Shiva Pharmachem Limited

Corporate Sustainability Report

FY 2023-24

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Management Representative

Assurance By: SGS India Pvt Ltd.

Shiva Bonds Beyond Boundaries

Innovative : Indigenous : Integrated

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AN OVERVIEW

Environmental Highlights

1. **Percent Raw Material from Recycled input**	**26.48**
2. Percent Material Dispatched through Reclaimed Packing Material	84.82
3. Total Energy Intensity Per MT of Production	18370 MJ
4. Total Carbon Emission Intensity Per MT of Production	8.09 MT CO2 eq.
5. Total Water Consumption	173.3 ML
6. Percent Waste Diverted from Disposal	92.44

Social Highlights

1. Percent of Employees go through annual medical health Checkups	100
2. Rate of fatalities because of work-related injury	00
3. Rate of high-consequence work-related injuries	0.054
4. Number of Work-Related illness Health Cases	Nil
5. Average Man-days Training to Company Employees	1.12
6. Average Man-days Training to Contractor Employees	0.38
7. Total Expenditure on CSR activities	Rs.2,08,98,386 /-

Governance Highlights

1. **Number of Discrimination Cases**	**00**
2. Number of Child Labor Cases	00
3. Number of Forced and Compulsory Labor Forces	00

INTRODUCTION

About the Report

Shiva Pharmachem is committed to making progress and taking meaningful actions towards becoming a more sustainable and environmentally responsible organization. This report marks our second annual update on sustainability, covering the period from April 2023 to March 2024. It builds upon the baseline year of our first report, which covered April 2022 to March 2023. Our goal is to demonstrate leadership in global sustainable practices and continuously improve our approach to sustainability.

We prioritize sustainable practices across all aspects of our business operations, ensuring alignment with the Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals (SDGs). In doing so, we seek to embed sustainability into every facet of our business strategy, decision-making, and governance.

At Shiva Pharmachem, we value the perspectives of our stakeholders, recognizing their vital role in enhancing communication and fostering inclusion and effectiveness. Their feedback is integral to shaping our ongoing sustainability efforts. As we focus on governance, strategy, performance, and decision-making, we remain committed to being transparent and accountable.

This report is based on data reviewed and approved by management, in compliance with certified management systems. We encourage feedback on this report to continuously enhance our practices and ensure we remain on the path toward sustainability.

Reporting Scope, Boundary and Entities Involved (GRI 2-2)

This report outlines the approach, performance, and accomplishments on the three sustainability fronts namely: social, environmental, and economic. The report includes the key operational activity and environmental initiatives of Shiva Pharmachem Limited in its three sites namely Luna (Vadodara, Gujarat, India), Dahej (Bharuch, Gujarat, India) and Sajóbábony (Hungary). This report excludes the Head office which is the administrative building and overseas storage hubs in Europe and America.

Message from the Chairman (GRI 2-22)

This sustainability report is a testament to our commitment towards fostering a sustainable future. As Chairman, I am deeply proud of the strides we have made in integrating sustainability into our business practices and operations.

Dear stakeholders,

I am pleased to present our second Sustainability Report for the fiscal year 2023-2024. This report underscores our dedication to fostering sustainable environmental, social and governance practices, as well as conducting our business ethically. By prioritizing sustainability, we aim to reduce our carbon footprint, minimize environmental impacts and contribute to business growth, fostering continuous improvement and enhancing our sustainability strategies.

Engaging in Global Initiative reporting aids us in navigating global markets, mitigating risks, seizing growth opportunities and positively contributing to society, thus paving the way for a more sustainable future for all.

I extend my sincere gratitude to our stakeholders, employees and customers for their unwavering support of our sustainability endeavors'. Integrating sustainability into our business strategy creates long-term value for stakeholders and adopting environmentally friendly practices, such as waste reduction and energy conservation, underscores our commitment to responsible corporate citizenship. Ultimately, incorporating sustainability into our strategy is key to long-term success in the marketplace.

Prioritizing integrity, transparency, and fairness in all our operations builds trust with stakeholders and cultivates a positive work environment for our employees. This strategic approach has the potential to impact financial results positively and contribute to a more sustainable future for all involved stakeholders.

We have been recognized with several certifications and awards for our sustainable and environmentally friendly practices, including ISO 14001:2015, ISO 45001:2018 and the Responsible Care logo, affirming our commitment to providing a safe and healthy work environment. Additionally, ISO 9001:2015

certification attest to our quality management systems. Furthermore, our sites have secured scores under the *Together for Sustainability* initiative, with sites at Luna and Dahej achieving commendable results. Moreover, our efforts have been acknowledged by Ecovadis with Committed Batch with the score of 55.

Shiva Pharmachem Ltd is a company that strives to achieve excellence in its products, processes and practices. It is driven by its vision to be a preferred partner for its customers and a responsible corporate citizen for its society.

We have undertaken various initiatives to reduce our environmental footprint, including replacing incandescent lights with LED bulbs, transitioning employee transportation vehicles from diesel to CNG and implementing water-saving measures. Additionally, we are actively recycling water and byproducts to raw materials.

Today, we have market presence in 6 continents with storage and distribution hubs in Europe and USA. We further aim to expand our customer base and product portfolio by offering high quality and innovative solutions.

Looking further on the bright side, we are recycling water to reduce the total water consumption. There is a noticeable usage of renewable energy sources, 70% of Bio coal is used as an alternative to fossil fuels. Which are beneficial for the environment by reducing carbon emission and to meet our sustainability goals.

We have implemented a range of CSR activities for local community development activities such as promoting education, health care facilities, protecting local art and eradicating hunger.

We have set ourselves ambitious targets to achieve a goal of 2% reduction in Scope 1 & Scope 3 emissions each and 1% reduction in Scope 2 and 2% reduction in energy intensity by March 2026, further reducing water consumption by 5 % by FY 2025-26.

Shiva Pharmachem Ltd is committed to ensuring the health, safety and environment of its employees, customers, and stakeholders. We have implemented a robust safety management system with a strong focus on process safety management. We have also invested in efficient effluent treatment plants,

recycling systems, and scrubbing systems to minimize our environmental impact and optimize resource utilization. We conduct regular training, medical checkups and hygiene surveys to promote the well-being of its workforce.

Looking ahead, we are committed to furthering our sustainability efforts, setting ambitious goals and continuously improving our performance. We understand that the journey towards sustainability is ongoing and requires collective action and we are grateful for the support and collaboration of our stakeholders.

In closing, I express my heartfelt gratitude to our employees, customers, suppliers, shareholders and other stakeholders for their unwavering support and commitment to sustainability. Together, we can create a more sustainable and resilient future for generations to come.

Mr. Rakesh S Agrawal,

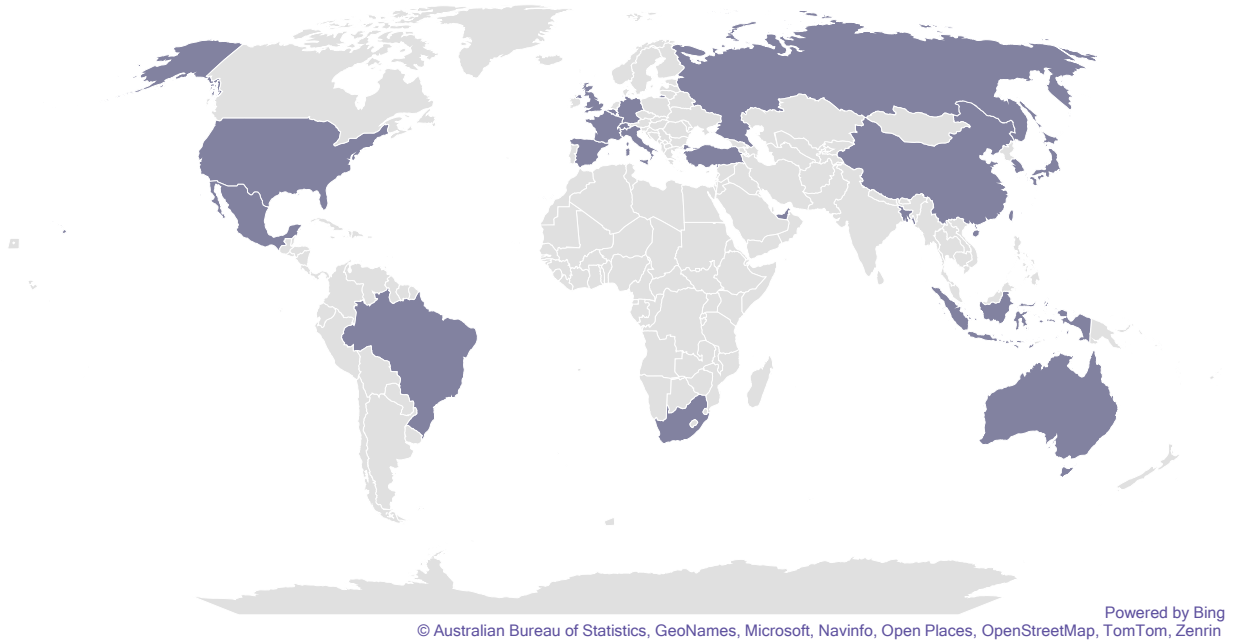
Chairman

Organization's Profile (GRI 2-1)

We, at Shiva Pharmachem Limited are the leading manufacturer of acid and alkyl chlorides, headquartered in Vadodara, Gujarat, India. The company manufactures products in seven major groups such as Acid Chloride, Alkyl Chlorides, Pharma Intermediates, APIs and intermediates, Fine and Specialty Chemicals, Agrochemicals, and Nitriles which have applications in various sectors such as Agrochemicals, Pharmaceuticals, Polymers, Personal Care, Chemical Synthesis, Performance Chemicals etc.,

The company was founded in the year 1999 at Luna, Gujarat, India, with an objective of forging out a presence in the international and Indian chemical industries through innovative approaches to Chemistry, Technology, and Systems that would lead to long-term sustainable growth. As a result of our collective commitment and efforts, we are one of the India's leading and one of the fastest growing specialty chemical firms with a market presence in several countries spanning across 6 continents., We currently have 3 operational units at Luna (Vadodara, Gujarat, India), Dahej (Bharuch, Gujarat, India) and Sajóbábony (Hungary, Europe). None of our sites are in or adjacent to protected areas or areas of high biodiversity.

Major Market Presence



Vision

To be the leading global manufacturer of multifunctional intermediates with a focus on Sustainability (Environmental, Social and Governance), Total Quality Management and Total Customer Satisfaction.

Mission

To achieve following, keeping Sustainability at the core of the organization -

- Expand our existing product portfolio
- Expand our markets and increase wallet share with existing customers
- Expand our existing manufacturing capacities
- Further strengthen our R&D capabilities
- Continue to focus on the reduction of our operating expenses through asset churning.

Core Values

- Environment, Safety and Health
- Integrity
- Innovation
- Commitment

Purpose of Sustainability report

This sustainability report outlines our commitment to sustainable practices and our ongoing efforts to reduce environmental impact while maximizing social and economic benefits. It serves as a comprehensive record of our sustainability initiatives, achievements, and challenges. Through this report, we aim to provide stakeholders such as customers, investors, employees, and regulatory authorities with a transparent and detailed overview of our sustainability performance. In doing so, we strive to build trust, accountability, and a shared understanding of our continued dedication to sustainability.

Data Collection

During this complete reporting, the mentioned data is collected from respective functions of respective sites which are based on their logbook record, purchase orders, government portal submissions, Analysis reports etc.

Our all-internal stakeholders are sufficiently empowered to present respective data and spell out difficulties during this reporting period.

Ownership

The equity share held by following three shareholders Mr. Rakesh Agrawal, Mr. Vishal R Agrawal, and Mr. Rahul R Agrawal in India is 36.95%, remaining shares are held by others.

External Initiatives

We have taken a significant step toward holistic development by actively participating with industry groups for policy improvements and community well-being.

The company's ISO 14001:2015, ISO 45001:2018, ISO 9001:2015, Responsible Care Logo certifications and higher Scores in Together for Sustainability (TFS) Audits demonstrate its' steadfast dedication to Environmental responsibility, Occupational Health & Safety and Excellence in quality.

The organization displays its commitment to proactive environmental management by minimizing its ecological imprint and promoting sustainability by obtaining ISO 14001:2015, Responsible care logo certification.

ISO 45001:2018 and Responsible care logo certification emphasizes the company's priority of providing a safe and healthy work environment for its employees, demonstrating a consistent dedication to their well-being.

The ISO 9001:2015 and cGMP & cGLP accreditation attest to the company's stringent quality management system, which ensures that its products and services continually fulfil consumer expectations.

Memberships of Associations (GRI 2-28)

Sl. No	Agency / Portal	Member ID
1	ECOVADIS	YR909059
2	Supplier Ethical Data Exchange (SEDEX)	ZC402648682
3	Chemical Weapon Convention (CWC)	SHV 001 VAD & SHI 001 DAH
4	Quality Circle Forum of India (QCFI)	070702122882
5	Indian Chemical Council (ICC)	144

Apart from these, the Hungarian unit at Sajóbábony has subscribed to the membership such as MAVESZ (Association of Hungarian Chemical Manufacturers), Hungarian Chamber of Industry and Hungarian Chamber of Engineers.

Awards and Certificates

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

The Indian Chemical Council (ICC) awarded Shiva Pharmachem ltd. a Responsible Care mark (RC logo) for our sustainability objectives.

We have implemented 07 codes of Responsible care. By the virtue of which we have been audited by Indian Chemical Council (ICC) and certified us to use responsible care logo in our documentation and communications.

In Process safety code implementation, we have implemented 14 elements of process safety management system.

ecovadis

Shiva Pharmachem Ltd. was awarded Committed batch by Ecovadis in May 2024. Ecovadis offers a business sustainability rating as well as intelligence solutions that are recognized globally.

Food and Drug Control Administration of Gujarat State awarded a certificate for State Good Manufacturing Practices (GMP) and Good Laboratory Practices (GLP).

Together for Sustainability (TFS) is a sector initiative created by chemical companies to assess, audit, and improve sustainability practices within their global supply chains. Shiva Pharmachem has consistently improved the score with every assessment. TFS score for Luna site has increased from 76 (2021) to 84 (2023), for Dahej from 80 (2021) to 90 (2023).

These certifications collectively confirm the company's commitment to globally recognized standards, reinforcing stakeholder trust and exemplifying the company's unwavering pursuit of operational excellence, environmental sustainability and employee welfare.

Governance Structure and Composition (GRI 2-9)

Within its corporate governance framework, Shiva Pharmachem lays a high emphasis on teamwork, collaboration and ethical standards. The Board of Directors has the highest authority and is committed to ensuring transparency and independence in the decision-making process that takes stakeholder concerns, sustainability and collective growth into account. This dedication extends to fostering an ethical and responsible culture throughout the firm, influencing everything from strategic decision-making to risk management and compliance.

We have a long-term goal of establishing standards that promote sustainability in the economic, environmental and social domains, highlighting our dedication to accountability and integrity in operations. We hold our employees to high standards at all levels, establishing a culture of creativity and cooperation based on ethical behavior, accountability and openness.

This approach to corporate governance is consistent with Shiva Pharmachem's fundamental values and serve as the foundation for the company's mission and long-term strategic goals. Shiva Pharmachem wants to instill confidence in stakeholders by adhering to best practices focusing on fairness, transparency and accountability.
The Governance structure of the company consists as follows: Chairman as Head of the organization followed by Managing Director (MD), Executive Director, Chief Operating Officer (COO), Vice President (VP), Senior General Manager (Sr. GM), Senior Manager, General Manager and Dy. General Manager (GM).

Sl. No.	Name	Designation	Tenure
1	Mr. Rakesh. S. Agrawal	Chairman and Non-Executive Director	Director since date of incorporation of the company
2	Mr. Vishal. R. Agrawal	Managing Director	Director since date of incorporation of the company
3	Mr. Rahul. R. Agrawal	Non-Executive Director	Director since date of incorporation of the company
4	Mr. Jagmohan. M. Zalani	Executive whole time Director	01/04/2015 to 30/09/2025
5	Mr. Sivaraman Narayanswami	Independent Directors	01/05/2019 to 30/04/2029

6	Mr. Premkumar Taneja	Independent Directors	30/03/2022 to 29/03/2027
7	Mr. Dukhbandhu Rath	Independent Directors	01/10/2022 to 30/09/2027
8	Mrs. Rati Desai	Independent Directors	01/03/2023 to 29/02/2028

Shri. Rakesh. S. Agrawal is the Chairman, (GRI 2-11) the highest governance body of the organization. The table containing Details of Board of Directors is given above**. There are 8 directors, out of which 4 are independent directors including a women director.** The appointment of independent directors is made as per section 149 of the companies Act, 2013[1].

Age-wise segregation – Age-wise segregation of highest governance structure is showed in table below -

Age of Employee	Total No. of Employee
< 30 Yrs.	**00**
30 Yrs. - 50 Yrs.	**02**
> 50 Yrs.	**06**
Total	**08**

Apart from the board of directors, which is the highest governing body of the Shiva Pharmachem, various committees such as Audit committee, CSR committee, Stakeholder Relationship committee, Risk Management committee, Nomination and Remuneration (NR) and Human Resource (HR) committee comprising of board members have been formed to look after various important activities of the company. The following are the various committees and their composition (GRI 2-12, 2-13 and 2-17).

Audit committee		
Name Of Director	**Designation**	**Status in Committee**
Mr. Sivaraman Narayanswami	Independent Director	Chairman
Mr. Rakesh. S. Agrawal	Chairman	Member
Mr. Premkumar Taneja	Independent Director	Member
Mr. Dukhbandhu Rath	Independent Director	Member

[1] Read with schedule IV of section 149 of the companies act, 2013 and rules thereunder.

Mrs. Rati Desai	Independent Director	Member

Corporate Social Responsibility Committee		
Name Of Director	**Designation**	**Status in Committee**
Mr. Rakesh. S. Agrawal	Chairman	Chairman
Mr. Vishal. R. Agrawal	Managing Director	Member
Mr. Sivaraman Narayanswami	Independent Director	Member

Nomination and Remuneration (NR) and Human Resource (HR) committee		
Name Of Director	**Designation**	**Status in Committee**
Mr. Sivaraman Narayanswami	Independent Director	Chairman
Mr. Rakesh. S. Agrawal	Chairman	Member
Mr. Premkumar Taneja	Independent Director	Member
Mr. Dukhbandhu Rath	Independent Director	Member

Stakeholder Relationship Committee		
Name Of Director	**Designation**	**Status in Committee**
Mr. Premkumar Taneja	Independent Director	Chairman
Mr. Rakesh. S. Agrawal	Chairman	Member
Mr. Sivaraman Narayanswami	Independent Director	Member

Risk Management Committee (GRI 2-16)		
Name Of Director	**Designation**	**Status in Committee**
Mr. Rakesh. S. Agrawal	Chairman and Director	Chairman
Mr. Vishal. R. Agrawal	Managing Director	Member
Mrs. Rati Desai	Independent Director	Member

Nomination Of Highest Governance Body (GRI 2-10, 2-18, 2-19, 2-20 & 2-21)

The Nomination and Remuneration and Human Resources Committee at Shiva Pharmachem is responsible for providing policy framework for renumeration paid to the members of the Board of Directors, Key Managerial Personnel (KMP) and the Senior Management Personnel (SMP) of the company.

The main objectives of this policy framework are to motivate the members of board of directors, KMP and SMP by fixing reasonable composition and level of remuneration and to meet appropriate performance benchmarks reflecting short- and long-term performances to achieve the goals of the company. This policy is also published on our official website for stakeholders and public disclosure.

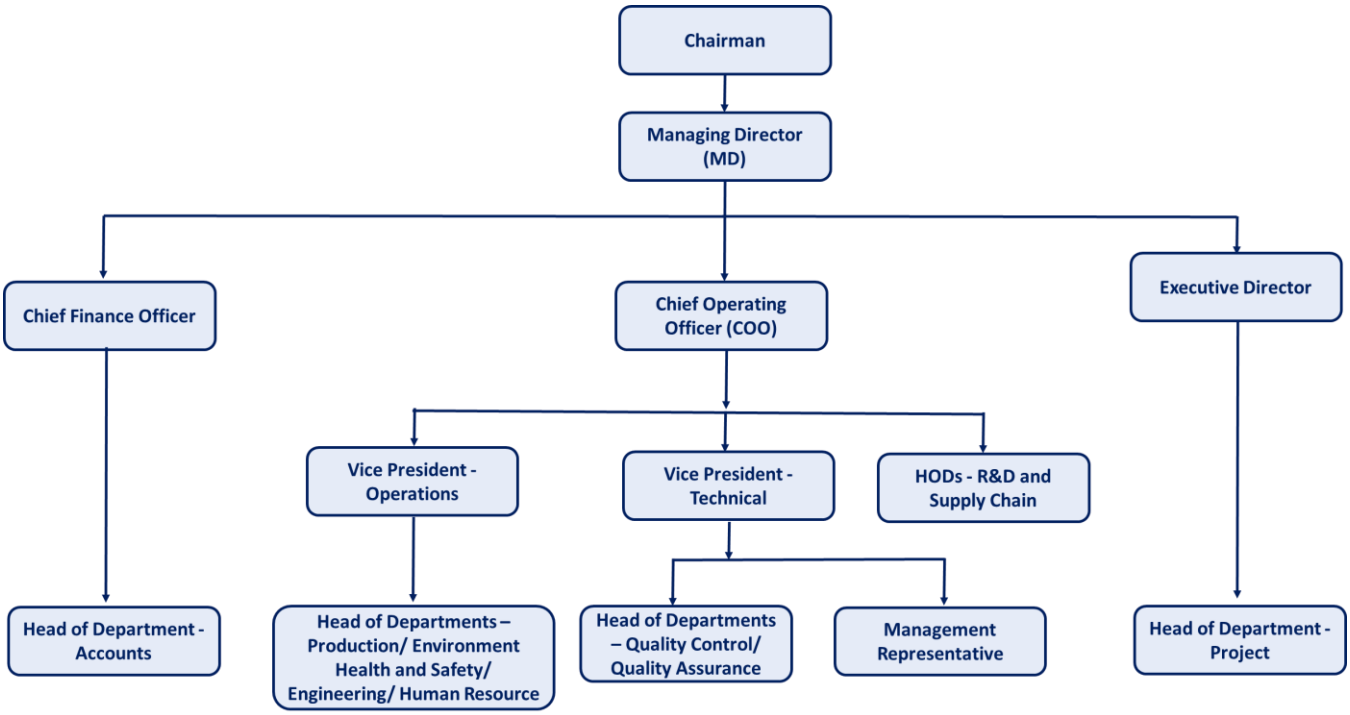
https://www.shivapharmachem.com/about.aspx#policies

The following table provides composition of members in the Nomination and Remuneration and Human Resources Committee at Shiva Pharmachem. The composition of The Nomination and Remuneration and Human Resources Committee is as under:

Name Of Director	Designation	Status in Committee
Mr. Sivaraman Narayanswami	Independent Director	Chairman
Mr. Rakesh. S. Agrawal	Chairman	Member
Mr. Premkumar Taneja	Independent Director	Member
Mr. Dukhbandhu Rath	Independent Director	Member

Furthermore, the committee works with the Human Resources Department to supervise the appointment, appraisal, and remuneration of Directors, Key Management Personnel (KMPs), and staff. This procedure is carried out on an annual basis, showcasing the company's commitment to fair and transparent governance and human resource policies.

Organizational structure:



Roles and Responsibilities (GRI 2-12)

Sl. No.	Designation	Roles and Responsibilities
1	Managing Director (MD)	• Responsible for Entire activities of manufacturing facilities and corporate functions. • Defining policies, strategic directions, and long-term vision. • Providing adequate resources for continual improvement in all aspects for organization sustenance. • Appointing Management representative and extend support for implementing QHSE management system. • Ensure all legal and other requirements are compiled as per the legal register.
2	Chief Operating Officer (COO)	• Responsible for Entire activities of manufacturing facilities and Supply chain. • Setting Organizational QHSE objectives, targets and reviewing management system at appropriate intervals and continuous improvement and effectiveness. • Providing adequate resources for QHSE performance and procurement of raw materials and engineering good as per specifications.

		• Extend support for implementing QHSE management system and providing resources to all Vice presidents and supply chain leaders. • Ensure all legal and other requirements are compiled as per the legal register.
2	Vice President (VP) - Operations	• Responsible for manufacturing activities at Luna and Dahej sites. Defines roles, responsibilities, and accountabilities through departmental procedures. • Reviewing QHSE management system to ensure suitability and effectiveness through management reviews at defined intervals. • Select and appoint required Manpower and take decision on alterations in QHSE management system. • Authorized to select and appoint required workforce for effective implementation of QHSE management system.
3	Vice President (VP) - Technical	• Responsible for associated activities like Management Systems, Quality control and Quality Assurance at Luna and Dahej sites. Defines roles, responsibilities, and accountabilities through departmental procedures. • Reviewing QHSE management system to ensure suitability and effectiveness through management reviews at defined intervals. • Select and appoint required Manpower and take decision on alterations in QHSE management system. • Authorized to select and appoint required workforce for effective implementation of QHSE management system.
4	Management Representative	• Responsible for maintaining quality and HSE policy with help from respective leaders. And implementing commitments of the organization recorded in foreword. • Schedule and conduct internal audit and management review meetings. • Report status on Integrated Management System to the Chief Operating Officer and initiating management review meetings periodically. • To develop team internal auditors by providing training. • Authorized to appoint/ reconstitute steering group for management review. • Keep custody of original document related to Integrated management system. • Issue approved revisions of relevant sections of apex manual.
5	All Head of Departments	• Planning and reviewing. Ensure compliance to in process and associated legal and regulatory requirements. • Implementing QMS, EMS, OHS and process safety management system requirements by coordinating with ISO system leader. • Authorized to maintain safe work environment and corrective action for any deviations or non-conformities.

		• To communicate the resource requirements to the workforce and get sanctioned capex for year for smooth working of function. • To motivate employees towards sustainability measures and access the implementation of objectives/goals and percolation of awareness among the team.

Approach to Sustainability (GRI 2-14)

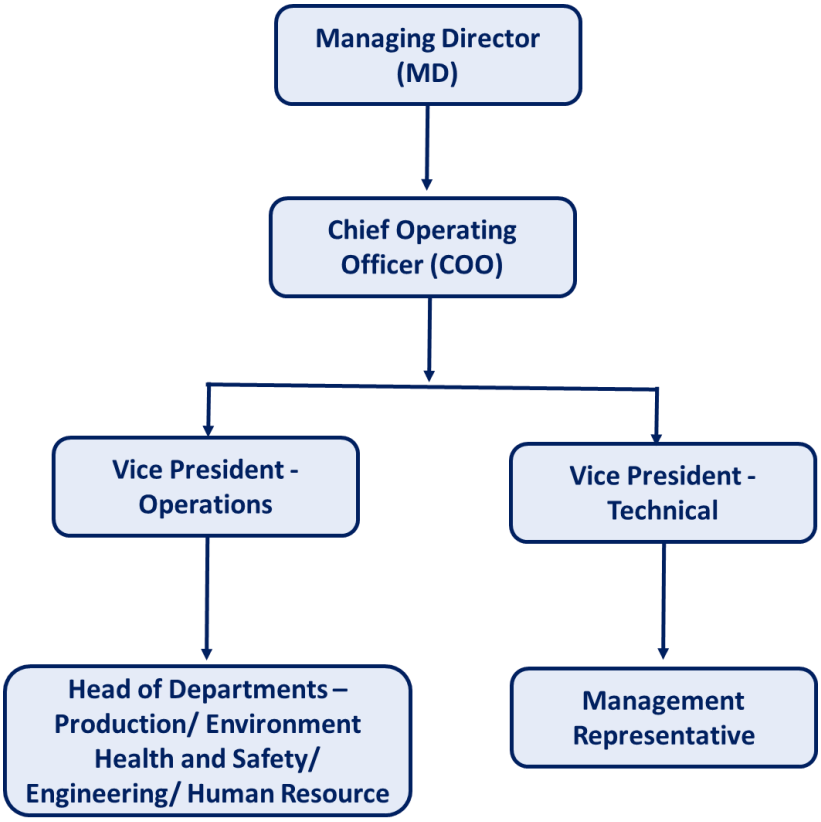
Shiva Pharmachem is dedicated to sustainability and has aligned its processes with the Global Reporting Initiative (GRI) standards. The company prioritizes minimizing its environmental impact by implementing stringent waste management practices and utilizing state-of-the-art manufacturing technologies.

Our goal is to produce chemical products that not only meet high-quality standards but also emphasize environmental conservation. In addition to our environmental efforts, we actively engage in community outreach and development initiatives, contributing to the social well-being of the communities in which we operate. By supporting healthcare access, education, and maintaining a holistic approach to sustainable business operations, we demonstrate our commitment to creating positive social impact.

Commitment to Reporting

Shiva Pharmachem is unwavering in its commitment to transparency and accountability across all its activities. The company aims to provide stakeholders with clear and comprehensive insights into its performance, sustainability initiatives, and progress toward long-term goals. This will be achieved through regular, detailed reporting that ensures stakeholders are informed and engaged in our journey toward sustainability.

Below is the structure of our Sustainability Reporting Framework:



Reporting Period (GRI 2-3)

This is Shiva Pharmachem's second sustainability report, and it covers the period from April 2023 to March 2024. The last year (first report) will serve as the baseline year for all subsequent years till there are any major changes in technology or infrastructure arises.

Restatements of information (GRI 2-4)

This is Shiva Pharmachem's second sustainability report, and it covers the period from April 2023 to March 2024. The changes in this report are as follows:

1. In case of scope 2 emission and energy consumption, the boiler was commissioned in last 03 months of last financial year reporting at Hungarian site, hence data for LPG consumption was only for 3 months included. Also, the purchased steam data for Hungarian site was not available in reportable manner; So, it was not included in last report emission calculation which is now available for current reporting year; hence included in report.
2. In case of Scope 3 emission business transportation was not available last reporting year.

External Assurance (GRI 2-5)

This report has been externally assured by SGS, an independent third party. The assurance process was conducted in accordance with the requirements of *ISAE 3000 and ISAE 3410 assurance standard for 'Limited level of Assurance'.*

Activities, value chain and other business relationships (GRI 2-6)

Shiva Pharmachem is manufacturer of acid chlorides, alkyl chlorides speciality chemicals, API intermediates and agrochemical intermediates. We have SO2 tonner filling and testing facilities. Also, it has research and development facilities for new product developments.

In Supply chain; we have functions like inbound logistics (for imports), Purchase (for domestic orders of chemicals, Engineering item purchases, other items purchases, service contracts and legal contracts with local government approved recyclers), Raw Material Stores & Engineering stores (for inward material storage and issuance), Finished goods stores (for finished good storage, labeling and dispatch), Logistics (for finished good dispatch and tracking) and marketing (for customer communication and orders).

Besides these core activities we have HR/IR for employees and local surrounding community communications and engagements, Quality Control and Quality Assurance for review of customer requirements fulfillment and handling customer complaints. Systems for management / certifications/ customers audits handling and compliances. We have an engineering function for regular upkeeping of process and utility facilities and arranging engineering services.

Employees (GRI 2-7)

Shiva Pharmachem is manufacturer of acid chlorides, alkyl chlorides speciality chemicals, API intermediates and agrochemical intermediates. We have SO2 tonner filling and testing facilities. Also, it has research

Policies and Manuals (GRI 2-23)

The company has formulated various policies and clearly laid out procedures on Procurement, Quality, Health, Safety and Environment, Security, Service Rules, Policy against Sexual Harassment, Anti-Bribery and Anti-Corruption, CSR Policy, Grievance Redressal etc., are in place. A few important policies are briefly described below.

Policy on Procurement (GRI 204-1)

The purchase section carries out the procurement of raw material based on the monthly forecast of orders and procurement is done by the supply chain. As per business sustainability perspectives we develop multiple vendors for each raw material. Vendor qualification is based on certification and questionnaire and sample of material is tested as "Use Test" in our R & D department, based on the results, agreement with only approved vendor is done. We import materials from over 5 countries mainly from Japan, Malaysia, China and others are locally sourced.

We have raw material stores, engineering stores, and finished goods stores in both Luna and Dahej sites with dedicated storage tanks for storing regular raw materials and products.

The company has formulated its sustainable procurement policy which is also publicly available at our official website https://www.shivapharmachem.com/pdf/sustainable-procurement-Policy.pdf

Policy on Quality

The company is committed to developing, manufacture and delivering top-quality products, and aim for the highest customer satisfaction. Embracing a holistic approach, the company actively identifies and addresses external and internal factors, including environmental, social, technical, and legal considerations.

The company believes that customer satisfaction and continual improvements are key to sustainable business progress.

The company has formulated its' own quality policy which is also published on its' official website https://www.shivapharmachem.com/pdf/quality-policy.pdf

Health, Safety and Environment Policy

The organization place high emphasis on creating a safe and healthy work environment, with the goal of preventing workplace injuries and prioritizing the well-being of its employees. This commitment extends to environmental protection by actively working to prevent pollution and adhering to specific environmental obligations.

Our HSE vision is "**To be one of the best, safest and environmentally responsible global chemical manufacturing companies in the world, caring for its employees to assist them to lead a healthy life. We want to achieve best in class in Health, safety, and Environment by making safety and Environment a way of life**". Furthermore, all external parties, including contractors, subcontractors, and transporters, are held accountable for their duties in Health, Safety, and Environment (HSE) while on the premises.

The company has its' own EHS policy which is available publicly through its' official website https://www.shivapharmachem.com/pdf/ehs-policy.pdf

Policy Against Sexual Harassment

The company respects the dignity of everyone involved in the workplace whether they are employees, suppliers, or customers. The company believe that all employees have a work environment that does not tolerate sexual harassment. This policy takes complete cognizance of latest legislation by Government of India "The Sexual Harassment at workplace (Prevention, Prohibition and Redressal) Act 2013.This act provides protection against Sexual Harassment of women at workplace.

Anti-Bribery and Anti-Corruption Policy (GRI 205)

The company upholds a strict Anti-Bribery and Anti-Corruption Policy, demonstrating a zero-tolerance stance towards fraudulent and corrupt practices. We are dedicated to conducting business with fairness, transparency, and the highest ethical standards, and prohibit any form of solicitation, receipt, offer, promise, or provision of financial or other advantages in dealings with other businesses or government officials.

Grievance Redressal Policy (GRI 2-25 & 2-26)

Handling grievances is the responsibility of GM -HR/IR and grievance cell at manufacturing sites. Composition of grievance Redressal committee consists of 5 members each from Vice President – operations, SCM section, Engineering section, R&D and operations section. Senior most member of the committee i.e., VP – operations shall be the chairman of the committee.

Scope and functions of this policy includes Meeting at least once in three months, Cases of alleged injustice and other grievance of individual nature submitted to the committee, Investigate the matter it to be inquired with a view to remove any injustice allegedly suffered by such individual whose cases are referred to the committee, take conclusive decision and submit its recommendations to the deciding authority.

Corporate Social Responsibility (CSR) Policy

Healthcare promotions and Sanitation programs contributing to good health, safety & hygiene of people of surrounding villages. Surveying village requirements is making available safe drinking water to the residents. And Education and employment enhancement programs for children, women, and elders. Contribution of Study materials, uniforms school and technology incubators located within academic institutions. Protection of national heritage, art and culture by setting up libraries.

Promotion of Women empowerment, contribution to old age homes and facilities for reducing inequalities of socially & economically backward groups. Ensuring environmental sustainability & monitoring quality of soil. Policy is available publicly on its' official website https://www.shivapharmachem.com/pdf/about.aspx#policies

Product Stewardship Policy

Shiva Pharmachem Limited (SPL) recognizes that effective Product Stewardship is key to minimizing the health, safety, and environmental impacts of our products.

We are committed to going beyond legislative compulsions from technology selection, classification and labelling, communication, handling, and safe disposal of our products.

Human Right and Labor Policy

Shiva Pharmachem has formalized its' organization code of conduct as HR and Labor Policy which includes -

- Acting with Integrity: Will help in making sound and ethical decisions
- Everyone, everywhere: Applicable to each employee of Shiva group inside or outside the company premises and business partners
- Education and training: Introductory and regular ethics compliance training

- Higher standards for supervisors: Creating an open environment for employees to ask questions/doubts and report misconduct
- Violation of our code: Will face serious consequences
- Annual confirmation: To the secretarial department
- Outsider's resource: No outsiders will have any right or resource to any action or claim
- Customers: Goods of world class quality standards with consistent with requirements
- Corporate communications: Committed to open, transparent, impartial and timely information to its employees and all stakeholders.

Integrity in Workplace:

- Occupational Health and Safety: Safety provisions, PPEs, Isolation and lock out system, reporting culture, prohibition of alcohol or drugs in premises
- Diversity, fairness and Respect: Create great opportunities for new ideas, viewpoints and wealth of talent
- Protection of our company assets: Physical and intellectual properties and financial assets
- Information systems, emails and social media: To serve our customers more efficiently

Integrity in Business Practices:

- Anti-bribery and anti-corruption policy: Paying bribes is never good business; abides national anti-corruption law
- Gifts and hospitality: Good business relationships are built on trust and goodwill; it is prohibited
- Fair competition: Believes in free markets and fair competitions
- Accurate recording and reporting: Credibility and reputation, legal and regulatory obligations, ability to make accurate projections, responsibility to stakeholders
- Conflicts of interest: Making business decisions in the best interests of SHIVA Group (GRI 2-15)
- Insider training: We do not trade in securities of Shiva group
- Conducting international business: Subjected to laws and regulations of different legal systems

Integrity in Community:

- Environment: Water & energy conservation, Reducing waste, Proper disposals, monitoring and reporting environment parameters and compliance with environment laws
- Human rights: Exploitation of children, physical punishments, Gender-based violence, forced labor, unlawful discriminations, unsafe working conditions and illegal overtime regulations

Community engagement: Strives to be trusted by corporate citizens by demonstrating respect for people and planet

Whistle Blower Policy

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Negligence is causing substantial and specific dangers to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate errors in preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferage of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage / misappropriation of company funds/assets
- Bribery or corruption
- Sexual Harassment
- Retaliation
- Breach of IT Security and data privacy
- Social Media Misuse
- Breach of Company Policy or failure to implement or comply with any approved Company Policy

To ensure that this Policy is adhered to, and to assure that the concern will be acted

upon seriously, the Company will:

1. Ensure that the Whistle blower and/or the person processing the Protected Disclosure is not victimized for doing so.
2. Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization.
3. Ensure complete confidentiality.
4. Not attempt to conceal evidence of the Protected Disclosure
5. Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made.
6. Provide an opportunity of being heard to the persons involved especially to the Subject.

Child Labor Policy

- We have prohibited engaging any employment below 18 yrs. of age.

In Shiva Pharmachem Limited, one can get employment only after completing 18 years of age and base for age verification is AADHAR CARD issued by the Government of India.

- At the main gate of the company a board with commitment has been displayed for the restriction on Child Labor.
- We firmly believe in abiding by the values of Human Rights.

Security Policy

- Providing safe and secure working conditions for prevention of work-related illegal, unethical ward and watch practices.
- Implementing Security code practices
- Eliminating all HSE risk due to chemical Inventory, environmental harms, harm to mass of people, theft of chemicals for chemical weapons, disruption of business and economy.
- Regular consultation, Participation and involvement of security personnel

- Protect our employees and property through Security management system
- Determining the internal and external issues
- To adhere to Regular practice of cargo conveyance security with seven Point Container Inspection
- To ensure protection of Fencing & Perimeter Security
- Applying relevant techniques and methods
- Continual improvement of the Security management system
- We will make sure that there is no Business disruption and impact on economic activities of SPL

Compliance with Laws and Regulations (GRI 2-27)

Shiva pharmachem is committed to compliance with all local as well as national/international laws and regulations. We have practice for keeping legal registers at each individual site as well as each function defined its' own legal/regulatory concerns and tracks the compliances accordingly.

STAKEHOLDER ENGAGEMENT (GRI 2-29)

At the heart of our business philosophy lies a stakeholder-inclusive approach, wherein we believe that the success of our endeavors should extend beyond mere profitability. We aim to translate the outcomes of our business activities into shared value creation, benefiting not only our organization but also the communities and stakeholders we serve. This collaborative approach is essential to our business model, as it not only strengthens our progress but also aligns with our overarching goals and targets.

By actively engaging with a diverse range of stakeholders, including customers, employees, partners, and local communities, we harness various perspectives and insights. This not only leads to innovative solutions but also ensures that our business operations remain attuned to the evolving needs and expectations of society. Moreover, engaging with our stakeholders provides a crucial feedback loop that helps us adapt to changing regulatory, environmental, and social requirements. This inclusive approach not only strengthens our business resilience but also amplifies the positive impact we can have on society and the environment.

Selection and Identification of Stakeholders

Stakeholders are integral participants Shiva Pharmachem's ecosystem, encompassing individuals, groups, or entities with a vested interest in our activities and outcomes. They can include our customers, employees, shareholders, suppliers, regulatory bodies, etc.

Methods used for Dialogue and Feedback

Throughout the year, we actively interact with a diverse array of stakeholders (such as employees, suppliers, govt regulatory bodies, shareholders and customers) through a mix of formal and informal engagement approaches. This multifaceted approach ensures that we gather a broad range of perspectives, allowing us to better understand and respond to the needs and expectations of our stakeholders.

Employees	•Employee benefits •Working Environment health and safety
Suppliers	•Assessment of supply chain management •Emissions and Energy management
Govt Regulatory Bodies	•Product safety and compliance •Environmental impacts
Shareholders	•Sustainable business growth and economic performance •Product Innovation
Customers	•Customer health and safety •Customer satisfaction

Shiva Pharmachem has a 3-member Stakeholder Relationship committee (Composition is provided in the Table below) to interact with various stakeholders through both formal and informal ways.

Stakeholder Relationship Committee		
Name Of Director	**Designation**	**Status in Committee**
Mr. Premkumar Taneja	Independent Director	Chairman
Mr. Rakesh. S. Agrawal	Chairman	Member
Mr. Sivaraman Narayanswami	Independent Director	Member

MATERIALITY ASSESSMENT

Methodology of Assessment (GRI 3-1)

Determination of materiality topics is a continual process, wherein the organization determines material topics based on the identification (through engagement with relevant stakeholders and experts, peer benchmarking and industry trends) and assessment of impacts (both short term and long term) based on significance, followed by prioritizing the material topics with experts and information users. Further, these material topics are tested against industry/sector standards.

For the reporting period of FY 2023-24, the materiality assessment was carried out primarily through peer benchmarking, discussion with senior management and industry trends that are relevant to our operations.

Determination of Topics:

For FY 2023-24, we conducted materiality assessments across all operational sites. The selected critical topics were in alignment with Reporting Principles and GRI Standards. We had our internal brainstorming with all HODs being regularly connected with respective stakeholders and have ample insights into the stakeholder requirements, expectations and needs. The process culminated in the emergence of 10 key material topics, considering current business needs and market dynamics. These materiality topics were classified as high and of medium importance. For the reporting period FY 2023-24, 6 materiality topics were determined to be of high importance. Totally,10 materiality topics that align with our sustainability goals, and impact on our business were identified. These topics in the areas of Environmental, Social and Governance are highly relevant to our business.

List of Materiality Topics (GRI 3-2)

This is our second sustainability report and choice of materiality topics were based on the procedure described in the above section. Further none of the materiality topics selected for the reporting period have a negative impact on human rights.

High Importance	Medium Importance
Materials	Economic Performance
Energy	Training and Education
Water	Diversity and Equal opportunity
Emissions	
Waste	
Occupational Health and Safety	

Management of Material Topics (GRI 3-3)

For each materiality topic of determined to be high and medium importance for the organization, potential positive and negative impacts on economy, environment, people and human rights were deliberated in detail. Policies were articulated.

Shiva Pharmachem is highly committed to addressing any negative impact arising due to these topics. We have set targets to mitigate the impact. Furthermore, the actions taken to mitigate any adverse impact are discussed in the relevant material topics in the relevant subsequent chapters.

Shiva Pharmachem is not involved with any direct negative impacts through its activities because of business relationships. Further, Shiva Pharmachem has strict policies towards employing child labor at all its sites. We also have anti- bribery and anti-corruption policy in place. Various committees have been formed at the highest level as described in the section “Governance structure and composition”. Regular meetings are held by each of these committees to effectively tackle the issues, suggest mitigation measures and set the necessary goals, targets and make necessary changes in the policies and procedures. The table below represents the material topics and their alignment with United Nation Sustainable Development Goals.

Sr. No.	Materiality Topic	Alignment with UNSDGs
1	Materials	

Sr. No.	Materiality Topic	Alignment with UNSDGs
2	Energy Efficiency	
3	Water Usage and Management	
4	Climate Change and GHG Emissions	
5	Waste Management	
6	Occupational health safety	
7	Economic Performance	
8	Diversity and Equal Opportunity	
9	Employee Engagement	

ECONOMIC PERFORMANCE (GRI 201)

Economic growth serves as the impetus of comprehensive progress, creating a ripple effect of prosperity across various sectors. At our core, we navigate this growth trajectory by meticulously aligning our business strategies with the ever-evolving market dynamics and tailoring our offerings to meet the diverse needs of our customers. This strategic approach has emerged as a pivotal factor propelling our expansion.

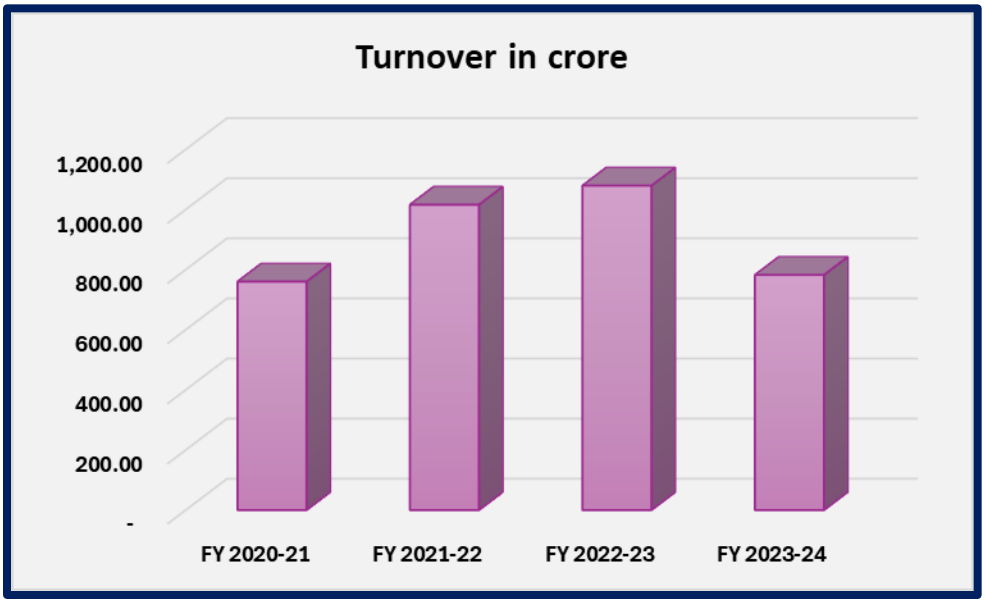
We place an unwavering emphasis on customer-centricity, ensuring that our offerings meet customer expectations. Additionally, we emphasize fostering transparent and mutually beneficial relationships with partners, suppliers, employees, and the communities we serve. Through these concerted efforts, we aim not only to sustain our growth but also to contribute meaningfully to the larger economic landscape.

Direct Economic Value generated and distributed (GRI 201-1).

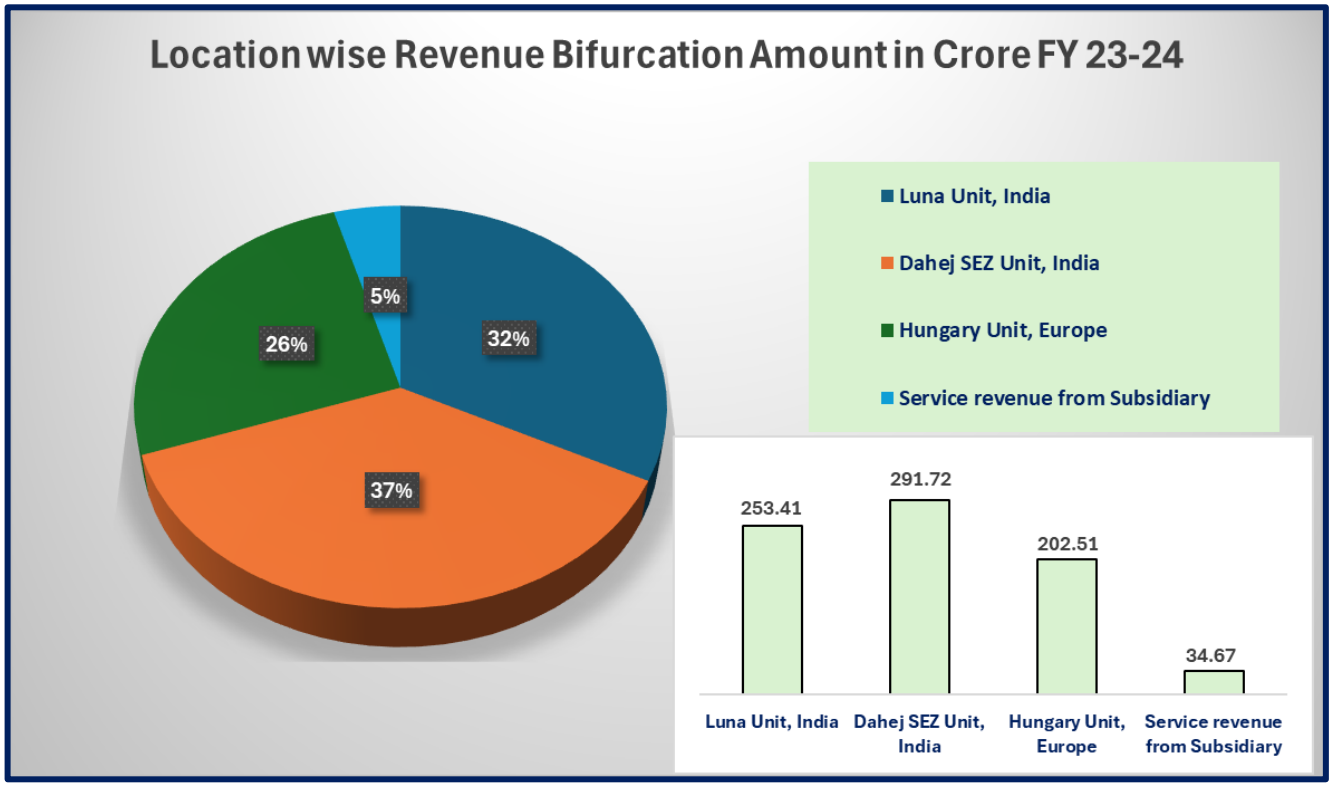
For the reporting period FY 2023-24, Shiva Pharmachem has reported ₹ 782.31 Crores as the direct economic value generated and ₹ 774.47 Crores as economic value distributed with a profit of ₹ 7.84 Crores.

	FY 2023-24 (in Crores)
Direct Economic Value Generated	**₹ 782.31**
Economic Value Distributed	**₹ 774.47**
Economic Value Retained (Profit After Tax)	**₹ 7.84**

The revenue generated by the company for the FY 2020-21, 2021-22, 2022-23 and 2023-24 are compared in the chart below.



Total revenue of Shiva Pharmachem is witnessing a constant increasing trend till FY 2022-23 and then declined on current reporting period. The decline is evident because of drastic market change due to international geopolitical issues leading to a decrease in customer demand for almost the first two quarters as evident from the figure above. Still able to revamp itself due to great stakeholder relationships including the customers and skill potential of employees which lead to sustain in such dynamic market scenarios. Shiva Pharmachem has performed excellently even during global pandemic and recession. This clearly demonstrates that Shiva Pharmachem has the potential to overcome ever evolving market challenges and come up with innovative solutions and products to perform to its highest potential.



The above graph provides details of site-wise revenue distribution for the FY 2022-23. While Sajóbábony contributes around 26%, Luna 32%, Dahej site contributes 37% of the revenue.

For the fiscal year 2023-24, the expenses for employment benefit schemes such as salary, wages, provident funds, family pension, and gratuity are 96.81 crores in INR. Shiva Pharmachem has paid the total tax amount of ₹ 27.85 crores and ₹ 0.86 crores to Indian and Hungarian governments respectively.

Strategic Focus: Key Impacts, Risks and Opportunities (GRI 201-2)

Anticipating and efficiently managing business risks is critical for a company's long-term competitiveness and financial stability, especially in today's complex and interlinked global business landscape. These risks are inherent in our operations and cover strategic, performance, legal compliance and environmental, social, and governance (ESG) problems. Proactive management is key to ensuring long-term success in the context of a changing scenario.

In the business world, risks and opportunities are two sides of the same coin. Effective risk identification and management allows for the reduction of any negative consequences, ensuring the organization's stability and growth. Recognizing opportunity, on the other hand, allows firms to capitalize on advantageous situations, promoting innovation, expansion, and

competitive advantage. Balancing risk management and opportunity pursuit is critical to attaining long-term success in today's volatile global landscape. Shiva Pharmachem has conducted detailed research and identified 2 major categories of risks:

- Internal Risks
- External Risks including Risks related to Climate Change

Internal business risk factors encompass a wide range of elements that can potentially impact operations. These include challenges related to project execution, manufacturing slowdowns or shutdowns, increased wage demands, compliance with contracts, skill development of employees, attrition of employees, insurance coverage, operational efficiency, and more.

Factors like contingent liabilities, and hurdles in resource optimization further contribute to potential risks. Additionally, issues such as pricing pressure on finished products, quality assurance, environmental management, and regulatory compliance add a degree of complexity. Addressing these risks involves managing aspects like R&D, cash flows, legal proceedings, security concerns, new product investments, and technology implementation costs.

It also requires overcoming challenges in market penetration, data security, material costs, demand forecasts, IT and automation system reliability, inventory and working capital management, human resources, corporate culture, and adherence to environmental and labor laws.

External risks include various factors that are beyond the organization's control. These include economic downturns, political instability, local interference, terrorism, wars, loss of investor confidence, currency exchange rate fluctuations, evolving Indian regulations, export slowdowns due to tariffs, levy of taxes, natural disasters, health crises such as pandemics and epidemics, inflation, and the reliability of infrastructure. These elements can significantly impact business operations and necessitate proactive strategies for resilience and adaptation.

Similarly, Climate change poses multifaceted risks across various sectors and industries. Rising global temperatures, extreme weather events, and shifting precipitation patterns can lead to physical risks such as infrastructure damage, supply chain disruptions, and agricultural losses.

Moreover, regulatory and policy changes aimed at mitigating climate change introduce transition risks, impacting industries dependent on fossil fuels or energy-intensive processes. Reputational risks also arise, as stakeholders increasingly scrutinize businesses' environmental impact. Shiva Pharmachem evaluated the risks and challenges through the audit committee for the reporting period 2023-24 and chalked out necessary plans to mitigate.

Market Presence (GRI 202)

Overview of Shiva Pharmachem's Market Presence

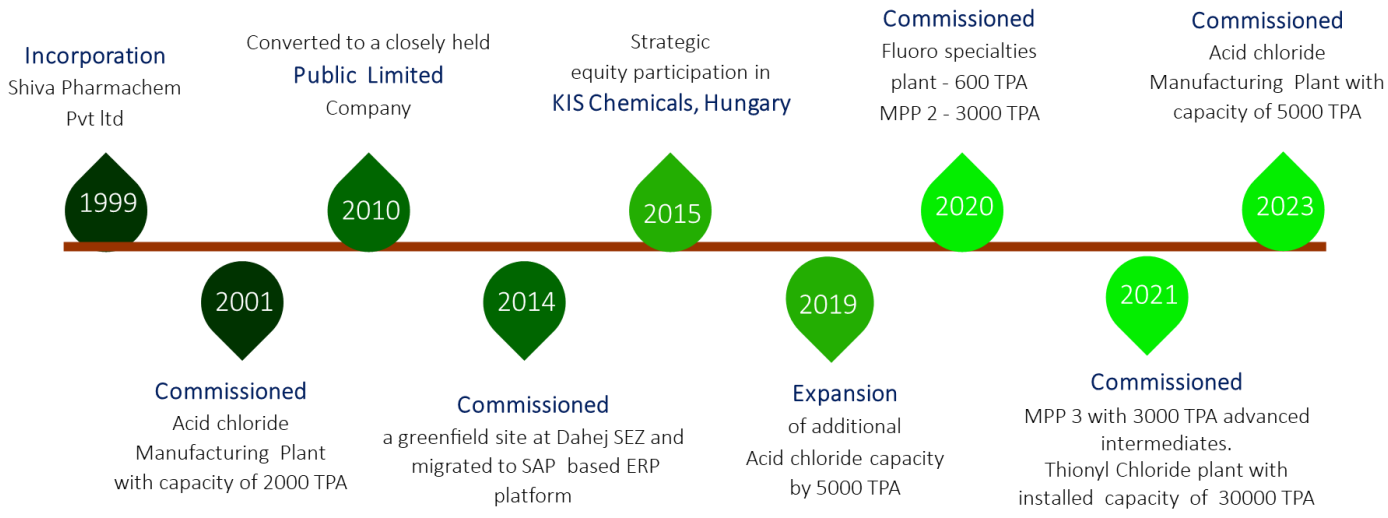
Shiva Pharmachem, with its signature line "Bonds Beyond Boundaries," has established a remarkable legacy over the past 40 years by fostering long-term business relationships across the globe. The company's wide-reaching market presence spans six continents, underscoring its commitment to international growth, innovation, and excellence.

Continents and Key Markets:

- North America: USA, Mexico, Canada, Puerto Rico
- South America: Brazil, Argentina
- Europe: Germany, Italy, France, UK, Switzerland, Hungary, Belgium, Netherlands, Spain, Denmark, Turkey, Russia, Ireland
- Asia: India, Pakistan, Bangladesh, Japan, South Korea, China, Taiwan, Singapore, Malaysia, Indonesia, Oman, Philippines, Israel
- Oceania: Australia

This extensive customer base reflects the company's ability to adapt to diverse markets, providing high-quality products across various industries globally.

The journey of Shiva Pharmachem can be summarized as follows –



Revenue Distribution

Shiva Pharmachem maintains a strong international presence, with 80% of its total sales generated from exports, while 20% is derived from the domestic market in India. The company's export strategy allows it to serve a global customer base, ensuring a balanced and diverse revenue model that helps mitigate risks and capitalize on international growth opportunities.

Manufacturing and Distribution Infrastructure

Shiva Pharmachem has strategically established manufacturing, storage, and distribution facilities across key locations worldwide to meet global customer demands and ensure timely delivery.

Manufacturing Facilities:

- Village Luna, Vadodara District, India
- Village Dahej, Bharuch District, India
- Sajóbábony, Hungary (Europe)

These manufacturing sites are equipped with state-of-the-art technology, enabling the company to produce a wide range of chemical products in a cost-effective and sustainable manner.

Storage and Distribution Facilities: Shiva Pharmachem has 06 storage and distribution centers spread across three continents, strategically located in:

- USA
- Switzerland
- India

These facilities ensure the efficient distribution of products, enabling the company to maintain a strong presence in international markets while ensuring timely and reliable service to its customers.

Research and Development (R&D)

Shiva Pharmachem places significant emphasis on innovation through its dedicated R&D facilities. The company has two major R&D centers located in:

- Sajóbábony, Hungary (Europe)
- Luna, India (Asia)

These centers are home to a team of over 60 researchers who specialize in the development of novel chemistry, complex intermediates, and cost-effective and eco-friendly processes. The company's R&D strength is integral to its ability to quickly develop and commercialize advanced products, meeting the needs of diverse industries including pharmaceuticals, agrochemicals, and performance chemicals.

Key R&D Capabilities:

- Novel Chemistries and Advanced Intermediates: Developing and commercializing complex chemical intermediates for various industries.
- Integrated Testing Capabilities: Enabling fast and reliable product development, ensuring quality and performance standards.
- Eco-Friendly and Cost-Effective Process Development: Focusing on sustainable and cost-effective chemical processes.
- Customer Engagement and NPD: Close collaboration with customers and the New Product Development (NPD) team to ensure the timely and tailored delivery of products.

These R&D capabilities support the company's continuous growth in both existing and emerging markets, as well as its ability to meet the evolving needs of its customers.

Workforce and Key Industry Segments

Shiva Pharmachem currently employs a diverse workforce of over 1,000 employees across the globe. This workforce is essential to the company's success and helps drive innovation and operational excellence.

The company operates in several key sectors within the chemical industry, including:

- Organic Peroxides
- Personal Care
- Pharmaceuticals
- Agrochemicals
- Performance Chemicals

Shiva Pharmachem's involvement in these diverse sectors highlights its broad market expertise and adaptability to serve multiple industries with specialized solutions. The company's employees bring a wealth of knowledge and experience to each of these sectors, ensuring high-quality products and services for customers worldwide.

Contribution to Local and Global Economies

Shiva Pharmachem's operations significantly contribute to both local and global economies. Through its manufacturing, R&D, and distribution facilities, the company creates employment opportunities, drives innovation, and supports local economies in various regions. Additionally, its export-driven business model enables it to contribute to global trade and strengthen economic ties across borders.

The company's focus on sustainability, eco-friendly processes, and innovation also contributes positively to the chemical and pharmaceutical industries, ensuring that its business practices align with global environmental goals and industry standards.

Ratios of standard entry level wage by gender compared to local minimum wage (GRI 202-1)

Shiva Pharmachem is committed to fostering an inclusive and equitable workplace for all employees across its global operations. With a presence spanning six continents, the company maintains a workforce that adheres to local labor laws and ethical employment practices. We prioritize fair wages, local employment, and equal opportunities for all employees, ensuring a work environment that reflects the company's values of transparency, integrity, and respect.

Shiva Pharmachem is proud to report that the company has no gender wage gap. We are committed to providing equal pay for equal work, irrespective of gender, at all levels of the organization. The company adheres to this principle through regular audits and reviews to ensure that compensation structures are fair and aligned with performance, qualifications, and experience, rather than gender.

This commitment is embedded in the company's recruitment policies and employee compensation strategies, ensuring that both male and female employees are compensated equally for similar roles, responsibilities, and levels of expertise. By maintaining transparency in pay structures, we uphold a commitment to gender equality and fairness in the workplace.

Shiva Pharmachem fully complies with all local legal minimum wage requirements in every country where it operates. This is an essential component of the company's employment policies, ensuring that all employees, including those in entry-level positions, receive compensation that meets or exceeds the legal standards set by local governments.

At Shiva Pharmachem, we recognize that paying a fair wage is not only a legal requirement but a moral responsibility that contributes to the well-being and financial stability of our employees. We continually monitor and adjust wages to ensure compliance with evolving local labor laws, so our workforce is always compensated fairly and equitably.

Proportion of senior management hired from the local community (GRI 202-2)

As part of Shiva Pharmachem's strategy to support local economies and communities, we prioritize the hiring of local employees in the regions where we operate. The company makes a concerted effort to hire most of our workforce from the local populations surrounding our manufacturing, research, and distribution facilities. This practice helps drive local economic growth and provides employment opportunities to individuals within the community, fostering a stronger relationship between Shiva Pharmachem and the regions we serve.

By hiring locally, we also reduce the carbon footprint associated with employee relocation and support the development of a highly skilled, locally empowered workforce. This commitment to local hiring extends across various job functions, including manufacturing, research and development, and corporate roles.

Note: *Details are available in GRI 404 section.*

Procurement Practices (GRI 204)

Shiva Pharmachem, a leading manufacturer and supplier in the pharmaceutical industry, recognizes the critical role that procurement plays in supporting local communities and sustainable development. At Shiva Pharmachem, we are committed to building strong relationships with our suppliers while contributing to the growth and prosperity of the communities where we operate. We aim to align our procurement processes with our broader sustainability goals, supporting local businesses and fostering inclusive economic growth.

Proportion of spending on local suppliers (GRI 204-1)

Shiva Pharmachem's procurement policy prioritizes sourcing materials and services from local suppliers whenever possible. By engaging with local businesses, we contribute to reducing transportation-related carbon footprints, boosting the local economy, and fostering long-term business relationships.

Procurement Criteria:

Our procurement decisions are based on several criteria, including:

- Quality and reliability of the products or services.
- Cost-effectiveness and competitiveness.
- Commitment to environmental and social responsibility.
- The ability of the supplier contributes to the local economy, including providing employment and investing in the local community.

We also ensure that our suppliers align with Shiva Pharmachem's values of ethics, transparency, and sustainability.

Local Procurement

Total Material Imported MT	Total Raw Material Procured MT	Total Raw Material Procured Locally MT	Percent Raw Material Procured Locally MT
10285.21	53788.49	43503.28	80.87841453

In 2023-24, approximately 80% of Shiva Pharmachem's total raw material procurement and 100% of Engineering items, packaging items, services like Auditing, Engineering are directed towards local suppliers, service providers.

Shiva Pharmachem maintains strong relationships with local suppliers, focusing on industries that are crucial to the pharmaceutical sector, such as chemical suppliers, packaging manufacturers, and logistics providers. By supporting local suppliers, we aim to stimulate the regional economy, create job opportunities, and reduce environmental impacts related to long-distance transportation.

1	Number of audited/assessed suppliers engaged in corrective actions or capacity building	02
2	% Buyers trained on sustainable procurement	100
3	% of targeted suppliers who have signed the supplier code of conduct	100
4	% of targeted contracts that include clauses on environmental, labor, human rights, and ethics requirements	100

There is an opportunity to further integrate sustainability into our procurement practices, focusing on sourcing from local suppliers who are committed to reducing their environmental impact and contributing to social causes. Recently we have audited our local packaging material supplier for sustainability aspects and found the requirement for Safety training which is delivered by our Safety manager at their site.

Shiva Pharmachem is dedicated to strengthening local economies through sustainable procurement practices. By prioritizing local suppliers and building long-term partnerships, we aim to contribute to job creation, regional economic development, and environmental sustainability.

As we move forward, we will continue to refine our procurement practices, expand our local sourcing efforts, and collaborate with local businesses to ensure that our supply chain remains strong, resilient, and beneficial to the communities in which we operate.

Anti-corruption (GRI 205)

Shiva Pharmachem recognizes the importance of maintaining the highest ethical standards in all business dealings and operations. The company is committed to preventing corruption and unethical conduct at all levels and in all areas of operation.

In line with GRI 205, the company has implemented a comprehensive anti-corruption policy and has integrated anti-corruption measures into its governance structure.
This includes:

- Risk assessments to identify potential corruption risks in its operations.
- Employee training in ethical conduct and anti-corruption policies.
- A whistleblower policy that encourages the reporting of unethical behavior, including corruption.

During the reporting period, Shiva Pharmachem has not encountered any confirmed incidents of corruption. The company has maintained a strict policy against corruption and has implemented adequate safeguards to mitigate such risks. Furthermore, regular audits and internal reviews have shown no evidence of corruption within the organization. Not as single whistle bowed during this tenure regarding corruption events. The policies are also included in the employee handbook which is circulated to all company employees. Also, it is included in our induction and refresher training programs.

In line with GRI 205-3, Shiva Pharmachem confirms that there were zero confirmed incidents of corruption during the reporting period, and no disciplinary action was taken regarding corruption-related issues.

Shiva Pharmachem is committed to upholding the highest standards of ethics and integrity. During the reporting period, the company avoided any corruption-related incidents, reflecting the effectiveness of its anti-corruption measures. The company will continue to promote transparency, ethical behavior, and compliance with relevant laws and regulations to ensure that corruption remains absent from its operations.

Anti-competitive Behavior (GRI 206)

Shiva Pharmachem is committed to conducting its business in a manner that promotes fair competition and ethical business practices. The company abides by all applicable competition laws and regulations in the markets in which it operates, ensuring that its practices do not hinder the competitive environment.

To support this commitment, Shiva Pharmachem has implemented the following measures:

- Regular training for employees on competition laws and anti-competitive behavior.
- Internal policies that guide the company's approach to maintaining fair competition.
- Periodic Management Meetings for reporting concerns related to anti-competitive practices.
- Ongoing monitoring of business operations to ensure compliance with competitive standards.

During the reporting period, Shiva Pharmachem has not encountered any legal actions or incidents related to anti-competitive behavior, including anti-trust violations, monopolistic practices, or unfair trade practices. The company has not been involved in any lawsuits, claims, or other legal actions regarding anti-competitive behavior.

In accordance with GRI 206-1, Shiva Pharmachem confirms that there were zero incidents of anti-competitive behavior during the reporting period.

Shiva Pharmachem has maintained a strong commitment to fair competition throughout the reporting period. The company has avoided any anti-competitive practices, in line with both its internal policies and external regulatory requirements. Shiva Pharmachem will continue to uphold its dedication to fair competition, transparency, and compliance with applicable laws to promote a healthy and competitive business environment.

MATERIALS (GRI 301)

Management of Materials

The adoption of sustainability practices is essential to every business and GRI 301: Materials provides a structured framework for companies to transparently communicate their material resource management strategies. This chapter sheds light on facilities and the comprehensive disclosure of information related to the life cycle of materials, from sourcing to disposal, showcasing our commitment to responsible resource management.

Management Approach

We believe that deliberations on actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights for each material topic. For Shiva Pharmachem efficient and sustainable material use involves responsible sourcing, recycling, and reducing waste. This approach can lead to cost savings, resource conservation, and the development of circular economy practices, fostering long-term economic stability. On the other hand, Irresponsible material extraction and usage can deplete natural resources, harm ecosystems, and contribute to environmental degradation. This, in turn, may lead to economic instability due to the depletion of essential resources.

Currently, Shiva Pharmachem uses about 53788 MT (61549 MT in last financial year) of total input material to produce Pharmachem products. We have been recycling the SO_2 for internal recycling. We have set the target of a 5% increase in recycled input materials by increasing the percentage of recycled SO_2 used for producing the Thionyl Chloride per month from the existing 26% to 31%.

Our commitments are evident from the Product Stewardship Policy and Sustainable Procurement policy.

Total Weight of the Raw Materials Used (GRI 301-1)

The table below lists the Total Site-wise Weight of materials used for production.

Sites	Total Raw Materials Procured MT	Total Raw Material Consumed MT	Total Raw Material from Natural Resources MT	% Raw Materials from Natural Resources	Total Raw Material Form Internal Sources MT	% Raw Materials from Internal Source
Luna	14898.02	14728.73	0	0	6801.76	45.65546294

Dahej	23000.47	22643.63	0	0	6680.1	29.04331955
Sajobabony	15890	15876	4	0.025173065	766.34	4.822781624
Total	53788.49	53248.36	4	0.007436535	14248.2	26.48931026

As evident from the above table listing all the raw materials, used for the production in Shiva Pharmachem, there is no significant input which comes from natural sources; only about 0.0074% (0.38% in last financial year) of Total raw materials and rest all are synthetically manufactured. In fact, raw materials from natural resources are only in Sajobabony site; 0.025% (2.2% in last financial year) of the total raw material used at Sajobabony site. Similarly, about 45.65% (47.79% in last financial year) and 29.04 (21.95% in last financial year) of the total raw material is sourced internally at Luna and Dahej sites respectively.

Recycled Input Materials Used (GRI 301-2)

The following information details the proportion of recycled input materials incorporated in the production of the organization's core products and services. This is calculated using the following formulas as given the GRI 301-2.

$$\%\ of\ Recycled\ Input\ Material\ Used = \frac{Total\ Recycled\ Input\ Material\ used}{Total\ Input\ Material\ used} \times 100$$

Internally Consumed quantity	**14248.207**
Total Raw Material Procured by all Sites	**53788.49**
% Recycled Raw Material Used	**26.489323**

From the above calculation, about 26.5% of input raw material (In which majority is thionyl chloride which is captively produced from recycled Sulphur dioxide and Vezetékes CO, Klórbenzol and Orto-xilol) is recycled as input material.

Reclaimed Products and Their Packaging Material (GRI 301-3)

There are about 300 ISO tanks and 150 SO2 tonners and dedicated leased tankers for thionyl chloride transportation between both Indian sites; under the possession of Shiva Pharmachem which are used for the dispatch of finished goods. In the reporting year FY 2023-24, all these packing materials were reclaimed.

Sr. No.	Site	Total Product Dispatched (MT)	Quantity of Product Dispatched in reclaimable packaging materials - ISO tank dispatched (MT)	%Product Dispatched through Reclaimed Packing Material
1	Luna	10314.55	6416.95	62.21260259
2	Dahej	23078.746	23078.746	100
3	Sajobabony	2952	1334	45.1897019
	Total	36345.296	30829.696	84.82444606

From the above table it is evident that the total percentage of products dispatched through reclaimed packaging material is 62.2% (93.51% in last financial year) in Luna, 100% (99.16% in last financial year) in Dahej and 45.18% (61.84% in last financial year) in Sajobabony site respectively. Further, about 5515 (4152 in last financial year) Tones of products were dispatched through non-reclaimable packaging materials.

This decrease in recycled input material is due to the enormous setback in regular export orders which resulted in a decrease in production and sales at all three sites of Shiva Pharmachem. Which is also evident from the economic value generated in section GRI 201.
The geopolitical dynamics and global recession scenarios have hampered business drastically leading to development of new local customers. These local customers don't have the storage facilities to unload ISO tanks; hence it led to dispatching material in HDPE drums resulting in a decreased percentage of reclaimed packing material percentage in FY 2023-24.

ENERGY (GRI 302)

Management of Energy

Shiva Pharmachem utilizes energy in various forms for its day-to-day activities. At Shiva Pharmachem the highest priority is given to the optimum use of energy for its manufacturing without compromising with standards and quality. Wherever feasible, biogenic sources of energy are used in line with our commitment to reducing the usage of fossil fuels. An accurate record of the use of all the energy usage (by weight or meter reading as the case may be) is kept the record logbook.

Management Approach

We believe that deliberations on actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights for each material topic. For us, Energy is a very important and common material topic for industries will be having positive and negative impacts on environmental, social and economy of an organization. Efficient use of renewable energy by replacing existing non - renewable energy reduces environmental impacts and mitigates climate change. Increase in use of non – renewable energy increases the stress in those energy resources which impact on people through its non-affordable cost, so leaning towards renewable energy and cost-effective energy resources will reduce the impact on people and contribute to economic sustainability of organization.
Shiva Pharmachem has set the target of 2% reduction in energy intensity by March 2026

Energy Consumption within the Organization (GRI 302-1)

Shiva Pharmachem, being a chemical manufacturer, realizes the importance of responsible and sustainable use of energy in various forms. The following sections describe energy consumption.

a) Total fuel consumption within the organization from non-renewable sources.

Although most of our energy is met by renewable fuels, non-renewable fuels are used mainly for meeting emergency power, day to day processing and manufacturing activities.
Total fuel (non -renewable sources) consumed by Shiva Pharmachem in the reporting period FY 2023-24 is tabulated below in the Table.

Total Energy Consumption from Non-renewable Sources			
Site	Fuel	Quantity (Ton)	Energy MJ
Luna	HSD	27.36	1167911.66
Dahej	HSD	3.32	141945.1706
Sajóbábony	LPG Gas	1554	68290229.2
Sajóbábony	Steam	4107	14100053.83
Total		5691.68	83700139.86

Non-renewable fuels mainly in the form of HSD and propane gas are used in Shiva Pharmachem. It should be noted that, about 83 TJ (2.69 TJ in last financial year) of energy was used by Shiva Pharmachem through non-renewable energy sources such as HSD, LPG and Steam etc. However, it must be taken in account that, in last financial year, Sajóbábony site non-renewable data was not available for calculations.

b) Total fuel consumption within the organization of renewable sources.

Total fuel consumption (renewable sources) by Shiva Pharmachem for the reporting period FY 2023-24 is tabulated for all three sites in the Table below.

Total Energy Consumption from Renewable Sources			
Site	Fuel	Quantity (Ton)	Energy MJ
Luna	Biocoal	10497.105	175679549.3
Dahej	Biocoal	17778.399	297539285.7
Sajóbábony	NA		
Total		28275.504	473218834.9

As mentioned in the earlier section, Shiva Pharmachem uses majority of renewable energy sources to meet its energy demand. About 71.4% (72.37% in last financial year) of total fuel consumption at Shiva Pharmachem comprises of biocoal which is a renewable source. Total renewable energy consumption at our organization stands at 473 TJ (305.9 TJ in last financial year).

c) Total Electricity consumption within the organisation.

At Shiva Pharmachem electricity is purchased from the government and a significant amount of energy is used at all our sites. The Table below lists the electricity consumption across all three sites of Shiva Pharmachem for the reporting period FY 2023-24. The electricity usage

varies across our sites. Total energy consumed in the form of 105 TJ (113 TJ in last financial year).

Energy Consumption Data in the Form of Electricity

Site	Electricity Consumed KWh	Energy Consumed MJ	Total Production MT	Energy Intensity per MT of Production
Luna	6572580	23661288	10148.016	2331.617136
Dahej	15668330	56405988	23078.45	2444.097762
Sajóbábony	71,38,231	25697633.15	2847	9026.214664
Total	29379141	105764909.1	36073.466	2931.930886

d) Total energy consumption within the organization

Total energy consumption for the organization for the reporting period FY 2023-24 has been presented in the Table below.

Total Energy Consumption Within Organization

Site	Renewable Sources MJ	Non-renewable Sources MJ	Energy from Electricity MJ	Total Energy Consumption MJ	Production MT
Luna	175679549.3	1167911.66	23661288	200508748.9	10148.016
Dahej	297539285.7	141945.1706	56405988	354087218.8	23078.45
Sajóbábony	0	82390283.03	25697633.15	108087916.2	2847
Total	473218834.9	83700139.86	105764909.1	662683884	36073.466
Energy Intensity MJ/MT	13118.19704	2320.268861	2931.930886	18370.39679	
% Energy Consumption	71.40943765	12.63047765	15.9600847		

For the reporting period FY 2023-24, the total energy consumption at Shiva Pharmachem stands at 662 TJ (422.73 TJ in last financial year). This includes energy from renewable, non-renewable sources and electricity. As evident from the above table, only a miniscule percentage of 28.6% of energy is sourced from non-renewable sources and a major part of energy demand is met using renewable sources and electricity, which constitutes about 71.4% of our total energy consumption.

All the values presented here in this section are sourced from the actual consumption recorded in the logbook. Further, Shiva Pharmachem does not sell any energy outside. It is noteworthy to mention here that 71% of total energy consumed by Shiva Pharmachem is from renewable energy sources.

All the sources of conversion and emission factors for fuels are provided at the end of GRI 302.

Energy Consumption outside of the organization (GRI 302-2)

Shiva Pharmachem does not outsource any of its production outside in any external facility. All the products are produced within our own facilities. Hence, there is no energy consumption outside of the organization.

Energy Intensity (GRI 302-3)

Energy intensity within our organisation pertains to the amount of energy consumed for each metric ton of product output. It serves as a pivotal measure for evaluating the industry's energy efficiency and sustainability efforts. Reducing energy intensity stands as a fundamental objective for Shiva Pharmachem Limited striving to diminish their environmental footprint and optimize operational productivity. This endeavor involves the adoption of energy-efficient technologies and streamlining production processes. Prioritizing energy efficiency not only yields cost savings but also fosters a more sustainable and environmentally conscious industry. Energy intensity values have been calculated using the following formula.

$$Energy\ intensity\ (\boldsymbol{MJ/MT}) = \frac{Energy\ Consumption\ (in\ MJ)}{Total\ Production\ (in\ MT)}$$

Using the above formula, for the whole organization, total energy intensity (non-renewable energy sources) has been calculated as 2298 MJ/MT (40.7 MJ/MT in last financial year) while data from Hungarian site was not available last year. Total energy intensity (renewable energy sources) as 12992 MJ/MT (6039.7 MJ/MT in last financial year) which is due multiple reasons like electricity supply disturbances, less production quantities and byproduct recycling facility issues. Total energy intensity utilized in the form of electricity is 2903 MJ/MT (623.6 MJ/MT was in last financial year) respectively. Similarly, the total energy intensity (for all sources: non-renewable, renewable and electricity) has been calculated as 18194 MJ/MT (8325 MJ/MT in last financial year). These values presented here are for energy consumption within Shiva Pharmachem. The table below summarizes the site wise energy intensity values for the Shiva Pharmachem.

Energy Consumption Sitewise MJ/MT

Site	Total Energy Consumption MJ	Production MT	Energy Intensity MJ/MT	% Contribution
Luna	200508748.9	10148.016	19758.41868	30.25707336
Dahej	354087218.8	23078.45	15342.7643	53.43229667
Sajóbábony	108087916.2	2847	37965.54836	16.31062997
Total	662683884	36059.96	18377.27729	

The energy intensity of Dahej is higher this year, which was lower than Luna in the last financial year due to very low production compared to its' existing capacity. Dahej site doesn't have reactor specific utility set up hence though the less orders, the utility consumption is not reducing in same proportion. Sajóbábony is contributing 16% energy consumption compared to overall organizational energy consumption. Furthermore, Pharmachem products produced, the technology and age of equipment vary across the sites. Hence there is variation in the total energy intensity.

Reduction of Energy consumption and Reductions in energy requirements of products and services (GRI 302-4 & 302-5)

At Shiva Pharmachem, we are committed to responsible use of energy and to taking all the necessary measures to reduce our energy consumption. But due to the disruption of market conditions across the globe it has impacted orders drastically. Our plant set ups are like that though you need to produce less quantity material, the utility consumption doesn't get reduces proportionately which resulted in the increased energy intensity in FY 2023-24 compared to last financial year as it is mentioned above.

At the same time electricity disturbances have led to the consumption of a higher amount of HSD in DG set which encountered back and forth power switching.

Here, the last year energy consumption data doesn't include Hungarian site fuel consumption data is also a major reason for increased energy intensity this year compared last year. The total energy intensity this year is 18370 MJ/MT (8325 MJ/MT in last financial year).

As a part of energy consumption initiatives, we conduct energy audits every three years. Audit recommendations are closed within the defined timelines. Based on the recommendations of energy audit conducted to minimize the energy usage, installation of new air compressor, replacement of chilling/brine plant and blower have been carried out. In addition, 70% and 100% of the electrical bulbs in Luna and Dahej have been replaced with LED respectively. Furthermore, to create awareness to save electricity among the employees and management training cum awareness programs are held along with pasting of instructions at major corner to save energy. To increase efficiency, Luna site has replaced the old less efficient boiler with a new boiler system at the end of this financial year FY 2023-24.

References:

1. All energy conversion factors for Diesel & Electricity are taken from RC KPI FY 2023-24.
2. Energy conversion factor for Biocoal taken from QC lab testing records.

WATER AND EFFLUENT (GRI 303)

Interaction with water as Shared Resource (GRI 303-1)

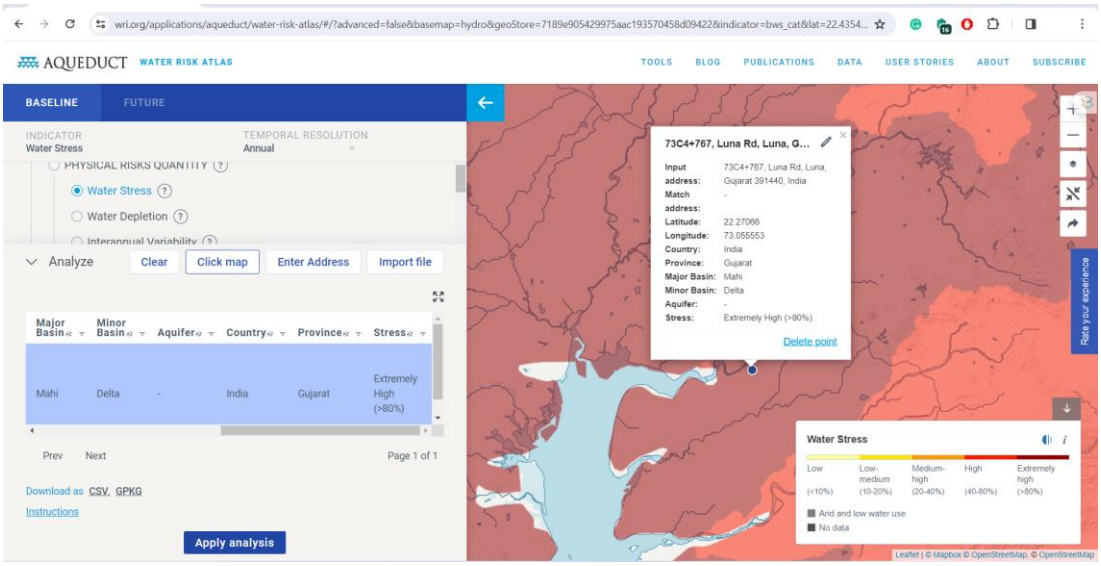
Shiva Pharmachem completely understands the importance of the use of water resources for its operations and always strives for responsible consumption of water resources within all its facilities. The greatest emphasis is placed on the judicious use of water usage by not only optimizing the use in all our facilities by employing the necessary water saving measures but also by educating all the employees regularly about sensible use of water.

Two Indian sites (Luna and Dahej) are in high water stressed area and the third site is located at Sajóbábony and is in medium-high stressed area. The water demand for the Dahej site is met by the water supplied by the Gujarat Industrial Development Corporation (GIDC). For Luna site groundwater is withdrawn within permissible limit (141 m^3/per day) and for Sajóbábony site, water is sourced from third party. The effluents are discharged only after tertiary treatment to common effluent treatment plant (CETP) set up by the GIDC. No untreated effluent is discharged from any of our sites.

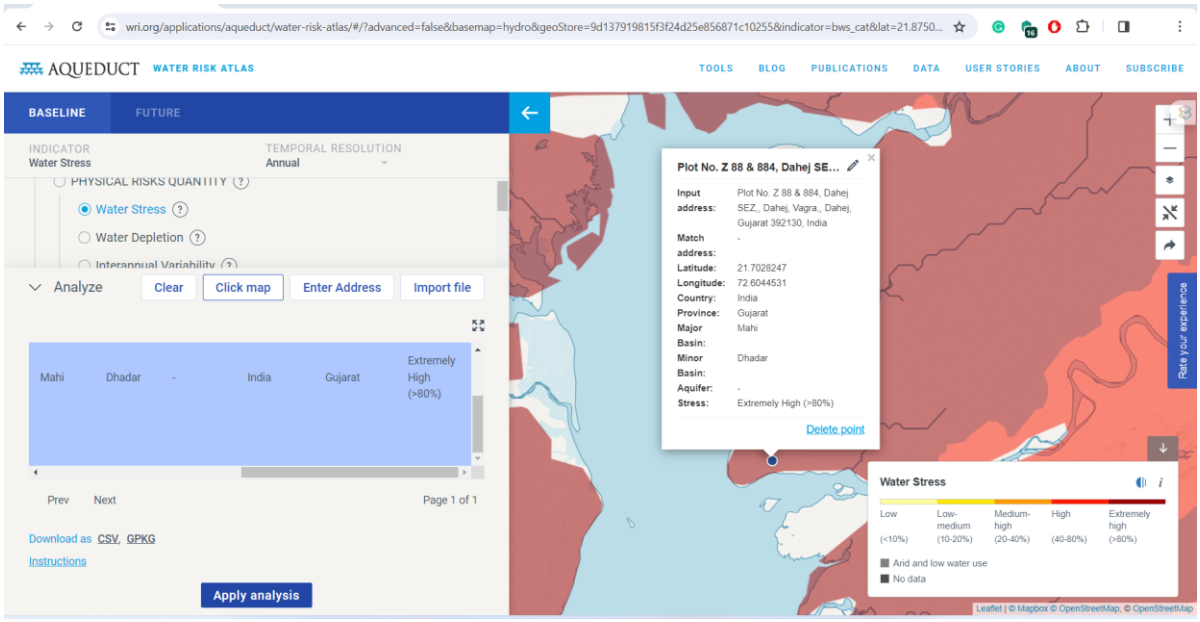
To optimize the water stress of site located areas; we have used Aqueduct website tool[2] link is as follows-

Luna, Gujarat, India (Extremely High >80%)

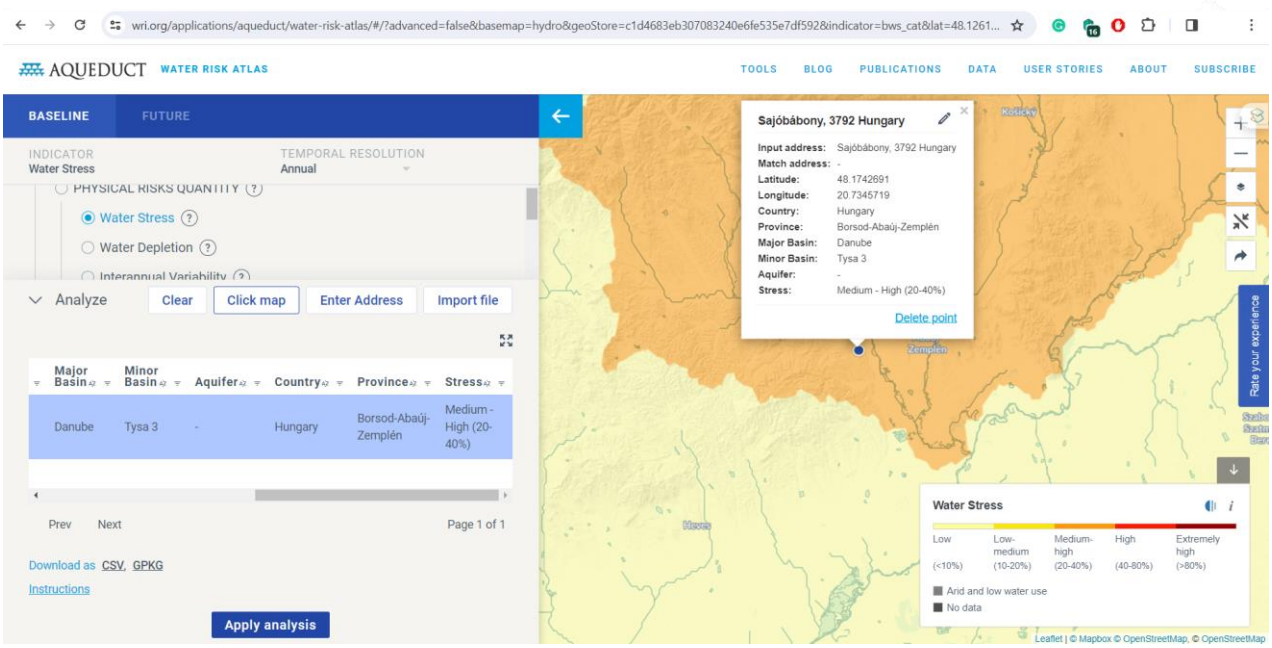
[2] WRI Tool to assess the Water stress level: https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=bws_cat&lat=19.87005983797396&lng=79.18945312500001&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&timeScale=annual&year=baseline&zoom=5



Dahej, Gujarat, India (Extremely High >80%)



Sajóbábony, Hungary (Medium-High (20-40%)



Water usage and effluent discharge data are recorded in a logbook on all three sites through the calibrated meter readings. We have effective strategies in place for saving the water and to recycle the water. The various water conservation initiative that are undertaken in the Shiva Pharmachem are explained in detail in the section “Water conservation initiatives” in this chapter.

Management of Water Related Impacts (GRI 303-2)

Effluent generated at the sites is treated in the effluent treatment plant located within for both Luna and Dahej sites up to Tertiary degree.

The Luna site is in private land whereas Dahej site is in government industrial park/ SEZ.

For Luna and Dahej, the standards as given below are chemical industry specific discharge standards. The minimum standard set for quality of effluent discharge by the local pollution control board for various units are as below:

Luna Site: COD – 2000 ppm, TDS – No limit. The common effluent treatment plant (EICL) treats this water and discharges it into the estuary.

Dahej Site: COD – 250 ppm, TDS – No limit. The common GIDC effluent collection well and discharges in deep sea.

Sajobabony Site: attached water sourcing data, we have only third-party water consumption. We do not treat or recover/ recycle technological waters. We only have a certain amount of wastewater pretreatment. We comply with the water quality limits required by the receiving wastewater treatment plant.

Management Approach

We believe that deliberations on actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights for each material topic. For Shiva Pharmachem Water resources are protected by implementing effective measures to control pollution. Which safeguards and protects ecosystem and provides healthy environment and leads to positive impact on economy. It also impacts positively on people living in surrounding areas, by responsible and sustainable usage of water. Also, it is a basic human right to get access to fresh water, which can be achieved by sustainable management of water resources which ultimately have positive impact on the environment, and it ensures fresh and safe water is available to people.

Shiva Pharmachem has set a goal to reduce consumption of water by 5% compared to current baseline overall water consumption by FY 2025- 2026 by efficient recycling of water used at site through RO, MVR etc. Further, to reduce the water consumption by 30 kL by replacing the 10 steam ejectors with vacuum boosters year on year has been planned.

Our commitments are evident from our Environment Health and Safety Policy.

Water Withdrawal (303-3)

The responsible use of water resources within our company campus is a top priority for us. We understand the critical importance of water conservation for both environmental sustainability and community well-being. To this end, we have implemented a range of measures to optimize water resource consumption. This includes regular maintenance and upkeep of our water infrastructure to prevent leaks and wastage.

a) Total water withdrawal from all areas

Total quantity of Water Withdrawn by organization by all three sites is 379.6 ML (393.1 ML in last financial year). Of which about 31.4% (32% in the last financial year) is surface water, 13% (12.7% in the last financial year) is groundwater and about 53.5% (51% in last financial year) is sourced from third party suppliers. We have implemented facilities to recycle water through MEE, MVR and RO system. Fresh water generated through recycling is 2%.

	All Areas				
Type of Source	**Luna**	**Dahej**	**Sajóbábony**	**Areas with Water Stress**	**Percentage (%)**
Water Withdrawal by Source in ML					

Surface Water (Total) in ML	**0**	**119.2**	0.00	119.2	31.398599
Fresh Water in ML	**0**	**119.2**	0.00	119.2	
Others in ML	**0**	0.0	0.00	0	
Ground Water in ML	**49.5**	0.0	0.00	49.476	13.03416608
Fresh Water in ML	49.5	0.0	0.00	49.476	
Others in ML	0	0.0	0.00	0	
Produced Water in ML	**0.0**	**0.0**	0.00	0	
Fresh Water in ML	0.00	0.00	0.00	0	
Others in ML (Recycled)	2.238	5.539	0.00	7.777	2.048805676
Total Third- Party Water Withdrawal by source				0	
Produced Water (Purchased Industrial water) in ML	0	0	203.1	203.149	53.51842924
Total Water Withdrawal in ML				379.6	

ML: Mega Liters

b) Total Water withdrawal in water stressed area

The data presented in the above table represents total water withdrawal from all the sources. Further breakdown of consumption in water stressed areas is given in the following Table.

Type of Source	All Areas	Areas with Water Stress
Water Withdrawal by Source in ML		
Surface Water (Total) in ML	**119.2**	**119.2**
Fresh Water in ML	119.2	119.2
Others in ML	-	-
Ground Water in ML	**49.5**	**49.5**
Fresh Water in ML	49.5	49.5
Others in ML	-	-
Produced Water in ML	**0.0**	**0.0**
Fresh Water in ML	0.0	0.0
Others in ML (Recycled)	-	7.8

Total Third- Party Water Withdrawal by source		
Third-Party water (Purchased Industrial water) in ML	**203.1**	**203.1**
Total Water Withdrawal in ML	**371.8**	**379.6**

It should be noted that although the Sajobabony site is in a medium high water stress area, Luna and Dahej site are located extremely high water stressed area, no ground water is withdrawn from the Dahej site and demand for the water is met by the Narmada River water supplied by GIDC. About 49.5 ML of groundwater is withdrawn at Shiva Phamachem and we are committed to reducing it further by improving the water usage efficiency and by increasing the recycling water through employment of modern wastewater treatment technologies in due course.

Water Discharge (GRI 303-4)

Total quantity of Wastewater discharged by Shiva Pharmachem including all three sites is 203.0 ML as shown in Table below.

a) Total water discharge to all areas

	All Areas			
Water Discharge by Destination in ML	**Luna**	**Dahej**	**Sajóbábony**	**Areas with Water Stress**
Sea water	5.2	25.1	0.0	30
Third Party Water (Sent to Treatment Plant)	0	0.0	175.9	176
Total Water Discharged in ML	**5.2**	**25.1**	**175.9**	206
Water Discharge by Fresh water and other				
Fresh Water in ML	0	0.0	0	0
Others in ML	0	0	0	0

The wastewater and sewage generated in the Luna site is treated up to tertiary level before being sent to the common effluent treatment plant (CETP)[3] which further treats the wastewater prior to disposing of it into the estuary. Shiva Pharmachem does not generate any priority pollutants in its operations.

The wastewater and sewage generated in the Dahej site is treated up to a tertiary level before being sent to the common GIDC effluent collection well, from where it gets disposed of it into the deep ocean. Shiva Pharmachem does not generate any priority pollutants in its operations.

The wastewater and sewage generated in the Sajobabony site is pre-treated and being sent to the local common effluent treatment plant. Shiva Pharmachem does not generate any priority pollutants in its operations.

b) Total water discharge to all areas by category

Water Discharge by Destination in ML	**All Areas**
Sea Water	30.3
Third Party Water (Sent to Treatment Plant)	175.9
Total Water Discharged in ML	**206.2**

Water Consumption (303-5)

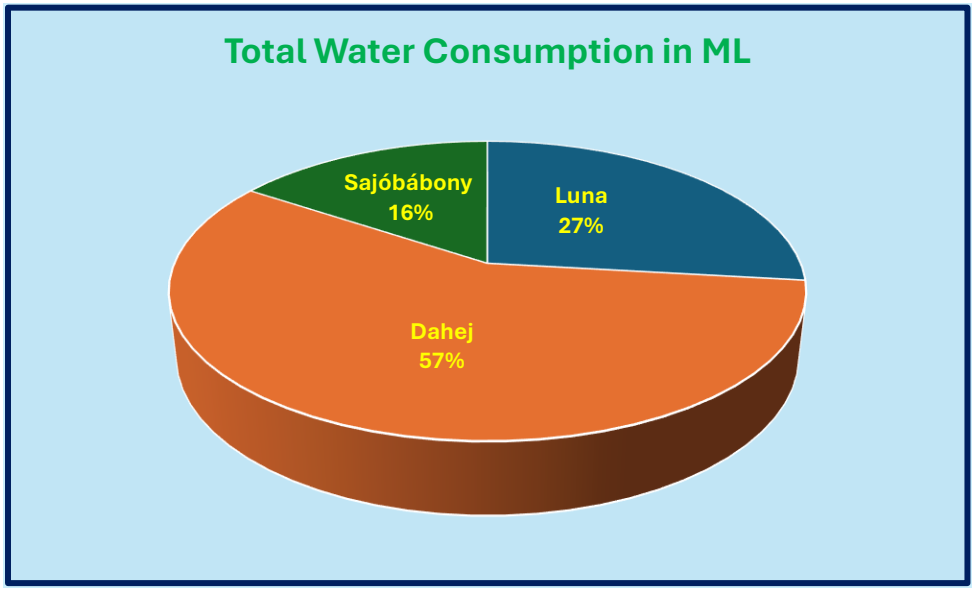
Water withdrawn data monitored through calibrated meters at all three sites and recorded in logbooks for further calculations.

While water withdrawal and water discharged are based on actual measurements as recorded in the logbook, Water consumption of our organization is calculated as below:

$$Water\ Consumption = Total\ Water\ Withdrawal - Total\ Water\ Discharged$$

Water Consumption in ML	**All Areas**	**Areas with Water Stress in ML**
Total Water Consumption	**173.3**	**173.3**

In case of Sajóbábony site, the wastewater is collected and treated by third parties.

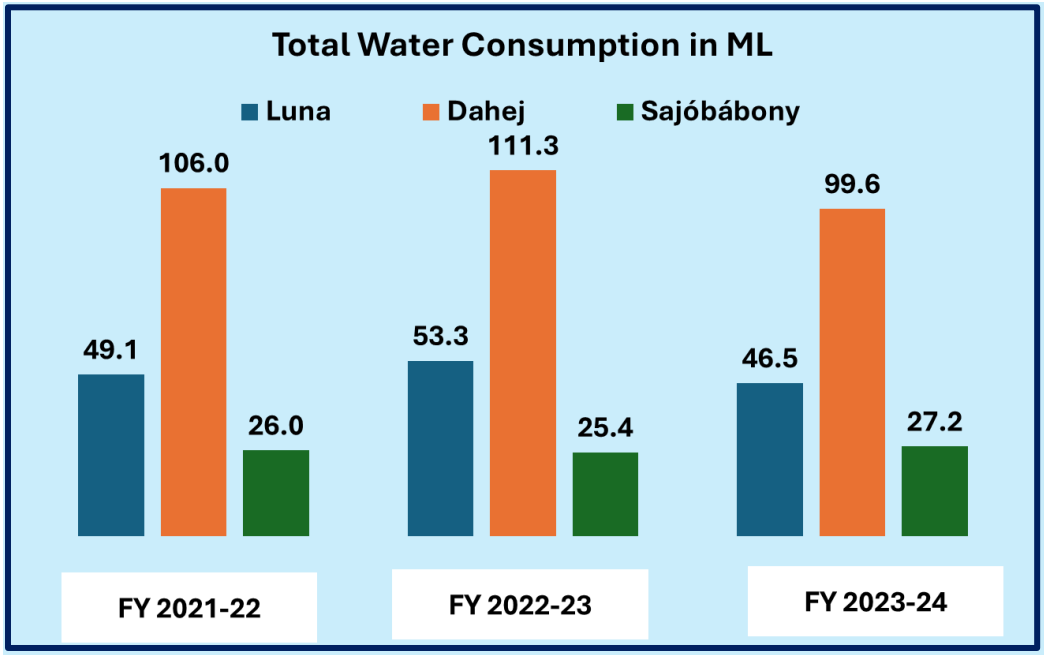


Water Conservation Initiatives

Optimizing water consumption is a critical area of emphasis for our organization. We have installed innovative water recycling and treatment technologies such as Reverse Osmosis with Mechanical Vapor Re-compressor (MVR) to improve the quality of recycled water in terms of parameters like Total Dissolved Solids (TDS) and to meet revised government norms and ensure that water is used wisely, judiciously and efficiently. For the reporting period of FY 2023-24, a total quantity of 7.77 ML of water (about 2%) has been recycled and used for various purposes.

Water audits are conducted every year by third parties at all our sites. The recommendations made in water audits are implemented based on feasibility on a priority basis.

Furthermore, we promote a culture of awareness and accountability among our employees, encouraging them to be mindful of their water usage and report any inefficiencies promptly. By actively managing and conserving our water resources, we aim to contribute to a more sustainable future while ensuring that our operations have a minimal impact on local water sources and ecosystems. The following figure shows the total water consumption by Shiva Pharmachem in the last two financial years.



We contribute to resource conservation and strengthen our commitment to sustainable and ecologically responsible practices in the business by continually working to lower our water consumption.

This not only reflects our dedication to mitigate any environmental adverse impact but also highlights our proactive efforts to minimize our ecological footprint. These figures showcase our industry-leading practices in responsible resource management.

Therefore, it is important for us to monitor and reduce our water consumption, as water is a vital resource for our operations and a potential source of environmental and social impacts.

EMISSIONS (GRI-305)

Management of Emissions

Greenhouse gas emissions from Shiva Pharmachem Limited's operations are a critical facet of environmental impact. These emissions, primarily carbon dioxide (CO2), methane (CH4), and nitrous oxide (N2O), result from various stages of production and energy consumption within the industry. Efforts to minimize greenhouse gas emissions not only align with environmental regulations but also contribute to broader climate goals, emphasizing our commitment to responsible and eco-conscious practices.

Shiva Pharmachem is reporting for the first time on emission as GRI standard norms. This report will serve as base line report for all reports in subsequent years. In this section the calculations of Scope-1, Scope-2 and Scope-3 have been presented. For calculating the emissions, GHG protocol and country specific electricity emission factors (India and Hungary) have been used. The source of emission factors is given as footnotes as well for the ready reference.

Management Approach

We believe that Deliberations on actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights for each material topic. For Shiva Pharmachem, excessive GHG emissions contribute to climate change which further leads to environmental damage. It could also lead to economic losses due to extreme weather events and negative health impacts on the communities and people. Which further impacts both the environment and economy. Hence, reducing GHG emissions helps us to mitigate climate change and contribute to preservation of environment. This also promotes sustainable practices. This positively impacts the economy by fostering resilience to climate change related risks and promoting environmentally friendly technologies.

Shiva Pharmachem has set a goal of 2% reduction in GHG emissions from March 2023 to March 2026 by achieving sub goals such as 5% increasing the quantity of recycled input raw materials. Shiva Pharmachem also keen to achieve the target of 2% reduction in Scope 1 GHG emissions, 1% reduction in Scope 2 GHG Emissions, 2% reduction in Scope 3 GHG Emissions by March 2026 respectively through replacing employee transportation diesel operated bus by CNG operated bus, motivating and training 100% of employees in energy conservation via turning off lights when not require and by replacing 200 number of incandescent lightbulbs with

LED bulbs and other as an energy efficiency measure. We will also motivate 2 suppliers to start towards reducing their own GHG emission. We are right now in discussion with third party power suppliers for renewable components that are at least 30% of the electricity supply we use.

Our commitments are evident from our Environment Health and Safety Policy.

Direct (Scope 1) GHG emissions (305-1)

a) Gross Direct (Scope-1) GHG emissions (305-1a)

Gross scopre-1 emissions due to sources such as stationery combustion, mobile combustion and fugitive sources have been calculated using country specific values and tabulated below.

Total Scope 1 Emission

Site	tCO2 equivalent	Production MT	Emission Intensity MT of CO2 equivalent per MT of Production
Luna	13403.71393	10148.016	1.320821127
Dahej	22593.7747	23078.7	0.978988188
Sajóbábony	4659.30664	2847	1.636567137
Total	40656.79528	36073.716	1.127047607

b) Gases included in the calculation.

For calculating the Gross direct (Scope-1) emissions, gases such as carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) have been considered.

c) Biogenic CO_2 Emissions.

As discussed in the Energy section of this report, Shiva Pharmachem uses about 71% of renewable sources as fuel to meet the energy demand and the use of non-renewable sources is very limited, to reduce the emissions from fossil fuels.

The direct emission in terms of MT CO_2-e from the combustion of biomass (Biogenic) are as follows. It should be noted that, biocoal is used only Luna and Dahej sites, while the use of biocoal in Sajóbábony site is nil.

Site	Total MT of CO2 equivalent emission
Luna	13306
Dahej	22536
Sajóbábony	0
Total	35842

% Emission from Renewable Component	88

The total Scope-1 emissions of 40657 MT (33486 MT in last financial year) of CO_2 e, forms about 14% (47% in last financial year) of total emissions from the Shiva Pharmachem in which 88% is from renewable energy source. The Dahej site has higher production compared to Luna site, hence more usage of biocoal and subsequent resultant emissions are also higher.

Energy indirect (Scope 2) GHG emissions (305-2)

a) Gross energy indirect (Scope 2) GHG emissions.

Total Scope 2 Emission

Site	tCO2 equivalent	Production MT	Emission Intensity MT of CO2 equivalent per MT of Production
Luna	4705.96728	10148.016	0.463732741
Dahej	11218.52428	23078.7	0.486098623
Sajóbábony	15295.16116	2847	5.37237835
Total	31219.65272	36073.716	0.865440442

Apart from renewable and non-renewable energy sources, we also consume a significant portion of energy in the form of electricity at all our sites and steam at Sajóbábony site.
For calculating the indirect GHG emissions (Scope-2), two different emission factors for sites in India and Hungary have been used as given in the footnotes.
Scope-2 emissions constitute about 11% (30% in the last financial year) of total emissions. As mentioned above, the variation in scope-2 emissions across the sites can mainly be attributed to the variation in production, technology and the source.

Other indirect (Scope 3) GHG emissions (305-3)

e) Gross other indirect (Scope 3) GHG emissions.

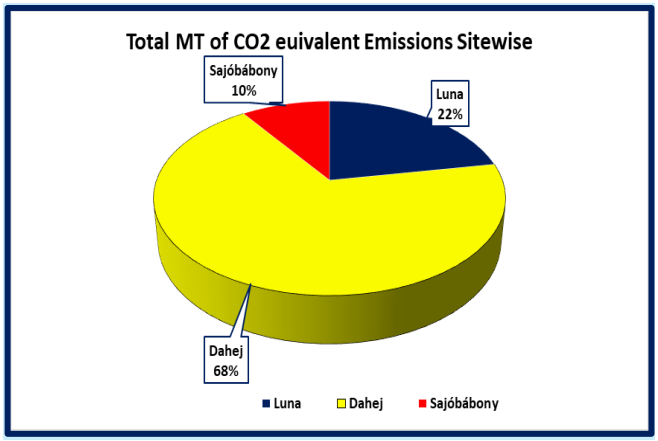
To calculate the other indirect GHG emissions, sources such as transportation and waste treatment are considered.

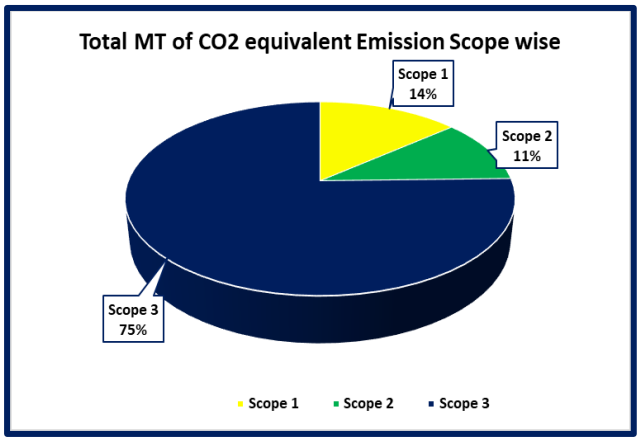
Total Scope 3 Emission

Site	tCO2 equivalent	Production MT	Emission Intensity MT of CO2 equivalent per MT of Production
Luna	53034.38764	10148.016	5.226084354
Dahej	156331.2127	23078.7	6.773830964

Sajóbábony	10829.494	2847	3.803826484
Total	220195.0943	36073.716	6.104031376

Apart from Scope-1 and Scope-2 emissions, we have calculated Scope-3 emissions due to activities such as domestic travel, import/ export, Employee Commute, Business travel and waste treatment at all three sites. The Scope-3 emissions from Shiva Pharmachem accounts for about 75% (23% in last financial year) of total emissions.





GHG Emissions Intensity (305-4)

Emission intensity in any industry refers to the amount of greenhouse gas emissions produced per ton of products manufactured. It is a crucial metric for assessing the environmental impact of production processes. Making all practically possible efforts to lower the emission intensity is one of the key objectives for Shiva Pharmachem to reduce our carbon footprint and mitigate climate change effects. GHG emission intensity ratio is calculated using the following formula:

$$GHG\ Emission\ Intensity\ ratio\ \left(MT\frac{CO_2e}{MT}\right) = \frac{Gross\ GHG\ Emission\ including\ Scope-1,2\ \&3}{Gross\ production}$$

Site	Total MT of CO2 equivalent Emissions Sitewise	Production MT	Emission Intensity MT of CO2 equivalent per MT of Production
Luna	71144.06492	10148.016	7.010637835
Dahej	218256.2512	23078.7	9.457042694
Sajóbábony	31190.7818	2847	10.95566625

	320591.098	36073.716	8.887110437

The total emission by Luna, Dahej and Sajóbábony, sites are 71144, 218256 and 31190 MT CO_2e respectively. Dahej site is a relatively new site equipped with relatively newer machinery compared to Luna, with higher production capacity and it accounts for about 68% (60.57% in last financial year) of total production of all three sites. Hence even though Dahej has higher total emissions, it has low emission intensity compared to other two sites. Furthermore, the dynamic market situation led to decreased in production quantities drastically in Dahej and Sajóbábony sites compared to Luna site, hence the intensity of both sites has increased drastically. The reason behind is that though the production quantities (orders) are less, the manpower and utility is consistent. Each time shut down and restart of plant lead to the boiler shut down and ignition process which is not in use still the required temperature and pressure is attended and therein consumption of fuel is going on. In a very similar manner though the plants are shut down state, the required office and equipment electricity consumption remain consistent for office use and maintenance practices.

Reduction of GHG Emissions (305-5)

Following initiative, the company has initiated contributing to GHG emissions.

1. SO_2 generated as byproduct in acid and alkyl chlorides is recycled back as one of the raw materials for producing thionyl chloride which in turn is one of the raw materials for producing acid and alkyl chlorides.
2. Hazardous waste generated from our process/ plants which was sent for incineration a part of which is being now diverted for pre-processing/ co-processing.
3. All Electric fixtures replaced like incandescent lightbulbs with LED bulbs and other as an energy efficiency measure.
4. The boiler at Luna site has been replace by new efficient boiler.
5. In a discussion with power supplier for at least 30% renewable energy component in our grid electricity supply at Luna site and subsequently at Dahej site as well.

Emission of Ozone Depleting Substances (305-6)

No site consumes any ODS inventory in Shiva Pharmachem.

Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and Other Significant Air Emissions (305-7)

Both Nitrogen oxides (NOx) and Sulfur Oxides (SOx) are generated within our organization because of production of Pharmachem products. The details of the quantity of both emissions are given in the table below.

	Emission in MT				
Site	**SOx**	**NOx**	**Particulate Matter**	**HCl**	**VOCs**
Luna	2.70	2.25	2.25	-	-
Dahej	11.09	10.02	-	-	-
Sajóbábony	0.07	0.92	0.00	0.05	6.55
Total	13.87	13.19	2.25	0.05	6.55

As per the product portfolio and manufacturing process deviations, there are different kinds of emissions in different sites. The total emission is described in the above table. SOx and NOx are reported by all sites.

References:

1. All emission factors for Diesel, Biocaol, LPG, Steam, Transportation except Electricity are taken from GHG Protocol March 2024.
2. All distances namely by Road, Sea and Air are determined from E-way bills/site, Marine Traffic Site and ICAO site respectively.
3. Emission Factors for electricity in Hungary and India taken from references a. 2024-International electricity factors and b. CO2 Baseline Database for the Indian Power Sector – December 2023 respectively.

WASTE (GRI-306)

Management Approach

Shiva Pharmachem believes that Management of waste is a key aspect of sustainability, use of efficient and environmentally friendly waste management operations reduces the environmental pollution by reducing GHG gas emissions. Waste dumping may affect the economy of the organization negatively and affect the health of people living in surrounding areas, so waste recycling and other recovery operations need to be implemented to have positive impacts on economy and community of organization. Conservation of resources may result in the growth of local recycling businesses. Our commitments are evident from our Product Stewardship Policy and Environment Health and Safety Policy.

Waste Generation and Significant Waste -Related Impacts (306-1)

During the production of Pharmachem products, a significant amount of both hazardous and non-hazardous waste is generated. Shiva Pharmachem considers Waste Management as an important topic since scientific management of waste can positively impact the environment and increase the impact on economic front as well.

In the reporting year FY 2023-24, our organization demonstrated a strong commitment to waste management. The total waste generated amounted to 26431.9 MT (29536.5 MT in last financial year), with a substantial portion of it being hazardous waste, totaling 25234.1 MT (28,578.3 MT in last financial year).

This below table further sub classifies the waste generation (both Hazardous and non-hazardous) in each site.

	Waste Generated			
Waste Composition	**Luna**	**Dahej**	**Sajóbábony**	**Total Waste Generated in MT**
Hazardous Waste	10827.6	13437.6	968.9	**25234.1**
Non-Hazardous Waste	151.8	1031.6	14.4	**1197.8**
Total	**10979.4**	**14469.2**	**983.3**	**26431.9**
% Hazardous Waste	**42.9**	**53.3**	**3.8**	

Luna site accounts for 42.9% (44.6% in last financial year) total hazardous waste generated, Dahej site accounts for 53.3% (51.81% in last financial year) and whereas, Sajóbábony

accounts for only about 3.8% (3.5% in last financial year) of Total hazardous waste. The non-hazardous waste constitutes about 4.5% (3.2% in the last financial year) of total waste generated.

It is matter of immense pride that 92% (90% in last financial year) of hazardous waste generated at Shiva Pharmachem is diverted from the disposal. The detailed table below provides a comprehensive breakdown of waste management operations, for the reporting year FY 2023-24.

Waste Diverted from Disposal by Recovery operations in MT							
	Onsite			Offsite			
Hazardous Waste	**Luna**	**Dahej**	**Sajóbábony**	**Luna**	**Dahej**	**Sajóbábony**	**Total**
Preparation for Reuse	0	87.71	0	0	0	0	87.71
Recycling	0	0	0	10440.518	11501.99	0	21942.508
Other recovery options	0	0	0	126.49	1080.55	0	1207.04
Total	0	87.71	0	10567.008	12582.54	0	23237.258
Non-Hazardous Waste							
Preparation for Reuse	0	1031	0	0	0	0	1031
Recycling	0	0	0	84.066	0	12.85	96.916
Other recovery options	0	0.46	0	67.71	0	0	68.17
Total	0	1031.46	0	151.776	0	12.85	1196.086
Waste Prevented							
Waste Prevented	0	1119.17	0	10718.784	12582.54	12.85	24433.344

This above table summarizes site-wise generation of both hazardous as well as non-hazardous wastes and their utilization onsite and offsite. It further details the quantity of both hazardous and non-hazardous waste recycled and recovered at each of the sites.

Shiva Pharmachem fully understands the impact of diverting the waste from landfills by employing recycling and reusing materials which leads to conservation of valuable resources and minimizing energy consumption apart from other benefits like prevention of potential groundwater pollution in the landfills and promoting sustainable practices. It also contributes to community health by minimizing the emission of odors and harmful air pollutants associated with landfill operations. Overall, waste diversion aligns with promoting long-term environmental health and the preservation of land for future generations.

In the table below, the waste directed to disposal, various by disposal operations have been listed.

Waste Directed to Disposal-by-Disposal operations in MT							
	Onsite			Offsite			
	Luna	Dahej	Sajóbábony	Luna	Dahej	Sajóbábony	Total
Hazardous Waste							
Incineration (with energy recovery)	0	0.0	0.0	0.0	0.0	0.0	0.0
Incineration (without energy recovery)	0.0	0.0	0.0	147.7	0.0	968.9	1116.6
Landfilling	0.0	0.0	0.0	112.9	767.4	0.0	880.3
Other Disposal operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**260.6**	**767.4**	**968.9**	**1996.9**
Non-Hazardous Waste							
Incineration (with energy recovery)	0	0	0	0.0	0.0	0	0.0
Incineration (without energy recovery)	0	0	0	0.0	0	0.0	0.0
Landfilling	0	0	0	0.0	0	0	0.0
Other Disposal operations	0	0	0	0.0	0	1.58	0.0
Total	**0**	**0**	**0**	**0**	**0**	**1.6**	**0.0**
Total waste diverted to disposal	0.0	0.0	0.0	260.6	767.4	970.5	1998.5

On a positive note, our efforts in recycling were noteworthy, with both hazardous and non-hazardous waste being effectively recycled.

All the data presented in the above table was sourced from waste generated log-book record kept in the Shiva Pharmachem Limited.

Management of Significant Waste Related Impacts (GRI 306-2)

At Shiva Pharmachem, we measure all the wastes that are generated through various manufacturing processes and record in a logbook, including the wastes which are recovered and recycled.

Hazardous wastes such as HCl (Hydrochloric acid), Sodium Bisulphite (SBS) and diluted Sulphuric acid are 100% recovered and reused Offsite as per GPCB rule (9). Also, the sulphur dioxide which was the waste (byproduct – toxic gas) previously, which is efficiently scrubbed, purified and filled in SO2 tonners. The majority of SO2 gas is consumed at Dahej site for

recycling to get key chlorinating agent while excessive gas has been sold out as value added product.

Additionally, the canteen produces approximately 50-60kg of waste per day, which is efficiently composted using a Bio compost machine with a capacity of 150kg in a 24-hour cycle. (Dahej).

Almost 1200 MT (4.75%) of hazardous waste has been diverted to cement or bricks industries pre-processing or co-processing activities which were sent for incineration earlier. This clearly states our efforts towards sustainable development with keeping the environment as key focus areas.

SOCIAL PERFORMANCE

The effectiveness and competency of our human resource approach are critical to the achievement of our strategic business goals. Cultivating and empowering value-oriented, high-performing employees with the necessary skills is critical to our success in today's rapidly changing business landscape.

Our Human Resources department actively supports day-to-day operations and maximizes the potential of all team members. Our human resource policies are designed to support the development of individual and organizational skills, knowledge, and capacities, allowing people to attain their full potential. To cultivate a healthy pool of talent, we prioritize complete human resource development, which includes talent acquisition, skill-building, performance assessment, career progression, engagement endeavors, and employee welfare schemes.

Employee Engagement

Employee engagement is the cornerstone of our company's success. We prioritize fostering a work environment where every team member feels valued, heard, and motivated. Regular feedback channels, open communication, and recognition programs are in place to ensure that each employee's contributions are acknowledged and appreciated. Additionally, we offer professional development opportunities and encourage a healthy work-life balance. By investing in our employees' well-being and growth, we cultivate a highly engaged workforce that is dedicated to achieving our collective goals. This commitment to employee engagement fuels our innovation and drives our company's continued success. For encouraging employees, various activities conducted by organizations such as Safety week competitions, Environment Day etc.

Labor Practices

Labor practices in the Shiva Pharmachem Limited are of paramount importance to ensure a safe, ethical, and productive work environment. This includes upholding fair employment standards, such as providing competitive wages and benefits, adhering to regulated working hours, and offering opportunities for skill development and career advancement. Additionally, strict adherence to health and safety regulations is crucial to protect the well-being of employees.

Regular training programs and awareness campaigns are implemented to enhance workplace safety. It is imperative to foster an inclusive and diverse workforce, promoting equal opportunities for all individuals irrespective of their background.

Furthermore, establishing open channels of communication and grievance mechanisms empowers employees to voice concerns and ensures their well-being is our top priority. The minimum notice period for employees as well as higher authorities is 90 days and 30 days in India and Hungary respectively.

Occupational Health and Safety (GRI 403)

Shiva Pharmachem is dedicated to safeguarding human health and ensuring a secure work environment for both employees and contractual workers. This commitment is fortified by a three-pronged approach involving strong safety leadership, the adoption of world-class processes, and an organization structure tailored for effective implementation. This ethos not only ingrains a safety culture but also establishes Shiva Pharmachem as a socially responsible corporate entity, aligning with the UN Sustainable Development Goal of Decent Work and Economic Growth.

Following objectivities have been spelt out in the EHS policy and are implemented:

- Providing a safe and healthy workplace for all employees is the priority.
- Reducing workplace injuries and illness of employees.
- Following the EHS laws, rules, and regulations.
- Application of new techniques to improve EHS performance.

Central to our safety culture is a robust health and safety framework that spans all organizational activities. A structured Health and Safety framework across the organization ensures genuine application of this framework. This management system is an integral component, enabling Shiva Pharmachem to uphold its strategic commitments to continually enhance safe working conditions. Each team has formulated its personal guidelines for personal protective equipment (PPE).

Management Approach

Our commitments towards Occupational Health and Safety Management are evident from our Environment Health and Safety policy followed by stringent targets for Total recordable Frequency rate (TRFR) <0.4 and Severity Index (SI) < 10 up to 2026 by providing safety training and company ensures that all 100% of employees are well trained and aware of safety by March 2026. By Conducting Mock drills on Quarterly basis at regular intervals to achieve 4 Mock Drills by March 2026. The Company ensures that, by March 2026, any non- routine work is allowed and permitted only after proper risk assessment and targeted to achieve 100%.

Shiva Pharmachem is encouraging employees to report near misses and targeted to reach 500 reports of near misses by March 2026.

Occupational health and safety are of prime importance, and it creates safe working environments by enhancing employee well-being and productivity. Which promotes a positive corporate culture. This would certainly influence both people and economic performance. On the other hand, if OHS is neglected, it could potentially lead to workplace accidents and injuries. This negatively influences employee morale, reduces productivity. Finally, it is impacting long term economic sustainability.

Occupational Health & Safety Management System (GRI 403-1)

All three reporting sites are covered under Occupational Health and Safety systems which is evident from our certification for ISO 45001:2018 and Responsible Care Logo Certificate for all sites. This covers Hazards Identification and Risk Assessment (HIRA) for all the activities performing and prioritization and compliances according to risk ratings. Apart from that we focus on process safety for which we are doing product/facility specific risk assessments like What if analysis (PHA), Hazards in operation (HAZOP), Pre-Start up Safety Review (PSSR) etc. All the activities performed within these three reporting sites are covered under Occupational health and Safety Management Systems.

Being responsible organization, to have a third eye; we undergo TFS (Together for sustainability) audits every two years, and we have undergone vulnerability assessments and SMETA audits at once at Luna and Dahej Site. Our last audit TFS score for Luna site was 84% and for Dahej site was 90%.

We have undergone a hygiene survey at once and all recommendations are implemented at Luna site. We usually do at least 02 mock-drills per year as per legal requirements but at Luna and Dahej site we have increased the frequency. Also, we are assuring mock-drill to be held in night shifts as well.

To improve safety performance and employee awareness about work, we have permit to work in place. The number of permits vary in each site as per the respective work function requirements. The most common permits which exists in all facilities are Height work, Hot work, Cold Work, Confined Space, Excavation etc.

All the changes in the system, technology and facility are routed through the management of change procedures which encompasses rigorous inputs from each function experts, brainstorming, risk assessment, PSSR and required training to respective stakeholders before implementation.

Hazard Identification, Risk Assessment and Incident Investigation (GRI 403-2)

Shiva Pharmachem has taken up exhaustive scrutiny to identify hazards in the reporting year 2023-24 in each of the sites and took preventive and corrective actions to prevent or mitigate the problems that could potentially cause it. Any incident that occurred is immediately investigated and addressed along with communication to all the employees to prevent such incidents in future. Regular awareness programs are also held in this regard. Shiva Pharmachem has zero discrimination tolerance. The following table lists most of the important safety parameters including reported cases in the reporting period FY 2023-24 at all three sites.

		Answers/ Results/ Numbers		
Sr. No.	**Statements/ Parameters**	**Luna**	**Dahej**	**Sajóbábony**
1	Hazard Identification and Risk Assessment conducted for all functions	100%	100%	100%
2	PHA/ HAZOP conducted for Products	100%	100%	100%
3	PSSR is in practice	100%	100%	100%
4	Number of Near misses reported	375	23	53
5	Number of recordable safety incidents	1	0	0
6	Total Manhour worked	1206552	2070132	383040
8	Total Manhour lost	240 Hr	0	0
9	Number of leakage Spillage Incidents	Nil	Nil	Nil
10	Number of Major Process Safety Incidents	0	0	0

These safety processes–HIRA, PHA, HAZOP, and PSSR–are integral components of a robust safety management system in Shiva Pharmachem. Hazard Identification and Risk Assessment (HIRA) allow us to systematically identify, evaluate, and mitigate potential risks associated with both routine and non-routine work activities, fostering a proactive approach to safety. Process Hazard Analysis (PHA) provides a thorough examination of all process-related hazards, helping

us to prevent accidents and maintain a safe working environment. HAZOP (Hazard and Operability Study) is particularly valuable in the chemical and process industries, systematically identifying deviations from intended processes and improving overall system operability. Pre-Startup Safety Review (PSSR) ensures that safety measures are in place before new or modified processes are initiated, reducing the likelihood of accidents during startup.

Collectively, these processes contribute to the prevention of incidents, protection of personnel and assets, and the overall enhancement of workplace safety and operational efficiency. Apart from these Field Rounds and Audits, Specific task Permit to Work Systems, Standard Operating Procedures, and Hierarchy of controls are also in place.

Further, the workers are encouraged to report work related hazards and hazardous situations in various forums like – Safety committee, National Safety Week and Environment Day.

Not only that, our EHS Policy of organization empowers workers to remove themselves from work situations that they believe could cause injury or ill health.

The organization has detailed incident investigation and reporting process to identify hazards and assess risk related to incidents, to determine corrective and preventive actions using hierarchy of control (Engineering Control, Administrative Control and PPEs).

Occupational Health Services (GRI 403-3)

A comprehensive Occupational Health and Safety system is in place, defining safety protocols and regulations at the site. This system also provides explicit instructions regarding chemical hazard protocols. This system extends its coverage to employees, suppliers, and various business activities within the value chain, emphasizing a holistic approach to occupational health and safety.

Shiva pharmachem has its' own OHC (Occupational health Center) at all sites. The facility has well experienced staff including 01 physician and male nurse round O'clock available. The OHCs are equipped with all required general medicines, chemical antidotes and antedates for animal bites like snakes.

We do annual and pre-joining health checkups of all employees mandatorily with varied parameters like blood, urine, sugar, blood pressure, cardiac, hearing loss, color-blindness, Chest X-rays etc. as applicable as per work function area and age to encounter any chemical

induced health issue arising in employees due our chemicals handled at sites or various processes or age induced as well as to check whether the employees is fit for work or not.

Organizations' EHS team at each facility keeps a record of all the employees' health analysis and tracks the trend in changes in health patterns of employees over the period. If any deviation is observed in employees' health checkup reports, then the physician calls that employee for counseling and gives prescriptions for better health.

This data is also submitted to local legal authorities.

The records are kept for varied tenures in each facility as per the local legal norms after the employee left the organization.

Any employee who is feeling uneasiness or ill can visit the OHC and seek free consultation as well as a medication facility.

		Answers/ Results/ Numbers		
Sr. No.	**Parameters**	**Luna**	**Dahej**	**Sajóbábony**
1	Number of employees undergone annual medical health check ups	264	399	171
2	Number of contract employees undergone annual medical health check ups	200	254	0
3	Percent of employees undergone annual medical health check ups	99	100	100
4	Percent of contract employees undergone annual medical health check ups	100	100	0
5	Number of employees consulted by physician/doctor after health check ups	100	100	100
6	Number of employees getting free consultation at OHC	100	100	100

Worker Participation, Consultation and Communication on OHS (GRI 403-4)

We have developed the forums where workers are encouraged to report work related hazards and hazardous situations in various forums like –

- Safety cums works committee – frequency once in 3 months; Equal participation from management and workers and the MOM is circulated to all stakeholders for compliances od recommendations and which tracked back in next meeting.
- National Safety Week – Every year for one week with various participation and consultation activities like Safety Quiz, Hazard Hund, Fire drills, SCBA drill, Poster, and Slogan Competition
- Environment Day – Tree plantation in and around site.
- Near-miss reporting.

Besides of that regular safety trainings, refresher trainings and toolbox talks are held to increase safety awareness in employees both companies owned and contractual.

All the tools/ equipment of contractual work is tested for its' fitness before allowing into the premises and same guidance of safe handling provided to contract employees before giving work charge.

We do safety rounds, inspections, and audits. All contract workers are inspected and interviewed for safety performance in periodic intervals and based on that best employees are awarded while the employees / contracts with red cards are given punishments or termination of contracts.

We are in comply with local wages laws and no company or contractual employee gets salary less that the local legal requirements which has been checked/ audited by local regulatory authorities/ government officers by time to time by surprised visits and random sampling records. Also, we force our contractors to be comply with local wages norms and only those who fulfils requirements are allowed to do work with us.

Workers Training on Occupational Health & Safety (GRI 403-5)

Safety training is of utmost importance in the Shiva Pharmachem, where employees are exposed to potentially hazardous materials and complex processes daily. The nature of pharmaceutical and chemical manufacturing involves handling substances that may pose risks

to both human health and the environment. Proper safety training equips employees with the knowledge and skills necessary to identify, assess, and mitigate potential risks in their work environment. This includes understanding the proper handling of chemicals, utilizing personal protective equipment, and adhering to safety protocols. In this industry where precision and accuracy are critical, well-trained employees contribute to the prevention of accidents, minimizing the likelihood of spills, exposure to harmful substances, and other workplace incidents. Additionally, safety training fosters a culture of awareness and responsibility, promoting a collective commitment to maintaining a secure working environment, ensuring the well-being of employees.

We have detailed system to educate contract workers and company employees on occupational health and safety like –

- Induction program covering EHS orientation.
- Refresher safety trainings
- Visitors Induction Program (KIOSK)
- Daily Responsible Care (RC) talk
- EHS Policy awareness Trainings
- Emergency response training
- PPEs' Usage
- MSDS
- Risk assessments
- Management of change
- Permit systems
- Job Specific Trainings
- Toll box talk
- RC Talk

All employee's undergoing training has been evaluated by exam or work execution basis and the person lacking information, skill must revisit training.

Promotion of Worker Health (GRI 403-6)

For the promotion of Worker Health, we have started the following initiatives like -

- We have doctor consultation program for pre-diabetics, BP patients and other health issues as identified in annual medical check-ups.

- Deaddiction counselling by OHC staff to the workers.
- Qualitative Hygiene survey
- We have included pandemic like COVID -19 as scenario in our On-site emergency plan.
- During COVID 19 Pandemic, we have taken extensive preventive control measures like sanitization of site and workplaces, Temperature monitoring, SPO2 checking, distributing immunity booster drinks, Mask, and sanitization distribution, arranging vaccination program etc.
- We have full-fledged 24/7-hour OHC centre for counselling and consultation of workers, employees for any non-work-related health issues.
- Also, company is proving group Mediclaim facility to employees.
- Worker men compensation policy against any loss occurred due to any workplace related injury.
- PLI Scheme – Public Liability Insurance and
- ESIC – are also provided.

Prevention and Mitigation of OHS Impacts Directly Linked by Business Relationships (GRI 403-7)

- We have closed chemical handling systems.
- We provide MSDS to our customers for material safety information.
- We provide TREM Card with transport facilities for material safety information and accidental measures.
- We ask our suppliers to send MSDS with each consignment and do sign terms and conditions regarding safe material packing and transportation as per our Safety requirements.
- As per legal requirement, we educate our neighbouring villagers about emergency situations and distributes safety book as per local legal norms.
- We have undergone district level emergency mock-drill in March 2024 with involvement of local administrative and legal authorities as well as mutual aid industry representatives, local neighbouring villagers their representatives and various government officers.

Figure: Fire Safety Training and mock drill at Luna, Dahej and Sajóbábony Sites

Workers covered by an occupational health and safety management system (GRI 403-8)

All the company workers and contract workers working at all 03 sites are covered under Occupational health and safety management system (ISO 45001:2018 certification and

Responsible Care LOGO Certification). And the system compliance is audited once in six months internally and by a certifying agency once a year.

We do internal auditors' training through third party certifying agencies and only after successful completion of training is the employee allowed to do OHS audits at site.

We undergo many legal body surveys/ audits for OHS requirements.

Our valued customers are also doing audits on our site of OHS measures.

Work Related Injuries (GRI 403-9)

In the reporting year FY 2023-24, there was only 1 (6 in the last financial year) number of workplace incidents (including workplace injuries, near miss accidents and loss of Time accidents) and it has been investigated, and measures are taken further to minimize and avoid such incidents. Rate of recordable work-related injuries, Rate of fatalities, total man hour lost etc. for the reporting period FY 2023-24 have been tabulated below. This data calculated GRI 403 requirements. This data includes both company as well as contractual employees.

Sr. No.	Parameters	Luna	Dahej	Sajóbábony
1	Total Manhour Lost	240	0	0
2	Number recordable work-related Injuries	1	0	0
3	Number of recordable incidents	1	0	0
4	Total Manhour Worked	1206552	2070132	383040
5	Number of Fatalities	0	0	0
6	Number of high consequences work related injuries	1	0	0
7	Rate of fatalities as a result of work-related injury	0	0	0
8	Rate of high-consequence work-related injuries (excluding fatalities)	0.165761608	0	0
9	Rate of recordable work-related injuries	0.165761608	0	0

We have detailed procedure for investigating the incidents like root cause analysis, determining Corrective and preventive actions and reporting to the relevant stakeholders.

Work related illness (GRI 403-10)

Work related ill health scenarios are as follows –

1. Allergic Reactions
2. Respiratory Health Issues
3. Muscular Skeletal disorders
4. Ergonomic Health Issues
5. Burn Injuries – Chemical Burn, Hot Burn, Cold Burn etc.

At all sites, there were no such cases are observed.

The work environment can also be evaluated and evident from the cases, especially at Luna site that most of employees have joined this organization as first organization, worked throughout their life tenure and got retirement without any health issues.
For this, we use local legal authority guidelines at each individual place.
Mandatory health checkups and regular employee consultations are the means for identifying such issues arising due to process/ activities at site.

Training and Education (GRI-404)

Training, education and development are pivotal in nurturing a skilled and adaptable workforce. Training imparts specific job-related proficiencies, ensuring competence. Education provides broader learning avenues for personal and professional growth, encompassing workshops, seminars, and formal education. Development focuses on future roles, fostering leadership and career progression. Together, they create a culture of continuous learning, enhancing individual capabilities and driving organizational success.

Average hours of training per year per employee (404-1) and Programs for upgrading employee skills (404-2)

Shiva Pharmachem provided totally 748 (462 in last financial year) number of trainings to the employees consisting of various topics such as; Hazard identification and risk management, Emergency response, MSDS, Safety during chemical handling, Eye protection, PPE, working at height, first-aid, fire protection specialist exam, SOP Training for Preventive maintenance of centrifugal pump, Clean agent-based flooding system, Use of communication technique software for instrument using in QC, ISO tank filling etc.,. The sitewise detailed training data is given in the table below.

Sr. No.	Parameters	Luna	Dahej	Sajóbábony	Total
1	Number of Trainings Planned	85	167	415	667
2	Number of Trainings Executed	91	242	415	748
3	Total Manhour Training Delivered to Company Employees	1337	2877	3320	7534
4	Total Manhour Training Delivered to Contractual Employees	55	1345.7	-	1400.7
5	Total Manhour Training Delivered to Female Employees	14.6	17.33	336	367.93
6	Average man days of trainings to company employees	0.62	0.9	2.4	1.125149343
8	Average man days of trainings to contract employees	0.03	0.662253937	-	0.385655286
9	Average man days of trainings to female employees	1.8	0.4	1.1	1.14978125

Trainings executed are more than the planned which encourages management to increase their efforts to meet 2 man-days average training objectives. Besides this listed data, we have RC Talk of 10 minutes every day at Luna and Dahej sites for safety awareness in the fields of

Product Stewardship, Process Safety, Pollution Prevention, Employee Health and Safety, Emergency Response and Planning, Distribution Safety and Security.

Figure: Training sessions at Luna, Dahej and Sajóbábony Sites

Management Approach

The Shiva Pharmachem has targeted to provide at least 2 man-days trainings to employees. Currently we achieved 1.2 man-days training per employee in which the training to the female employees in more than the total average i.e. 1.4 man-days trainings. We will keep focusing on educating the contractual employees as right now the average training data for contractual employees is very little compared to company employees.

Employees Receiving Regular Performance & Career Development Reviews (404-3)

Shiva Pharmachem focuses on employees' upliftment as employees are the assets for any organization to become successful. Employees' skills can only be utilized effectively if they are financially stable and able to withstand the inflation effects during their day-to-day life households' requirements. We don't wish to lose our skilled employees and hence we have established a regular performance appraisal method for all employees. 100% of employees are covered under performance appraisal and no one is left out. We have a system to counsel our well-performing employees during their resignation and if feasible we are retaining them with mutual appreciation. The sitewise details are summarized below.

Sr. No.	Parameters	Luna	Dahej	Sajóbábony
1	% of total employees received a regular performance and career development reviews	100%	100%	100%
2	% of total male received a regular performance and career development reviews	100%	100%	100%
3	% of total female employees received a regular performance and career development reviews	100%	100%	100%
4	% of total minority employees received a regular performance and career development reviews	100%	100%	100%
5	Parameters for regular performance evaluation and career development	Performance Appraisal System	Performance Appraisal System	Individual Goals
6	Number of employees retained during this tenure	5	14	5

Diversity and Equal Opportunity (GRI 405, 2-7 & 2-8)

In today's competitive corporate environment, the incorporation of varied opinions is highly valued for efficiently addressing difficulties and maintaining profitability while responding to ever-changing stakeholder needs.

Our diverse team, which includes people of all ages, regions, and backgrounds, adds a new dimension of creativity and innovation to our operations. We are committed to treating all employees fairly and forbidding any type of gender discrimination in both job assignments and compensation.

Gender Diversity among Company Employees

	Male Employees	Female Employees	Total
Luna	266	1	267
Dahej	397	2	399
Sajóbábony	134	37	171
Total	797	40	837
Representation	95.22102748	4.778972521	

The current representation of women in our company stands at 4.7% (4.4% in last financial year) of the total workforce and we are consistently trying to improve the representation of women. We are committed to providing equal remuneration and opportunities. The ratio of remuneration for men and women is 1:1.

Gender Diversity among Contract Employees

	Male Employees	Female Employees	Total
Luna	200	0	200
Dahej	249	5	254
Sajóbábony	0	0	0
Total	449	5	454
Representation	98.89867841	1.101321586	

The classification of employees based on the age for the whole organization as well at each site is given in the following tables.

Age Diversity among Company Employees				
	Age< 30	**30 < Age >50**	**Age > 50**	**Total**
Luna	67	147	53	267
Dahej	184	204	11	399
Sajóbábony	31	111	29	171
Total	282	462	93	837
Representation	33.69175627	55.19713262	11.11111111	

There is a total of 837 people employed in Shiva Pharmachem in all three sites with a mix of young graduates, about 33.6% (32.4% in last financial year), middle aged relatively experienced employees about 55.19% (54.15% in last financial year) and highly experienced employees are about 11.11% (13.45% in last financial year).

A significant number of employees from local state are employed as shown in the subsequent tables for sites located in both India and Hungary.

Location wise Diversity among Company Employees				
	From Gujarat	**From outside Gujarat but within India**	**From Outside India**	**Total**
Luna	258	9	0	267
Dahej	351	48	0	399
Total	609	57	0	666
Representation	91.44144144	8.558558559	0	

As evident from the above table, there is a good mix of local workers (91.4%) as well as those from outside the state of Gujarat.

Location wise Diversity among Company Employees			
	From Hungary	**From Outside Hungary**	**Total**
Sajóbábony	169	2	171
Representation	98.83040936	1.169590643	

With our commitment to providing equal opportunities to everyone, 4 Divyangs (Especially abled people) have been employed at Shiva Pharmachem as given in the table below.

Details of Especially abled (Divyangs) Employees

Sr. No	Site	Male	Female	Overall
1	Luna	1	0	1
2	Dahej	3	0	3
3	Hungary	0	0	0
Total No. of Especially Abled (Divyang) Employees		**4**	**0**	**4**

Educational Qualifications for the Employees

The company boasts a diverse pool of talent, with a rich educational background. Among our workforce, we have a significant representation of graduates, who bring a strong foundational knowledge to their roles. Additionally, a substantial number of employees hold postgraduate degrees, indicating a deeper level of specialization and expertise in their respective fields. Moreover, our team includes doctorates as well, showcasing a high level of academic achievement and a strong foundation for innovation and advanced problem-solving within the company. This varied educational representation contributes to a dynamic and multifaceted work environment, fostering continuous learning and innovation.

Employees with higher Education				
	Graduates	**Post-Graduates**	**Doctorate**	**Total**
Luna	84	34	3	121
Dahej	110	31	1	142
Sajóbábony	49	2	3	54
Total	243	67	7	317
Representation	76.65615142	21.13564669	2.208201893	

Non-Discrimination (GRI 406)

Shiva Pharmachem is committed to maintaining a work environment where all individuals are treated with dignity and respect. We adhere to strict anti-discrimination policies that prohibit all forms of discrimination based on race, gender, age, disability, sexual orientation, religion, or any other status protected by law.

Our Non-discrimination policy is a part of HR Labor policy. We strongly condemn such incidents if happened and commit to take strong action against such cases.

To prevent discrimination, our employees receive regular training on diversity and inclusion, and we have implemented clear procedures for reporting discrimination. Additionally, our hiring practices are designed to ensure fairness and equal opportunity.

Incidents of discrimination and corrective actions taken GRI 406-1

During the reporting period, there were no reported cases of discrimination within our organization. We continuously monitor and review workplace dynamics through employee surveys and open channels for grievances to ensure a fair and inclusive environment.

We are committed to continuously improving our diversity and inclusion practices. In the coming year, we plan to expand our training programs and refine our reporting mechanisms to ensure a workplace free from discrimination.

Child Labor (GRI 408)

Shiva Pharmachem is committed to ensuring that no form of child labor exists in any aspect of our operations. We have a strict Child Labor Policy that aligns with international standards. This policy commitments are communicated to all employees, suppliers, and contractors, with clear procedures for addressing any instances of child labor should they arise.

Our child labor policy is displayed at the entrance gate of our sites.

As part of our commitment to preventing child labor, we regularly assess and monitor risks within our supply chain. During this reporting period, we conducted 02 of supplier audits, and no child labor violations were identified. We have a comprehensive supplier code of conduct in place, which includes strict provisions on child labor and is enforced through routine evaluations.

We provide training to all our employees on the importance of child labor prevention. Also, we have circulated Employee handbooks to all employees addressing various policies including Child labor policy.

Operations and suppliers at significant risk for incidents of child labor GRI 408-1

Being a hazardous chemical entity, as per local legal norms, we don't allow any workers below 18 ages in our operations for work. All the essential documents are checked for age verification of new employees before joining. Also, we have dined whistle blower policy and committee to report any such cases observed to any of our employees, can raise whistle to committee and the name of person remains confidential. The committee investigates such cases and takes all the necessary actions required to.

We maintain ongoing monitoring systems, including third-party audits like ISO 45001:2018, TFS (Together for Sustainability), Safety Audits, Internal audits and anonymous reporting mechanisms, to detect and address any issues related to child labor. During the reporting period, our monitoring activities did not reveal any cases of child labor.

Throughout this reporting period, we have not identified any instances of child labor within our operations or supply chain. However, we remain vigilant in our efforts to uphold the highest standards of human rights, and we will continue to ensure that child labor is prohibited through our business activities.

Forced or Compulsory Labor (GRI 409)

Shiva Pharmachem remains fully committed to the prevention of forced labor and will continue to invest in systems that ensure all workers in our supply chain are treated with dignity and respect. Our no-tolerance approach to forced labor remains a cornerstone of our corporate responsibility.

Our company adheres to strict labor rights standards in line with local legal laws. We have established an HR Labor policy prohibiting forced or compulsory labor and it is communicated to all employees and suppliers.

We provide training to all our employees on the importance of forced or compulsory labor.

Operations and suppliers at significant risk for incidents of forced or Compulsory labor GRI 409-1

Being a hazardous chemical entity, as per local legal norms, we don't allow any forced or compulsory worker in our operations for work.

We maintain ongoing monitoring systems, including third-party audits like ISO 45001:2018, TFS (Together for Sustainability), Safety Audits, Internal audits and anonymous reporting mechanisms, to detect and address any issues related to child labor. During the reporting period, our monitoring activities did not reveal any cases of forced and compulsory labor.

We have started conducting audits of our suppliers to ensure compliance with our labor standards. We evaluated suppliers with high-risk profiles to ensure additional monitoring and reporting mechanisms were in place.

During the reporting period, we are pleased to report that no incidents of forced or compulsory labor were identified in our operations or supply chain. Our diligent monitoring processes and transparent reporting mechanisms helped to ensure that forced labor was not present.

Moving forward, we will continue to strengthen our supplier engagement and monitoring programs to further reduce risks of forced labor. We are committed to collaborating with industry organizations and enhancing our due diligence procedures.

Local Communities (GRI 413)

This report provides an overview of our organization's efforts to manage and enhance relationships with local communities, in line with the Global Reporting Initiative (GRI) Standard 413: Local Communities. The GRI 413 standard focuses on the impacts organizations have on local communities, specifically the practices and programs in place to ensure positive contributions to community development, engagement, and socio-economic well-being.

Our organization is committed to being a responsible corporate citizen, fostering positive relationships with the communities in which we operate. We strive to integrate community concerns into our business operations and ensure that we contribute to sustainable development. In this regard, we recognize the importance of engaging with local stakeholders and understanding their needs, concerns, and expectations.

Community Engagement and Impact Assessments (GRI 413-1)

We have established a community engagement framework that includes ongoing dialogue with local stakeholders, ensuring that their voices are heard and considered in our decision-making processes. We actively engage through a variety of channels, such as:

- Regular Community Consultations: We have an Industrial Relationships (IR) department. The representatives of IR used to visit the nearest villages, their local leaders, to have insights into their requirements and expectations. Also, we educate our neighboring villagers and share handbooks regarding emergency measures as per local legal norms.
- Impact Assessments: Prior to any new project or operational expansion, we conduct thorough environmental and social impact assessments (ESIA) to understand the potential effects on the community. We have done Quantitative Risk Assessments (QRA) of our chemicals to address the impact of any fire or chemical leakage can impact at how much distance and what will be the impact and accordingly all proactive measures are taken to mitigate it. Also, all our sites come under water stress regions, hence, appropriate measures are taken for water conservation as explained in detail in section GRI 303.

Community Development Programs

We recognize the importance of giving back to the communities that support us. Our community development initiatives are designed to address local needs and contribute to long-term prosperity. We prioritize the hiring of local talent, providing training and development opportunities that help enhance employability within the community.

In FY 2023-24, we contributed Rs 2 Crore (Rs 91 lakhs in last financial year) in the fields of promoting education, promoting healthcare services, protecting local art and eradication of hunger etc.

Sr. No.	Section	Amount in Rs
1	Promoting Education	18,33,781
2	Promoting Health Care Services	19,64,605
3	Protecting Local Arts	1,70,00,000
4	Irradiating Hunger	1,00,000
	Total	2,08,98,386

The organization had conducted **Corporate Social Responsibility (CSR) activities** by different units of the organization. The following are the CSR activities:

- Education Project for higher education programme for the bright and underprivileged students of Gujarat State.
- Contribution for treatment of cancer patients and women empowerment.
- Contribution to be utilized Promoting health care including preventive health care and sanitation as a part of the project “My liveable Bharuch.”
- Direct contribution of water coolers and TV set to “Referral Hospital and Community Health Centre” at Padra for providing safe drinking water and information to patients
- Direct contribution of RO water machine to “Health and wellness centre” at Jaspur, District- Padra for providing safe drinking water
- Direct contribution of ration kit (35 kit) for widows of luna village.
- Direct contribution of Pens and Exam kit to students for exams at Padra, Vadodara
- Contribution of sanitary pads to schoolgirls.
- Direct contribution of dry fruits to children of Luna Primary School at Luna, Padra, Vadodara

- Contribution to be utilized for renovation of Mohammed Rafi School at Kotla Sultan Singh, Amritsar, Punjab
- Contribution to Charuter Arogya Mandal for Shree Krishna Hospital Krishna Hospital, Karamsad, Gujarat for providing treatment to underprivileged children's.
- Promoting healthcare by contribution to Shram Mandir Trust to help for the treatment of Leprosy effected persons.
- Direct contribution of providing internet connection at Luna primary school
- Artist, Studios and Residencies and Construction of Museum
- Art Galleries, Studios, and Infrastructure for Protection of Art
- UFMA Infrastructure for Promotion and Protection of Art

Operations with significant actual and potential negative impacts on local communities (GRI 413-2)

We are acutely aware of the potential for our operations to have negative effects on local communities, particularly in areas such as land use, displacement, or environmental degradation. To minimize these risks, we follow a strict protocol for managing any significant negative impacts:

- Pre-emptive Action Plans: If a project or operation may have significant negative impacts on the community, we proactively work with local stakeholders to develop mitigation strategies.
- Conflict Resolution Mechanisms: We have a grievance mechanism in place for community members to report concerns or complaints related to our operations. These grievances are addressed promptly and transparently.
- Sustainability Initiatives: We implement projects that restore or improve the environment, such as No waste discharge to environment, water recycling, byproduct recycling back to raw material and re-use of packing materials.

Sr. No.		
1	% of all operational sites for which an environmental risk assessment has been conducted	100%

2	Number of areas inspected higher noise issues and taken corrective actions	0
3	Number of reports against illumination more than target	0

Looking forward, we are committed to enhancing our community engagement practices and expanding our positive impact. Our goals for the coming year include:

- Expanding our local partnerships to address broader social issues such as gender equality and youth employment.
- Launching new environmental sustainability programs aimed at reducing the carbon footprint of our operations, with a focus on benefiting local ecosystems.

Our commitment to local communities is fundamental to our operations, and we are dedicated to maintaining strong, positive relationships with the people and areas that are impacted by our business activities. By aligning our operations with the principles set out in the GRI 413 standard, we aim to ensure that our contributions lead to shared prosperity and well-being for the communities we serve.

Marketing and Labeling (GRI 417)

As part of our commitment to safety, sustainability, and transparency, Shiva Pharmachem ensures that our products are accurately marketed and properly labeled in compliance with relevant global standards and regulations. We recognize the importance of clear, truthful, and responsible communication regarding the products we manufacture, particularly in the chemical industry, where products can pose risks to health and the environment if not handled correctly. This section outlines our practices related to product labeling and marketing, focusing on safety, regulatory compliance, and transparency.

GRI 417-1: Requirements for Product and Service Information and Labeling

a. Product Labeling and Safety Data Sheets (SDS)

At Shiva Pharmachem, we ensure that all chemical products are labeled in accordance with applicable national and international regulations, including the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals. Our product labels include essential information such as:

- Chemical name, concentration, and classification of hazards (e.g., flammability, toxicity)
- Precautionary statements for safe handling, storage, and disposal
- Emergency response measures in case of spills, accidents, or exposure
- Suppliers contact information and regulatory compliance (e.g., REACH, OSHA standards)

Additionally, all products come with Safety Data Sheets (SDS) that provide detailed instructions on the safe use and disposal of chemicals, as well as emergency first-aid measures. These documents are made readily available to customers, both in hard copy and digitally via our website.

In the same manner, the byproducts or waste like Aq. HCl, sent acid sent for recycling or re-use are sent along with TREM CARDs as per local legal requirements having similar data as in SDS for emergency spill leak during transit, toxicity, flammability etc. It goes only after government approval through the portal

b. Regulatory Compliance

We comply with local and international regulations, including but not limited to:

- REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) in the EU
- OSHA (Occupational Safety and Health Administration) in the United States
- GHS (Globally Harmonized System) for classification and labeling of chemicals
- IMDG (The International Maritime Dangerous Goods)

Our compliance is ensured through regular internal audits and third-party verifications. We also collaborate with regulatory authorities to stay up to date with changes in legislation and best practices in chemical safety and environmental protection.

c. Health and Environmental Impacts

We disclose relevant health and environmental impact information on our product labels, including any potential hazards to human health (e.g., acute toxicity, skin irritation) and the environment (e.g., aquatic toxicity, biodegradability). Our products are carefully evaluated for environmental impact, and we strive to minimize adverse effects by providing appropriate safety information on labels. For example, we label products that may pose environmental risks with symbols and statements in compliance with GHS standards.

Also, we encourage our value customers to express if any further information or chemical handling training is needed.

GRI 417-2: Incidents of Non-compliance Concerning Product and Service Information and Labelling

a. Non-compliance Incidents

In 2024, Shiva Pharmachem had no incidents of non-compliance related to product labelling or marketing communication. We have established comprehensive internal processes to ensure that our labelling practices adhere to the highest standards of safety and transparency. We also maintain a rigorous system for reviewing all product labelling to ensure it is accurate and fully compliant with relevant regulations.

All the labels are printed through our Quality assurance department which are pasted by Finished/ packing department. After pasting the labels, rechecked by our Quality assurance team and before release of tank/ container, our logistic team ensures proper labelling and takes photograph in various dimensions to keep in record.

Finally, the tank/ container checked for its fitness at Security gate as well as our logistic teams and after complete approval only the material gets dispatched out of site.

b. Actions Taken

In the rare event of a compliance issue, Shiva Pharmachem takes immediate corrective action to resolve any deficiencies in product labeling. This may include revising labels, updating SDS documents, or retraining staff involved in product labeling. Additionally, we collaborate with regulatory bodies to ensure that any non-compliance is addressed promptly and in accordance with regulatory guidelines.

GRI 417-3: Sales and Marketing Communication

a. Ethical Marketing Practices

Shiva Pharmachem is committed to marketing our products in an ethical and transparent manner. We ensure that our marketing communications accurately reflect the chemical properties and safe handling procedures of our products. We do not engage in misleading or exaggerated claims regarding the safety or environmental benefits of our products. All marketing materials undergo a rigorous review process to ensure they are in full compliance with our internal policies and regulatory requirements.

b. Target Audience and Marketing Channels

Our chemical products are marketed primarily to industrial users who are trained in the safe handling and application of chemicals. We also engage with customers via direct communications over phone or E-mail, where we provide information on best practices for chemical safety. Also, for the pressurized liquified cylinders/ tonners like SO2 gas, we supply user manual to our customers for safe handling practices.

5. Continuous Improvement

We continually assess and improve our product labeling and marketing practices to align with evolving regulatory standards and customer expectations. We are also investing in technologies that will allow for faster updates to product labels in response to new scientific findings or regulatory changes. By fostering a culture of continuous improvement, we aim to ensure that our marketing and labeling practices remain transparent, accurate, and in the best interests of all stakeholders.

Shiva Pharmachem is dedicated to maintaining the highest standards in the marketing and labeling of our chemical products. We ensure that all products are accurately labeled and provide customers with the necessary information to use them safely. By adhering to relevant

regulatory standards and promoting transparency, we aim to build trust with our customers and ensure the safe and responsible use of our products.

Few Other Indicators

1	Number of confirmed information security incidents	0
2	% of employees given self-declaration of ethical behavior	100%
3	% Employees have rights to safety/security	100%
4	% Employees have rights to self-determination	100%
5	% Employees have rights to property / Land	100%
6	% of employees with development plans	100%

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