



TOGETHER, MOVING FORWARD



**Chemplast Sanmar Ltd
Chemplast Cuddalore Vinyls Ltd**

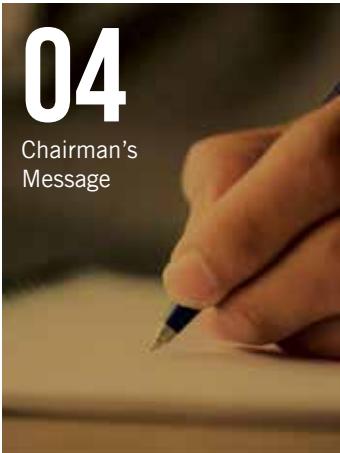
Sustainability Report 2020-2021

A photograph of six painted storks standing in shallow, rippling water. The storks have long legs, long beaks, and white plumage with black wing patches and orange-tinted faces and beaks. They are positioned in a semi-circle, facing towards the right side of the frame.

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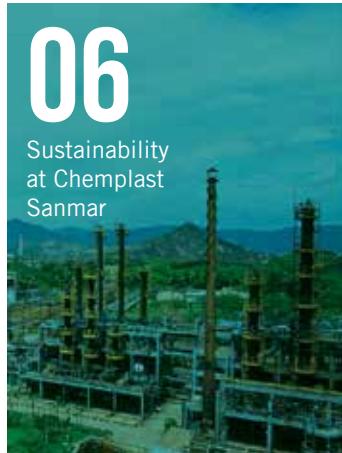


For the online version of this Sustainability Report please
log on to <http://www.chemplastsanmar.com/investor-relations.php>



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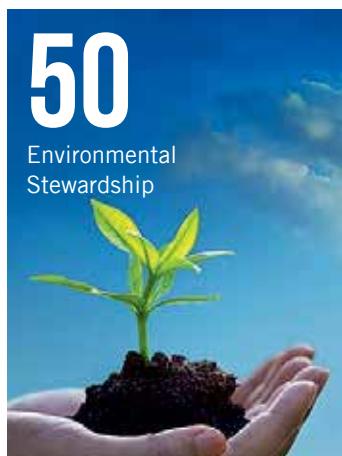
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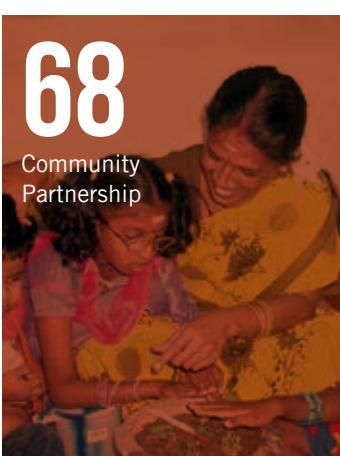
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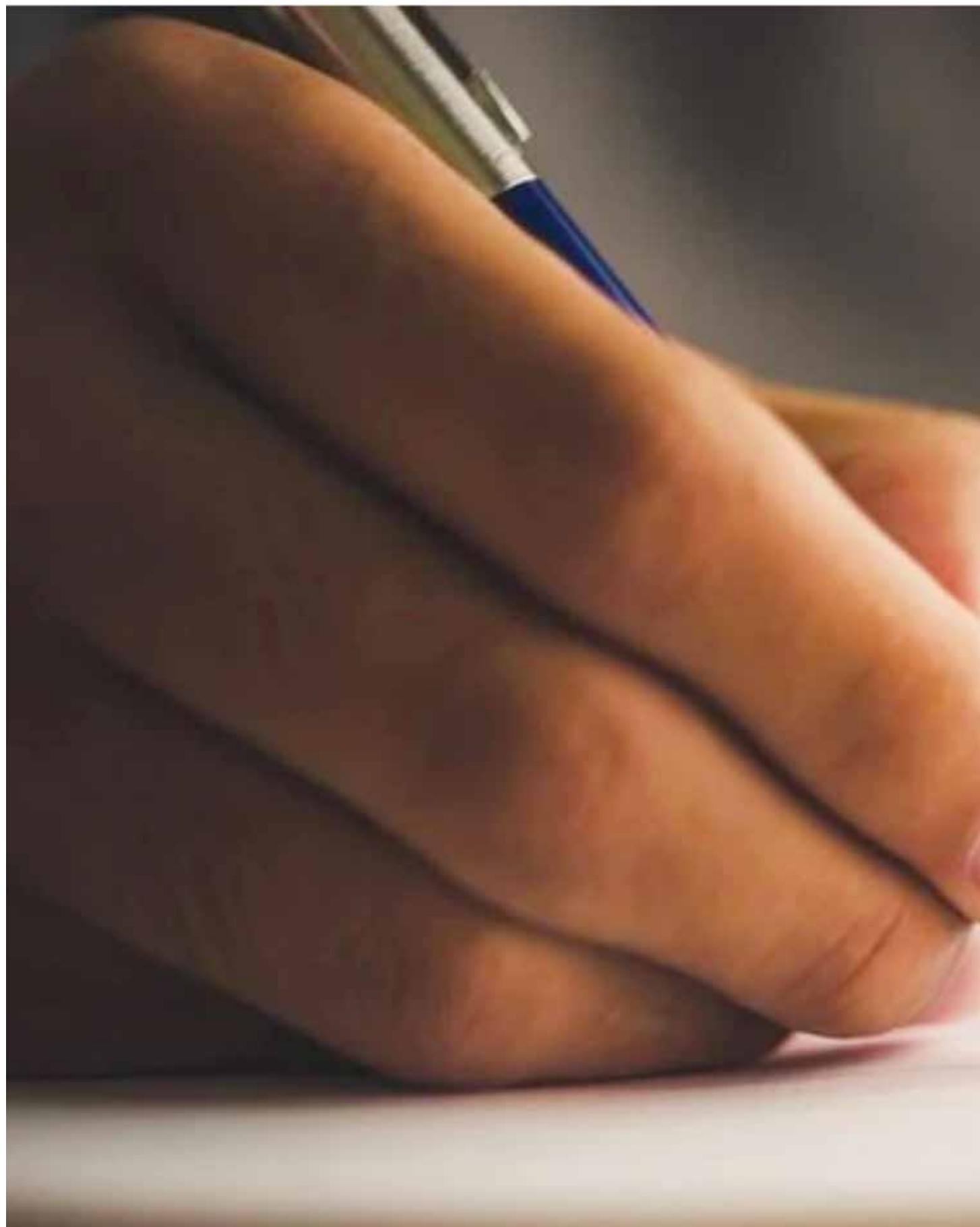
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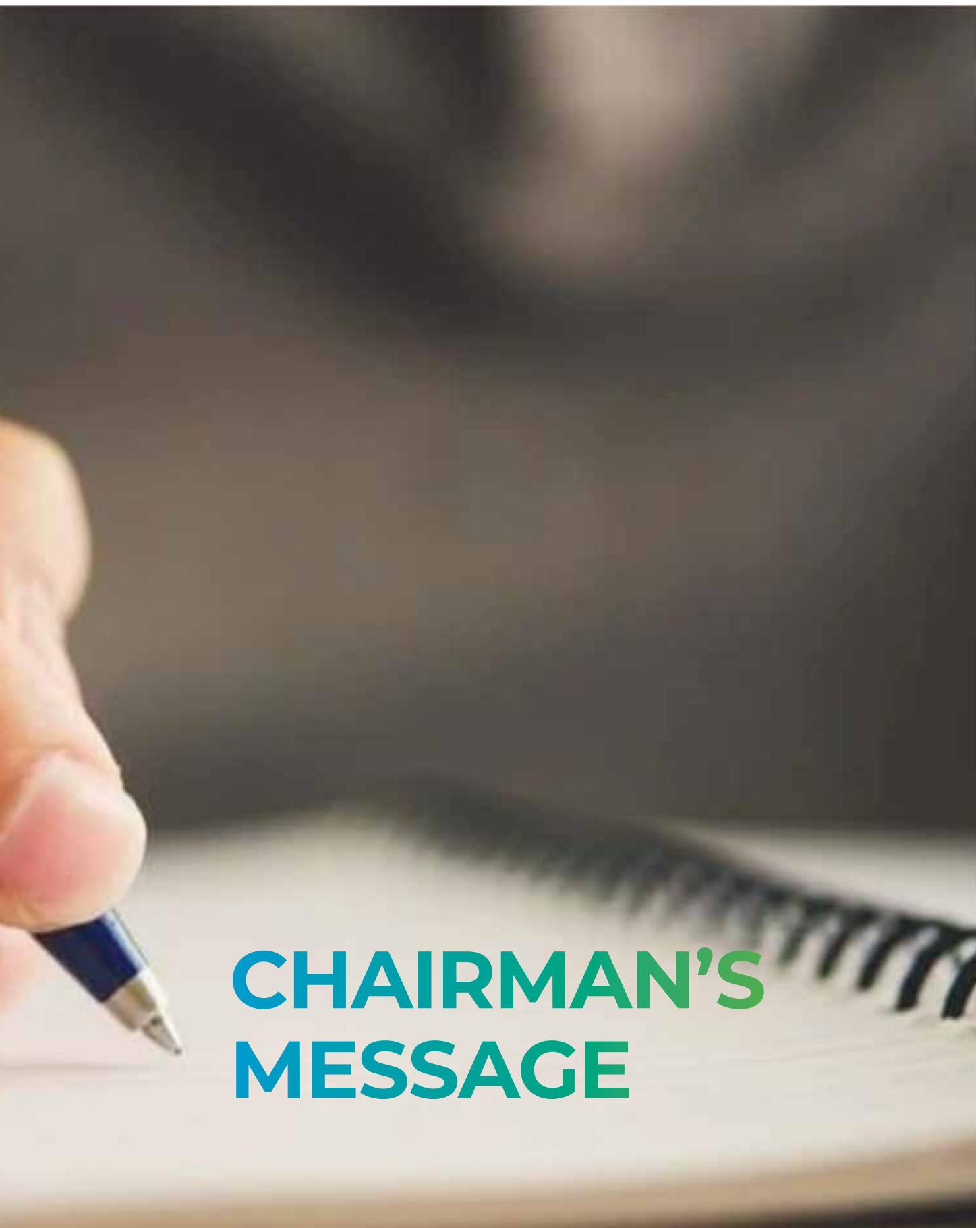


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Cover Photo: Greater Flamingos at the Sanmar-Nahar BNHS Vedaranyam Bird Sanctuary.





CHAIRMAN'S MESSAGE



Vijay Sankar, Chairman, Chemplast Sanmar Ltd.

Chairman's Message

**'Together,
Moving forward.'**

Dear Stakeholders,

I hope you and your family are safe. As we navigate through an unprecedented crisis, one thing is clear – we all have been impacted by COVID-19. The impact of this pandemic has been unparalleled and my heart goes out to all those who are grieving the passing away of their loved ones, to those who have lost their jobs, and to business owners who have been forced to shut down. 102-14

In the past, we have never been tested for demonstrating our resilience to this extent. Despite this, we have tackled the situation in a responsible way and achieved considerable growth while delivering value to our business partners. We have displayed agility and accelerated this transition, thereby further enhancing their confidence.

I must begin by thanking all our customers, employees, communities, and business partners, for their relentless support in these difficult times. Chemplast Sanmar is gratified by the proactive efforts demonstrated by all stakeholders associated with the organisation that have ensured swift adaptation to the dynamic working environment and continued creating value, even during these challenging times.

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The Covid-19 pandemic has exposed how vulnerable we are. It has triggered the deepest global recession since the Second World War¹ and decelerated the global economic activity due to the extended lockdowns and mobility curbs in most parts of the world. As a result, global economic output has contracted by nearly 3.3% in 2020. The economic impact of the pandemic has been more severe in developed countries, with economic output declining by about 4.7% during the same period. On the other hand, emerging and developing economies witnessed contractions, with an estimated output decline of about 2.2%.² The timeline of global economic revival remains uncertain due to the emergence of new virus strains in different parts of the world. However, the vaccination drive, along with the support of the Government, remains the key to navigating through the pandemic and associated uncertainties.

Considering the impact of the ongoing crisis, we are cognizant of our responsibility to grow as a leader and build a resilient business. With an endeavour to lead a systemic change in the chemical industry and accelerate growth, Chemplast Sanmar has set a new milestone this year. We have raised Rs.3,850 crore, through an Initial Public Offering (IPO), opening significant opportunities to progress. With this, we expect net debt levels to come down significantly. Currently, the demand for specialty paste PVC in India is estimated to be 1,43,000 tonnes annually and is expected to grow to around 1,85,000 tonnes by FY 2025.

Leveraging on this opportunity, we are all set to direct focussed efforts towards expansion in the coming years. In Speciality Paste PVC alone, we plan to invest about ₹256 crore to expand the production capacity by about 50%. In addition, we are also looking at a ₹340-crore investment in a multi-purpose facility for custom manufacturing business. The IPO is a significant step in strengthening the balance sheet of the company, both to handle the current uncertainties due to the pandemic and to prepare for the next phase of growth.

At Chemplast Sanmar, our actions are tied to our vision and values, helping us steer through any crisis and enable faster recovery. This is coupled with Sustainability - which is at the core of our business. In light of the pandemic, we are even more determined to continue integrating sustainable actions into our business strategy to build a resilient and agile business. Our determined ideas have come to life by collaborating with our employees, customers, local communities, and other stakeholders. Together, we have directed focussed efforts on strengthening sustainability, enabling safe operations, and enhancing the well-being of communities, thereby contributing to a more sustainable, safe, and healthy society. It is with vigour, hope and belief, that we shall together overcome the current crisis while creating larger milestones. With this in backdrop, we present to you the theme of this year's sustainability report:

"Together, Moving Forward"

Today we are witnessing turbulence in the wake of the ongoing pandemic that has brought about numerous

disruptions in business as well as day-to-day activities. We, however, took a pledge to emerge stronger together and work towards creating an even more resilient work environment with some of the best safety practices for all our employees.

Tackling COVID-19 through updated safety measures

To expand our safety standards and be ready for all eventualities, we have implemented several response measures and upgraded our Health & Safety Systems to effectively fight the impact of COVID-19 and curb its transmission. Mock-drills have been incorporated into our overall safety procedures. These drills involve identification of symptomatic persons, contact tracing, and implementation of corrective actions post identification. In addition, we have integrated the use of sanitization measures and safety precautions. We have also installed Ultraviolet Disinfectant Systems for small incoming

stationary as well as disinfection of our official as well as private vehicles plying daily. There is thermal scanning at the entrance, foot-operated sanitizer dispensers, social distancing, and staggered seating, among other safety measures. To aid all our efforts, we have carried out awareness campaigns to build a collaborative safety culture where each one of us take the shared responsibility to fight the pandemic.

**At Chemplast Sanmar,
our actions are tied to
our vision and values,
helping us steer through
any crisis and enable
faster recovery.**

Contribution to community relief efforts

We have been constantly playing our part in helping our community in every way we can, be it directly through CSR interventions or indirectly by collaborating with the local authorities. We have substantially contributed towards the procurement of medical and surgical equipment for government health centres organized food grains distribution during the pandemic for the local community. Apart from these, we have also contributed to the distribution of medical supplies, such as face masks, medicines, sanitizers as well as through the distribution of essential commodities.

Our 13th Sustainability report

Our 13th sustainability report gives insights into the various progressive steps and practises that we have adopted in the changing scenario to move forward, keeping our stakeholders at the centre. The report brings out the various learning that we have drawn from the ongoing pandemic and how we have embraced resilience in our day-to-day activities. It is true that the pandemic has impacted businesses all over the world, yet the strong belief in our people and communities has helped us sail through economically as well as with sustainability. We have set ourselves on the path to recovery, leveraging our company's strong, and growing business position. We would like to extend our gratitude to all our stakeholders and hope that you will continue to be a part of our sustainability journey as we reach new heights.

¹<https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>

²<https://fas.org/sgp/crs/row/R46270.pdf>

SUSTAINABILITY AT CHEMPLAST SANMAR





About the Report

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Chemplast Sanmar Limited and Chemplast Cuddalore Vinyls Limited (CCVL) are delighted to present their 13th Annual Sustainability Report for the financial year 2020-21 (hereafter referred to as the 'Reporting Period'). We embarked upon our sustainability journey more than a decade ago. We continue in our efforts to carve a sustainable future, to enhance trust and to create value for all our stakeholders. This report demonstrates our vision and provides a holistic overview of our sustainability performance so far, as well as what we strive to accomplish in the future. This is a clear reflection of our determined efforts to strengthen the Company's sustainability foundation and move forward in a collaborative way, while meeting the growing stakeholder needs in a dynamic external environment.

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The report has been prepared in accordance with the GRI Standards: Comprehensive option, for the third consecutive year. The previous report was released in 2020 covering the financial period 2019-20. The Limited Assurance for this sustainability report is provided by our assurance partner Ernst & Young Associates LLP.

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Scope and Boundary

The report provides an annual overview of our impacts and achievements for the year 2020-21. This report covers manufacturing units of:

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

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The information was sourced from all five manufacturing sites using representative sampling methods. The information/ data in the report primarily apply to the current reporting period. The collected and evaluated data was submitted to the external assurance provider for carrying out the assurance audit. The financial indicators covered in the sustainability report belong to Chemplast Sanmar Limited and Chemplast Cuddalore Vinyls Limited (CCVL).

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No information has been restated with respect to previous reports.

**For any clarifications on this report,
please reach out to:**

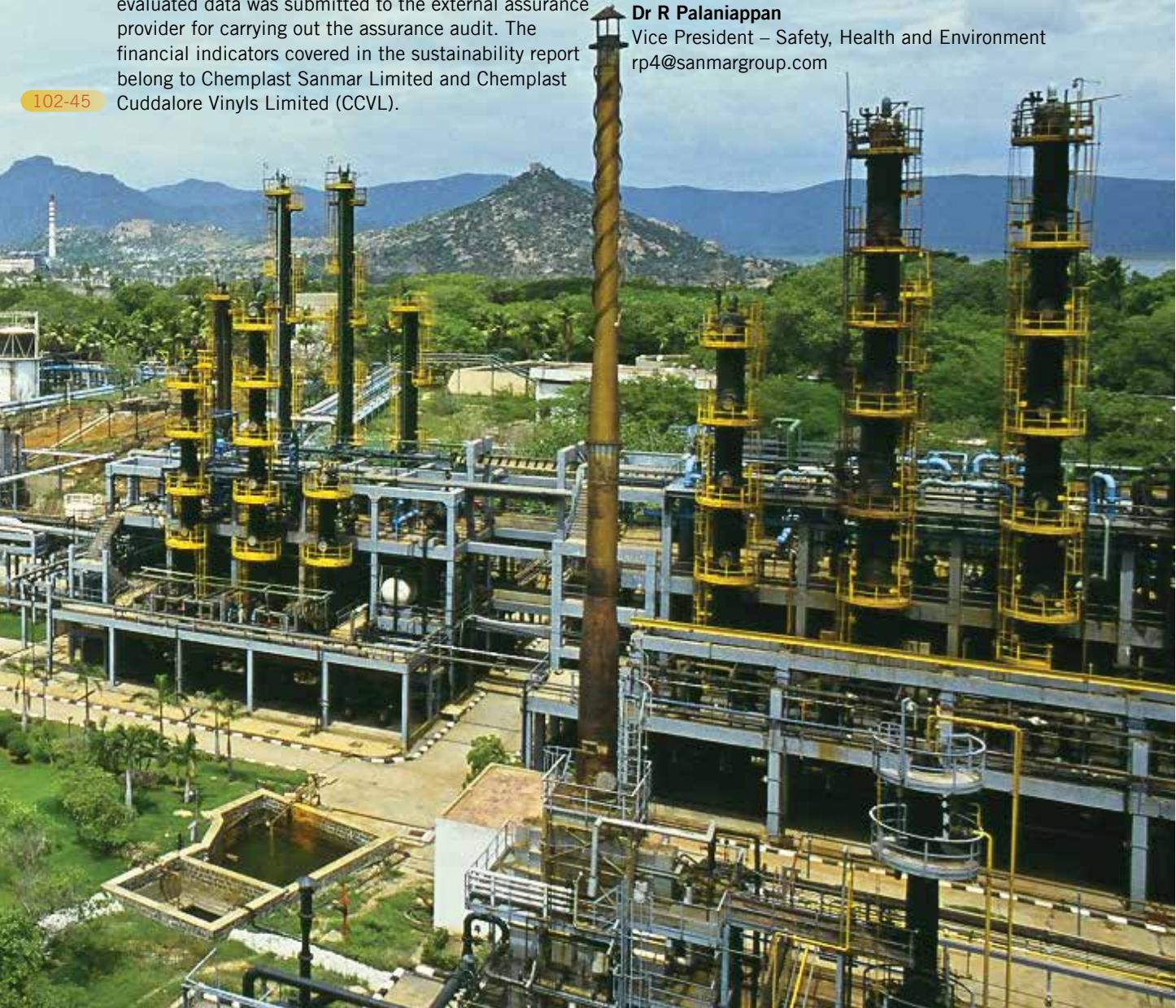
Ramkumar Shankar
Managing Director
chemplast_sustainability@sanmargroup.com

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**Executive level position with
responsibility for Sustainability**

Dr R Palaniappan
Vice President – Safety, Health and Environment
rp4@sanmargroup.com

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Our Companies and Products

102-1 Chemplast Sanmar was incorporated in 1967 as a flagship company of the diversified Sanmar Group. The Company is a leader in manufacturing PVC Resin, Caustic Soda, Chlorochemicals, Organic and Phytochemicals, Refrigerant Gas, Hydrogen Peroxide, Industrial Salt, and many other products. Chemplast Sanmar's production plants are located in Tamil Nadu at Mettur, Vedaranyam, Berigai, and at Karaikal, in the Union Territory of Puducherry. The Company is headquartered at 9, Cathedral Road, Chennai - 600086, Tamil Nadu, India.

In the year 2019, the Company started the manufacture of Hydrogen Peroxide at Mettur with an annual production capacity of 17,000 MT (100% basis). This facility utilizes

102-1 the Hydrogen produced from the Caustic Soda plant at Mettur. Last year, our Custom Manufactured Chemicals Divn., unit at Berigai (earlier known as Sanmar Specialty Chemicals), had become an integral part of Chemplast Sanmar.

102-1 Chemplast Cuddalore Vinyls Limited (CCVL), incorporated in 2019 as part of The Sanmar Group has one manufacturing unit at Cuddalore with an annual capacity production of 3,00,000 TPA of Suspension PVC.

102-1 The company is head quartered at 9, Cathedral Road, Chennai 600 086, Tamil Nadu, India.



Market Presence

We primarily cater to the Indian market with respect to PVC, Caustic Soda, Custom Manufactured products and others. Further, we continue to lead the market in Paste PVC and are the second-largest manufacturers of Suspension PVC in India. The Custom Manufactured Chemicals Divn., at Berigai cater mostly to the international market. There is a high demand for PVC because it is used to make a wide range of primary goods in agricultural and household applications. We consider this an opportunity and are striving hard to meet this demand. Hydrogen Peroxide, the newest product is sold to the paper/ pulp, dyeing, health care and water treatment applications in Southern part of India.

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Production

At Chemplast Sanmar and CCVL, our main products are Speciality PVC and Suspension PVC. The current capacity is 3,66,000 TPA, and our PVC Resin production in the reporting period FY 2020-21 was 3,22,655 TPA including production at Mettur and CCVL-Cuddalore.

Accolades



Our wholly owned subsidiary CCVL (Cuddalore) has been awarded the 'Sword of Honour 2020' in recognition of our commitment to excellent health and safety management. To compete for the 'Sword of Honour', we scored a five-star rating in the British Safety Council's health and safety management audit scheme for the period August 2019 - November 2020.

Additionally, our Mettur Plant-II facility has been awarded 5-star rating and our Berigai facility has received 4-star rating.



Our Mettur Plant-III was awarded a Silver EcoVadis Medal in the ECOVADIS international system evaluation recently. This result places our company among the top 25 percent of companies assessed by EcoVadis.

Manufacturing Capacity

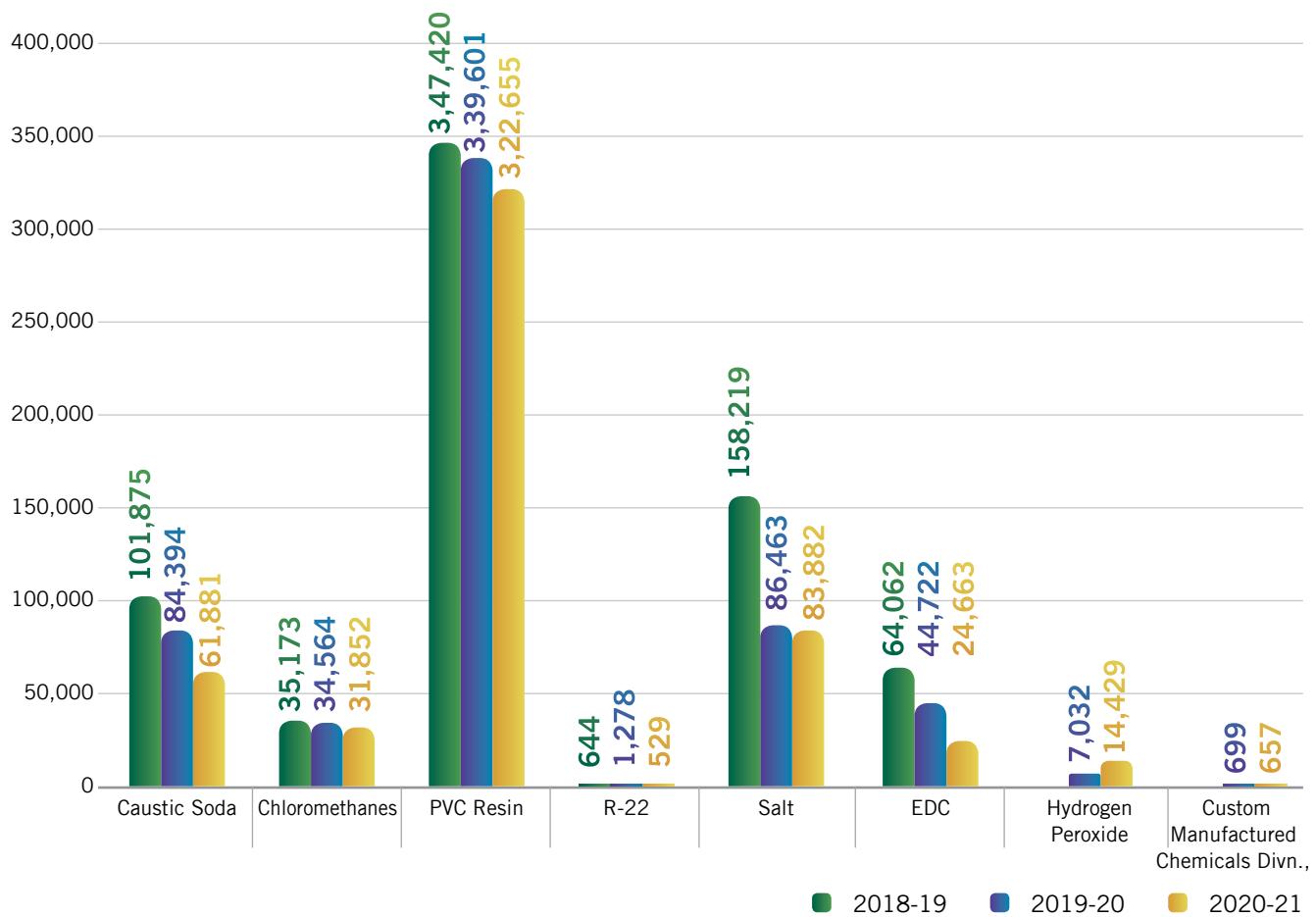
PRODUCT	LOCATION	UNITS	ANNUAL CAPACITY
PVC	Mettur	TPA	66,000
	CCVL-Cuddalore	TPA	3,00,000
EDC	Karaikal	TPA	84,000
CAUSTIC SODA	Mettur and Karaikal	TPA	1,19,000
CHLORINE	Mettur and Karaikal	TPA	1,05,000
CHLOROMETHANES	Mettur	TPA	35,000
SALT	Vedaranyam	TPA	4,00,000
REFRIGERANT GAS	Mettur	TPA	2,500
HYDROGEN PEROXIDE (100% BASIS)	Mettur	TPA	17,000
ORGANIC & PHYTOCHEMICALS	Berigai	TPA	1,080

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Scale of Production (TPA)

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Our production for the reporting period FY 2020-21 is summarised below.



Product Responsibility

We strongly believe in nurturing relationships with our customers to be a long-term and reliable partner of choice.

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Customer feedback is one of the key pillars that validate important decisions taken within the Company. For this purpose, we conduct a Customer Service Satisfaction Survey on an annual basis to assess the perception of the customers and cater to their evolving needs. The survey is instrumental in evaluating market demands by generating one-on-one feedback from customers on our products.

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In FY 2020-21, we have received 262 responses for our Customer Satisfaction Survey across our customer base for PVC Resin, Refrigerant Gas, Chloromethane, and Caustic Soda. Most of the customers responded as being "Totally Satisfied" while a small percentage responded, "Satisfied". Also, the Marketing and Technical Team of the Company is relentlessly working towards ensuring timely response or resolution of any customer queries received on our products.

416-1

We understand the criticality of providing adequate information about our products to our customers, to ensure

safety and transparency. We provide a comprehensive Material Safety Data Sheet (MSDS) for products, which includes data on product handling, delivery, storage, and emergency mitigation actions in the event of spillage and disposal. Product grades of PVC (K6701 and CP-124, 121 and 120) manufactured at Cuddalore and Mettur respectively, are in compliance with Substances of Very High Concern (SVHC) as per REACH regulation. REACH certification aims to improve the protection of human health and the environment from the potential risks posed by the production and use of chemical substances.

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Our environmental and social impacts are managed through established systems and certified by national and international bodies. We follow management systems, accredited to various international standards, to leave a positive impact on the environment and society through our products and services.

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Certifications and management systems

ISO 9000, ISO 14000, ISO 45000
Responsible Care



Mettur

ISO 9000, ISO 14000, ISO 45000,
Responsible Care



Karaikal

Responsible Care



Vedaranyam

ISO 9000, ISO 14000, ISO 45000,
Responsible Care



CCVL-Cuddalore

ISO 9000, ISO 14000, ISO 45000,
Responsible Care



Berigai

We are committed to conducting our business in line with applicable laws and regulations in the areas we operate. Therefore, there were no significant fines and non-monetary sanctions for non-compliance with environmental regulations during the reporting period. There has been no incidence of non-compliance with regulations or voluntary codes concerning the following activities:

- » Marketing communications including advertising, promotions, and sponsorship by the type of outcomes
- » Product and service information and labelling by type of customers
- » Health and safety impacts of products and services

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We have no history of legal actions for anti-competitive behaviour, antitrust or monopoly practices, and their outcomes, nor any significant monetary value of fines; and there has been zero non-monetary sanction for non-compliance with laws and regulations. We have not dealt in or sold any disputed or banned products. During the reporting period, there was no complaint on breaching customer privacy and loss of customer data.

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Memberships

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We aim to create shared value for all our stakeholders and play a pivotal role in the growth of the industry. We continuously engage with the industry and apex bodies to learn about latest developments in the industry, share best practices and incorporate new practices into our business model. We actively participate in several industry associations as highlighted below:



Indian Chemical Council



Chemical Industries Association



Madras Chamber of Commerce and Industry



National Safety Council



Alkali Manufacturers' Association of India



Indian Plastics Institute



Madras Management Association



FICCI



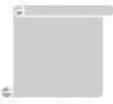
Confederation of Indian Industry

CII



ASSOCHAM

Association of Chloromethane Manufacturer



Refrigerant Gas Manufacturers' Association



Governance

Strong governance is fundamental to building a resilient business and driving success fairly and transparently. At Chemplast Sanmar and CCVL, we promote good governance practices that are built on the idea of demonstrating performance beyond compliance and transparent dialogue with stakeholders across all levels. We have developed a robust corporate governance system to ensure that the organisation is managed in the best interests of stakeholders. These include checks and balances that facilitate the Board of Directors to have adequate control

Our board of directors comprises of 4 directors in the age group 40-60 years, and 4 directors in the age group above 60 years.

Our Board of Directors is entrusted with the responsibility to ensure effective implementation of strategy, review financial performance of the companies, formulate broad operating plans and capital budgets, identify new opportunities, review developments in industrial and human relations, review environmental performance and compliance with all applicable laws, and risk assessment and mitigation procedures. Further, our Board of Directors comprises one female and seven male directors.

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We have formed various committees under the Board of Directors to ensure that various high-level strategies are executed efficiently, and operations run smoothly. A set of Board level committees such as, the Audit Committee, Nomination, and Remuneration Committee, Corporate Social Responsibility Committee, and Shareholders Transfer/investors Grievance Committee exist for the company. The board-level committees have a mix of talent and diversity.

During the current reporting period, there have not been any significant changes to the organisation size, structure, ownership, and its supply chain.

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and oversee activities in such a manner that management interests are aligned with those of the stakeholders.



Audit Committee

The Audit Committee ensures that the organisation is in alignment with corporate laws of the country and adheres to the SEBI guidelines established for its functioning, role, powers, and meetings as per the Companies Act, 2013.

Audit Committee Members

1. Sanjay Vijay Bhandarkar, Chairman
2. Vijay Sankar
3. Prasad Raghava Menon

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Nomination and Remuneration Committee

The Nomination and Remuneration Committee makes recommendations related to remuneration and the nomination process towards achieving higher ranks in the company. The Nomination and Remuneration Committee drives a process through which remuneration at various levels is maintained to the best of the industry standards and is also innovatively organised to assist, attract, and retain talent. The market compensation for various roles is determined annually (biannually at the highest level), along with the value of the person to the organisation based on efficiency, potential, criticality, etc.

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Nomination and Remuneration Committee Members

1. Aditya Jain, Chairman
2. Vijay Sankar
3. Sanjay Vijay Bhandarkar

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Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR) oversees the implementation of CSR activities, including identifying priority sectors, budget allocation, and grass-root implementation. The Committee supports in maximising shared value by giving back to the society through community initiatives. The Committee also ensures that we are aligned with the regulatory CSR requirement as provided in the Companies Act.

CSR Committee Members

1. Vijay Sankar, Chairman
2. Ramkumar Shankar
3. Dr Lakshmi Vijayakumar

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Shareholders/ Investors Grievance Committee

This Committee helps in enhancing engagement with our stakeholders and supervises the speedy management of their grievances or complaints.

Shareholders/Investors Grievance Committee Members

1. Aditya Jain, Chairman
2. Vijay Sankar
3. Dr Amarnath Ananthanarayanan

Risk Management Committee

The Risk Management Committee oversees the umbrella risk management policies for our companies along with the global risk management framework of our business. The committee also reviews the mitigation measures undertaken for each type of risk identified in the analysis.

Risk Management Committee Members

1. Aditya Jain, Chairman
2. Sanjay Vijay Bhandarkar
3. Vijay Sankar

Chemplast Sanmar Limited Board of Directors*

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**Vijay Sankar**

Chairman & Non - Executive Director

Ramkumar Shankar

Managing Director

Dr Amarnath**Ananthanarayanan**

Non – Executive Director

Chandran Ratnaswami

Non – Executive Director

**Aditya Jain**

Independent Director

Dr Lakshmi Vijayakumar

Independent Director

Prasad Raghava Menon

Independent Director

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CCVL Cuddalore Board of Directors*

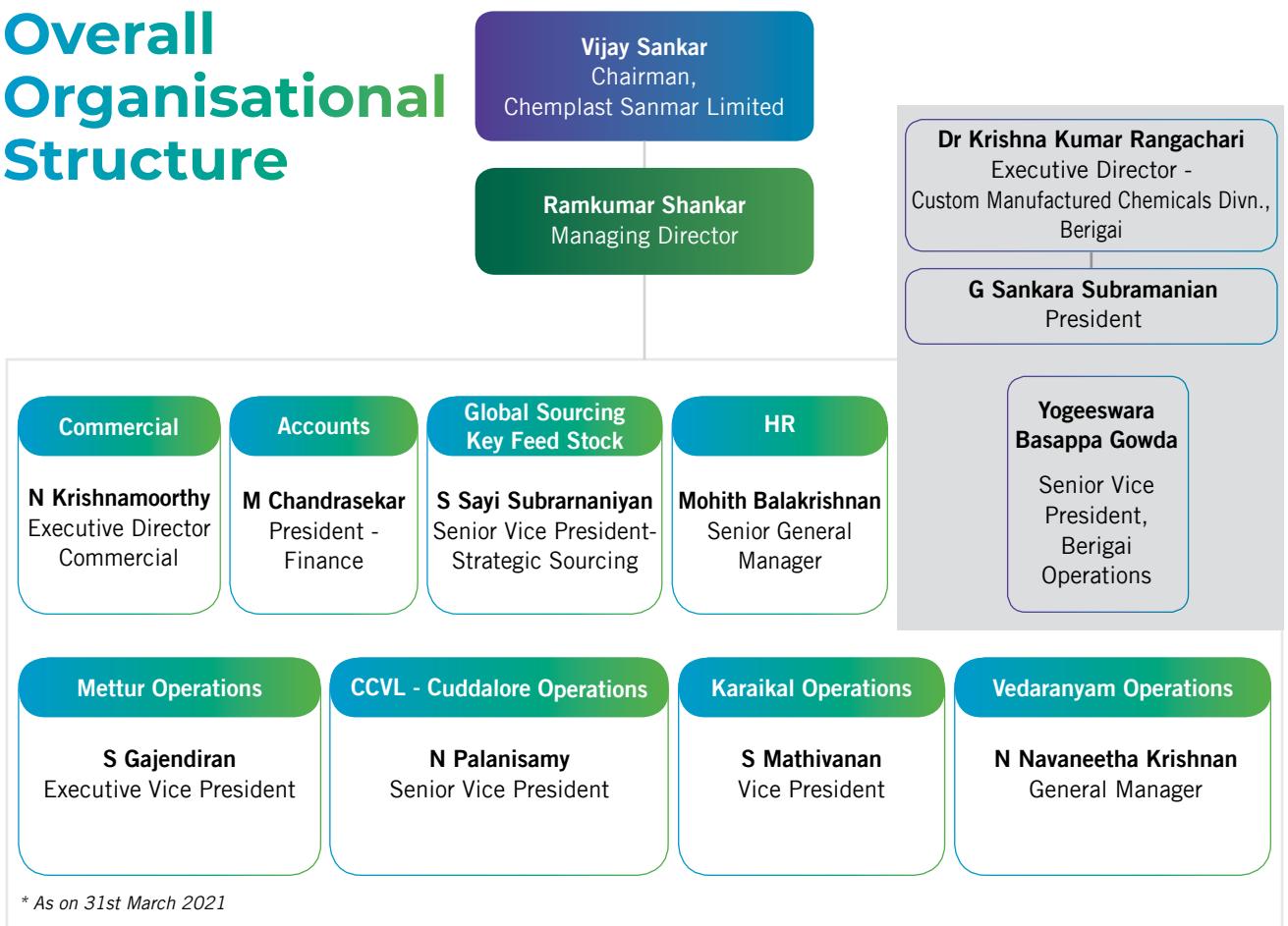
1. Ramkumar Shankar, Managing Director
2. Dr Amarnath Ananthanarayanan, Director
3. Aditya Jain, Independent Director
4. Dr Lakshmi Vijayakumar, Independent Director

102-25 Resolving any conflict of interest that arises from business operations is our priority. The Board of Directors approve all transactions entered with related parties after being ratified by the Audit Committee. The "Conflict of Interest" clause within the Code of Conduct Policy stipulates that "None of the Directors and/or Senior Management Executives and/or personnel will put himself/ herself in a position where there is a potential conflict of interest between personal interest and his/ her duty. None of the Directors and/or Senior Management Executive and/or personnel will exploit an opportunity arising while associated with the companies for his/ herself personal gain either directly or indirectly".



* With effect from 26th April 2021

Overall Organisational Structure



Supply Chain

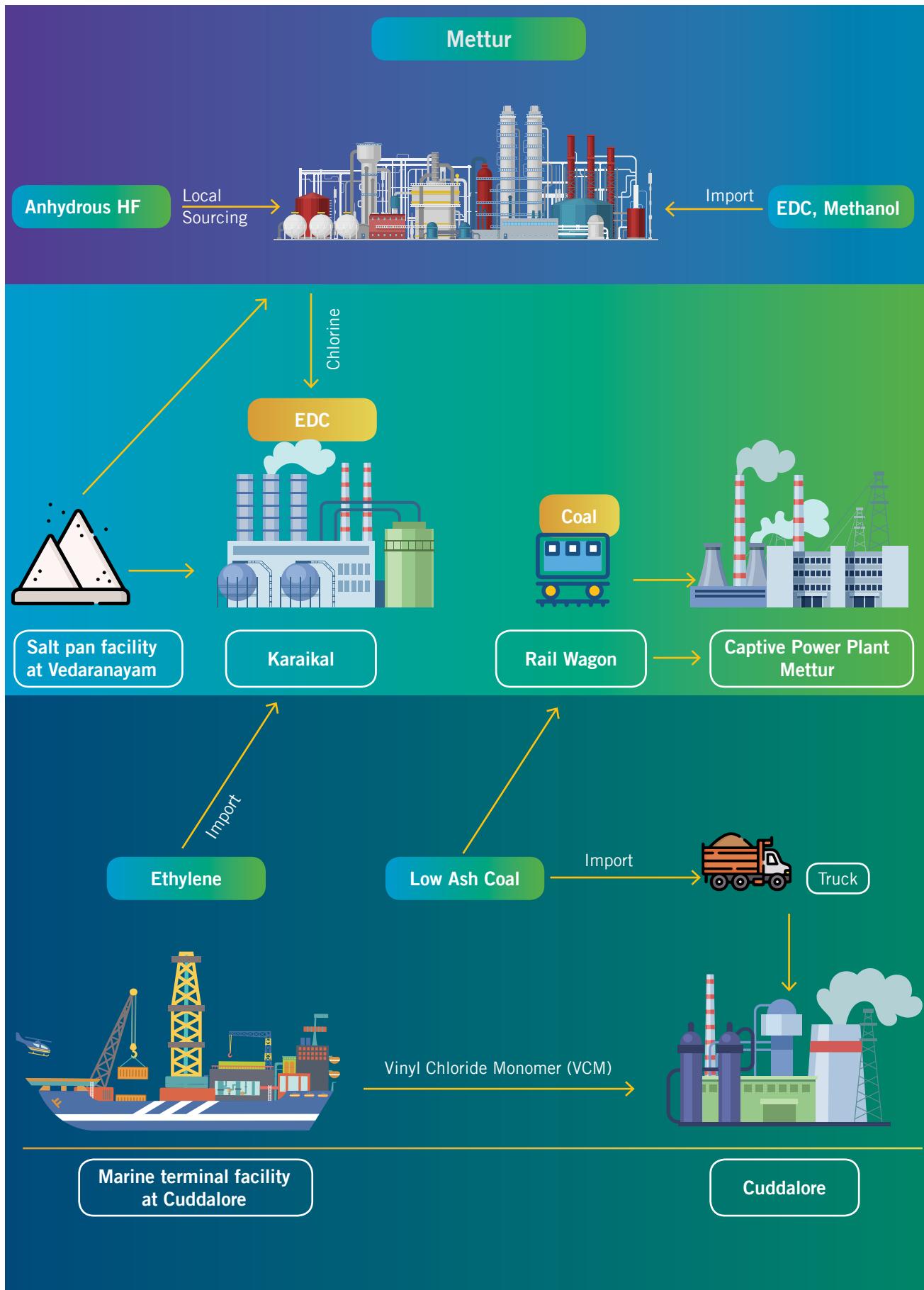
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We believe in building a long-term relationship with our suppliers and business partners. The Company directs concentrated efforts towards fostering its supply chain with high standards of business integrity, health and safety, human rights, and environmental protection, among other aspects. This considerably helps in mitigating the inherent risks associated with our complex supply chain, generating value for the Company and its business partners. In light of the pandemic, our focused efforts and hard work have helped us successfully overcome the challenges, ensuring business continuity through uninterrupted supply chain operations. We have undertaken numerous innovative and unique initiatives to work relentlessly to cater to the needs of our customers without hindrance.

We proactively engage, analyse, and evaluate the total social, economic, and environmental impact of

our procurement operations through the stakeholder engagement program. As part of this, we strive to educate our suppliers on an ongoing basis and proactively encourage them to share innovative ideas. With this, we strive to build an inclusive risk mitigation strategy and minimise the negative impacts on business, the environment, and society at large.

The strategic location of our plants significantly helps us reduce risk from external environments and builds reliance within the organisation. Our plants are in a cluster so that raw material and the by-products generated at one plant can be utilised as inputs by other plants. Through industrial symbiosis and exchange of materials, we have also reduced the waste generated at each site and enhanced the quality of raw material procured.

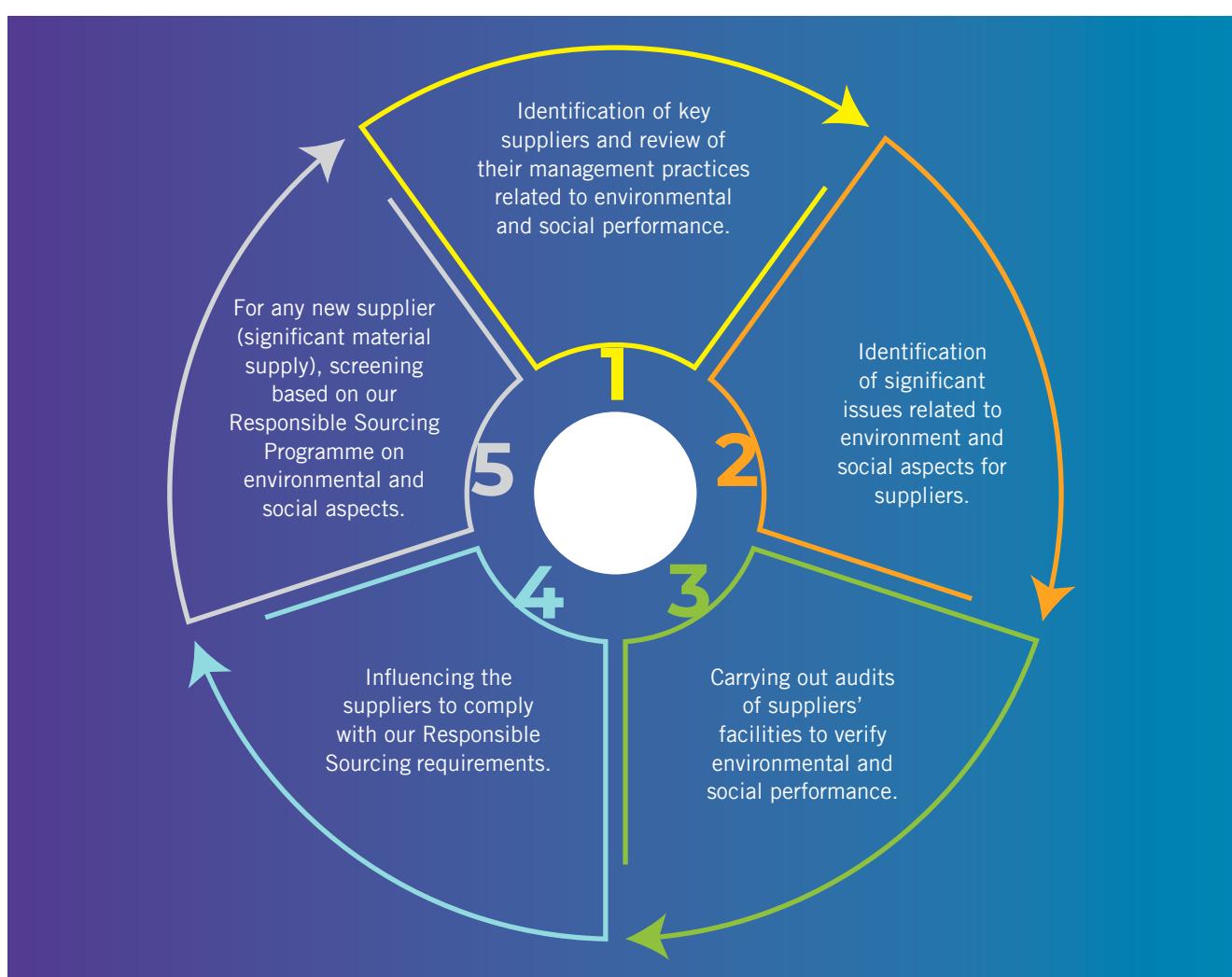


Through the Marine Terminal Facilities (MTF) at CCVL-Cuddalore and Chemplast Sanmar, Karaikal, Vinyl Chloride Monomer (VCM) and Ethylene are supplied to the PVC plant at CCVL-Cuddalore and Ethylene Dichloride (EDC) plant at Karaikal respectively. EDC, manufactured at Karaikal, is produced with imported Ethylene through the direct chlorination process. Mettur's VCM requirement is produced in-house using imported EDC and manufactured EDC from the Karaikal plant. The manufactured EDC from Karaikal is then transported to the PVC plant at Mettur, to manufacture PVC Resin. The Methanol required for Chloromethane manufacture at Mettur is sourced from overseas suppliers via ships, unloaded at the Kochi Port, and then transported to the Mettur facility. The salt required for manufacturing Caustic Soda and Chlorine at Mettur and Karaikal is supplied by the Salt Pans at Vedaranyam.

The key raw materials to produce Refrigerant Gas R-22 at Mettur are Anhydrous HF and Chloroform. Anhydrous HF is procured locally, and Chloroform is manufactured

in our Chloromethane facility at Mettur. Production of Hydrogen Peroxide requires Hydrogen and Oxygen. Hydrogen produced at the Chloralkali plant at Mettur is utilised for Hydrogen Peroxide production. Low ash and low Sulphur coal are imported for the operation of our captive power plant through ships, unloaded at Karaikal port and moved to Mettur through rail wagons. The coal is also moved from Karaikal to Cuddalore through trucks for the operation of the boiler.

We collaborate with suppliers, to make the supply chain more robust to current and future challenges. We carry out an assessment of capacity-building requirements and sustainability challenges faced by suppliers, and then work with them to strengthen their resilience. We have a robust system in place to ensure responsible and ethical sourcing. Our Responsible Sourcing Programme encapsulates key environmental and social aspects. The following steps are followed to ensure sustainability across our supply chains:



We engage with our suppliers on a regular basis and use a standard questionnaire to track their environmental and social impacts. In FY 2020-21, we solicited feedback from 42 important suppliers on their strategy, processes, and management systems (e.g., ISO 14001, ISO 45001, etc.), as well as prospective or existing environmental and social sustainability implications. We recognised possible hazards and formulated mitigation plans to address potential risks that may affect the business in the long run.



We proactively engage with our suppliers for integrating responsible sourcing and aligning with leading EHS practices. This is also coupled with continuous collaboration on initiatives undertaken by suppliers through personal interactions, discussions, visits to their facilities, and quarterly discussions. Our plan is to further scale-up this initiative and drive capacity building of our suppliers, thereby filling the gaps identified during their assessments.



Risks and Opportunities

Identification of risks and opportunities is a critical activity at the strategic as well as operational levels. It helps an organisation identify significant sources of risk, including those beyond the organisation's control. It is our endeavour to constantly improve our risk and opportunity management system and ensure we overcome challenging situations. We identify risks and opportunities not just in the context of the current socio-economic and regulatory environment, but also, in the context of how the environment is changing over time. The output and outcomes from the risk and opportunity assessment form an essential input to our materiality assessment and stakeholder engagement processes.

Our risk management process and procedures have significantly enhanced our preparedness to respond to the COVID-19 situation. For instance, our strong focus on monitoring the health and safety of our people and contractors within and outside our manufacturing plants allowed us to quickly evolve our monitoring protocols, safety measures, and guidance to deal with the pandemic.

We believe in the precautionary principle for the management of risk. In line with our environmental and social risk precautionary approach, we have proactively undertaken several initiatives, including desalination at shore-based operations, pipe-in-pipe system for VCM pumping line, utilisation of imported low ash/sulphur coal, conducting annual surveillance study near our operations, online proactive monitoring of storm water let out from the plants, introduction of various safety practices towards improving transportation safety, among others. Further details of our key strategies for addressing sustainability risks and opportunities are given in the next pages:

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ECONOMIC

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S.No.	Key Risks / Opportunities	Company strategy
1.	Sustaining leadership position in Paste PVC and Suspension PVC production	<ul style="list-style-type: none"> » Sustaining market leader position in PVC paste grade. » Capitalising on growing demand through differentiation and quality. » Customer relationship management to retain the customers » Increasing the shareholders' value. » Capitalise economies of scale with large volume of suspension PVC resin for CCVL from 3,00,000 to 6,00,000 MT/ year. » Minimising the costs by optimised sourcing.
2.	Minimising the energy cost through captive power and maximising the surplus power for export	<ul style="list-style-type: none"> » Investing in efficiency improvement initiatives at power generation units at Mettur and Karaikal (Coal & NG). » Increasing the share of renewable power. » Supplementing captive power with import from grid.
3.	Continuing our efforts to gain the leadership position in overall PVC market in India	<ul style="list-style-type: none"> » Enhancing the production to the approved level of 3,00,000 TPA at PVC facility at CCVL-Cuddalore and 66,000 TPA at Mettur by improving process efficiencies. » Plan to establish a green field paste PVC facility within another 2 years to further strengthen the leadership position.
4	Improving efficiencies of production apart from taking initiatives on energy conservation to sustain the contribution level	<ul style="list-style-type: none"> » Regular maintenance to ensure working capability of the production machineries (without any breakdown). » Operational review and energy audit to identify the bottlenecks. » Identification of energy conservation /saving programs for execution.
5	Improving power consumption in the Caustic manufacturing at Mettur and Karaikal plants for improving the economical contribution to the bottom line	<ul style="list-style-type: none"> » Implemented ZERO GAP technology at Mettur from the original technology provider and plans to extend the same to Karaikal soon subject to the sustainable outcome of the energy efficiency achieved at Mettur. » Identifying of potential energy conservation measures, deriving various initiatives and implementation of the same.
6	After carrying out the forward integration of Hydrogen to Hydrogen Peroxide to increase the revenue growth and bottom line	<ul style="list-style-type: none"> » Optimise the process of Hydrogen Peroxide production. » Maximise the production capacity to the approved level. » Improve the efficiency to reduce the manufacturing cost.
7	To be the supplier of choice in the products that we supply to Agro majors – Custom manufacturing	<ul style="list-style-type: none"> » Excellence in SHE system. » Cost competitive operation. » Meeting and exceeding quality requirements. » Technically adept to changes. » Responsive to changing customer needs.
8	Continuously look for newer opportunities in Agro domain	<ul style="list-style-type: none"> » Invest in R&D. » Invest on new assets & develop new capabilities. » Invest in talented human resources, to be able to identify opportunities and deliver on time.



ENVIRONMENT

S.No.	Key Risks / Opportunities	Company strategy	102-15
1.	Sustaining Zero Liquid Discharge (ZLD) status for all the locations	<ul style="list-style-type: none"> » Continuous improvement in operational efficiency in our Zero Liquid Discharge plant. » Exploration of opportunities to reduce evaporation costs. » Increasing rate of reuse and recycling of effluent. » Reduction of effluent generation quantity at the source. 	
2.	Coping with the more stringent emission level and other regulatory standards imposed by the regulating authorities	<ul style="list-style-type: none"> » Several improvement schemes to reduce emission level much lower than the compliance norms for statutory level of emissions. » Investment in efficient system/ process that mitigate environmental risks in the long term. » Utilisation of low Sulphur coal to meet the recent stringent SO₂ emission level stipulated by the regulating authorities. 	
3.	Effective waste management	<ul style="list-style-type: none"> » Incineration of organic waste generated from VCM plant and Chloromethane plant in a captive incinerator. » Waste reduction initiatives to reduce waste at the source. » Continued sourcing of low ash coal for the power plant to reduce the Fly Ash generation. » Utilisation of common waste disposal facility for the future to reduce the environmental liability. » Company has started disposing its Brine Sludge waste in common facility (TSDF) instead of captive secured landfill. 	
4	Effective water management	<ul style="list-style-type: none"> » Rainwater harvesting during the rainy season and use it for the plant's daily water requirements. » Company reuses more than one third of the water consumed at Mettur. » Zero dependence on ground or river water sources at CCVL-Cuddalore due to our desalination plant. » Established raw water bulk storages of 75,000 KL capacity at Mettur location to combat uncertain water availability during the summer season. » Company initiated measures to collect the roof water in all plants at Mettur and recycle as an alternate source of water. 	
5	Managing impacts of water stress on local communities	<ul style="list-style-type: none"> » Supply of potable water to local communities in and around Mettur to the tune of 25-30 % of the total water withdrawal. » Continuous financial support towards desilting of lakes and water storage facilities. 	
6	Reducing Carbon footprint of our operations	<ul style="list-style-type: none"> » Adoption of energy efficient measures / technologies. » Use of alternative fuels and renewable energy. » Incineration of R-23 in a captive incinerator to prevent high GWP gases which could cause global warming. » Use of Hydrogen gas and natural gas as clean sources of energy, instead of fossil fuels. » Monitoring of Scope III energy and initiation of strategic actions to reduce the carbon footprint of operations in the value chain. » Installation of microturbine at Coal Power plant to sustain conservation of energy. » 'Work from Home' policy adoption due to COVID-19 pandemic also helped towards reducing Scope III emissions. 	

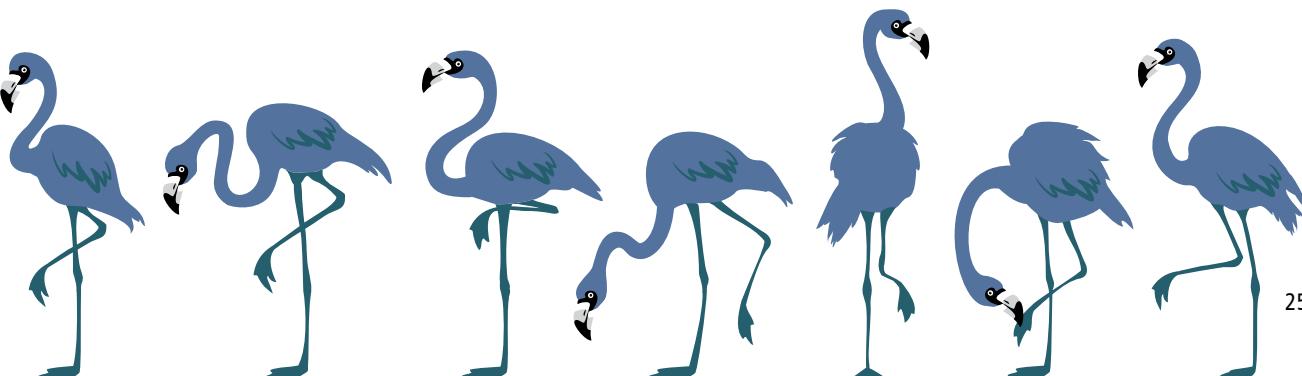
S.No.	Key Risks / Opportunities	Company strategy
7	Financial Impact due to climate change	<ul style="list-style-type: none"> » Climate change is a potential threat to sustainable development. Incidence of sea level raise, changes in precipitation, extreme weather and water scarcity are the impacts and are becoming evident. In the long run, sea level raise may have an impact on our raw material procurement at our Marine Terminal Facilities at Cuddalore and Karaikal. We recognise such risks and are committed to develop strategies to address any such impact.

201-2



S.No.	Key Risks / Opportunities	Company strategy
1.	Minimise Health Safety and Environment risks of employees and near-by communities	<ul style="list-style-type: none"> » Responsible Care code of practices to reduce HSE risks. » Regular safety training, audits, and initiatives to improve the management of safety. » Formulation of strategic plan to reduce the transport incidents and thus to improve chemical transportation safety aspects.
2.	Being a chemical company, the transportation safety of the finished product is the key factor - to minimise the impact to the society during the transport of the materials	<ul style="list-style-type: none"> » Implemented several safety practices for combating the risks associated with transport safety. » Installed GPS system for vehicles which carry hazardous chemicals namely EDC, Chlorine, Chloromethane, Caustic Soda, acids, and Methanol to monitor the movement of the vehicles. » Introduced safety measures like journey risk management, defensive driving, fixing of useful life period for transport vehicle, safety video for transport crews etc. to improve transportation safety. » Joined "Nicer Globe", a Responsible Care initiative promoted by Indian Chemical Council on transport distribution safety, emergency response and transport security.
3.	Potential/ actual negative impacts due to chemical operation to the near-by areas	<ul style="list-style-type: none"> » Annual environmental surveillance to monitor the air/water and soil in the surrounding areas of operation. » Engagement with MoEF & CC approved agency for environmental surveillance system to exclude the possibility of "signature presence" of chemicals in the operation as raw material/intermediate product/final product. » Company has implemented LDAR system for reducing the fugitive emissions of targeted chemicals (e.g. Vinyl Chloride) into the environment.
4	Addressing the actual needs of local communities	<ul style="list-style-type: none"> » Prioritisation of CSR programmes based on the needs of the local communities. » Regular feedback and grievance mechanism from beneficiaries to ensure effectiveness of the programmes.

102-15



Materiality

Identification of key material aspects provides us with a better understanding of our business impact on stakeholders and vice versa. It forms the foundation of our strategic priorities across environmental, social and governance aspects. We follow a holistic approach to identify the key material issues critical to the Company and its stakeholders. Our materiality assessment encompasses a structured and inclusive process considering a combination of internal and external factors.

102-42

102-46

We conducted a detailed materiality review in FY 2020-21 for our major business areas. The study aimed to identify the Environmental, Social, and Governance (ESG) themes that are most relevant to our stakeholders and critical to the long-term performance of Chemplast Sanmar and CCVL as a group. We have considered the concerns of various stakeholders and organisation's perceived risks and opportunities. Our approach is illustrated below:

102-42



Identification of key stakeholders:

For evaluation of materiality, we have considered stakeholders who are directly and indirectly impacted by our operations. The purpose is to consider concerns of all significant stakeholders and make them a part of the organisation's approach to sustainability reporting.



Assessment of responses:

Based on the responses, the draft of materiality matrix is developed which captures the importance of sustainability aspects from stakeholders and business perspective.



Materiality workshops:

We organise workshops with key stakeholders to identify the topics for extensive assessment of our materiality. We also include the concept of materiality and designed questionnaires to sample stakeholders in each group to obtain a quantitative rating of sustainability topics based on stakeholder views.



Finalisation of materiality matrix:

Based on validation of the draft materiality matrix against questionnaire responses from stakeholder groups and inputs from the Materiality Analysis Committee, the materiality matrix is finalised.



102-40 While preparing our materiality matrix, we considered inputs from all our stakeholders including regular employees, contract employees, suppliers, customers, and regulators, through workshops and questionnaires. During the materiality assessment workshops, we provided insights into the purpose of carrying out the exercise, the GRI framework for sustainability reporting, and the relevance of each of the sustainability topics (reported according to GRI Standards) for our organisation. We asked workshop participants to rate each sustainability topic on a scale of 0 to 5, to indicate its importance/relevance to them.

To identify the importance of each sustainability aspect from a business perspective, we also carried out similar workshops with our Materiality Analysis Committee.

The responses from all stakeholders were collated to devise a materiality matrix, mapping out the key material sustainability topics for the Company.

After deliberations with representatives from respective businesses and other stakeholders, we have identified 38 material topics for our business. We have summarised our management approach in the Chapter - "Description of Management Approach". As no significant difference has been noted in the Materiality Assessment, it has been decided to carry out this exercise once in three years instead of every year. The scope and topic boundaries remain consistent with the previous reporting period. Details are highlighted below:

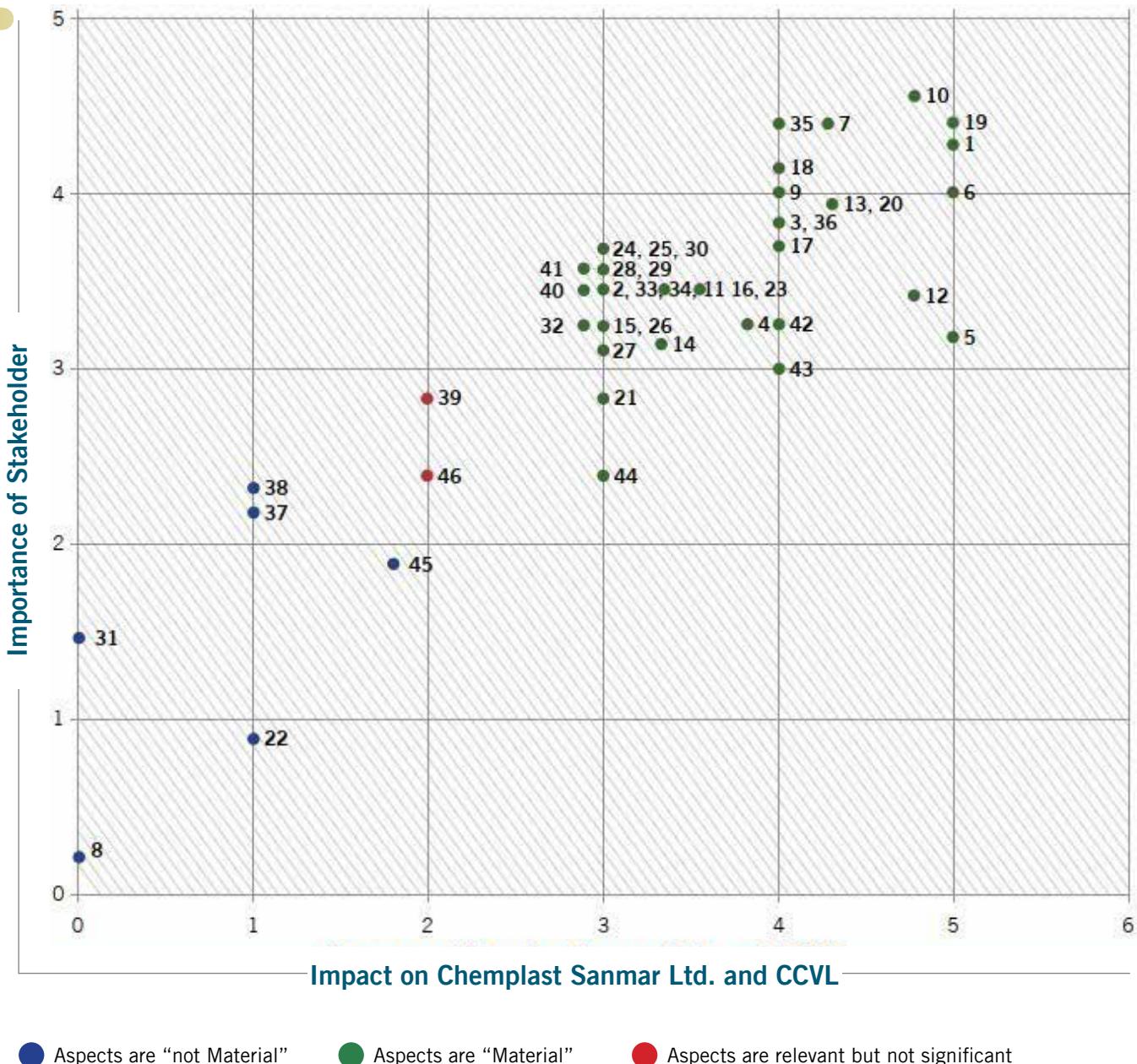
S. No.	Sustainability Topics	Boundary
1.	Economic performance	Within
2.	Market presence	Within
3.	Indirect Economic performance	Within
4.	Procurement practices	Within
5.	Material usage	Within
6.	Energy	Both
7.	Water withdrawal	Both
8.	Biodiversity	Within
9.	Emission	Both
10.	Effluent & Wastes	Within
11.	Product & Services	Within
12.	Compliance	Within
13.	Transport	Both
14.	Environmental expenditure	Within
15.	Supplier environmental assessment	Outside
16.	Environmental grievance mechanism	Both
17.	Employee turnover, benefits	Within
18.	Labor management relations	Within
19.	Occupational Health & Safety	Within
20.	Training & Education	Within
21.	Governance & employee diversity	Within
22.	Equal remuneration – men & women	Within
23.	Supplier assessment on labour practices	Outside
24.	Labour practices grievance mechanisms	Within
25.	Significant investment agreement & contracts	Within

S. No.	Sustainability Topics	Boundary
26.	Non-discrimination	Within
27.	Freedom of association & collective bargaining	Within
28.	Child Labour	Within
29.	Forced and compulsory labour	Within
30.	Security Practices	Within
31.	Indigenous rights	Within
32.	Human rights reviews / impact assessment	Within
33.	Supplier human rights assessment	Outside
34.	Human Rights grievance mechanisms	Within
35.	Local communities	Within
36.	Anti-corruption	Within
37.	Public policy	Within
38.	Anti-competitive behaviour	Within
39.	Compliance (laws & regulations)	Within
40.	Supplier assessment for impacts on society	Outside
41.	Grievance mechanism for impacts on society	Within
42.	Customer Health and Safety	Within
43.	Product & Service Labelling	Within
44.	Marketing communications	Within
45.	Customer privacy	Within
46.	Compliance (products & services)	Within

 Relevant but not significant

 Not material

Materiality Analysis





Stakeholder Engagement

To thrive in a changing environment, we must adapt and respond to the challenges that are most important to our stakeholders and businesses. Understanding these challenges allow us to establish our strategic priorities and report on topics that are most important to our stakeholders.

Our strong relationship with our stakeholders enables us to understand and respond to their interests and expectations. It forms a core for building long-term relations, thereby effectively delivering on our strategy. Our commitment

and constant endeavour to build a long-term relationship with our stakeholders have helped us respond to the challenges of the COVID-19 pandemic. Stakeholders' views and suggestions are encouraged, and the issues raised by them are addressed on time through our internal systems. We regularly engage with our key stakeholders through a consistent channel of communication. We have diversified stakeholder engagement programs that include formal and informal modes of communication.

The key stakeholders for our company include investors, employees, suppliers, transporters, customers, local communities, regulating authorities, and local bodies/administration. The engagement mechanism we follow for different categories of stakeholders is summarised below:

102-42
102-40

Stakeholders	Engagement mechanism	Notable initiatives	
Near by communities	<ul style="list-style-type: none"> » Need-based regular interaction by public relations function and discussion/meeting with community representatives » Open dialogue with local communities » Survey to derive the priorities on community development initiatives/ programmes » Celebration of cultural festivals/occasions 	<ul style="list-style-type: none"> » Several welfare schemes were implemented in schools at Mettur » Extended financial assistance to the tune of Rs 10 lakhs for improving infrastructure at schools » Provided students of the school with books, libraries, and cupboards » Competitive examination preparation books were presented to Netaji Subhash Chandra Bose Public Welfare Association, Semmankuppam, Cuddalore » Encouraged sports skills of rural students and distributed outdoor sports materials including Volleyball, Football, Basketball, Chess, Cricket, Shuttlecock, Badminton etc. » Installed outdoor equipment in three primary schools » Donated three air conditioner units with stabilizers to the Government General Hospital's Maternity ward » Provided financial contribution towards infrastructure development of Chithirapettai and Semmankuppam schools » Contributed donations towards temple festivals » Contributed Rs 3 lakhs towards development of a playground and park for children at the Armed Reserve Police Quarters, Cuddalore » Provided financial assistance towards procurement of a submersible pump for providing safe drinking water to the children of Government Higher Secondary School, Poondiyankuppam, near Cuddalore 	<p>102-40 102-44 102-43</p>
Government and regulatory authorities	<ul style="list-style-type: none"> » Monthly inspections » Periodical reports » Regular interactions/ review 	<ul style="list-style-type: none"> » Routine compliance with rules, regulations, and stipulations » Submission of monthly/semi-annual/yearly reports and returns » Immediate response by way of corrective actions on issues raised by government/regulatory authorities » Coordination of monitoring studies/ survey programmes with regulatory authorities » Carrying out risk control programmes like process safety analysis, environmental audits, health studies with the help of an approved external organisation as per regulatory authorities' requirement and complying with their recommendations » Carrying out the training programmes in partnership with the regulatory authorities for the small/ medium scale chemical manufacturing/user units on chemical handling, chemical safety, emergency response and product stewardship 	<p>102-40 102-44 102-43</p>
Employees	<ul style="list-style-type: none"> » Intranet facilities » Monthly reports » Internal magazines » Communication meetings » Training programmes » Drills 	<ul style="list-style-type: none"> » Internal magazine – Scribbles » Quarterly in-house magazine – MATRIX » Risk control programmes » Internal communication e-newsletter “Libretto” » Recognition for best performance on annual basis » Suggestion scheme » Quality Circles and 5S activities » Knowledge sharing programmes 	

Stakeholders	Engagement mechanism	Notable initiatives	
Customers	<ul style="list-style-type: none"> » Discussions » Personal interactions on an ongoing basis » Plant visit 	<ul style="list-style-type: none"> » Customer satisfaction survey » Quick response for customer complaints » Arranging of plant visits » Correspondence with customers » Customer audit 	102-40 102-44 102-43
Suppliers/ transporters	<ul style="list-style-type: none"> » Discussions » Personal interactions on a regular basis » Plant visit » Quarterly transporters meet 	<ul style="list-style-type: none"> » Supplier meets » Drivers and cleaners training programme for safe transportation and emergency response » Visit of the suppliers/service providers facility » Quarterly discussions, implementation and follow-up on recommendations related to transport safety issues » Correspondence with the transporter on safety performance of transport vehicles daily » Inspection and briefing on safety aspects to the crew members of hazardous goods transport 	
Media	<ul style="list-style-type: none"> » Advertisements » Press conference » Interviews of senior management 	<ul style="list-style-type: none"> » Publicising Company related matters » Releasing/ publishing of annual sustainability report under triple bottom line approach 	
Contract labours/ supervisors	<ul style="list-style-type: none"> » Induction training » Training programme on various safety topics » 'Toolbox' » Fire drills » Emergency response training 	<ul style="list-style-type: none"> » Recognition for safety performance » Chemplast Sanmar Plant II and Plant III received the Occupational Health, Safety and Environment "Star Award" for 2018 from the National Safety Council (NSC) - Tamil Nadu Chapter in 2020. » Recognition for valuable suggestion/ performance during the drill or an emergency » Reporting of workplace hazards/near-miss incidents » Involvement in the safety committee meeting » Chemplast Cuddalore Vinyls Ltd received British Safety Council's 'Sword of Honour' award. » Chemplast Sanmar, Mettur Plant II, received British Safety Council's 'Five Star' grading and Custom Manufactured Chemicals Divn. of Chemplast Sanmar Ltd received the British Safety Council's 'Four Star' grading. » Achieved 'Efficiency in Water' and 'Excellence in Safety' awards in Chemical Sector » Indian Chemical Council awarded the "Responsible Care" Logo to Chemplast Sanmar Ltd, Custom Manufactured Chemicals Divn. and Chemplast Cuddalore Vinyls Ltd. 	



A photograph of a large, multi-decked ship, likely a gas carrier, docked at a port. The ship is painted red and white. In the foreground, there are industrial structures, possibly part of a gas terminal, with a sign that includes the word "gas". The sky is clear and blue.

**ECONOMIC
VALUE**

Our performance

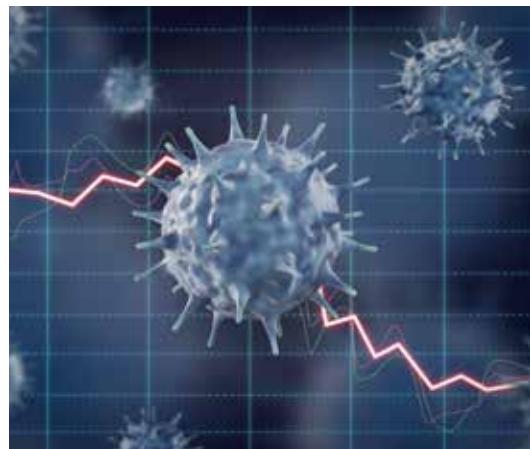
A five-decade-long legacy built on a robust foundation has helped us emerge as one of the market leaders in the Indian chemical industry in Speciality and Suspension PVC, Chlorochemicals, and Custom Manufactured Chemicals. We have utilised the skills and experience acquired over the years in the best of ways. Consequently, we have been able to intertwine our economic success with our responsibility towards the environment and people involved in our business at each step.

Looking towards the future, we have visualised a growth for our companies that stems from principles of sustainability and their adoption in our daily business practices. In this regard, our aim is to make use of constant innovation in the aspects of our strategy and operations.

The tenets of sustainable practices, innovation, and responsibility that we have bestowed upon ourselves need to be backed by equally consistent economic performance. Our revenues were stable in the last two years and we witnessed significant revenue growth in the current reporting period.

The year 2021 has been a landmark year for us. With an endeavour to accelerate growth, the Company has gone for an Initial Public Offering (IPO) of Rs 3,850 crore. The fresh issue will be utilised towards paying back debt, leading to significant cost savings for the company. This will help us aid the next phase of growth. In the next three years, we plan to invest about Rs 620 crore in expansion and development initiatives.

Our economic performance which is presented below stands testament to the shared value we create for our stakeholders.



IMPACT OF COVID 19

During the year, lockdown measures due to COVID-19 led to demand and supply disruption, resulting in unfavourable market conditions. Short-term impact on financial performance was expected; however, we were well-equipped to handle the crisis.





Revenue for FY 2020-21 (INR in Millions)

201-1

**DIRECT
ECONOMIC VALUE
GENERATED**

12,945.49

CHEMPLAST SANMAR

25,213.43

CCVL

**ECONOMIC
VALUE
DISTRIBUTED**

14,176.73

CHEMPLAST SANMAR

26,224.41

CCVL

102-7



Financial Indicators for FY 2020-21 (INR in Millions)

**INTEREST
& FINANCE
CHARGES (i.e.,
LENDERS &
PARTNERS)**

2,536.69

CHEMPLAST SANMAR

1,796.93

CCVL

**MATERIAL
& SERVICES
PURCHASE (i.e.,
SUPPLIERS)**

8,682.76

CHEMPLAST SANMAR

18,662.55

CCVL

**COMMUNITY
DEVELOPMENT
(i.e., SOCIETY)**

50.52

CHEMPLAST SANMAR

3.42

CCVL

**CONTRIBUTION TO
NATIONAL EXCHEQUER,
THROUGH TAXES
& DUTIES (i.e.,
GOVERNMENT)**

2,664.10

CHEMPLAST SANMAR

5,023.06

CCVL

**PERSONNEL COST & CONTRIBUTION
TO EMPLOYEE GRATUITY FUND
(i.e., EMPLOYEES)**

778.92

CHEMPLAST SANMAR

367.27

CCVL

201-4

In the reporting period, the companies did not receive any financial assistance from the government.

Economic value distributed to Suppliers for FY 2020-21 (INR in Millions)



**PROCUREMENT
FROM
INTERNATIONAL
MARKETS**

5,099.56
CHEMPLAST SANMAR
17,654.89
CCVL

**PROCUREMENT
FROM LOCAL
MARKETS**

3,583.20
CHEMPLAST SANMAR
1,007.66
CCVL

**PURCHASE OF
MATERIALS AND
SERVICES FROM
SUPPLIERS**

8,682.76
CHEMPLAST SANMAR
18,662.55
CCVL

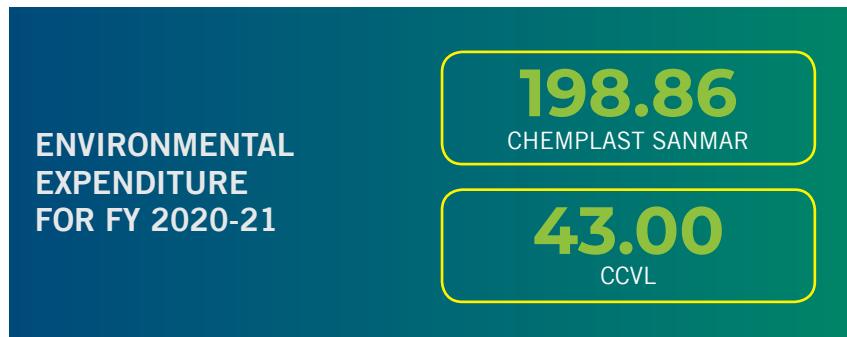
**PERCENTAGE
OF LOCAL
SUPPLY OF
MATERIAL AND
SERVICES**

41%
CHEMPLAST SANMAR
5.40%
CCVL



Environmental Expenditures

Taking cognizance of the type of industry we operate in, it becomes important for us to carefully monitor each aspect of our production value chain. Further, we are dedicated towards taking proactive measures to mitigate negative impact on the environment. Thus, we direct a fair amount of resources towards initiatives, such as Environment Management Systems (EMS) for our sites, Research & Development, and statutory requirements. We have also taken up various initiatives that are geared towards protection of the environment and conservation of resources. For the current reporting period, our expenditure towards environmental initiatives stood at INR 241.86 million.



CSR Expenditure

While the environment is a key focus area for us, we believe in placing an equal amount of focus towards the communities that we operate in. We interact, support, and carry out development activities for communities around our areas of operation. Our determination to support and uplift communities stems from our core value system that stands beyond compliance. We have been carrying out community initiatives long before they were mandated by the Companies Act. Our sincere efforts are further highlighted by the commitment to carrying out CSR activities regardless of the profit that accrue in a year. However, regular CSR activities were curtailed due to pandemic Covid-19 situation during the current reporting period.

We undertake CSR interventions under numerous categories, such as livelihood initiatives, infrastructure projects, healthcare, education, clean water, and soft skills for the communities. Apart from CSR interventions, we also carry out trainings as well as apprenticeships that are designed such that the trainees leave with an enhanced level of skill set that can propel their career further. For the current reporting period, we imparted requisite knowledge to enhance skill set of 11 trainees and 18 apprentices. Several trained apprentices have been absorbed in our companies earlier but, for the current reporting period we have not absorbed any apprentices.





**CARE FOR
PEOPLE**



We owe all our success to the employees who have been a part of our journey and continue to nurture the company as their own. The roots of it lie in the dedication, skills and highest standards of inclusive values inculcated by each one of them. We play our part in the entire process by fostering an environment of diversity, open communication, and a strong feedback mechanism.

As we operate in a complex and sensitive industry, it becomes imperative for us to place the utmost importance on skill development and professional growth of our employees. Our commitment towards the employees strongly resonates with our guiding principle for employees; Enhance skills, provide opportunities to grow in a safe work environment. Further, with changing paradigms of work culture, virtual trainings have taken a centre stage and have presented a wide gamut of learning opportunities in a new form. We utilised this new aspect to our advantage and carried out several training/revisions for our employees on topics such as revised protocols for sanitisation, social distancing, PPE, and health & safety measures, among others.

102-7

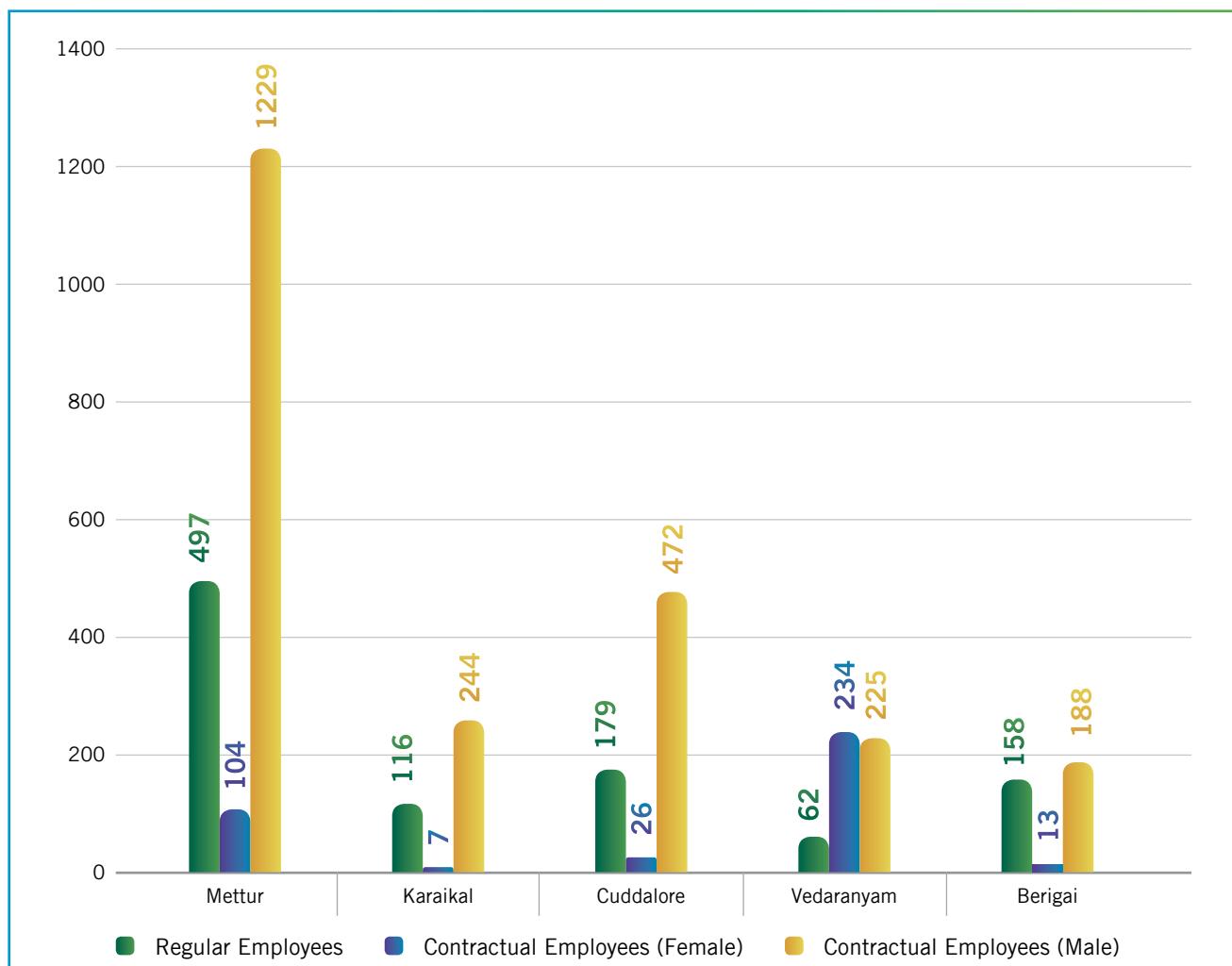
Total Employees

The workforce employed by us comprises regular employees (fulltime) and contractual employees at our sites located at Mettur, Cuddalore, Karaikal, Berigai and Vedaranyam. Out of our total workforce of 3,754 employees, 1,012 are regular employees and 2,742 contractual. We also have 34 common employees at our Mettur site. For the current reporting period, we have no direct female employees stationed at any of our plant operations. We have directed

102-8

focused efforts to employ women workers in our contractual workforce. Out of 2,742 contractual employees, about 14% of the total contractual workforce represents women workers and the remaining were men. Detailed category-wise employee counts, across our sites are highlighted below:

Category-wise Employees by site



405-1

Employee Diversity

Emphasising and laying a strong focus on creating a diverse work environment is something that is intrinsic to our company management, employees, and our way of functioning. We are committed to building an inclusive workplace that encourages the principles of diversity and inclusion and ensures equal opportunity for all. We have taken all necessary steps to ensure that our employees feel a sense of belonging towards the company. Thus, to sustain this dynamic and inclusive environment, we ensure that employees are valued for their skills regardless of their age, gender, ethnicity, social background, or physical attributes.

We are committed to growing strong together. The Company has taken proactive steps to maintain gender diversity and create a mix of diverse work experiences and backgrounds. Our hiring process places equal emphasis on searching for people with diverse backgrounds, categories, and age groups. Recognising the uniqueness of each individual, we accept and respect individual differences. We believe that a diverse environment attracts unique skills, professional profiles and helps us grow every day in a creative way with an ever-changing perspective. Through this process, we attract and retain a unique talent pool that is representative of the type of company we aspire to be.

The break-up of employees by category including SC/ST, BC/MBC, Gen/OC and Not-disclosed as of 31st March 2021 is as follows:



CATEGORIES	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
SC/ST	57	23	27	2	15
BC / MBC	397	81	134	55	131
GEN / OC	43	12	17	5	12
NOT DISCLOSED	0	0	1	0	0
TOTAL	497	116	179	62	158

We have bifurcated the direct employees within our plants into four categories that are purely ranks for functionality. These include Management (ME), Junior Management (JME), Non-Management (NME) and Others. At Cuddalore (CCVL), Karaikal and Berigai plants, employees belong to management category only. At Mettur, we have 148 employees in the NME, 11 employees in the Junior Management and the rest in Others category. At Vedaranyam, we have 47 employees in NME and the rest in Others category. The age-wise distribution of our regular employees, as of 31st March 2021 is summarised in the table below:

102-8

AGE CATEGORIES	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
<30	234	39	62	5	101
30-40	155	37	58	10	35
40-50	58	18	45	21	16
ABOVE 50	50	22	14	26	6
TOTAL	497	116	179	62	158

405-1

New Hires and Separations

401-1

For the current reporting period, our hiring for Mettur, Karaikal, CCVL-Cuddalore, Berigai and Vedaranyam locations stood at 110. Similarly, the employees who parted ways with the organisation during the year i.e. the attrition rate (regular employees) stood at 6.62%. During the same period, the attrition rate for new hires (employees who joined and left the organisation in their first year) is 3.6%.

402-1

The notice period timelines set by us are in accordance with the Industrial Disputes Act, 1947. This ranges from 21 days to 1 month for Junior and Non-management cadre. For our employees in the Executive cadre, we have set the minimum notice period at two months or three months or four months based on the level of seniority. As of FY 2020-21, all our executive-level employees are of Indian origin. The age group of new hires leaving the company in the current reporting period is highlighted below:

202-2

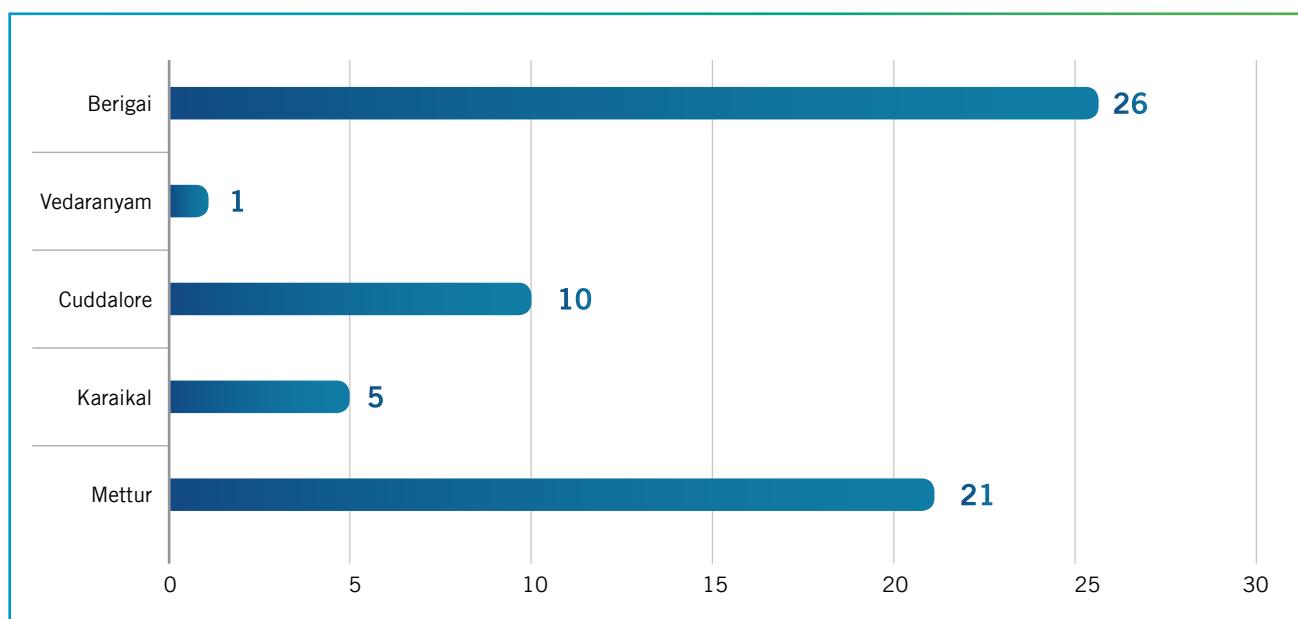
AGE CATEGORIES	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI	401-1
<30	0	0	0	1	1	
30-40	0	0	0	1	0	
40-50	0	0	0	0	0	
ABOVE 50	0	1	0	0	0	
TOTAL	0	1	0	2	1	



New Hires joining and leaving the Organisation



Employees Leaving Organisation



Age group of employees separated from the company in FY 2020-21

AGE CATEGORIES	METTUR	KARAikal	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI	
<30	17	2	7	0	21	401-1
30-40	3	1	0	0	4	
40-50	1	1	1	0	0	
ABOVE 50	0	1	2	1	1	
TOTAL	21	5	10	1	26	

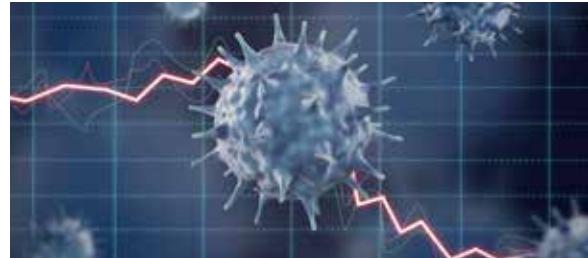
103-1

Employee Engagement

In our five-decade long journey, our employees have always supported us, and their invaluable contributions have helped us reach where we are today. Thus, we strive to build a favourable environment that encourages employees to acquire new skills and build on their competencies. We provide a healthy work environment and offer ample growth opportunities to all our employees. Employee-centric policies and practices help to continuously engage with our employees and retain our talent.

We follow a structured approach towards the training and development of our employees. Regular training plays a vital role in keeping employee spirits high, improving performance, and retaining talent.

While training and development at a professional level are critical, monetary and non-monetary benefits play an equally important role in building employee confidence. We constantly engage with our employees through our rewards and recognition programme. We have taken up initiatives to award and recognise our employees for their contributions. We also guide our employees to help them achieve their goals while simultaneously addressing their needs or concerns. For this, we have put together a slew of benefits and schemes for our employees coupled with the statutory requirements. The benefits that are provided to our full-time employees are summarised below:



COVID AND OUR PEOPLE

To ensure smooth operations coupled with health and safety of our employees, we took certain initiatives when we resumed our operations. Some of these are as follows:

- » Thermal scanning, hand wash and sanitiser facilities at entrance
- » Face mask/ PPE distribution
- » Disinfecting incoming vehicles
- » Social distancing and staggered seating arrangements

401-2

MANAGEMENT	JUNIOR & NON-MANAGEMENT
MONTHLY SALARY	MONTHLY SALARY
PROVIDENT FUND	PROVIDENT FUND
GRATUITY SCHEME	GRATUITY SCHEME
HOUSE RENT ALLOWANCE	HOUSE RENT ALLOWANCE
SPECIAL SETTLEMENT SCHEME	DEARNESS ALLOWANCE
CONVEYANCE ALLOWANCE	CONVEYANCE ALLOWANCE
MEDICAL RELATED CLAIM	MEDICAL RELATED CLAIM
MEDICAL ALLOWANCE	LEAVE TRAVEL ALLOWANCE
SPECIAL ANNUAL PAYMENT	PRODUCTION INCENTIVE
LOCATION ALLOWANCE	EDUCATION ALLOWANCE

As per the current policy of the company, no parental leave is applicable to the plant employees.

401-3



Training and Development

Continuous and focussed training is an important facet to helping employees be effective at what they do. The training is imparted based on the topics that are substantial and carry material importance for employees. These topics include human rights, emergency handling, first aid, workplace safety, chemical safety, fire-fighting, respiratory problems, permit to work, and environment management. Our training is imparted to both permanent as well as contractual employees, regularly.

For the current reporting period, we have imparted a total of 67,246 training hours. Our commitment towards employee growth and development is highlighted by the 17% increase in the training hours compared to the previous reporting period. A key factor in the increased training hours is marked by the transition of training from physical mode to virtual mode. We have also expanded the ambit of training to include technical as well as soft skill, such as behavioural and effective communication. Under the category of career accounting, we carried out a total of 119 programs that amounted to 734 man-hours. Apart from imparting these trainings, we also evaluate the effectiveness of these programs and carry out relevant improvement measures, if required. Our assessment of skill development covered specific needs of the department, training reviews, training workshops, quarterly meeting, and performance appraisals.

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404-2

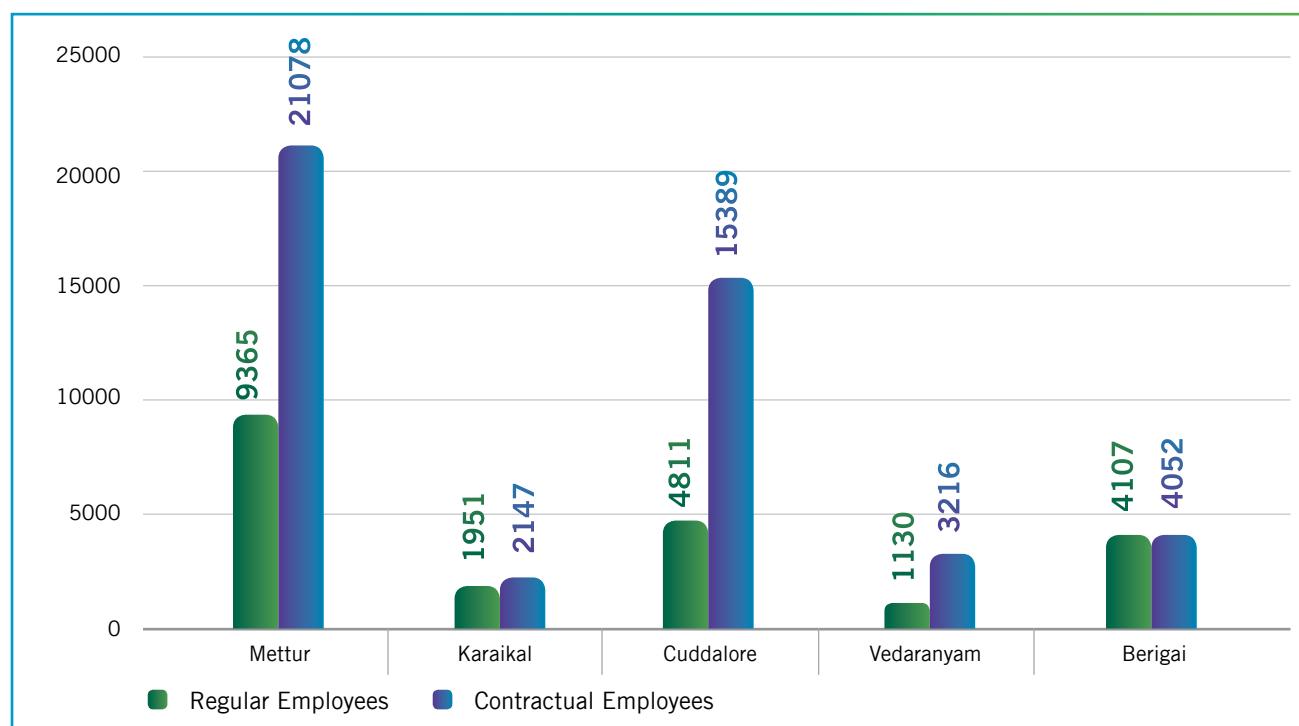


ENGAGEMENT DURING COVID-19

It was paramount that we update our employees with the new work practices in the COVID scenario. We carried out specific trainings on COVID-19 risk factors and protective behaviours (e.g., cough etiquette, hand washing, wearing, and removing of masks, and care of PPE and on social distancing). We also distributed awareness material in both English and vernacular language for maximum reach.

TRAINING HOURS	METTUR	KARAikal	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
REGULAR	9,365	1,951	4,811	1,130	4,107
CONTRACTUAL	21,078	2,147	15,389	3,216	4,052

Training hours category-wise & site-wise



412-3

Training programs for communities and families of employees

Our responsibility extends well beyond our company boundaries and we believe in creating awareness in local communities and the families of our employees. We have structured training and awareness programs centred on health, safety, and overall fitness. We conduct training on specific issues, such as high-risk diseases (diabetes, dengue, and water-prone diseases, among others), preventive care - yoga, road safety and the impact of dust on a healthy workforce/society.

In FY 2020-21, we organised 13 sessions for our communities, employees and their families, and transport truck drivers that fall under our risk control program. The sessions that were organised at our sites are summarised in the table below:

SESSIONS	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
TRAINING SESSIONS	12	1	0	0	0



Human Rights

As an industry leader, we respect and uphold human rights responsibly and have engrained them in the very ethos of our company. Following the statutory requirements is just one of the aspects of our overall human rights strategy. We have prohibited all forms of forced/child labour at all our sites and corporate offices as per government regulations. Going beyond this requirement, we actively carry out due diligence exercises at all our sites to prevent prohibited practices from ever taking root.

We strive to provide our workers with a decent working environment backed by statutory guidelines. In this regard, we regularly carry out background verification, including address and age, along with medical tests to ascertain their fitness for the role. We are proud to announce that for the current reporting period we have not received any complaints about any form of Human Rights violation. We are fully committed to maintaining such high standards in the years to come.

We have constituted a separate team comprising HR heads, Function heads and various Plant heads to carry out Human Rights review and impact assessment across our sites.

412-1 During the current reporting period, 100% of our sites were subjected to Human Rights review. Extending the importance of Human Rights beyond our Company, we have made Human Rights clauses an essential component of all our investment agreements signed for the year.

Our robust training culture intricately imbibed within the organisation, is multifaceted and covers Human Rights training as well. For the current reporting period, we have carried out 865 hours of formal Human Rights training for our employees and executives. The number of training hours for security personnel on human rights and company policies are summarised in the table below:

SITE	NUMBER OF TRAINING HOURS TO SECURITY PERSONNEL	PERCENTAGE OF SECURITY COVERED (%)
METTUR	288	100%
KARAikal	38	56%
CCVL-CUDDALORE	127	100%
BERIGAI	10.75	100%

410-1



Anti-corruption Activities

Our commitment to the overall wellbeing of our employees and communities includes adhering to strict anti-corruption policies and building a just and fair environment. We understand that corruption, as a practice, can have serious consequences on our reputation and business integrity. Thus, we closely work with our employees and external partners, with the help of stringent policies and a robust system of checks and balances, to counter any instance of corruption and bribery. Further, there are no recorded cases of corruption or bribery against our company or our employees.

205-3

HR Policies and Fair work practices

We believe that strong human resources policies and fair work practices have helped us in creating a flourishing growth environment for our company and people. One such example can be traced back to our carefully designed and executed shifts to work with limited employees. These shifts were designed by the work requirements of our employees during the lockdown period as per government regulations.

We have made available our HR policies within the company intranet to all our employees for fair distribution and quick reference. We also undertake training for our employees on the latest updates in company policies and code of conduct to keep them updated and well versed. About our policies, we follow a two-way approach and have developed a communication channel called VOTE (Voice of the Employees) to capture their feedback on our policies. All feedback that is captured on the portal is reviewed by HR to bring out meaningful changes in the policies.

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Our policies integrate the best available practices as well as statutory requirements captured in the Equal Remuneration Act, Minimum Wages Act etc. Through these practices, we aim to adhere to applicable laws and inculcate a decent work culture for the welfare of employees and as well as labour. A parameter of successful implementation of our policies and practices can be gauged through the fact that we have zero cases concerning any kind of discrimination or prohibited practice such as: child labour, forced labour, Human Rights violation, sexual harassment or discriminatory employment. As a responsible business, we strictly adhere to an equal remuneration policy and have taken various steps that commitment to ensure equal pay for all:

- » Compensation for jobs in the company is benchmarked against similar jobs in the market
- » At middle and senior levels, the value of the person to the organisation is a key factor in determining the remuneration
- » At junior levels, changes in the cost of living and performance of the individual are key factors in determining remuneration. Corrections to compensate for market changes are done on a case-to-case basis
- » Affordability of the business considered before determining the raises in remuneration.

For the current reporting period, the ratio of compensation of highest paid employee to median compensation is 62:1. For the reporting period at CCVL, the ratio of compensation of the highest paid employee to median is 32:1. The percentage increase in compensation of the highest paid individual in the current period is not applicable as there was no compensation revision for the current period. In addition to all our fair work practices and policies, we also endorse our workers' Right to Freedom of Association and Collective Bargaining. For the current reporting period, we had 148 employees under collective bargaining at our Mettur facility and 47 employees at our Vedaranyam facility. We have adopted transparent practices related to our operations, the compensation we give to our employees and their benefits. Developing on our open work culture policy we have taken steps towards openly discussing any significant operational changes that may impact our employees and workers. These may include, the introduction of new or different technology, work procedures, process changes, automation, changes in systems/procedures, etc. These changes are also formally discussed and documented through changes to agreements with trade unions.

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Performance and career development review

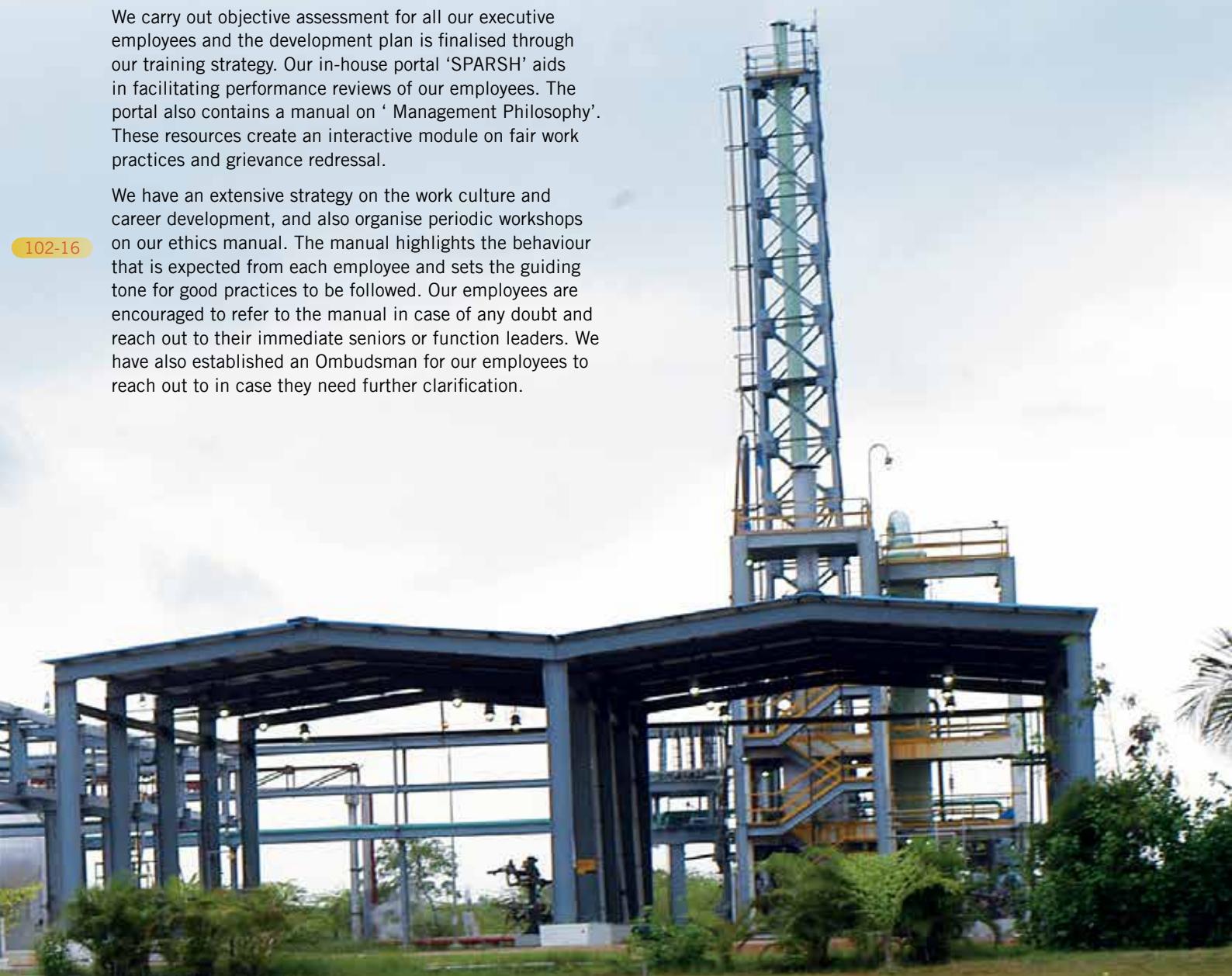
After attracting and retaining talent, the next equally important step is to continuously manage and engage with them in an organised manner. Our company strategy is driven towards creating business ready and business-relevant capabilities in all our employees. Further, we also believe that developing leadership capabilities is an integral aspect of our people development strategy. We utilise performance appraisal in a manner that helps us transform the overarching organisation objectives into bifurcated departmental objectives. We review all tasks semi-annually for timely review of any constraints that might arise during implementation and accordingly plan for future focus areas.

We carry out objective assessment for all our executive employees and the development plan is finalised through our training strategy. Our in-house portal 'SPARSH' aids in facilitating performance reviews of our employees. The portal also contains a manual on ' Management Philosophy'. These resources create an interactive module on fair work practices and grievance redressal.

We have an extensive strategy on the work culture and career development, and also organise periodic workshops on our ethics manual. The manual highlights the behaviour that is expected from each employee and sets the guiding tone for good practices to be followed. Our employees are encouraged to refer to the manual in case of any doubt and reach out to their immediate seniors or function leaders. We have also established an Ombudsman for our employees to reach out to in case they need further clarification.

SITE	PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE APPRAISAL (%)
METTUR	66%
KARAikal	100%
CCVL-CUDDALORE	100%
BERIGAI	100%
VEDARANYAM	25%

404-3





ENVIRONMENTAL STEWARDSHIP



The Company strongly believes in driving focussed efforts towards optimum utilisation of natural resources to achieve the highest levels of efficiency. As an environment-conscious organisation, we aim to strike a balance between progressive industrial growth and conservation of natural resources. We are committed to continuously improve our environmental performance by prudently investing in clean and efficient technologies. We continuously improve our environmental footprint by taking initiatives towards energy and emissions management, water efficiency, waste and effluents management and materials.



Energy and Emissions

The Industrial revolution led to complete dependency on fossil fuels, helped economies chart a quick development path, but with the heavy cost of global warming. Being cognizant of the huge impact of climate change, we have embarked upon a journey towards transitioning to an energy efficient and clean energy future. Our strategy revolves around implementing energy-efficiency measures and increasing the share of renewable energy sources to cut down our Greenhouse Gas (GHG) emissions and subsequently manage our Carbon footprint. To enhance transparency, we map, monitor, manage and report our GHG and air emissions on an ongoing basis.

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103-2

Energy Profile

To cater to our manufacturing and residential needs, we have established Captive Power Plants (CPP) for regular electricity supply. The CPP has helped us reach a comfortable level of 'power surpluses' that we supply to our neighbouring industries.

Direct Energy Consumption

In FY 2020-21, our total energy consumption was 68,53,514 GJ from sources like furnace oil, diesel, coal, natural gas and kerosene while, coal amounted to 58,83,135 GJ. Our plant at Mettur produces surplus power and supplies to the neighbouring industries, townships, and the grid. Our total energy consumption for manufacturing activities at Mettur plant was 56,83,099 GJ.

302-1



302-1

SOURCE	ENERGY (GJ)
FURNACE OIL	1,01,638
DIESEL	12,475
LSHS	1,061
NATURAL GAS	4,08,576
KEROSENE (SKO)	3,50,284
HYDROGEN	96,345
COAL (TOTAL)	58,83,135
TOTAL	68,53,514

Indirect energy consumption

During the current reporting period, our indirect energy consumption from the purchase of electricity stood at 3,70,233 GJ. Out of the total electricity we purchased 1,839 GJ was from renewable energy sources and 3,68,394 GJ was from conventional sources. Our energy consumption outside of the organisation is summarised in the table below:

302-2

SOURCE	ENERGY (GJ)
RAW MATERIALS	3,84,159
FINISHED GOODS	1,20,722
COAL TRANSPORTATION	30,113
TOTAL	534,994

Emission Profile

The types of products we manufacture inherently require energy-intensive processes and high-temperature equipment that lead to Carbon emissions as by-products. We have invested in a variety of techniques to optimise our energy consumption thereby, minimising associated Carbon emissions. Additionally, necessary checks are in place to keep air emission levels well below the permissible limits defined by the State Pollution Control Board.

With the ongoing COVID-19 pandemic, we have taken a plethora of steps that have contributed to managing our emissions in multiple ways. We have put a hold on large-scale events, gatherings, manufacturing or office tours,

and physical annual shareholders meetings. We have also transitioned to digital platforms to conduct review meetings on safety, environmental issues, technical aspects, employee training among others. The pandemic has also led to radical changes in the way businesses operate to effectively serve their customers while cutting down emissions.

Out of our total capacity production, we supply a part of it to the grid and neighbouring industries, thus the emission figures we report are based on apportioned consumption of our manufacturing plants. The emission profile for the current reporting period FY 2020-21 is summarised below:

GHG Emission in tCO₂e

305-1

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CATEGORY	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
SCOPE I	5,21,862	23,052	63,236	283	4,675
SCOPE II	24,811	6,055	42,656	1,218	6,569
SCOPE III	78,464	2,263	59,107	501	311

Emission Intensity in tCO₂e/MT (Scope I & Scope II)

305-4

YEAR	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
2018-19	3.48	0.69	0.41	0.02	-
2019-20	3.58	0.64	0.43	0.02	10.14
2020-21	3.74	0.73	0.41	0.02	18.87

Emission Intensity in tCO₂e/MT (Scope III)

YEAR	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI	305-4
2018-19	0.07	0.06	0.12	0.01	-	
2019-20	1.06	0.05	0.13	0.004	0.22	
2020-21	0.05	0.03	0.12	0.01	0.25	

During the reporting period the company consumed a total of 8.3 MT of R-22, that contributed to 14,683 TCO₂e.

The air emissions data including the Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Suspended Particulate Matter (SPM) for the current reporting period FY 2020-21 is summarised in the table below:

YEAR	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI	CUMULATIVE	305-7
SOx	101.77	0.74	18.59	0.02	44.90	166.02	
NOx	50.35	19.07	58.98	0.27	21.40	150.07	
SPM	88.98	6.11	9.15	0.08	4.90	109.22	

Case Study



We have installed an energy efficient chiller at our Mettur (plant IV) facility to optimise our energy consumption. The chiller functions at a 50% lower supply temperature of 5°C, improving the performance of the existing chilled water system. This has been achieved by condensing and in turn recovering the maximum amount of solvent from the process air leaving the Oxidizer.

Impact: This has aided us in reducing the overall solvent load on solvent recovery unit, leading to an enhanced and efficient system. It has also helped to reduce the emissions of Volatile Organic Compounds (VOC).



Energy intensity and reduced emission: Our approach

We strive to continuously improve our performance in the aspects related to energy and emissions. To pursue this, we have established robust mechanisms to monitor our energy intensity both within and outside the organisation. We have implemented some innovative measures such as the 'Zero Gap Technology' to optimise our energy consumption during production. We have also implemented initiatives, such as the installation of 'Variable Frequency Drives (VFD)' on equipment. Along with all our energy optimisation initiatives, we have also been working on our GHG footprint reduction by substitution of fossil fuels with Hydrogen and incinerating HFCs at our refrigerant manufacturing plant.

Energy Intensity (Inside the Organisation)

YEAR	UNIT	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI	302-3
2018-19	GJ/MT	36.55	8.27	4.09	0.07	-	
2019-20	GJ/MT	36.52	9.00	3.15	0.13	46.31	
2020-21	GJ/MT	38.61	10.57	3.29	0.11	142.54	

Energy Intensity (Outside the Organisation)

YEAR	UNIT	METTUR	KARAIKAL	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
2018-19	GJ/MT	0.85	0.75	1.60	0.09	-
2019-20	GJ/MT	0.83	0.64	1.68	0.05	2.93
2020-21	GJ/MT	0.62	0.44	1.58	0.08	3.36



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KEY INITIATIVES

LED LIGHTING

To reduce electricity consumption and implement resilient technologies, we have implemented LED lighting projects at some of our sites. With reduced consumption of electricity, installation of LEDs helps in curbing GHG emissions compared to conventional lighting fixtures. During the current reporting period, our savings from LED installations amounted to 2,43,602 kWh compared to 2,19,300 kWh from the previous year. We are looking at ways to replicate the project at all our manufacturing sites.

305-5

HYDROGEN – ALTERNATIVE FUEL

We use Hydrogen as a replacement of fossil fuels in the Caustic Flaker unit at Karaikal and Mettur facilities. It is also utilised for steam generation at the boiler unit at Mettur plant. Hydrogen is used as an alternative fuel and is a by-product of our production process at Karaikal and Mettur. This saves an equivalent amount of fossil fuel consumption and leads to the reduction in GHG emissions. This initiative has helped us bring down GHG emissions by 1,405 tCO₂e in FY 2020-21 compared to 2,549 tCO₂e in the previous year.

305-5

STEAM GENERATION VIA WASTE RECOVERY BOILER

We generate steam using a waste heat recovery boiler at the Karaikal facility. This has led to savings of GHG emissions equivalent to the steam generation in the absence of waste heat recovery. GHG emissions mitigated from this initiative amounted to 4,980 tCO₂e and energy savings amounted to 86,998 GJ as compared to 87,000 GJ in the previous year.

302-4

INSTALLATION OF VARIABLE FREQUENCY DRIVE

Implementation of VFD at the Karaikal facility has led to energy savings of about 97 GJ compared to 526 GJ in the previous year. This has also led to the mitigation of GHG emissions associated with generation of equivalent electricity from fossil fuels.

302-4

VIDEO CONFERENCING

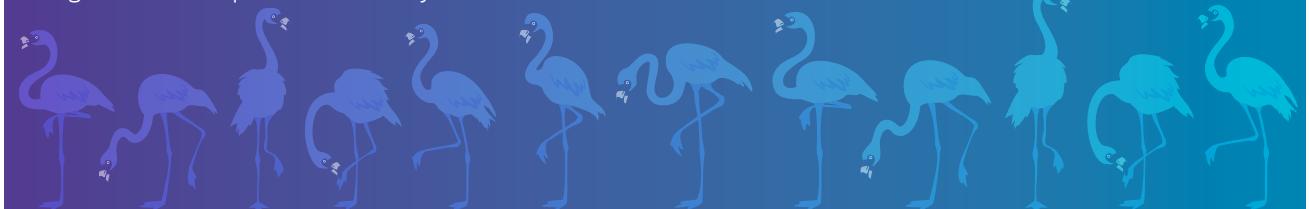
To minimise employee travel and reduce associated fuel consumption, we focus on video conferencing instead of face-to-face meetings. Due to COVID-19 pandemic, we have introduced the 'Work from Home' policy. With this initiative, we have been able to achieve energy savings of nearly 151,900 kWh in FY 2020-21 compared to 26,111 kWh in FY 2019-20.

ONLINE MONITORING SYSTEM

We use real-time monitoring system for air emissions including NOx, SOx, and SPM at various stacks across our plants. This is carried out by using Continuous Emission Monitoring System (CEMS) of Tamil Nadu Pollution Control Board (TNPCB). To ensure that our emissions remain within National Emission Standard, we have integrated HCI monitoring system with CEMS in our manufacturing facilities by following the protocol released by Central Pollution Control Board (CPCB). We have also installed online ambient monitoring of pollution control parameters (including PM 2.5, PM 10) at our CCVL-Cuddalore facility and coal yard of Mettur. These are also connected with Care Air Centre (CAC) of TNPCB. Our Mettur complex has planned to 2 Nos of CEMS, one at upstream and another at downstream wind direction before end 2021.

MONITORING OF VCM EMISSIONS

Given the nature of our business operations, we monitor VCM emissions using a mobile van in peripheral villages (with an online gas chromatograph) at marine terminal facility during unloading of our materials. By regular monitoring with stringent norms, we have been able to reduce emissions considerably. To reduce the VOC emission on sustainable basis, we have implemented LDAR (Leak detection and Repair) system horizontally in all applicable facilities.



103-1

Water and Effluent Management

103-2

Water is a critical resource for business continuity across the entire value chain. Our production processes are heavily dependent on water as it is one of the key input resources, and with the shared nature of the resource, it falls on us to minimise any impacts on it because of our activities. The Company's strategic focus areas towards effective water management include reducing water consumption with water-efficient technologies, recycling and reusing treated wastewater in operations, and enhance rainwater harvesting. We have also established water treatment facilities at our Mettur location, and the treated water is supplied to communities around the plant.

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The water requirements of our manufacturing process require a continuous and steady supply thus, the source of water depends on the location of the facility. Our shore-based facilities like CCVL-Cuddalore, Karaikal use seawater as feedstock. Our Mettur facility is supplied surface water from the nearby Stanley reservoir. Our water supply system is aided by the 25,000 KL storage tanks that cater to our manufacturing operations and provide an uninterrupted water supply. As a committed organisation towards environmental stewardship, we have ensured that none of our sites discharge any effluents in water bodies and are also not situated adjacent to any biodiversity hotspot areas.

306-5

Case Study



Brine sludge is one of the waste products of our treatment process which is collected and disposed of in our captive secured landfills. The landfills at our Karaikal site operated at maximum capacity and a safe alternative had to be devised to ensure safe disposal of brine sludge. To overcome this challenge, we took the decision of not constructing any new landfills on our premises. We collaborated with an authorised waste disposal facility to ensure the safe transport and disposal of waste. About 3000 TPA of brine sludge will now be disposed of through a common hazardous waste disposal facility.



Zero Liquid Discharge

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As a company, we have maintained a Zero Liquid Discharge (ZLD) status since 2009. None of our sites discharge any treated trade effluent outside the organisational boundary. This means 100% of trade effluent is recycled and reused within the facility, ensuring no discharge to the external environment. Treated wastewater quality parameters for all ZLD plants are monitored and maintained as per the legal norms. There is regular and continuous remote monitoring of our ZLD by authorities of CPCB and TNPCB with the help of high-resolution night vision cameras. Additionally, we capture the water flow data on a real-time basis and submit the same to Water Quality Watch Centre of TNPCB and Water Monitoring Station of CPCB.

ZLD reject and treated wastewater from Sewage Treatment Plants (STP) is used in product make-up and green belt development respectively. For the current reporting period, we recycled a total of 11,66,902 KL of water from our operations. This includes 5,12,696 KL, 5,11,728 KL, 24,244 KL and 1,18,234 KL of recycled water at our Mettur, CCVL, Berigai and Karaikal respectively. Thus, the total water recycled accounts for about 6.7% of our total water withdrawal from all sources including sea water.

Case Study



At our Berigai facility, due to the low recovery of water from the RO process, we undertook a study to analyze the Chemical Oxygen Demand (COD) of our Multi-Effect Evaporator (MEE) Condensate. We found that the COD value was around 15000 ppm along with Total Dissolved Solids (TDS) of 5000 ppm. This impacted the RO plant efficiency and the recovery dropped below 50%. To address this, we segregated the raw effluent into two streams - i) effluent with solvent trace, and ii) effluent without a solvent trace.

- » Effluent with solvent trace to be sent to 'Stripper' to strip out the solvent and further transferred to the MEE plant as feed.
- » Effluent without a solvent trace to be sent to the TSS plant for reduction of suspended solids and further transferred to the MEE plant as feed.

Impact: By streaming effluents of the MEE feed, we have been able to bring down the COD of MEE condensate. The process efficiency has improved, with the decreased, dissolved solids, and it also reduced the TDS value. We were able to improve the quality of treated water and increase the RO recovery rate.

Desalination of Sea-Water

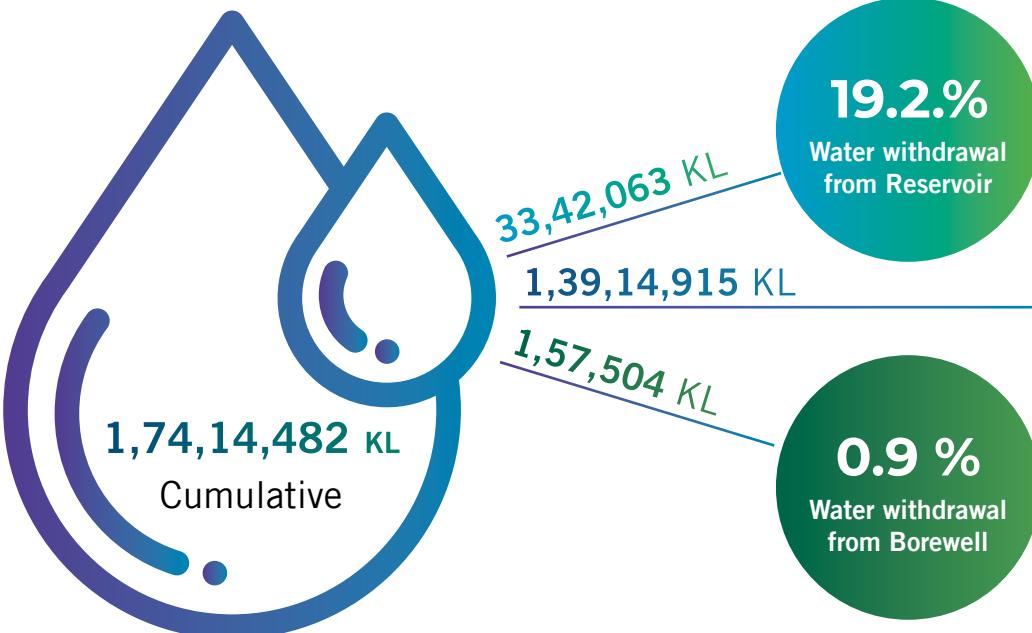
303-3

As part of the water stewardship initiative, we have established processes to withdraw sea water and extract mineral components from the saline water. This has helped us in reducing our dependency on ground water, thereby reducing stress on the depleting resource. During the current reporting period, at our CCVL, Karaikal and, Vedaranyam plants, we extracted 1,39,14,915 KL of water from the sea that underwent the desalination process. Out of this, 11,09,428 KL of water from our desalination plants was discharged back to the sea.

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Waste Management

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Tackling the challenge of waste management requires a circular economy approach, including reduction in waste generation and exploring opportunities to recycle and reuse. Our waste management strategy is based on the principle of 4R – Reduce, Reuse, Recycle and Recover and strives to operate in a ‘closed-loop’ through circularity in operations. To this approach, we have integrated the 5S framework- Sort, Set in Order, Shine, Standardise and Sustain for greater efficiency in managing waste. Our endeavour is to reduce waste while deploying methods to maximise recycling initiatives.

We have set up a dedicated internal team to carry out periodic identification and analysing potential risks associated with the waste generated by our operations and develop mitigation strategies. The team is a cross-functional organ and comprises store staff, all functional HODs, 5S trainers and Plant heads. The stringent process flows have been put in place to ensure efficient and safe handling, storage, and disposal of waste across all our facilities. During the reporting period, there has been no incident of any significant spills at the manufacturing plants. We are also collaborating with several authorised waste management agencies and other industries for efficient and optimum disposal in an environmentally responsible manner.

306-3

Case Study



Spent Alumina is generated in the manufacturing process of Hydrogen Peroxide at the Mettur plant. This is recognised as a hazardous waste source. Thus, the disposal needs to be carried out with utmost care and through secure channels. We carried out extensive studies and found the alumina rich waste can be utilized for co-processing in cement plants. We have diverted this waste category from landfills by supplying to the cement companies as input material. This is a small step towards our endeavour to enable a closed-loop system.

The summary of hazardous and non-hazardous waste generated/ disposed is highlighted below:

306-2

Type of Hazardous Waste (MT)	2018-19*	2019-20	2020-21	Disposal Method
CHEMICAL SLUDGE FROM THE WASTE WATER TREATMENT	232	1,782	1,236	Disposed at common disposal facility
BRINE SLUDGE	4,026	4,033	3,553	Disposed at common disposal facility
USED/SPENT OIL	20	24	24	Sold to approved recyclers
DISTILLATIONS RESIDUE FROM PLANT – III	110	157	151	Incinerated at captive incinerator
RESIDUE FROM PREPARATION OF VINYL CHLORIDE	1,397	1,298	1,237	Incinerated at captive incinerator
EVAPORATOR SOLIDS	93	156	130	Disposed at common disposal facility
DESALINATION PLANT SLUDGE	463	363	547	Disposed at common disposal facility
TOTAL	6,341	7,813	6,878	

*Berigai facility quantity is not included as the unit was not a part of the reporting boundary in FY 2018-19

306-2

Type of Non-Hazardous Waste (MT)	2018-19*	2019-20	2020-21	Disposal Method
LIME GRITS	385	483	334	Sold to Brick manufacturers
FLY ASH	19,976	16,680	18,057	Sold to Brick manufacturers
SALT FROM ZLD	547	765	806	For making Brine at Plant – III Caustic soda production
PVC RESIN (LOW GRADE)	497	709	518	Sold to low end applications
BOTTOM ASH	2,816	2,806	2,165	Sold to brick manufacturing, recycle as bed material for boiler & back filling of land.
TOTAL	24,221	21,443	21,880	

306-4

Note: None of the items covered under Basel Convention Annex or handled.

Materials

103-1

We believe in a systematic approach to material management that is also sustainable through the use and reuse of products over its entire life cycle. We are constantly striving to achieve resource efficiency by optimising our material consumption across facilities. We are committed to responsible sourcing of materials in our supply chain. We have deployed the strategy of ‘Optimal Resource Utilisation’ to ensure that all raw material is handled while transportation and processing with utmost care and safety. We encourage the packaging material to be sold by the customers at their end since reclaiming of packaging items of chemical business is an intricate process. Our material consumption for FY 2020-21 is summarised in the table below:

103-2

416-1

301-2

Material	Cumulative (MT)
ANHYDROUS HF	299
SALT	83,882
METHANOL	11,472
ETHYLENE	7,169
EDC-ETHYLENE DI CHLORIDE	1,01,575
VINYL CHLORIDE MONOMER	2,62,439
CHLOROFORM	792
VANILLIN	457
SODIUM CYANIDE	196
THIONYL CHLORIDE	106
HYDROGEN (M ³)	60,12,125 M ³

KEY INITIATIVES

GPS TRACKING

416-1

We use GPS equipped vehicles for carrying materials like Methanol, EDC, Chlorine, Chloromethane, Caustic, HCl, and Hydrogen. This enables real-time monitoring and communication in case of any process deviation relating to material consumption.

PERIODIC TRAINING

Our vehicle drivers undergo specific periodic training to get familiar on mitigation during "real-time" emergency while transporting materials. We have incorporated a training module for all our vehicle drivers to deal with tough situations. To transport Chlorine, vehicle drivers are required to have an additional endorsement of understanding in Chlorine safety by the Safety officer.

PERIODIC SAFETY CHECK

To ensure safe driving on roads, all vehicle drivers are screened through an 'Alcohol Breath Analyser' test. We do not allow any vehicle over 15 years to load any hazardous goods for transportation.

ISO 14000 CERTIFICATION

We encourage all our suppliers to obtain ISO-14000 certification and follow high standards of environmental aspects to become an approved vendor.

MATERIAL SAFETY DATA SHEETS

We require all our suppliers to identify environmental and safety related impacts of the material supplied. It is also a prerequisite for all suppliers to produce the MSDS for hazardous goods supplied.

POLLUTION CHECK CERTIFICATE

All vehicles are required to carry an emission certificate before entering the premises. Also, all vehicle drivers need to possess an endorsement for hazardous goods transportation in their driving license.

HAZCHEM LABEL

To comply with the Motor Vehicle Rules, all vehicles should be marked with the HAZCHEM labels. The transporters are required to display the HAZCHEM label as per the requirement.

TREM Card

All vehicle drivers are required to carry TREM card along with MSDS for hazardous goods before leaving the premises.

RUBBER LINING

All vehicles carrying acids are required to have a valid certification for the integrity of the rubber lining, checked once a quarter by approved vendors. Before the new material is loaded into tankers, all tankers are checked and cleaned properly to reduce the probability of rubber lining failure due to excessive heat from exothermic reactions between incompatible materials.

SAFEGUARDING VALVES

We have installed a sturdy rectangular metallic frame with the base support in all trucks to safeguard the non-metallic (PP) valve and to withstand the impact during a collision. For added protection, we have maintained a minimum safe distance of 50 cm between the metallic frame and the PP valve.







SAFETY – OUR PRIORITY

103-1

Safety is strongly etched in the value system of our company. Given the sensitive nature of our industry, it is paramount that we actively participate in maintaining the highest level of safety standards throughout our operations. We are committed to manufacturing, storing and distributing our products healthily and safely to ensure the well-being of employees, stakeholders, and communities at large. As one of the industry leaders, we have fully integrated some of the best safety practices and procedures in our operations. Ingraining these practices in our work culture has helped us realise the economic benefits of nurturing a healthy and safe workforce.

103-2



The ongoing pandemic has been an important focus area for us, and we have successfully demonstrated our ability to carry out our business safely and sustainably. In line with the guidelines issued by the Government, we conducted an internal analysis to identify measures to shield our employees from the impact of COVID-19. Some of the measures that were taken up are as follows:

- » Provision of sanitisers and handwash facilities at entry points
- » Thermal scanning of employees
- » Provision of face masks and other PPEs
- » Disinfection and sanitisation of vehicles after every trip
- » Isolation ward facilities
- » Maintaining social distancing

Along with safety measures, we also prepared awareness material in both English and vernacular languages. This includes videos, photos, posters and presentations on specific COVID-19 related topics to generate awareness.



Over the years, we have taken numerous initiatives to minimise occupational health and safety risks for our employees. This is supported by the 'Responsible Care' code of practices adopted by the organisation. All our plants, except Vedaranyam, have been certified by the OHSAS 18001, ISO 45001, OHSAS 18080 & ISO 14000 standards, which are international occupational health and safety management systems. Apart from external systems, we also carry out internal EHS audits at all our sites at periodic intervals and the results are presented to the board members for analysis. Our safety initiatives are further reinforced by our safety committees across all facilities with representation from both management and non-management levels.

We have incorporated safety protocols and practices within the very fabric of our company and thus all initiatives

and practices are directly monitored and driven by top management. The top management closely monitors near miss incidents and corrective actions, ensuring accountability and integrating safety culture from bottom to top. We also host near miss as a safety theme for an entire month every year to encourage our employees and workers to report near misses and potential hazards at all levels.

Some of the key performance indicators that we actively monitor as a measure of our safety performance are rates of injury, the number of lost days, absenteeism of employees, occupational diseases, and the number of work-related fatalities. Taking safety precautions beyond our manufacturing operations, we also monitor the safe transportation of our products. We utilise GPS equipped trucks for transportation of hazardous chemicals such as EDC, Chlorine, Chloromethane and Methanol.

Our safety performance for the reporting period FY 2020-21 is summarised in the table below:

Description of the safety performance Indicator	Mettr-I	Mettr-II	Mettr-III	Mettr-IV	CCVL (CUDDALORE)	KARAIKAL	VEDARANYAM	BERIGAI
Man days lost (injury or occupational diseases)	0	0	30	0	0	23	0	0
Work related fatalities	0	0	0	0	0	0	0	0
Injury rate (IR)	0	0	0.28	0	0	0.27	0	0
Lost day rate (LDR)	0	0	4.21	0	0	6.31	0	0
Employees working in hazardous area*	7	207	40	27	60	25	0	84

*- All employees working in the hazardous area as per the Indian Factory Act are considered for deriving the number high incidence or risk of diseases related to the work/occupation

Case Study

Hydrogen is a highly flammable gas and the flames produced are not detectable by our naked eyes. Thus, we have installed Lower Explosive Limit (LEL) detectors at our Mettr facility in areas where Hydrogen booster compressor and recycle compressor are present. Five LEL detectors have been installed in the exposure prone areas. The detectors have been incorporated to trip the Hydrogen compressor when the LEL reading exceeds 1% continuously. The LEL% readings with alarms and trends are displayed and monitored continuously in the DCS control room.

Impact: This has helped us in providing a safe working environment.

Safety Training

103-1

103-2

Keeping in line with our commitments to safety, we conduct regular safety training within the company training framework. We ensure that all our staff are well-versed with the knowledge of our management system, SOPs and best practices. During the current reporting period, we imparted 15,841 hours of training to our regular employees and 36,475 hours to our contractual employees. This comes out to an average of 15.7 hours of training per regular employee and 13.30 hours of training per contractual employee. The number of hours of training attended by employees across all our Plants for the current reporting period FY 2020-21 is summarised in the table below:

403-5

TRAININGS	METTUR	KARAikal	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI	TOTAL
REGULAR EMPLOYEES	9,365	1,093	1,756	542	3,085	15,841
CONTRACT EMPLOYEES	21,078	2,114	7,652	1,578	4,052	36,475

As industry leaders, it is our responsibility to keep all our workers safe. In this regard, we have extended all our safety training and practices mandatorily towards our contractual workers as well. This also includes using personal protective equipment (PPE) and strict adherence to all our safety guidelines, regulations, and procedures. We also encourage all our employees to take part in safety committees and put forward their views and concerns to promote best practices and effective management of safety issues. The percentage of the total workforce represented in the joint management, worker health and safety committees at all our sites are summarised in the table below:

EMPLOYEES IN SAFETY COMMITTEE	METTUR	KARAikal	CCVL (CUDDALORE)	VEDARANYAM	BERIGAI
Percentage of Employees	14.3	7.9	10	17	12.6

403-4

Leakage incidents are a safety concern and can have wide-ranging impacts. We have been able to minimise such incidents through new initiatives such as GPS-enabled vehicles, exclusive product-based training, designated skilled workers, contractor company evaluation systems and multiple competency checks.

Employees who work in hazardous zones have been deemed susceptible to occupational diseases as per the definition as per the Indian Factory Act, 1948.

403-7

Accordingly, 450 employees in total were subjected to occupational diseases as they work in Hazardous work area and vulnerable to occupational health issues,

403-6

in FY 2020-21. We have taken instantiates to map all potential negative impacts that can surface and thoroughly analysed them. Basis our risk management programs like Hazard Identification & Risk Assessment (HIRA) and Hazard and Operability Study (HAZOP), we have taken up mitigation measures for the analysed impacts.

403-2

In addition to identification and mitigation of risks, we carry out periodic mock drills and environmental surveillance studies to verify emergency preparedness levels at all our sites. Environmental surveillance studies have been conducted for air, water, and soil samples in areas around our plants. Our efforts have resulted in safe and secure working conditions. This has also been recognised by the British Safety Council through the Sword of Honour award for CCVL, Cuddalore, 5-Star rating award for Mettur Plant-II in the FY 2020-21. Custom Manufactured Chemicals Divn., Berigai was awarded a 4-star rating.

413-2





A vibrant photograph of a diverse group of school children, likely of Indian descent, wearing light blue shirts. They are outdoors, smiling broadly and cheering with their hands raised. The background shows a green, leafy environment.

COMMUNITY PARTNERSHIP

103-1 We relentlessly strive to maintain mutually beneficial relationships with communities around our operations. Our efforts are focussed on creating a positive impact on local communities to empower them and provide them with an enriching life. We have developed a circular model to aid and guide our community development efforts and build long-term relations with the local communities.



Our enduring commitment to undertaking impactful community development initiatives and creating shared value is based on the needs of the communities around the areas of our operation. We engage with local communities, via carefully designed surveys, to identify gaps and areas that need attention. Based on the analysis of survey results, we have been able to identify education, health, and access to clean potable water as the critical areas of focus. Thus, our CSR intervention projects in each category are designed in line with the responses received. For the current reporting period, we received 89 responses. Our key CSR initiatives for FY 2020-21 are given below:

103-1

103-2

203-1

413-1



Access to Water

Water is an essential resource and a basic tenet of human existence. Access to clean and potable drinking water is a building block of decent and healthy living. In recent times, due to the increasing needs of industries compounded by the effects of climate change, water availability has become a key challenge. We have participated in numerous Government initiatives to enhance access to water in communities. We have geared our efforts towards enhancing water storage capabilities, desilting of lakes, and supplying potable water to local communities, via water tanks.

We have collaborated with the Government of Tamil Nadu to set up water tanks to supply potable water to local communities in and around Mettur. This accounts for a supply of about 1,954 KL of water daily. We have also taken up various financial aids towards the desilting of identified water bodies.



Health

CCVL donated INR 1.05 million towards the procurement of medical equipment to the district hospital at Cuddalore. Disinfectants, such as Sodium Hypochlorite were distributed to nearby villages at Karaikal. The company spent Rs 0.3 million and Rs.0.5 million towards the supply of rice to the nearby villages at Karaikal during Covid-19 pandemic. Similarly, rice distribution was made to the nearby villages of Vedaranyam at Rs 0.5 million. Disinfectant, Sodium Hypochlorite was distributed to nearby villages in Karaikal. Due to Covid-19 pandemic, the tailoring classes, tuition centres and rural health centres were not operational in Mettur and Karaikal. CCVL contributed Rs 2.56 million and Chemplast, Mettur, contributed Rs 2.4 million towards Covid-19 relief fund.



Education

As one of the leading organisations, we support strong community development practices. We believe that investment made in the education of young children today will yield substantial results in the future. Our initiatives towards supporting education activities, include book donation drives, awareness campaigns, donations to village schools for carrying out development activities, and running evening tuition centres at various locations. In FY 2020-21, we spent INR 0.43 million in the area of education.



Other Interventions

We carry out CSR activities in other areas as well, including contribution towards COVID-19 relief, donations towards infrastructure development, celebrations of events at temples and community areas, livelihood generation initiatives, among others.

We carried out desilting of Vedhamirtha temple pond at Vedaranyam at a cost of Rs 0.45 million, and also compound wall renovation work at Kodyakarai Panchayat School for Rs 0.12 million.

Social activities at Pudu colony of Mettur accounted to Rs 0.49 million and the annual fund for the educational development for the people of Chithirapettai village was Rs 0.3 million respectively.

Company contributed towards the procurement of Blood gas analyser to the government hospital, Karaikal at a cost of Rs 0.42 million.

Number of beneficiaries

Through our CSR interventions, we have been able to impact the lives of people around us. The following is a summary of the key interventions undertaken during the current reporting period. However, due to the ongoing pandemic situation, our rural health centres and other people centric interventions were unable to operate and transfer the benefits to relevant communities and stakeholders.

203-1

INTERVENTIONS	NUMBER
RURAL HEALTH CENTER AT METTUR, CUDDALORE	5
NUMBER OF TAILORING TRAINING CENTERS AT METTUR	2
NUMBER OF VILLAGES/ AREAS BENEFITED DUE TO SUPPLY OF WATER TO NEARBY COMMUNITY OF METTUR	12
HOUSEHOLDS BENEFITTING FROM RICE DISTRIBUTION	1,450 approx

Case Study



The ongoing pandemic situation required a large deployment of law enforcement and armed police personnel for the safety and security of the people. Thus, an exclusive primary health care hospital was established by the district police administration at Cuddalore.

We helped in the upgradation of the facility by providing RMS Semi-Auto Analyzers, Allen X-ray Machine with table and darkroom accessories, Mindray CBC, ECG Machine, Glucometer, Pulse Oximeter, Oxygen Concentrator, IV Stand, etc.

Impact: Close to one thousand police personnel have benefited from the upgraded facility. This also resulted in reducing the pressure on Government Hospitals, providing resilience in the overall healthcare infrastructure of the district.

Case Study



As the COVID-19 pandemic continued, the lockdown restrictions imposed by the Government were in effect too. Due to lockdown, three villages near our Karaikal facility were heavily impacted.

We adopted a strategy to aid the villagers and carry out holistic community support programs. We identified major activities to carry out the interventions, including food distribution, medical equipment and PPEs for the Primary Health Centre and General Hospital. Distribution of Sodium Hypochlorite at various public places (TR Pattinam Commune, temples, and Collector's office) for sanitization purposes.

In addition to this, we distributed free rice bags for the communities surrounding our Cuddalore, Vedaranyam and Mettur facilities.

Impact: This activity benefited about 1,450 households belonging to 3 villages around our plant, local primary health centre and community spaces. The strategy addressed the aspects of hunger, health, and overall safety of the villagers.



APPENDIX

Description of management approach:

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
103-1 103-2 103-3	1. Economic Performance Our approach to prevailing market conditions and anticipating risks is a proactive one. The investments made by us in pioneering technologies help in running our operations in a sustainable manner and improve economic performance. We also include environmental risks in the overall analysis. The economic performance for the current reporting period, FY 2020-21, includes Chemplast (including SSC, Berigai) and Chemplast Cuddalore Vinyl (CCVL).	Yes	Yes	Besides our internal and external stakeholders, other recipients of payments such as suppliers, local community etc. are also impacted by our economic performance.
103-1 103-2 103-3	2. Market Presence The products we manufacture at Chemplast & CCVL are predominantly sold within India except for products from Custom Manufactured Chemicals Divn., Berigai which are sold outside India predominantly. We have the second highest market share for Suspension PVC and are the market leaders for supply of Paste PVC. All personnel hired at the senior level in our company are from the local community (India). At the entry level, we ensure that we meet the legal requirements for minimum wage. Significant location is defined as a company having any/ combination of the following factors: » Significant revenue » Significant production quantity » Significant number of employees	Yes	Yes	This aspect is largely impacted by our employee and local community engagement along with our economic performance which has an impact outside the organisation.
103-1 103-2 103-3	3. Indirect Economic Impact We significantly contribute towards socio-economic development through initiatives undertaken in the field of education, health, and livelihood generation. We have made our major contribution towards developing infrastructure for potable water distribution systems and supply potable water to local communities. We also impart requisite knowledge to enhance the skill sets of trainees/apprentices, so that they become competent enough to take up the challenges and cope up with the frequently changing dynamics of the system. We trained 18 apprentices and 11 trainees with the requisite knowledge to improve their skill sets.	Yes	Yes	The impact of this material aspect is primarily outside the organisation as it directly impacts the socio-economic well-being of local communities.

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
103-1 103-2 103-3	4. Procurement Practices We believe that the maximum procurement of materials/ services shall be “local” so that the unnecessary overheads can be avoided, which includes the transportation of hazardous goods & their environmental impacts. As per our definition, “Local” means the material/services obtained from India. However, Vinyl Chloride, a raw material for CCVL, is always procured from outside the country.	Yes	Yes	Procurement practices significantly impact our local suppliers and service providers engagement.
103-1 103-2 103-3	5. Materials We believe in owning responsibility for materials procured for our processes. For instance: » Suppliers are encouraged to obtain ISO 14000 certification to become an approved vendor. » All suppliers are required to produce the MSDS and identify environmental impacts of any, of the material supplied. We also continuously look for opportunities to re-use materials within our process by adapting to 4Rs principles and the 5S framework. Moreover, 22,413 numbers of reclaimed usage of soda ash bags for salt packing at ZLD plant.	Yes	Yes	It also impacts our supplier engagement
301-3 103-1 103-2 103-3	6. Energy We believe that investment in environment-friendly and innovative technologies including energy-efficient systems, makes better business sense contributing towards long-term economic sustainability. We, at Chemplast Sanmar, generate most of the electricity for our operations through a captive power plant that supplies power to our operations and employees in residential colonies and townships. Due to our ‘power surplus’ status, we also supply power to other industries while feeding the rest of it to the grid. Other fuels, such as Kerosene and Hydrogen are used primarily for thermal energy requirements in our manufacturing processes.	Yes	Yes	Since we export surplus power to colonies, other industries and the grid, this material aspect also has impact outside the organisation.

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
103-1 103-2 103-3	<p>7. Water</p> <p>We are committed to adopting measures to conserve water at all our plants and production facilities. At Chemplast Sanmar, we are committed to the following water conservation initiatives:</p> <ul style="list-style-type: none"> » Zero Liquid Discharge (ZLD) at all our plants » No groundwater to be utilised for industrial operations » All new plants to explore room for water conservation at the design stage » Shore-based facilities to use seawater as a feedstock for the industrial water requirement <p>We also draw and treat water for supplying potable water to local communities. The Company established 3 water storages (each 25000 KL capacity) to ensure continuous water supply. The Company believes water management is a critical aspect for the Company in the future.</p>	Yes	Yes	We are committed to judicious utilisation of this resource and ensure no negative impact of our activities on water access to local communities; hence, this aspect largely impacts outside the organisation.
103-1 103-2 103-3	<p>8. Emissions</p> <p>We monitor our emissions of SPM, SOx, NOx, and other key parameters continuously using CEMS, an online monitoring system directly connected with the State Pollution Control Board. We ensure that we stay within regulatory norms concerning our air emissions. With respect to GHG emissions, we aim to maximise using alternative fuels, such as Hydrogen gas and natural gas to encourage innovation for energy efficiency (electrical and thermal). Fugitive emissions of notified chemicals used in the operations are being controlled through LDAR (Leak Detection and Repair) programme.</p>	Yes	Yes	Emissions are important for local communities to maintain the quality of air in surrounding areas. Further, we engage with regulators and industry peers to monitor our performance and ensure best practices are followed in our facilities. This material aspect, hence, has an impact outside the organisation.

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
9. Effluents & waste 103-1 103-2 103-3	<p>Waste management is one of the most important aspects and key areas of thrust where we along with CCVL ensure a sustainable approach. We have an established waste management and disposal hierarchy that aims to minimise waste at the source first, and then to manage the waste generated in the most appropriate method. We assess and analyse the potential risk(s) and other associated liabilities of the waste and ensure a disposal method is worked out appropriately.</p> <p>We have implemented Zero Liquid Discharge (ZLD) plants at our facilities, to eliminate water discharge. We also installed online monitoring cameras in Effluent Treatment Plants for continuous monitoring by CPCB to demonstrate the integrity of the treatment system.</p> <p>We, at Chemplast Sanmar & CCVL relentlessly follow a 5S Framework and 4R principles to work in accordance with ensuring waste reduction at source and adopting a circular economy.</p>	Yes	Yes	<p>We are committed to reducing the impact of our activities on the environment in this material aspect.</p> <p>We regularly monitor our performance and are committed to Zero Liquid Discharge for the well-being and good health of the community. Therefore, this material aspect also has an impact outside the organisation.</p>
10. Products and service labelling 103-1 103-2 103-3	<p>We distribute one-page MSDS for relevant products to customers. To safeguard employees and vendors, we have instituted standard operating procedures for safe product handling and transportation. Further, we are a voluntary signatory to the Responsible Care Programme, which comprises various codes of practices including Process safety, Product distribution, Product stewardship, Community awareness and Emergency response.</p>	Yes	Yes	<p>We regularly communicate with our providers for safe handling of materials and ensuring their safe transportation, hence having an impact outside the organisation.</p>
11.Compliance (Environment) 103-1 103-2 103-3	<p>We track compliance with all the applicable regulations/ Statutory requirements through management systems and audits. We also follow an environmental management system (ISO 14000) and a health and safety management system (ISO 45001), which help to track, and document compliance requirements.</p>	Yes	Yes	<p>This aspect has an impact on our engagement with the stakeholders i.e. regulators and how we ensure compliance with the future requirements.</p>

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
103-1 103-2 103-3	12. Transport We work closely with our transport contractors on safety aspects and environmental protection. We have developed systems to monitor and enhance the safety of our logistics operations with support from our transport contractors. This includes GPS-enabled tracking of vehicles for the transport of Methanol, EDC, Chloromethanes, and other chemicals. We also monitor energy consumption and GHG emissions due to the transport of our raw materials and products. We have carried out Journey Risk Management for various routes of our hazardous chemicals transportation with the help of a external agency to derive the action plan based on the risks associated with the particular route. The company enrolled in to "Nicer Globe" initiative by Indian chemical council (ICC) - dedicated to establish and implement standards for transport safety of chemicals.	Yes	Yes	Transportation of hazardous chemicals and their safe handling is of extreme importance to all our stakeholders. This aspect largely impacts our engagement with suppliers and customers. Hence, has an impact outside the organisation.
103-1 103-2 103-3	13. Overall (environment expenditure) We monitor our expenditure towards operation and maintenance of emissions treatment systems (ZLD plants), waste treatment systems, environmental monitoring, green belt development, as well as expenditure towards statutory compliance and environmental management systems. The environmental expenditure for the reporting year is INR 241.86 million.	Yes	Yes	This aspect has an impact within and outside the organisation as expenditure (within) is done on environmental programmes like awareness campaigns, coastal clean-ups etc. (which impacts outside the organisation)
103-1 103-2 103-3	14. Supplier Environment Assessment We regularly collate inputs from our suppliers on the environmental and social practices they follow (including human rights related practices), management systems (e.g. ISO 14000, ISO 45000, etc.) as well as potential / actual negative impacts with respect to environmental and social sustainability. We plan on scaling up this initiative and covering a higher number of suppliers in the coming years. Site verification at important suppliers' premises is considered a future course of the action item.	Yes	Yes	This aspect has an impact outside the organisation as it affects our supplier engagement (i.e. external stakeholder engagement)
103-1 103-2 103-3	15. Environment Grievance Mechanism We have a formal redressal system for documenting and responding to all environmental grievances.	Yes	Yes	This aspect impacts how we address the concerns of external stakeholders w.r.t. our environmental performance, hence it impacts outside the organisation

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
16.Employment 103-1 103-2 103-3	We, at regular intervals, invest in the well-being, productivity, and development of our employees. Our employees are our most important assets and primary stakeholders. We have a structured training and development programme with targets set for a minimum number of training hours per employee. We have manuals to build the capacity of employees on our HR policies, code of conduct, and value system.	Yes	Yes	This aspect governs the well-being of our employees (internal stakeholders) as well as with the training institutes, local contractors and local communities for recruitment. Hence, it has an impact outside the organisation.
17.Labour / management relations 103-1 103-2 103-3	All our plants follow the minimum notice period guidelines of 20 days to 02 months for Junior and non-management cadre as per the Industrial Disputes Act, 1947. Executive cadre employees follow the minimum notice period of 2 months or 3 months or 4 months based on the cadre. Labour relations are essential material issue for the Company.	Yes	Yes	This impacts regulatory authorities and supply chain (w.r.t. health and safety issues), thereby has an impact outside the organisation.
18.Occupational health and safety 103-1 103-2 103-3	We are keen on the functioning of the occupational health and safety management system and safety objectives are set for every department to ensure continual improvement of occupational health and safety performance. The performance appraisal system gives weightage to safety performance. Workers are regularly trained on various safety practices to increase their awareness. We regularly monitor compliance with respect to health and safety standards both within the Company boundaries and across the supply chain.	Yes	Yes	Occupational Health and Safety are not only relevant inside the organisation but also outside the organisation regarding supply chain management, apart from reporting of compliance/ performance to the external/ regulating agencies/authority. The Company is also engaging communities and transport crews on various risk control programmes apart from running rural health centres at various locations.
19.Training and education 103-1 103-2 103-3	We have carried out various initiatives towards increasing the training and development activities in the reporting year. We have been partnering with the SRS Training Institute to training new joiners at Chemplast Sanmar. In the reporting year, we expanded on this program, and now we also engage with the institute to serve regular employees with training on process improvements, mechanical maintenance, or any specific topic as needed.	Yes	Yes	The Company has started various skill development and vocational training programmes to enhance the existing skill set of the local communities, especially women. Local evening study centres for students have also been provided to enhance their academic performance.

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
103-1 103-2 103-3	20. Diversity and equal opportunity Our Company management believes that diversity is critical for organisational success and sustainable growth. The Sanmar Group's ethics manual is a reference tool for anyone who has questions or concerns related to ethics, including our code of conduct and business practices for providing equal opportunity to all employees. Each employee is encouraged to approach their immediate superior or, leaders in the function or the Ombudsman for clarifying doubts.	Yes	Yes	This material aspect impacts the local hiring and local communities.
103-1 103-2 103-3	21. Supplier Assessment for Labour Practices We regularly collate inputs from our suppliers on the environmental and social practices (including human rights related practices), management systems (e.g. ISO 14000, ISO 45001, etc.) as well as potential / actual negative impacts with respect to environmental and social sustainability. We plan on scaling up this initiative and covering a higher number of suppliers in coming years.	Yes	Yes	This impacts how we carry out contractor, supplier and service provider engagement.
103-1 103-2 103-3	22. Labour Practices Grievance Mechanism We have a formal redressal system for addressing labour grievances.	Yes	Yes	This impacts how we carry out contractor, supplier and service provider engagement.
103-1 103-2 103-3	23. Human Rights Investment We have standard clauses in all of our contracts to ensure that our code of conduct is complied with respect to prevention of child labour / forced labour as well as health and safety requirements.	Yes	Yes	This impacts how we carry out contractor, supplier and service provider engagement.
103-1 103-2 103-3	24. Non-discrimination We are committed to undergo a stringent process of due diligence to prevent child labour, forced labour or any other Human Rights violations. In the past year, we have not received any complaints towards incidents of Human Rights violations. Stringent procedure for background verification, medical fitness, address, and age verification is conducted and followed by compliance with other statutory requirements, performed for all our regular and contractual workers.	Yes	Yes	This impacts how we carry out contractor, supplier and service provider engagement.
103-1 103-2 103-3	25. Freedom of association and collective bargaining 26. Child labour 27. Forced or compulsory labour Security personnel are trained on organisation's policies and procedures concerning aspects of human rights that are relevant to operations.	Yes	Yes	This impacts how we carry out contractor, supplier and service provider engagement.
103-1 103-2 103-3	28. Security practices 29. Assessment (Human Rights) We have a formal system for carrying out Human Rights reviews in our operations. There were four Human Rights reviews at Karaikal and Mettur location and three reviews at Berigai in the reporting period.	Yes	Yes	This impacts our external contractor engagement and security services.
103-1 103-2 103-3				This impacts well-being of our employees and also restores faith of external stakeholders in fair practices at Chemplast Sanmar and CCVL.

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
30. Supplier Human Rights Assessment <small>103-1 103-2 103-3</small>	We regularly collate inputs from our suppliers on the environmental and social practices they follow (including Human Rights related practices), management systems (e.g. ISO 14000, ISO 45001, etc.) as well as the potential / actual negative impacts with respect to environmental and social sustainability. We plan on scaling up this initiative and cover a higher number of suppliers in coming years.	Yes	Yes	This impacts our external stakeholders i.e. suppliers
31. Human Rights Grievance Mechanism <small>103-1 103-2 103-3</small>	We have a formal redressal system for addressing human rights grievances applicable to all the employees including contract labours.	Yes	Yes	This impacts the well-being of our employees and also restores faith of external stakeholders in fair practices at Chemplast Sanmar and CCVL.
32. Local Communities <small>103-1 103-2 103-3</small>	We acknowledge the contribution of local communities (near our plants) to the growth and success of our business. We are committed to forging a close partnership with them and improving their living standards on an inclusive and sustainable basis. We have a formal CSR program, with several projects to increase the socio-economic development of local communities, including their health, education, and access to water.	Yes	Yes	This material aspect impacts local community hence has an impact outside the organisation.
33. Anti - Corruption <small>103-1 103-2 103-3</small>	We have an anti-corruption policy in place which covers all our operations.	Yes	Yes	This impacts the well-being of our employees and also restores faith of external stakeholders in fair practices at Chemplast Sanmar and CCVL.
34. Supplier Assessment for Impact on Society <small>103-1 103-2 103-3</small>	In FY 2020-21, we collate inputs from 42 suppliers on the environmental and social practices they follow (including human rights related practices), management systems (e.g. ISO 14000, ISO 45001, etc.) as well as potential / actual negative impacts to environmental and social sustainability. We plan on scaling up this initiative and covering a higher number of suppliers in the coming years.	Yes	Yes	This material aspect has impacted outside our organisation, as it relates to our suppliers and service providers (external stakeholders).
35. Grievance Mechanisms for Impacts on Society <small>103-1 103-2 103-3</small>	We have a formal redressal system for addressing grievances related to social topics, if any.	Yes	Yes	These material aspect impacts the way we engage with local communities, and the way we give confidence to external stakeholders on ensuring our societal impacts are positive.

Sustainability Aspect	Our Approach	Material within the Organisation	Material outside the Organisation	Relevance Outside the Organisation
103-1 103-2 103-3	36. Customer health & safety All our major units are certified for ISO 14000 & ISO 45001 framework. All the 6 codes of practices of "Responsible Care" were implemented. Internal audits provide the input for making the system effective.	Yes	Yes	
103-1 103-2 103-3	37. Product and Service Labelling We provide a one page MSDS for all products sold to customers for the handling of all products by employees, vendors, and customers. We have instituted Standard Operating Procedures. We are also a voluntary signatory to the Responsible Care programme and an authorised logo holder, adhering to all codes of practices including product distribution, product stewardship and emergency response through various initiatives for safe transportation and combat with transport emergencies.	Yes	Yes	These material aspects deal with the way we ensure well-being of our customers, and the way we engage with external stakeholders (certification programs) to provide assurance with respect to our product responsibility.
103-1 103-2 103-3	38. Market Communication We provide a detailed Material Safety Data Sheets (MSDS) of our products to customers, which contain information on product handling, transportation, storage, and emergency mitigation in case of spillage and disposal.	Yes	Yes	



GRI Standards Content Index

In Accordance - Comprehensive Option



For the GRI Content Index Service, GRI Services reviewed that the GRI Content Index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
GRI 101 : Foundation 2016			102-55
General Disclosure			
GRI 102: General Disclosures 2016	Organisational Profile		
	102-1 Name of the organisation	10	
	102-2 Activities, brands, products, and services	10,11,13	
	102-3 Location of headquarters	10	
	102-4 Location of operations	10	
	102-5 Ownership and legal form	10	
	102-6 Markets served	11	
	102-7 Scale of the organisation	(operations) 10 (quantity of products) 12 (revenue) 35 (No of employees) 40	
	102-8 Information on employees and other workers	40, 41	
	102-9 Supply chain	18	
	102-10 Significant changes to the organisation and its supply chain	15	
	102-11 Precautionary Principle or approach	22	
	102-12 External initiatives	13	
	102-13 Membership of associations	14	
Strategy			
	102-14 Statement from senior-decision maker	4	
	102-15 Key impacts, risks, and opportunities	23, 24, 25	

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission	102-55
	Ethics and integrity			
	102-16 Values, principles, standards, and norms of behaviour	49		
	102-17 Mechanisms for advice and concerns about ethics	Our group ethics manual is a quick reference for all stakeholders on questions or concerns relating to ethics. Employees are encouraged to approach their immediate superior, or leaders in the function or the Ombudsman for clarifying doubts. The Ethics Manual has outlined how concerns could be reported. These concerns can be addressed through the immediate superior or higher ups in the chain of command or referred to the Ombudsman, who is common for The Sanmar Group		
GRI 102: General Disclosures 2016	Governance			
	102-18 Governance structure	16, 17, 18		
	102-19 Delegating authority	9, 16		
	102-20 Executive-level responsibility for economic, environmental, and social topics	9		
	102-21 Consulting stakeholders on economic, environmental, and social topics	At the Board level, there are primarily four committees (Audit Committee, Remuneration committee, CSR Committee, Stakeholder relationship committee) which represent the highest governing body that consults with the stakeholders on material interests. The committees review the economic, environmental, and social impacts, risks, and opportunities every quarter.		
	102-22 Composition of the highest governance body and its committees	16		
	102-23 Chair of the highest governance body	17		
	102-24 Nominating and selecting the highest governance body	16		
	102-25 Conflict of interest	17		
	102-26 Role of highest governance body in setting purpose, values, and strategy	Board of Directors is at the pinnacle of the corporate governance structure at our company and looks into the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals with respect to the evolving market conditions and our economic, environmental and social impacts. The Board is supported by its sub committees, comprising teams of senior management personnel, in carrying out its duties and responsibilities. The members of the Board have a diverse set of complementary skills		

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
		with professional expertise in diverse fields such as economics, Corporate Governance, commerce and finance and the chemical industry. The primary role of the Board is to enhance stakeholders' value. The Board accomplishes this through strategic supervision and focused direction to ensure that the Company is managed in a manner that fulfils all the categories of stakeholder aspirations and societal expectations.	
GRI 102: General Disclosures 2016	102-27 Collective knowledge of highest governance body	The Board of Directors have professional expertise in diverse fields and extensive knowledge on economic, environmental, and social topics. Through their involvement in various Industrial bodies & other forums, the Board of Directors continuously update their knowledge on current sustainability trends	
	102-28 Evaluating the highest governance body's performance	Reason: Information Unavailable	Explanation: Currently we have no such framework to assess and evaluate the performance of our highest governing body with respect to their governance of economic, social and environmental aspects. We look forward to develop such processes over the next two years.
	102-29 Identifying and managing economic, environmental, and social impacts	We apply a system-based business risk management framework to gauge potential risk rising out of our business operation. The initial identification and prioritization is followed by a set of coordinated interventions to mitigate the probability and severity of any threat or hazard and at the same time realize fruitful Opportunities. A combination of centrally issued policies, business entity wise-evolved procedures together with necessary checks and balances strengthens the system making it responsive to the system. The annual planning exercise requires the Business Head to clearly identify its top risks and set out a mitigation plan with agreed timelines and accountability. Business Head is required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented. An independent Internal Audit function at the Corporate level conducts risk-based audits across all sites,	

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission	102-55
		enabling identification of areas where risk management processes may need to be strengthened. Finally, the Audit Committee at the Board level reviews Internal Audit findings and provides strategic guidance on internal controls.		
GRI 102: General Disclosures 2016	102-30 Effectiveness of risk management processes	The CSR & Sustainability committee facilitates its triple bottom line approach and reviews, monitors, and provides strategic direction to the Company. The committee oversees the policy of Corporate Social Responsibility and ensures compliance on legal requirements.		
	102-31 Review of economic, environmental, and social topics	Quarterly/ Annual Review Meetings are held to review impact of our activities on society, environment, and economy.		
	102-32 Highest governance body's role in sustainability reporting	Sustainability report is approved by the Chairman of the Group as well as the Chairman of the business entity. Materiality Aspects are reviewed and endorsed by the Business Head.		
	102-33 Communicating critical concerns	We follow a multi-channel approach to regularly engage with our stakeholders on material aspects. We also maintain complete transparency through regular interaction with our operations. Any critical concerns arising out of internal audits is communicated to the Board through the Audit committee and addressed on priority.		
	102-34 Nature and total number of critical concerns	No critical concerns were communicated to the highest governance body in the reporting year.		
	102-35 Remuneration policies	16		
	102-36 Process for determining Remuneration	48		
	102-37 Stakeholders involvement in remuneration	The HR department conducts several one-to one interaction with most of the management staff during the course of the year. The sessions facilitate an open dialogue on employee concerns. Typically, any issues with respect to remuneration are voiced during such sessions. Exit interviews also provide a platform towards inputs on remuneration. Leaders express their views on remuneration expectations to their key employees.		
	102-38 Annual total compensation Ratio	48		
	102-39 Percentage increase in annual total compensation ratio	48		

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
Stakeholder Engagement			
	102-40 List of stakeholder groups	27, 30, 31	
	102-41 Collective bargaining Agreements	48	
	102-42 Identifying and selecting stakeholders	26, 30	
	102-43 Approach to stakeholder engagement	13, 30, 31	
	102-44 Key topics and concerns raised	13, 30, 31	
GRI 102: General Disclosures 2016			
Reporting Practice			
	102-45 Entities included in the consolidated financial statements	9	
	102-46 Defining report content and topic Boundaries	9, 26	
	102-47 List of material topics	27, 28	
	102-48 Restatements of Information	9	
	102-49 Changes in reporting	The scope and topic boundaries remain consistent with previous reporting period - 27	
	102-50 Reporting period	8	
	102-51 Date of most recent report	8	
	102-52 Reporting cycle	9	
	102-53 Contact point for questions regarding the report	9	
	102-54 Claims of reporting in accordance with the GRI Standards	8	
	102-55 GRI content index	84-95	
	102-56 External assurance	9	

Material Topics**GRI 200 Economic Standard Series****Economic Performance**

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74	
	103-2 The management approach and its components	74	
	103-3 Evaluation of the management approach	74	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	35	
	201-2 Financial implications and other risks and opportunities due to climate change	25, 52	
	201-3 Defined benefit plan obligations and other retirement plans	35	
	201-4 Financial assistance received from government	36	

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission	102-55
Market Presence				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74		
	103-2 The management approach and its components	74		
	103-3 Evaluation of the management approach	74		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	48		
	202-2 Proportion of senior management hired from the local community	42		
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74		
	103-2 The management approach and its components	74		
	103-3 Evaluation of the management approach	74		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	71, 72		
	203-2 Significant indirect economic Impacts	37		
Procurement Practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	75		
	103-2 The management approach and its components	75		
	103-3 Evaluation of the management approach	75		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	36		
Anti-Corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	81		
	103-2 The management approach and its components	81		
	103-3 Evaluation of the management approach	81		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	47		
	205-2 Communication and training about anti-corruption policies and procedures	For the current reporting period FY 2020-21, 224 employees at Mettur location, 108 employees of Berigai, 78 employees of CCVL, Cuddalore and 67 employees of Karaikal received training on anti-corruption policies and procedures. We also have an ethics manual, available on intranet, which is accessible to all the employees and contains relevant policies & procedures.		
	205-3 Confirmed incidents of corruption and actions taken	47		

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
GRI 300 Environmental Standard Series			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	60, 75	
	103-2 The management approach and its components	60, 75	
	103-3 Evaluation of the management approach	75	
GRI 301: Materials 2016	301-1 Materials used by weight or Volume	60	
	301-2 Recycled input materials used	60	
	301-3 Reclaimed products and their packaging materials	75	
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52, 75	
	103-2 The management approach and its components	52, 75	
	103-3 Evaluation of the management approach	75	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	52, 53	
	302-2 Energy consumption outside of the organisation	53	
	302-3 Energy intensity	55	
	302-4 Reduction of energy Consumption	56	
	302-5 Reductions in energy requirements of products and services	Reason: Not Applicable	
		Explanation: This is not applicable as we are in the commodity Chemical business and our products do not have energy requirements. Our customers use our products as input materials for their production activities.	
Water and Effluents			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	57, 76	
	103-2 The management approach and its components	57, 76	
	103-3 Evaluation of the management approach	76	

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission	102-55
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resources	57		
	303-2 Management of water discharge-related impacts	58		
	303-3 Water withdrawal	The quantum of water withdrawn is insignificant component of the total water quantity available at source and hence we ascertain that there is no significant impact on the availability of water in the vicinity. 58,59		
	303-4 Water discharge	58		
	303-5 Water consumption	58		
	Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	76		
	103-2 The management approach and its components	76		
	103-3 Evaluation of the management approach	76		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	53		
	305-2 Energy indirect (Scope 2) GHG emissions	53		
	305-3 Other indirect (Scope 3) GHG Emissions	53		
	305-4 GHG emissions intensity	53, 54		
	305-5 Reduction of GHG emissions	56		
	305-6 Emissions of ozone-depleting substances (ODS)	54		
	305-7 Nitrogen oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions	54		
Effluents and Waste				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	77		
	103-2 The management approach and its components	77		
	103-3 Evaluation of the management approach	77		
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	58, 59		
	306-2 Waste by type and disposal Method	60		
	306-3 Significant spills	59		
	306-4 Transport of hazardous waste	60		
	306-5 Water bodies affected by water discharges and/or runoff	57		

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
Environmental Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	77	
	103-2 The management approach and its components	77	
	103-3 Evaluation of the management approach	77	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	13	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78	
	103-2 The management approach and its components	78	
	103-3 Evaluation of the management approach	78	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental Criteria	21	
	308-2 Negative environmental impacts in the supply chain and actions taken	21	
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	79	
	103-2 The management approach and its components	79	
	103-3 Evaluation of the management approach	79	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	42, 43	
	401-2 Benefits provided to full-time	44	
	401-3 Parental leave	44	
Labour/Management Relations			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	79	
	103-2 The management approach and its components	79	
	103-3 Evaluation of the management approach	79	
GRI 402:Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	42	

GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64, 79	
	103-2 The management approach and its components	64, 79	
	103-3 Evaluation of the management approach	79	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	66	
	403-2 Hazard identification, risk assessment, and incident investigation	66,67	
	403-3 Occupational health services	66	
	403-4 Worker participation, consultation and communication on occupational health and safety	67	
	403-5 Worker training on occupational health and safety	67	
	403-6 Promotion of worker health	67	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	67	
	403-8 Workers covered by an occupational health and safety management system	66	
	403-9 Work-related injuries	66	
	403-10 Work-related ill health	66	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	67, 79	
	103-2 The management approach and its components	67, 79	
	103-3 Evaluation of the management approach	79	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45, 67	
	404-2 Programs for upgrading employee skills and transition assistance programs	45	
	404-3 Percentage of employees receiving regular performance and career development reviews	49	

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GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	15, 17, 41	
	405-2 Ratio of basic salary and remuneration of women to men	48	
Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	48	
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48	
Child Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	48	
Forced or Compulsory Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	47, 48	

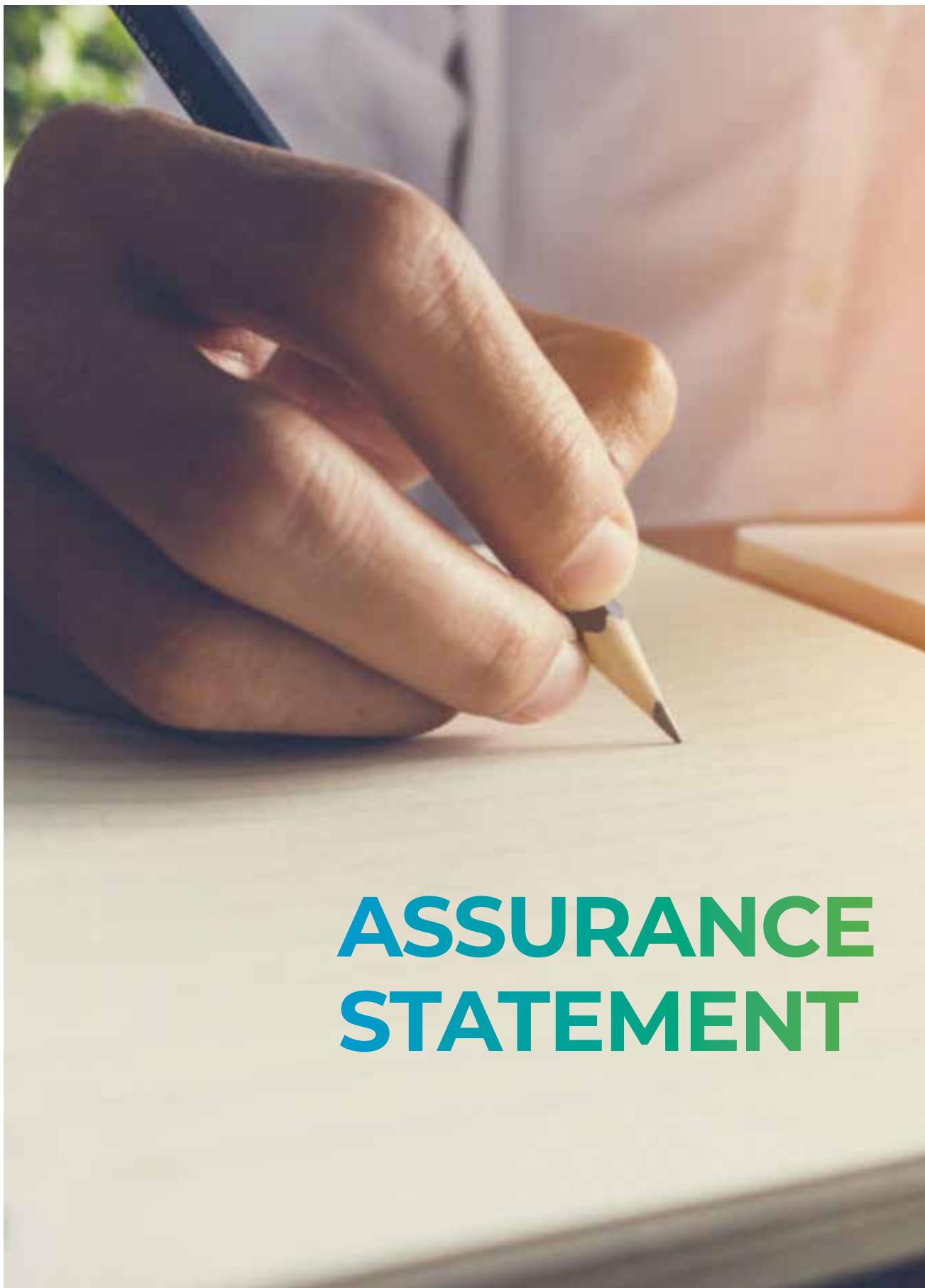
GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
Security Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	47	
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	47	
	412-2 Employee training on human rights policies or procedures	47	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	46, 47	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	71, 81	
	103-2 The management approach and its components	71, 81	
	103-3 Evaluation of the management approach	81	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71	
	413-2 Operations with significant actual and potential negative impacts on local communities	67	

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GRI Standard	Disclosure	Page No.(s) and/or URL(s)	Omission
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	81	
	103-2 The management approach and its components	81	
	103-3 Evaluation of the management approach	81	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	21	
	414-2 Negative social impacts in the supply chain and actions taken	21	
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	82	
	103-2 The management approach and its components	82	
	103-3 Evaluation of the management approach	82	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	13, 60, 61	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	13	
Marketing and Labelling			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	82	
	103-2 The management approach and its components	82	
	103-3 Evaluation of the management approach	82	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	13, 61	
	417-2 Incidents of non-compliance concerning product and service information and labeling	13	
	417-3 Incidents of non-compliance concerning marketing communications	13	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	13	
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	13	

List of Abbreviations Used

Sr. No.	Acronym	Description
1	ACF	Activated Carbon Filter
2	BC	Backward Caste
3	CEMS	Continuous Emission Monitoring System
4	CPCB	Central Pollution Control Board
5	CSR	Corporate Social Responsibility
6	DMA	Disclosures on Management Approach
7	EHS	Environment, Health & Safety
8	ETP	Effluent Treatment Plan
9	EDC	Ethylene Dichloride
10	FICCI	Federation of Indian Chambers & Industry
11	GJ	Giga Joule
12	GPS	Global Positioning System
13	GRI	Global Reporting Initiative
14	GHG	Green House Gas
15	HAZOP	Hazard and Operability study
16	HSE	Health, Safety and Environment
17	HR	Human Resources
18	HCl	Hydro Chloric Acid
19	ICC	Indian Chemical Council
20	ICCA	International Council of Chemical Association
21	ISO	International Organisation for Standardisation
22	JME	Junior Management Employee
23	KL	Kilo Litre
24	LED	Light Emitting Diode
25	LSHS	Low Sulphur Heavy Stock
26	MSDS	Material Safety Data Sheet
27	MT	Metric Tonne
28	MDG	Millennium Development Goal
29	MoEFCC	Ministry of Environment and Forests and Climate Change
30	MBC	Most Backward Caste
31	NME	Non-Management Employee
32	OC	Other caste
33	OHSAS	Occupational Health and Safety Assessment Standard
34	PVC	Poly Vinyl Chloride
35	PPE	Personal Protective Equipment
36	REACH	Registration, Evaluation and Authorization of Chemical Substances
37	RHC	Rural Health Centre
38	SC	Scheduled Caste
39	ST	Scheduled Tribe
40	STP	Sewage Treatment Plant
41	SA	Social Accountability
42	SPM	Suspended Particulate Matter
43	SDG	Sustainable Development Goal
44	TNPCB	Tamil Nadu Pollution Control Board
45	TPA	Tonnes Per Annum
46	TREM card	Transport Emergency Card
47	VFD	Variable Frequency Drive
48	VCM	Vinyl Chloride Monomer
49	ZLD	Zero Liquid Discharge
50	COVID-19	Corona Virus Disease



ASSURANCE STATEMENT



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Independent Assurance Statement

The Board of Directors and Management
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Ernst & Young Associates LLP (EY) was engaged by Chemplast Sanmar Limited (the 'Company') to provide independent assurance to the Sustainability Report (the 'Report') for Chemplast Sanmar Ltd and Chemplast Cuddalore Vinyls Limited (CCVL) (the 'Companies') for the financial year 2020-21.

The development of the Report is based on the GRI Sustainability Reporting Standards. The Company's management is responsible for the content of the Report, identification of the key aspects, engagement with stakeholders and its presentation. EY's responsibility, in accordance with the Company's management's instructions, is to carry out a limited assurance engagement on the Report. The assurance statement should not be taken as a basis for interpreting the Companies' overall performance, except for the aspects mentioned in the scope below.

Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk.

Scope of Assurance

The scope of assurance covers the following aspects of the Report:

- ▶ Data and information related to the Companies' sustainability performance for the period 1st April 2020 to 31st March 2021, specifically disclosures related to material environmental and social topics.
- ▶ Review of the sustainability report for detecting, on a test basis, any major anomalies between the information reported in the sustainability report and relevant source data / information, covering the locations/business units as specified below:

A. Chemplast Sanmar Limited:

- 1) Refrigerant gas manufacturing unit at Mettur (Mettur Plant 1)
- 2) PVC manufacturing unit at Mettur (Mettur Plant 2)
- 3) Caustic soda manufacturing unit at Mettur (Mettur Plant 3)
- 4) Hydrogen peroxide manufacturing unit at Mettur (Mettur Plant 4)
- 5) Caustic soda manufacturing unit at Karaikal
- 6) Salt yard manufacturing unit at Vedaranyam;
- 7) Organic and Phyto chemicals manufacturing unit at Berigai.

B. Chemplast Cuddalore Vinyls Limited (CCVL):

- 1) PVC manufacturing unit at Cuddalore

C. Companies' Corporate Office at Chennai.

- ▶ Review of process and approach to stakeholder engagement and materiality analysis.



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Limitations of our review

The assurance scope excludes:

- Operations of the Companies other than those mentioned in the 'Scope of Assurance';
- Aspects of the Report and data/information (qualitative or quantitative) other than those mentioned above;
- Data and information outside the defined reporting period i.e. 1st April 2020 to 31st March 2021;
- Data and information on financial performance of the Companies;
- The Companies' statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Companies;
- Review of the Companies' compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Assurance criteria

The assurance engagement was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000) on reporting principles, as well as conformance to standard disclosures as per GRI Standards.

What we did to form our conclusions

In order to form our conclusions, we undertook the following key steps:

1. Interviewed selected representatives of Companies' management to understand the current processes in place for capturing sustainability performance data as per GRI Standards, the

Companies' sustainability vision and the progress made during the reporting period;

2. Execution of audit trail based on review of supporting documents and discussion with data owners at:
 - A. Chemplast Sanmar Limited:
 - 1) Caustic soda manufacturing unit at Karaikal
 - 2) Organic and Phyto chemicals manufacturing unit at Berigai.
 - B. Chemplast Cuddalore Vinyls Limited (CCVL):
 - 1) PVC manufacturing unit at Cuddalore
 - C. Companies' Corporate Office at Chennai
3. Reviewed relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period.

Our Observations

- The Companies have engaged with stakeholders to identify material aspects, concerns and other views with respect to sustainability of the Companies.
- There is scope for improving the consistency of disclosures and associated data aggregation methodologies for recently subsumed unit of Berigai to be consistent with that of the other existing units of the Companies.

Our Conclusion

On the basis of our review scope and methodology, nothing has come to our attention that would cause us not to believe that the Report presents the Company's sustainability performance data fairly, in material respects, in line with the GRI Standards reporting principles and criteria.

Our assurance team and independence



Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics¹ for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

A handwritten signature in blue ink, appearing to read 'Chaitanya Kalia' followed by initials.

Chaitanya Kalia
Partner

Dated: 10 December 2021

Place: Mumbai, India

¹ International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (2013) establishes ethical requirements for professional accountants.

