



PRIVI
SPECIALITY CHEMICALS LIMITED

SUSTAINABILITY REPORT 2023-24

Sustainable Future begins with us



Sustainable future begins with us.

The global **Flavors and Fragrances market size was estimated at USD 30.61 billion in 2023** and is anticipated to grow at a compounded annual growth rate (CAGR) of 5.4% from 2024 to 2030. The market is anticipated to be driven by rising demand and consumption of processed food, personal care & cosmetic products globally. Rising disposable income in emerging economies globally is expected to augment demand for personal care and cosmetic products in the industry.

As an Aroma chemical manufacturer, we are reducing our environmental impact by adopting green chemistry principles, such as using more & more renewable feedstocks instead of petrochemical sources. This shift not only conserves non-renewable resources but also reduces greenhouse gas emissions. Additionally, we are implementing more efficient production processes that minimize waste and energy consumption, further contributing to sustainability goals.

Privi is concentrating on usage of Biomass replacing the Coal as fuel. Usage of Biofuel getting generated as a by-product during the manufacture process of the product from renewable feedstocks and using it as fuel for boiler. The high-pressure steam generated in boilers is used for captive COGEN. We are also implementing Solar energy projects to speed up the journey towards carbon neutrality.

The F&F market is transitioning as businesses are becoming more and more conscious of their responsibility to deliver consumer products that are not only healthy for consumers, but also

for our planet and its finite resources. Thus, the commitment to a sustainable future truly begins with the industry's proactive efforts and innovations. The goal is to continue efforts in this direction as **'Sustainable future begins with us'**.

We strive to provide a comprehensive view of our sustainability initiatives, addressing the concerns of our stakeholders and reflecting our dedication to creating long-term value. In this report, we share our progress and challenges in the pursuit of a sustainable future, acknowledging each stakeholder's interest. It outlines how Privi has embedded sustainability principles into fundamental policies and offers insights into the environmental, social, and economic aspects of our business. This information aims to engage stakeholders such as employees, customers, partners, lenders, suppliers, community, government, and investors in our collective journey.

As a premier Indian manufacturer of speciality chemicals, we have established ourselves as a trusted partner of choice. Our customer-centric approach, unwavering commitment to technical expertise, and relentless focus on research and development has earned us the confidence of our clients.



CONTENTS

Our annual Sustainability Report provides a comprehensive picture of how we are collaborating across the globe to contribute to the sustainable development of our industry.

The GRI reporting framework allows us to provide information in a structured and consistent way, enabling our stakeholders to analyse our performance towards best practices around Environment, Social and Governance standards. The purpose of using GRI framework and information on how they should be used are described below, alongside our reporting boundaries and methodologies.

Throughout this Sustainability report we often refer to our Annual Report 2023-24 and Website, where more information on our strategy, standards and policies can be found.

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FROM THE CHAIRMAN'S DESK



Mahesh P. Babani, Chairman and Managing Director

Dear Stakeholders,

It is my pleasure and privilege to present to you the 2nd Sustainability Report of the Company for the year 2023-24. The report, published in line with the GRI Standards, summarizes our commitment and progress across Environmental, Social & Governance (ESG) areas in a comprehensive manner. The theme of this year's report "Sustainable Future Begins with us" which captures Privi's philosophy of integrating environmental and social ambitions well supported by investments and strategies for a sustainable and inclusive growth. Aligned with national priorities and committed to climate stabilisation, Privi has declared its aspirations to achieve Net Zero emissions by 2050 and is creating a detailed roadmap to realise this pragmatic vision.

We are guided by our Core Values like Safety, Sustainability, Sense of Urgency, Super Transparency, Sincere Respect & Care to achieve the vision of the company.

I am excited to inform you that in the FY 2023-24 concluded recently, your company has achieved some significant milestones in its journey to sustainability:

- Eco Vadis Gold rating for sustainability, positioning it among the top 5% of more than 100,000 other organizations assessed globally
- Carbon Disclosure Project (CDP) Platform for Sustainability and Climate Change rating -B improved from "Awareness Level" to "Management Level", which is higher than the Asia regional average of C.
- Privi has committed to the Science Based Target initiative (SBTi) and join the race to Zero campaign. We have prepared a robust action plan that encompasses minimizing greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) through energy efficiency measures, maximising renewable energy, technology enhancement, replacing coal with biomass, utilization of Biofuel generated as a byproduct in the process.
- Setting up Zero Liquid Discharge plants are key priority areas of the Chemicals business. During the financial year, Unit-2, our largest manufacturing site and Unit-3 have attained the Zero Liquid Discharge capabilities.
- Signed a long-term renewable power purchase agreement of capacity 10 MW to contribute approximately 25% of our electricity requirements for our Unit 2 located at Mahad. Furthermore, the Company has also installed roof top Solar Panels with

the capacity of 0.4 MW for generation of electricity for its Unit 10 located at Mahad resulting in renewable energy consumption reaching 6.69% of total electricity at its operating locations.

- Maintain an ecological balance and restoring resources Privi has increased its Rainwater harvesting from 3363 KL to 4015 KL during 2023-24.
- The Company is also taking major strides in tree plantation, including planting of 44,512 through the innovative Miyawaki technique near our operating area, which has potential for atmospheric carbon sequestration of 1100 MT.
- We are actively working on 10 out of the 17 UNSDG's.

We continue to leverage our strength in Research and Development with a keen focus on green technologies and are also expanding our range of value-added products. This has enabled us to ensure sustainable development in the long-term and meet the evolving needs of our customers.

As responsible corporate citizens, we recognise our responsibilities to contribute to society. Our Corporate Social Responsibility (CSR) initiatives have benefited local communities, marginalized groups, and promoted inclusive growth. In FY 2023-24, we spent around Rs 232 Lakhs on CSR programs. Our team addresses key areas such as health and hygiene, education, rural development, and environmental conservation. During FY 2023-24, our activities benefited almost 10,000+ peoples with the purpose of empowering communities.

We are optimistic about a sustainable and rewarding future by focusing on emerging opportunities and proactively minimizing risks. We have taken determined steps in the journey towards achieving a perfect blend of growth and sustainability and are confident of achieving our vision of becoming a one of the most admired global Aroma Chemical Companies. Our commitment extends beyond just our industry. We're dedicated to making the world a better place for our future generations.

Before I conclude, I would like to express my gratitude for the unwavering support of all our stakeholders, without whom our performance and progress would not be possible. We thank all our customers, associates, business partners, investors and state governments for their valuable contributions and guidance in all our endeavours.

Mahesh P. Babani
Chairman and Managing Director

ABOUT US

Privi Specialty Chemicals Limited (Privi) is delighted to present its Second Annual Sustainability Report for FY 2023-24, providing a comprehensive overview of our performance and commitment to Environmental, Social and Governance aspects to build a sustainable and resilient organisation. This report demonstrates our focus on "Sustainable Future Begins With Us".



REPORTING BOUNDARY

The reporting boundary covers key material aspects across its all-manufacturing facilities in Mahad and Jhagadia which are the most significant businesses of Privi.

REPORTING PERIOD

The information, performance and achievement disclosed in this report are for FY 2023-24, from 1st April 2023 to 31st March 2024.

REPORTING SCOPE AND REFERENCES

This report is prepared in line with the Global Reporting Initiatives standards (GRI) 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021. Our long term commitment to sustainability, its initiative the United Nations Global Compact (UNGC) commitment, Communication on Progress (COP) reporting, EcoVadis Sustainability Ratings and the CDP disclosure of Carbon accounting and water security Disclosure.

EXTERNAL ASSURANCE

The report is assured by an independent external assurance provider Ernst and Young Associates LLP, appointed through a competitive bidding process. The limited assurance was conducted as per International Standard on Assurance Engagement (ISAE) 3000 (Revised) standard. Privi seeks assurance for their Sustainable Report every year and the assurance process is facilitated by the Privi Sustainability Team.

Feedback

The feedback and suggestions from all internal and external stakeholders are appreciated and can be sent at the following address:

Mr. Sachin Rajurkar

Email: - sachin.rajurkar@privi.co.in



VISION

To emerge as a leading Sustainable Global manufacturer of Aroma Chemicals Privi intends to become the leading aroma chemicals brand across the globe with its wide range of innovative products, Sustainable Manufacturing, reliable quality along with exemplary services, to fulfil the ever-growing demands of customers.



MISSION

To be a leader in the local aroma chemicals industry and keep on innovating to become the most sustainable supplier for the international market, thereby portraying India's potential as a market leader in Aroma Chemicals. Company's mission shall always be to fulfil customer's needs first!

PRIVI VALUES – 5S

In today's interconnected world, fostering a culture of safety, sustainability, and respect for our planet is not just a choice, but an imperative. We must operate with a sense of urgency and transparency, recognizing the critical need to preserve our environment for future generations. Privi Values across organization (Corporate Office & Manufacturing units) are adhered by Privi to achieve standardisation and enhance safety culture across the organization. Privi is undertaking operations in keeping with the organization's values, principles, standards and norms.



SUSTAINABILITY AT A GLANCE

Environment

2050	6.69%	50,627	72%
Net Zero Target Year	Renewable Energy Contribution	Trees Planted as on 31st March 2024	Wastewater Recycled

Social

672	1.68 million	INR 232.04	8541
Permanent Employees	Total man-hours worked	CSR Spent in Lakhs	Training Hours more than

Governance

12.50%	100%	100%	0
Women's participation in the board	Operation Sites Assessed for Risk Related to Corruption	Internal Screened through Internal Safety Audits	Complaints on Unfair Trade Practices



EXTERNAL INITIATIVES



Upholding Global Standards for Sustainable Excellence

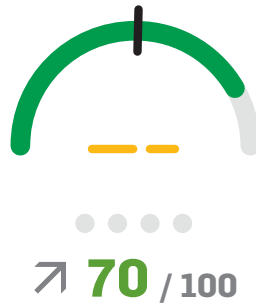
At Privi, we use best practices and respect globally recognized standards and norms since we understand how important teamwork is to attaining sustainable business operations. Our steadfast dedication to industry excellence propels us to follow these standards, strengthening the robustness of our processes, guaranteeing the caliber of our output, and assuring the long-term sustainability of our Company. The following list highlights the key norms and standards to which we proudly adhere.



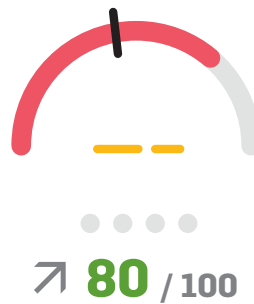
Environment



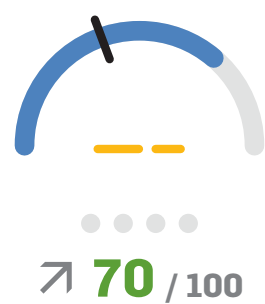
Ethics



Labor & Human Rights



Sustainable Procurement



National Safety Council- Maharashtra Chapter' Maharashtra safety Awards- 2022



Meritorious performance in Industrial Safety during the year 2022.



CERTIFICATIONS



INDUSTRY ASSOCIATIONS



International Fragrance Association (IFRA)



CHEMEXCIL
Basic Chemicals, Cosmetics & Dyes Export Promotion Council
(Set-up by Ministry of Commerce and Industry, Govt of India)

Chemical Export Promotion Council (CHEMEXCIL)



INDO-ARAB CHAMBER OF COMMERCE & INDUSTRIES

Indo-Arab Chamber of Commerce and Industries



Flavours and Fragrance Association of India (FAFI)



Export Inspection Agency (EIA)



भारतीय पैकेजिंग संस्थान
Indian Institute of Packaging
An autonomous body under the Ministry of Commerce & Industry, Govt. of India
Celebrating 30 years

Indian Institute of Packaging (IIP)



MMA CETP
co-op. Soc. Ltd.

Mahad Manufacturers Association (MMA)



Indian Merchants Chamber (IMC) - Chamber of Commerce and Industry



Pine Chemicals Association International



The International Federation of Essential Oils and Aroma Trades



PRIVI'S ORGANIZATIONAL PROFILE



ABOUT PRIVI

Privi Speciality Chemicals Limited (PSCL) is India's leading manufacturer, supplier, and exporter of aroma and fragrance chemicals and a globally trusted partner and supplier of bulk aroma chemicals. Privi started manufacturing aroma chemicals in the year 1992 with only two products, which it gradually expanded to a range of over 75 products today, having a capacity of over 48,000 tons per annum. The Company has state-of-the-art manufacturing facilities located in Mahad, Maharashtra and Jhagadia, Gujarat.

These facilities are equipped with advanced Crude Sulphate Turpentine (CST) and Gum Turpentine Oil (GTO) processing inhouse developed technologies, enabling Privi to perform critical reactions and produce pine-based aroma chemicals efficiently. This makes Privi unique as the only Company in the emerging economies, and one of just four globally, capable of leveraging these technologies to transform waste products into valuable aroma chemicals. The Company is committed to maintaining the highest quality standards in its products and has numerous certifications, including ISO 9001:2015, ISO 14001:2015 for Environmental Management System (EMS) and has an ISO 45001:2018 standard Certification Accredited by Bureau Veritas (Occupational Health & Safety Management System (OHSMS) for all Manufacturing Units at Mahad as well as ISO 9001:2015 for Jhagadia unit and ISO 45001:2018 certification process is underway.

The Company continues to engage in research and development in respect of technology & process improvement. This will result in improved, cleaner processes for existing as well as new products. By today's date, the Company continues to hold leadership position as India's leading manufacturer exporter and supplier of Aroma Chemicals like Dihydromyrcenol, Amber Fleur and Terpeneol- Pine Oil.

In this report, the words – 'Privi', 'We', 'Company', 'Our', 'Organization' are used interchangeably to denote Privi Speciality Chemicals Ltd.



Mahad



Jhagadia

The Company is the manufacturer and supplier of wide varieties of aroma chemicals. The products are supplied to a large number of Flavours & Fragrance (F&F) companies globally, which includes the top 10 F&F houses in the world. Apart from this, the products are also supplied to FMCG companies like Procter & Gamble, Reckitt & Benckiser. Aroma chemicals supplied to fragrance houses like Givaudan, Symrise & Firmenich and are utilized in manufacturing varieties of fragrance which are eventually used in products like detergents, soap, cream, perfumes etc.

These fragrance ingredients are also used in home care, personal care, fabric care, oral care, fine fragrances, food products like beverages, snacks, dairy products, sweets etc.

The Company also supplies the products through distributors located at different parts of the world. These distributors further supply the material to the end users.

MANUFACTURING EXCELLENCE, SUSTAINABLE OUTCOMES.

These facilities are equipped with advanced Crude Sulphate Turpentine (CST) and Gum Turpentine Oil (GTO) technologies, enabling Privi to perform critical reactions and produce pine-based aroma chemicals efficiently. This makes Privi unique as the only Company in the emerging economies, and one of just four globally, capable of leveraging these technologies to transform waste products into valuable aroma chemicals.

By consistently incorporating cutting-edge technology and unique concepts into our products, we ensure their continued greatness and success. Privi manufactures more than 70+ Aroma Chemicals, with pine-based products accounting for a large amount of its income. 10 of its products have a global market share of more than 20%, demonstrating Privi's quality and superiority. Privi's manufacturing facilities are fully automated with the latest versions of Distributed control systems from reputed manufacturers to ensure seamless, safe production in spite of using various hazardous chemicals in critical reactions & chemistry's. Since the majority of the feedstocks are renewable some of the Pine based products are having 100% renewable carbon.



From WASTE to BEST

Gum Turpentine Oil (GTO)

Method	Tapping pine trees
Challenge	High price volatility
Market Dynamics	Dominated by China

Crude Sulphate Turpentine (CST)

Method	Recycling waste from the pulp and paper industry
Advantage	Utilises waste products, ensuring sustainability



PRIVI'S GEOGRAPHICAL PRESENCE:

INDIA

1. Privi Biotechnologies Private Limited
2. Prigiv Specialties Private Limited
3. Radiance MH Sunrise Ten Private Limited

FOREIGN

1. Privi Speciality Chemicals USA Corporation

GLOBAL SPREAD

Privi has a presence in 11 blocks (Manufacturing locations, Stocking Points, Distribution Point), 2 of which are in India and 9 are in other countries. At its overseas locations, Privi does not conduct any direct operations and operates through subsidiaries.



MATERIAL MANAGEMENT

Efficient material management is a key component of the ESG strategy. We use cutting-edge technologies and creative techniques to reduce waste and increase the utility of materials in our operations. The focus on improving material efficiency not only enhances economic performance but also minimizes the environmental imprint, aligning us with the GRI emphasis on resource efficiency.

This year, we used approximately 6,42,563.66 tons of material out of which 29% volume is of renewable raw materials such as Gum Turpentine Oil (GTO) & Crude Sulphate Turpentine (CST) and 70% volume of procurement is from FSC (Forest Stewardship Council) certified sources.

Raw material	Volume (Metric Tons/year)
Raw material used	72,308.72
Intermediate	5,70,022.71
Packing material used	232.22
Total	6,42,563.66

ECONOMIC PERFORMANCE

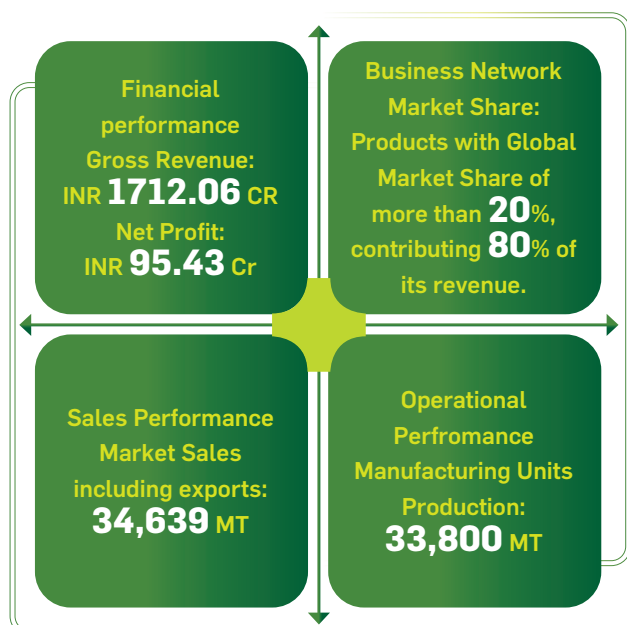
Direct Economic Value Generated and Distributed

We have a strong commitment to create long-term value for our business. This has helped us maintain strong economic performance and retain our position as one of the top Aroma chemical supplier players in the global market. This has improved our relationship with our stakeholders.

During the financial year witnessed accelerated financial growth driven by increased sales. As of 31 March 2024. Our revenues increased from ₹1577.84 Crore' in FY 2022-23 to ₹1712.06 Crore' in FY 2023-24.



○



Financial Metrix

	FY 2023-24 (In Cr)	FY2022-23 (In Cr)
Revenue from operations	1712.06	1577.84
Operating Cost	986.40	950.78
Taxes (Corporate Tax)	30.80	3.34
Employee Wages and Benefits	65.45	72.35
Payment to Providers of Capital	0	7.81
Community Investments (incl. CSR Exp.)	2.32	3.33
Cash tax paid by the company	26.49	3.34

Note: - Privi does not make any contribution towards any political parties either financially or through in-kind contributions.

○



Investors

Investors play a crucial role in the operations of every business. They put their trust in the organization and expect to see it succeed. As a result, they are considered key partners and are taken into account before any major decisions are made. The internal control system of Privi guarantees that all applicable rules and regulations are followed, resources are used efficiently, and Company's assets and investors' interests are protected. To maintain orderly and efficient company operations, Privi has a clearly defined organisational structure, well-documented decision rights, extensive manuals and operating procedures for its business and Internal control systems (including Internal Financial Controls over Financial Reporting) are examined on a regular basis, and adjustments are made as needed to keep up with changing business/statutory requirements.

Investors' Service Centre

Privi has a dedicated Investors' Service Centre (ISC), which has been effectively catering to the needs of the Members / Investors and facilitates efficient investor complaint redressal mechanism. Privi has designated an exclusive e-mail ID: investors@privi.co.in for the purpose of communication from Members including investor complaints. The complaints from investors are routed through the respective stock exchanges or the regulator. During the financial year 2023-24, there were Zero complaints have been received through SEBI, NSE and BSE.



STRENGTHENING OUR VALUE CHAIN

In an era where prioritizing environmental stewardship and ethical business conduct is of utmost importance, we lead the way in driving positive change. Our path is one of transformation, as we envision a future that is both prosperous and sustainable. We achieve this by fortifying our value chain through meticulous Product Stewardship, infusing environmental consciousness into every facet of our operations, pioneering Research and Development, and nurturing a responsible Supply Chain marked by true responsibility. These foundational pillars underscore our unwavering dedication to forging a future that is not only brighter but also greener and more sustainable, benefiting all.

GREENING OUR PRODUCT PORTFOLIO

Privi's vision is to make our raw material supply chains economically, socially and environmentally sustainable and resilient, as described in our Annual report Processing sustainably for a responsible tomorrow page no. 01-02. We are developing protocols to monitor, report and verify the impact of our renewable sourcing pilots, which are being implemented across our priority raw materials.

We are working with our suppliers to improve the traceability of raw materials across our sourcing locations and are tracking the volumes of raw materials supplied to us that are covered by sustainability standards and certifications. The company is committed and are already using majority of our raw materials procured from renewable sources. Privi is producing pine-based aroma chemicals from Crude Sulphate Turpentine (CST) which is a waste generated by Paper and Pulp Mills across the Globe which are FSC certified and Gum Turpentine Oil (GTO). We are currently buying 70% volume from FSC certified sources and 91% of our feedstocks is from the sustainable sources.



Our general approach to materials is for our Supply chain and Procurement teams to evaluate the impacts linked to their sourcing and to review our suppliers' management processes and the applicable certified source of supply in case of plant originated raw materials. We estimate that more than 42% of our raw materials dedicated to 'in-country' suppliers for all our sites in Maharashtra & Gujarat.

SUPPLY CHAIN MANAGEMENT

As we build capacity at Privi, it has become increasingly critical to procure sustainably. We ensure that our suppliers have been thoroughly screened and follow the highest quality standards. This year, we successfully achieved our target to assess 90% of our critical suppliers.

Supplier Screening and Assessment

At Privi, we undertake extra caution in the supplier screening procedure. Through EcoVadis platform, we invite our suppliers to assess their performance around environment, Health & Safety, Ethics, Sustainable procurement initiatives through the assessment questionnaire. Our Procurement function reviews suppliers against a range of factors including quality, cost, reliability and sustainability, indicating overall effectiveness and suitability. To assess environmental performance, our Procurement teams leverage performance indicators, as outlined above.



We have held detailed reviews with our largest suppliers about their environmental performance and developed specific action plans around areas for improvement. We have added Sustainability terms and conditions into our order contracts.

We aim to select those suppliers that are equally conscious of various ESG parameters and may replace vendors if they are unable to fulfil the ESG requirements set by us. Suppliers are mandatorily required to operate in accordance with the Supplier Code of Conduct, which is in line with these requirements. We carry out the assessments

on the basis of country specific risks, commodity-specific risks as well as on the basis of the sector that the supplier belongs to.

Our supplier assessment is conducted in accordance with the Supplier Code of Conduct and Standard Operating Procedures (SOPs). We determined the scope of improvement for each of our suppliers and shared with them the corrective action plans, thereby supporting them in implementation. We provide technical training to suppliers to help them follow their corrective action plans by helping them build capacity. We have a comprehensive and systematic supplier screening approach to identify the critical suppliers for our operations. 90% of our critical suppliers were assessed for health and safety practices, working conditions, sexual harassment, discrimination, child labour, forced labour, and wages



RISK MANAGEMENT FRAMEWORK

RISK MANAGEMENT AT PRIVI

The Risk Management Committee (RMC) oversees the risk management process in the Company. The RMC is chaired by an Independent Director who is also a member of the Audit Committee. The overall responsibility of the risk management lies with the Board of Directors and the Risk Management Committee constituted by the Board. The main role and responsibility of Risk Management Committee includes

1. Reviewing and recommending the risk management that comprises of risks assessed and their mitigation plans
2. Reviewing and recommending the risk management report for approval of the Board with the recommendation of the Audit Committee.

The Company has put in place a Risk Assessment process and mitigation measures as detailed in the Risk Management Policy which is approved by the Board of Directors and adopted by the Company. The Risk Management Policy is uploaded on the Company's website at <https://www.privi.com/Downloads/PoliciesPSCL/PSCL>.

Climate Risks	Impact on Business and Financial Planning
<p>Being a responsible chemical company, we realise that we have a greater responsibility of conserving our environment and working towards mitigating climate change. We have established an integrated risk management system to ensure business sustainability by promptly identifying, assessing, and mitigating risks. Furthermore, we adopted a precautionary approach to identifying and managing climate change related risks and opportunities affecting our organisation. We are also working on incorporation. We have committed to setting science-based Target under Science Based Target initiative (SBTi). Furthermore, we are in the process of setting climate-related targets and are also exploring climate-related financial opportunities.</p> <p>Climate risks encompass threats like extreme weather events, rising sea levels, and disruptions to ecosystems and economies, stemming from the changing climate. These risks pose significant challenges to global sustainability and require proactive mitigation and adaptation measures.</p> <p>The powers of the Board are conferred upon the Board Committees which ensure the efficient and smooth flow of the decision-making process. These Board Committees constitute full-time & independent directors.</p>	<p>The climate-related scenario analysis has been instrumental in assessing the potential impacts of different climate scenarios on Privi's business and financial planning. By considering variables such as product prices, regulatory changes, and market dynamics, the analysis has provided valuable insights into the company's outlook and financial performance. Privi recognizes that climate-related risks can pose challenges, and therefore, the analysis has driven the implementation of measures to enhance its resilience.</p> 



TRANSITION RISK

Privi is consistently evaluating variety of global pathways to achieve the Paris objectives, considering varying implications for regions, industries, and sectors with respect to 1.5°C scenario. The climate risks consider uncertainty that business strategies must be adaptable. The transition risks are evaluated basis the following assumptions or projections.



Current Regulation

Non-compliance with environmental and social regulations could impact profitability and operations.



Market Risk

Rising climate change concerns and the shift towards clean energy may impact the demand for products, potentially affecting prices.



Reputation Risk

Slow transition to a low carbon future may harm the Company's reputation as customers may prefer companies offering cleaner energy solutions.



Technology Risk

Failure to adopt contemporary and relevant processing technology may impact operational efficiency and efforts to reduce environmental impact.

MITIGATION MEASURES

Continuously monitor and ensure compliance with existing regulations to avoid any legal or reputational consequences.

Diversify investments in cleaner fuels such as renewable energy, biofuels, and electric mobility to align with market trends.

Invest in cleaner fuels and sustainable technologies like renewable energy, demonstrating commitment to environmental responsibility and a low-carbon future.

Invest in continuous research and development (R&D) to stay at the forefront of technology, upgrading processes, and adopting innovative solutions for sustainable operations.

PHYSICAL RISK

Privi has integrated physical threats such as floods, cyclones, and storm surges into its risk management framework, as determined from a scenario analysis.

PHYSICAL RISK

- Risk related to the physical impacts of climate change, such as extreme weather events, chronic heat waves, sea level rise, erosion and biodiversity loss.
- For Privi the major physical risk can arise from the extreme weather event that can cause harm to the assets and disrupt the supply chain.
- To tackle such unprecedented event Privi has a well structured Disaster Management Plan.

STAKEHOLDER ENGAGEMENT AND ESG MATERIALITY

Privi Speciality Chemical Limited philosophy on Corporate Governance has been to ensure protection of stakeholders interest through transparency, full disclosures, empowerment of employees, collective decision making and social initiatives.

Privi defines its key stakeholders as those who are significantly impacted by the Company's operations, or those who can significantly impact the Company's operations and activities. Privi engages with all the stakeholders periodically to understand their expectations related to the environment, social and governance aspects of its operations to address these complex issues in a time bound manner and communicates with them through various channels.

This creates transparent and effective communication with the stakeholders which strengthens trust and long-lasting relationships with them. Regular engagement with these stakeholders helps the Company in understanding their expectations, review the same internally and imbibe these in developing strategies, plans & business activities.

The Company has undertaken a formal survey to engage with and obtain stakeholder feedback last year. Privi has developed mechanisms to map both its internal and external stakeholders as part of the sustainability reporting process based on their influence and impact on the Company's sustainability performance. This assessment looked at the external trends shaping our operating environment and how we can most effectively align our work with the UN Sustainable Development Goals.

The internal stakeholders primarily include:

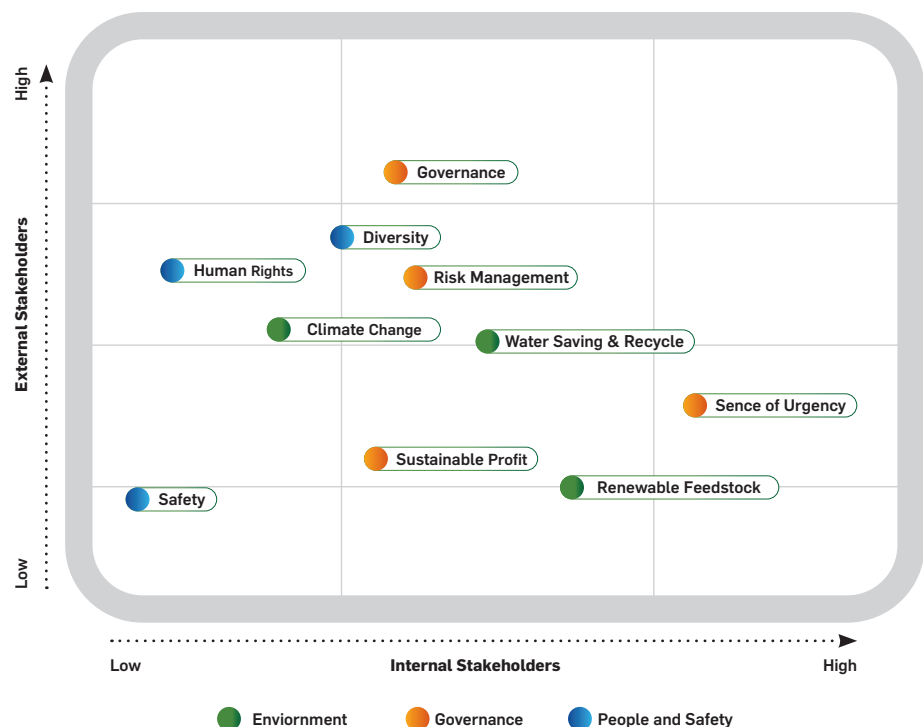
Employees,	Investors,	and Shareholders
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While the external stakeholders are listed as follows:

Regulatory authorities	Industry associations,	Customers	Competitors
Community and NGOS	Dealers and distributors	Suppliers & Contractors	Industry Trade Association

We also held a workshop with our Executive Committee from plant locations and had multiple interactions reviewing the strategy with our senior management considering stakeholder comments – including those arising from our internal subject matter experts, financial analysis and external developments.

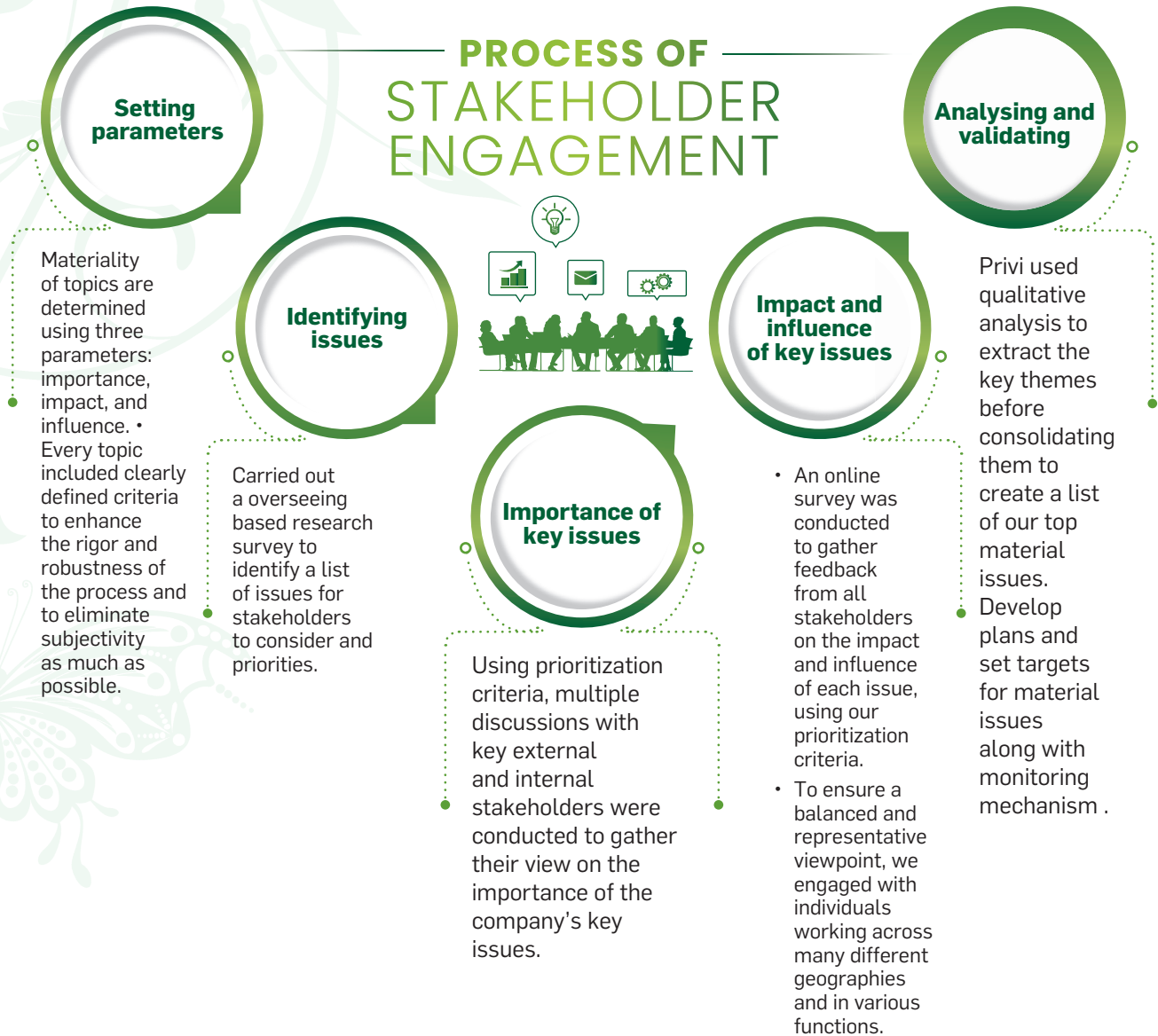
We believe all the topics presented in our materiality assessment below are important to our business. This matrix illustrates the view of both internal and external stakeholders about which topics are most critical.





APPROACH TO STAKEHOLDER ENGAGEMENT

At Privi, stakeholders play a critical part in delivering its sustainability objectives. Privi engages with all the stakeholders periodically to understand their expectations related to environment, social and governance aspects of its operations. The Company works together with its stakeholders to address these complex sustainability issues in a time bound manner and communicates with them through various channels. This creates a transparent and effective communication with the stakeholders which strengthens trust and long-lasting relationships with them.



MATERIALITY ASSESSMENT

Last year the company carried out an extensive stakeholder mapping and ESG materiality assessment exercise in consultation with internal and external stakeholders. This assessment included ESG topics identification that are most important to its stakeholders and for Privi to create value in short, medium, and long term. This assessment has helped Company to validate its priorities related to emerging business risks and to leverage opportunities for future growth.

Environment

ENVIRONMENT PERFORMANCE HIGHLIGHTS



2050
Net Zero Target Year



GHG Emissions Intensity
6.42
tCO₂e/MT
of production



6.69%
Renewable Energy
Contribution



50,627
Trees Plantation as
of 31st March, 2024



1100
MTCO₂e
Carbon Sequestration



Water Intensity
0.029
liters/turnover in rupees



72%
Wastewater recycled



33%
Requirement of water
met through use of
treated wastewater



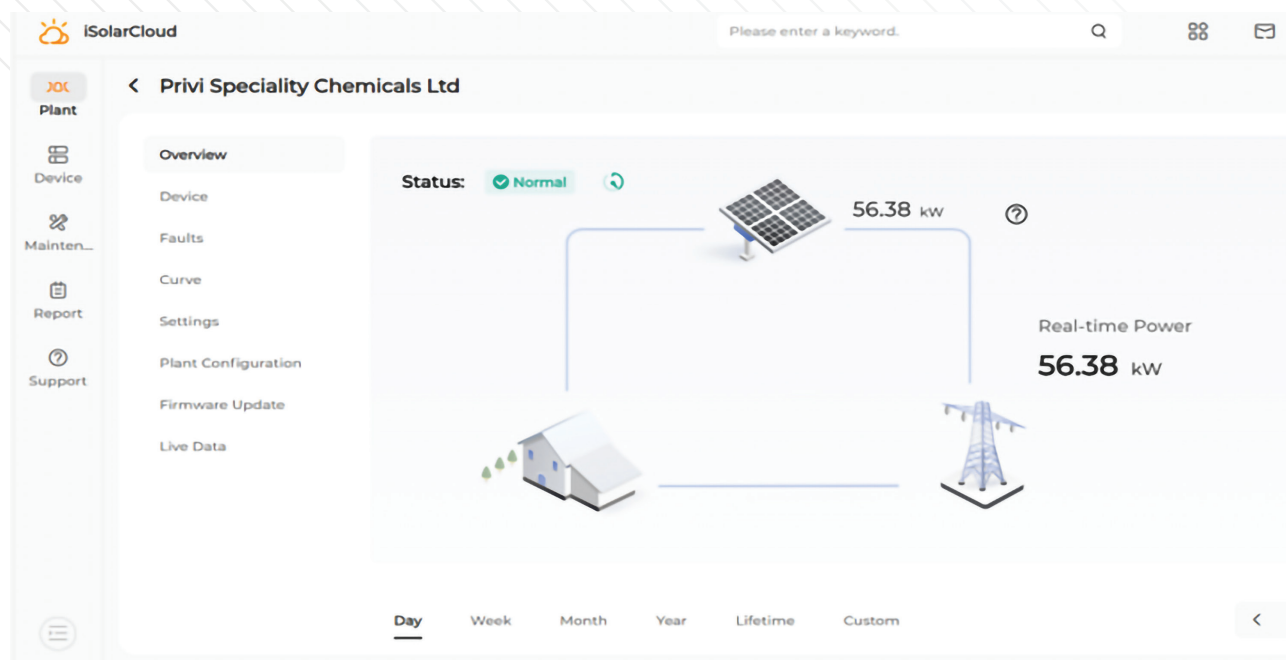
70%
Raw Materials are met
from Renewable Source



Goals, Targets and Action Taken By Privi

Sr No	Goals and Targets	Action Taken by Privi in FY 2023-24
Climate Change Actions		
1.	Develop plant specific GHG emissions database using Tier 2 or Tier 3 methodologies. (Will lead to precise, and probably lower, calculation of emissions from the sector).	Privi is already using TIER 3 methodology at both operating locations i.e Mahad in Maharashtra and Jhagadia in Gujarat however in the process to make standardized system for collection of ESG data from our manufacturing units, awareness program on climate change was conducted for both the manufacturing units.
2.	To build plant specific database to establish impact of temperature rise on energy consumption and Efficiency of operations.	The study will be taken up in due course of time.
Renewable Energy		
1.	25% of Total electricity consumption at operating locations through renewable sources by 2025 year.	Renewable energy contribution: 6.69% to total electricity consumption as the newly installed 10.4 MW of solar power realization was only for 2 months in 2023-24.
Promote Clean Energy		
1.	Transition to Electric Vehicles (EVs)	The company has moved to Electric Vehicles (EVs) and same are used for employee's travel. The kilometres travelled in year 2023-24 is 79,150 km which reduces 13 MT carbon emission.
2.	Usage of Biofuel	It is getting generated as a by-product during the manufacture process and we are using it as a feedstock for boiler to generate steam, and a for generating power through turbine which results in reduction of emission by 15 MTCO ₂ e from the overall scope 2 emissions. Usage of Biomass (Briquettes) - The mechanical modifications of one existing boilers have been done at plant level. We used 1739.73 MT of biomass briquettes resulting in reduction of 73.64 MTCO ₂ e. Further, company plan to shift on Biofuel by 2030.
Water and Waste management by 2024		
1.	Zero Liquid Discharge (ZLD) plants by 2024	In the year 2023-24, The Company has implemented ZLD facility at its Unit-II and Unit-III in Mahad and Unit-VI in Jhagadia (though it is not mandatory) to ensure complete recycle of wastewater generated during its operations and convert all effluents into salts and reusable water.
2.	Wastewater recycled in manufacturing units	At our operational units, 71.96% of the total wastewater generated has been recycled and reused in our operations.
Biodiversity		
1.	Miyawaki Technique and Privi Livelihood afforestation	We are contributing to build climate resilience by taking initiative of Miyawaki technique have planted 50,627 trees which help improving biodiversity, sequestering carbon, increasing green cover, lowering air pollution, and preserving the water table along with providing livelihood to the villagers. Miyawaki project actions have contributed to an increase in CO ₂ sinks of 1100 MTCO ₂ e.

To track the effectiveness of our approach, we monitor our performance against goals, including those focused on energy and carbon, and report progress every quarter.



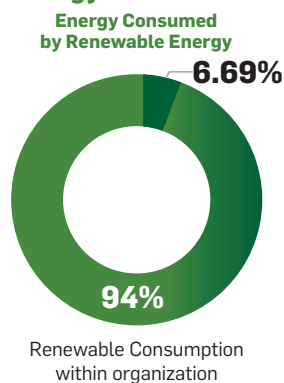
ENERGY MANAGEMENT

Privi's Sustainability Strategy is a multi-prolonged approach towards addressing the issue of climate change. In terms of sustainability, it considers undermentioned main key components which includes:

- 1) Pursuing clean energy options
- 2) Improving energy efficiency
- 3) Expanding the green cover for carbon offsetting.
- 4) Minimize environmental impact through solutions that enables to reduce energy consumption resulting in reduction of carbon footprint
- 5) Attracting & retaining best talent and creating work environment that allows to provide creative solutions to become part of more sustainable future.

Acknowledging the current scenario, Privi is consistently taking initiatives towards energy efficiency and alternative sources of energy.

Alternative sources of Energy - Renewable Energy



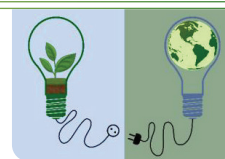
Privi continues to maintain its focus on the usage of renewable energy across its operations in line with India's NDCs (Nationally Determined Contribution) as per Paris agreement on Climate Change. Privi's renewable energy status is 10.4 MW. It plans to add another 5 MW in the near future.



Energy Conservation Measures

The following energy conservation measures were adopted during the year 2023-24, resulting in significant fuel savings:

- Total installed captive power plant is 1.425 MW per hour (0.500 MW & 0.925 MW). We have generated 6338 MWh power from steam Turbine in 2023-24 and input is Biofuel which a waste generating from our manufacturing processes.
- VFDs are provided on the vacuum Pumps, Cooling Tower Pumps, Fans and Reactor agitators for optimizing the power consumption. We have installed VFDs for CT fans in the first stage in FY 23-24.
- Replaced the regular and CFL lighting with energy efficient LED lighting across all plants. We have replaced 40 Nos in 23-24.



**Electric Vehicle**

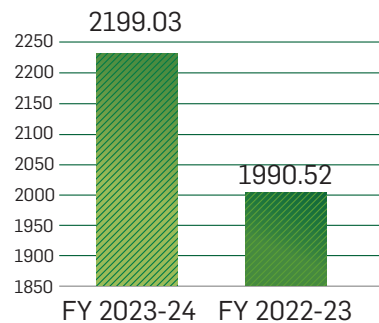
The company is taking efforts toward sustainability by purchasing an electric vehicle for employee travel and the distance travelled in 2023-24 by the employees for business purpose is 79,150 km. Although energy costs for EVs are generally lower than for similar conventional vehicle.

**Biofuels**

Privi is the only Company in Asia producing pine-based aroma chemicals from Crude Sulphate Turpentine (CST) which is a waste generated by Paper and Pulp Mills across the globe which are FSC certified and Gum Turpentine Oil (GTO). We are currently buying 70% volume from FSC certified sources. The biofuel is generated during processing of these materials. During the reporting year, total energy consumption from Biofuel is 108.28 GJ.

Direct and Indirect energy consumption (TJ)

1. Direct and indirect energy consumption refers to energy sources that we own or control and generate Scope 1 and purchase Scope 2 (indirect) emissions from, as defined by the WRI/WBCSD Greenhouse Gas Reporting Protocol.
2. The baseline year 2022 (April 1, 2021 to March 31, 2022), is in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies.

Energy Consumption (TJ)

Total direct and indirect energy consumption 2199.03 TJ is within EY's independent limited assurance report you can see pages 50-52 of this Sustainability Report.

REDUCTION OF ENERGY CONSUMPTION**Climate Change**

Being a chemical company, we realise that we have a greater responsibility of conserving our environment and working towards mitigating climate change. We have established an integrated risk management system to ensure business sustainability by promptly identifying, assessing, and mitigating risks. Furthermore, we adopted a precautionary approach to identifying and managing climate change-related

risks and opportunities affecting our organisation.

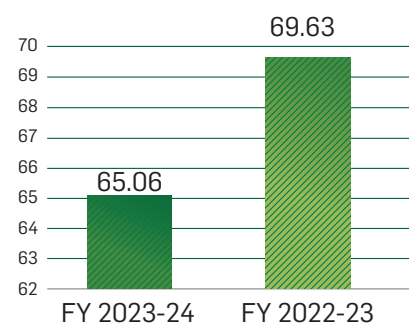
We have committed to setting science-based Target under Science Based Target initiative (SBTi) and targets are under approval stage with SBTi incubator programme.

Privi undertakes suitable actions and efforts to reduce energy consumption from operations. Our strategy towards greening operations revolves around reducing energy consumption and transitioning to low-carbon fuels.

During the FY 2023-24, energy consumption for, electricity, heating, cooling and steam is reduced by 6.55% (direct and indirect energy consumption) from the prior year.

Improving Energy Intensity

Energy generated was used for electricity, heating, cooling and steam. Total direct and indirect energy efficiency 65.06 GJ/MT produced in current year compare to previous year 69.63 GJ/MT produced, direct and indirect energy intensity (GJ/MT produced) is within EY's independent limited assurance scope.

Energy Intensity (GJ/MT)

ACCOUNTING AND MANAGEMENT OF EMISSIONS

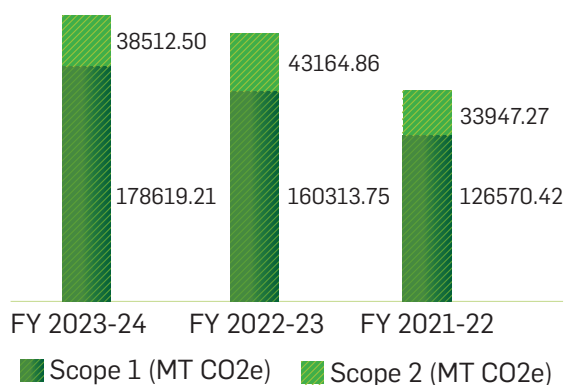
Due to nature of the operations in Privi's business, emissions make up a sizable portion of the company's environmental consequences. As a part of performance metric, GHG emissions intensity is measured through GHG emission accounting system. Privi strives to create opportunities to decrease emissions by embracing energy efficient Operations. Carbon dioxide, NOx, SOx, and different gases significantly make up emissions from Privi's operations.

In addition to our operational emissions target, we are also working with our suppliers to help them access low-cost, reliable renewable energy, setting-up emission reduction target, conducting training sessions to enhance the awareness and support in emission accounting and reporting annually through CDP disclosure or annual BRSR report.

Both the direct and indirect GHG emissions for FY 2023-24 at the manufacturing units are given below:

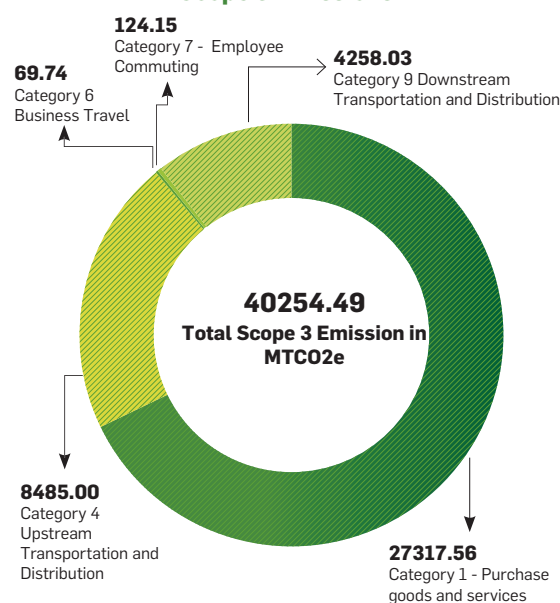
Total GHG Emission (Scope 1+2)

Total Emissions in MTCO₂e



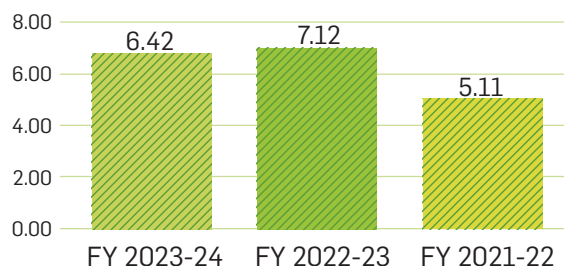
Scope 3 Emissions

Scope 3 Emissions

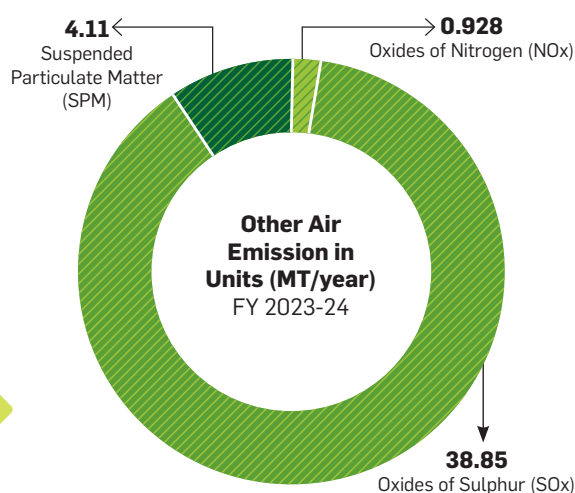


GHG Emission Intensity

GHG Emission Intensity (Scope 1 + 2) MTCO₂e/MT



Other Air Emissions:



Privi monitors other air emissions such as NO_x, SO_x, SPM. The performance of these air emissions is presented below for the units:



Decarbonization

Climate change is having increasingly severe physical impacts around the world. We recognize that there is a climate emergency, and we are committed to reducing our emissions across Scope 1, 2 and 3, in line with the Science Based Targets initiative guidance. We are actively increasing the use of renewable energy in our operations and working towards reducing our energy-related emissions. To meet our target to be net zero in our direct operations by 2050, we have set a Science Based Targets initiatives and getting them approved by SBTi to reduce our emissions by 50% by 2032 from our 2022 baseline.

WATER MANAGEMENT

Water holds an irreplaceable significance in our quest for sustainability. At Privi, our dedication to water stewardship runs deep, reflecting our profound understanding of water as a finite and invaluable natural asset, intricately interwoven with our production processes. Central to our ethos is a resolute commitment to sustainable water management.

Efforts towards minimizing freshwater consumption

Privi is in cognizance of growing global water scarcity and have taken concerted efforts to reduce the freshwater consumption. We harmonize diverse efforts to make significant advancements in minimizing freshwater consumption.



Wastewater Recycling



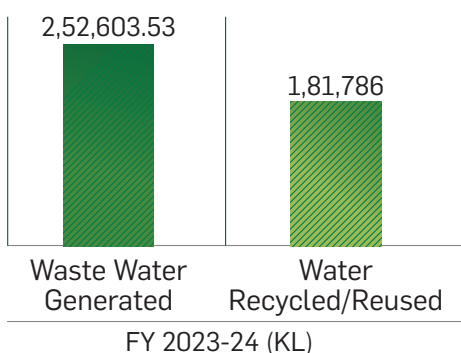
Rainwater Harvesting



Water Conservation



Wastewater generated & Recycled (KL)



Around

33%

of Privi's total requirement is currently met through water recycling.

Total Water Withdrawal

5,45,742 KL

Freshwater Consumption

5,00,270 KL

Recycled Wastewater Usage

1,81,786 KL

Total Waste Water Recycled in FY 2023-24

71.96%

Wastewater Recycling

We place great emphasis on wastewater recycling to ensure responsible water management and minimize our environmental impact. All our units are equipped with state-of-the-art Effluent Treatment Plants (ETP) that employ physical, chemical, biological, and tertiary treatment processes. Privi manufacturing units continuously monitor effluent quality for parameters. We seek due consent from statutory bodies before any wastewater discharge.



USE OF STATE-OF-THE-ART TECHNOLOGY FOR WASTEWATER RECYCLING

Effluent Quality Monitoring

Our manufacturing units consistently monitor the quality of effluent through various parameters, including pH (acidity/alkalinity), BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand), and TSS (Total Suspended Solids). This rigorous monitoring is conducted to ensure that the treated effluent meets the required standards.

Reverse Osmosis (RO)

The ETP of each unit is equipped with primary, secondary, tertiary treatment followed by Reverse Osmosis (RO) system. Tertiary treated effluent is either recycled through RO or discharged to the CETP. The Aqueous effluent generated from processes having low COD and high TDS is fed to the Multiple Effect Evaporator (MEE) along with the RO reject, and condensate of the evaporator is sent for treatment in the Effluent treatment plant or recycled/reused.

High Wastewater Reuse

In FY 2023-24, an impressive 71.96% of the treated effluent/wastewater was recycled and reused within our manufacturing units. This substantial level of wastewater recycling showcases Privi's commitment to sustainable practices and efficient water management.

Water Use Efficiency

Technology as well as physical interventions are undertaken to improve water utilisation.

Water Conservation

Privi recognizing the significance of freshwater as a precious resource, we conduct regular audits and checks to ensure responsible and sustainable management of water resources. By monitoring water usage patterns, we strive to reduce wastage and enhance conservation efforts. We have adopted water-efficient processes and practices to minimize freshwater consumption.



WATER CONSERVATION INITIATIVES:

1. The rainwater harvesting system has been successful in collecting a considerable amount of water, for FY 23-24 we have used 4015 KL of rainwater in the process. This has enabled us to minimize impact on the local water resources.
2. The organization's Jhagadia unit (Gujarat) as well as Mahad unit (Maharashtra) has implemented ZLD mechanism in its unit-II and unit- III. To assess the effectiveness of our approach, we track our performance against our water related targets and monitor progress every six months. Performance is reviewed at unit level by EHS & quality assurance team. This regular assessment of performance helps manage program risks and opportunities.
3. Recycling of wastewater is achieved through Reverse Osmosis & MEE in the units and treated water is used for various non-potable purposes.



REDUCE



REUSE



RECYCLE

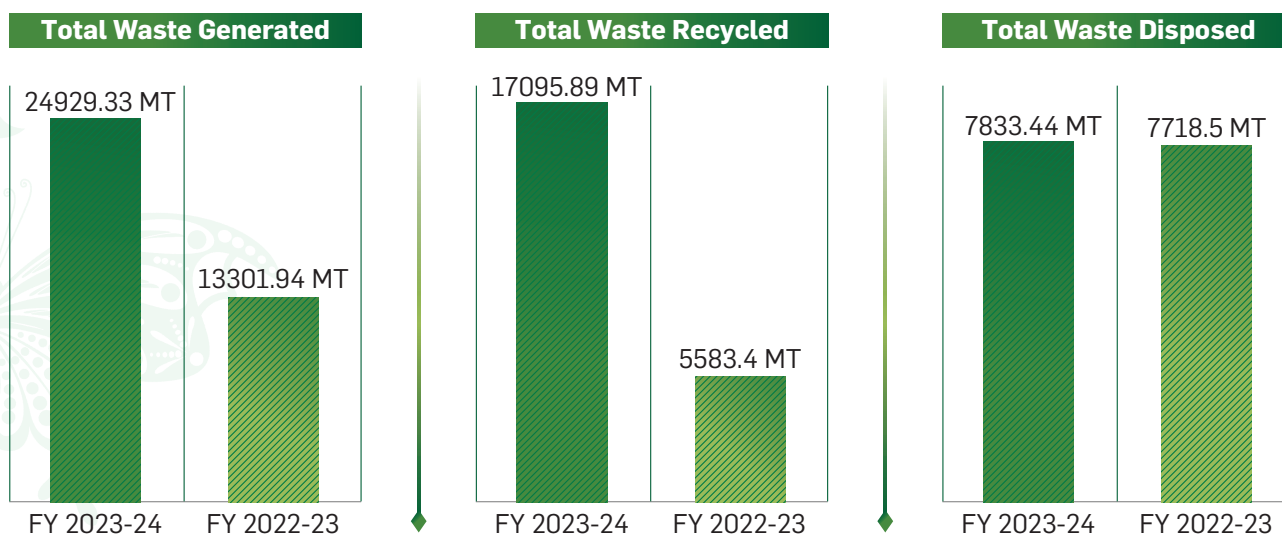
WASTE MANAGEMENT

Privi is conscious about the fact that waste generated from its plants and other operations can cause harm to environment and community. Thus, Privi has pledged for reducing its waste generated by its operations, implementing effective waste treatment techniques and directing it to disposal through authorized vendors.

First & foremost, we keep working in our R&D to minimize the process waste by yield improvements & using green chemistry routes. To minimize the waste we send to landfill, we work with certified waste handlers and, together, operate a hierarchy of actions: eliminate, reduce, reuse, recycle, recover and dispose.

Privi is committed to adopting efficient waste management practices to reduce environmental impact through the identification and segregation of operational waste, recycling and ethical disposal to reduce the volumes going to landfills. The Company's hazardous and non-hazardous waste is treated, reused and disposed through specific processes as permissible by the CPCB and SPCB. The Company has been taking numerous steps to divert organic waste for recycling and reuse where feasible. These measures prevent more than 90% of waste generated across its operations from ending up in landfills, thereby minimising the environmental impact

WASTE DIVERTED AWAY FROM LANDFILLS



Hazardous Waste

ETP Sludge

Privi sends the hazardous sludge created by ETP to the dump/ Landfilling. The ETP sludge is categorized as hazardous waste as category 35.3 of Schedule I of HOWM Rules, 2016 which is required to be disposed in authorized disposal facility in accordance with authorization condition, when not utilized for resource recovery.



Spent Catalyst

Spent catalyst that contains recoverable metals is sold to authorised recyclers, approved by the SPCB.



Bio Medical Waste

The BMW produced is gathered and kept in a designated area of the hospital for 48 hours before being given to an outside organisation approved by SPCB for treatment and disposal.



E-Waste

Privi follows the E-Waste Management and Handling Rules, 2010 and any revisions. The E-waste is sold to authorised recyclers or collected under repurchase agreements by equipment providers.



Non-Hazardous Waste

Organic Waste

New mechanical composting machines were added in our both plants locations for composting of organic waste. Approximately 7.30 MT of compost generated through organic waste in both locations during FY 2023-24. The same was utilized in our own green belt as well as distributed to our employees for their farms / kitchen gardens.



Batteries waste handed to suppliers as per the Battery Waste Management Rules, 2022 as they are responsible for collection and recycling/refurbishment of waste batteries and use of recovered materials from wastes into new batteries give it back to customers.



Plastic Waste

Privi has been given Extended Producer Responsibility to undertake recycling of plastic waste.



MS Scrap & other recyclables

Recyclables wastes such as metal, rubber, wood, paper, glass, etc are stored in scrapyards before being sold to SPCB authorized recyclers.



BIODIVERSITY

Privi recognizes the significant impact Tree Plantation the operations can have on biodiversity and local ecosystems. Knowing that the planet's finite resources require decades to replenish, the preservation of biodiversity is crucial. As part of our commitment to sustainability, we have embarked on several long-term projects that are already yielding positive results.





Afforestation & Greenbelt Development

The company holds mass tree plantations around all its operating locations to beat air pollution and increase carbon sequestration. Privi has planted approx. 50,627 trees as of 31st March 2024 near our operating locations. Miyawaki project actions have contributed to an increase in CO₂ sinks of 1100 MTCO₂e.

Miyawaki Afforestation

In the FY 2023-24, we have made remarkable strides in environmental conservation by planting approximately 43,685 trees using the innovative Miyawaki afforestation method, as well as other traditional methods. The Miyawaki afforestation approach involves transforming small areas and spaces into mini forests by closely planting seeds and saplings, maximizing space, and creating dense plant growth. These endeavours vividly showcase our dedication to our commitment to No Net Loss of Biodiversity.



We along with our value chain partners including suppliers are committed to avoid operational activities near Biodiversity zones or Hotspots. We are steadfast to ensure that all our future operations avoid deforestation activities ensuring positive impact on environment reflected by the initiatives being taken under afforestation Programs. Our sites are also not close to the habitats of threatened species, as designated by the International Union for Conservation of Nature (IUCN). In all cases, we are managing these sites in line with our licence conditions and are aiming to meet the expectations of local stakeholders.

Botanical Garden

A Botanical Garden has been developed by planting 2290 saplings of different species of trees. Originally, we started with 25 cashew (Kaju) plants. Presently, our efforts have expanded to incorporate more than 3000 plants of various types, including Mango, Cashew, Jamun, Tamarind, Banyan, Spathod Neem, and Jackfruit.



HABITATS PROTECTED OR RESTORED

We have taken initiatives to protect and restore habitats. For example, The Company is supporting the crocodile conservation project of the Government near Mahad in Savitri River. This initiative contributes to Sustainable Development Goal (SDG -14) Life under water.



Social

SOCIAL PERFORMANCE HIGHLIGHTS



Permanent
Employees
672



Total man-hours worked
by Privi's permanent
employees
1.68 million



CSR Spent (Lakhs)
INR 232.04



Training Hours
more than
8541



Lost Time Injury Frequency
Rate (LTIFR)
0



Total Number of CSR
Beneficiaries
10,000+

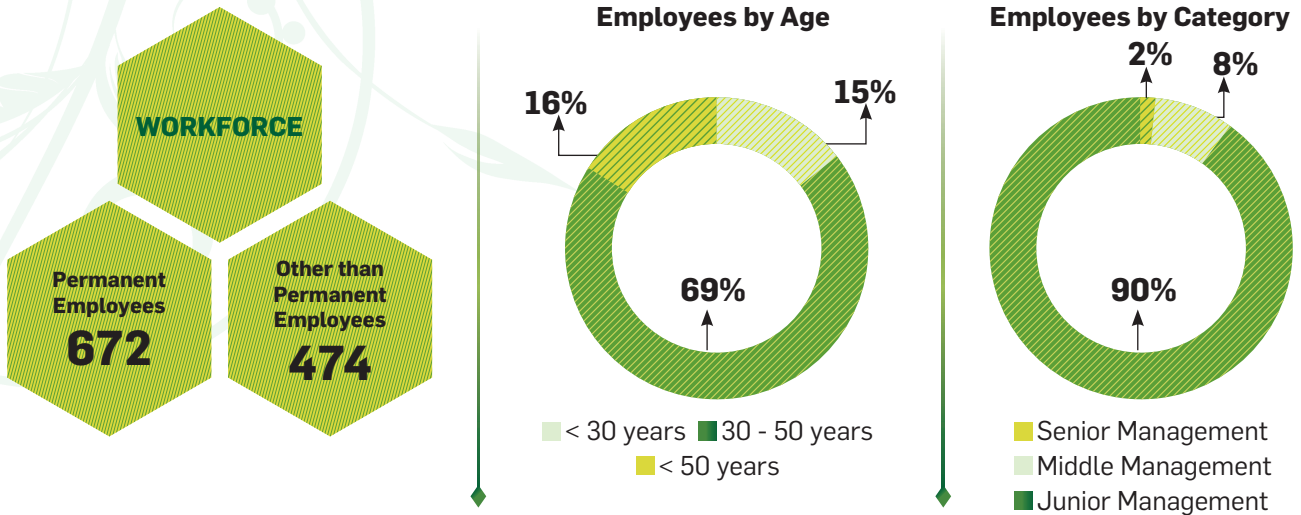




RESPECTING WORKFORCE

Employee wellbeing is at the centre of Privi's HR practices. Health and accidental insurance coverage have been extended to 100% of the employees and contractual workers at Privi. It also offers disability and invalidity coverage, retirement provision, maternity benefits, etc., to employees. Regular health and safety training is conducted for the employees, contractors, and value chain partners at Privi. The Company extends annual health check-ups for the employees and workers.

Workforce at glance



Most people who work on our behalf are employed by Privi. As of March 2024, the total number of our extended workforce from agencies was 376 and they are hired for Factory Units located at Mahad, Maharashtra and Jhagadia, Gujarat. This does not include people working through Consultancy, Master Service Agreements or Statements of Work. The number of people in the agency extended workforce is reported using our HR vendor management system.

As with most manufacturing companies, we also employ contractors, and their numbers may vary across the factory units. For the most part, when we use contractors, it's for:

1. Logistics (from the end of the packaging line), such as warehouse operators, forklift truck drivers and loaders
2. Cleaning, catering and site security.

Employee Benefits

Health & Wellness

1. Group Mediciam coverage (Self + Spouse+2 dependent Kids+ Parents)
2. Group Accidental Coverage (Self)
3. Group Term Life Insurance
4. Periodic health checkups for employees and consultation facility

Retirement Benifits

1. Provident Fund contribution
2. Gratuity
3. ESIC

Recognition

1. Long Service Award
2. Privi Value Champions
3. Employee Suggestion Scheme

Communication

1. Town Hall Meetings
2. CMD/& CFO / Head-HR Interaction Program.
3. Quarterly Induction over PAN India location

Employee Development Plans

1. Individual Development
2. Plans for key employees

Zero

Disciplinary action was taken against directors, KMPs, Employees and workers by any Law enforcements agency for the charges of bribery or corruption in the last 2 consecutive years.

Remuneration and Allowance

Privi provides equal opportunities for its employees to maximize their individual potential and carefully evaluates their abilities and accomplishment on business units regardless of personal factors.

Gender discrimination is strictly prohibited at all Privi locations and the basic salary and remuneration ratio of women to men in this category of management is 1:1. We provide salaries and remunerations based on the qualifications and experience and also as per the industry standards.

The salary of the highest paid individual (Chairman & Managing Director) in FY 2023-24 was INR 4,80,00,000 per annum. The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees is 62.56:1 and for more information refer Annexure 2 of annual report page no.53.

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Annual total compensation for the organization's highest-paid individual	4,80,00,000	6,00,00,000	6,00,00,000
Median annual total compensation for all employees (Excluding the highest-paid individual)	6,77,070	6,09,139	6,02,707

FAIR LABOR PRACTICES

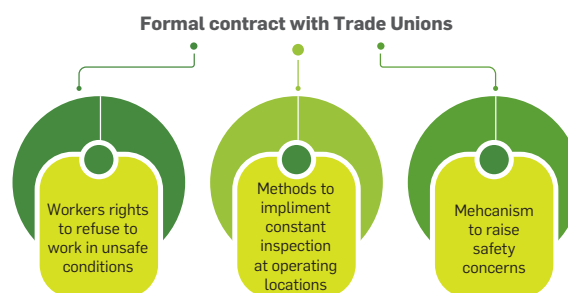
We are committed to creating the most inclusive and diverse culture possible, not just because it's the right thing to do, but because we believe this commitment helps us to recruit and retain the best employees, achieve better performance and have a greater impact on society. We respect the right to employment for all persons and believe it is our responsibility to provide an inclusive and accessible workplace for all our employees. All our facilities are equipped for specially abled employees in accordance with the Rights of Persons with Disabilities Act, 2016. In the reporting period, we had one differently abled male employee.

Privi employees must mandatorily abide to the legal commitments towards governance and ethical conduct, which encompasses aspects like Human Rights, Child Labor, Forced Labor, Fair Wages and Gender Equality. Privi being a responsible organization complies by all the national and international Human Rights standards. All our manufacturing sites are assessed by SMETA (Sedex Members Ethical Trade Audit) which is an Ethical Trade Initiative (ETI) Base Code and local legislation and audit-based methodology that encompasses all aspects of responsible business practice.



FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Privi recognises the right of all employees to establish and join labour unions, as well as to conduct wage negotiations on collective basis. Zero discrimination against the employee representatives is assured and are given access to all places of work in the performance of their duties as representatives. There is 1 registered labour Union operating in Privi and about 100% of its workforce (Operator Category) are covered under the provision of collective bargaining.





Employees can report concerns about any issue, including infringements on people's rights to collective bargaining and freedom of association, to our HR helpdesk anonymously or in confidence. The internal assessment was done by internal audit team and there were no cases found which was also assessed externally through SMETA (Sedex Members Ethical Trade Audit) audit by SGS India Pvt. Ltd.

Union Meetings

Regular union meetings are conducted in which employee representatives discuss and resolve various issues with human resource team which ensures speedy and effective solution for employees.

Human Rights

Throughout our value chain, we uphold the highest standards for human rights. We have formulated a Human Rights Policy in line with the core principles of the International Labour Organisation (ILO), including freedom of association and collective bargaining, health and safety of our workforce, elimination of child or forced labour, and elimination of discrimination in the workplace.

We have policies and processes consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and continue to embed human rights throughout our operational facilities. Specialists in human rights conducted Human Rights impact assessment (HRIAs) alongside our teams, which received training to support their role. We also make sure that members of teams with direct involvement in specific areas of human rights risks, such as procurement, receive appropriate training.

Impact of HR Policies

0 Complaints pending at the end of financial year.

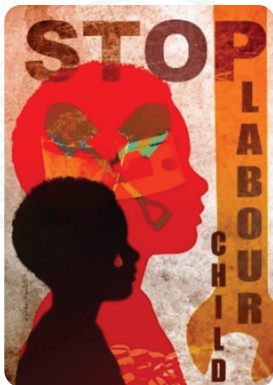
0 Cases of discrimination at employment

0 Cases of Child labor/forced labor



Minimum Wage

Minimum Wage Remuneration and incentives, including overtime payment are paid as per the Minimum Wages Act and other statutory requirements.



Human Rights in Supply Chain

We have been signatories to the UNGCs since 2023 and continue to embed human rights throughout our value chain. We do this through our comprehensive internal audits and risk assessment, prioritised by risk and based on a mapping process. Our three external business and supply chain risks are labour rights, including child labour risks; labour standards for contract workers; and sexual harassment in the workplace sector.

Issues related to gender bias or discrimination are raised through compliance and matters or questions on diversity and inclusion are managed through Human Resources. Complex issues that could have a legal risk or in terms of external reputation are escalated to HR Head.

Privi prohibits the use of child and forced labor in its supply chain and locations. The Company's Anti-Discrimination and Equal Opportunity Policy establishes the conditions for the abolition of child and forced labor, gender equality / No discrimination on any ground, including race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law. During the year, there were no cases of child labor, forced or compulsory labor, or other human rights violations.

Effective grievance redressal process

1. Our grievance mechanism is our HR helpdesk for employees and website, which can be accessed by anyone in our value chain, including contractors, suppliers, customers and consumers.
2. For employees, reporting issues directly to colleagues – line managers, the Legal team, the Human Resources (HR) team or Business Integrity managers.
3. Environmental grievances are addressed locally and also reviewed quarterly by the relevant functional Risk Management meetings for trends areas of focus. Findings are escalated to the highest Governance team at corporate level to develop mitigations as appropriate.



LEARNING AND DEVELOPMENT

Privi has a number of cutting-edge learning and development methods that are highly experiential and constantly challenge employees to test and improve their strengths. The company has developed a learning paradigm for line managers as a result of these initiatives. This organizational initiative has resulted in the strategic alignment of learning and development initiatives centered on the creation of a “leadership pipeline”.



During FY 2023-24, 8541 hours of total training was provided to all employees inclusive of both permanent and other than permanent staff. The continuous learning initiatives are developed in union with established premier institutions to offer individuals distinctive custom training programs suited to their organisational goals and growth.

As a part of Capacity Building, EHS team arranged & imparted trainings for more than 4247 Man-hours covering 3614 participants on various topics of Health, Safety, Security & Environment, including self-paced mandatory online trainings.

We train our people on occupational health and safety through several channels, including:

- Learning Management System (LMS), which is a learning management platform our people can access every day for occupational health and safety capability and awareness content. Some of this training is mandated and assigned to workers and is based on the requirements of their role.
- Occupational health and safety training, such as manual handling training, emergency preparedness plant, forklift truck training and explosive atmospheres training, which is delivered by approved internal and external trainers.





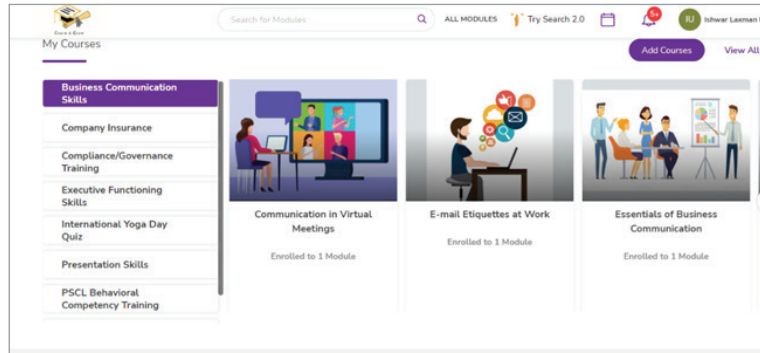
Learning and Development Initiatives

The structured learning and development framework at Privi offers a wide range of opportunities and supports the overall development of its employees. The people development initiatives include:

LMS (Learning Management System):

LMS, a technology platform that integrated Learning and Development with various HR processes, has ushered in a new way of Learning at Privi. It has made learning opportunities aligned to the learning framework and Individual Development Plans, at the fingertips of the employees. The LMS enables learner to access learning information, data and repository seamless and all through the day through mobile.

We also provide awareness training, human rights training as well as health and safety training to disseminate learnings in a well-rounded fashion. Additionally, we have adopted various non-statutory guidelines like those of anti-corruption and anti-bribery. These guidelines are regularly shared with the employees, and they are further tested on their understanding. Additionally, we also conduct IMS internal audits half yearly. To facilitate in-house development of auditors, we conduct IMS training. IMS internal auditors are trained by external experts. Through these trainings, we have developed around 59 internal auditors across locations.



Privi-Young Leaders Program (P-YLP)

Privi Young Leaders Program is a talent management and career development program for internal talents at Privi.

The objective-

1. To establish a talent management and career development framework and process at Privi.
2. To develop next generation leaders who can take up larger roles and responsibilities in future in line with Privi's growth plan.
3. To encourage and support internal talents to grow their career along with Privi's growth.

Engaging Our Employees

We believe in open communication across various levels in our organisation. Listening to our employees has helped us expand as an organisation. We conduct town halls to allow for frequent interactions with the employees and reiterate our mission, vision, values, and goals across the organisation. The town hall is arranged quarterly to allow senior management to engage with the employees.



Long Service Award

Our organization values the role of individuals in shaping its identity. We are also of the belief that employees who put in long years of service in the organisation deserve special recognition for their continued loyalty and commitment to the organisation as well as for being part of the growth of the organisation. Long Service Awards express the organization's appreciation for long-term employees who remain resilient despite challenges. As part of this strategy, we organized the Long Service Award (LSA) ceremony.

WORKPLACE SAFETY

Employee Health and Safety is one of the core sustainability priorities identified for Privi since inception and had a special focus in FY 2023-24.

Health, Safety and Environmental initiatives remain at the core for business activities of Privi. The objective is to achieve zero incidents year after year which is in line with ISO 45001: 2018 certification standards. Safety is our Core Value. Privi EHS policies provide the direction required to maintain and sustain a productive & safe workplace. To maintain high safety standards, allocation has an EHS (Environment, Health and Safety) role holder. The primary responsibility of each employee is to ensure adherence to the EHS Policy. Safety protocols and SOPs are available to limit the incidents, mishaps, injury, exposure to hazards to Privi personnel, contractual workers, customers, Tank lorry drivers, and communities within which the Privi operates.

100%

Locations have appropriate safety equipments

100%

locations screened through internal safety audits



The EHS manual across organization are adhered by Privi to achieve standardization and enhance safety culture. A Behavioral Based Safety (BBS) portal has been developed for workers to report work-related hazards formally/ informally, leading and lagging indicators etc. followed by immediate correction which are very critical to learn and disseminate the learnings to take necessary corrective / preventive actions. The internal and external incidents reported in the system are investigated, analyzed and thoroughly reviewed.

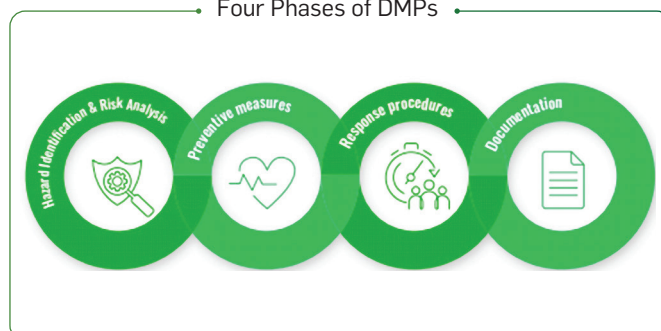
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Emergency Preparedness

We are well-prepared in the event of an emergency, such as spills, fires, leaks, or explosions. Our goal is to minimise the impact on human life, assets and properties, and the environment. We have developed Emergency Response and Disaster Management Plans (DMP) for all our locations. These DMPs elaborates about all types of emergencies and risk scenarios, as well as appropriate mitigation measures, actions to be taken to mobilise emergency services, and post-disaster recovery plans.

Regular personnel training, organizational exercises and mock drills are conducted by Privi. The plants have firefighting facilities and fire protection systems in place, which are maintained and inspected regularly. Privi works closely with National Disaster Response Force (NDRF) for emergency responses and disaster management. Privi also conducts a Hazard and Operatability (HAZOP) study, before introducing any new process or equipment installation, to identify hazards and implement mitigation measures.

Four Phases of DMPs





Safeguarding our Workforce



We continuously monitor and evaluate the safety performance and periodically carry out internal as well as external audits, allowing us to establish a preventative approach to health and safety. We have also received an independent external verification of health, safety and well-being i.e., Occupational Health and Safety Management Systems (ISO 45001:2018) certification and conduct regular audits across our sites to ensure compliance with the certification. We ensure the participation of all our employees,

including other than permanent employees and contractors in the implementation of the system by providing OHS training to raise awareness and reduce operational health and safety incidents.

Severe injury and fatality prevention

All business units are required to work towards prevention of any Incident, this aims to eliminate the risks that lead to severe or fatal incidents and ensures suitable and sustainable controls are in place. Local and regional teams make sure employees and workers are trained on these requirements and conduct frequent, robust self-assessment audits to measure ongoing compliance to this mandatory programme.

Safety Performance

	FY 2023-24	FY 2022-23	FY 2021-22
No. of Lost Time Injury (LTI)	3	12	9
Lost Time Injury Frequency Rate (LTIFR)	0	0	0
Lost Time Injury Severity Rate (LTISR)	0.0003	0.002	0.001
No. of fatalities	0	0	0
Actual Total Man Hours Worked in the reporting period	1870870	1978043	2313944

Note: -The above details pertain to permanent employees. The data collected for injuries, cases of occupational diseases, lost man-days, and missed (absentee) days is not gender specific. Rational breakdowns by injury type are not included because, the low LTA numbers, the trends are not statistically significant. We do not include absenteeism rates because we do not collect this data at a global level.

Prioritising Health

The primary focus of Privi on Occupation Health and Safety (OHS) refers to all aspects of health and safety in the workplace with particular focus on preventing accidents and hazards. The Company's commitment to health and safety is also extended to its customers and the communities close to its operations. As per the Factories Act, PRIVI conducts annual medical check-ups twice in a year for all its employees and contract labour working in operating locations. PRIVI also carry- out following activities towards OHS.

1. First aid kit is maintained at both the manufacturing units.
2. 20% of the employees are given first-aid training and refresher course.
3. OH Centre is maintained at both the operating locations which can be accessed by employees/ workers working at locations.

At Privi, we prioritize the health of our employees throughout the organization. When we onboard new employees, we do a pre-employment health evaluation to see if they are medically fit and to ensure that we have the required support mechanisms in place. Furthermore, we conduct annual health examinations for our entire workforce based on predetermined medical standards. We have qualified medical practitioners on-site at all of our locations to provide first aid and health emergency management. We have provided first aid training to practically all of our staff and further aim to train the local communities near our operations.



Security Practices

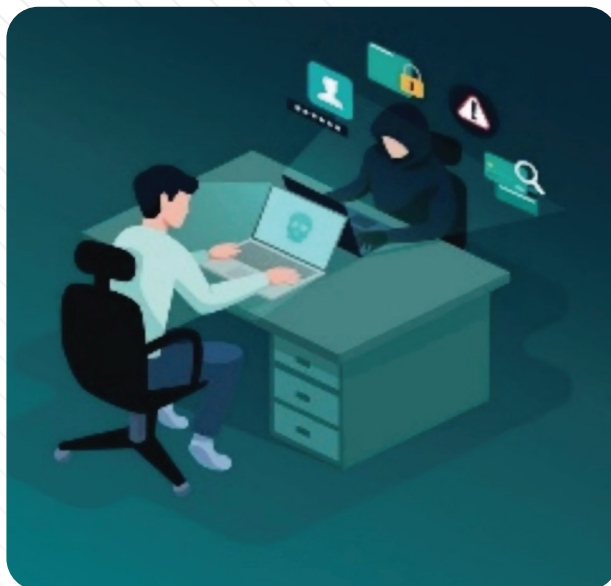
At Privi, we have made significant efforts to strengthen the overall operational security environment via technological innovations and stakeholder engagement, backed by Data Analytics to better comprehend and mitigate the security risks peculiar to our sites.

The company's Vice President Information technology department leads a cyber security programme to defend against cyberattacks. That includes seeking to protect information assets through embedding a security aware culture, implementing compliance management procedures and operating an intelligence-driven cyber resilience programme. He is supported by the Senior Manager Information technology, together they co-chair the Digital and Technology Risk Management in reviewing key security risks and mitigations.

Our BCP (Business Continuity Plan) outlines our four pillars of security: Information security, physical security (including of our products and assets), investigations, and business continuity and crisis management. This Plan is underpinned by a number of minimum standards and guidelines that every site must adhere to.

We operate security programmes in all markets and at all sites, with nominated and trained individuals responsible for the programme. The level of security in each at each site is determined by its size, risk levels and any local requirements. All sites are supported by a central team of security experts, who have functional responsibility for security delivery across all our units at corporate level. This team runs global training – such as our online personal safety training – oversees global security communications and awareness and helps to ensure we satisfy external regulations and requirements.

We review security risks routinely and communicate with our people around the world to raise awareness. The Audit and Risk Committee review our approach and relevant risks as part of our corporate risk management programme.



SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES

Outsourced Security Personnel onboarded through third-party Security Vendor Partners undergo formal training prior to deployment/induction through the vendor itself. The security vendor partner focuses on sensitising the security guards on matters related to Human Rights, gender sensitivity, and ROPD (Right of Private Defence). They also make sure that the security guards follow our code of conduct and other policies of the company. All Outsourced Security Guards are background verified to rule out any history of criminal activity including petty crimes and certified by the Security Vendor Partner, duly checked by us during induction to ensure a clean record.





IMPACTING COMMUNITIES

Privi is committed to bring positive and sustainable change in the lives of people living in the vicinity of our manufacturing facilities and administrative offices. We attain this by providing direct benefit to the concerned, making people self-reliant, focus on grass-root issues of community, empowerment, training and guidance, and facilitative support.

Thrust Areas

Safe drinking water (RO) and Water resource protection

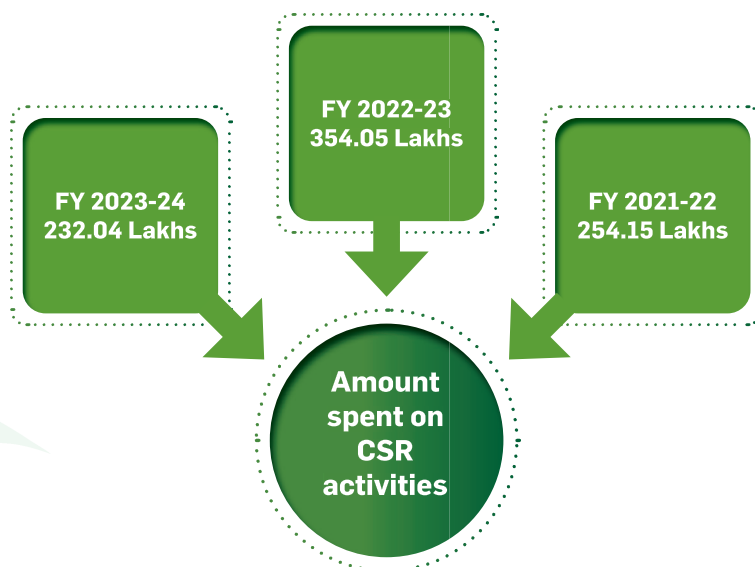
Healthcare and Sanitation

Child Welfare and Education

Rural Development

Environmental Sustainability

The beneficiary profile of the impact created through CSR Projects for FY 2023-24 is given below:



To know more about Company/s community endeavors, please visit the link provided below.

Please refer pages 49 to 52

[Annual Report 23-24](#)

Thrust Areas	Amount of money spent in Lakhs	No. of persons benefitted from CSR projects (Approx.)	Villages covered
Health & Hygiene	30.15	5500	10
Education	134.45	4500	11
Environmental Sustainability	67.44	Public at large	8
Total	232.04	10,000+	29



Governance

A strong foundation of financial stability and good governance is imperative to realise the true potential of a sustainable future.



Total Number of Board Meetings Held

6



Complaints on Unfair Trade Practices

0



Customer Complaints Closed

89.59%



Training Sessions on Governance

126



Operation Sites Assessed for Risk Related to Corruption

100%





ENSURING GOOD GOVERNANCE

Privi believes that the relationship between internal and external stakeholders is crucial for transforming its growth strategy into holistic progression.

Strong corporate governance practices are essential for business continuity and prosperity because they provide an all-encompassing, multidisciplinary framework that can be applied to Privi's daily operations and Governance. The Company upholds best-in-class governance systems that are bolstered by its core values, principles, and code of conduct. The Company is persistent in regular corporate governance disclosures positively influencing opinion, attitude, and behaviour of all the relevant stakeholders, management and the Board of Directors to form a sustainable business environment.

Board Composition

The Board of Directors (BODs) is the apex body formed to oversee the overall functioning of the Company. It reviews the compliance of all laws applicable to the Company and further monitors the Company's performance with the aim of generating long-term value for the Company's stakeholders. The Board has adopted a Code of Conduct for Board Members and Senior Management Personnel of the Company and the same has been posted on the website of the Company. This, in turn, has enhanced management's ability to implement governance and the Board's ability to exercise proper oversight.

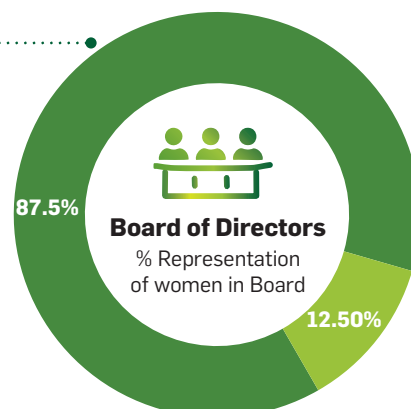
As on 31st March 2024, the Board consisted of 8 members: All the members of the Board are competent and are persons of repute with strength of character, professional eminence, having expertise in their respective disciplines to deal with the management functions of the Company.

Board Demographic Highlights

Board experience: -

All members have an average experience of 45 years in the industry peer group.

Diversity- as of 31st March, 2024



Board Evaluation & Compensation

The Nomination and Remuneration Committee (NRC) is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Our Board comprises members from varied backgrounds, all with unique yet essential skill sets, knowledge, and experience. The Committee formulates, and reviews policies related to remuneration / incentives within the set parameters.

The Evaluation of Board, its Committees, Individual Directors (Independent and Non-Independent Directors), Executive Director and Chairman & Managing Director was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The evaluation report criteria for Independent Directors includes participation and contribution by a director at the Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behaviour. The feedback on evaluation of the Board and its Committees was discussed at the meeting of the Independent Directors and coordinated by the Chairperson of the Nomination & Remuneration Committee. For more information, refer our annual report page no. 65.

ESG Governance Structure

Reflective of the leadership commitment to integrate sustainability into its operations, Privi has constituted a Board level ESG Committee. The Committee, comprising of two Whole-time Directors, One Independent Director

and President. Mr. Mahesh Babani our Chairmen and Managing Director is the committee head and is responsible for providing oversight on strategy and monitoring the implementation of strategic sustainability initiatives. The ESG Committee reviews sustainability initiatives twice a year and evaluates materiality topics, stakeholder engagement, environmental, social, and governance parameters. When an issue or risk relating to other ESG topics is discussed, the Board or Committee may assign certain officials to look into it and report back. Also, Our President Mr. R S Rajan is ultimately accountable for overall performance against ESG goals and targets, while responsibility for the Company's progress and Governance lies with the Management.

Board Committees

The Board has constituted various committees to make informed decision in the best interest of the Company. The Committees of the Board of Directors are vital gears in the corporate governance wheel. These Committees are formed in line with the requirements of the organization. This enables the Board to receive updates on all developments in business aspects. All the Committees conduct regular meetings to ensure the smooth functioning of the business operations they are responsible for.



AUDIT COMMITTEE

To review and advise the management on financials, related party transactions, evaluate Internal Financial Controls, decide scope of audit, and the other related responsibilities as may be required to comply with the applicable laws and regulations.

Nomination and Remuneration Committee

To formulate criteria for appointment of key managerial personnels and review various policies related to remuneration / incentives as may be prescribed under the Act or Listing Regulations or as may be requested by Board from time to time.

Corporate Social Responsibility Committee

Recommends, monitors and administers activities under Sustainability and CSR Policy and oversees its performance / implementation.

ESG Committee

Review Group policies, Standards, Guidelines, and action plans regarding the sustainable development of the company's projects and operations, comprising social, economic, and environmental responsibility where we operates.

Risk Management Committee

To review and recommend the risk management plan comprising risks assessed and their mitigation plans, identification of risks and their mitigation plans for approval of the Board with the recommendation by Audit Committee.

Stakeholders Relationship Committee

Examines and redresses the grievances of shareholders, investors and approves issuance of share certificates



Policies

With a comprehensive set of policies, Privi promotes ESG values. Our commitment to moral leadership, openness, environmental conservation, and social responsibility is reflected in our policies, which range from Sustainability, Health, Safety, and Environment (EHS), Whistleblower, and Corporate Social Responsibility (CSR) etc. Ensuring sustainable, ethical business activity at every level is contingent upon upholding fair procedures, security measures, materiality assessments, and stakeholder integrity. These elements are vital to our operations. The organization strongly supports transparency and openness within the organization and thereby has in place Anti-Corruption and Anti-bribery (ABAC) policy. The organization aims at detection and prevention of fraud, bribery, and all other corrupt business practices and thereby the policy applies to every individual working or is directly or indirectly associated with the organization. An overview of our ESG policies can be found in the given table:

Privi Policies	Aspect
EHS Policy	E, S, G
Water Stewardship Policy	E, S, G
Board Diversity Policy	G
Whistle Blower Policy	G
Anti-Discrimination and Equal Opportunity Policy	G
Grievance Redressal Policy	G
Nomination & Remuneration Policy	G
Policy on Determination of Materiality	E, S, G
Code of Conduct	G
CSR Policy	S
Policy on Material Subsidiary	G
Vigil Mechanism Policy	G
Risk Management Policy	G
Policy on Related Party Transactions	G
Dividend Distribution Policy	G
Integrated Management System Policy	E, S, G
Supplier code of conduct Policy	E, S, G

Ethics & Integrity

Privi believes that ethical business practices are essential for an effective organisation. Adopting ethical and transparent processes is critical for maintaining and restoring stakeholder trust in the Company. The basic values of Privi guide its corporate ethics and morals. It is dedicated to a ABAC policy towards fraud, bribery, and corruption. The Code of Conduct establishes the expected behaviour of Board members, senior management personnel, and employees. Employees are obligated to fully disclose any conflicts of interest to Privi. Senior management is also expected to disclose to the Chairman all material financial and commercial transactions in which they have a personal interest. Regular trainings are conducted on the Code of Conduct and acknowledgement on the same is taken from the employee at the completion of the training. At the end of FY 2023-24, there were no instances of potential conflict of interest between Privi and its Board members or senior leadership & no breach of code of conduct as well.

Investigation & Complaints

Respective department took effective action on complaints with the purpose of safeguarding the interests of stakeholders. Emphasis was laid on early completion of investigations and concluding the same. A summary of investigative complaints handled during the FY 2023-24 is given below:

Particulars (Complaints)	Customer Complaints/ Queries/ grievances	Resolution	Balance
Investors	Nil	Nil	Nil
Shareholders	Nil	Nil	Nil
Employees & Workers	Nil	Nil	Nil
Customers	48	43	5
Value Chain Partners	Nil	Nil	Nil

SUSTAINABLE DEVELOPMENT GOALS (SDG)

Privi's Contribution to UN Sustainable Development Goals (SDGs)

The global standards that we are committed to are referenced within our policies. We have committed to contribute towards Sustainable Development Goals (SDGs) being signatory to the UN Global Compact (UNGC) and are committed to submit Communication On Progress (COP) report annually. These SDGs are aligned with organization's business strategy & social policy as well as Governance. The 17 goals of the UN Sustainable Development Goals (SDGs) outline the desired global future. Privi, as a responsible organization, actively contributes to 10 SDGs in diverse ways. We are actively working on aligning our activities with the SDGs. Our activities effects on the environment, societies, and economic advancement are clearly outlined.



The UNGC Participation Certificate: -





GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	10
	2-2 Entities included in the organisation's sustainability reporting	11
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	5
	2-5 External assurance	50,51,52
	2-6 Activities, value chain and other business relationships	15,16
	2-7 Employees	32
	2-8 Workers who are not employees	32
	2-9 Governance structure and composition	42,43
	2-10 Nomination and selection of the highest governance body	42
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	2-12 Role of the highest governance body in overseeing the management of impacts	42
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	2-14 Role of the highest governance body in sustainability reporting	43
	2-15 Conflicts of interest	44
	2-16 Communication of critical concerns	42
	2-17 Collective knowledge of the highest governance body	43
	2-18 Evaluation of the performance of the highest governance body	42
	2-19 Remuneration policies	42
	2-20 Process to determine remuneration	42,43
	2-21 Annual total compensation ratio	33
	2-22 Statement on sustainable development strategy	26
	2-23 Policy commitments	44
	2-24 Embedding policy commitments	44
	2-25 Processes to remediate negative impacts	17,18
	2-26 Mechanisms for seeking advice and raising concerns	33,34
	2-27 Compliance with laws and regulations	44
	2-28 Membership associations	9
	2-29 Approach to stakeholder engagement	20
	2-30 Collective bargaining agreements	33
GRI 3: Material Topics 2021	3-3 Management of materials topics	12
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	13
	201-2 Financial implications and other risks and opportunities due to climate change	17,18
	201-3 Defined benefit plan obligations and other retirement plans	32
	201-4 Financial assistance received from Government	~

GRI STANDARD	DISCLOSURE	LOCATION
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	33
	202-2 Proportion of senior management hired from the local community	~
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	~
	203-2 Significant indirect economic impacts	18
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	~
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	44
	205-2 Communication and training about anti-corruption policies and procedures	43,44
	205-3 Confirmed incidents of corruption and actions taken	33,44
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	~
GRI 207: Tax 2019	207-1 Approach to tax	13
	207-2 Tax governance, control, and risk management	13
	207-3 Stakeholder engagement and management of concerns related to tax	13,14
	207-4 Country-by-country reporting	~
GRI 301: Materials 2016	301-1 Materials used by weight or volume	12
	301-2 Recycled input materials used	~
	301-3 Reclaimed products and their packaging materials	~
GRI 302: Energy 2016	302-1 Energy consumption within the organization	24
	302-2 Energy consumption outside of the organization	24
	302-3 Energy intensity	24
	302-4 Reduction of energy consumption	24
	302-5 Reductions in energy requirements of products and services	24
GRI 303: Water & Effluents 2018	303-1 Interactions with water as a shared resource	26
	303-2 Management of water discharge-related impacts	26
	303-3 Water withdrawal	26
	303-4 Water discharge	26
	303-5 Water consumption	26
GRI 304: Biodiversity 2016	304-1 Operational sites, owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	30
	304-2 Significant impacts of activities, products and services on biodiversity	30
	304-3 Habitats protected or restored	30



GRI STANDARD	DISCLOSURE	LOCATION
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	30
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	25
	305-2 Energy indirect (Scope 2) GHG emissions	25
	305-3 Other indirect (Scope 3) GHG emissions	25
	305-4 GHG emissions intensity	25
	305-5 Reduction of GHG emissions	26
	305-6 Emissions of ozone-depleting substances (ODS)	~
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions GRI	25
GRI 306: Effluents and Waste 2020	306-1 Waste generation and significant waste-related impacts	28
	306-2 Management of significant waste-related impacts	28
	306-3 Waste Generated	28
	306-4 Waste diverted from disposal	28
	306-5 Waste directed to disposal	28
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	~
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	32
	401-3 Parental Leave	32
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice period regarding operational changes	~
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	37,38
	403-2 Hazard identification, risk assessment, and incident investigation	37,38
	403-3 Occupational health services	38
	403-4 Worker participation, consultation, and communication on occupational health and safety	37,38
	403-5 Worker training on occupational health and safety	37
	403-6 Promotion of worker health	37
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37
	403-8 Workers covered by an occupational health and safety	37,38
	403-9 Work-related injuries	38
	403-10 Work related ill health	38
GRI 404: Training & Education 2016	404-1 Average hours of training per year per employee	35
	404-2 Programs for upgrading employee skills and transition assistance programs	35,36
	404-3 Percentage of employees receiving regular performance and career development reviews	36

GRI STANDARD	DISCLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41
	405-2 Ratio of basic salary and remuneration of women to men	33
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	33
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	34
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	34
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	34
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	39
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	34
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	39
	413-2 Operations with significant actual and potential negative impacts on local communities	39
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	15,16
	414-2 Negative social impacts in the supply chain and actions taken	15,16
GRI 415: Public Policy 2016	415-1 Political contributions	13
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	44
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and service	44
GRI 417: Marketing & Labelling 2106	417-1 Requirements for product and service information and labeling	~
	417-2 Incidents of non-compliance concerning product and service information and labeling	44
	417-3 Incidents of non-compliance concerning marketing communications	44
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	39



Assurance statement



Ernst & Young Associates LLP
5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E), Mumbai - 400063, India

Tel: +91 22 6192 0000
Fax: +91 22 6192 3000
ey.com

Independent Assurance Statement

To,
The Management and Board of Directors
Privi Speciality Chemicals Limited
Privi House, Thane Belapur Road, Near Kopar Khairne,
Navi Mumbai, Mumbai City
Maharashtra 400709

Scope

We have been engaged by Privi Speciality Chemicals Limited to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Privi Speciality Chemicals Limited's non-financial indicator reported in the Sustainability Report FY 2023-24 (the "Subject Matter") contained in Privi Speciality Chemicals Limited's (the "Company's") Sustainability Report FY 2023-24 for the period from 1st April 2023 to 31st March 2024 (the "Report").

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

Criteria applied by Privi Speciality Chemicals Limited

In preparing the Sustainability Report FY 2023-24, Privi Speciality Chemicals Limited applied Global Reporting Initiative (GRI) standards ('Criteria');

Privi Speciality Chemicals Limited's Responsibilities

Privi Speciality Chemicals Limited management is responsible for selecting the Criteria, and for presenting the Sustainability Report FY 2023-24 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

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

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

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



Our Independence and Quality Control

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

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

Description of procedures performed.

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

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

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Sustainability Report FY 2023-24 and related information and applying analytical and other appropriate procedures. Our procedures included:

- Conducted interviews with selected personnel at locations listed below to understand the process for collecting, collating, and reporting the subject matter as per Global Reporting Initiative (GRI) framework.
 - Privi Speciality Chemicals Limited, Mahad, Maharashtra
 - Privi Speciality Chemicals Limited, Jhagadia, Gujarat
 - Corporate Office, Navi Mumbai, Maharashtra
- Evaluated the appropriateness of the quantification methods used to arrive at the non-financial disclosures presented in the subject matter, Undertook analytical review procedures to support the reasonableness of the data through consultations with the site team and corporate sustainability team;
- Conducted data reliability and accuracy checks on a sample basis, at Corporate Office and the above mentioned units/locations, of the disclosures of the GRI Standards as mentioned in Annexure 1
- Review of select qualitative statements in various sections of the Sustainability Report of FY 2023-24.

Our Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Integrated Sustainability Report FY 2023-24 as of 29th July 2024 for the period from 1st April 2023 to 31st March 2024 in order for it to be in accordance with Criteria.

For and on behalf of Ernst & Young Associates LLP

Chaitanya Kalia
29/07/2024
Mumbai, India

**Annexure 1:**

GRI Indicator	Disclosure Title
General Disclosures	
2-7	Employees
Materials	
301-1	Materials used by weight or volume
301-2	Recycled input materials used
Energy	
302-1	Energy consumption within the organization
302-3	Energy intensity
Water and Effluents	
303-3	Water withdrawal
303-4	Water discharge
303-5	Water consumption
Emissions	
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Other indirect (Scope 3) GHG emissions <ul style="list-style-type: none"> Category 1 - Purchased goods and services Category 4 - Upstream transportation and distribution Category 6 - Business travel (Air Travel) Category 7 - Employee commuting Category 9 - Downstream transportation and distribution
305-4	GHG emissions intensity
Waste	
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
Employment	
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
401-3	Parental leave
Occupational Health and Safety	
403-9	Work-related injuries
Training and Education	
404-1	Average hours of training per year per employee
Diversity and Equal Opportunity	
405-1	Diversity of governance bodies and employees

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PRIVI SPECIALITY CHEMICALS LIMITED

CHAIRMAN'S OFFICE

Privi House, A-71, TTC, Thane Belapur Road,
Kopar khairne. Navi Mumbai – 400710
Tel No.: +91 22-68713200/33043500
www.privi.com