



SUSTAINABILITY MANAGEMENT SYSTEM

Mr. Sachin Raole

CFO & Director (Resources) Praj Industries



It is a matter of great satisfaction that our Sustainability Management System [SMS] has progressed well enough to monitor not only impact of our own operations but also those significant ones of our Supply Chain & our Customers. Translating sustainability terms in to organizational impact parameters & reporting them in a balanced, consistent & accurate manner is only the initial stage of the establishment of SMS . Its real worth is perceived when we are in

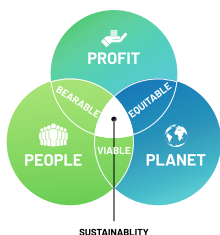
Since 2016, there have been a number of due diligence / verification audits by National & International Assessors. The purpose was to evaluate ESG performance in a rational & systematic manner. These as well as our internal audits helped us to continually improve our ESG performance parameters that ultimately lead to winning the prestigious Confederation of Indian Industry CAP 2.0 Award 2022.

SMS has also helped us to transform to a responsible and sustainable business organization. The principles & practice of our System are described below. I am confident that the system will continue to help us to improve the performance .

Praj Sustainability Management System [SMS] - Rev 2 - Oct - 2022

Principles

For a business to become sustainable, it needs to add value to all aspects of Sustainable Development



Ref- John Elkington -Cannibals with Forks 1998

Vision Statement

We aspire to be the most preferred organization for all stakeholders through environment friendly & sustainable solutions that can make the world a better place.



Sustainability Equation

Unlimited economic activity & growth of business stretch the impacts beyond the boundary of the stakeholders. This creates a new set of expectations from Society.



Moreover, Stakeholders may have interests that are not consistent with the expectations of society or are harmful to environment or economy & hence the need of restraint.

Ref- ISO 26000 - 2010

Guidance of ISO 26000

Organization needs to recognize the responsibility related to all relevant issues generated from the impacts, decide those significant to their business & act upon those within their sphere of influence to the best of their economic ability.



Ref- cl 5.2.2, 5.2.3 ISO 26000- 2010

Guidance of ISO 20400

By including the Supply Chain Operations in company's sustainability management system & by aligning procurement policies & practices with company values, we can manage risks as well as opportunities for sustainable environmental, social & economic development



Practice

Business Sustainability: Improving Contribution – Mitigating Impacts



Organization for Business Sustainability

Work Centre BS Committee implements the sustainability activities and projects under the leadership of HOD and guidance of CEO. They record, measure and report, the primary impacts with a view to improve through to PDCA. They are competent to conduct routine audits and when necessary, modify the system to make it relevant to the business of the Work Centre.

CEO and Company Board – Ownership of BS rests with CEO. He may negotiate and monitor Annual Sustainability Plans [mirror image of Annual Business Plans with non- financial parameters] and Company Board drives it.

CFO and Stakeholders - Responsibility for Implementation of Policies as well as Verification, Analysis & Reporting of performance and implementing Sustainability Management System [SMS] rests with CFO & Director (Resources).

Board level CSR committee with Mrs. Parimal Chaudhari as the Chairperson, takes overall responsibility of company's Social Responsibility obligation under section 137 of Company's Act.

Praj Foundation is the facilitator for companywide CSR activities.

Contribution from BUs and Support functions - BUs monitor the secondary impacts i.e., those generated by our customer's business activities. These are only partially controllable by us, but they affect our sustainability. They record, measure, report annually secondary impact with a view to improve through to PDCA. All functions including Engineering, R&D and others promote improvement .

