



CLEAN CHEMISTRY GREEN CHEMISTRY

CLEAN SCIENCE AND TECHNOLOGY LIMITED SUSTAINABILITY REPORT 2023-24

About the Report

We are pleased to share Clean Science and Technology Limited's (hereinafter referred to as "CSTL," the Company") Second Sustainability Report, which briefly discloses our performance on Environment, Social, and Governance (ESG) aspects for FY 2023-24. Through this Report, we seek to update our stakeholders about our achievements and challenges as we accelerate our responsible growth through sustainable operations.

Reporting Period and Framework

The Report highlights our non-financial performance for the Financial Year (FY) 2023-24, i.e., the period from April 1, 2023 to March 31, 2024 and update over information/data of First Sustainable Report FY 2022-23, which was aligned with the 'core' option of the Global Reporting Initiative (GRI) Standards. The major aspects related to Sustainability initiatives are already disclosed in Business Responsibility & Sustainability Report (BRSR - Page No. 133-169) in Annual Report of the Company for FY 2023-24 which is adopted by the Shareholder's of the Company in 21st Annual General meeting held on 5th September 2024.

Scope and Boundary

The reporting boundary covers 100% of CSTL's operating locations in India, including three manufacturing units in Pune, India.

Feedback and Suggestions

We have always valued the feedback of our internal and external stakeholders that helps us strengthen our practices and grow further. Please reach out to us at:

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Telephone	:	+ 91 20 41264761
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To know more about CSTL, please log on to: <https://cleanscience.co.in/>

ESG Highlights



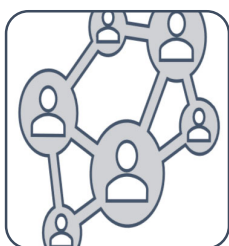
Environment

Zero Liquid Discharge & ISO 14001:2015, Responsible Care certified across all facilities

Water consumption - 11.25 m³/MT of production (reduced by 2.34%)

Energy Intensity - 37.08 GJ/MT of production (reduced by 1.25%) and increase in renewable electricity by 29% from last year

GHG emission - 3.56 tCO₂e/MT of production (reduced by 3.46%)



Social

- 13,398 lives impacted through CSR initiatives
- Zero Fatality & Zero LTIFR
- CSR Expenditure - INR 65.38 million
- Training in Safety, Health and Environment in FY 23-24 - 17,179 hours



Governance

- Women at Board level - 11.11%
- Net Profit (Standalone)- INR 2,477 Million
- Total Revenue from operations (Standalone)- INR 7,894 Million

ACHIEVMENTS OVER ESG TARGETS

PARTICULARS	5 YEARS ESG GOAL/TARGETS (FROM FY 22-23)	ACHIEVEMENTS IN FY 2023-24
GHG emissions	Reduction by 15%	3.46%
Specific water consumption	Decrease by 15%	2.34%
Renewable electricity	Increase share by 25%	29%
Tree plantation	50,000+ trees	11,000+ trees

CERTIFICATIONS

CSTL has obtained a broad range of globally relevant certifications since our inception, including:

- Responsible Care
- GreenCo
- FAMI-QS
- FSSC 22000
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- FISSAI
- HALAL
- RSPO MB
- KOSHER
- Ecovadis
- Together for Sustainability

MEMBER OF ASSOCIATIONS

At CSTL, we encourage our employees and workers to be a part of industry platforms and associations as outlined below to communicate, network and resolve work-related issues.

- Indian Chemical Council (ICC)
- Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA)
- Chemexcil
- Kurkumbh Environment Protection Co-operative Society Maryadit
- Federation of Indian Export Organisation
- Confederation of Indian Industry (CII)
- National Safety Council

SUSTAINABILITY : MAJOR HIGHLIGHTS FY 23-24

CSTL has come a long way since its inception. What started as a vision to develop innovative and sustainable chemical processes has now transformed into one of the leading global specialty chemical companies. Sustainability remains at the core of everything we do. We continue to pioneer green chemistry solutions, with a focus on reducing our environmental impact through clean and efficient manufacturing processes. Our commitment to sustainability has not only strengthened our reputation but has also contributed to cost savings and operational efficiencies. At CSTL, our dedication to innovation and expansion remains intact. With strategic foresight, we have expanded our operations by commissioning a new subsidiary, Clean Fino Chem Limited. We find ourselves at a pivotal juncture as we embark on a strategic expansion of our operations to elevate scale and diversify our portfolio, profitably. This significant step forward not only amplifies our market presence but also reinforces our commitment to growth. Specifically, with the commercialisation of our new subsidiary, we are positioned to scale our operations to the next level alongside, our commitment to sustainability.

Our commitment to Sustainability and ESG principles is foundational, guiding us towards greener operations. During FY 2023-24, we reached a milestone by launching our inaugural sustainability report and installing additional 1.5 MW rooftop solar plant. This, among many other initiatives on ground, have helped us reduce our carbon footprint and emphasise our dedication to clean energy. We have taken proactive steps to address the environmental, social, and governance (ESG) responsibilities by establishing ambitious targets for next five years. These targets are designed to drive meaningful progress in key areas of environmental sustainability, social responsibility, and corporate governance. In terms of environmental sustainability also, ambitious five-year targets have been set. These targets include reducing specific Greenhouse Gas (GHG) emissions by 15% from the 2022-23 levels. Additionally, our Company aims to decrease specific water consumption by 15% from the 2022-23 levels. Furthermore, there is a commitment to increase the share of renewable electricity by 25% from the 2022-23 level. Moreover, as part of reforestation efforts, our Company has further pledged to plant 50,000 trees over the ensuing period. Additionally, we have established social responsibility goals to guide our actions and impact positively on the society. This includes striving to achieve a target of 30% women staff at our corporate office, reflecting our commitment to diversity and gender equality in the workplace. Furthermore, in order to upskill the team, we aim to increase training hours by 25% for both manpower and staff, emphasising our dedication to continuous learning and skill development. Moreover, our dedication to safety remains of paramount importance, with a continuous focus on improvement to ensure zero casualties. Regarding corporate governance, we are deeply committed to maintaining high standards and strive to achieve two primary objectives. Firstly, we are dedicated to achieving 100% compliance with all statutory requirements. Secondly, we aim to ensure that no auditor qualifications or re-statements occur. Our Company's name is synonymous with eco-friendly chemical manufacturing, which has always enabled us to prioritise sustainability and clean chemistry. The recognition of our efforts through prestigious certifications from GreenCo, Eco Vadis, and Together for Sustainability (TFS), highlights our commitment to environmental stewardship, resource conservation, and ESG excellence. Being a holder of the 'Responsible Care' reaffirms our commitment to safety, health, and environmental management. This recognition, alongside our sustainable practices, demonstrates our pledge to responsible chemical management and the welfare of our communities and the environment. Our sustainable initiatives extend beyond internal operations to include significant contributions to global efforts. Renewable energy constitutes approximately 65% of our power usage, bolstered by further investment in solar generation. In partnership with the Government, we've initiated significant afforestation efforts, planting over 11,000 trees on 10 hectares and planning for an additional 12,000 trees on 19 hectares in Pune District, thereby, enhancing sustainability footprint. Through these comprehensive initiatives, CSTL continues to lead in sustainable growth, affirming our legacy as a leader in eco-friendly chemical manufacturing.

SUSTAINABILITY PERFORMANCE DATA FOR FY 2023-24

PROFIT

Revenue in Rs. Million

Economic value generated	FY 2023-24	FY 2022-23	FY 2021-22
i. Gross revenue from operations	7,894	9,265	6,775
ii. Other Income	384	388	299
iii. Net Profit	2,477	3,035	2,286
Economic value distributed	FY 2023-24	FY 2022-23	FY 2021-22
i. Operating cost (includes cost of raw materials and other expenses)	4,057	4,882	3,503
ii. Employee wages and benefits	465	450	345
iii. Interest payment to providers of credit	8	2	1
iv. Dividend distributed to shareholders	Rs. 5.00/share *	Rs. 5.00/share *	Rs. 3.25/share
v. Payment to Government (taxes)	833	1,019	763
vi. Community investments	64	51	41
Economic value retained (Retained earnings)	11,959	10,014	7,535

* includes Rs. 2/- paid as interim dividend and Rs.3/- recommended as final dividend

Revenue in Rs. Million

Defined Benefit Plan Obligations and other retirement plans	FY 2023-24	FY 2022-23	FY 2021-22
i. Contribution to PF	12.45	10.25	8.03
iii. Contribution to Gratuity fund	3.97	3.66	7.04

RESPONSIBLE OPERATIONS

Energy

Parameters	FY 2023-24 (GJ)	FY 2022-23 (GJ)	FY 2021-22 (GJ)
Coal	10,53,624	10,36,416	8,90,253
Diesel (HSD)	3,211	5,146	3,185
Briquettes	0	31,869	25,992
Process Heat Recovery	1,72,133	1,78,513	1,26,265
Purchased Electricity	37,809	52,660	36,643
Solar Electricity	72,513	54,798	46,606
Total Energy Consumption	13,39,290	13,59,402	11,28,944
Specific Energy Consumption (GJ/MT)	42.40	43.22	41.59

Emissions

Parameters	FY 2023-24 (MTCO2e/Annum)	FY 2022-23 (MTCO2e/Annum)	FY 2021-22 (MTCO2e/Annum)
Scope 1- Direct Emissions	1,07,683	1,05,562	90,201
Scope 2- Indirect Emissions	7,448	10,374	8,025
Total GHG Emissions	1,15,131	1,15,936	98,225
Emission Intensity	3.56	3.69	3.62

Parameters	FY 2023-24 (kgCO2)	FY 2022-23 (kgCO2)	FY 2021-22 (kgCO2)
Nox emissions	37,817	30,294	27,929
SOx emissions	31,548	34,283	39,903
Particulate Matter (PM)	67,255	60,242	67,694

Water

Operational Water	FY 2023-24 (kl)	FY 2022-23 (kl)	FY 2021-22 (kl)
Produced water	7,439	8,368	6,880
Third party water	3,56,528	3,53,945	2,87,386
Total Water	3,63,967	3,62,313	2,94,266
Water Intensity (kl per MT of production)	11.25	11.52	10.84

Waste

Waste disposal	FY 2023-24 (MT)	FY 2022-23 (MT)	FY 2021-22 (MT)
Waste to Co-processing	-	-	-
Waste sent for reuse	-	-	-
Waste sent to recyclers	75.1	245.06	20.68
Waste sent to other recovery operations	-	4,403	2,201
Waste sent to landfills	1,021.72	833.63	733.83
Waste sent for incineration	16.79	12.33	30.57

Employee Engagement

Average Training Hours (Employees)	
FY 2023-24	17,179
FY 2022-23	17,250
FY 2021-22	5,252
Average Training Hours (Contractual Labor)	
FY 2023-24	9,162
FY 2022-23	195
FY 2021-22	1,570
Average Training Hours (Security Personnel)	
FY 2023-24	238
FY 2022-23	394
FY 2021-22	248

Key Safety Initiatives



To ensure a safe workplace and maintain zero incidences, we have initiated several initiatives such as:

- Conducted BBS (Behavior Based Safety) training to almost all employees & workers at factory
- Conducted RC audit & received Responsible Care (RC) certification for 3 years
- Recording walk-through observations of unsafe acts and conditions
- Plant-level safety committee meetings
- Internal safety audits by internal cross-functional teams
- Safety suggestion scheme with rewards
- Purchased life-line for sampling at high risk ISO & other tankers
- Recording of Incidents and CAPA in Incident/Accident Tracker
- Fabricated emergency trolleys containing required PPEs, fire extinguishers, foam branches, etc., for handling emergencies
- Purchased a movable foam trolley for extinguishing solvent fire
- Interconnection of fire hydrant systems of our units
- Installation of Public Announcement system