**Effective: Version 1.0: 9th August 2023**

# Water Management Policy

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## 1. Purpose

At PI, we have identified water stress as one of the imminent environmental risks with a direct bearing on PI's internal and external operating environment.
Operating in a water-intensive industry, we understand that unsustained water consumption will put added pressure on available resources. By committing to reduce freshwater consumption through reduction in water use, recovery, recycling, and reuse of water in operations, we, at PI, strive to conserve and use water judiciously.

## 2. Scope

This policy document applies to all operations that fall under the direct control of the organization. This includes our manufacturing units at Panoli, Jambusar and R&D centre located at Udaipur and all our corporate offices. We have considered within scope, our usage of water within our operations, and water discharge-related impacts on the environment.

Our freshwater use is mainly in manufacturing, utilities and for domestic uses. In a comprehensive risk assessment conducted in 2022, we identified material risks related to water security and climate change. With a high rate of withdrawals against available supply which is mainly from rainwater harvesting and from water supplied by local authorities, PI recognizes the impact it has on available water resources that are a shared resource for the local communities and natural ecosystem as well.

We systematically track freshwater usage patterns across all our manufacturing and R&D sites. Being a Responsible Care® organization we are committed to reducing freshwater consumption in our business operations. This is reflected in our approach to water management in production as well as through our water stewardship initiatives.

## 3. Policy Statement

This policy document will serve as guiding principles for periodically assessing and identifying water-related risks, establishing strategies, setting up monitoring systems, processes, and practices for managing water usage. We are committed to:

- Minimizing our water footprint.
- Using scientific methods to determine sustainable water-use thresholds.
- Promoting water conservation through sustainable agricultural practices as part of water stewardship
- Aligning with public-sector efforts, such as water-related targets of the UN Sustainable Development Goals, in particular Goal 6 pertaining to clean water and sanitation for all, or targets set by national and local government institutions.
- Mitigate risks related to water usage by taking the 5Rs approach – reduce, reuse, recycle, restore, and recover – when developing an organization-wide water management strategy.
- Engage with stakeholders, including local communities, to avoid conflicts over usage of shared water resources and participate in community water conservation activities.

## 4. Implementation

We are committed to reducing our specific freshwater consumption by 25% considering the baseline year of 2020-21 by 2025. Due to the strong relationship between water withdrawal, consumption, and discharge, initiatives have been undertaken in our business operations to ensure optimal water management.
We have reduced our specific freshwater consumption because of various initiatives in water conservation and usage reduction across our manufacturing and R&D sites. Implementing the principles of circularity in water management, we will continue to ensure:

- Reuse of aqueous layer from process into scrubber.
- Reuse of aqueous layer from one process stage for neutralization in another stage.
- Recycle of RO permeate and treated sewage.
- Reduction in water washings in manufacturing process.
- Replacement of DM water to raw water usage in the manufacturing process.

In keeping with guidelines of the Central and State Pollution Controls Boards, Government of India, we handle our wastewater in a scientific manner starting with segregation at source followed by treatment of streams as per their characteristics. We will also continue to ensure that high organic load and high TDS streams are treated in multiple effect evaporator (MEE).
Our plants are equipped with full-fledged Effluent Treatment Plants (ETPs) to ensure the quality of water discharged is within acceptable limits. PI Industries also aims to convert its technical units to zero liquid discharge facilities in a phased manner. This will be in addition to our R&D Udaipur facility and the Formulation plant at Panoli which are zero liquid discharge units.

## 5. Governance

This policy will be reviewed every 3 years or at the time of change in relevant regulations, whichever is earlier, to ensure it remains updated and aligned with sound environment management practices, the needs and expectations of the organization, its stakeholders. The Board-level Risk Management Committee along with the Chief Risk Officer will maintain oversight on policy implementation.

Authorized Signatory: Date: 9th August, 2023

Chairperson of Board of Directors
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