

Responsible Chemistry. Resilient Operations.



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01. About This Report

This report explains how Shiva Pharmachem Limited manages the environmental, social and governance matters connected with specialty chemical manufacturing. It combines management narrative, initiatives and consolidated three-year performance data so that readers can understand both the systems behind performance and the results achieved during FY 2024-25.



Reporting period, scope and boundary

The reporting period is 1 April 2024 to 31 March 2025. Quantitative operational data covers the Luna and Dahej manufacturing operations and is presented only as consolidated performance. Head office, the Hungary location and overseas storage or distribution hubs are outside the quantitative boundary unless a disclosure states otherwise. Group-level policies and governance practices are described qualitatively where they apply beyond the two manufacturing operations.

For reporting period, scope and boundary, the governing commitments come from the Quality Policy and the wider policy framework. Through data owners, source records and sign-off, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Reporting approach and standards

The report has been prepared with reference to the GRI Standards. Its structure follows the company's material topics, operating context and stakeholder information needs. The GRI Content Index in the annexures identifies the location and current level of coverage of relevant disclosures.

The control framework for reporting approach and standards draws on the Quality Policy and the wider policy framework. Data owners, source records and sign-off help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Basis of consolidation

Absolute values such as energy, emissions, water, waste, employee counts and financial indicators have been aggregated across the manufacturing boundary. Rates, percentages and intensity indicators have been consolidated using the most relevant operational basis available; production-weighted calculations are used for energy and emissions intensity, workforce weighting is used for people-related rates, and the maximum reported value is used for ambient noise.

The policy basis for basis of consolidation is found in the Quality Policy and the wider policy framework. Data owners, source records and sign-off create the records through which ownership and implementation can be checked. Stakeholder feedback adds an important test of whether the formal control is producing the experience it was designed to create.

Materiality approach and FY 2024-25 updates

Materiality reflects the significance of the company's impacts and the information needs of employees, customers, suppliers, regulators, communities and management. The topics receiving greatest attention are process and occupational safety, environmental compliance, energy and climate, water, waste and circularity, product stewardship, responsible sourcing, human rights, workforce capability and ethical conduct.

The commitments relevant to materiality approach and fy 2024-25 updates are brought together in the Quality Policy and the wider policy framework. Evidence from data owners, source records and sign-off helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

Data quality, assumptions and limitations

KPI owners draw on financial records, HR systems, EHS monitoring, utility records, waste manifests, training records, procurement information and governance registers. Where a complete consolidated value is not available, the annexures identify partial coverage or describe the data-development status. The company is strengthening data ownership, evidence retention, review and sign-off to improve consistency and assurance readiness.

Policy accountability for data quality, assumptions and limitations is established through the Quality Policy and the wider policy framework. Data owners, source records and sign-off support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

Forward-looking statements

Statements concerning future targets, planned systems, supplier programmes, data expansion and improvement projects are directional and depend on technical feasibility, regulatory requirements, investment decisions and the availability of reliable data. They should not be interpreted as guarantees of future performance.

The company reads forward-looking statements through the Quality Policy and the wider policy framework. Data owners, source records and sign-off provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.



From operating records to a credible report

The organisational mandate for the reporting boundary and the controls used by data owners comes from EHS, Quality and Human Rights and Labour policies. Source registers, reconciliations and management sign-off translate that position into work that can be assigned, observed and reviewed. Because chemical operations are interconnected, the review must also ask whether solving one problem creates a new exposure elsewhere in the process or value chain.

The practical priority emerging from this discussion is consistent definitions and a clearer evidence trail. Balanced interpretation should recognise positive movement while retaining visibility of delayed actions, adverse outcomes and assumptions that remain uncertain. It also makes future reporting more candid by allowing success, delay, uncertainty and lessons learned to be explained on the same footing.

This perspective keeps from operating records to a credible report focused on the condition being improved, not merely the number of actions completed.

Policy commitments as the reporting backbone

Responsibility for how published commitments are translated into disclosures is shaped by the company-wide policy framework. Operational credibility rests on policy owners, procedures and review records and on the quality of the records they generate. Management review adds value when it challenges whether the control worked, rather than confirming only that a form, meeting or inspection was completed.

A stronger outcome will come from showing both established practice and areas where evidence is still developing. Progress should be examined through both early signals and final outcomes, because completion alone does not show whether the intended change lasted. It provides continuity between stakeholder feedback, management action and the performance narrative presented in later reports.

For stakeholders, the meaningful result is whether policy commitments as the reporting backbone produces a protection or benefit they can recognise and verify.

Reading performance with appropriate context

The Quality Policy's emphasis on continual improvement explain what the company intends to protect when addressing the relationship between production, product mix, methodology and annual movement. Managers use variance analysis and documented assumptions to turn the stated expectation into a repeatable discipline. Cross-functional involvement is essential because no single department holds all the technical, legal, people and stakeholder information needed for a sound decision.

The chapter's forward agenda is more decision-useful explanations of material changes. A useful review will combine coverage, timeliness and action closure with the experience of employees, customers, communities or other affected stakeholders. The purpose is a more reliable management response, not a larger volume of disclosure or a more favourable-looking indicator.

The management value of reading performance with appropriate context lies in making responsibilities clearer and prompting action before adverse outcomes become established trends.

2. Leadership Message



Dear Stakeholders,

At Shiva Pharmachem Limited, we believe that chemistry creates lasting value when it is pursued with responsibility, integrity and care. Our success is defined not only by what we manufacture, but also by how safely we operate, how responsibly we use natural resources, how we care for our people and communities, and how consistently we earn the trust of our stakeholders.

FY 2024-25 was a year of resilience, learning and renewed commitment to sustainability. We continued to strengthen our approach to resource efficiency, water stewardship, waste management, pollution prevention and responsible product stewardship. We remain committed to integrating sustainability into our business strategy and operations, recognising that responsible business practices are fundamental to operational excellence, innovation and long-term value creation.

The safety and wellbeing of our people remain our highest priority. We continue to strengthen our safety culture, enhance critical controls, improve risk management practices and reinforce contractor safety. Our focus remains on creating a safe and healthy workplace where every individual can perform their responsibilities with confidence and return home safely.

Our people are at the heart of our progress. We continue to invest in employee capability, wellbeing, ethical practices and a culture where individuals can speak up and raise concerns openly. We also recognise the importance of building a more diverse, inclusive and equitable workplace where everyone has the opportunity to contribute and grow.

Our responsibility extends beyond our own operations. Through responsible sourcing and

procurement, product stewardship, community engagement and initiatives in healthcare, education, sanitation and skill development, we seek to create meaningful and lasting value for communities and stakeholders across our value chain.

Looking ahead, we will remain focused on preventing harm, improving resource efficiency, strengthening supplier engagement, advancing product stewardship and making our sustainability objectives increasingly measurable. We will continue to communicate our progress transparently, recognising both our achievements and the areas where further improvement is required.

I sincerely thank our employees, customers, suppliers, communities, regulators and other stakeholders for their continued trust, support and partnership. Together, we will continue to advance responsible chemistry by protecting people and the planet while creating resilient, sustainable and enduring value for generations to come.

Rakesh S Agrawal

Chairman
Shiva Pharmachem Limited

03. Shiva Pharmachem at a Glance

Shiva Pharmachem is a specialty chemical manufacturer serving value chains where quality, regulatory compliance, safe handling and reliable delivery are fundamental. Its products support pharmaceutical, agrochemical, polymer, personal-care and performance-chemical applications.

About Shiva Pharmachem

The company is headquartered in Vadodara, Gujarat, India. Its portfolio includes acid chlorides, alkyl chlorides, pharmaceutical and API intermediates, fine and specialty chemicals, agrochemical intermediates and nitriles. These products are manufactured within a control environment that combines production, engineering, R&D, quality assurance, EHS and customer-support capabilities.

About Shiva Pharmachem gives practical expression to the Quality, Product Stewardship and EHS policies. Reviewing quality, EHS, R&D and customer-support systems reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Operating footprint

The quantitative reporting boundary covers the consolidated Luna and Dahej manufacturing operations. The broader business footprint also includes corporate and international activities that are discussed qualitatively where relevant. The boundary is intentionally explicit so that readers can distinguish operational performance from wider group policies and commercial presence.

Operating footprint is addressed within the Quality, Product Stewardship and EHS policies. The associated evidence comes from quality, EHS, R&D and customer-support systems, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Products, markets and customers

The company operates in regulated and technically demanding markets. Customer expectations extend beyond product specification to safety data, labelling, chemical regulatory information, transport controls, complaint resolution, business continuity and evidence of responsible environmental and labour practices.

Responsibility for products, markets and customers sits within the Quality, Product Stewardship and EHS policies. The commitment becomes observable in quality, EHS, R&D and customer-support systems and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

FY 2024-25 performance highlights

Consolidated gross revenue was INR 60,800.05 lakh, compared with INR 54,629.19 lakh in FY 2023-24. Direct employee headcount reached 644. Total energy consumption was 546.21 million MJ, water consumption was 139,958 KL and total waste generated was 30,854.74 tonnes. These figures are interpreted in the relevant chapters and presented in full in the annexures.

The duties associated with fy 2024-25 performance highlights are reflected in the Quality, Product Stewardship and EHS policies. The policy is carried into daily decisions through quality, EHS, R&D and customer-support systems, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

FY 2024-25 ESG highlights

The company maintained full coverage of the reported operational boundary under ISO 14001 certification and environmental risk assessment. It continued initiatives involving alternative fuel, efficient lighting, lower-emission employee transport, effluent management, authorised waste routes, health surveillance, training, product stewardship and responsible procurement development.

The boundaries applied to fy 2024-25 esg highlights are set by the Quality, Product Stewardship and EHS policies. The practical test lies in quality, EHS, R&D and customer-support systems and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

A business shaped by responsible chemistry

The Quality and Product Stewardship policies explain what the company intends to protect when addressing the connection between the product

portfolio, customer requirements and safe use. Managers use R&D review, specifications, SDS and change control to turn the stated expectation into a repeatable discipline. Cross-functional involvement is essential because no single department holds all the technical, legal, people and stakeholder information needed for a sound decision.

The chapter's forward agenda is growth that protects product integrity and user confidence. A useful review will combine coverage, timeliness and action closure with the experience of employees, customers, communities or other affected stakeholders. The purpose is a more reliable management response, not a larger volume of disclosure or a more favourable-looking indicator.

The management value of a business shaped by responsible chemistry lies in making responsibilities clearer and prompting action before adverse outcomes become established trends.

One consolidated operating story

The governance of the combined environmental and social performance of the Indian manufacturing boundary is connected directly to the EHS Policy. The working system—common definitions and consolidated controls—shows how the commitment enters routine activity. This matters most when time, cost, safety, quality or environmental considerations point in different directions; the responsible owner must know which boundary cannot be crossed.

Further maturity requires performance comparisons that do not obscure enterprise-level direction. The supporting record should preserve the baseline, scope, assumptions, responsible owner and explanation for any material variance. This strengthens accountability because decisions can be followed from initial judgement through implementation, outcome and subsequent review.

The emphasis for one consolidated operating story is therefore on consistent application, evidence of outcome and timely response when expectations are not met.

What the highlights reveal

Decisions about the interaction between financial resilience, resource use, safety and people are tested against the company's continual-improvement commitments. Trend review rather than isolated headline selection allow supervisors and specialists to interpret the commitment in real conditions. Consultation strengthens the result by bringing operational experience into a decision before specifications, schedules or resources are fixed.

The evidence points to a balanced account of achievements and pressure points as the logical next step. Incidents, complaints, audit observations and unexplained KPI movement deserve particular attention because they often reveal weaknesses that routine reporting misses. That approach gives stakeholders a clearer basis for assessing direction of travel and gives managers a better basis for deciding where intervention is most urgent.

The continuing challenge is to ensure that what the highlights reveal is interpreted consistently across functions and through changes in people, process or market conditions.



04. Responsible Chemistry and Resilient Operations

The report theme recognises that specialty chemicals create value only when chemistry is managed responsibly from raw-material selection through manufacturing, storage, transport, customer use and end-of-life communication. Resilience is the ability to sustain this responsibility through changing markets, regulations, resource constraints and operational risk.



Why responsible chemistry matters

Chemical manufacturing can create significant environmental, health and safety impacts if hazards are not identified and controlled. Responsible chemistry therefore begins with process understanding, safe technology selection, appropriate containment, competent people, reliable utilities, regulatory awareness and clear product information.

The company's approach to why responsible chemistry matters is anchored in the Product Stewardship, Quality and EHS policies. Movement toward innovation with evidence will depend on the consistency and measurability of safe technology, competent people and reliable controls. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Operational resilience in a changing environment

Resilience depends on compliance discipline, preventive maintenance, process safety, energy and water security, supplier continuity, emergency readiness and skilled employees. It also depends on data: management needs reliable leading and lagging indicators to identify pressure points before they interrupt operations or affect stakeholders.

For operational resilience in a changing environment, the governing commitments come from the Product Stewardship, Quality and EHS policies. Through safe technology, competent people and reliable controls, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Product stewardship as a value proposition

Customers increasingly expect suppliers to explain substance compliance, SDS management, classification, labelling, safe handling and complaint resolution. Product stewardship protects users and helps customers maintain their own regulatory and

sustainability commitments. It is therefore both a responsibility and a source of long-term customer confidence.

The control framework for product stewardship as a value proposition draws on the Product Stewardship, Quality and EHS policies. Safe technology, competent people and reliable controls help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Resource efficiency and customer value

Energy, water and material efficiency can reduce environmental impact while improving operating reliability and cost control. The company's use of bio-coal, LED lighting, CNG transport, monitoring systems, effluent treatment and reclaimed packaging illustrates how practical operating decisions can support both sustainability and business performance.

The policy basis for resource efficiency and customer value is found in the Product Stewardship, Quality and EHS policies. Safe technology, competent people and reliable controls create the records through which ownership and implementation can be checked. Stakeholder feedback adds an important test of whether the formal control is producing the experience it was designed to create.

Responsible chemistry begins before production

The company's treatment of technology selection, raw materials and process design is grounded in the Product Stewardship and Quality policies. The bridge to implementation is formed by hazard review, laboratory evaluation and customer specifications. Documentation is important here not as an end in itself, but because it preserves the reasoning, assumptions and accountability behind a consequential choice.

The direction of travel is toward safer products and processes designed into the value chain. Where quantitative coverage remains incomplete, the

report should state the limitation and describe the qualitative safeguards without presenting them as equivalent to measured outcomes. Over time, the resulting evidence can improve resource allocation, continuity between role holders and readiness for selective external assurance.

By retaining this connection, responsible chemistry begins before production can contribute to credible disclosure while remaining first and foremost an operating priority.

Resilience is built into everyday choices

A policy view of the ability to anticipate disruption without weakening safeguards begins with the EHS and Security policies. Implementation becomes visible through preventive maintenance, emergency planning and secure operations, not through the policy statement alone. When an exception occurs, the strength of the system lies in a clear escalation route and a decision record that explains how competing considerations were resolved.

The company can deepen its approach through continuity that is compatible with safety and environmental protection. A defined review frequency and escalation threshold will help management respond during the year rather than waiting for the next reporting cycle. With that foundation, improvement initiatives can be scaled on evidence rather than on assumptions drawn from one project or one reporting year.

In future cycles, resilience is built into everyday choices should be supported by enough evidence to explain both progress and any remaining uncertainty.

Customer value through disciplined improvement

In practice, how reliability, resource efficiency and regulatory information reinforce one another is governed through the expectations expressed in the Quality Policy. Its effect can be traced in complaint learning, change notification and management review, where responsibilities and

exceptions become visible. Where the expected standard cannot be met, early disclosure and controlled escalation are more valuable than informal workarounds that conceal the underlying weakness.

The remaining work is best framed as improvement that customers can experience in quality and service. The strongest evidence will connect the policy commitment, operating decision, performance movement and management conclusion in one coherent chain. The company can then demonstrate not only what it did, but why it acted, what changed and what will be handled differently next time.

Seen in this way, customer value through disciplined improvement becomes part of normal management judgement rather than a once-a-year reporting exercise.



05. Business Model and Value Creation

Shiva Pharmachem creates value by converting specialised chemical inputs into products that enable downstream manufacturing. The business model relies on technical capability, process control, customer responsiveness and the disciplined management of environmental and social impacts.



BUSINESS

How Shiva Pharmachem creates value

Value creation begins with customer requirements and product-development capability. It continues through responsible sourcing, process design, production, quality control, packaging, dispatch and technical communication. Financial value is accompanied by employment, supplier opportunities, taxes, community investment and the availability of intermediates used in essential industrial value chains.

Policy accountability for how shiva pharmachem creates value is established through the Sustainable Procurement, Quality, Product Stewardship and Human Rights and Labour policies. Sourcing, process control, quality and stewardship support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

Integrated value chain

Upstream activities include sourcing chemicals, engineering goods, packaging, utilities, logistics and services. Manufacturing activities create the most direct energy, emissions, water, waste and safety impacts. Downstream responsibilities include transport safety, product information, complaint management, regulatory communication and support for safe customer use.

The company reads integrated value chain through the Sustainable Procurement, Quality, Product Stewardship and Human Rights and Labour policies. Sourcing, process control, quality and stewardship provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Inputs, processes and outcomes

The company depends on raw materials, energy, water, infrastructure, technical knowledge, employees, contractors, finance and stakeholder relationships. Its processes transform these inputs through controlled chemistry and quality systems. Desired outcomes include compliant products, safe

workplaces, efficient resource use, reliable delivery, capable employees and trusted relationships.

The Sustainable Procurement, Quality, Product Stewardship and Human Rights and Labour policies provide the decision rules for inputs, processes and outcomes. Implementation relies on sourcing, process control, quality and stewardship, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Value delivered to stakeholders

Employees receive work, benefits and development; customers receive specialised products and technical support; suppliers participate in commercial opportunities; communities benefit through employment and CSR; and regulators receive evidence of compliance. Management's task is to balance these outcomes while preventing or reducing adverse impacts.

The Sustainable Procurement, Quality, Product Stewardship and Human Rights and Labour policies shape the company's decisions on value delivered to stakeholders. Its effectiveness is examined through sourcing, process control, quality and stewardship, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Responsible operations as a business advantage

Strong EHS, quality and product-stewardship systems reduce the likelihood of incidents, disruption, non-compliance and customer dissatisfaction. They also support access to regulated markets and enable the company to respond to increasing customer expectations on traceability, climate performance and responsible sourcing.

In considering responsible operations as a business advantage, management applies the Sustainable Procurement, Quality, Product Stewardship and Human Rights and Labour policies. Sourcing, process control, quality and stewardship connect the commitment with management review and

future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Value creation across the chemical lifecycle

Decisions about the path from supplier qualification to manufacture, delivery and safe use are tested against the Sustainable Procurement, Quality and Product Stewardship policies. Approved vendors, process controls and product communication allow supervisors and specialists to interpret the commitment in real conditions. Consultation strengthens the result by bringing operational experience into a decision before specifications, schedules or resources are fixed.

The evidence points to value that is resilient because impacts are managed across stages as the logical next step. Incidents, complaints, audit observations and unexplained KPI movement deserve particular attention because they often reveal weaknesses that routine reporting misses. That approach gives stakeholders a clearer basis for assessing direction of travel and gives managers a better basis for deciding where intervention is most urgent.

The continuing challenge is to ensure that value creation across the chemical lifecycle is interpreted consistently across functions and through changes in people, process or market conditions.

The role of people and operating knowledge

The Human Rights and Labour and EHS policies set the reference point for the competence and participation needed to run complex operations. The day-to-day expression of this direction is found in training, supervision, consultation and grievance access. The test is whether the people closest to the work have sufficient competence, authority and information to apply the requirement before an adverse outcome occurs.

Future progress will depend on a workforce able to identify risk and improve performance. Outcome measures should be read beside operating context so that production changes, methodology revisions or improved data capture are not mistaken for underlying performance. The result should be a

control system that learns from weak signals before they develop into recurring failures or significant impacts.

A mature approach to the role of people and operating knowledge will connect policy ownership, operational experience and performance interpretation without treating them as separate conversations.

Retaining value while reducing exposure

The commitments most closely connected with how resource efficiency and community responsibility support the business model are contained in the EHS and CSR policies. The relevant functions apply this direction through project appraisal, monitoring and stakeholder dialogue. The same discipline must extend to contractors and business partners whenever their actions can alter the effectiveness of the control.

Management attention now needs to move toward investment decisions that consider cost, impact and long-term licence to operate. Leading measures can show whether implementation is moving, while lagging measures indicate whether the control ultimately protected people, the environment or business continuity. Such discipline supports honest interpretation of annual figures and prevents activity counts from being mistaken for impact.

The policy promise will be strongest when retaining value while reducing exposure remains visible in routine reviews as well as major investment decisions.



06. Governance and Management Approach

Governance establishes who is accountable for sustainability decisions, how risks are escalated and how performance is reviewed. In chemical manufacturing, this accountability must connect the Board and executive leadership with site management and technical functions.

Governance structure

The governance structure comprises the Board of Directors, executive leadership, site leadership and functional heads. Responsibilities are distributed across operations, EHS, quality, HR, procurement, finance, security, engineering and product functions, with escalation based on the significance of the issue.

Management links governance structure to the governance policy framework, including the Whistleblower and Anti-Bribery and Anti-Corruption policies. This link is maintained through committees, owners, audits and escalation, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Board and executive oversight

Senior leadership oversees business continuity, compliance, capital allocation and major operational risks. Sustainability performance is considered through management reviews, EHS and quality systems, statutory compliance, incident information, customer feedback and financial and operational indicators.

Board and executive oversight gives practical expression to the governance policy framework, including the Whistleblower and Anti-Bribery and Anti-Corruption policies. Reviewing committees, owners, audits and escalation reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Sustainability governance

Sustainability is managed as a cross-functional discipline. Data owners are expected to maintain source records, explain movements, validate boundaries and support corrective action. The next stage of governance development is to formalise a consolidated sustainability review with defined meeting frequency, decisions, owners and closure tracking.

Sustainability governance is addressed within the governance policy framework, including the

Whistleblower and Anti-Bribery and Anti-Corruption policies. The associated evidence comes from committees, owners, audits and escalation, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Management committees and review

Operational reviews provide a forum to discuss safety, environment, quality, maintenance, production and compliance. Effective governance depends on more than meeting frequency: it requires clear agendas, evidence-based discussion, documented decisions, accountable owners and verification that actions have been completed.

Responsibility for management committees and review sits within the governance policy framework, including the Whistleblower and Anti-Bribery and Anti-Corruption policies. The commitment becomes observable in committees, owners, audits and escalation and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Policy framework

The company maintains policies and procedures covering EHS, quality, procurement, security, anti-bribery and anti-corruption, whistleblowing, grievance redressal, prevention of sexual harassment, CSR, product stewardship, human rights and labour, and child labour. Policies are supported by operating procedures, training, controls and records.

The duties associated with policy framework are reflected in the governance policy framework, including the Whistleblower and Anti-Bribery and Anti-Corruption policies. The policy is carried into daily decisions through committees, owners, audits and escalation, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Accountability and performance review

Future governance strengthening will connect material topics with named owners, annual objectives, leading and lagging indicators, management-review evidence and escalation thresholds. This will make accountability more visible and help translate policy commitments into measurable performance.

The boundaries applied to accountability and performance review are set by the governance policy framework, including the Whistleblower and Anti-Bribery and Anti-Corruption policies. The practical test lies in committees, owners, audits and escalation and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

A policy architecture with clear ownership

In practice, the allocation of commitments among the Board, executives and functions is governed through the expectations expressed in the full policy framework. Its effect can be traced in delegated responsibilities, committee review and document control, where responsibilities and exceptions become visible. Where the expected standard cannot be met, early disclosure and controlled escalation are more valuable than informal workarounds that conceal the underlying weakness.

The remaining work is best framed as fewer gaps between stated intent and operational accountability. The strongest evidence will connect the policy commitment, operating decision, performance movement and management conclusion in one coherent chain. The company can then demonstrate not only what it did, but why it acted, what changed and what will be handled differently next time.

Seen in this way, a policy architecture with clear ownership becomes part of normal management judgement rather than a once-a-year reporting exercise.

Oversight informed by evidence

The organisational mandate for how performance, incidents, audits and compliance obligations reach governance forums comes from the Quality and EHS policies. Dashboards, management reviews and escalation thresholds translate that position into work that can be assigned, observed and reviewed. Because chemical operations are interconnected, the review must also ask whether solving one problem creates a new exposure elsewhere in the process or value chain.

The practical priority emerging from this discussion is earlier intervention when outcomes depart from expectations. Balanced interpretation should recognise positive movement while retaining visibility of delayed actions, adverse outcomes and assumptions that remain uncertain. It also makes future reporting more candid by allowing success, delay, uncertainty and lessons learned to be explained on the same footing.

This perspective keeps oversight informed by evidence focused on the condition being improved, not merely the number of actions completed.

Conduct, remedy and institutional trust

Responsibility for the safeguards available when routine controls fail is shaped by the Anti-Bribery and Anti-Corruption, Whistleblower and Grievance Redressal policies. Operational credibility rests on confidential channels, investigation and protection from retaliation and on the quality of the records they generate. Management review adds value when it challenges whether the control worked, rather than confirming only that a form, meeting or inspection was completed.

A stronger outcome will come from governance judged by the quality and fairness of its response. Progress should be examined through both early signals and final outcomes, because completion alone does not show whether the intended change lasted. It provides continuity between stakeholder feedback, management action and the performance narrative presented in later reports.

For stakeholders, the meaningful result is whether conduct, remedy and institutional trust produces a protection or benefit they can recognise and verify.

07. Risk Management and Resilience

The company's risk environment includes process hazards, occupational safety, environmental compliance, supply continuity, energy and water availability, product regulation, cybersecurity and climate-related disruption. Resilience requires preventive controls as well as the capacity to respond and recover.



Enterprise risk management approach

Risk management begins with identifying hazards, obligations, dependencies and stakeholder concerns. Risks are assessed by likelihood and consequence, assigned to responsible functions and addressed through engineering controls, procedures, training, monitoring, insurance, audits and management review.

The boundaries applied to enterprise risk management approach are set by the EHS, Security and Quality policies. The practical test lies in prevention, preparedness and recovery and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Climate-related risks and opportunities

Physical risks can affect water availability, utilities, logistics, worker health and site continuity. Transition risks can arise from energy costs, emissions expectations, chemical regulation and customer requirements. Opportunities include alternative fuels, efficiency, renewable energy, process improvement, circular material use and differentiated customer support.

The company's approach to climate-related risks and opportunities is anchored in the EHS, Security and Quality policies. Movement toward integrated resilience will depend on the consistency and measurability of prevention, preparedness and recovery. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Operational and process risks

Chemical reaction, storage, transfer, maintenance and utility systems require disciplined process-safety controls. Hazard studies, operating envelopes, permits, isolation, maintenance, inspection, management of change and emergency preparedness reduce the probability and consequence of loss-of-containment events.

For operational and process risks, the governing commitments come from the EHS, Security and Quality policies. Through prevention, preparedness and recovery, the company can test whether roles

remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Energy, water and supply security

Energy and water are critical production inputs. Monitoring, maintenance, treatment systems, alternative fuel, efficiency initiatives and supplier planning support continuity. Procurement resilience also depends on qualified alternatives, reliable logistics and timely escalation of quality or compliance issues.

The control framework for energy, water and supply security draws on the EHS, Security and Quality policies. Prevention, preparedness and recovery help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Technology, cybersecurity and data security

Operational and commercial systems hold customer specifications, employee data, process information and compliance records. Access control, backup, confidentiality, awareness and incident-response arrangements are therefore part of business resilience, not only an IT responsibility.

The policy basis for technology, cybersecurity and data security is found in the EHS, Security and Quality policies. Prevention, preparedness and recovery create the records through which ownership and implementation can be checked. Stakeholder feedback adds an important test of whether the formal control is producing the experience it was designed to create.

Business continuity and emergency preparedness

Emergency plans, response teams, drills, communication protocols and coordination with external agencies are essential for credible preparedness. Lessons from incidents, near misses and exercises should feed back into equipment, procedures, training and scenario planning.

The commitments relevant to business continuity and emergency preparedness are brought together

in the EHS, Security and Quality policies. Evidence from prevention, preparedness and recovery helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

Risk as a connected operating system

The commitments most closely connected with the way process, supply, climate and customer risks can compound are contained in the EHS, Security and Quality policies. The relevant functions apply this direction through risk registers, HAZOP, maintenance and business-continuity planning. The same discipline must extend to contractors and business partners whenever their actions can alter the effectiveness of the control.

Management attention now needs to move toward controls designed around scenarios rather than isolated hazards. Leading measures can show whether implementation is moving, while lagging measures indicate whether the control ultimately protected people, the environment or business continuity. Such discipline supports honest interpretation of annual figures and prevents activity counts from being mistaken for impact.

The policy promise will be strongest when risk as a connected operating system remains visible in routine reviews as well as major investment decisions.

Climate and resource dependence

For exposure to energy, water stress, extreme weather and regulatory change, management draws direction from the EHS Policy. Evidence that the policy is active is created through source monitoring, efficiency projects and emergency arrangements. A written commitment becomes credible only when it continues to guide behaviour during shutdowns, changes, abnormal conditions and commercial pressure.

The next phase centres on greater use of scenario analysis in investment and continuity planning. The quality of the conclusion depends on traceable source information and on whether corrective action was tested after implementation rather than merely marked complete. This closes the distance between policy language and the conditions

experienced by the people or environments the policy is intended to protect.

Ultimately, climate and resource dependence must be understood through the decisions it changes and the risks or opportunities those decisions address.

Digital resilience and protected information

Technology dependence, cyber risk and the reporting of suspected breaches brings several commitments in the Security and Whistleblower policies into the same operating decision. Access controls, backups, awareness and escalation provide the practical route from a general commitment to a controlled task. Clear ownership prevents the commitment from becoming everyone's concern in principle but no one's responsibility in practice.

The immediate opportunity is more structured testing of recovery and incident-response readiness. Periodic review should look for recurrence and common causes across functions instead of treating every exception as an isolated event. The benefit is greater confidence that an improvement in one area has not transferred cost or risk to another part of the value chain.

This gives digital resilience and protected information a clear place in the company's wider system of responsibility, learning and resilient value creation.



08. Stakeholder Engagement

Shiva Pharmachem's stakeholder relationships are the channels through which operational impacts become visible. Engagement helps the company understand what people experience, what customers and regulators expect, and where business decisions can create shared value or unintended pressure.



Stakeholder Ecosystem and the Issues That Connect It



Figure 1. Stakeholder ecosystem and principal issues.

A stakeholder-inclusive philosophy

The company views stakeholders as participants in its operating ecosystem rather than as audiences for a finished report. Employees, contract workers, customers, suppliers, regulators, communities, shareholders and leadership encounter different parts of the value chain, and each group sees risks and opportunities that may not be visible from a single management perspective. Engagement therefore supports both accountability and better decision-making.

The commitments relevant to a stakeholder-inclusive philosophy are brought together in the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. Evidence from dialogue, grievance channels and response tracking helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

Identifying stakeholders and their relationship to impacts

Stakeholders are identified by considering who can affect the company, who may be affected by its operations, who provides critical resources or permissions, and who relies on the company's products and information. This lens places employees and contractors close to workplace and process-safety impacts; communities close to environmental and emergency-preparedness impacts; and customers and suppliers close to product and value-chain impacts.

Policy accountability for identifying stakeholders and their relationship to impacts is established through the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. Dialogue, grievance channels and response tracking support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

How dialogue takes place

Engagement combines formal and informal channels. Employees participate through safety committees, training, health surveillance, performance reviews and grievance mechanisms. Customers interact through audits, technical enquiries, complaints and commercial reviews. Suppliers engage through qualification, purchase requirements and development discussions. Regulators engage through permits, inspections, returns and statutory communication, while community interaction is supported through local liaison, CSR programmes and emergency-awareness activities.

The company reads how dialogue takes place through the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. Dialogue, grievance channels and response tracking provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Employees and contract workers

For the workforce, the most immediate issues are safe work, occupational health, fair conditions, competence, benefits, communication and access to remedy. Daily work observations, near-miss reporting, toolbox talks, Responsible Care talks and safety committees can surface practical information much faster than annual surveys. Management's responsibility is to protect these channels, respond visibly and ensure that contractors have the same opportunity to speak up as direct employees.

The Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies provide the decision rules for employees and contract workers. Implementation relies on dialogue, grievance channels and response tracking, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Customers and downstream users

Customers expect consistent quality, dependable supply and accurate product information. In specialty chemicals, engagement also covers

SDS, labels, regulatory declarations, safe handling, transport requirements and change notification. Complaint records and audit findings become learning inputs for quality, production, R&D, logistics and product-stewardship teams, connecting customer experience with operational improvement.

The Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies shape the company's decisions on customers and downstream users. Its effectiveness is examined through dialogue, grievance channels and response tracking, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure..

Suppliers and service partners

Suppliers influence raw-material quality, continuity, chemical compliance, worker safety and Scope 3 emissions. Engagement begins with qualification and commercial communication but is moving toward risk segmentation, supplier-code acknowledgement, ESG screening and corrective-action follow-up. The objective is to build capability and clarity, not simply to transfer responsibility through contract language.

In considering suppliers and service partners, management applies the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. Dialogue, grievance channels and response tracking connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Government, regulators and industry bodies

Regulatory engagement is continuous in a highly regulated sector. Permits, monitoring, inspections, submissions and incident communication provide the formal backbone. Participation in industry associations, Responsible Care and supply-chain assessment initiatives adds a second layer through which practices can be benchmarked and expectations interpreted.

Management links government, regulators and industry bodies to the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. This link is maintained through dialogue, grievance channels

and response tracking, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Communities and local institutions

Community relationships extend beyond CSR expenditure. They include environmental performance, transport, emergency preparedness, local employment and the accessibility of complaint channels. The earlier report described local liaison, distribution of emergency-awareness material and engagement with village representatives. These practices can be strengthened through documented concerns, response times, closure evidence and periodic feedback on whether the response was effective.

Communities and local institutions gives practical expression to the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. Reviewing dialogue, grievance channels and response tracking reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Closing the feedback loop

Engagement creates value only when information changes a decision, control or programme. The company is therefore moving toward an engagement register that records the stakeholder group, issue raised, channel, responsible owner, response, due date and outcome. This will allow recurring concerns to be distinguished from isolated requests and will make the link between engagement, materiality and management action more visible.

Closing the feedback loop is addressed within the Human Rights and Labour, Grievance Redressal, Quality, Sustainable Procurement and CSR policies. The associated evidence comes from dialogue, grievance channels and response tracking, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Different stakeholders, different forms of accountability

Responsibility for how workforce, customer and supplier concerns enter decisions is shaped by the Human Rights and Labour, Quality and Sustainable Procurement policies. Operational credibility rests on consultation, audits, complaints and commercial dialogue and on the quality of the records they generate. Management review adds value when it challenges whether the control worked, rather than confirming only that a form, meeting or inspection was completed.

A stronger outcome will come from engagement records that capture both response and outcome. Progress should be examined through both early signals and final outcomes, because completion alone does not show whether the intended change lasted. It provides continuity between stakeholder feedback, management action and the performance narrative presented in later reports.

For stakeholders, the meaningful result is whether different stakeholders, different forms of accountability produces a protection or benefit they can recognise and verify.

Community dialogue around operational impacts

The CSR, EHS and Grievance Redressal policies explain what the company intends to protect when addressing concerns relating to environment, transport, emergency readiness and local development. Managers use local liaison, awareness activities and accessible grievance channels to turn the stated expectation into a repeatable discipline. Cross-functional involvement is essential because no single department holds all the technical, legal, people and stakeholder information needed for a sound decision.

The chapter's forward agenda is a clearer feedback loop with surrounding institutions. A useful review will combine coverage, timeliness and action closure with the experience of employees, customers, communities or other affected stakeholders. The purpose is a more reliable management response, not a larger volume of disclosure or a more favourable-looking indicator.

The management value of community dialogue around operational impacts lies in making responsibilities clearer and prompting action before adverse outcomes become established trends.

Protecting the right to speak

The governance of the conditions needed for people to raise concerns safely is connected directly to the Whistleblower, POSH and Grievance Redressal policies. The working system—confidentiality, non-retaliation and defined committee responsibilities—shows how the commitment enters routine activity. This matters most when time, cost, safety, quality or environmental considerations point in different directions; the responsible owner must know which boundary cannot be crossed.

Further maturity requires engagement that includes difficult issues rather than only planned

outreach. The supporting record should preserve the baseline, scope, assumptions, responsible owner and explanation for any material variance. This strengthens accountability because decisions can be followed from initial judgement through implementation, outcome and subsequent review.

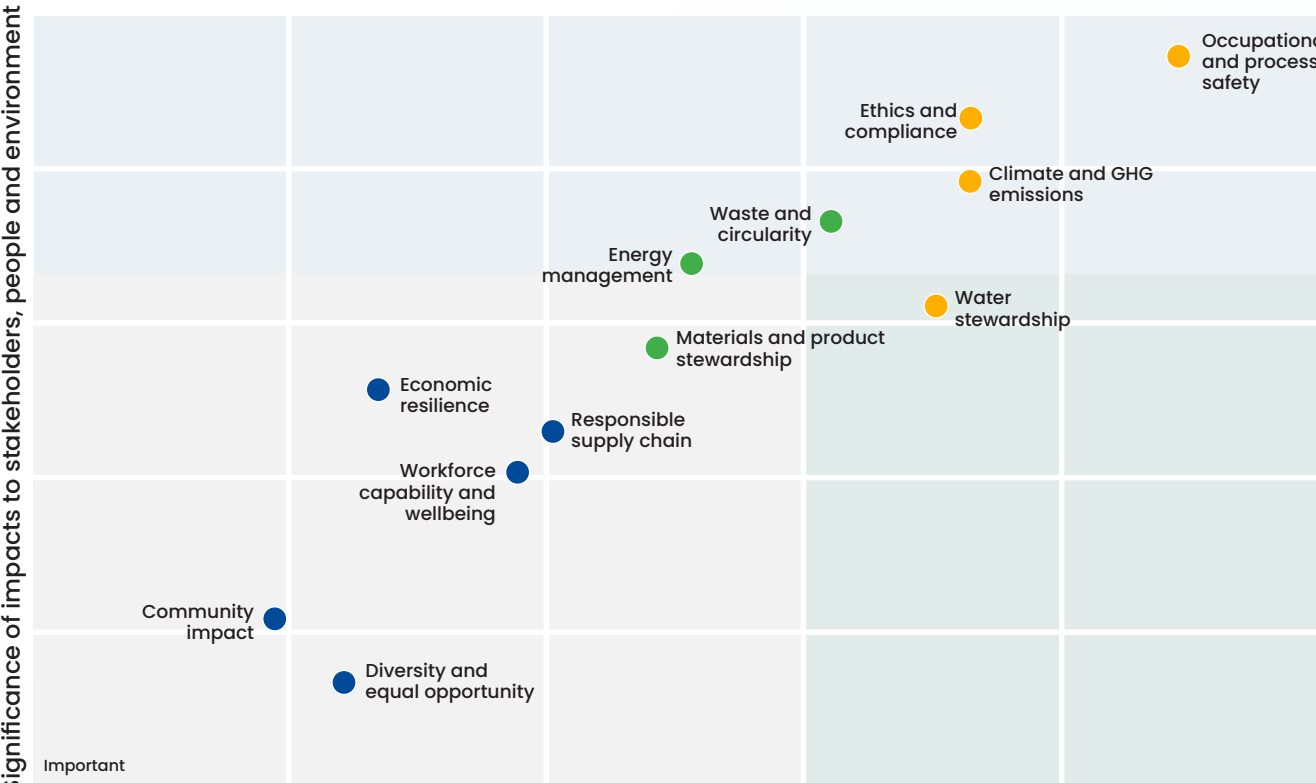
The emphasis for protecting the right to speak is therefore on consistent application, evidence of outcome and timely response when expectations are not met.



09. Materiality Assessment

Materiality provides the bridge between a broad sustainability agenda and the issues that require the closest management attention. The FY 2024-25 assessment combines the documented topic classification from the earlier report with current operating evidence, stakeholder concerns and the consolidated performance series.

FY 2024-25 Management-Informed Materiality Matrix



Significance to Shiva Pharmachem's business and resilience

What materiality means for this report

A topic is material when the company's activities or business relationships can create significant impacts on the economy, environment or people, or when the topic can materially influence operational resilience and stakeholder confidence. This report uses both lenses while keeping impact significance at the centre of the assessment.

In considering what materiality means for this report, management applies the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. Evidence, scoring and validation connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Starting with a broad topic universe

The topic universe was informed by the GRI Standards, chemical-sector operating context, peer reporting, customer and regulatory expectations, management-system requirements and issues raised through normal stakeholder channels. It included safety, climate, energy, water, waste, materials, product stewardship, workforce, human rights, responsible sourcing, communities, ethics, information security and economic resilience.

Management links starting with a broad topic universe to the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. This link is maintained through evidence, scoring and validation, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Assessment methodology

The documented FY 2024-25 process relied primarily on peer benchmarking, discussion with senior management, industry trends and insights from functional heads who interact with stakeholders. Topics were considered in terms of scale, scope, likelihood, reversibility, regulatory significance and business dependence. The matrix in this report translates that evidence into a management-informed visual; it is not presented as the output of a statistically weighted stakeholder survey.

Assessment methodology gives practical expression to the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. Reviewing evidence, scoring and validation reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Prioritising impacts

The earlier report classified materials, energy, water, emissions, waste and occupational health and safety as high-importance topics, with economic performance, training and education, and diversity and equal opportunity identified as medium importance. This report retains those signals while giving greater visibility to process safety, ethics and compliance, responsible supply chain, product stewardship and community impact because the broader evidence base shows their connection to resilience and trust.

Prioritising impacts is addressed within the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. The associated evidence comes from evidence, scoring and validation, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year .

Reading the matrix

Topics in the upper-right area require sustained leadership oversight, clear controls and regular

performance review. Topics nearer the centre remain material and should not be interpreted as optional; their position indicates relative priority within the documented evidence available. The matrix also recognises that priorities can move quickly after an incident, regulatory change, customer expectation or change in operating context.

Responsibility for reading the matrix sits within the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. The commitment becomes observable in evidence, scoring and validation and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness

High-priority topics

Occupational and process safety, ethics and compliance, climate and emissions, waste and circularity, water stewardship and energy management form the highest-priority cluster. These topics combine significant potential impacts with direct operational dependencies. Their management approaches are explained in the environmental, safety and governance chapters and supported by consolidated trend data.

The duties associated with high-priority topics are reflected in the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. The policy is carried into daily decisions through evidence, scoring and validation, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Important and developing topics

Materials and product stewardship, responsible supply chain, economic resilience, workforce capability, diversity and community impact remain important. Several have strong policies or quantitative indicators but need better outcome measures, supplier coverage, stakeholder evidence or demographic depth. The report therefore distinguishes between an established management system and a developing measurement system.

The boundaries applied to important and developing topics are set by the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. The practical test lies in evidence, scoring and validation and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Governance of material topics

Each topic should have a named owner, policy or commitment, operating controls, targets where appropriate, leading and lagging indicators, review frequency and escalation threshold. The materiality assessment becomes useful when it changes the agenda of management reviews, capital planning, training, supplier engagement and disclosure.

The company's approach to governance of material topics is anchored in the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. Movement toward a participatory materiality refresh will depend on the consistency and measurability of evidence, scoring and validation. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Limitations and future refresh

The current matrix is management-informed and draws on existing engagement rather than a dedicated quantitative survey. A future refresh will document stakeholder participation, scoring instructions, weighting, thresholds, disagreements and validation. It will also consider value-chain impacts and the perspectives of workers, communities and suppliers more directly.

For limitations and future refresh, the governing commitments come from the EHS, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. Through evidence, scoring and validation, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Policy commitments help define the topic universe

The impacts the company has already committed to manage brings several commitments in the EHS, Product Stewardship, Human Rights and Labour and Sustainable Procurement policies into the same operating decision. Policy scope, legal duties and stakeholder evidence provide the practical route from a general commitment to a controlled task. Clear ownership prevents the commitment from becoming everyone's concern in principle but no one's responsibility in practice.

The immediate opportunity is a materiality process anchored in the realities of the value chain. Periodic review should look for recurrence and common causes across functions instead of treating every exception as an isolated event. The benefit is greater confidence that an improvement in one area has not transferred cost or risk to another part of the value chain.

This gives policy commitments help define the topic universe a clear place in the company's wider system of responsibility, learning and resilient value creation.

Prioritisation without losing important context

The company's treatment of the need to compare significance while retaining emerging issues is grounded in the Quality Policy's continual-improvement principle. The bridge to implementation is formed by documented criteria, functional input and leadership validation. Documentation is important here not as an end in itself, but because it preserves the reasoning, assumptions and accountability behind a consequential choice.

The direction of travel is toward a repeatable assessment whose judgement can be traced. Where quantitative coverage remains incomplete, the report should state the limitation and describe the qualitative safeguards without presenting them as equivalent to measured outcomes. Over time, the resulting evidence can improve resource allocation, continuity between role holders and readiness for selective external assurance.

By retaining this connection, prioritisation without losing important context can contribute to credible disclosure while remaining first and foremost an operating priority.

From matrix position to management action

A policy view of the ownership of each material topic after assessment begins with the governance and policy framework. Implementation becomes visible through objectives, indicators, controls and escalation points, not through the policy statement alone. When an exception occurs, the strength of the system lies in a clear escalation route and a decision record that explains how competing considerations were resolved.

The company can deepen its approach through materiality that changes agendas, resources and disclosure. A defined review frequency and escalation threshold will help management respond during the year rather than waiting for the next reporting cycle. With that foundation, improvement initiatives can be scaled on evidence rather than on assumptions drawn from one project or one reporting year.

In future cycles, from matrix position to management action should be supported by enough evidence to explain both progress and any remaining uncertainty.



10. Sustainability Strategy

The sustainability strategy connects safe and compliant operations with resource efficiency, responsible products, capable people, resilient communities and trustworthy governance. It provides the organising logic through which material topics become objectives and action.

Our sustainability approach

The company's approach is organised around five mutually reinforcing priorities: prevent harm, maintain compliance, improve resource productivity, strengthen value-chain responsibility and build capable institutions. Each priority requires objectives, accountable functions, evidence and periodic review.

The duties associated with our sustainability approach are reflected in the company's environmental, social, product, procurement and ethics policy framework. The policy is carried into daily decisions through owned objectives and management review, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Alignment with the Sustainable Development Goals

The SDGs provide a global lens for interpreting local actions. The strongest connections are to health and wellbeing, decent work, clean water, affordable and clean energy, responsible consumption and production, climate action, strong institutions and partnerships. The annexure maps these relationships without implying that every SDG target is directly controlled by the company.

The boundaries applied to alignment with the sustainable development goals are set by the company's environmental, social, product, procurement and ethics policy framework. The practical test lies in owned objectives and management review and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Sustainability roadmap

The roadmap for the next reporting cycle focuses on measurable targets, project-level energy and water savings, stronger Scope 3 categorisation, supplier risk segmentation, leading safety indicators, diversity actions, outcome-based CSR reporting and documented assurance scope.

The company's approach to sustainability roadmap is anchored in the company's environmental, social, product, procurement and ethics policy framework. Movement toward time-bound roadmaps will depend on the consistency and measurability of owned objectives and management review. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

A strategy assembled from operating commitments

The governance of the way separate commitments combine into one sustainability agenda is connected directly to the EHS, Quality, Product Stewardship, Human Rights and Labour, Sustainable Procurement and CSR policies. The working system—cross-functional objectives and management review—shows how the commitment enters routine activity. This matters most when time, cost, safety, quality or environmental considerations point in different directions; the responsible owner must know which boundary cannot be crossed.

Further maturity requires a roadmap that connects environmental, social and governance outcomes. The supporting record should preserve the baseline, scope, assumptions, responsible owner and explanation for any material variance. This strengthens accountability because decisions can be followed from initial judgement through implementation, outcome and subsequent review.

The emphasis for a strategy assembled from operating commitments is therefore on consistent application, evidence of outcome and timely response when expectations are not met.

Balancing prevention and transformation

Decisions about the distinction between maintaining control and changing underlying performance are tested against the EHS and Quality policies. Compliance routines alongside capital and process-improvement projects allow supervisors and specialists to interpret the commitment in real conditions. Consultation strengthens the result by bringing operational experience into a decision

before specifications, schedules or resources are fixed.

The evidence points to progress that does not trade one impact for another as the logical next step. Incidents, complaints, audit observations and unexplained KPI movement deserve particular attention because they often reveal weaknesses that routine reporting misses. That approach gives stakeholders a clearer basis for assessing direction of travel and gives managers a better basis for deciding where intervention is most urgent.

The continuing challenge is to ensure that balancing prevention and transformation is interpreted consistently across functions and through changes in people, process or market conditions.

Making the roadmap measurable

The policy framework's accountability provisions set the reference point for the conversion of ambition into baselines, owners and dates. The day-to-day expression of this direction is found in target registers, milestones and documented outcomes. The test is whether the people closest to the work have sufficient competence, authority and information to apply the requirement before an adverse outcome occurs.

Future progress will depend on transparent reporting on delivery, delay and learning. Outcome measures should be read beside operating context so that production changes, methodology revisions or improved data capture are not mistaken for underlying performance. The result should be a control system that learns from weak signals before they develop into recurring failures or significant impacts.

A mature approach to making the roadmap measurable will connect policy ownership, operational experience and performance interpretation without treating them as separate conversations.



11. Certificates, Badges, Commitments and Disclosure Journey

Certificates, badges, assessments and public commitments are milestones in Shiva Pharmachem's sustainability journey. They provide external reference points, but their real value lies in the operating disciplines, audits and corrective actions that sit behind them.

Why external validation matters

response, security and product stewardship. Policy accountability for responsible care is established through the Quality, EHS, Sustainable Procurement and Product Stewardship policies. Audit findings, corrective actions and credential registers support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

EcoVadis recognition

The company reported an EcoVadis Bronze medal awarded in June 2025, with a score of 61 and placement in the 66th percentile at that time. This historical result is presented as a dated assessment, not as a permanent status. The current score is valid till June 2026. Its value lies in the evidence and improvement actions associated with environment, labour and human rights, ethics and sustainable procurement.

The company reads EcoVadis recognition through the Quality, EHS, Sustainable Procurement and Product Stewardship policies. Audit findings, corrective actions and credential registers provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Together for Sustainability assessments

This year the Together for Sustainability (TfS) re-audits were completed in November 2025. The Luna site achieved a score of 85.50% in its re-audit conducted on 7 November 2025, while the Daheji site achieved a score of 76.00% in its re-audit conducted on 6 November 2025. Since the re-audit was conducted post the reporting period, it is presented as a subsequent development rather than reporting-period performance.

As these are site-specific external assessment results, they are presented separately rather than combined into a consolidated average. The findings from both assessments provide an important basis for site-level corrective actions, capability strengthening and continued improvement in

ISO management systems

The company's credential portfolio includes ISO 9001 for quality management, ISO 14001 for environmental management and ISO 45001 for occupational health and safety. Together they connect customer requirements, environmental aspects, legal obligations, hazards, competence, audits and management review. Certification coverage should always be read with the certificate scope and validity period shown in the annexure.

The commitments relevant to ISO management systems are brought together in the Quality, EHS, Sustainable Procurement and Product Stewardship policies. Evidence from audit findings, corrective actions and credential registers helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

Responsible Care

The earlier report described recognition by the Indian Chemical Council to use the Responsible Care mark, implementation of seven Responsible Care codes and fourteen process-safety management elements. Responsible Care broadens the management-system story by linking process safety, employee health and safety, pollution prevention, distribution safety, emergency

2023

TfS improvement

Scores improved to 84 and 90

2025

EcoVadis Bronze
Score 61; 66th percentile

2024

Responsible Care
Seven codes; 14 PSM
elements reported



2026

UN Global Compact

Subsequent to reporting period



2024-25

ISO systems

ISO 9001, 14001 and 45001



sustainability performance.

The Quality, EHS, Sustainable Procurement and Product Stewardship policies provide the decision rules for together for sustainability assessments. Implementation relies on audit findings, corrective actions and credential registers, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

GMP, GLP and industry participation

The report also identified state GMP and GLP recognition and participation in platforms or associations including SEDEX, the Chemical Weapons Convention framework, the Quality Circle Forum of India and the Indian Chemical Council. These relationships support quality, responsible business conduct, sector learning and regulatory awareness.

the Quality, EHS, Sustainable Procurement and Product Stewardship policies shape the company's decisions on gmp, glp and industry participation. Its effectiveness is examined through audit findings, corrective actions and credential registers, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Commitments and disclosure journey

Sustainability reporting, GRI referencing, climate disclosure, supplier assessments and management-system certifications are parts of one evidence journey. The company should maintain a credential register containing owner, scope, issue date, expiry, audit cycle, findings, public claims and renewal status so that achievements are communicated accurately and limitations remain visible.

In considering commitments and disclosure journey, management applies the Quality, EHS, Sustainable Procurement and Product Stewardship policies. Audit findings, corrective actions and credential registers connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Responsible use of badges and scores

A badge or score is a point-in-time signal. It does not replace performance data, incident transparency or management accountability. This report therefore separates reporting-period performance from subsequent certifications and commitments, identifies dated scores, and avoids implying that an assessment covers topics or entities outside its documented scope.

Management links responsible use of badges and scores to the Quality, EHS, Sustainable Procurement and Product Stewardship policies. This link is maintained through audit findings, corrective actions and credential registers, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

What sits behind a certificate

A policy view of the management disciplines tested through external certification begins with the Quality and EHS policies. Implementation becomes visible through document control, internal audit, corrective action and management review, not through the policy statement alone. When an exception occurs, the strength of the system lies in a clear escalation route and a decision record that explains how competing considerations were resolved.

The company can deepen its approach through credentials supported by everyday practice rather than display alone. A defined review frequency and escalation threshold will help management respond during the year rather than waiting for the next reporting cycle. With that foundation, improvement initiatives can be scaled on evidence rather than on assumptions drawn from one project or one reporting year.

In future cycles, what sits behind a certificate should be supported by enough evidence to explain both progress and any remaining uncertainty.

Responsible claims about scores and badges

In practice, the accuracy and time-bound nature of external recognition is governed through the expectations expressed in the Code of Conduct and Quality Policy. Its effect can be traced in scope

checks, validity registers and approval of public claims, where responsibilities and exceptions become visible. Where the expected standard cannot be met, early disclosure and controlled escalation are more valuable than informal workarounds that conceal the underlying weakness.

The remaining work is best framed as communications that distinguish current status from historical achievement. The strongest evidence will connect the policy commitment, operating decision, performance movement and management conclusion in one coherent chain. The company can then demonstrate not only what it did, but why it acted, what changed and what will be handled differently next time.

Seen in this way, responsible claims about scores and badges becomes part of normal management judgement rather than a once-a-year reporting exercise.

Using external findings to improve

The organisational mandate for the learning available from Tfs, EcoVadis and customer assessments comes from the Sustainable Procurement and Product Stewardship policies. Finding ownership, root-cause review and closure verification translate that position into work that can be assigned, observed and reviewed. Because chemical operations are interconnected, the review must also ask whether solving one problem creates a new exposure elsewhere in the process or value chain.

The practical priority emerging from this discussion is an assessment journey that strengthens value-chain evidence. Balanced interpretation should recognise positive movement while retaining visibility of delayed actions, adverse outcomes and assumptions that remain uncertain. It also makes future reporting more candid by allowing success, delay, uncertainty and lessons learned to be explained on the same footing.

This perspective keeps using external findings to improve focused on the condition being improved, not merely the number of actions completed.

12. Environmental Stewardship

Environmental stewardship combines legal compliance with the systematic prevention and reduction of impacts. The company's environmental management approach covers energy, emissions, water, effluent, air, noise, waste, materials and biodiversity screening.



Environmental management approach

ISO 14001 provides the management-system foundation for the manufacturing boundary. Environmental aspects and risks are assessed, operational controls are established, legal requirements are monitored and performance is reviewed. Full reported coverage under certification and environmental risk assessment was maintained across all three years.

The EHS Policy shape the company's decisions on environmental management approach. Its effectiveness is examined through ISO 14001, monitoring and operational discipline, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Energy management

Energy performance is influenced by production volume, product mix, equipment efficiency, fuel choice and electricity use. Total consolidated energy consumption increased between FY 2022-23 and FY 2023-24 and then decreased modestly in FY 2024-25. Energy intensity also improved from the prior year, although it remained above the FY 2022-23 level.

In considering energy management, management applies the EHS Policy. ISO 14001, monitoring and operational discipline connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Alternative fuels and efficiency

Initiatives include bio-coal as an alternative fuel, LED lighting, CNG-based employee transportation, energy monitoring and process-efficiency measures. The value of these actions should increasingly be quantified through project baselines, implementation dates, energy savings, avoided emissions, investment and verification method.

Management links alternative fuels and efficiency to the EHS Policy. This link is maintained through ISO 14001, monitoring and operational discipline, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Greenhouse gas emissions

The inventory covers reported Scope 1, Scope 2 and Scope 3 emissions for the manufacturing boundary. Scope 3 is the largest category in FY 2024-25 and the largest source of year-to-year volatility. Stronger category-level activity data and emission-factor documentation will improve interpretation and support targeted supplier and logistics actions.

Greenhouse gas emissions gives practical expression to the EHS Policy. Reviewing ISO 14001, monitoring and operational discipline reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Water and effluent management

Water is managed through monitoring, treatment, effluent-treatment systems and review of withdrawal, discharge and consumption. Consolidated water consumption declined from 164,600 KL in FY 2022-23 to 139,958 KL in FY 2024-25. Future water stewardship will benefit from source-wise balances, reuse data and water-stress assessment.

Water and effluent management is addressed within the EHS Policy. The associated evidence comes from ISO 14001, monitoring and operational discipline, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Air emissions and noise

NOx, SOx, VOC, particulate matter and ambient noise are monitored within the limits of available data. FY 2024-25 consolidated NOx emissions were 10.67 tonnes and PM2.5 emissions were 19.65 tonnes. VOC data were not available for either site and are therefore reported as unavailable rather than as zero. Ambient noise is presented using the higher reported site value as a conservative boundary-level indicator.

Responsibility for air emissions and noise sits within the EHS Policy. The commitment becomes observable in ISO 14001, monitoring and operational discipline and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Waste management and circularity

Waste is classified, stored and routed through authorised recovery or disposal channels. The company reports hazardous and non-hazardous waste, recycled hazardous waste and limited reuse data. Reclaimed packaging and recycled inputs support circularity, while future reporting will distinguish waste routes and material recovery more clearly.

The duties associated with waste management and circularity are reflected in the EHS Policy. The policy is carried into daily decisions through ISO 14001, monitoring and operational discipline, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Biodiversity and land-use considerations

The reported manufacturing operations are not located in or near biodiversity-sensitive areas, and the specific coverage indicator is therefore identified as not applicable. The underlying screening approach will be strengthened by documenting sources, radius, protected-area categories and conclusions.

The boundaries applied to biodiversity and land-use considerations are set by the EHS Policy. The practical test lies in ISO 14001, monitoring and operational discipline and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Initiative story: from fuel substitution to pollution prevention

The environmental initiative story is not one project but a sequence of operating choices. Bio-coal reduces dependence on fossil fuel for thermal energy; LED lighting reduces electricity demand at the point of use; CNG employee transport addresses a mobile-combustion source; scrubbers and filters control process and combustion emissions; effluent systems protect receiving environments; and packaging or by-product recovery reduces the quantity of material leaving the value chain as waste. Together these actions show how environmental stewardship is assembled from many technical decisions.

The earlier report described wet and dry scrubbers at key emission points, filtration on boiler systems and process controls intended to capture or neutralise pollutants before release. It also

described water-treatment and recycling systems, authorised waste routes and a programme of environmental monitoring. The strength of this portfolio is that it combines prevention, capture, treatment and recovery. Its next stage is to quantify what each measure avoids, not only whether the equipment is installed.

Cross-effects must be considered when initiatives are assessed. A scrubber may reduce air emissions while increasing effluent or residue; a recovery process may reduce waste while consuming energy; an alternative fuel may lower fossil-carbon exposure while changing air-emission or ash characteristics. The company's management-of-change, risk assessment and monitoring systems provide the mechanism for evaluating these trade-offs before an initiative is represented as an unqualified environmental gain.

The company's approach to initiative story: from fuel substitution to pollution prevention is anchored in the EHS Policy. Movement toward project-level impact reduction will depend on the consistency and measurability of ISO 14001, monitoring and operational discipline. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Making environmental projects decision-useful

A decision-useful environmental project register will identify the problem, baseline period, affected source, expected saving or reduction, capital and operating cost, commissioning date, owner and verification method. Where savings depend on production, the register should include both absolute and intensity measures. Where the environmental benefit is indirect, the assumptions and emission factors should be retained so that the result can be recalculated when methods change.

This discipline also changes the quality of management conversation. Instead of asking only whether a project was completed, reviewers can ask whether the expected benefit occurred, whether the effect persisted, whether a new risk emerged and whether the approach can be scaled. Over time, the portfolio becomes a source of organisational learning and a clearer bridge between environmental ambition, capital planning and operating performance.

For making environmental projects decision-useful, the governing commitments come from the EHS Policy. Through ISO 14001, monitoring and operational discipline, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Environmental performance at a glance

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total energy consumed	million MJ	390.17	554.60	546.21
Water consumed	KL	164,600	146,100	139,958
Total waste generated	tonnes	28,456.43	25,448.60	30,854.74
NOx	tonnes	13.34	12.27	10.67
SOx	tonnes	13.67	13.79	10.59

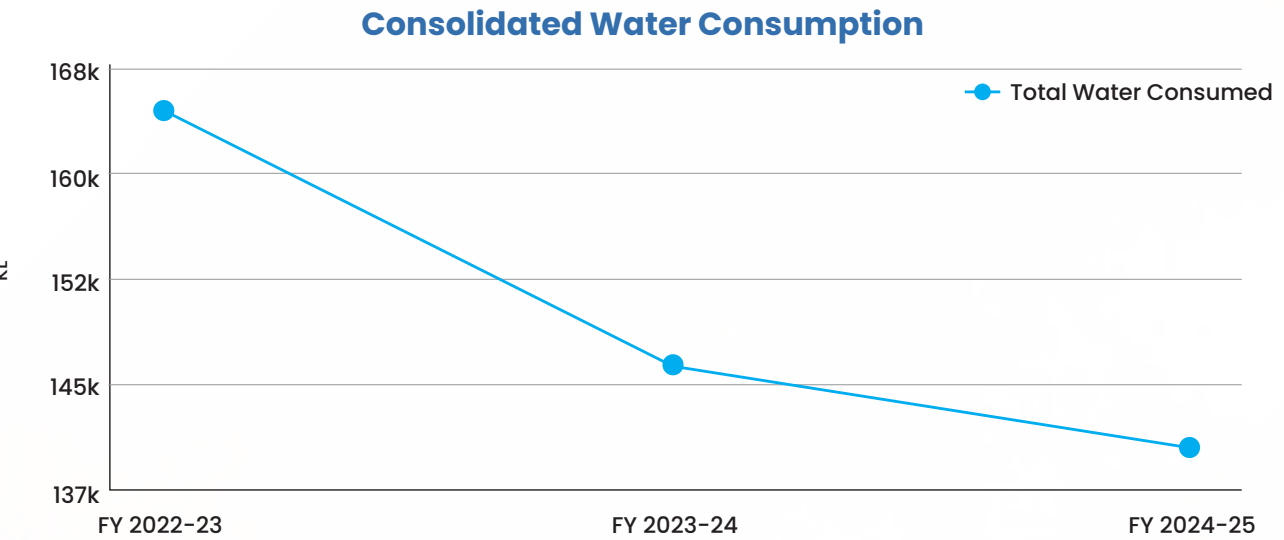


Figure 5. Consolidated water consumption trend.

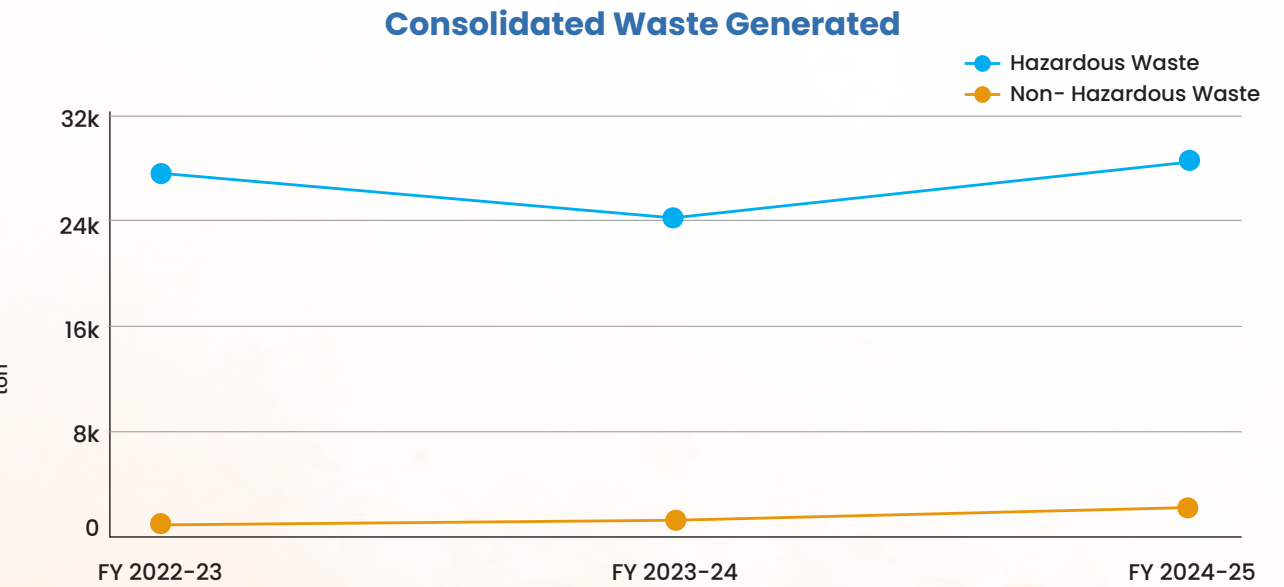


Figure 6. Consolidated waste generation trend.

Environmental responsibility as an operating condition

The EHS Policy set the reference point for pollution prevention, conservation and compliance across production activities. The day-to-day expression of this direction is found in aspect registers, permits, monitoring and engineering controls. The test is whether the people closest to the work have sufficient competence, authority and information to apply the requirement before an adverse outcome occurs.

Future progress will depend on environmental decisions integrated into operations and change management. Outcome measures should be read beside operating context so that production changes, methodology revisions or improved data capture are not mistaken for underlying performance. The result should be a control system that learns from weak signals before they develop into recurring failures or significant impacts.

A mature approach to environmental responsibility as an operating condition will connect policy ownership, operational experience and performance interpretation without treating them as separate conversations.

Connecting individual projects to system performance

The commitments most closely connected with the combined effect of fuel substitution, treatment, recovery and efficiency are contained in the EHS and Quality policies. The relevant functions apply this direction through project baselines, cross-media assessment and post-implementation verification. The same discipline must extend to contractors and business partners whenever their actions can alter the effectiveness of the control.

Management attention now needs to move toward initiatives whose benefits remain visible in consolidated trends. Leading measures can show whether implementation is moving, while lagging measures indicate whether the control ultimately protected people, the environment or business continuity. Such discipline supports honest interpretation of annual figures and prevents activity counts from being mistaken for impact.

The policy promise will be strongest when connecting individual projects to system performance remains visible in routine reviews as well as major investment decisions.

Accountability for environmental outcomes

For shared responsibility among operations, engineering, contractors and transporters, management draws direction from the EHS Policy’s obligations for employees and external parties. Evidence that the policy is active is created through training, inspection, contractor controls and management review. A written commitment becomes credible only when it continues to guide behaviour during shutdowns, changes, abnormal conditions and commercial pressure.

The next phase centres on clearer ownership where performance moves away from expectations. The quality of the conclusion depends on traceable source information and on whether corrective action was tested after implementation rather than merely marked complete. This closes the distance between policy language and the conditions experienced by the people or environments the policy is intended to protect.

Ultimately, accountability for environmental outcomes must be understood through the decisions it changes and the risks or opportunities those decisions address.



13. Climate and Resource Efficiency

Climate action is most credible when it is connected to operating decisions. This chapter interprets the three-year resource and emissions trends and sets out the management levers that can convert ambition into measurable reduction.



Performance baseline and trends

Consolidated total energy consumption was 390.17 million MJ in FY 2022-23, 554.60 million MJ in FY 2023-24 and 546.21 million MJ in FY 2024-25. Total reported Scope 1, Scope 2 and Scope 3 emissions were approximately 64,378 tCO₂e, 261,288 tCO₂e and 207,976 tCO₂e respectively. The sharp change in Scope 3 requires careful interpretation of category coverage and methodology.

Responsibility for performance baseline and trends sits within the EHS and Sustainable Procurement policies. The commitment becomes observable in inventories, baselines and abatement projects and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Decarbonisation levers

The immediate levers are fuel substitution, energy efficiency, utility optimisation, preventive maintenance, process yield, renewable electricity evaluation and lower-emission transport. Longer-term planning should connect technical abatement potential with capital requirements, operating savings, responsible owners and annual milestones.

The duties associated with decarbonisation levers are reflected in the EHS and Sustainable Procurement policies. The policy is carried into daily decisions through inventories, baselines and abatement projects, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Initiatives in focus

Bio-coal, LED conversion and CNG transport illustrate practical actions already identified by the company. Each initiative will become more decision-useful when savings are measured against a documented baseline and linked to operating hours, production, cost and emissions factors.

The boundaries applied to initiatives in focus are set by the EHS and Sustainable Procurement policies. The practical test lies in inventories, baselines and abatement projects and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Production intensity

Consolidated energy intensity was 9,193.76 MJ/MT in FY 2022-23, rose to 16,691.39 MJ/MT in FY 2023-24 and improved to 12,873.55 MJ/MT in FY 2024-25. Emissions intensity followed a similar pattern. Intensity helps account for output, but it should be read alongside absolute consumption and product-mix changes.

The company’s approach to production intensity is anchored in the EHS and Sustainable Procurement policies. Movement toward a quantified transition pathway will depend on the consistency and measurability of inventories, baselines and abatement projects. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Data controls and calculation quality

Reliable climate decisions require documented organisational and operational boundaries, source registers, calculation files, approved emission factors and review of significant changes. Scope 3 should be organised by category, with exclusions and data quality described. Restatements should be made when methodology or boundary changes materially affect comparability.

For data controls and calculation quality, the governing commitments come from the EHS and Sustainable Procurement policies. Through inventories, baselines and abatement projects, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Roadmap for climate action

The next phase is to establish a target register with baseline, target year, boundary, metric, owner and current progress; develop a quantified project pipeline; improve renewable-energy information; and integrate climate-related risks and opportunities into operational and capital planning.

The control framework for roadmap for climate action draws on the EHS and Sustainable Procurement policies. Inventories, baselines and abatement projects help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Renewable energy consumed	million MJ	305.92	473.22	448.93
Electricity energy	million MJ	82.36	80.07	95.94
Scope 1 emissions	tCO ₂ e	33,807	35,997.48	34,057.88
Scope 2 emissions	tCO ₂ e	18,646	15,924.49	19,374.73
Scope 3 emissions	tCO ₂ e	11,925	209,365.60	154,543.22

Consolidated Energy Consumption

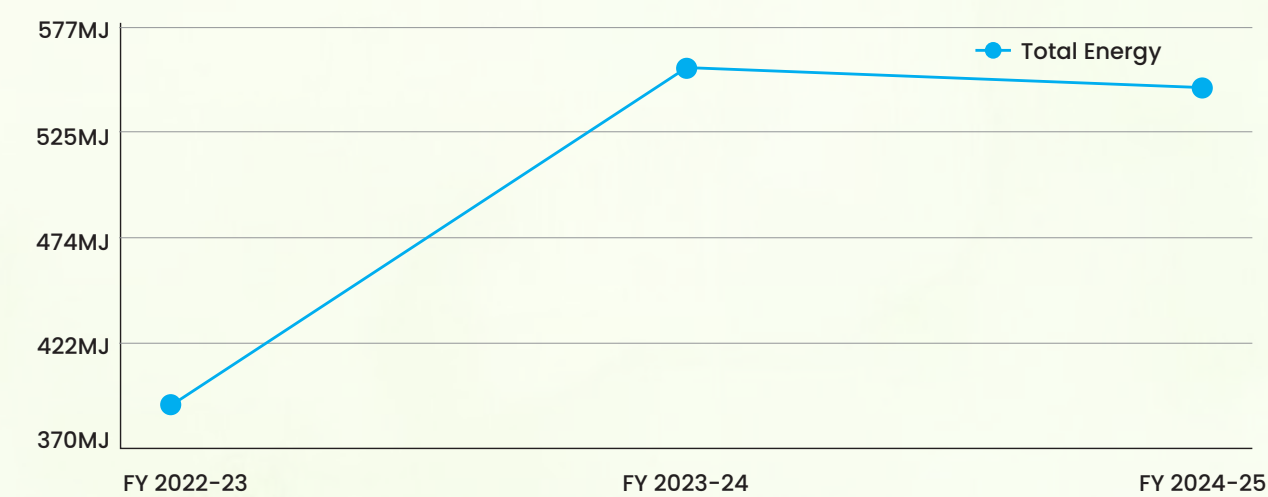


Figure 7. Consolidated energy consumption trend.

Consolidated GHG Emissions By Scope

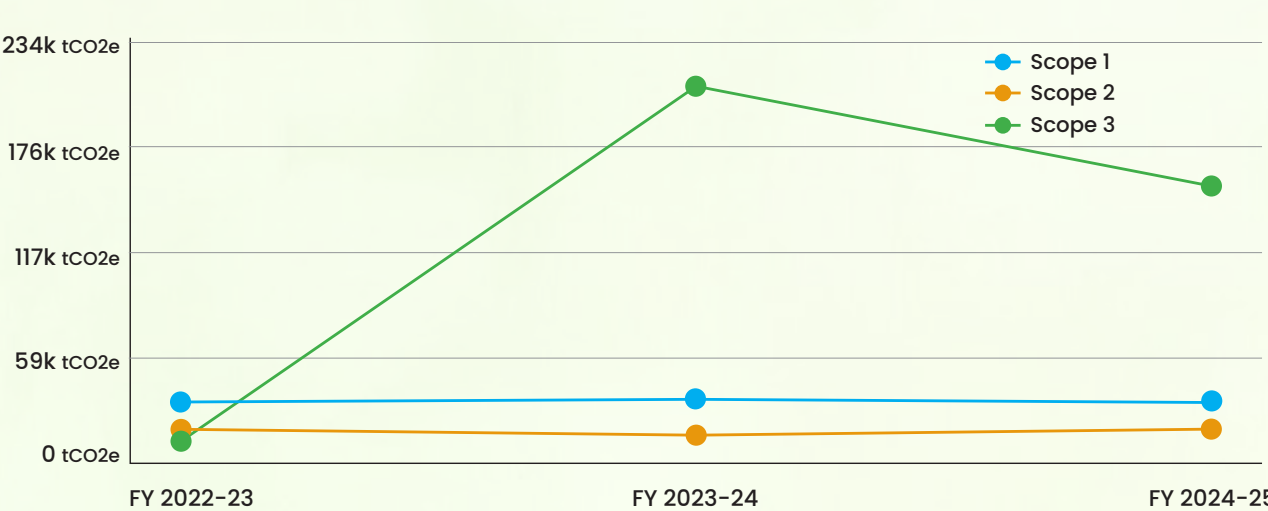


Figure 8. Consolidated GHG emissions by scope.

Climate action grounded in the energy system

The organisational mandate for the sources that shape Scope 1 and Scope 2 emissions comes from the EHS Policy. Metering, fuel records, emission factors and efficiency projects translate that position into work that can be assigned, observed and reviewed. Because chemical operations are interconnected, the review must also ask whether solving one problem creates a new exposure elsewhere in the process or value chain.

The practical priority emerging from this discussion is a transition pathway based on source-level opportunities. Balanced interpretation should recognise positive movement while retaining visibility of delayed actions, adverse outcomes and assumptions that remain uncertain. It also makes future reporting more candid by allowing success, delay, uncertainty and lessons learned to be explained on the same footing.

This perspective keeps climate action grounded in the energy system focused on the condition being improved, not merely the number of actions completed.

Scope 3 as a value-chain challenge

Responsibility for the dependence of upstream and downstream emissions on supplier and product information is shaped by the Sustainable Procurement and Product Stewardship policies. Operational credibility rests on category screening, data requests and calculation controls and on the quality of the records they generate. Management review adds value when it challenges whether the control worked, rather than confirming only that a form, meeting or inspection was completed.

A stronger outcome will come from better coverage without overstating precision. Progress should be examined through both early signals and

final outcomes, because completion alone does not show whether the intended change lasted. It provides continuity between stakeholder feedback, management action and the performance narrative presented in later reports.

For stakeholders, the meaningful result is whether scope 3 as a value-chain challenge produces a protection or benefit they can recognise and verify.

Investment choices and climate resilience

The EHS and Quality policies explain what the company intends to protect when addressing the safety, reliability and environmental consequences of energy projects. Managers use technical assessment, management of change and benefit verification to turn the stated expectation into a repeatable discipline. Cross-functional involvement is essential because no single department holds all the technical, legal, people and stakeholder information needed for a sound decision.

The chapter's forward agenda is decarbonisation that protects continuity and product quality. A useful review will combine coverage, timeliness and action closure with the experience of employees, customers, communities or other affected stakeholders. The purpose is a more reliable management response, not a larger volume of disclosure or a more favourable-looking indicator.

The management value of investment choices and climate resilience lies in making responsibilities clearer and prompting action before adverse outcomes become established trends.

14 • Water Stewardship

Water is both a critical production input and a shared resource. Because the consolidated manufacturing boundary operates in areas identified as highly water-stressed, water stewardship must connect operational efficiency, effluent quality, source risk and community context.

Water-stress context

The earlier report used the WRI Aqueduct tool to identify the two Indian manufacturing locations as being in extremely high baseline water-stress areas. This context changes how the performance trend should be interpreted: a reduction in consumption is not only an efficiency gain but also part of the company’s responsibility to manage pressure on a shared resource.

The control framework for water-stress context draws on the EHS and CSR policies. Metering, treatment, recycling and audits help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Sources and operating controls

Water supplies within the manufacturing boundary include permitted groundwater and industrial surface-water supply. Withdrawal and discharge are monitored through calibrated meters and logbooks. Source-wise balances, permit conditions and periodic reconciliation help management understand where water enters the system, how it is used and where losses or anomalies may occur.

The policy basis for sources and operating controls is found in the EHS and CSR policies. Metering, treatment, recycling and audits create the records through which ownership and implementation can be checked. Stakeholder feedback adds an important test of whether the formal control is producing the experience it was designed to create.

Effluent treatment and discharge

Process effluent and sewage are treated through on-site systems before being transferred through authorised common effluent-treatment arrangements. Operational controls include treatment stages, laboratory analysis, discharge criteria, maintenance and escalation when results approach limits. The aim is to prevent untreated effluent from leaving the operating boundary and to maintain evidence of compliance.

The commitments relevant to effluent treatment and discharge are brought together in the EHS and CSR policies. Evidence from metering, treatment, recycling and audits helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

Recycling technologies

The earlier report described reverse osmosis, mechanical vapour recompression and related treatment systems used to improve recovered-water quality. It reported 29.61 ML of recycled water in FY 2024-25, representing 14.71% of withdrawal, compared with 7.77 ML in the prior year. This initiative-level figure complements the consolidated consumption series and illustrates how technology can reduce demand for fresh water.

Policy accountability for recycling technologies is established through the EHS and CSR policies. Metering, treatment, recycling and audits support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

Water audits and employee awareness

Third-party water audits, maintenance and employee awareness support the technical systems. Audit recommendations are assessed for feasibility and prioritised for implementation. Employees are encouraged to report leaks and inefficient practices, while project evaluation should increasingly quantify baseline consumption, savings, payback and the persistence of results.

The company reads water audits and employee awareness through the EHS and CSR policies. Metering, treatment, recycling and audits provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Performance trend

Consolidated water consumption declined from 164,600 KL in FY 2022-23 to 146,100 KL in FY 2023-24 and 139,958 KL in FY 2024-25. Latest-year withdrawal was 171,664 KL and discharge was 31,706 KL, so the complete water balance matters. These relationships should be reviewed alongside production, product mix, recycled water and meter reconciliation.

The EHS and CSR policies provide the decision rules for performance trend. Implementation relies on metering, treatment, recycling and audits, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Water withdrawn	KL	185,246	174,251	171,664
Water discharged	KL	27,011	30,326	31,706
Water consumed	KL	164,600	146,100	139,958
Rainwater harvested / recharge	KL	0	0	0

A shared resource in a high-stress region

For the relationship between operational withdrawal and community water context, management draws direction from the EHS and CSR policies. Evidence that the policy is active is created through source assessment, metering and local dialogue. A written commitment becomes credible only when it continues to guide behaviour during shutdowns, changes, abnormal conditions and commercial pressure.

The next phase centres on water decisions informed by both factory balance and basin pressure. The quality of the conclusion depends on traceable source information and on whether corrective action was tested after implementation rather than merely marked complete. This closes the distance

Next phase of water stewardship

The next phase will combine source risk, operational water balances, reuse quality, project savings, rainwater or recharge feasibility and community context. Time-bound targets should define the baseline, denominator, boundary and responsible owner, while future disclosure should explain whether improvements are driven by efficiency, production change or expanded recycling.

The EHS and CSR policies shape the company’s decisions on next phase of water stewardship. Its effectiveness is examined through metering, treatment, recycling and audits, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

between policy language and the conditions experienced by the people or environments the policy is intended to protect.

Ultimately, a shared resource in a high-stress region must be understood through the decisions it changes and the risks or opportunities those decisions address.

Treatment, reuse and the quality of return flows

The need to manage quantity and quality together brings several commitments in the EHS and Quality policies into the same operating decision. Effluent controls, laboratory analysis,

RO and MVR systems provide the practical route from a general commitment to a controlled task. Clear ownership prevents the commitment from becoming everyone's concern in principle but no one's responsibility in practice.

The immediate opportunity is recycling gains verified without weakening discharge safeguards. Periodic review should look for recurrence and common causes across functions instead of treating every exception as an isolated event. The benefit is greater confidence that an improvement in one area has not transferred cost or risk to another part of the value chain.

This gives treatment, reuse and the quality of return flows a clear place in the company's wider system of responsibility, learning and resilient value creation.

From annual totals to a stewardship plan

The company's treatment of the interpretation of withdrawal, discharge, consumption and recycled water is grounded in the EHS Policy. The bridge to implementation is formed by reconciliation, project baselines and audit recommendations. Documentation is important here not as an end in itself, but because it preserves the reasoning, assumptions and accountability behind a consequential choice.

The direction of travel is toward time-bound water objectives with source-specific accountability. Where quantitative coverage remains incomplete, the report should state the limitation and describe the qualitative safeguards without presenting them as equivalent to measured outcomes. Over time, the resulting evidence can improve resource allocation, continuity between role holders and readiness for selective external assurance.

By retaining this connection, from annual totals to a stewardship plan can contribute to credible disclosure while remaining first and foremost an operating priority.

*"Every Drop.
Every Seed.
A Sustainable
Future."*



15. Circularity, Materials and Waste

Circularity in specialty chemicals is built through many connected decisions: raw-material efficiency, process yield, by-product recovery, packaging reuse, waste segregation and authorised recovery or disposal. The objective is to retain value safely while preventing uncontrolled releases.



Materials and process efficiency

Material efficiency begins with product and process design. Better yield can reduce raw-material demand, energy use, effluent load and waste simultaneously. Recycled input data and material balances should therefore be interpreted with quality, safety and regulatory requirements rather than viewed only as procurement indicators.

The EHS, Quality, Product Stewardship and Sustainable Procurement policies provide the decision rules for materials and process efficiency. Implementation relies on segregation, recovery and downstream traceability, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Reclaimed packaging

The earlier report described the use of ISO tanks and reclaimed packaging to reduce demand for single-use packaging. Customer capability, product compatibility, cleaning, inspection and transport safety determine what can be reclaimed. Future reporting should distinguish quantities dispatched, recovered and returned to use, with the denominator and exclusions clearly defined.

The EHS, Quality, Product Stewardship and Sustainable Procurement policies shape the company’s decisions on reclaimed packaging. Its effectiveness is examined through segregation, recovery and downstream traceability, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Hazardous and non-hazardous waste

Waste is classified, labelled, stored and moved through authorised routes. Hazardous waste dominates the consolidated total and therefore requires the strongest attention to containment, manifests, transporter controls and downstream treatment. Non-hazardous waste should also be segregated so recyclable materials are not lost through mixed disposal.

In considering hazardous and non-hazardous waste, management applies the EHS, Quality, Product Stewardship and Sustainable Procurement policies. Segregation, recovery and downstream traceability connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

By-product recovery

The old report highlighted sulphur dioxide generated as a by-product, which can be scrubbed, purified and returned as a useful chlorinating input or sold where appropriate. It also described recovery or recycling routes for aqueous hydrochloric acid and spent acid. These examples illustrate industrial symbiosis: a stream becomes a resource only when quality, safety, regulatory and market conditions are satisfied.

Management links by-product recovery to the EHS, Quality, Product Stewardship and Sustainable Procurement policies. This link is maintained through segregation, recovery and downstream traceability, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Authorised routes and traceability

Circularity claims depend on evidence after waste leaves the gate. Vendor authorisation, manifests, weighment records, certificates and periodic due diligence help establish whether material was actually recycled, co-processed, recovered or disposed. Route-level disclosure will make the waste hierarchy more transparent.

Authorised routes and traceability gives practical expression to the EHS, Quality, Product Stewardship and Sustainable Procurement policies. Reviewing segregation, recovery and downstream traceability reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Three-year trend

Total waste declined in FY 2023-24 and rose to 30,854.74 tonnes in FY 2024-25. Hazardous waste recycled was 23,533.07 tonnes and reported waste reuse was 1,513.44 tonnes in the latest year; reuse data for earlier years retain partial coverage. The increase should be analysed against production, product mix, yield, maintenance activity and changes in classification.

Three-year trend is addressed within the EHS, Quality, Product Stewardship and Sustainable Procurement policies. The associated evidence comes from segregation, recovery and downstream traceability, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Circularity roadmap

The next stage is a material-flow model that links input, product, by-product, recovered material and final waste. Project registers can then quantify yield improvement, avoided virgin material, packaging cycles, diverted waste, cost and emissions effects without overstating circularity where evidence is incomplete.

Responsibility for circularity roadmap sits within the EHS, Quality, Product Stewardship and Sustainable Procurement policies. The commitment becomes observable in segregation, recovery and downstream traceability and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Hazardous waste generated	tonnes	27,561.00	24,265.20	28,532.74
Non-hazardous waste generated	tonnes	895.43	1,183.40	2,322.00
Total waste generated	tonnes	28,456.43	25,448.60	30,854.74
Hazardous waste recycled	tonnes	25,187.41	22,049.84	23,533.07



Circularity starts with process discipline

The EHS, Quality and Product Stewardship policies explain what the company intends to protect when addressing yield, material choice and safe recovery before waste is created. Managers use mass balances, specifications and change review to turn the stated expectation into a repeatable discipline. Cross-functional involvement is essential because no single department holds all the technical, legal, people and stakeholder information needed for a sound decision.

The chapter's forward agenda is greater value retention without compromising product or worker safety. A useful review will combine coverage, timeliness and action closure with the experience of employees, customers, communities or other affected stakeholders. The purpose is a more reliable management response, not a larger volume of disclosure or a more favourable-looking indicator.

The management value of circularity starts with process discipline lies in making responsibilities clearer and prompting action before adverse outcomes become established trends.

Traceability beyond the factory gate

The governance of the destination and treatment of materials transferred to third parties is connected directly to the Sustainable Procurement and EHS policies. The working system—authorisations, manifests, vendor checks and certificates—shows how the commitment enters routine activity. This matters most when time, cost, safety, quality or environmental considerations point in different directions; the responsible owner must know which boundary cannot be crossed.

Furthermaturityrequirescircularityclaimssupported by downstream evidence. The supporting record should preserve the baseline, scope, assumptions,

responsible owner and explanation for any material variance. This strengthens accountability because decisions can be followed from initial judgement through implementation, outcome and subsequent review.

The emphasis for traceability beyond the factory gate is therefore on consistent application, evidence of outcome and timely response when expectations are not met.

Learning from the three-year waste trend

Decisions about the drivers behind hazardous and non-hazardous waste movement are tested against the EHS Policy. Stream-level analysis linked to production and recovery allow supervisors and specialists to interpret the commitment in real conditions. Consultation strengthens the result by bringing operational experience into a decision before specifications, schedules or resources are fixed.

The evidence points to priorities directed to the largest and most avoidable flows as the logical next step. Incidents, complaints, audit observations and unexplained KPI movement deserve particular attention because they often reveal weaknesses that routine reporting misses. That approach gives stakeholders a clearer basis for assessing direction of travel and gives managers a better basis for deciding where intervention is most urgent.

The continuing challenge is to ensure that learning from the three-year waste trend is interpreted consistently across functions and through changes in people, process or market conditions.



16. Product Stewardship and Responsible Chemistry

Product stewardship extends responsibility beyond the factory gate. It connects chemical design and manufacturing with classification, labelling, documentation, transport, customer use, regulatory compliance and safe end-of-life handling.

Lifecycle approach

The company's Product Stewardship Policy covers technology selection, classification and labelling, communication, handling and safe disposal. A lifecycle approach requires coordination among R&D, production, quality, EHS, procurement, sales and logistics so that information remains consistent as products and regulations change.

Lifecycle approach is addressed within the Product Stewardship, Quality and EHS policies. The associated evidence comes from SDS, labelling, compliance and customer communication, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

REACH and chemical regulatory management

REACH applicability is considered in relation to the substances and markets served. Where direct registration does not apply, responsible practice still includes supplier declarations, current SDS, substance screening, customer communication and documented responses to regulatory enquiries.

Responsibility for reach and chemical regulatory management sits within the Product Stewardship, Quality and EHS policies. The commitment becomes observable in SDS, labelling, compliance and customer communication and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Safety data sheets and labelling

SDS and labels translate technical hazard knowledge into information that workers, transporters and customers can use. Management priorities include version control, product coverage, change communication, language and market requirements, and alignment between SDS, labels and actual composition.

The duties associated with safety data sheets and labelling are reflected in the Product Stewardship, Quality and EHS policies. The policy is carried into daily decisions through SDS, labelling, compliance and customer communication, rather than being

treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Customer health and safety

Customer complaints are recorded and tracked to closure. Eleven complaints were received and resolved in FY 2022-23; fifteen were received and resolved in FY 2023-24; sixteen were received and resolved in FY 2024-25. Root-cause learning and closure timeliness are important indicators of stewardship effectiveness.

The boundaries applied to customer health and safety are set by the Product Stewardship, Quality and EHS policies. The practical test lies in SDS, labelling, compliance and customer communication and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Circular packaging and materials

Reclaimed packaging and recycled input materials can reduce virgin material demand and waste when technical quality and safety are protected. Future disclosure will distinguish packaging type, quantity dispatched, quantity reclaimed, testing or cleaning controls and the resulting recovery rate.

The company's approach to circular packaging and materials is anchored in the Product Stewardship, Quality and EHS policies. Movement toward product-level stewardship evidence will depend on the consistency and measurability of SDS, labelling, compliance and customer communication. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Innovation and process improvement

Responsible innovation can improve yield, reduce hazardous inputs, simplify processing and reduce waste or energy demand. R&D and process teams should evaluate sustainability alongside quality, cost, scalability and regulatory performance, documenting both expected benefits and potential trade-offs.

For innovation and process improvement, the governing commitments come from the Product Stewardship, Quality and EHS policies. Through SDS, labelling, compliance and customer communication, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Responsible claims and limitations

Product-related sustainability claims should be specific, evidence-based and limited to the boundary assessed. Compliance documentation, customer communication and technical validation are more credible than broad claims that cannot be traced to product-level data.

The control framework for responsible claims and limitations draws on the Product Stewardship, Quality and EHS policies. SDS, labelling, compliance and customer communication help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Responsibility throughout the product lifecycle

The company's treatment of health, safety and environmental impacts from technology selection to disposal is grounded in the Product Stewardship Policy. The bridge to implementation is formed by classification, SDS, labels, transport information and customer communication. Documentation is important here not as an end in itself, but because it preserves the reasoning, assumptions and accountability behind a consequential choice.

The direction of travel is toward stewardship evidence maintained at product level. Where quantitative coverage remains incomplete, the report should state the limitation and describe the qualitative safeguards without presenting them as equivalent to measured outcomes. Over time, the resulting evidence can improve resource allocation, continuity between role holders and readiness for selective external assurance.

By retaining this connection, responsibility throughout the product lifecycle can contribute to credible disclosure while remaining first and foremost an operating priority.

Quality and chemical compliance as one promise

A policy view of the alignment of specifications with regulatory and safe-use information begins with the Quality and Product Stewardship policies. Implementation becomes visible through REACH review, change control and complaint investigation, not through the policy statement alone. When an exception occurs, the strength of the system lies in a clear escalation route and a decision record that explains how competing considerations were resolved.

The company can deepen its approach through fewer gaps between product performance and responsible use. A defined review frequency and escalation threshold will help management respond during the year rather than waiting for the next reporting cycle. With that foundation, improvement initiatives can be scaled on evidence rather than on assumptions drawn from one project or one reporting year.

In future cycles, quality and chemical compliance as one promise should be supported by enough evidence to explain both progress and any remaining uncertainty.

Innovation within responsible boundaries

In practice, the assessment of new routes, recovered materials and process improvements is governed through the expectations expressed in the EHS, Quality and Product Stewardship policies. Its effect can be traced in laboratory evaluation, hazard review and management of change, where responsibilities and exceptions become visible. Where the expected standard cannot be met, early disclosure and controlled escalation are more valuable than informal workarounds that conceal the underlying weakness.

The remaining work is best framed as innovation that demonstrates benefit without transferring risk. The strongest evidence will connect the policy commitment, operating decision, performance movement and management conclusion in one coherent chain. The company can then demonstrate not only what it did, but why it acted, what changed and what will be handled differently next time.

Seen in this way, innovation within responsible boundaries becomes part of normal management judgement rather than a once-a-year reporting exercise.

17. Health, Safety and Process Safety

The prevention of injury, occupational illness and process incidents is a core responsibility. Chemical manufacturing demands both occupational safety controls and deeper process-safety disciplines that address hazardous chemistry, containment, equipment integrity and change.



Safety governance and culture

Leadership expectations, visible engagement, reporting channels and learning behaviours shape safety culture. A strong culture encourages employees and contractors to raise unsafe conditions, stop work when necessary and participate in corrective action without fear of retaliation.

For safety governance and culture, the governing commitments come from the EHS, Security and Human Rights and Labour policies. Through HIRA, HAZOP, PSSR, permits and learning, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.

Occupational health and safety management

ISO 45001 supports hazard identification, risk assessment, operational control, competence, consultation and continual improvement. The company reports full coverage of the manufacturing boundary under health and safety risk assessment across all three years.

The control framework for occupational health and safety management draws on the EHS, Security and Human Rights and Labour policies. HIRA, HAZOP, PSSR, permits and learning help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.

Process safety management

Process safety controls include understanding reaction hazards, design and operating limits, management of change, permit systems, isolation and lockout, inspection, preventive maintenance, emergency systems and investigation. Leading indicators are essential because low injury counts do not by themselves demonstrate control of major-accident risk.

The policy basis for process safety management is found in the EHS, Security and Human Rights and Labour policies. HIRA, HAZOP, PSSR, permits and learning create the records through which ownership and implementation can be checked. Stakeholder feedback adds an important test

of whether the formal control is producing the experience it was designed to create.

Contractor and subcontractor safety

Contractors can face different exposures and may have less familiarity with site-specific hazards. Selection, induction, competency verification, permits, supervision, PPE, incident reporting and performance review should therefore apply consistently across the contractor lifecycle.

The commitments relevant to contractor and subcontractor safety are brought together in the EHS, Security and Human Rights and Labour policies. Evidence from HIRA, HAZOP, PSSR, permits and learning helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

HSE training and capacity building

Training covers job-specific hazards, emergency response, environmental controls, safe work practices and other operational topics. Effectiveness is strengthened when learning objectives, participation, competency checks and field observations are linked to the risks of each role.

Policy accountability for hse training and capacity building is established through the EHS, Security and Human Rights and Labour policies. HIRA, HAZOP, PSSR, permits and learning support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

Emergency preparedness

Emergency plans must reflect credible scenarios involving fire, release, reaction, utility failure, transport and extreme weather. Drills should test communication, equipment, roles, external coordination and recovery, with lessons converted into tracked improvements.

The company reads emergency preparedness through the EHS, Security and Human Rights and Labour policies. HIRA, HAZOP, PSSR, permits and learning provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented

policy boundary helps decision-makers identify what cannot be compromised.

Safety performance

Across the manufacturing boundary, reported employee and contractor fatalities were zero in each of the three reporting years. Consolidated high-consequence injuries were one, one and two, while recordable injuries were one in each year. These outcomes continue to require management attention, transparent investigation and preventive action.

The EHS, Security and Human Rights and Labour policies provide the decision rules for safety performance. Implementation relies on HIRA, HAZOP, PSSR, permits and learning, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Health and wellbeing

Medical surveillance, annual health checks, insurance, disability and accident coverage and retirement benefits support employee wellbeing. Occupational-health programmes should remain connected to exposure assessment, ergonomics, heat, fatigue, stress and the effectiveness of workplace controls.

The EHS, Security and Human Rights and Labour policies shape the company's decisions on health and wellbeing. Its effectiveness is examined through HIRA, HAZOP, PSSR, permits and learning, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Safety-learning story: from daily conversation to process control

The earlier report described daily Responsible Care talks covering product stewardship, process safety, pollution prevention, employee health and safety, emergency response, distribution safety and security. Short, frequent conversations can keep risk visible between formal training events, especially when they use current observations, recent near misses and site-specific work. Their value increases when supervisors capture questions and feed

recurring issues into procedures, maintenance, risk assessment or training plans.

Formal process-safety studies provide a deeper layer. HIRA addresses work activities and exposure; process hazard analysis and HAZOP examine deviations in chemical and operating systems; PSSR checks readiness before startup; and management of change controls modifications to technology, equipment, organisation or procedure. Permit-to-work systems then translate these analyses into field controls for hot work, confined space, work at height, excavation, isolation and other non-routine activity.

These systems become a learning loop when an observation or incident changes the risk picture. Investigation identifies immediate and underlying causes; corrective action applies the hierarchy of controls; lessons are communicated; and effectiveness is verified after closure. The FY 2024-25 high-consequence injuries make this loop especially important. The report does not treat established systems as proof that risk is controlled; it uses outcomes to ask where implementation, supervision, contractor management or learning must become stronger.

In considering safety-learning story: from daily conversation to process control, management applies the EHS, Security and Human Rights and Labour policies. HIRA, HAZOP, PSSR, permits and learning connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Occupational health as a long-term evidence base

Occupational health centres, pre-employment and periodic examinations, exposure-related testing and medical consultation create a longitudinal evidence base. The earlier report described round-the-clock access to occupational-health support, chemical antidotes, counselling and follow-up when deviations are identified. Connecting medical trends with job, exposure, age, ergonomics, heat and shift patterns can help identify weak signals before they become confirmed occupational illness.

Privacy is essential in this process. Individual medical information must remain confidential, while aggregated trends are used to improve controls. The goal is not merely to complete annual

examinations but to demonstrate that exposure controls protect health over time and that workers can seek support without disadvantage.

Management links occupational health as a long-term evidence base to the EHS, Security

and Human Rights and Labour policies. This link is maintained through HIRA, HAZOP, PSSR, permits and learning, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

People and process-safety outcomes

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Hours worked	hours	1,980,072	2,084,040	3,326,804
Hours lost due to injury	hours	320	240	31
Lost Time Injury Frequency Rate	per 1 million man-hours worked	1.01	0.95	0.60
Fatalities - employees and contractors	number	0	0	0
High-consequence injuries	number	1	1	2
Recordable injuries	number	1	1	1

Safety authority at the point of work

Decisions about the ability of employees and contractors to recognise and stop unsafe activity are tested against the EHS and Human Rights and Labour policies. Consultation, permit systems, supervision and protection from retaliation allow supervisors and specialists to interpret the commitment in real conditions. Consultation strengthens the result by bringing operational experience into a decision before specifications, schedules or resources are fixed.

The evidence points to a culture in which intervention is treated as responsible conduct as the logical next step. Incidents, complaints, audit observations and unexplained KPI movement deserve particular attention because they often reveal weaknesses that routine reporting misses. That approach gives stakeholders a clearer basis for assessing direction of travel and gives managers a better basis for deciding where intervention is most urgent.

The continuing challenge is to ensure that safety authority at the point of work is interpreted consistently across functions and through changes in people, process or market conditions.

Process safety depends on disciplined change

The EHS and Security policies set the reference point for major-hazard prevention across equipment, chemistry and organisation. The day-to-day expression of this direction is found in HAZOP, PSSR, management of change and emergency planning. The test is whether the people closest to the work have sufficient competence, authority and information to apply the requirement before an adverse outcome occurs.

Future progress will depend on stronger assurance that critical controls remain effective. Outcome measures should be read beside operating context so that production changes, methodology revisions or improved data capture are not mistaken for underlying performance. The result should be a control system that learns from weak signals before they develop into recurring failures or significant impacts.

A mature approach to process safety depends on disciplined change will connect policy ownership, operational experience and performance interpretation without treating them as separate conversations.

Learning after serious outcomes

The commitments most closely connected with the duty to respond to the FY 2024-25 high-consequence injuries with depth are contained in the EHS Policy. The relevant functions apply this direction through independent investigation, root-cause action and effectiveness review. The same discipline must extend to contractors and business partners whenever their actions can alter the effectiveness of the control.

Management attention now needs to move toward lessons translated into contractor protection and leading indicators. Leading measures can show

whether implementation is moving, while lagging measures indicate whether the control ultimately protected people, the environment or business continuity. Such discipline supports honest interpretation of annual figures and prevents activity counts from being mistaken for impact.

The policy promise will be strongest when learning after serious outcomes remains visible in routine reviews as well as major investment decisions.



18. Human Capital

A stable, capable and fairly treated workforce is essential to safe operations and reliable quality. Human-capital management covers employment practices, capability, diversity, engagement, benefits, human rights and access to remedy.



Workforce overview

Direct employee headcount increased from 601 in FY 2022-23 to 625 in FY 2023-24 and 644 in FY 2024-25. Contractual workforce headcount declined from 438 to 386 and then 368. The composition and movement of both groups should be considered in workforce planning, supervision and training.

The company reads workforce overview through the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. Fair work, benefits, training and grievance access provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Employment and labour practices

Service rules, HR and labour policies, benefits, grievance mechanisms and contractor oversight provide the basis for fair employment. Policies are supported by records and responsible functions, while future reporting will strengthen attrition, absenteeism, social dialogue and contractor-welfare indicators.

the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies provide the decision rules for employment and labour practices. Implementation relies on fair work, benefits, training and grievance access, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Talent attraction and retention

Specialty chemical operations depend on technical and operational competence. Recruitment and retention are influenced by safety culture, fair pay, career opportunity, leadership quality and the credibility of the company’s purpose. Turnover is monitored separately for direct and contractual employees.

The Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies shape the company’s decisions on talent attraction and retention. Its effectiveness is examined through fair work, benefits, training and grievance access,

especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Learning and development

Average training hours per direct employee were 5.24, 7.46 and 8.95 across three years, while total training hours rose from 2,235 to 4,295. FY 2024-25 recorded eight sustainable-procurement awareness activities.

In considering learning and development, management applies the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. Fair work, benefits, training and grievance access connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Diversity, equity and inclusion

Management links diversity, equity and inclusion to the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. This link is maintained through fair work, benefits, training and grievance access, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Employee engagement and wellbeing

Engagement occurs through communication, training, performance review, grievance channels, health checks and workplace interaction. A more structured engagement survey and action process would help management understand employee experience and track whether improvement measures are effective.

Employee engagement and wellbeing gives practical expression to the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. Reviewing fair work, benefits, training and grievance access reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time,

stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Human rights

Human-rights controls address child and forced labour, trafficking, freedom of association and grievance access. Employee screening coverage was 100% within the quantitative boundary, while supplier assessment against child/forced labour and human-rights criteria increased from 42% to 54% and 62%.

Human rights is addressed within the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. The associated evidence comes from fair work, benefits, training and grievance access, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Grievance mechanisms

Whistleblowing, grievance redressal and prevention of sexual harassment mechanisms provide channels for concerns. Zero reported cases should be interpreted alongside awareness, accessibility, confidentiality, non-retaliation and the quality of investigation rather than as evidence that risk is absent.

Responsibility for grievance mechanisms sits within the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. The commitment becomes observable in fair work, benefits, training and grievance access and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Living wage, child labour and forced labour controls

The company reports full employee and contractor coverage under living-wage assessment and payment above the benchmark. Future disclosure will explain the benchmark source, categories covered, review frequency and remediation. Child and forced labour are prohibited, and recruitment-fee controls will be made more explicit.

The duties associated with living wage, child labour and forced labour controls are reflected in the Human Rights and Labour, POSH, Child Labour, Grievance Redressal and EHS policies. The policy is carried into daily decisions through fair work, benefits, training and grievance access, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Workforce and capability trend

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Direct employees	number	601	625	644
Contract workers	number	438	386	368
Female direct employees	number	2	3	2
Average training hours	hours	5.24	7.46	8.95
Total training hours	hours	2,235	3,972	4,295

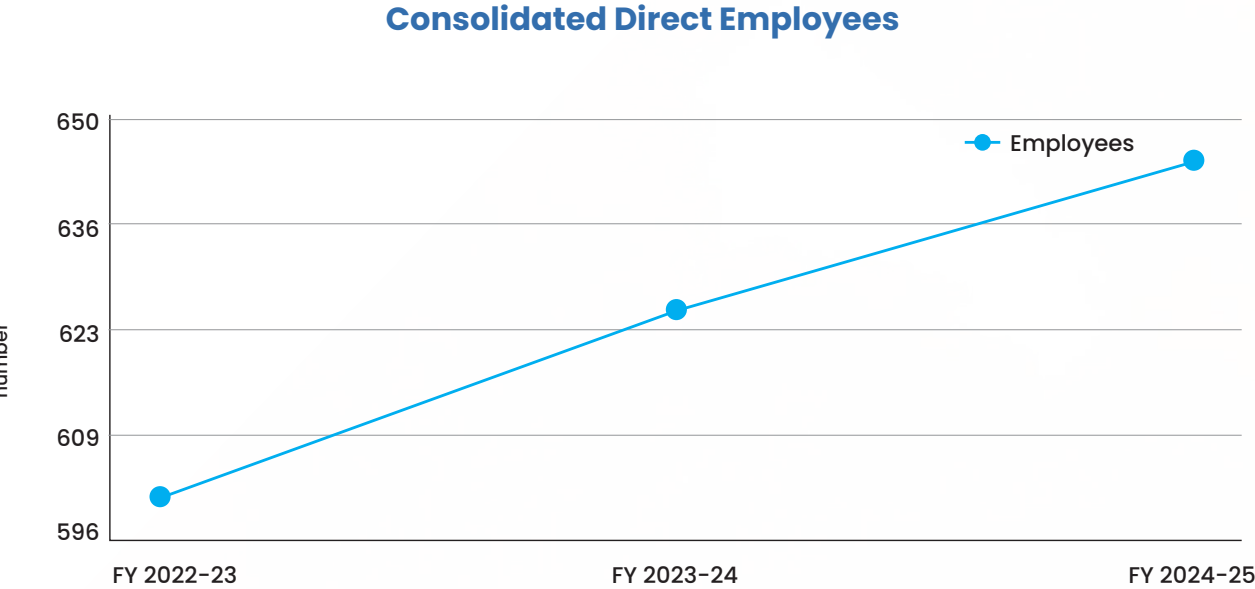


Figure 9. Consolidated direct employee headcount.

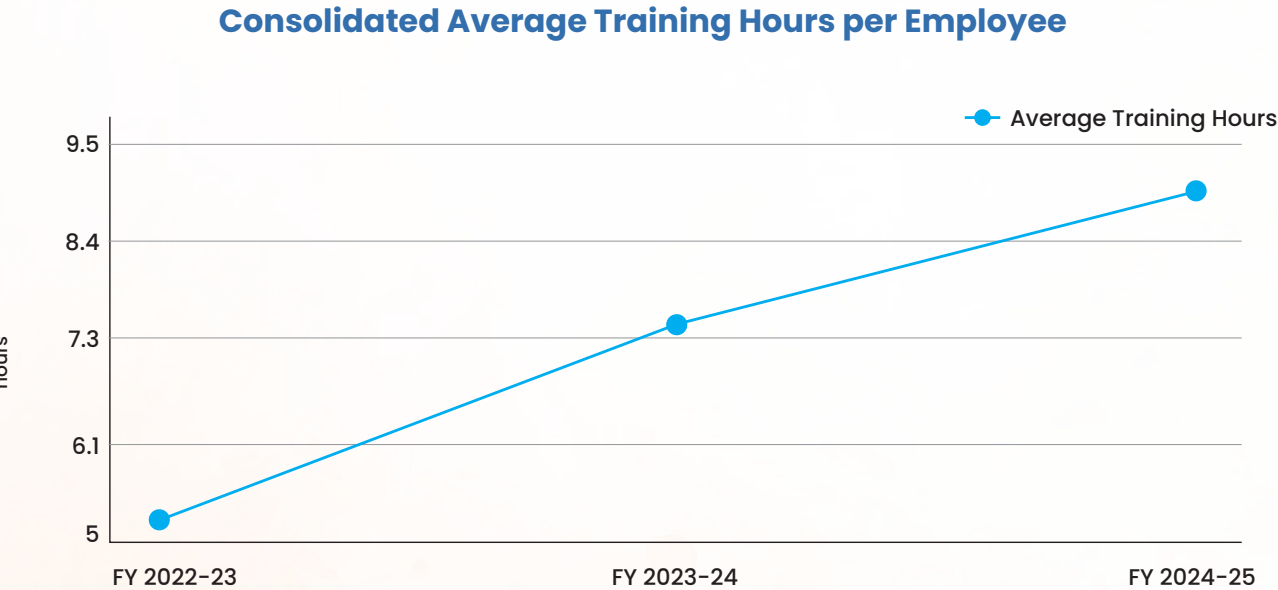


Figure 10. Consolidated average training hours.

Fair work as an operating foundation

In practice, integrity, dignity, opportunity and safe conditions across the employment relationship is governed through the expectations expressed in the Human Rights and Labour Policy. Its effect can be traced in service rules, benefits, consultation and conduct expectations, where responsibilities and exceptions become visible. Where the expected standard cannot be met, early disclosure and controlled escalation are more valuable than informal workarounds that conceal the underlying weakness.

The remaining work is best framed as people practices measured through experience as well as headcount. The strongest evidence will connect the policy commitment, operating decision, performance movement and management conclusion in one coherent chain. The company can then demonstrate not only what it did, but why it acted, what changed and what will be handled differently next time.

Seen in this way, fair work as an operating foundation becomes part of normal management judgement rather than a once-a-year reporting exercise.

Protection from discrimination, harassment and exploitation

The organisational mandate for the safeguards required for vulnerable or under-represented groups comes from the POSH, Child Labour and Human Rights and Labour policies. Age verification, committees, confidential reporting and non-retaliation translate that position into work that can be assigned, observed and reviewed. Because chemical operations are interconnected, the review must also ask whether solving one problem creates a new exposure elsewhere in the process or value chain.

The practical priority emerging from this discussion is greater confidence that policy protection is accessible in practice. Balanced interpretation should recognise positive movement while retaining visibility of delayed actions, adverse outcomes and assumptions that remain uncertain. It also makes future reporting more candid by allowing success, delay, uncertainty and lessons learned to be explained on the same footing.

This perspective keeps protection from discrimination, harassment and exploitation focused on the condition being improved, not merely the number of actions completed.

Capability for a changing operation

Responsibility for the technical and behavioural competence needed for reliable chemical manufacture is shaped by the Quality and EHS policies. Operational credibility rests on training plans, competency checks and supervisor reinforcement and on the quality of the records they generate. Management review adds value when it challenges whether the control worked, rather than confirming only that a form, meeting or inspection was completed.

A stronger outcome will come from development linked more clearly to role risk and future skill needs. Progress should be examined through both early signals and final outcomes, because completion alone does not show whether the intended change lasted. It provides continuity between stakeholder feedback, management action and the performance narrative presented in later reports.

For stakeholders, the meaningful result is whether capability for a changing operation produces a protection or benefit they can recognise and verify.

19. Community and Social Impact

Manufacturing sites operate within communities that experience both the benefits and potential impacts of industry. Community responsibility includes local dialogue, employment, health and safety, environmental performance and purposeful social investment.



Community engagement approach

Engagement should be proportionate to local impacts and community expectations. Channels include local interaction, CSR implementation, complaint mechanisms and coordination with authorities. Clear records of concerns, responses and closure help build trust.

Community engagement approach gives practical expression to the CSR, EHS and Grievance Redressal policies. Reviewing local dialogue, risk awareness and project governance reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Local employment and economic participation

Local hiring and procurement can strengthen the social value of operations. The company reports local hiring and high shares of orders placed with local and MSME vendors. Future disclosure will distinguish definitions, geography and spend coverage so that the scale of impact is easier to interpret.

Local employment and economic participation is addressed within the CSR, EHS and Grievance Redressal policies. The associated evidence comes from local dialogue, risk awareness and project governance, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

CSR focus areas

The CSR policy covers healthcare, safe drinking water, education, employment enhancement, women’s empowerment, support for vulnerable groups, heritage, art and culture and environmental sustainability. Consolidated CSR contribution was INR 167.50 lakh in FY 2024-25.

Responsibility for csr focus areas sits within the CSR, EHS and Grievance Redressal policies. The commitment becomes observable in local dialogue, risk awareness and project governance and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

From expenditure to impact

Expenditure is an important accountability measure, but it does not show whether people’s lives changed. The company intends to add project names, locations, beneficiary profiles, outputs, outcomes, implementing partners, stakeholder feedback and SDG links to future reporting.

The duties associated with from expenditure to impact are reflected in the CSR, EHS and Grievance Redressal policies. The policy is carried into daily decisions through local dialogue, risk awareness and project governance, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Community health, safety and grievance redressal

Community risk management is connected with emissions, effluent, transport, emergency preparedness and product or waste movement. No community, biodiversity, environmental or health and safety complaints were reported in the consolidated KPI series, but accessible channels and active engagement remain important.

The boundaries applied to community health, safety and grievance redressal are set by the CSR, EHS and Grievance Redressal policies. The practical test lies in local dialogue, risk awareness and project governance and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Priorities for future cycles

Priorities include a community-needs process, clearer project-selection criteria, outcome indicators, partner due diligence and a consolidated record of engagement and grievances. These measures will strengthen both social impact and accountability.

The company’s approach to priorities for future cycles is anchored in the CSR, EHS and Grievance Redressal policies. Movement toward outcome-based social impact will depend on the consistency and measurability of local dialogue, risk awareness and project governance. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Selected social and community indicators

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
CSR contribution	INR lakh	235.27	208.43	167.50
Employees hired locally	number	24	30	22
Community complaints	number	0	0	0

Community responsibility begins with operational conduct

The commitments most closely connected with the environmental, transport and emergency impacts experienced locally are contained in the EHS and Grievance Redressal policies. The relevant functions apply this direction through monitoring, awareness, liaison and complaint handling. The same discipline must extend to contractors and business partners whenever their actions can alter the effectiveness of the control.

Management attention now needs to move toward trust built through timely response as well as social investment. Leading measures can show whether implementation is moving, while lagging measures indicate whether the control ultimately protected people, the environment or business continuity. Such discipline supports honest interpretation of annual figures and prevents activity counts from being mistaken for impact.

The policy promise will be strongest when community responsibility begins with operational conduct remains visible in routine reviews as well as major investment decisions.

Directing social investment to expressed needs

For health, sanitation, education, livelihood, culture and environmental priorities, management draws direction from the CSR Policy. Evidence that the policy is active is created through needs assessment, partner selection and project monitoring. A written commitment becomes credible only when it continues to guide behaviour during shutdowns, changes, abnormal conditions and commercial pressure.

The next phase centres on programmes shaped by community context rather than expenditure alone. The quality of the conclusion depends on traceable source information and on whether corrective action was tested after implementation rather than merely marked complete. This closes the distance between policy language and the conditions experienced by the people or environments the policy is intended to protect.

Ultimately, directing social investment to expressed needs must be understood through the decisions it changes and the risks or opportunities those decisions address.

Measuring the change behind an activity

The difference between inputs, outputs and durable outcomes brings several commitments in the CSR and Quality policies into the same operating decision. Beneficiary definitions, baseline evidence and follow-up provide the practical route from a general commitment to a controlled task. Clear ownership prevents the commitment from becoming everyone’s concern in principle but no one’s responsibility in practice.

The immediate opportunity is clearer accounts of who benefited and what changed. Periodic review should look for recurrence and common causes across functions instead of treating every exception as an isolated event. The benefit is greater confidence that an improvement in one area has not transferred cost or risk to another part of the value chain.

This gives measuring the change behind an activity a clear place in the company’s wider system of responsibility, learning and resilient value creation.

20. Responsible Supply Chain

Supplier performance influences product quality, chemical compliance, environmental impact, worker safety, human rights and business continuity. Shiva Pharmachem therefore approaches procurement as more than a commercial transaction. Responsible sourcing requires the Company to consider the environmental, social and governance performance of suppliers alongside quality, cost, technical capability, availability and delivery.



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Sustainable Procurement Policy

Shiva Pharmachem's Sustainable Procurement Policy provides the foundation for integrating ESG considerations into procurement decisions. It complements the Company's Quality, Environment, Health and Safety, Product Stewardship, Human Rights and Labour, Child Labour and business-ethics commitments.

The Policy promotes responsible sourcing through supplier qualification, risk-based evaluation, regulatory compliance and continued engagement. Procurement decisions consider factors such as environmental management, occupational health and safety, ethical conduct, human and labour rights, chemical compliance, resource efficiency and supply continuity. The objective is to select suppliers capable of meeting the Company's technical requirements while supporting responsible business practices throughout the value chain.

Responsibility for implementation is shared across Procurement, Quality, R&D, EHS, Product Stewardship and other relevant functions. This cross-functional approach helps ensure that commercial decisions are informed by technical testing, regulatory requirements, sustainability risks and the potential consequences of changes in raw materials or suppliers.

Supply chain profile

The reported supplier base increased from 2,217 in FY 2022-23 to 2,609 in FY 2024-25. Vendor information also captures local and MSME participation, supporting an understanding of the economic value generated through procurement.

The Company is strengthening the consistency of supplier definitions, classifications and reporting denominators so that procurement indicators can be interpreted reliably. A clearer supplier profile will also support risk segmentation, ESG-screening priorities and targeted supplier engagement.

Supplier selection and due diligence

Supplier selection begins with an assessment of technical capability, product quality, reliability and regulatory compliance. Vendor-development

activities include qualification questionnaires, review of relevant certifications, evaluation of supporting documents, R&D use tests and formal approval before regular procurement.

The Company intends to apply deeper due diligence where the nature of the material, supplier location, operating activity or business relationship presents elevated environmental, social, ethical, safety or chemical-compliance risk. Risk-based segmentation will help determine the appropriate level of document review, assessment, audit, engagement and management approval.

Supplier due diligence is designed as an ongoing process rather than a one-time onboarding exercise. Changes in ownership, manufacturing location, raw-material source, certification status, regulatory information or operating performance may trigger reassessment.

Supplier Code of Conduct

The Supplier Code of Conduct communicates the minimum standards expected from suppliers and other business partners. These expectations encompass legal compliance, ethical business conduct, prevention of bribery and corruption, respect for human rights, prohibition of child and forced labour, fair working conditions, occupational health and safety, environmental protection and responsible handling of chemicals.

Supplier acknowledgement of the Code increased from 42% to 54% and 62% across the three years. The Company is strengthening coverage of the remaining supplier base and embedding the Code in communication, qualification and contractual arrangements. Suppliers are expected to maintain supporting records.

Where a gap is identified, the preferred approach is constructive engagement and time-bound corrective action. Serious violations, repeated non-compliance or failure to implement agreed actions may result in escalation, additional oversight, suspension of new business or reconsideration of the commercial relationship.

Supplier ESG evaluation

Supplier ESG evaluation covers environmental, health and safety, labour and human-rights, and business-ethics criteria. Reported audit coverage across these areas increased from 42% to 54% and 62% across the three years. Reviews consider management systems, resource use, emissions, waste and effluent controls, workplace safety, labour conditions, safeguards, ethics mechanisms and relevant certifications.

The depth of evaluation is proportionate to supplier risk and business significance. Critical and higher-risk suppliers may be subject to more detailed questionnaires, evidence reviews, assessments or audits. Corrective actions arising from these reviews should have clearly assigned responsibilities, expected completion dates and documented closure.

The Company also recognises the importance of building supplier capability. Buyer awareness, supplier communication and sustainability-focused engagement will support a shared understanding of requirements and encourage suppliers to strengthen their own management practices.

Alignment with Recognised Responsible-Sourcing Initiatives

Shiva Pharmachem recognises the value of established sustainability initiatives in improving traceability and responsible production within complex commodity supply chains. Where palm-derived raw materials or their derivatives are relevant to procurement, the principles promoted by the Roundtable on Sustainable Palm Oil (RSPO) provide an important reference for responsible sourcing.

The Company's approach is to encourage greater transparency regarding material origin, supply-chain traceability and the availability of recognised sustainability credentials. Supplier engagement may include requests for information on source, chain-of-custody arrangements and alignment with applicable RSPO requirements.

Reference to RSPO reflects the Company's commitment to recognised responsible-sourcing principles and does not, by itself, represent a claim that every relevant material or supplier is RSPO-certified. Any product-, supplier- or volume-specific claim should be supported by valid and verifiable documentation.

Local procurement and economic inclusion

Local sourcing can strengthen supply resilience, reduce logistics complexity and contribute to regional economic development. The Company reports 97.5% of orders to local vendors and 85% to MSME vendors in FY 2024-25. Orders issued to women-owned vendor enterprises rose from 34% to 47% and 56% across the three years.

Local or MSME status does not replace technical, quality, safety or ESG requirements. All suppliers are expected to meet applicable standards. The Company seeks to combine economic inclusion with responsible supplier development so that local participation contributes to both community value and supply-chain resilience.

Chemical compliance and supplier REACH information

Accurate chemical and regulatory information is essential to product stewardship. Suppliers of critical raw materials are expected to provide current safety data sheets, compositional information, substance declarations and other documentation relevant to applicable chemical regulations.

Supplier information supports REACH assessment, product classification, customer communication, safe handling and regulatory declarations. Changes in composition, manufacturing process, source or regulatory status should be communicated promptly so that the Company can evaluate potential implications before the material is introduced or continued in use.

This process connects procurement with Quality, R&D, EHS and Product Stewardship and helps prevent commercial changes from creating unintended product, safety or compliance risks.

Supplier safety and labour practices

The Company expects suppliers and contractors to provide safe and dignified working conditions. Relevant expectations cover occupational health and safety, emergency preparedness, appropriate protective measures, prevention of discrimination and harassment, prohibition of child and forced labour, fair treatment and access to grievance mechanisms.

Higher-risk relationships may require additional

supporting evidence, engagement or corrective action. The Company’s objective is to identify concerns early, encourage remediation and ensure that purchasing decisions do not contribute to unacceptable labour, human-rights or safety practices.

Supply chain emissions and decarbonisation

Upstream and downstream activities are material to the Company’s climate profile. Strengthening Scope 3 information will require continued engagement with suppliers and logistics partners regarding fuels, transportation, renewable energy, packaging, process efficiency and lower-impact materials.

Supplier climate engagement will be developed progressively, beginning with improved data quality and prioritisation of emission-relevant categories. Over time, this can support collaborative

opportunities to reduce value-chain emissions while protecting quality, safety, availability and regulatory compliance.

Supplier engagement roadmap

The Company’s responsible-sourcing roadmap includes further integration of the Sustainable Procurement Policy into procurement processes, broader Supplier Code of Conduct communication, risk-based supplier segmentation, ESG screening, buyer training, supplier awareness and structured corrective-action monitoring.

The roadmap will build on measurable implementation by extending supplier coverage and strengthening effectiveness review. Evaluation will consider not only whether suppliers have submitted documents or acknowledged requirements, but also whether identified concerns have been addressed and responsible practices have become embedded.

protect when addressing working conditions and conduct within contracted relationships. Managers use contract clauses, screening, communication and corrective action to turn the stated expectation into a repeatable discipline. Cross-functional involvement is essential because no single department holds all the technical, legal, people and stakeholder information needed for a sound decision.

The chapter’s forward agenda is better evidence of supplier coverage and remediation. A useful review will combine coverage, timeliness and action closure with the experience of employees, customers, communities or other affected stakeholders. The purpose is a more reliable management response, not a larger volume of disclosure or a more favourable-looking indicator.

The management value of human rights and safety expectations for partners lies in making responsibilities clearer and prompting action before adverse outcomes become established trends.

directions; the responsible owner must know which boundary cannot be crossed.

Further maturity requires a supplier programme that supports both compliance and decarbonisation. The supporting record should preserve the baseline, scope, assumptions, responsible owner and explanation for any material variance. This strengthens accountability because decisions can be followed from initial judgement through implementation, outcome and subsequent review.

The emphasis for engaging suppliers on climate and chemicals is therefore on consistent application, evidence of outcome and timely response when expectations are not met.

Strengthening Responsible Sourcing

Shiva Pharmachem’s next priority is to establish a more consistent evidence chain across supplier qualification, ESG evaluation, Code compliance, corrective action and periodic reassessment. This will enable procurement teams to identify elevated risks earlier, engage suppliers more effectively and demonstrate how sustainability considerations influence sourcing decisions.

By combining responsible-sourcing principles with technical competence, quality assurance and supplier development, the Company seeks to build a supply chain that is ethical, compliant, resilient and capable of supporting long-term sustainable growth.

Local and inclusive procurement trend

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total suppliers	number	2,217	2,427	2,609
Local vendors	number	4,152	4,551	4,934
Orders to local vendors	%	97	97	98
MSME vendors	number	488	612	781
Orders to MSME vendors	%	82	84	85

Qualification as the first line of supply-chain control

Responsibility for vendor capability, raw-material integrity and continuity is shaped by the Sustainable Procurement and Quality policies. Operational credibility rests on questionnaires, certification review, use tests and approval and on the quality of the records they generate. Management review adds value when it challenges whether the control worked, rather than confirming only that a form, meeting or inspection was completed.

A stronger outcome will come from risk-based qualification that extends beyond price and availability. Progress should be examined through both early signals and final outcomes, because

completion alone does not show whether the intended change lasted. It provides continuity between stakeholder feedback, management action and the performance narrative presented in later reports.

For stakeholders, the meaningful result is whether qualification as the first line of supply-chain control produces a protection or benefit they can recognise and verify.

Human rights and safety expectations for partners

The Human Rights and Labour, Child Labour and EHS policies explain what the company intends to

Engaging suppliers on climate and chemicals

The governance of Scope 3 information and regulatory declarations is connected directly to the Sustainable Procurement and Product Stewardship policies. The working system—segmentation, targeted data requests and capability dialogue—shows how the commitment enters routine activity. This matters most when time, cost, safety, quality or environmental considerations point in different



21. Customer Experience, Quality and Reliability

Customer trust is built through consistent quality, regulatory responsiveness, safe product information, reliable delivery and effective resolution when performance does not meet expectation.



Serving diverse customer value chains

The company supplies intermediates to pharmaceutical, agrochemical, polymer, personal-care and specialty-chemical applications. Each customer segment can have different specifications, documentation and regulatory requirements, demanding close coordination between commercial and technical functions.

Policy accountability for serving diverse customer value chains is established through the Quality, Product Stewardship and Security policies. Complaint learning and technical communication support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

Quality management

Quality assurance, testing, change control, documentation and approved manufacturing processes support product conformity. ISO 9001 certification provides a systematic framework, while customer audits and feedback provide an external view of effectiveness.

The company reads quality management through the Quality, Product Stewardship and Security policies. Complaint learning and technical communication provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Complaint management

Customer complaints rose from eleven in FY 2022-23 to sixteen in FY 2024-25 and subsequently all complaints were closed with adequate resolutions. Timeliness, root cause, recurrence and effectiveness of corrective action are the next indicators to disclose.

The Quality, Product Stewardship and Security policies provide the decision rules for complaint management. Implementation relies on complaint learning and technical communication, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Reliability and continuity

Reliable supply depends on production planning, equipment availability, utilities, raw-material continuity, logistics and quality release. Sustainability initiatives that improve energy reliability, process efficiency, safety and supplier resilience can also improve service performance.

The Quality, Product Stewardship and Security policies shape the company's decisions on reliability and continuity. Its effectiveness is examined through complaint learning and technical communication, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Regulatory and product communication

Customer trust is supported by accurate SDS, labels, declarations and responses to product-regulatory enquiries. The company intends to quantify active-product SDS coverage, regulatory requests, audit outcomes and product health and safety assessments.

In considering regulatory and product communication, management applies the Quality, Product Stewardship and Security policies. Complaint learning and technical communication connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Data security and customer trust

Customer specifications, commercial information and technical documents require appropriate access, confidentiality and backup. Information-security controls therefore support both compliance and the integrity of customer relationships.

Management links data security and customer trust to the Quality, Product Stewardship and Security policies. This link is maintained through complaint learning and technical communication, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Customer feedback trend

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Complaints received	number	11	15	16
Complaints resolved	number	11	15	16

Quality as a relationship, not only a specification

Customer confidence built through consistency, communication and continual improvement brings several commitments in the Quality Policy into the same operating decision. Testing, release controls, audits and technical review provide the practical route from a general commitment to a controlled task. Clear ownership prevents the commitment from becoming everyone's concern in principle but no one's responsibility in practice.

The immediate opportunity is service quality that is visible before and after delivery. Periodic review should look for recurrence and common causes across functions instead of treating every exception as an isolated event. The benefit is greater confidence that an improvement in one area has not transferred cost or risk to another part of the value chain.

This gives quality as a relationship, not only a specification a clear place in the company's wider system of responsibility, learning and resilient value creation.

Complaints as a source of operational learning

The company's treatment of the investigation of quality, handling and safe-use concerns is grounded in the Quality and Product Stewardship policies. The bridge to implementation is formed by root-cause analysis, corrective action and closure communication. Documentation is important here not as an end in itself, but because it preserves the reasoning, assumptions and accountability behind a consequential choice.

The direction of travel is toward faster resolution accompanied by recurrence prevention. Where

quantitative coverage remains incomplete, the report should state the limitation and describe the qualitative safeguards without presenting them as equivalent to measured outcomes. Over time, the resulting evidence can improve resource allocation, continuity between role holders and readiness for selective external assurance.

By retaining this connection, complaints as a source of operational learning can contribute to credible disclosure while remaining first and foremost an operating priority.

Trust in product and information flows

A policy view of the accuracy and protection of SDS, labels, declarations and customer data begins with the Product Stewardship and Security policies. Implementation becomes visible through document control, access management and change notification, not through the policy statement alone. When an exception occurs, the strength of the system lies in a clear escalation route and a decision record that explains how competing considerations were resolved.

The company can deepen its approach through reliable information that travels with the product. A defined review frequency and escalation threshold will help management respond during the year rather than waiting for the next reporting cycle. With that foundation, improvement initiatives can be scaled on evidence rather than on assumptions drawn from one project or one reporting year.

In future cycles, trust in product and information flows should be supported by enough evidence to explain both progress and any remaining uncertainty.

22. Governance, Compliance and Business Ethics

Ethical conduct and compliance protect the legitimacy of the business. The governance framework combines policies, reporting channels, controls, records, audits and corrective action.



Compliance management

Legal registers, permits, returns, inspections, monitoring and management review support compliance. Material non-compliances, penalties and corrective actions should be disclosed where applicable, with clear ownership and closure evidence.

Management links compliance management to the Anti-Bribery and Anti-Corruption, Whistleblower, Grievance Redressal, POSH and Security policies. This link is maintained through policies, training, controls and independent channels, including how exceptions are recorded and resolved. This provides a basis for checking not only completion, but also the durability of the outcome after implementation.

Anti-bribery and anti-corruption

The anti-bribery and anti-corruption framework addresses improper payments, conflicts, gifts and business conduct. Training, risk assessment, third-party review, declarations and investigation records are important evidence that policy is implemented.

Anti-bribery and anti-corruption gives practical expression to the Anti-Bribery and Anti-Corruption, Whistleblower, Grievance Redressal, POSH and Security policies. Reviewing policies, training, controls and independent channels reduces the risk that annual figures become the only measure of whether the commitment is effective. Over time, stronger outcome measures will show whether the policy is changing conditions, not simply generating activity.

Code of conduct

The code and related policies set expectations for employees and business partners. Effective implementation depends on accessible language, induction, periodic awareness, leadership example and consistent consequences for violations.

Code of conduct is addressed within the Anti-Bribery and Anti-Corruption, Whistleblower,

Grievance Redressal, POSH and Security policies. The associated evidence comes from policies, training, controls and independent channels, allowing the written position to be compared with experience. A defined owner and review frequency are necessary if the commitment is to influence decisions throughout the year.

Whistleblowing and grievance reporting

No whistleblower, corruption, fraud, discrimination or POSH cases were reported in the consolidated three-year data. Reporting channels, confidentiality, non-retaliation and independent review remain important because zero cases do not establish that risk is absent.

Responsibility for whistleblowing and grievance reporting sits within the Anti-Bribery and Anti-Corruption, Whistleblower, Grievance Redressal, POSH and Security policies. The commitment becomes observable in policies, training, controls and independent channels and in the response when a deviation is identified. Any material exception should therefore reach the appropriate review forum before it becomes a recurring weakness.

Internal controls and audits

Internal and external audits provide evidence on the operation of management systems. Audit value depends on the quality of findings, corrective-action ownership, timeliness and verification of closure, not simply the existence of a certificate or report.

The duties associated with internal controls and audits are reflected in the Anti-Bribery and Anti-Corruption, Whistleblower, Grievance Redressal, POSH and Security policies. The policy is carried into daily decisions through policies, training, controls and independent channels, rather than being treated as a disclosure statement. This is how the subsection contributes to a coherent management system rather than standing as an isolated narrative claim.

Information security

The company tracks IT breach and data privacy incidents, with zero reported cases in the consolidated KPI series. Planned strengthening covers access control, cyber-awareness, backup, incident response, vendor confidentiality and protection of customer and employee data.

The boundaries applied to information security are set by the Anti-Bribery and Anti-Corruption, Whistleblower, Grievance Redressal, POSH and Security policies. The practical test lies in policies, training, controls and independent channels and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.

Privacy and responsible information management

Personal and commercial data should be collected for legitimate purposes, accessed only by authorised people, retained appropriately and protected through its lifecycle. Incident and complaint metrics will be accompanied by clearer descriptions of governance and control.

The company's approach to privacy and responsible information management is anchored in the Anti-Bribery and Anti-Corruption, Whistleblower, Grievance Redressal, POSH and Security policies. Movement toward stronger evidence of effectiveness will depend on the consistency and measurability of policies, training, controls and independent channels. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.

Governance and conduct indicators

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Whistleblower cases	number	0	0	0
Corruption and fraud cases	number	0	0	0
Discrimination cases	number	0	0	0
IT breach cases	number	0	0	0
Data privacy cases	number	0	0	0

Integrity in everyday business decisions

The governance of conduct in dealings with customers, suppliers and public officials is connected directly to the Anti-Bribery and Anti-Corruption and Human Rights and Labour policies. The working system—training, declarations, approvals and accurate records—shows how the commitment enters routine activity. This matters most when time, cost, safety, quality or environmental considerations point in different directions; the responsible owner must know which boundary cannot be crossed.

Further maturity requires ethical expectations reinforced before a breach occurs. The supporting record should preserve the baseline, scope, assumptions, responsible owner and explanation for any material variance. This strengthens accountability because decisions can be followed from initial judgement through implementation, outcome and subsequent review.

The emphasis for integrity in everyday business decisions is therefore on consistent application, evidence of outcome and timely response when expectations are not met.

Safe channels and fair investigation

Decisions about the reporting of misconduct, harassment, control failures or injustice are tested against the Whistleblower, POSH and Grievance Redressal policies. Confidentiality, non-retaliation, committee review and documented closure allow supervisors and specialists to interpret the commitment in real conditions. Consultation strengthens the result by bringing operational experience into a decision before specifications, schedules or resources are fixed.

The evidence points to confidence measured through process quality, not zero cases alone as the logical next step. Incidents, complaints, audit observations and unexplained KPI movement deserve particular attention because they often reveal weaknesses that routine reporting misses. That approach gives stakeholders a clearer basis for assessing direction of travel and gives managers a better basis for deciding where intervention is most urgent.

The continuing challenge is to ensure that safe channels and fair investigation is interpreted consistently across functions and through changes in people, process or market conditions.

Security, privacy and continuity

The Security Policy set the reference point for the protection of people, assets, cargo and information. The day-to-day expression of this direction is found in physical controls, access management, awareness and incident escalation. The test is whether the people closest to the work have sufficient competence, authority and information to apply the requirement before an adverse outcome occurs.

Future progress will depend on a broader security system that evolves with digital dependence. Outcome measures should be read beside operating context so that production changes, methodology revisions or improved data capture are not mistaken for underlying performance. The result should be a control system that learns from weak signals before they develop into recurring failures or significant impacts.

A mature approach to security, privacy and continuity will connect policy ownership, operational experience and performance interpretation without treating them as separate conversations.



23. SDG Impacts from Company Initiatives

The Sustainable Development Goals provide a common language for explaining how operating practices can contribute to wider social and environmental outcomes. Shiva Pharmachem's strongest links arise through safer chemistry, resource efficiency, fair work, community investment, responsible production and ethical institutions.



How Company Initiatives Connect to the Sustainable Development Goals

Safer chemistry and occupational health	
Training, fair work and local employment	 
Water efficiency, recycling and effluent control	
Bio-coal, efficiency and climate action	 
Circular materials, packaging and waste recovery	
Ethics, grievance channels and reporting	

Impact is created through operating practices, not through reporting alone..

From alignment to impact

SDG alignment is credible when it begins with a specific activity, identifies the affected people or environmental resource, and explains the observable result. This chapter therefore focuses on pathways from initiatives to impacts. It does not imply that the company controls an entire SDG target or that every activity has been independently evaluated.

The boundaries applied to from alignment to impact are set by the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. The practical test lies in clear pathways from activity to outcome and in whether corrective action changes the underlying condition. The same evidence can then inform management review, target setting and the interpretation of year-on-year movement.



SDG 3 – Good Health and Well-being

Occupational health centres, medical surveillance, chemical hazard controls, emergency preparedness and product safety information support health and wellbeing. Community healthcare contributions extend the pathway beyond the workplace. Future impact measurement should track coverage, identified health risks, follow-up and beneficiary outcomes.

The company’s approach to sdg 3 – good health and well-being is anchored in the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Movement toward disciplined SDG impact measurement will depend on the consistency and measurability of clear pathways from activity to outcome. The resulting record supports continuity when responsibilities change and allows later performance claims to be verified.



SDG 4 – Quality Education

Employee training, skill development, Responsible Care talks and community education initiatives support learning. The earlier report described education support for underprivileged students and local schools. The next step is to measure completion, competence improvement, educational continuity and beneficiary outcomes rather than expenditure alone.

For sdg 4 – quality education, the governing commitments come from the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Through clear pathways from activity to outcome, the company can test whether roles remain clear across functional and value-chain interfaces. This makes the subsection relevant to the people who approve resources, perform the work and review the result.



SDG 6 – Clean Water and Sanitation

Water monitoring, recycling through RO and MVR, tertiary effluent treatment, water audits and safe-drinking-water community projects contribute to SDG 6. The impact pathway is especially relevant because the manufacturing operations are in high water-stress areas.

The policy basis for sdg 6 – clean water and sanitation is found in the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Clear pathways from activity to outcome create the records through which ownership and implementation can be checked. Stakeholder feedback adds an important test of whether the formal control is producing the experience it was designed to create.



SDG 5 – Gender Equality

POSH mechanisms, equal-opportunity commitments and fair-compensation controls support the institutional foundations of gender equality. The very low representation of women shows that policy needs to be translated into recruitment, retention, facilities, career pathways and measurable progress.

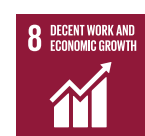
The control framework for sdg 5 – gender equality draws on the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Clear pathways from activity to outcome help management distinguish routine compliance from evidence of an actual outcome. Its value is greatest when weak signals are discussed openly and converted into preventive action.



SDG 7 and SDG 13 – Clean Energy and Climate Action

Bio-coal, LED lighting, CNG employee transport, energy monitoring and emissions accounting connect energy choices with climate action. The company reported that renewable fuel formed the majority of fuel energy in FY 2024-25. Project-level measurement will help distinguish avoided emissions from changes caused by production or methodology.

The commitments relevant to sdg 7 and sdg 13 – clean energy and climate action are brought together in the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Evidence from clear pathways from activity to outcome helps prevent improvement in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.



SDG 8 – Decent Work and Economic Growth

Direct employment, local hiring, living-wage coverage, benefits, contractor oversight and local procurement contribute to decent work and local economic participation. Safety performance remains fundamental: economic value cannot be considered sustainable when work results in fatal or life-changing harm.

Policy accountability for sdg 8 – decent work and economic growth is established through the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Clear pathways from activity to outcome support early intervention when performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.



SDG 12 – Responsible Consumption and Production

Recycled inputs, reclaimed packaging, by-product recovery, waste recycling, product stewardship, SDS and responsible sourcing connect most directly to SDG 12. The strongest future evidence will come from material balances, recovery routes, packaging cycles and product-level stewardship coverage.

The company reads sdg 12 – responsible consumption and production through the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Clear pathways from activity to outcome provide the working discipline and reveal where a stronger baseline, owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.



SDG 16 – Peace, Justice and Strong Institutions

Codes of conduct, anti-corruption controls, whistleblowing, grievance mechanisms, audits and transparent reporting support accountable institutions. Zero reported cases should be read with channel accessibility, awareness and investigation quality.

The CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies provide the decision rules for sdg 16 – peace, justice and strong institutions. Implementation relies on clear pathways from activity to outcome, supported by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.



SDG 17 – Partnerships for the Goals

Customers, suppliers, industry bodies, regulators, community organisations and assessment platforms extend the company's capacity to act. Responsible Care, Tfs, ISO systems and local partnerships demonstrate how shared standards and cooperation can accelerate learning.

The CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies shape the company's decisions on sdg 17 – partnerships for the goals. Its effectiveness is examined through clear pathways from activity to outcome, especially when operating conditions change. The policy expectation should remain visible during abnormal operations, organisational change and commercial pressure.

Strengthening impact measurement

Future SDG reporting will distinguish inputs, activities, outputs, outcomes and longer-term impacts. Each claimed contribution should identify the initiative owner, beneficiary or environmental receptor, baseline, reporting period, evidence source and limitations. This prevents the SDGs from becoming a decorative mapping exercise.

In considering strengthening impact measurement, management applies the CSR, EHS, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Clear pathways from activity to outcome connect the commitment with management review and future assurance. This allows corrective action to address the cause of a deviation rather than only its most visible symptom.

Policies define the intended contribution

A policy view of the pathways through which company action can support the SDGs begins with the EHS, CSR, Human Rights and Labour, Sustainable Procurement and Product Stewardship policies. Implementation becomes visible through programme objectives and operating controls, not through the policy statement alone. When an exception occurs, the strength of the system lies in a clear escalation route and a decision record that explains how competing considerations were resolved.

The company can deepen its approach through SDG claims tied to the commitments that govern delivery. A defined review frequency and escalation threshold will help management respond during the year rather than waiting for the next reporting cycle. With that foundation, improvement initiatives can be scaled on evidence rather than on assumptions drawn from one project or one reporting year.

In future cycles, policies define the intended contribution should be supported by enough evidence to explain both progress and any remaining uncertainty.

Following the pathway from activity to impact

In practice, the distinction between expenditure, output, outcome and wider impact is governed through the expectations expressed in the Quality

Policy's emphasis on evidence and improvement. Its effect can be traced in baselines, beneficiaries, indicators and follow-up, where responsibilities and exceptions become visible. Where the expected standard cannot be met, early disclosure and controlled escalation are more valuable than informal workarounds that conceal the underlying weakness.

The remaining work is best framed as more credible explanations of contribution without claiming sole causation. The strongest evidence will connect the policy commitment, operating decision, performance movement and management conclusion in one coherent chain. The company can then demonstrate not only what it did, but why it acted, what changed and what will be handled differently next time.

Seen in this way, following the pathway from activity to impact becomes part of normal management judgement rather than a once-a-year reporting exercise.

Partnerships that extend reach

The organisational mandate for the role of schools, health institutions, suppliers and industry bodies comes from the CSR and Sustainable Procurement policies. Partner due diligence, shared objectives and monitoring translate that position into work that can be assigned, observed and reviewed. Because chemical operations are interconnected, the review must also ask whether solving one problem creates a new exposure elsewhere in the process or value chain.

The practical priority emerging from this discussion is impact strengthened through capable and accountable collaboration. Balanced interpretation should recognise positive movement while retaining visibility of delayed actions, adverse outcomes and assumptions that remain uncertain. It also makes future reporting more candid by allowing success, delay, uncertainty and lessons learned to be explained on the same footing.

This perspective keeps partnerships that extend reach focused on the condition being improved, not merely the number of actions completed.

24. Performance Data

This chapter brings the principal consolidated three-year indicators together so readers can compare direction of travel across economic, environmental, social and governance performance. Detailed KPI tables, definitions and coverage notes are retained in the annexures.



Economic performance

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Gross revenue	INR lakh	77,468.05	54,629.19	60,800.05
Employee benefit expenses	INR lakh	6,802.52	6,901.65	7,348.58
EBITDA	INR lakh	16,783.33	8,185.79	11,052.08
CSR contribution	INR lakh	235.27	208.43	167.50

The commitments relevant to economic performance are brought together in the relevant topic policies and the Quality Policy’s continual-improvement commitment. Evidence from consistent definitions and reconciliations helps prevent improvement

in one area from shifting risk to another. Where evidence is incomplete, the responsible function must retain the limitation and the action needed to close it.

Environmental performance

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Energy consumed	million MJ	390.17	554.60	546.21
Scope 1 emissions	tCO2e	33,807	35,997.48	34,057.88
Scope 2 emissions	tCO2e	18,646	15,924.49	19,374.73
Scope 3 emissions	tCO2e	11,925	209,365.60	154,543.22
Water consumed	KL	164,600	146,100	139,958
Waste generated	tonnes	28,456.43	25,448.60	30,854.74

Policy accountability for environmental performance is established through the relevant topic policies and the Quality Policy’s continual-improvement commitment. Consistent definitions and reconciliations support early intervention when

performance and the stated commitment begin to diverge. This connection also helps ensure that an apparent gain is not achieved by transferring impact elsewhere.

Social performance

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Direct employees	number	601	625	644
Contract workers	number	438	386	368
Training hours per employee	hours	5.24	7.46	8.95
Fatalities	number	0	0	0
High-consequence injuries	number	1	1	2

The company reads social performance through the relevant topic policies and the Quality Policy’s continual-improvement commitment. Consistent definitions and reconciliations provide the working discipline and reveal where a stronger baseline,

owner or target is still needed. When trade-offs emerge, the documented policy boundary helps decision-makers identify what cannot be compromised.

Supply chain, customer and governance performance

The relevant topic policies and the Quality Policy’s continual-improvement commitment provide the decision rules for supply chain, customer and governance performance. Implementation relies on consistent definitions and reconciliations, supported

by a clear route for escalation and correction. The review should also consider whether contractors, suppliers or other partners can alter the intended protection.

Indicator	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total suppliers	number	2,217	2,427	2,609
Orders to local vendors	%	97	97	98
Customer complaints received	number	11	15	16
Customer complaints resolved	number	11	15	16
Whistleblower cases	number	0	0	0

The management questions behind the dashboard

The Quality and EHS policies set the reference point for what changed, why it changed and whether the result is sustainable. The day-to-day expression of this direction is found in variance review and source-level reconciliation. The test is whether the people closest to the work have sufficient competence, authority and information to apply the requirement before an adverse outcome occurs.

Future progress will depend on performance discussion that moves beyond favourable or unfavourable arrows. Outcome measures should be read beside operating context so that production changes, methodology revisions or improved data capture are not mistaken for underlying performance. The result should be a control system that learns from weak signals before they develop into recurring failures or significant impacts.

A mature approach to the management questions behind the dashboard will connect policy ownership, operational experience and performance interpretation without treating them as separate conversations.

Policy effectiveness through indicators

The commitments most closely connected with whether commitments are producing observable results are contained in the relevant topic policies. The relevant functions apply this direction through leading measures alongside environmental, safety, people and conduct outcomes. The same discipline must extend to contractors and business partners whenever their actions can alter the effectiveness of the control.

Management attention now needs to move toward a dashboard that supports intervention before year end. Leading measures can show whether implementation is moving, while lagging measures indicate whether the control ultimately protected people, the environment or business continuity. Such discipline supports honest interpretation of annual figures and prevents activity counts from being mistaken for impact.

The policy promise will be strongest when policy effectiveness through indicators remains visible in routine reviews as well as major investment decisions.

Strengthening the evidence chain

For the connection from source data to consolidated disclosure, management draws direction from the policy framework’s recordkeeping and accountability expectations. Evidence that the policy is active is created through definitions, owner sign-off and exception logs. A written commitment becomes credible only when it continues to guide behaviour during shutdowns, changes, abnormal conditions and commercial pressure.

The next phase centres on greater readiness for selective external assurance. The quality of the conclusion depends on traceable source information and on whether corrective action was tested after implementation rather than merely marked complete. This closes the distance between policy language and the conditions experienced by the people or environments the policy is intended to protect.

Ultimately, strengthening the evidence chain must be understood through the decisions it changes and the risks or opportunities those decisions address.

25. Way Forward: Our Future Commitments

Sustainability is a continuous journey that requires clear priorities, measurable actions and collective responsibility. Building on the progress and lessons reflected in this report, Shiva Pharmachem Limited remains committed to strengthening its ESG performance and embedding responsible practices across its operations and value chain.

Our future approach will be guided by the Company's EHS, Quality, Product Stewardship, Sustainable Procurement, Human Rights and Labour, CSR and governance policies. We will progressively translate these commitments into defined objectives, accountable ownership, implementation plans and management-review mechanisms.

Health, Safety and Wellbeing

Protecting the health, safety and wellbeing of employees, contract workers and others associated with our operations will remain our foremost responsibility.

We will continue strengthening our safety culture, process-safety systems, hazard identification, risk assessment, management of change and emergency preparedness. Greater attention will be given to contractor safety, critical-control verification, near-miss reporting, incident learning and timely closure of corrective actions. Occupational-health surveillance, exposure monitoring, employee wellbeing and workforce participation will remain integral to our approach.

Our objective is to build a culture in which every individual feels responsible for safety, is empowered to stop unsafe work and can raise concerns without fear of retaliation.

Climate and Energy

We will strengthen our approach to energy management and climate-related risks and opportunities. This will include identifying practical opportunities to improve energy efficiency, optimise processes and utilities, reduce dependence on emissions-intensive energy sources and increase renewable-energy use where technically and commercially feasible.

The Company will continue improving the quality of Scope 1, Scope 2 and relevant Scope 3 emissions information. Future climate initiatives will be supported by clearer baselines, defined ownership, implementation milestones and methods for verifying environmental benefits.

Climate considerations will also be progressively integrated into risk management, capital planning, supply-chain engagement and operational-resilience discussions.

Water Stewardship

Recognising that our manufacturing operations are located in water-stressed areas, we will continue

treating water as a critical shared resource.

Our focus will include improving water-use efficiency, strengthening source-wise water balances, identifying conservation opportunities and expanding recycling and reuse wherever feasible. We will continue improving effluent-treatment controls, monitoring discharge quality and evaluating opportunities to reduce freshwater dependence.

Water initiatives will increasingly consider not only operational consumption but also local water context, source vulnerability and the needs of surrounding communities.

Waste and Circularity

We will continue working to prevent and minimise waste generation at source through process optimisation, improved yields, material efficiency and stronger segregation.

Opportunities for by-product recovery, recycling, reuse, packaging reclamation and resource circularity will be explored without compromising safety, product quality or regulatory compliance. Downstream waste-management partners will remain subject to appropriate authorisation, documentation and due diligence.

Our future approach will place greater emphasis on stream-level waste analysis, traceability and verification of whether materials transferred for recovery or recycling reach the intended destination.

Responsible Products and Environmental Management

Environmental compliance, pollution prevention and responsible chemistry will remain fundamental to our licence to operate.

We will continue strengthening controls relating to air emissions, effluent, waste, noise, chemical storage and environmental monitoring. Environmental considerations will be incorporated into process changes, technology selection, maintenance and project evaluation so that improvements in one area do not create unintended impacts elsewhere.

Product stewardship will remain central throughout the product lifecycle—from technology and raw-material selection to classification, labelling, safety documentation, transportation, customer communication and safe end-of-life management. We will also continue strengthening chemical-regulatory information and responsible communication with customers and downstream users.

People, Diversity and Inclusion

Our people provide the knowledge, experience and commitment required to operate safely, innovate responsibly and serve customers reliably.

We will continue investing in technical capabilities, leadership development, sustainability-related competencies, employee engagement and wellbeing. Training programmes will progressively place greater emphasis on role-based competence and the effectiveness of learning, rather than participation alone.

The Company will work toward a more diverse and inclusive workforce by strengthening equal-opportunity practices, identifying barriers to participation and supporting fair recruitment, development and career progression. Respect for human rights, fair working conditions and accessible grievance mechanisms will remain integral to our people practices.

Responsible Supply Chain

We will further integrate sustainability considerations into procurement decisions and supplier relationships.

Priorities will include implementation of the Sustainable Procurement Policy, wider communication of the Supplier Code of Conduct, risk-based supplier segmentation, ESG screening and structured corrective-action follow-up. Supplier evaluation will increasingly consider environmental management, worker safety, human and labour rights, ethical conduct and chemical compliance alongside quality, cost, delivery and technical capability.

We will also engage relevant suppliers on regulatory information, value-chain emissions,

resource efficiency, traceability and recognised responsible-sourcing principles. The intention is to encourage shared improvement while strengthening supply continuity and responsible sourcing.

Community Development

We will continue supporting initiatives that contribute to the wellbeing and development of communities surrounding our operations.

Our focus areas will include healthcare, sanitation, safe drinking water, education, skill development, social inclusion, livelihood support and environmental awareness. Community engagement will help identify local priorities and guide the design of relevant programmes.

Over time, the Company intends to strengthen the measurement of community outcomes by moving beyond expenditure and activity counts to consider beneficiaries, accessibility, effectiveness and the durability of positive change.

Ethics and Governance

Ethical conduct, transparency and accountability will remain central to the way we conduct business.

We will continue reinforcing the Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Human Rights and Labour Policy, grievance mechanisms and internal-control framework. Employee awareness, confidential reporting, protection from retaliation and fair investigation will remain important elements of these systems.

Sustainability oversight will be progressively strengthened through clearer responsibilities, cross-functional coordination, defined review forums and escalation of material concerns. Information security, data privacy, regulatory compliance and responsible management of company assets will remain integral to governance and business resilience.

Sustainability Reporting and Performance

We will strengthen ESG data governance so that sustainability information is consistent, traceable and suitable for management decision-making.

Future priorities include clearer KPI definitions, documented reporting boundaries, source-data registers, internal sign-off, variance analysis and improved evidence retention. Material sustainability objectives will progressively be supported by baselines, responsible owners, implementation milestones and review frequencies.

We will transparently communicate progress, achievements, challenges and areas requiring further improvement. As reporting systems mature, the Company will also evaluate opportunities to expand reporting coverage and strengthen readiness for external assurance.

Converting Commitments into Action

These commitments will be supported by accountable ownership, appropriate resources, implementation plans and periodic management review. Progress will be evaluated through a combination of leading indicators, performance outcomes, audit findings, stakeholder feedback and corrective-action effectiveness.

Where priorities or assumptions change, the basis for the change will be documented and communicated transparently. This approach will help distinguish completed actions from genuine and lasting improvements.

Collaboration will be essential to our progress. We will continue engaging employees, customers, suppliers, communities, regulators and other stakeholders to learn, improve and respond to evolving expectations.

Through these commitments, Shiva Pharmachem Limited aims to build a safer, more resource-efficient, ethical and resilient business—one that practises responsible chemistry while creating enduring value for its stakeholders, society and the environment.



26. Annexures

The annexures provide the detailed reference layer for the report: GRI mapping, SDG relationships, certification information, reporting boundary, consolidated KPI tables and terminology.

GRI Content Index

The index maps the disclosures used in this report to the expanded chapter structure and identifies the current level of coverage.

GRI 2: General Disclosures 2021

GRI disclosure	Disclosure title	Report location	Coverage status / note
GRI 2-1	Organizational details	11	Covered
GRI 2-2	Entities included in reporting	7	Partially covered - the manufacturing quantitative boundary and the broader qualitative boundary are disclosed
GRI 2-3	Reporting period, frequency and contact	7	Partially covered - add final contact email before publication
GRI 2-4	Restatements of information	7	Covered qualitatively
GRI 2-5	External assurance	7, 127	Partially covered - attach signed assurance statement
GRI 2-6	Activities, value chain and business relationships	11, 17-21	Covered
GRI 2-7	Employees	86-91, 121 137-139	Covered for the manufacturing operations within the reporting boundary
GRI 2-8	Workers who are not employees	86, 89, 121, 137 138	Covered through contractual worker data
GRI 2-9	Governance structure and composition	23-25, 141-142	Covered qualitatively
GRI 2-10	Nomination and selection of highest governance body	23	Covered qualitatively
GRI 2-11	Chair of highest governance body	23	Covered qualitatively
GRI 2-12	Role of highest governance body in overseeing impacts	23-24	Covered qualitatively
GRI 2-13	Delegation of responsibility for managing impacts	23-24	Covered qualitatively
GRI 2-14	Role in sustainability reporting	23-25	Covered qualitatively
GRI 2-15	Conflicts of interest	108	Covered qualitatively
GRI 2-16	Communication of critical concerns	24-25, 109-111, 141	Covered through grievance/whistleblower indicators
GRI 2-17	Collective knowledge of highest governance body	23-25	Partially covered
GRI 2-18	Evaluation of highest governance body	23-25	Partially covered
GRI 2-19	Remuneration policies	86-89, 139	Covered through remuneration indicators and qualitative policy
GRI 2-20	Process to determine remuneration	86-89, 139	Covered qualitatively
GRI 2-21	Annual total compensation ratio	139	Covered through CEO pay ratio KPI
GRI 2-22	Statement on sustainable development strategy	9-10, 43-45	Covered
GRI 2-23	Policy commitments	23-25, 107-109	Covered

GRI 2-24	Embedding policy commitments	53-55	Covered qualitatively
GRI 2-25	Processes to remediate negative impacts	23-24, 50-51, 81-85	Covered qualitatively
GRI 2-26	Mechanisms for advice and concerns	31-35, 88-89, 108-110, 139	Covered
GRI 2-27	Compliance with laws and regulations	107-109	Covered qualitatively
GRI 2-28	Membership associations	50, 132-133, 140-141	Covered
GRI 2-29	Stakeholder engagement	31-35	Covered

GRI 3: Material Topics 2021

GRI 3-1	Process to determine material topics	37-41	Covered
GRI 3-2	List of material topics	39-40	Covered
GRI 3-3	Management of material topics	53-111	Covered

GRI 201: Economic Performance 2016

GRI 201-1	Direct economic value generated and distributed	120, 139-140	Covered through financial KPIs
GRI 201-2	Financial implications and risks due to climate change	27-29, 59-63	Partially covered qualitatively

GRI 204: Procurement Practices 2016

GRI 204-1	Proportion of spending on local suppliers	99-100, 121, 140-141	Covered through local vendor KPIs
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GRI 205: Anti-corruption 2016

GRI 205-3	Confirmed incidents of corruption	108-110, 121, 141	Covered
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GRI 301: Materials 2016

GRI 301-1	Materials used by weight or volume	71-73	Partially covered - add material balance
GRI 301-2	Recycled input materials used	55, 71-73, 78	Covered if KPI available; otherwise narrative
GRI 301-3	Reclaimed products and packaging	55, 71-73, 78	Covered if KPI available; otherwise narrative

GRI 302: Energy 2016

GRI 302-1	Energy consumption within organization	54, 56, 59-63, 120, 134	Covered
GRI 302-3	Energy intensity	80-81, 134	Covered

GRI 303: Water and Effluents 2018

GRI 303-3	Water withdrawal	64-68, 134	Covered
GRI 303-4	Water discharge	64-68, 134	Covered
GRI 303-5	Water consumption	54,64-68,134	Covered

GRI 305: Emissions 2016

GRI 305-1	Direct GHG emissions	54, 59-63, 119-120	Covered
GRI 305-2	Energy indirect GHG emissions	54, 59-63, 119-120	Covered
GRI 305-3	Other indirect GHG emissions	54, 59-63, 119-120	Covered
GRI 305-4	GHG emissions intensity	60-61, 134	Covered
GRI 305-7	NOx, SOx and other air emissions	54, 55-56	Covered

GRI 306: Waste 2020

GRI 306-3	Waste generated	54-56, 71-75, 135	Covered
GRI 306-4	Waste diverted from disposal	55, 71-75, 135	Covered
GRI 306-5	Waste directed to disposal	54-56, 71-75, 135	Covered if KPI available; otherwise, action noted

GRI 401: Employment 2016

GRI 401-2	Benefits provided to full-time employees	87-91, 137-139	Covered
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GRI 403: Occupational Health and Safety 2018

GRI 403-1 to 403-10	Occupational health and safety	81-85, 120, 139-140	Covered for core indicators, qualitative for systems
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GRI 404: Training and Education 2016

GRI 404-1	Average hours of training	88-91, 120, 138-139	Covered
GRI 404-3	Performance and career development reviews	88-92, 139	Covered

GRI 405: Diversity and Equal Opportunity 2016

GRI 405-1	Diversity of governance bodies and employees	88, 92, 135- 137	Covered
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GRI 405-2	Ratio of basic salary and remuneration	—	Not reported
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GRI 406: Non-discrimination 2016

GRI 406-1	Incidents of discrimination	91, 108-110, 140	Covered
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GRI 408: Child Labor 2016

GRI 408-1	Operations and suppliers at risk for child labour	89, 91, 97-101, 138-140	Partially covered
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GRI 409: Forced or Compulsory Labor 2016

GRI 409-1	Operations and suppliers at risk for forced labour	89, 91, 97-101, 138-140	Partially covered
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GRI 413: Local Communities 2016

GRI 413-1	Operations with local community engagement	93-95, 132-133	Covered qualitatively
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GRI 416: Customer Health and Safety 2016

GRI 416-1	Assessment of health and safety impacts of product categories	77-79, 103-105	Partially covered
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GRI 417: Marketing and Labeling 2016

GRI 417-1	Requirements for product and service information and labelling	77-79, 103-105	Partially covered
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Sustainable Development Goal mapping

This mapping complements the impact narrative in Chapter 23.

SDG	Relevant material topic	FY 2024-25 indicator / evidence	Action and next disclosure step
SDG 3	OHS, medical checks and community healthcare	Zero employee and contractor fatalities; health and safety training; medical checks; contractor incident tracking.	Disclose incident CAPA and contractor safety improvement plan.
SDG 4	Training and education	Training hours and awareness sessions reported across key sustainability topics.	Add training effectiveness and CSR education beneficiaries.
SDG 5	Diversity, POSH and equal opportunity	Female representation disclosed; POSH policy and complaint tracking included.	Set practical diversity actions and disclose progress.
SDG 6	Water and effluent	Water withdrawal, discharge and consumption disclosed.	Add reuse, recycling and source-wise water balance.
SDG 8	Employment, wage, benefits and safety	Benefits, living wage, local hiring, human rights screening and OHS indicators disclosed.	Expand contractor labour management indicators.
SDG 9	Industry, innovation and infrastructure	R&D, manufacturing capability, process safety and operational controls described.	Disclose innovation and resource efficiency project outcomes.
SDG 12	Materials, packaging, waste and product stewardship	Recycled input, reclaimed packaging, waste diversion and product stewardship narrative included.	Add product-wise material balance and waste route data.
SDG 13	Climate action	Scope 1, 2 and 3 emissions and energy data disclosed.	Add reduction roadmap and Scope 3 category details.
SDG 16	Ethics, grievance and data privacy	Whistleblower, grievance, corruption, IT and data privacy indicators disclosed.	Add channel awareness, investigation and closure metrics.
SDG 17	Partnerships and initiatives	SEDEX, Responsible Care, ICC, Tfs and UNGC subsequent development disclosed.	Maintain public initiative register and annual progress disclosure.

Certifications and external audits

Certification	Body	Certificate no.	Coverage	Validity	Status
ISO 9001:2015	TUV NORD	44 100 24395681 /01/02	Group Level (HO, Luna, Dahej)	16-Dec-2024 to 14-Nov-2027	Active
ISO 14001:2015	TUV NORD	44 100 24395681 /01/02	Group Level (HO, Luna, Dahej)	16-Dec-2024 to 14-Nov-2027	Active
ISO 45001: 2018	TUV NORD	44 100 24395681 /01/02	Group Level (HO, Luna, Dahej)	16-Dec-2024 to 14-Nov-2027	Active
Responsible Care	ICC	ICC-WR/RM/S-07 (ICC Membership No)	Group Level (HO, Luna, Dahej)	11-Feb-2024 to 31-Jan-2027	Active
RSPO Certification	SGS	SGS-RSPO/SC25-00411	Dahej	20-Nov-2025 to 19-Nov-2030	Active
Tfs (Together forSustainability)	Intertek Group plc	A5224932 (Dahej) A5224927(Luna)	(Luna, Dahej)	11-Jul-2025 to 31-Dec-2027	Active

Reporting boundary

Boundary component	FY 2024-25 treatment	Basis
Luna and Dahej manufacturing operations	Included quantitatively; consolidated figures only	Verified KPI series available for all three years
Head office		

Detailed ESG data tables Environment performance

GHG Emission

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Scope 1 (100% coverage)	tCO2e	33,807.00	35,997.48	34,057.88
Scope 2 (100% coverage)	tCO2e	18,646.00	15,924.49	19,374.73
Scope 3 (100% coverage)	tCO2e	11,925.00	209,365.60	154,543.22
Emission Intensity	(tCO2e/MT)	1.51	8.71	4.90

Energy Consumption

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Non-Renewable Energy Consumed	MJ	1,887,167.20	1,309,856.83	1,340,614.84
Renewable Energy Consumed	MJ	305,921,777.20	473,218,835.00	448,930,681.50
Energy from Electricity	MJ	82,363,806	80,067,276	95,940,900
Total Energy Consumed	MJ	390,172,750.40	554,595,967.83	546,212,196.34
Energy Intensity	MJ/MT	9,193.76	16,691.39	12,873.55

Water

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Water Withdrawn	KL	185,246	174,251	171,664
Total Water Discharged	KL	27,011	30,326	31,706
Total Water Consumed	KL	164,600	146,100	139,958
Groundwater Recharge / Rainwater Harvested	KL	0	0	0

Air Emission

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
NOx	ton	13.34	12.27	10.67
SOx	ton	13.67	13.79	10.59
VOC	ton	NA	NA	NA
PM 2.5	ton	NA	2.25 (partial coverage)	19.65

Noise

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Ambient Noise Level	dB	67	64	63

Waste

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Hazardous Waste Generated	ton	27,561.00	24,265.20	28,532.74
Total Non-Hazardous Waste Generated	ton	895.43	1,183.40	2,322.00
Total Waste Generated	ton	28,456.43	25,448.60	30,854.74
Total Waste Recycled (Hazardous Waste)	ton	25,187.41	22,049.84	23,533.07
Total Waste Reused	ton	824.73	1,031.19	1,513.44

Coverage

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Operational sites certified with ISO 14001	%	100	100	100
Operational sites covered under environmental risk assessment	%	100	100	100
Operational sites covered under biodiversity risk assessment	%	Not Applicable – Current operational sites are not located in or near biodiversity-sensitive areas.		

Social performance

Employee Data by Gender

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Employees	Male	number	599	622	642
Total Employees	Female	number	2	3	2
Total Employees	Total	number	601	625	644
New Hires	Male	number	165	192	73
New Hires	Female	number	1	1	0
Employee Turnover	Male	%	9.97	7.63	4.18
Employee Turnover	Female	%	0	0	0.16

Contractual Employee Data by Gender

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Employees	Male	number	438	381	364
Total Employees	Female	number	0	5	4
Total Employees	Total	number	438	386	368
New Hires	Male	number	95	83	89
New Hires	Female	number	0	0	0
Employee Turnover	Male	%	7.01	2.8	3.03
Employee Turnover	Female	%	0	0.26	0

Employee Data by Position

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Top Management	Female	%	0	0	0
Middle Management	Female	%	0	0	0
Staff	Female	%	0.17	0.48	0.31

Employee Data by Age

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Employees	>30 years	number	420	470	495
Total Employees	30-50 years	number	228	240	257
Total Employees	>50 years	number	52	53	56
New Hires	>30 years	number	94	136	51
New Hires	30-50 years	number	65	65	19
New Hires	>50 years	number	1	1	2
Employee Turnover	>30 years	number	95	86	49
Employee Turnover	30-50 years	number	58	36	34
Employee Turnover	>50 years	number	0	1	2

Employee Inclusivity

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Differently abled employees	Male	number	7	6	6
Differently abled employees	Female	number	0	0	0
Total employees hired locally		number	24	30	22

Board of Directors

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Male	number	7	7	7
Female	number	1	1	1

Employee Benefits

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Employees Entitled for Parental Leave	%	0	0	0
Employees Aailed Parental Leave	number	0	0	0
Employees Return to Work Post Parental Leave	%	0	0	0
Employees Entitled for Life and Health Insurance	%	100	100	100
Employees Entitled for Disability & Accidental Coverage	%	100	100	100
Employees Received Performance Bonus	%	100	100	100
Employees Entitled for Retirement Benefits	%	100	100	100

Training and Development

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Average Training Hours per Employee	Overall	hours	5.24	7.46	8.95
Average Training Hours per Employee	Male	hours	4.79	7.01	8.15
Average Training Hours per Employee	Female	hours	0.45	0.45	0.79
Total number of training hours provided to employees		hours	2,235	3,972	4,295
Average training hours provided to Top management		hours	5.58	11.49	12.34
Average training hours provided to Middle management		hours	7.04	8.52	8.57
Average training hours provided to Staff		hours	3.09	5.34	6.57

Employee Awareness and Training

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Environmental and Climate Issues	number	6	20	16
Health & Safety	number	120	210	218
Working Condition	number	7	6	9
Data Security & Privacy	number	1	3	4
Workplace Behaviour, Ethics & Code of Conduct	number	4	12	27
Skill Development	number	40	63	74
Sustainable Procurement	number	1	1	8

Human Capital Development

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Top Management who received regular performance and career development reviews	Male	number	32	33	28
Total Top Management who received regular performance and career development reviews	Female	number	0	0	0
Total Middle Management who received regular performance and career development reviews	Male	number	123	112	150
Total Middle Management who received regular performance and career development reviews	Female	number	2	2	0
Total Staff who received regular performance and career development reviews	Male	number	373	413	438
Total Staff who received regular performance and career development reviews	Female	number	1	3	1

Remuneration

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
CEO Pay Ratio	Ratio	12:1	11:1	6:1
Percentage of employees covered by a living wage benchmarking analysis	%	100	100	100
Percentage of employees being paid above living wage	%	100	100	100
Percentage of contractors being paid above living wage	%	100	100	100

Hours Worked

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Number of Hours Worked	hours	1,980,072	2,084,040	3,326,804
Total Number of Hours Lost Due to Injury	hours	320	240	31

Health and Safety

KPI	Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Number of fatalities as a result of work-related injury	Employees	number	0	0	0
Number of fatalities as a result of work-related injury	Contractors	number	0	0	0
Number of high-consequence work-related injuries	Employees	number	0	1	1
Number of high-consequence work-related injuries	Contractors	number	1	0	1
Number of recordable work-related injuries	Employees	number	0	1	0
Number of recordable work-related injuries	Contractors	number	1	0	1
Number of occupational diseases	Employees	number	0	0	0
Number of occupational diseases	Contractors	number	0	0	0
Number of work-related ill health cases	Employees	number	0	0	0
Number of work-related ill health cases	Contractors	number	0	0	0

Coverage

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Operational sites covered under health and safety risk assessment	%	100	100	100

Human Rights

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Percentage of employees have right to freedom of association and collective bargaining	%	100	100	100
Percentage of employees screened for child labour risks	%	100	100	100
Percentage of employees screened for forced labour risks	%	100	100	100
Percentage of employees screened for human trafficking risks	%	100	100	100

Sustainable Supply Chain

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Number of Suppliers	number	2,217	2,427	2,609
Total Number of Local Vendors	number	4,152	4,551	4,934
Total order issued to Local Vendors	%	97	97	98
Total MSME Vendors	number	488	612	781
Total order issued to MSME Vendors	%	82	84	85
Total order issued to Vendors Enterprises Owned by Women	%	3.4	4.7	5.6

Supply Chain Management

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Percentage of Supplier who have signed the Supplier Code of Conduct	%	42	54	62
Percentage of Supplier Audited on Environmental Issues	%	42	54	62
Percentage of Supplier Audited on Health and Safety Issues	%	42	54	62
Percentage of Supplier Audited on Child Labour, Forced Labour and Human Rights Violations	%	42	54	62
Percentage of Supplier Audited on Corruption, Bribery and Fraud	%	42	54	62
Suppliers Trained on Supply Chain Sustainability	number	Sustainability training material under development		
Buyers Trained on Supply Chain Sustainability	number	Sustainability training material under development		

Governance performance

Accounts and Finance

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Gross Revenue	Amount in INR Lakhs	77,468.05	54,629.19	60,800.05
Employee Benefits Expenses	Amount in INR Lakhs	6,802.52	6,901.65	7,348.58
Total Expenses	Amount in INR Lakhs	58,340.59	44,556.45	48,050.17
EBITDA	Amount in INR Lakhs	16,783.33	8,185.79	11,052.08
Contribution Towards CSR	Amount in INR Lakhs	235.27	208.43	167.50

Transparent Governance

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Number of Whistleblower Cases Reported	number	0	0	0
Number of Whistleblower Cases Resolved	number	0	0	0
Number of Grievance Reported	number	0	0	0
Number of Grievance Resolved	number	0	0	0
Number of Discrimination Cases Reported	number	0	0	0
Number of Discrimination Cases Resolved	number	0	0	0
Number of POSH Related Cases Reported	number	0	0	0
Number of POSH Related Cases Resolved	number	0	0	0

Corruption and Fraud Prevention

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Number of Corruption/Fraud Related Cases Reported	number	0	0	0
Number of Corruption/Fraud Related Cases Resolved	number	0	0	0

Information Management

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Number of IT Breach Related Cases Reported	number	0	0	0
Number of IT Breach Related Cases Resolved	number	0	0	0
Number of Data & Privacy Related Cases Reported	number	0	0	0
Number of Data & Privacy Related Cases Resolved	number	0	0	0

Customer Satisfaction

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Number of Complaints Received from Customers	number	11	15	16
Number of Complaints from Customers Resolved	number	11	15	16

Other Concerns

KPI	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Number of Complaints Received on Environmental Issues	number	0	0	0
Number of Complaints Received on Biodiversity Issues	number	0	0	0
Number of Complaints Received on Health and Safety Issues	number	0	0	0
Number of Complaints Received from Local Communities	number	0	0	0

Subsequent development: UN Global Compact participation

Shiva Pharmachem Limited became an Active Participant of the United Nations Global Compact (UNGC) in June 2026. As a participant, the Company is committed to upholding the Ten Principles of the UN Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. Shiva Pharmachem Limited will publish its first annual Communication on Progress (COP) in accordance with the UNGC reporting requirements. Through its participation in the UN Global Compact, the Company joins a global network of organizations dedicated to advancing responsible business practices and contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). Since the membership started post the reporting period, it is presented as a subsequent development rather than reporting-period performance.



Glossary and abbreviations

BESS: Battery energy storage system.	CETP: Common effluent treatment plant.	EHS / HSE Environment, health and safety / health, safety and environment.
GHG: Greenhouse gas.	GRI: Global Reporting Initiative.	HAZOP: Hazard and operability study.
HIRA: Hazard identification and risk assessment.	ISO: International Organization for Standardization.	KPI: Key performance indicator.
MVR: Mechanical vapour recompression.	MSME: Micro, small and medium enterprise.	PSSR: Pre-startup safety review.
REACH: EU regulation on registration, evaluation, authorisation and restriction of chemicals.	SDS: Safety data sheet.	SDG: United Nations Sustainable Development Goal.
Tfs: Together for Sustainability.		

Disclaimer

This report has been prepared for informational and disclosure purposes only. While every effort has been made to ensure the accuracy, reliability, and completeness of the information and data presented, the Company does not accept responsibility for any errors, omissions, or interpretations. Certain statements in this report may be forward-looking in nature and are subject to risks, uncertainties, and assumptions that could cause actual results to differ materially. Readers are advised not to place undue reliance on such statements and to use this document in conjunction with other official filings, disclosures, and guidance issued by the Company.

Contact Information and Feedback

For queries, feedback, or further information regarding this Sustainability Report or Shiva Pharmachem Limited's sustainability initiatives, please contact:

Sustainability & IMS Department

Shiva Pharmachem Limited

12th floor "Shiva" Opposite Tricolor Hospital

Sarabhai Compound, Vadiwadi,

Vadodara-390023

Gujarat-India

Contact No.+91-265-2335432, 2321418

Email: info@shivapharmachem.com

Website: www.shivapharmachem.com

(Refer to the "Sustainability" section for updates and previous reports.)

Shiva Pharmachem Limited welcomes feedback from all stakeholders on this Sustainability Report and its sustainability performance. Your valuable suggestions help us enhance our sustainability initiatives, improve transparency, and focus on the issues that matter most to our stakeholders. We are committed to responding to stakeholder queries in a timely manner and incorporating relevant feedback into our future sustainability strategy and reporting.

This Sustainability Report has been prepared by the Sustainability & IMS Team of Shiva Pharmachem Limited with inputs from various departments across the organization. The information and performance data presented in this report have been internally reviewed and validated, and selected indicators have been independently assured, as applicable. The report aims to provide a transparent, accurate, and comprehensive account of the Company's sustainability performance for FY 2024-25.



Independent limited assurance statement to Shiva Pharmachem Limited on selected ESG metrics within their Sustainability Report FY2024-25

To the Management,
Shiva Pharmachem Limited, India
Shiva Sarabhai complex, In front of Tricolor hospital, Dr Vikram
Sarabhai Marg, Vadiwadi, 390023, Vadodara, Gujarat, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Shiva Pharmachem Limited ("Shiva Pharmachem") to provide an independent limited assurance on selected ESG metrics ("sustainability disclosures") within their Sustainability Report FY2024-25 ("the Report"). The scope of the Report comprises the reporting period of FY2024-25. The Report is prepared by Shiva Pharmachem based on Global Reporting Initiative (GRI) Standards.

The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability disclosures in alignment with GRI requirements, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Sustainability Report FY2024-25 of Shiva Pharmachem.

Responsibilities

The management of Shiva Pharmachem is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of Shiva Pharmachem, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

Assurance has been provided for sustainability disclosures presented by Shiva Pharmachem in the Report. The assurance boundary included data and information for the operations at Shiva Pharmachem for Luna and Dahej site based on GRI standards. Our scope of assurance included verification of data and information on selected disclosures reported as summarized in the table below:



ESG Disclosures

- General Disclosures 2021: GRI 2-1 to 2-29
- Material Topics (GRI 3-1 to GRI 3-3)
- Procurement Practices (GRI 204-1)
- Anti-Corruption (GRI 205-3)
- Materials (GRI 301-1, 301-2, 301-3)
- Energy (GRI 302-1, 302-3)
- Water and Effluents (GRI 303-3, 303-4, 303-5)
- Emissions (GRI 305-1, 305-2, 305-4, 305-7, 305-3 (Selected categories of scope 3 emissions: categories 4, 5, 6, 7, and 9))
- Waste (GRI 306-3, 306-4, 306-5)
- Employment (GRI 401-2)
- Occupational Health & Safety (GRI 403-1 to 403- 10)
- Training and Education (GRI 404-1, 404-3)
- Diversity and Equal Opportunity (GRI 405-1, 405-2)
- Non-discrimination (GRI 406-1)
- Child Labor (GRI 408-1)
- Forced Labor (GRI 409-1)
- Local Communities (GRI 413-1)
- Customer Health and Safety (GRI 416-1)
- Product Information and Labeling (GRI 417-1)

Assurance Criteria

Intertek conducted the assurance work with reference to requirements of ‘Limited Assurance’ procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’.
- International Standard on Assurance Engagements (ISAE) 3410 for ‘Assurance Engagements on Greenhouse Gas Statement.

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for the FY2024-25. Our assurance task was planned and carried out during Aug- Sept’2026. The assessment included the following:

- Assessment of the Report that was prepared with the GRI standards.
- Review of processes and systems used to gather and consolidate data.
- Examination and review of documents, data and other information made available digitally.
- Interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by Shiva

Pharmachem for data analysis.

- Review of GRI disclosures on sample basis for the reporting period of 1st April 2024 to 31st March 2025.

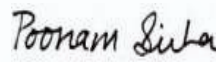
Conclusions

Intertek reviewed sustainability disclosures provided by Shiva Pharmachem in its Report. Based on the procedures performed as above, evidence obtained, and the information and explanations given to us along with the representation provided by the management, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct as per GRI reporting guidelines.

Intertek’s Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included Competent Sustainability Assurance Professionals, who were not involved in the collection and collation of any data except for this Assurance Opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.


Poonam Sinha
Senior Manager-Sustainability
2026/09/15


Shilpa Naryal
Head of Sustainability
Intertek South Asia & MENAP
2026/09/15

No member of the verification team (stated above) has a business relationship with Shiva Pharmachem Limited stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

Shiva

12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara. Gujarat. 390023



+91-265-2321418 | 2335432



inquiry@shivapharmachem.eu



www.shivapharmachem.com