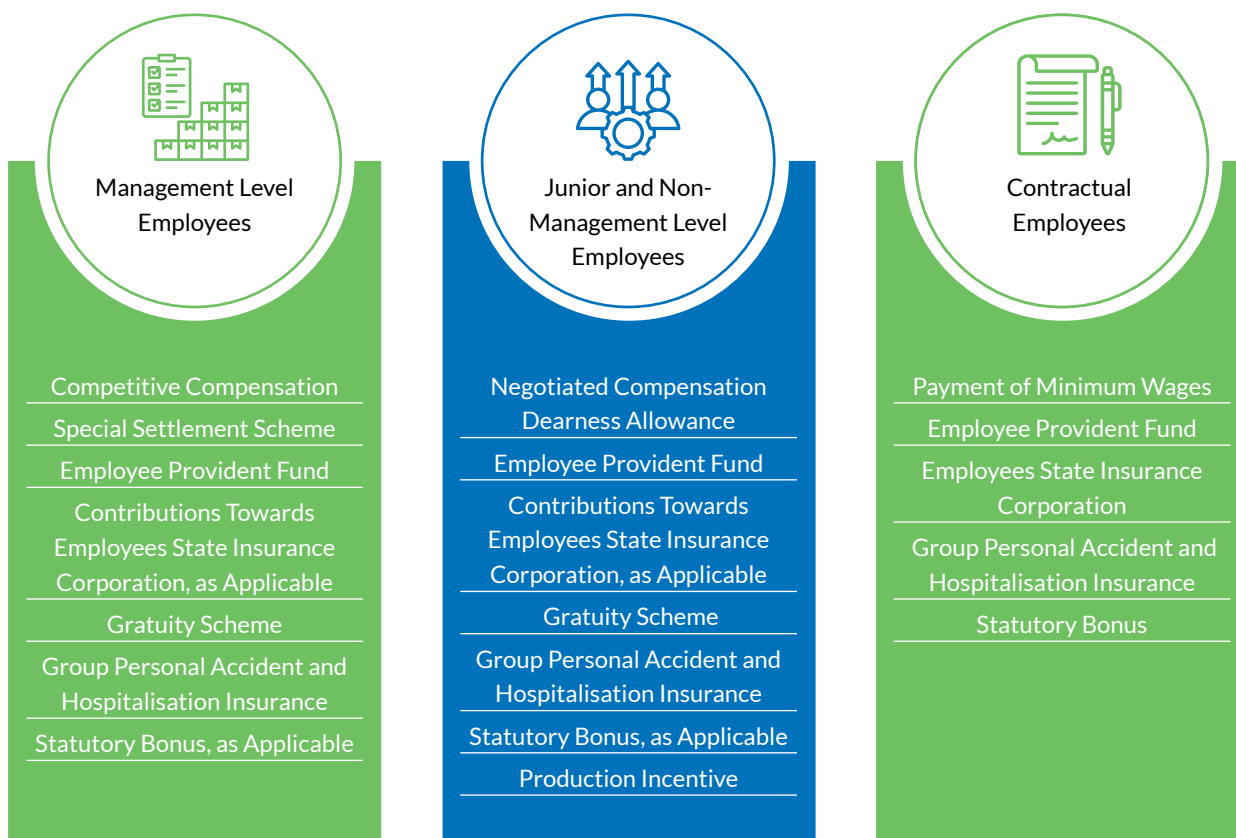
We make sure everyone at work feels valued and can reach their goals. Employees are engaged through various initiatives encompassing regular training sessions, career guidance, performance reviews, and surveys. These activities help us understand and address employees' concerns. To comply with statutory requirements and ensure employee well-being, we have also set up several employee welfare programmes. Hard work never gets unnoticed; it is always recognised and valued at Chemplast. Our employees' hard work is rewarded with monetary bonuses and non-monetary perks. These activities boost our employee's confidence, motivate them, and show appreciation for their contributions.

At our recent annual day celebration, we rewarded our employees' outstanding performance.

To get more information about the key events and activities conducted for our employees, please read the quarterly house journal of the Group, 'Matrix', available on our website.

EMPLOYEE BENEFITS

GRI 401-2



Our policy does not cover parental leave or stock ownership for plant-level employees. Male employees do not get paternity leave based on our existing policy. Since no female employees are within the plants, maternity leave is not applicable. However, we provide several benefits to our full-time employees. They receive competitive salaries and allowances like House Rent Allowance (HRA), medical and travel allowances. A portion of their salary goes into a provident fund to help them save for retirement. Paid leaves, including earned, sick, and casual are also provided to them. Employees work dedicatedly towards the Company's goals when their hard work is rewarded. Hence, we offer various incentives to boost their productivity.

GRI 401-3

KEY HR PRACTICES

We understand that our growth depends on our employees. Hence, we have formulated strong HR policies and fair work practices to support them. Employees can find these policies easily on the intranet. We make sure everyone is trained on these policies and the code of conduct so they stay informed about any changes.

At Chemplast, open communication is valued, and we have set up a feedback channel called VOTE (Voice of the Employees). This allows employees to share their thoughts on Company policies. The HR department examines these suggestions and incorporates the best ones to make the policies better. We make sure everyone working in our Company gets fair pay by comparing salaries to similar jobs in the market. For those employed in middle and senior level positions, we look at the value each employee brings. As far as employees working in the junior levels are concerned, we consider their cost of living and job performance. We handle compensation structure revisions on a case-to-case basis and our budget.

Performance evaluations at Chemplast help check employee growth and identify skill gaps. Our policies mandate that each department sets its own goals and tracks employees' progress based on our Company's overall objectives. Every six months, we check the task completion progress and identify the areas for performance improvement. After these reviews, we make detailed plans to help employees improve their skills and become better at their jobs.

For executive employees, objective assessments are done, and personalised training plans are created and updated regularly to address their specific needs. We use an internal online portal called 'SPARSH' for performance reviews. SPARSH includes a handbook on fair work practices, case studies, and live sessions for resolving grievances. Performance appraisals are conducted by the plant head, location head, and HR personnel. This ensures that executives get the support and guidance they need to grow and succeed in their roles.

We are dedicated to respecting workers' Right to Freedom of Association and Collective Bargaining. We are transparent about operations, employee pay, and benefits. Whenever there are big changes, like new technology, work procedures, or automation, these are discussed and documented in agreements with the trade unions. The collective bargaining document is used for discussions and negotiations between our Company and employee unions. This document covers important employment terms like wages, working hours, and benefits. It also ensures that union employees are not transferred from one location to another without agreement. We support these open and fair practices to create a reliable work environment.

GRI 407-1

At Chemplast, collective bargaining is applicable at two plants: Vedaranyam and Mettur-Plant-2. At the Vedaranyam facility, 36 out of 54 employees are covered by collective bargaining agreements, representing 67% of the workforce, whereas, at the Mettur-Plant-2, 136 employees out of a total of 210 are covered by collective bargaining agreements, accounting for 65% of the workforce of the plant.

GRI 2-30

Employees who are not part of collective bargaining agreements follow the appointment orders issued by our Company, based on the 'People Philosophy' manual.

During the reporting period, there were not any identified risks of violation of workers' rights to freedom of association or collective bargaining.

UPSKILLING EMPLOYEES AND NURTURING GROWTH

GRI 404-2

GRI 404-3

We believe in fostering continuous learning and development of our employees. We conduct regular training programmes to help everyone acquire new skills and improve their abilities. The training covers important topics like human rights, emergency handling, first aid, workplace safety, chemical safety, firefighting, respiratory issues, work permits, and environmental management. Both permanent and contractual employees get a chance to grow in their career and learn how to stay safe in the job through these sessions.

During the year, we offered both in-person and virtual training on safety, environment, soft skills, and career development across all locations.

We regularly check how effective these training programmes are to improve future initiatives. We also gather insights on employees' skill development needs by considering departmental requirements, trainer feedback, training workshops, quarterly meetings, and performance appraisals. This helps ensure that the training meets the real needs of their employees.



Additionally, we also focus on preventive care through activities like yoga, road safety awareness, and the impact of dust on the health of both our workforce and society.

During the reporting period, all of our permanent employees at respective plant locations received performance and career development reviews.

GRI 404-3

Employee Training Details

Employee Training Hours	Mettur	Karaikal	Cuddalore	Vedaranyam	Berigai	GRI 404-1
Average hours of training per year per employee (Male - Regular employees)	Plant 1: 69.5 Plant 2: 1.83 Plant 3: 2.01 Plant 4: 2.5	36.69	17.08	17.98	19.51	
Average hours of training per year per employee (Female - Regular employees)	Plant 1: 0 Plant 2: 0 Plant 3: 0 Plant 4: 0	-	-	-	-	
Average hours of training per year per employee (Male - Contractual employees)	Plant 1: 18.93 Plant 2: 1.82 Plant 3: 1.72 Plant 4: 1.96	30.95	20.19	5.65	16.37	
Average hours of training per year per employee (Female - Contractual employees)	Plant 1: 91.15 Plant 2: 1.26 Plant 3: 1.29 Plant 4: 1.06	36.48	-	-	18.67	

28,402

Total training hours for the regular employees

43,460

Total training hours for the contractual employees

HUMAN RIGHTS AND LABOUR PRACTICES

At Chemplast, we place the highest importance on human rights in everything we do, ensuring that every employee is treated with fairness and respect. We strictly follow legal requirements and have a zero-tolerance policy for any human rights violations.

We take strong measures to prevent child labour, forced labour, and other human rights abuses through due diligence. We check the age, address, and medical history of all employees and suppliers, both locally and internationally. This step allows us to ensure that everyone is of legal working age and is technically fit to carry out their roles, maintaining the integrity of our workforce and supply chain.

GRI 408-1

GRI 409-1

We follow the Tamil Nadu Factories Act, which establishes the minimum age for employment and prohibits children from hazardous or exploitative work.

Our team of HR heads, function heads, and plant heads work diligently to ensure compliance with human rights regulations across our Company. Every year, we assess risks related to child labour, young workers in dangerous jobs, and forced labour, carefully monitoring to keep these risks very low. Additionally, we have included a human rights clause in all relevant contracts and agreements to highlight our commitment to ethical practices.

To prevent exploitation, we ensure that our employees understand labour laws and human rights. Our Human Rights Training Programme educates employees and executives on applying human rights principles in their daily work.

The table below shows the number of security personnel trained in human rights policies and procedures. This mandatory training also applies to any third-party organisations providing security staff.

GRI 410-1

Particulars	Mettur Plant 1	Mettur Plant 2	Mettur Plant 3	Mettur Plant 4	Karaikal	Vedaranyam	Berigai	CCVL
% of security personnel who have received formal training in the organisation's human rights policies or specific procedures	70	56	55	49	61	-	100	100

Particulars	Mettur	Cuddalore	Berigai	Karaikal	Vedaranyam
Number of Training Hours to Security Personnel	1,908	310	212	31	-

In FY 2023-24, we did not have any cases of discrimination, harassment, child labour, forced labour, human rights violations, or unfair employment practices.

GRI 406-1

OCCUPATIONAL HEALTH AND SAFETY



At Chemplast, we take occupational health and safety seriously as business priority. Each department sets specific safety goals. We also offer various training programmes to boost worker safety awareness and knowledge. Ensuring compliance with health and safety standards within our Company and throughout our supply chain is our top priority.

We have worked hard to implement an effective Occupational Health and Safety (OHS) management system across all our facilities. It is equipped with an emergency preparedness plan as stipulated in the Manufacture, Storage, and Import of Hazardous Chemical Rules. Our OHS policy covers everyone—regular employees, contract workers, and all visitors at our facilities.

GRI 403-1

To meet the OHS requirements of all units, we conduct training programmes designed for each plant location's needs. These programmes help ensure that all safety standards are met. These training programmes take care of the individual needs of all facilities while standard consolidation at the organisation level.

We closely monitor compliance-related activities to maintain a safe working environment and minimise risks. We are proud to meet global standards for workplace safety, health, and environment. This has been achieved by implementing International Codes and Standards, adopting advanced technology. These measures are the cornerstones of our operations driven by technological advancements, international standards, evolving national laws, and our core values.

Since 2022, we have embraced the concept of 'Visible Felt Leadership' in our safety strategy. This leadership approach is evident, impactful, and shows personal commitment, permeating the entire organisation and influencing all employees and contractors.

We have developed robust health and safety systems, processes, equipment, and training programmes to help our employees work sustainably and responsibly. Additionally, we have diligently earned safety and workplace hygiene certifications, recognised by the British Safety Council, Eco Vadis, and Responsible Care. We also implemented a British Safety Council's Occupational Health & Safety Management System.

Many of our plants have earned top international health and safety certifications, like ISO 9001, ISO 14001, and ISO 45001. All our chemical plants follow the ISO 45001 Occupational Health & Safety Management Standards. We have successfully maintained our certifications through a surveillance audit.

ISO 9001 (Quality management standards) makes sure our products, services, and processes meet customer expectations and cut down on quality issues. ISO 14001 helps us build a solid Environmental Management System (EMS) that uses resources wisely and reduces waste, gaining the trust of our stakeholders. ISO 45001 focusses on protecting our workers by finding and managing potential hazards. Important features of this certification include getting workers involved in spotting and addressing risks, building strong leadership, developing a positive safety culture, ensuring regular checks on health and safety performance, developing effective management systems, and considering both internal and external factors specific to our organisation for better security.

Moreover, we regularly inspect our sites to ensure they meet EHS (Environment, Health, and Safety) standards and identify areas for improvement. We conduct internal audits and management reviews every six months, and a certified agency conducts an annual external audit. The Board carefully reviews these audit results and the progress made.

To prioritise safety, we have set up safety committees at all our plants. These committees, supervised by top management, oversee and promote safety measures. We also have a robust system for monitoring near-miss incidents and promptly preventing from happening again.



Description of Safety Performance Indicator		Mettur Plant-1	Mettur Plant-2	Mettur Plant-3	Mettur Plant-4	Cuddalore	Karaikal	Vedaranyam	Berigai	GRI 403-8
										GRI 403-9
No. of fatalities in FY 2023-24 (work-related)	Regular Employees	-	-	-	-	-	-	-	-	GRI 403-10
	Contract Employees	-	-	-	-	-	-	-	-	
Rate of fatalities related to work-related injury***	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	-	-	-	-	-	-	-	
No. of High Consequence Injuries ^{&} (work-related)	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	-	-	-	-	-	-	-	
Rate of high consequence injuries (work-related)	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	-	-	-	-	-	-	-	
No. of Recordable Injuries* (work-related)	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	1	1	-	-	-	-	-	
Rate of recordable work-related injuries**	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	1.15	1.06	-	-	-	-	-	
Man-days Lost due to recordable injuries	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	69	94	-	-	-	-	-	
No. of Fatalities in FY 2023-24 (work-related ill health related)	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	-	-	-	-	-	-	-	
No. of Recordable work-related ill health cases [#]	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	-	-	-	-	-	-	-	
Man-days Lost due to recordable work-related ill health	Regular Employees	-	-	-	-	-	-	-	-	
	Contract Employees	-	-	-	-	-	-	-	-	
Manhours worked during FY 2023-24	Regular Employees	41072	581029	378896	122153	387516	387540	156637	706520	
	Contract Employees	232136	872340	941208	256200	1066965	437326	556194	2531560	

* Injuries involving more than first aid

** Rate of recordable work-related injuries = (No of recordable work-related injuries)/ (No. of man-hours worked) *10,00,000

*** Rate of fatalities related to work related injury = (No of fatalities as a result of work-related injuries)/ (No. of man-hours worked) *10,00,000

Work-related ill health involving more than first aid

& High consequence work-related injuries: work-related injuries resulting more than 6 months of absence for the resumption of work by the employee

We emphasise responsibility and commitment at every level to create a safe workplace. We dedicate a month each year to promote 'Near-Miss' awareness, encouraging employees to report near-miss incidents and potential hazards. This helps everyone stay vigilant and encourages reporting.

Ensuring our employees' safety is our top priority. To achieve this, we conduct regular workplace inspections and hazard assessments to spot any potential risks. If a work-related incident occurs, we investigate to find the root cause and assess the risks involved. We then implement corrective actions to prevent future incidents.

We have thorough processes in place, including Risk Assessment programmes like HIRA and HAZOP to identify work-related hazards and regularly assess risks, helping keep everyone safe and healthy. We document the results of these checks meticulously to maintain a detailed record of all identified hazards and assessed

risks. To ensure these processes are effective, we carry out regular reviews and audits of these processes.

We also encourage employees and workers to report any dangers they notice, with strict policies in place to protect them from retaliation. Our permanent and contractual employees play a crucial role in health and safety matters. They advocate for safe working conditions, communicate worker's concerns to management, and participate in initiatives to enhance workplace safety. Their efforts contribute significantly to create a safer and healthier work environment for everyone. In case of any work-related hazards, detailed investigations are conducted. These include identifying the root causes, assessing risks associated with the incidents, and determining corrective actions using the hierarchy of controls. We have also introduced additional measures like Responsible Care Codes, Risk-Based Process Safety Management, and Behaviour-Based Safety to maintain our 'Zero Harm Culture'.

As part of our commitment to go beyond just meeting legislative and regulatory compliance, we have adopted the Responsible Care® initiative.

This voluntary initiative, taken up by chemical companies worldwide, includes commitments to:

- 1 Continuously improve the environment, health and safety, security knowledge, and performance of our technologies, processes and products over their life cycles to avoid potential harm to people and the environment.
- 2 Use resources wisely and reduce waste.
- 3 Report openly on performance, achievements and shortcomings.
- 4 Talk to people to understand and address their concerns and what they expect.
- 5 Work with governments and organisations to create and follow effective rules and standards.
- 6 Offer help and advice to ensure chemicals are managed responsibly throughout the product chain.

All of the Sanmar Group's chemical plants in India follow the Responsible Care international codes. After an audit by experts from the Indian Chemical Council, we successfully retained the RC Logo, which is valid until 2025.

Our CMCD, Berigai plant achieved a huge milestone by reaching 7.16 Million safe man-hours without any Lost Time to Injury. It was a significant achievement for us and shows the ability of our safety management systems.

Our operations are related to chemical processing and handling, which involves a wide variety of chemicals. Our occupational health and safety management system is well-equipped to reduce the risks arising due to exposure to chemicals, noise and dust particles.

Employees' exposure to hazardous chemicals is eliminated by using chemicals in closed circuit operation. Additionally, continuous monitoring of the vulnerable areas is being done through respective monitors. Such systems help improve our OHS system.

GRI 403-8

Occupational health issues are avoided through the identification of employees (working in hazardous areas) across our plants. Health surveillance is also conducted on a half-yearly basis for identifying occupational health issues.

In addition to this, exposure to vulnerable hazardous chemicals is done as per the occupational health procedures protocol. We have adopted the US -EPA protocol, namely LDAR (Leak Detection and Repair), through engagement with a competent agency to curb fugitive emissions of chemicals on the shop floor on an annual basis. This reduces exposure to the hazardous

chemicals arising out of fugitive emissions. We have also deployed various engineering controls to eliminate the vulnerability of exposure to hazardous chemicals.

Furthermore, we provide personal protective equipment (like ear defenders and cartridge masks) in defence for reducing exposure to such chemicals.

Accidental release of chemicals and emergency mitigation measures are verified through mock drills on a timely basis. By implementing the above hierarchy of control measures, there has not been any instance of work-related ill health in any of our operations.

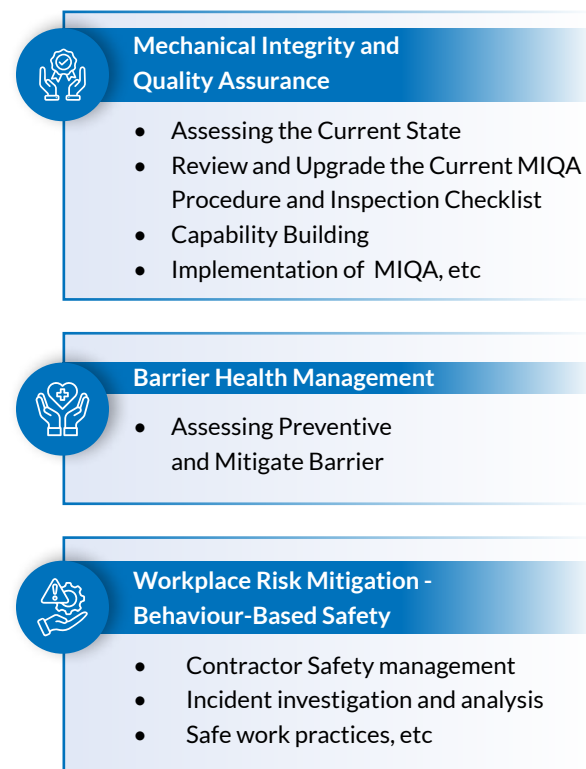
GRI 403-10

Occupational Risk Management at CSL & CCVL

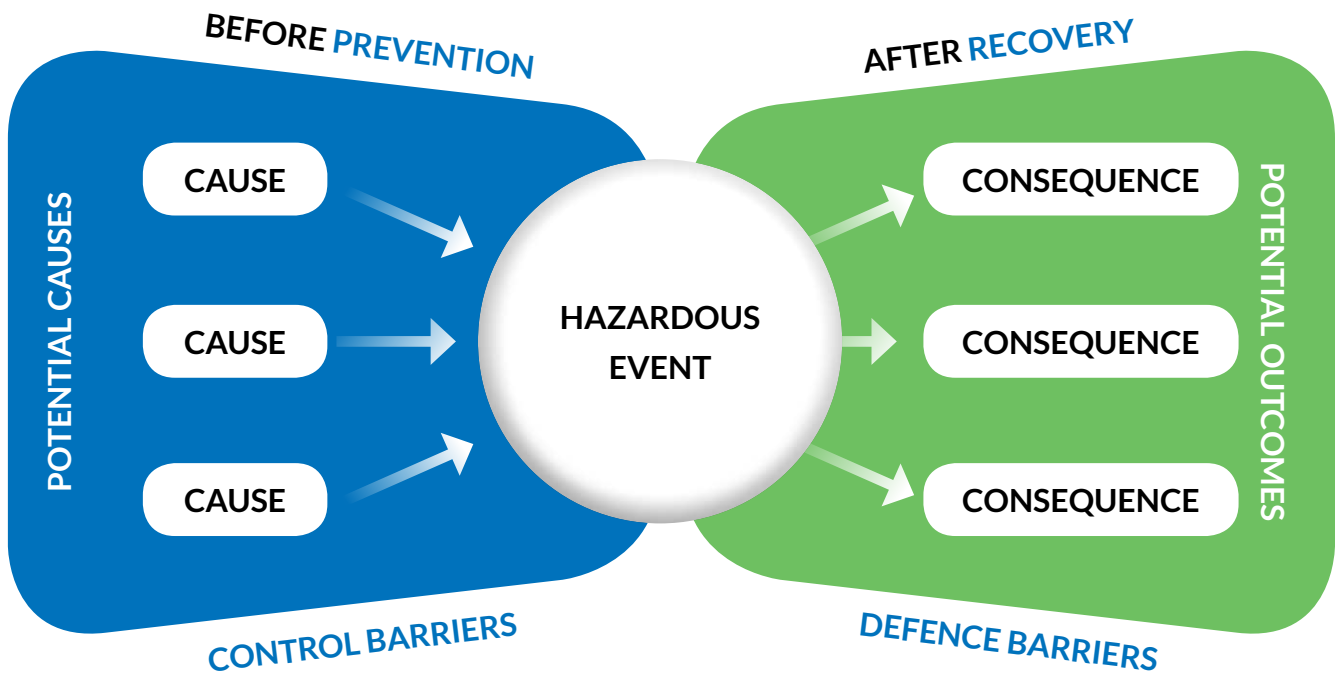
Critical risks at the plant are checked using tools like HAZOP, QRA, Hazardous Area Classification (HAC) study, Lightning Protection Study (LPS). We carried out these studies in FY 2022-23 at all our chemical plants and used the findings to mitigate risks.

GRI 403-2

- To improve our risk management, we started Barrier Health Management (BHM) studies, Layer of Protection Analysis (LOPA) and Safety Integrity Level (SIL) studies. These tools helped us find ways to prevent and fix major issues that could affect our operations



GRI 403-5



At Chemplast Sanmar, hazards and operability problems are identified on a timely basis to keep things running smoothly and adhere to design standards. Our chemical operations comply with the 'Chemical Weapon Convention' and its regulatory requirements. Additionally, both CSL and CCVL locations comply with the 'Responsible Care' code of practices of the Indian Chemical Council. The code covers the necessary requirements for the reduction of potential instances of theft (Process Safety Code, Employee Health and Safety Code, Pollution Prevention Code, Emergency Response Code, Distribution Code, Product Safety & Stewardship Code and Security Code), subsequent misuse and the intentional release of chemicals or sabotage of chemical processes resulting in a release at facilities. The 'Security Code' enhances the facility's site, transportation, and cybersecurity.



Partnership With DuPont Sustainable Solutions

We have engaged with one of the world's reputed safety consultants, dss+, previously known as DuPont Sustainable Solutions. Through this engagement, we aim to mitigate workplace risks by transforming our safety culture. We have developed a programme named 'SANSafe', which was launched by our Chairman. The features of the programme are highlighted below:

Implementation of 'Behaviour-Based Safety' system	Capability development of employees	Review and upgradation of our safety procedures	Contractor safety management
Identification and analysis of potential unsafe incidents through process safety	Implementation of Mechanical Integrity and Quality Assurance (MIQA)	Application of various hazard identification tools like: • Process Hazard Analysis • Barrier Health Assessment • HAZOP • Quantitative Risk Assessment • Job Cycle Check, etc • SIL – LOPA Study	

Glimpse of Emergency Mock Drill

Our Karaikal plant has conducted an offsite emergency mock drill in collaboration with various agencies like the district collector, NDRF, Inspector of factories, district superintendent of police, tahsildar and fire service department etc.



Inauguration of Process Safety Management and Behaviour-Based Safety Programmes, in association with Dupont Sustainable Solutions.

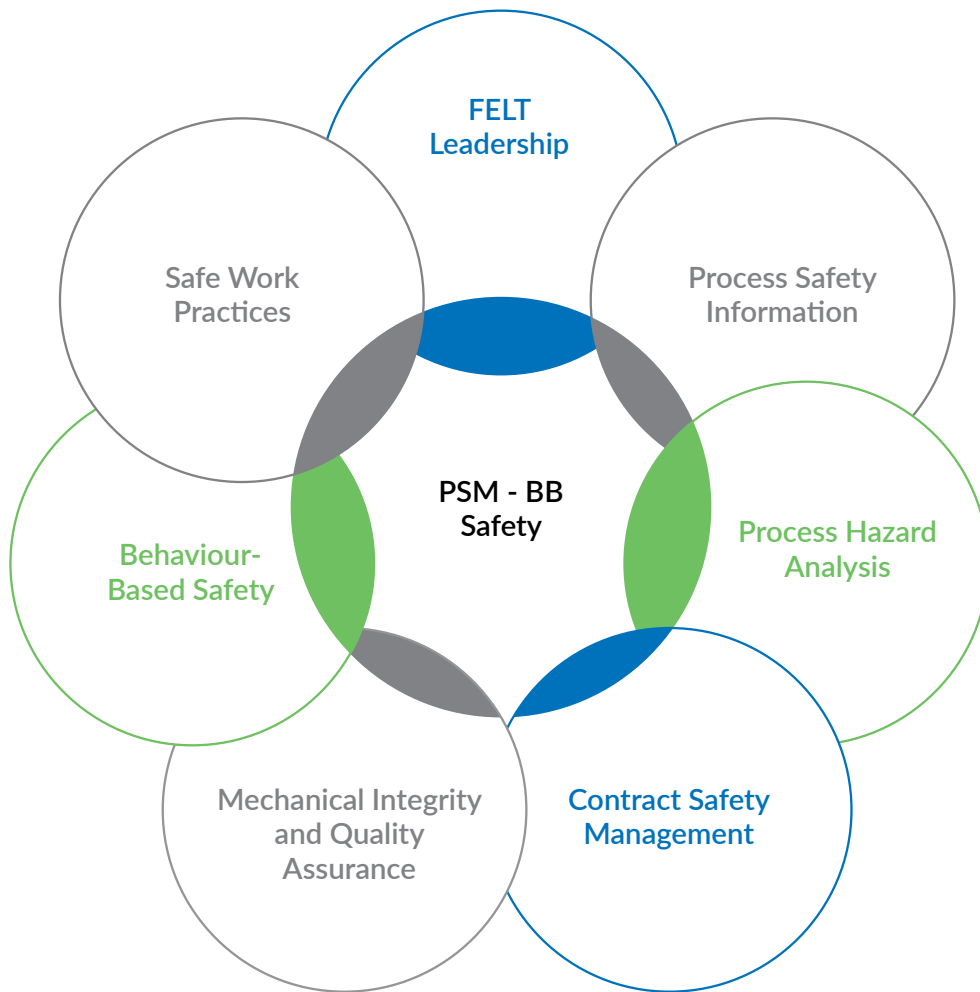
Integrating Process Safety Management with Behaviour-Based Safety

GRI 403-1

GRI 403-4

Chemplast Sanmar embarked on a mission to improve our safety culture a long time ago. Our OHS system is continually improved by incorporating feedback received from workers and employees. We strive to communicate all the relevant enhanced information on our occupational health and safety to workers.

We also started engagement in a comprehensive Process Safety Management (PSM), Gap Assessment and Safety Perception Survey, beginning with the Mettur location. This study pointed out several key areas to focus on in our safety programme. The areas are outlined below:



Bagged Five Star Certification from the British Safety Council

All our plants have implemented the British Safety Council specifications. After stringent audits by the BSC audit team, we received a 'Five Star' certification. We achieved our aspiration to qualify for the Sword of Honour, considered as one of the best awards in safety. It is awarded to the entities doing the best in the fields of safety, health and well-being.

Chemplast Sanmar's Mettur Plant 1, Plant 2, Plant 4, Cabot, Karaikal and CCVL have been awarded the 'Sword of Honour'

Additionally, all our chemical plants are certified with ISO 45001- Occupational Health & Safety Management System. Surveillance audit takes place on a timely basis.

OCCUPATIONAL HEALTH SERVICES

GRI 403-6



Health Surveillance

The relevant occupation health service team monitors the well-being of workers and employees exposed to specific workplace risks. This is ensured through regular check-ups, screenings, and medical exams tailored to their job and the risks they might encounter.



Risk Assessment

We identify occupational health risks by measuring the impact workplace hazards can have on the health of workers. We collect and analyse crucial data for each chemical to better understand and manage these risks in the form of Control of Substances Hazardous to Health (COSHH).



Medical Consultations

Workers have access to medical consultations through occupational health services. They can talk to health experts about job-related health concerns. These consultations include advice on managing work-related health risks.



Emergency Response

Health services are part of Chemplast's emergency response plans. They provide guidance on what to do during workplace emergencies. Mock drill ensures the response towards the mitigation measures and improve the response by each authorities during the emergency.



Qualified Personnel

Chemplast's health services team consists of experienced healthcare professionals who specialise in occupational medicine, industrial hygiene, and workplace health.



Continuous Improvement

We regularly review and improve our health services. This includes audits and feedback to make sure the care provided is top-notch and effective in identifying hazards.



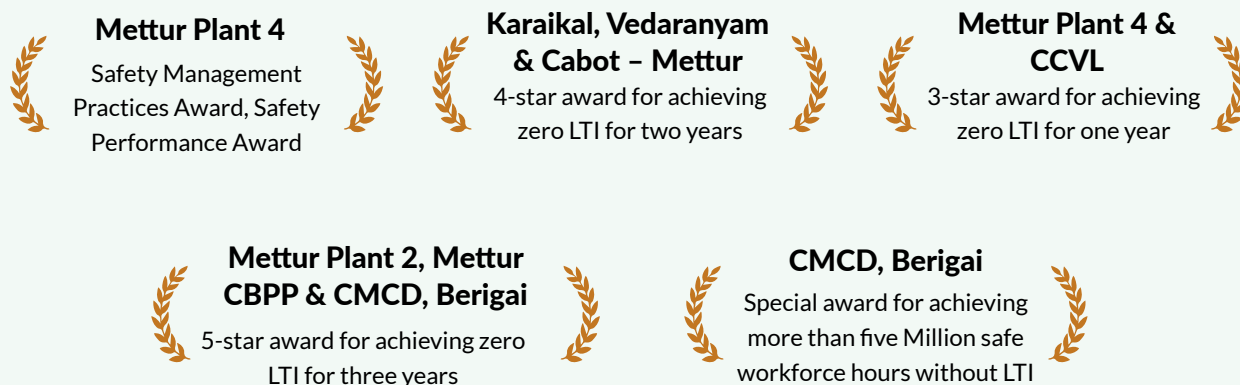
Training and Awareness

Chemplast offers training and awareness programmes to let workers know about available health services and how to use them.

SAFETY AWARDS

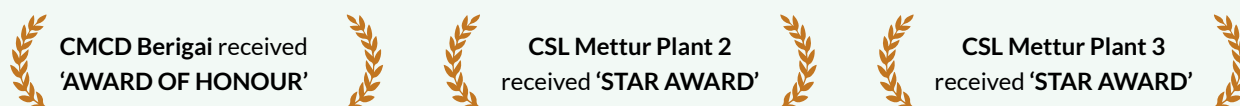
Group Safety Awards

Our safety management system (which covers workplace safety, process safety, training, statutory compliance, etc.) undergoes an audit by an independent audit team. The factories receive awards based on their audit score and safety performance indicators. In February, 2024, the following plants were awarded:



National Safety Council Awards

The following plant have bagged Occupational Health, Safety and Environment Awards 2023 from National Safety Council Tamil Nadu Chapter.



ICC VINATI ORGANICS AWARD 2022

Mettur Plant 2 has bagged 'ICC VINATI ORGANICS AWARD 2022' for excellence in management of health & safety from Indian Chemical Council.



Chemplast Cuddalore Vinyls Limited (CCVL) was adjudged the winner of the CII Water Award for Excellence 2023. The award was received by Ravi Kumar Ahuja on behalf of CCVL at the 9th Water Innovation Summit 2023 of CII in New Delhi on December 13, 2023.

COMMITMENT TOWARDS CORPORATE SOCIAL VALUE

We strive to cultivate a mutually beneficial relationship with the communities where we operate. We actively engage with them to empower and enhance their quality of life. A circular model has been developed to guide the interactions and initiatives, emphasising enduring sustainable relationships with the local communities. Most of the CSR activities are aligned with local community development programmes designed based on the specific needs and priorities of the local. This ensures that our initiatives have a meaningful and positive impact on the well-being and progress of the nearby communities. To ensure that CSR initiatives align with the specific needs of each community, comprehensive surveys are conducted annually to identify gaps and areas that require attention. We have a CSR Policy and a CSR Committee in place that ensures the smooth implementation of the CSR projects approved by the Board.

It can be accessed at:

<https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/csr-policy.pdf>

GRI 413-1

GRI 413-2



CSR INITIATIVES OF CSL

Name of the Project	Agenda	Location	Expenditure (in INR Lakhs)	Mode of Implementation	GRI 413-1
Drinking water supply & plantation of trees	Ensuring the accessibility of safe drinking water	- Mettur - Berigai	83.42	Direct	
Medical & healthcare expenses	Promotion of healthcare	- Mettur - Berigai - Karaikal	42.16	Direct	
Education and training expenses	Promotion of education	- Mettur - Vedaranyam - Karaikal	64.66	Direct	
Expenditure towards armed forces benefit	Benefit of armed forces and veterans	- Mettur - Vedaranyam - Karaikal	1.06	Direct	
Sports promotion expense	Promotion of nationally recognised sports	- Chennai - Karaikal	31.50	Direct	
Expenditure towards rural development	Promotion of rural welfare	- Mettur - Karaikal	137.27	Direct	
Women empowerment	Promotion of gender equality and women's empowerment	- Mettur - Berigai	2.02	Direct	
Contribution to CSR trust			55.00	Indirect	

CSR INITIATIVES OF CCVL

Name of the Project	Agenda	Location	Expenditure (in INR Lakhs)	Mode of Implementation
Drinking water supply & plantation of trees	Ensuring the accessibility of safe drinking water	Cuddalore district, Tamil Nadu	3.37	Direct
Education and training expenses	Promotion of education	Cuddalore district, Tamil Nadu	40.11	Direct
Training to promote rural sports	Promotion of nationally recognised sports	Cuddalore district, Tamil Nadu	186.47	Direct
Expenditure towards armed forces benefit	Benefit of armed forces and veterans	Cuddalore district, Tamil Nadu	0.15	Direct
Expenditure towards rural development	Promotion of rural development	Cuddalore district, Tamil Nadu	23.97	Direct
Contribution to CSR trust			227.59	Indirect

	Karaikal	Vedaranyam	Berigai	Mettur	Cuddalore	Total
Local community development programmes based on local communities needs	14	5	9	19	5	52
Broad-based local community consultation committees and processes that include vulnerable groups	-	-	-	3	-	3
% of operations with environmental impact and ongoing monitoring (along with public disclosure)	100	100	100	100	100	100
Stakeholder engagement plans based on stakeholder mapping	100	100	100	100	100	100

CASE STUDY

Medical Camp in Villages

During one of the community engagement sessions of our Karaikal plant in Vadaku Vanjore & Mudalimedu Villages, the villagers expressed their need to avail health facilities through medical camps for children and older family members. These villages consist of 130 and 350 families, respectively. These families rely on the general hospital of Karaikal for medical facilities. During the reporting period, we conducted a free medical camp in coordination with

Vinayaka Missions Medical College & Hospitals, Karaikal. Medicines were also distributed free of cost as per doctor's prescription. The event was planned and executed by a team of five personnel from Chemplast Sanmar Limited (CSL), Karaikal. Furthermore, there are plans to conduct free medical camps on an annual basis. The initiative received good feedback from the villagers with a request to carry such camps frequently.



INR 1.10 Lakhs

Expenditure

130

Patients utilised free services of the medical camp

CASE STUDY

New Road Construction for Suligunta Village

In Suligunta Village, one of the mud roads located near our Berigai plant, connecting Suligunta village and the main road was deteriorating. The situation of the road affected local people's transportation.



We hired civil contractors to construct the road, and now, the people of the village are effectively using this road on daily basis.

8,000

Beneficiaries

8 Lakhs

Expenditure

கால்நடை மருந்தகம்
சின்னக்கோலூர்

CHEMPLAST SANMAR LIMITED
METTUR



SANMAR
CSR - INITIATIVES



CASE STUDY

Infrastructure Development of Education Institutions at Cuddalore

At Cuddalore district, there are three schools namely Semmankuppam Government Middle School, Chitirapettai Primary School and Ambedkar Nagar

Primary School, serving the communities nearby. However, these schools were facing significant infrastructure challenges.



Centenary Celebration of Semmankuppam Government Middle School

The celebration was aimed at highlighting the school's historical significance and contributions to the community.



Improvement of Infrastructure

The infrastructure facilities aim to benefit current students, teachers, and staff.

Activities Undertaken

- Renovated and painted two school buildings
- Divided classrooms using wooden partitions
- Constructed paver block walking ramps, connecting all school buildings
- Installed stainless steel hand railings for all the buildings
- Construction of new washrooms with overhead tank facilities and provision of soak-pits for girls and boys
- Installed name boards in the entrance arch
- Installation of pump-set and bore-well

262

Beneficiaries

INR 29.6 Lakhs

Expenditure

Impact of the Project

We also conducted an impact assessment of the project. The key highlights are mentioned below:

- Usage of eco-friendly building materials and energy efficient systems for reducing carbon footprints
- Installation of low-flow taps and toilets for water-efficient systems
- Improved infrastructure and learning experience
- Installation of composting units to transform waste for school gardening
- Reduced absenteeism of school children
- Positive community feedback

CASE STUDY

English Learning Programme

In the Karaikal district, school-going students (even in higher classes) used to face challenges in reading English. The district administration of Karaikal identified the issue and decided to work on this right from the level of primary school. In association with the DISHA Foundation and ELF English, they launched the 'Learn to Read English in 80 Days' programme in 82 Primary and 37 Middle Schools. CSL, Karaikal sponsored the programme by

allocating INR 3 Lakhs from CSR funds and handing it over to the district collector. 182 teachers from primary and middle schools were trained on ELF English content and methodologies. Activities and games to make their classes more interactive were part of the training sessions. They were also provided with videos on phonetics, pronunciation and related concepts.

**Result of the Impact Assessment**

The DISHA Foundation conducted an impact assessment of the project. The impact of the project is listed below:

- Students of class 4 improved their word and sentence reading capacity from 20% to 74% and 25% to 69%, respectively
- Similarly, word reading capacity among students in class 5 improved from 29% to 82% whereas sentence reading capacity improved from 37% to 78%

5,800+ Students & 195 Teachers

Beneficiaries

QUANTIFICATION METHODOLOGIES

The reporting boundary for the Company's sustainability is the organisational boundary. In the absence of trend analysis data, the current year is considered the base year. As all the facilities are owned and operated by Chemplast, an operational control approach has been adopted to consolidate energy and GHG emissions. The GHG emissions, including air emissions, for the Company are reported as per the guidance of the GHG Protocol Corporate Accounting and Reporting Standard, along with addressing the requirements of ISO 14064-1:2018 Standard. Only select categories, namely Category 3, Category 4, and Category 9, are considered in the Scope 3 GHG emissions calculated according to the guidance of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the GHG Protocol Initiative, a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Default Net Calorific Values (NCV) and default Emission Factors (EF) are referred from IPCC 2006 guidelines and have been used for energy and GHG emission calculations. For the calculation of tonnes of carbon dioxide equivalent (tCO₂e) for GHG emissions, Global Warming Potential (GWP) {100 years} of CO₂, CH₄ and N₂O have only been considered from IPCC's Assessment Report (AR) 5. CSL has purchased 13,376 RECs at Mettur and 17 at Berigai during FY 2023-24, and the associated GHG emissions are zero. Hence, the market-based Scope 2 emission is zero. The gases considered for estimating Scope 2 emissions are the same as those considered by CEA for establishing the average grid emission factor. For the calculation of ODS, the ODP values are considered as per the Montreal Protocol. The ODP for R-22 is 0.05 and for R-404 & 407C is 0. For consolidating the data, the refrigerant gases used by the Company are multiplied by the respective ODP value and the individual figures are then added to receive a value of 0.14 metric tonnes of CFC-11 equivalent.*

*Ozone-Depleting Substances, EPA, 2023

Guidance Note, Assessing GHG Emissions from Refrigerants Use in UNDP Operations, 2022 <https://www.undp.org/sites/g/files/zskgke326/files/2022-07/Refrigerants%20methodology%20version%20July%202022.pdf>

GRI 302-1

GRI 302-2

The emission factor for sawdust briquette, as sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories – Volume 2 Energy; Chapter 2 Stationary Combustion, Table 2.5, is 9.46 tCO₂e per terajoule (TJ) of energy produced. This factor is used to estimate the carbon dioxide equivalent emissions associated with the combustion or use of sawdust briquettes as an energy source. The density factors of all the liquid fuels, namely, kerosene, diesel, LSHS, sub-bituminous coal, natural gas, and diesel oil have been referred from the GHG Protocol's tool for stationary combustion.

Chemplast's manufacturing operations result in air emissions, including nitrogen oxides, sulphur compounds, particulate matter, Volatile Organic Compounds (VOCs), and others. The Company ensures that the air emission levels are maintained significantly lower than the standards outlined by the Air (Prevention and Control of Pollution) Act of 1981 (and its subsequent amendments) and the rules and regulations established under the Environment Protection Act of 1986. The consolidation approach for air emissions involves gathering data and information from all relevant sources within the organisation, including different facilities and departments, and then aggregating this data provides a comprehensive view of the organisation's air emissions. NABL-accredited stack report for monitoring air emissions is developed and shared with the Tamil Nadu Pollution Control Board (TNPCB) and MoEFCC.

GRI 305-6

GRI INDEX

Statement of use	Chemplast Sanmar has reported the information cited in this GRI content index for the period April 1, 2023 to March 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
GRI 2: General Disclosures 2021	2-1 Organisational details	6			
	2-2 Entities included in the organisation's sustainability reporting	2			
	2-3 Reporting period, frequency and contact point	2-3			
	2-4 Restatements of information	2			
	2-5 External assurance	3			
	2-6 Activities, value chain and other business relationships	6,9-11			
	2-7 Employees	59			
	2-8 Workers who are not employees	59			
	2-9 Governance structure and composition	23-26			
	2-10 Nomination and selection of the highest governance body	27			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
	2-11 Chair of the highest governance body	25			
	2-12 Role of the highest governance body in overseeing the management of impacts	28			
	2-13 Delegation of responsibility for managing impacts	28			
	2-14 Role of the highest governance body in sustainability reporting	2, 28			
	2-15 Conflicts of interest	29			
	2-16 Communication of critical concerns	29			
	2-17 Collective knowledge of the highest governance body	28			
	2-18 Evaluation of the performance of the highest governance body	27			
	2-19 Remuneration policies	27			
	2-20 Process to determine remuneration	27			
	2-21 Annual total compensation ratio	27			
	2-22 Statement on sustainable development strategy	4-5			
	2-23 Policy commitments	29			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
	2-24 Embedding policy commitments	29			
	2-25 Processes to remediate negative impacts	16			
	2-26 Mechanisms for seeking advice and raising concerns	31			
	2-27 Compliance with laws and regulations	31			
	2-28 Membership associations	13			
	2-29 Approach to stakeholder engagement	14-15			
	2-30 Collective bargaining agreements	62			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17			
	3-2 List of material topics	18-21			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	36-37			
	201-2 Financial implications and other risks and opportunities due to climate change	36			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
	201-3 Defined benefit plan obligations and other retirement plans	37			
	201-4 Financial assistance received from government	36			
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	37			
	203-2 Significant indirect economic impacts	37			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	20			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	30			
	205-2 Communication and training about anti-corruption policies and procedures	30			
	205-3 Confirmed incidents of corruption and actions taken	30			
Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3 Management of material topics	20			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	38			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	19			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	56			
	301-2 Recycled input materials used	57			
	301-3 Reclaimed products and their packaging materials	57			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	18			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	44,80	302-1 (d)	Not applicable	Energy is generated and consumed internally for the purposes of manufacturing and other processes.
	302-2 Energy consumption outside of the Organisation	44,80			
	302-3 Energy intensity	45			
	302-4 Reduction of energy consumption	46			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
	302-5 Reductions in energy requirements of products and services		302-5(a), (b), & (c)	Not applicable	The Company's businesses primarily involves the production of chemicals and related products. The products are not typically measured in terms of energy consumption by customers.

Water and effluents

GRI 3: Material Topics 2021	3-3 Management of material topics	19			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	54, 55			
	303-2 Management of water discharge-related impacts	55			
	303-3 Water withdrawal	55			
	303-4 Water discharge	55			
	303-5 Water consumption	55	303-5 (c)	Not applicable	The Company doesn't have any significant water related impact.

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	18			
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GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	41,42,80			
	305-2 Energy indirect (Scope 2) GHG emissions	41,80			
	305-3 Other indirect (Scope 3) GHG emissions	41,80			
	305-4 GHG emissions intensity	42			
	305-5 Reduction of GHG emissions	41,80			
	305-6 Emissions of ozone-depleting substances (ODS)	43,80			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	43,80			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	19			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	51, 52			
	306-2 Management of significant waste-related impacts	50-52			
	306-3 Waste generated	53			
	306-4 Waste diverted from disposal	53			
	306-5 Waste directed to disposal	53			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	18			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	54			
	308-2 Negative environmental impacts in the supply chain and actions taken	54			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	19			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	61			
	401-3 Parental leave	61			
Labour/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	19			
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	59			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	20			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	64			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation
	403-2 Hazard identification, risk assessment, and incident investigation	64-71			
	403-3 Occupational health services	72			
	403-4 Worker participation, consultation, and communication on occupational health and safety	71, 65			
	403-5 Worker training on occupational health and safety	64,70			
	403-6 Promotion of worker health	72			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	67			
	403-8 Workers covered by an occupational health and safety management system	66	403-8(a),(b), (c)	Not applicable	Third party verification of suppliers for OHSMS is being planned.
	403-9 Work-related injuries	66			
	403-10 Work-related ill health	66			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	63			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	62-64	404-2 (b)	Not applicable	Such programmes are being planned.	
	404-3 % of employees receiving regular performance and career development reviews	63				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	23-24, 59-60				
	405-2 Ratio of basic salary and remuneration of women to men	NA	405-2 (a), (b)	Not applicable		
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	64				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21				

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	62			
Child labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	63-64			
Forced or compulsory labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	63			
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	18-21			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	63-64			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	20			

GRI Standard	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	74-79			
	413-2 Operations with significant actual and potential negative impacts on local communities	74	413-2(a)	Not applicable	The company did not have any negative impact on local communities
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	18			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	54			
	414-2 Negative social impacts in the supply chain and actions taken	54			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	21			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	38			
	417-2 Incidents of non-compliance concerning product and service information and labeling	38			
	417-3 Incidents of non-compliance concerning marketing communications	38			

INDEPENDENT ASSURANCE STATEMENT



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Ground Floor, Plot no 67, Sector 44
Institutional Area, Gurugram
Haryana - 122003

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Fax: +91 124 464 4050
ey.com

Independent Practitioner's Assurance Statement

Chemplast Sanmar Limited
9, Cathedral Road,
Chennai, Tamil Nadu-600086

Scope

We have been engaged by Chemplast Sanmar Limited to perform a "limited assurance engagement," as defined by International Standards on Assurance Engagements hereafter referred to as the engagement, to report on non-financial KPIs (the "Subject Matter") mentioned in annexure 1 as below for their five manufacturing sites (Mettur, Cuddalore, Berigai, Karaikal, Vedaranyam Salt works), as of 20 September 2024 for the period 1 April 2023 to 31 March 2024 ("the Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the other information, and accordingly, we do not express a conclusion on this information.

Criteria applied by Chemplast Sanmar Limited

In preparing the subject matter, Chemplast Sanmar Limited, applied the Global Reporting Initiative (GRI) Standards, hereafter referred to as "Criteria". GRI Standards were specifically designed for the select non-financial KPIs, as a result, the subject matter information may not be suitable for another purpose.

Chemplast Sanmar Limited's responsibilities

Chemplast Sanmar Limited's management is responsible for selecting the Criteria, and for presenting the select non-financial KPIs for FY2023-24 in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), and the terms of reference for this engagement as agreed with Chemplast Sanmar Limited on 8 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the select non-financial KPIs and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Checking the standard disclosures regarding the material sustainability aspects of the company's manufacturing sites;
- Checking consistency of data / information;
- Testing on a sample basis, underlying source information to check the accuracy of the data for the following location, through consultations with the corporate sustainability team;
Locations:-
 1. Mettur
 2. Cuddalore
 3. Berigai
 4. Karaikal
 5. Vedaranyam Salt works
- Conducting a sample-based review of claim records and data flows to assess the precision of the collection and compilation methods employed;
- Conducting interview of select representatives of plants to understand the current processes in place for collecting, collating and reporting the subject matter as per GRI Standards, and the progress made during the reporting period;
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertaking analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified
- Identifying and testing assumptions supporting calculations
- Checking the plans, policies, and practices, pertaining to their social, environment and sustainable development, to comment on the reporting's completeness of the company's manufacturing sites.

We also performed such other procedures as we considered necessary in the circumstances.

The assurance scope excludes:

- Data and information outside the defined reporting period-1 April 2023 to 31 March 2024
- Data and information outside the defined manufacturing sites (Mettur, Cuddalore, Berigai, Karaikal, Vedaranyam Salt works) of the company
- Data and information on economic and financial performance of the company;
- Data, statements and claims already available in the public domain through Sustainability Report, or other sources;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters;



Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the non-financial KPIs ("subject matter") as of 20 September 2024 for the year ended 31 March 2024 for the period from 01 April 2023 to 31 March 2024, in order for it to be in accordance with the Criteria.

Ernst & Young Associates LLP.

20 September 2024
Gurgaon, India

Annexure 1:

GRI Indicators	GRI disclosures
Materials used by weight or volume	GRI 301-1
Recycled input materials used	GRI 301-2
Energy consumption within the organization	GRI 302-1
Reduction of energy consumption	GRI 302-4
Water withdrawal	GRI 303-3
Water consumption	GRI 303-5
Water discharge	GRI 303-4
Direct Scope 1 emissions	GRI 305-1
Indirect Scope 2 emissions	GRI 305-2
Waste generated	GRI 306-3
Waste diverted from disposal	GRI 306-4
Waste directed to disposal	GRI 306-5
New suppliers that were screened using environmental criteria	GRI 308-1
New employee hires and employee turnover	GRI 401-1
Worker training on occupational health and safety	GRI 403-5
Workers covered by an occupational health and safety management system	GRI 403-8
Work-related injuries	GRI 403-9
Work-related ill-health	GRI 403-10
Average hours of training per year per employee	GRI 404-1
Operations with local community engagement, impact assessments, and development programs	GRI 413-1
New suppliers that were screened using social criteria	GRI 414-1

[illegible]

