Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed Entity

1.	**NSE Symbol**	HIKAL
2.	**BSE Scrip Code**	524735
3.	**MSEI Symbol**	NOT LISTED
4.	**ISIN**	INE475B01022
5.	**Corporate Identity Number (CIN) of the Listed Entity**	L24200MH1988PTC048028
6.	**Name of the Listed Entity**	Hikal Limited
7.	**Date of incorporation**	08th July 1988
8.	**Registered office address**	717/718, Marker Chambers V, Nariman Point, Mumbai, 400021
9.	**Corporate address**	Great Eastern Chambers, Sector-11, 6th Floor, CBD Belapur, Navi Mumbai – 400614
10.	**E-mail**	secretarial@hikal.com
11.	**Telephone**	+91 22 6277 0299
12.	**Website**	www.hikal.com
13.	**Financial year for which reporting is being done**	1 April 2025 to 31 March 2026
14.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
15.	**Paid-up Capital**	₹ 24.66 crore
16.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Name: Jai Hiremath Designation: Executive Chairman DIN number: 00062203 Telephone number: 022 6277 0299 E-mail ID: secretarial@hikal.com
17.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its**	Disclosures made in this report are on a consolidated basis
	Whether the company has undertaken assessment or assurance of the BRSR Core?	Yes
18.	**Name of assessment or assurance provider**	Sustain Right
19.	**Type of assessment or assurance obtained**	Reasonable assurance

II. Products/services

20. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	Percentage of Turnover of the entity
1	Manufacturing	Manufacturing of pharmaceuticals, animal health, crop protection and specialty chemicals	100%

21. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Basic Chemical Elements	20116	40%
2	Manufacture of Pharmaceutical Products	21001	60%

iii. Operations

22. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6*	3	9
International	0	3	3

Note: *Hikal Limited has five manufacturing facilities and one Research and Technology (R&T) centre in India.

23. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	1. Overseas office in Japan 2. Overseas office in USA 3. Representation in Europe

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Total contribution of exports as a percentage of the turnover is 69%.

c. A brief on types of customers

Hikal caters to a diversified global customer base across the pharmaceuticals, crop protection, personal care and specialty chemicals sectors. The Company primarily supplies to pharmaceutical companies, generic pharmaceutical manufacturers, agrochemical innovators, crop protection formulators, and specialty chemical companies through long-term manufacturing partnerships, custom synthesis, contract development and manufacturing (CDMO), and supply of active ingredients, intermediates, and specialty products.

IV. Employees

24. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2044	1890	92%	154	8%
2.	Other than Permanent (E)	33	27	82%	6	18%
3.	**Total employees (D + E)**	**2077**	**1917**	**92%**	**160**	**8%**
WORKERS						
4.	Permanent (F)	108	108	100%	108	100%
5.	Other than Permanent (G)	948	880	93%	880	93%
6.	**Total workers (F + G)**	**1056**	**988**	**94%**	**988**	**94%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	-	-
2.	Other than Permanent (E)	0	0	0	-	-
3.	**Total differently abled employees (D + E)**	**3**	**3**	**100%**	**-**	**-**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

25. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. of Females (B)	% (B/A)
Board of Directors	11*	3	30%
Key Management Personnel	7	0	0%

Note: Board composition changed from 11 Directors (27.3% women representation) to 10 Directors (30% women representation) from October 2025 onwards due to resignation of 1 Director.

26. Turnover rate for permanent employees and workers

	Turnover rate in FY 2025-26			Turnover rate in FY 2024-25			Turnover rate in FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29%	2%	31%	29%	2%	31%	24%	2%	26%
Permanent Workers	6%	NA	6%	6%	0%	6%	4%	0%	4%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

27. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/ Subsidiary/associate companies/Joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Acoris Research Limited	Subsidiary	100%	No
2	Hikal LLC	Subsidiary	100%	No

VI. CSR Details

28. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 17,12,60,00,000

(iii) Net worth (in ₹): 11,99,00,00,000

VII. Transparency and Disclosures Compliances

29. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	2	0	Nil	Nil	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	20	1	Under Investigation	34	4	Resolved
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Others	NA	NA	NA	NA	NA	NA	NA

Weblink to Grievance Redressal Policy: https://www.hikal.com/documents/corporate-governance

30. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

The material issues below were identified through our materiality assessment, drawing on stakeholder consultation, industry benchmarks and global sustainability standards (GRI). For each issue, the rationale sets out the risk and/or opportunity, and the mitigation column summarises the Company's approach; outputs feed directly into our policies, targets and strategic planning.

S. No.	Material issue identified	Risk/ Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial impli-cations (positive/ negative)
1	Energy efficiency and carbon emissions/air pollution	R/O	· **Risk:** inadequate management of energy use, emissions and air pollutants can expose the Company to regulatory pressure, penalties and reputational harm. · **Opportunity:** improving energy efficiency and reducing emissions strengthens brand value, attracts environmentally conscious customers, lowers operating cost and enhances competitiveness.	· Dust collectors, electrostatic precipitators, bed scrubbers and continuous flue-gas monitoring · Dedicated green belt and an Environmental Management Cell for ongoing monitoring and compliance · Adoption of energy efficient equipment and technologies · Investment in clean-energy technologies (cogeneration turbines, flash-steam recovery, solar and wind)	Negative/ Positive
2	Water and effluent management/ waste management	R/O	· **Risk:** Water scarcity and pollution can disrupt operations, raise costs and affect stakeholder well-being · Improper waste handling risks environmental harm, health hazards, non-compliance, and penalty and reputational risk exposure · **Opportunity:** Recycling of treated wastewater reduces the freshwater consumption, lowering operational costs, enhances business continuity and attracts environmental conscious customers.	· Secure storage and disposal of waste containers and packaging material via authorised recyclers · Safe disposal of specific waste streams through authorised incinerators · Reprocessing of spent solvents using environmentally sound technology and government-approved recyclers · As of FY 2025-26, 50% of Hikal sites are ZLD, recycling treated wastewater.	Negative/ Positive
3	Biodiversity protection	Risk	· Operations can affect species diversity and ecological balance; pollution and contamination may compound these impacts · Managing this is essential to safeguard biodiversity and maintain a responsible licence to operate	· Green belt around manufacturing facilities providing a species refuge and buffer zone · Reduced pollution impact and improved ambient air and water quality · Green infrastructure managed as an environmental asset that strengthens ecological resilience	Negative

S. No.	Material issue identified	Risk/ Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial impli-cations (positive/ negative)
4	Green chemistry	Opportunity	• Cleaner, safer and more efficient processes demonstrate sustainability leadership and support compliance • Differentiation through sustainable products opens new markets and customers, reduces hazardous-substance risk and strengthens supply-chain resilience	• Redesign of a core process to eliminate hazardous materials, cut emissions and improve efficiency • Better resource utilisation, lower environmental impact and cost savings • Designing of the low PMI (process mass index) products	Positive
5	Diversity, inclusion and equal opportunities	Opportunity	• Fosters innovation, broadens the talent pool and improves decision-making • Strengthens engagement, retention and reputation, and supports regulatory compliance	• Comprehensive diversity and inclusion policies and inclusive workplace practices • Fair access, representation and a sense of belonging across all levels • Targets established for improving the DEI KPIs at Hikal	Positive
6	Employee well-being, benefits and retention/skill development	Opportunity	• A supportive, safe workplace with competitive benefits and continuous skill-building improves satisfaction, retention and engagement, and attracts talent • Builds a culture of continuous learning that supports productivity and long-term performance	• Fully equipped Occupational Health Centres at each site with full-time medical staff and 24x7 ambulance cover • Annual medical check-ups and counselling by the Factory Medical Officer • Mental-wellness support via yoga, zumba and structured wellness programmes	Positive
7	Occupational health and safety	Risk	• Unsafe conditions can cause accidents, injuries and illness, harming well-being, morale and productivity • Non-compliance can create legal liabilities, penalties and reputational damage	• Regular hazard identification and mitigation planning • Ongoing safety training for employees and workers • Holistic, continuous approach to safety and well-being • Hikal launched a safety culture transformation program in FY 2025-26, by engaging SWASYA consultants as external safety experts	Negative

S. No.	Material issue identified	Risk/ Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial impli-cations (positive/ negative)
8	Human rights and community development	R/O	• **Risk:** actual or perceived human-rights violations can cause reputational damage, legal consequences and loss of stakeholder trust; failure to uphold labour rights can drive dissatisfaction, unrest and penalties. • **Opportunity:** community development through education, skills training and infrastructure builds relationships, enhances reputation and creates positive social impact, supporting goodwill, market access and long-term sustainability.	• Established policy frameworks and systems securing the human rights of internal and external stakeholders • CSR initiatives creating positive social impact and fostering sustainable development	Negative/ Positive
9	Product quality, safety and labelling	Risk	• Inadequate controls can lead to product defects or hazards, with legal liability and reputational damage • Inaccurate labelling may cause consumer misuse	• Rigorous quality control across production; adherence to safety protocols and standards • Comprehensive product testing and certification; accurate, compliant labelling • Ongoing monitoring for continuous improvement	Negative
10	Research and innovation	Opportunity	• Keeps the Company ahead of technological change and responsive to market needs • Improves operational and production efficiency; differentiates the Company and attracts partners and investors	• In-house R&D-driven upgrades (high-efficiency pumps, automated lighting, process optimisation)	Positive
11	Sustainable supply chain	R/O	• **Risk:** Supply chain disruptions, supplier ESG non-compliance and resource constraints affecting business continuity, compliance and reputation. • **Opportunity:** Enhances competitiveness, reduces risk and aligns with stakeholder and customer preferences • Minimises environmental impact, conserves resources and strengthens supplier relationships and continuity	• Formal Responsible Sourcing Policy • Applies to all value-chain partners across environmental, social and governance dimensions	Negative/ Positive

S. No.	Material issue identified	Risk/ Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial impli-cations (positive/ negative)
12	Sustainable financial performance	Opportunity	• Reduces cost, enhances reputation, attracts investors and supports long-term viability • Anticipates market trends and regulatory requirements, building trust and competitiveness	• Alignment of investment with long-term environmental and social priorities • Resource-efficient practices, support for green innovation and ESG considerations in capital planning	Positive
13	Regulatory compliance/ ethical business practices and governance	R/O	• **Risk:** non-compliance or ethical lapses can create legal exposure, penalties and reputational damage, eroding stakeholder trust. • **Opportunity:** strong compliance and ethics enhance reputation, attract responsible investors and customers, and reinforce accountability, resilience and sound governance.	• Robust Code of Conduct for all employees, directors, consultants and business partners • Clear expectations on conflicts of interest, insider trading, asset safeguarding and legal compliance • Whistle-blower Policy enabling confidential reporting and resolution	Negative/ Positive
14	Data integrity and security	Risk	• Breaches or unauthorised access can cause financial loss, reputational damage and legal liability • Data-integrity issues can undermine decision-making and operational efficiency	• Encryption, strict access controls and authentication; regular backups • Continuous monitoring of network and system vulnerabilities; firewalls and intrusion detection • Comprehensive employee training on data-security best practices	Negative
15	Risk management and business continuity	R/O	• **Risk:** inadequate management can lead to accidents, operational disruption, non-compliance and reputational damage • **Opportunity:** robust risk assessment, emergency planning and supply-chain resilience minimise incidents, protect stakeholders, enhance trust and support long-term continuity.	• Proactive risk assessments; safety protocols and emergency-response plans • Business-continuity plans and supply-chain resilience • Regular review of strategies and risks at the Board level	Negative/ Positive
16	Customer engagement	Opportunity	• Provides insight into customer needs, preferences and challenges • Enables development of products and services that meet specific requirements	• Bi-weekly meetings with key suppliers and regular customer interactions • Feedback used to strengthen relationships and improve products and services	• Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
c. Web Link of the Policies, if available	The policies can be viewed on Company's website: https://www.hikal.com/page/sustainability								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we expect all our value chain partners to comply with Hikal's Responsible Sourcing Policy and Supplier Code of Conduct.								
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001: 2018 • ISO 14001: 2015 • ISO 45001: 2018 • ISO 50001: 2018 • Responsible Care Certification • SMETA for two sites • ISO 20400:2017								

Specific commitments, goals and targets set by the entity with defined timelines, if any.

Key Performance Indicator	Current (FY 2025-26)	Target (FY 2027-28)
ENVIRONMENT (E)		
Scope 1 GHG emissions ($MTCO_2e$)	11,261.57[1]	18,755[2]
Scope 2 GHG emissions ($MTCO_2e$)	42,448.85	47,416[2]
Scope 3 GHG emissions ($MTCO_2e$)	2,17,144.57	1,24,624[2]
GHG intensity, Scope 1+2 ($MTCO_2e$/INR mn)	3.14	3.27[2]
Renewable energy share of total energy (%)	78	80
Energy intensity (GJ/ INR million)	78.5	75
Total energy consumption (GJ)	1,345,295	12,75,000
Total water consumption (KL)	5,10,513	8,05,887
Raw material locally sourced (%)	49	≥ 50
SOCIAL (S)		
Employees above living wage (%)	95	100
Local hiring in workforce (%)	81	88
LTI frequency rate – employees	0	0
LTI frequency rate – subcontractor workers	0	0
Work-related accidents (no.)	0	0
Operational sites assessed for human-rights impact (%)	16%	100
Women on board (%), as of end of FY 2025-26	30	≥ 1 independent woman director
Lives impacted by CSR initiatives (no.)	24,736	27,500
GOVERNANCE (G)		
Workforce trained on anti-corruption & ethics (%)	28.5	100
Suppliers ESG-evaluated (%)	100	100
Customers covered in product-safety training (%)	Not tracked	50

[1] Hikal achieved 43% reduction in its scope 1& 2 emissions in FY 2025-26, as compared to FY 2022-23 baseline. This is more than the 30% target set for FY 2027-28.

[2] Target derived from the roadmap's stated reduction against baseline: Scope 1 & 2 and GHG intensity = 30% reduction on FY 2022-23; Scope 3 = 10% reduction on FY 2023-24.

5.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We have defined Key Performance Indicators (KPIs) across ESG parameters, and the performance is evaluated regularly. Hikal's ESG KPI Roadmap is available on the website: https://www.hikal.com/page/sustainability
Governance, leadership, and oversight		
6.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Refer to page no. 4 of the annual report – Message from the Chairman's desk.	
7.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	**Name: Jai Hiremath** **Designation: Executive Chairman** **DIN number: 00062203**
8.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Hikal's Corporate Social Responsibility Committee is responsible for decision making on sustainability-related issues. Executive Chairman and the Managing Director are a part of this committee.

Sr. No.	Director	Designation	DIN Number
1	Jai Hiremath	Executive Chairman	00062203
2	Sameer Hiremath	Vice Chairman and Managing Director	00062129
3	Sugandha Hiremath	Non-Executive Director	00062031
4	Ranjana S. Salgaocar	Independent, Non-Executive Director	00120120

10. Details of Review of NGRBCs by the Company:

Subject for Review	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	N	Y	Y	Annually and need basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	N	Y	Y	Ongoing basis								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Y	Y	Y	Y	Y	Y	N	Y	Y
	DNV and DQS							DNV and DQS	
	External audits are conducted in accordance with ISO requirements.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles materials to its business (Yes/No)	NA	NA	NA	NA	NA	NA	Yes	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	No	NA	NA
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	No	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	No	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	Please refer Note	NA	NA

Note: Hikal Ltd. does not currently have a standalone policy under Principle 7, as the Company does not actively seek to influence public or regulatory policies. However, where requested by regulatory authorities, government agencies, or industry associations, Hikal provides its inputs and participates in consultations in a transparent, responsible, and collaborative manner, in line with applicable laws and industry best practices.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	1	We are committed to building a culture of continuous learning and capability development across all levels of the organization. Periodic familiarisation and awareness programmes are conducted for the Board of Directors (BoD) and Key Management Personnel (KMPs) to enhance their understanding of the Company's business strategy, operations, governance framework, and key functional areas. These programmes cover topics such as the Code of Conduct for Directors and Senior Management, Insider Trading Regulations, corporate structure, committee mandates, business developments, and other strategic initiatives	100%
Key Managerial Personnel (KMP)	1		100%
Employees other than BoD and KMPs	1975	parallel, employees and workers across our facilities participate in regular training and development programmes designed to strengthen professional competencies, workplace safety, compliance, and organizational effectiveness. Key training topics include Behaviour-Based Safety Management, Prevention of Sexual Harassment (POSH), office and workplace safety, regulatory compliance, risk management, information and cyber security, business communication, and other role-specific technical and functional areas. These initiatives support a safe, compliant, and high-	100%
Workers	35		100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory enforcement agencies/ judicial institutions
NIL	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, anti-corruption and anti-bribery provisions are integral to the Company's Code of Conduct. The Code applies to all employees, consultants, Directors, contractual personnel, and other individuals working for or representing the Company. Vendors and suppliers are also expected to adhere to the principles outlined in the Code. It mandates responsible business conduct and strictly prohibits any form of unethical behaviour, including bribery, corruption, improper payments, gifts, or any act that may compromise integrity and transparency.

The weblink https://www.hikal.com/uploads/page/hikal-code-of-conduct.pdf and https://www.hikal.com/uploads/page/fair-ethics-policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Key Performance Indicator	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

HIKAL Ltd. has not received any complaints in relation to conflict of interest on its Directors and KMPs during last 2 years (FY 2024-25 and FY 2025-26).

8. Number of days of accounts payables (Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Average Account Payable X 365 days	10,41,345	10,63,975
Cost of goods & services procures	7,850	8,648
No of Days of Accounts Payable	133	123

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	11%	28%
	b. Number of trading houses where purchases are made from	57	120
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	63%	62%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0	0
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0	0
	b. Sales (Sales to related parties/Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made) in ₹ million	5	5

Note: Hikal operates through a B2B sales model, supplying products directly to leading companies that utilise our intermediates to produce final products for the consumers. Therefore, sales through distributors are not applicable to Hikal's business operations.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

We follow a structured onboarding process for our value chain partners, ensuring they are aligned with Hikal's Code of Conduct and ethical standards from the outset. For critical partners in India, we conduct both desktop and on-site assessments to evaluate compliance and operational integrity. As part of this engagement, we actively communicate our expectations around ESG practices and responsible business conduct, reinforcing our commitment to sustainability and transparency across the supply chain.

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Capacity Building of Suppliers on Sustainability Risks and Good Practices	20%

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Company has established a Code of Conduct for the Board of Directors and Senior Management, which clearly outlines their responsibilities with respect to identifying, avoiding, and managing actual or perceived conflicts of interest. To ensure ongoing compliance, all Board members and Senior Management personnel are required to submit a declaration confirming adherence to the Company's conflict of interest requirements and guidelines.

The weblink of the code of conduct is https://www.hikal.com/uploads/page/hikal-code-of-conduct.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	5.52%	4.20%	Hikal has made the following improvements: · Achieved zero liquid discharge by recycling of effluent · Replaced hazardous chemicals with greener alternatives wherever feasible, eliminated high vacuum distillations by designing alternate process · Continuous processes developed to eliminate hazardous chemistries such as di-nitration, azide chemistries, BuLi reactions in batch mode · Continuous hydrogenation processes established in R&D for high pressure hydrogen gas reactions · Wet milling equipment introduced in R&D to study and eliminate low MIE solid dry millings · Digital monitoring of Effluent quality and its tracking · Conducted regular safety training and behaviour safety champions · Improved near miss reporting and employee participation in safety · Enhanced diversity by increasing women in technical and leadership role.
Capex	0.57%	0.25%	· We have invested in new High Potent API lab to drive innovation in sustainable processes, reduce environmental impact, and enhance workplace safety and efficiency.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No

Hikal has a formal Responsible Sourcing Policy that establishes procedures for sustainable sourcing across its value chain. The policy applies to suppliers, vendors, contractors, business partners, employees, and other stakeholders, and integrates environmental, social, ethical, and governance considerations into procurement and sourcing decisions. It outlines Hikal's commitment to reducing supply chain environmental impacts, promoting responsible business conduct, conducting risk-based due diligence, and working with suppliers to drive continuous improvement in sustainability performance. The policy also includes governance, monitoring, reporting, and grievance mechanisms to support implementation and compliance throughout the supply chain. https://www.hikal.com/uploads/page/responsible-sourcing-policy.pdf

b. If yes, what percentage of inputs were sourced sustainably?

100% of inputs from critical suppliers in India are sourced sustainably. We conduct due diligence audits for sustainability and EHS compliance among key raw material suppliers and share our Responsible Sourcing Policy and the Supplier code of conduct to communicate expectations on sustainability and green supply principles.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Given the nature of our business, scope for product reclamation for reusing, recycling, and disposal at the end of life is limited. However, we have implemented robust waste management system across all our facilities. All the categories of wastes are collected, segregated, stored, transported, and disposed of in accordance with applicable regulatory requirements and best industry practices. We have detailed SOPs for collection, storage and disposal of various type of waste generated and we have dedicated teams to ensure its effective implementation.

Waste is segregated into recyclable and non-recyclable wastes. Recyclable waste is disposed of in an environmentally sound manner to authorised recyclers, and other recyclable waste is managed through co-processing in the cement industry, incineration, or secured landfill, based on calorific value. The packing material generated by raw materials and in-process material are disposed through authorised plastic recyclers or via Common Hazardous Waste Collection, Treatment, Storage & Disposal Facilities (CHWTSDF).

We have been consistently enhancing our waste management practices and have embedded them with our circular economy approach. In terms of process improvements, we have:

- Implemented solvent recovery systems to reuse organic solvents.
- A dedicated lab working exclusively on waste treatability studies and converting by-products into desired intermediates.
- Initiated process of reusing the plastic material used in the internal product transfer for storage and disposal of hazardous, reducing the overall consumption of virgin plastic products and packaging material in our operations.

Additionally, under our "Wealth from Waste" program, each waste stream is identified and assessed for its environmental and economic footprint. Site-level task forces, led by Site Heads and comprising cross-functional teams, are responsible for driving waste reduction, reuse, and recycling initiatives. These include enhancing the purity of by-products to increase their commercial value, converting waste into usable or less hazardous forms, and integrating waste characterisation early in the R&D phase to enable better downstream waste management.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Hikal falls under the purview of Extended Producer Responsibility (EPR) regulations as an importer. Hikal has sought license from relevant statutory body to comply with requirements under EPR.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Yes, We have conducted the life cycle assessment of our products in FY 2025-26.

NIC Code	Name of Product/ Service	% of Total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was Conducted	Whether Conducted by Independent External Agency (Yes/No)	Results Communicated in Public Domain (Yes/ No)	If Yes, Provide the Web-Link	Remarks (Need to Enter this Product Code in Search)
107999	FEMA	In the conceptualisation stage	Cradle-to-gate	Yes	No	NA	NA
202101	TBZ	6.15%	Cradle-to-gate	Yes	No	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Product/Service	Description of the risk/ concern	Action Taken
TBZ	GHG emissions	1. Energy efficiency improvements to reduce energy consumption per kg of product 2. Yield improvement to reduce per kg of raw material per kg of finished product

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Given the nature of our pharmaceutical and specialty chemical products, we do not use recycled or reused input materials in the manufacturing process. However, we are recovering more than 90% of process solvents and recycle them in other industries.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

We are a B2B supplier, providing our products to leading manufacturers who convert intermediates into final products for consumers. Therefore, the responsibility for reclaiming end-use products and packaging material does not apply to us. However, we provide instructions and guidelines to our customers for handling and disposal of our products.

We ensure that waste generated in our manufacturing process, raw material packaging and e-waste, is sent to authorised recyclers wherever possible in accordance with the statutory requirements.

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely	Re-Used	Recycled	Safely
Plastics (including packaging) in Metric tonnes	30.20	280.67	0.00	Nil	177.65	30.9
E-waste in Metric tonnes	0.00	0.55	0.00	Nil	2.35	Nil
Hazardous Waste in Metric tonnes	1173.56	30245.26[1]	11478.66[2]	Nil	39,797.75	12,743.82
Other waste in Metric tonnes	0.00	4989.97	0.00	4,712.2	1,375.91	Nil

Note: The above-reported values are from Hikal's operations.

[1]Battery waste (0.66 MT) is included in the 'recycled' component of the hazardous waste

[2]Biomedical waste (0.022 MT) is included in the 'safely disposed' component of the hazardous waste

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable. We have not received any request from customer to take back products at the end-of-life for current FY 2025-26 or previous FY 2024-25.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	Percentage of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,890	1,890	100%	1,890	100	0	0%	1,890	100%	0	0%
Female	154	154	100%	154	100	154	100%	0	0%	0	0%
Total	**2,044**	**2,044**	**100%**	**2,044**	**100**	**154**	**100%**	**1,890**	**100%**	**0**	**0%**
Other than Permanent employees											
Male	27	27	100%	27	100%	0	0%	27	100%	0	0%
Female	6	6	100%	6	100%	6	100%	0	0%	0	0%
Total	**33**	**33**	**100%**	**33**	**100%**	**6**	**100%**	**27**	**100%**	**0**	**0%**

b. Details of measures for the well-being of workers:

Category	Total (A)	Percentage of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	108	108	100%	108	100%	0	0%	108	100%	0	0%
Female	0	0	-	0	0%	0	0%	0		0	0%
Total	**108**	**108**	**100%**	**108**	**100%**	**0**	**0%**	**108**	**100%**	**0**	**0%**
Other than Permanent workers											
Male	880	880	100%	880	100%	0	0%	880	100%	0	0%
Female	68	68	100%	68	100%	68	100%	0	0%	0	0%
Total	**948**	**948**	**100%**	**948**	**100%**	**68**	**100%**	**880**	**100%**	**0**	**0%**

c. Details of measures for the well-being of workers:

Key Performance Indicator	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.44%	0.27%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	6%	90%	Y	6%	92%	Y
Others	NA	NA	NA	NA	NA	NA

Note: We have enrolled all our eligible employees and workers under the ESI. For the business locations that are outside the purview of ESI, we have obtained the Workmen's Compensation policy.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

All our facilities have the necessary infrastructure in place to provide easy access to differently abled employees and workers. Ramps, handrails, accessible washrooms, wider aisles and clear pathways, and elevators are available across our facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, Hikal is committed to upholding the principles of equal opportunity and inclusion, in alignment with the Rights of Persons with Disabilities Act, 2016. These principles are embedded in our broader human rights and workplace policies, which emphasize non-discrimination and equal treatment for all individuals, including persons with disabilities.

Our Human Rights Policy outlines our commitment to creating an inclusive work environment that values diversity and ensures fair treatment based on merit and ability. The policy also supports awareness and empowerment of differently abled individuals, reflecting our inclusive approach to employment and workplace practices.

Weblink: https://www.hikal.com/uploads/documents/HikalCodeofConduct2025.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	NA	NA
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If yes, then give details of the mechanism in brief
Permanent workers	Yes	A well-defined grievance redressal mechanism is in place to ensure that concerns and complaints are addressed in a structured and timely manner. The grievance redressal policy clearly outlines the procedures, responsibilities, and timelines for resolution. It is applicable to all employees and workers, including third-party personnel deployed at company premises. Individuals are encouraged to report any unethical conduct, with the assurance of protection under the non-retaliation principle outlined in the Code of Conduct. All grievances and their resolutions are documented in accordance with the policy. Additionally, at unionized manufacturing facilities, a Works Committee has been constituted to address matters related to working conditions and employee welfare. This committee meets periodically to discuss relevant issues, with each meeting resulting in documented action points and clearly defined roles and responsibilities for follow-up. Hikal's Grievance Redressal Policy: https://www.hikal.com/uploads/documents/HikalGrievanceRedressalPolicy-Rev1.pdf
Other than Permanent workers	Yes	
Permanent employees	Yes	
Other than Permanent employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Benefits	FY 2025-26			FY 2024-25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Permanent workers						
Male	108	108	100%	114	114	100%
Female	-	-	-	-	-	-
Total	108	108	100%	114	114	100%

8. Details of training given to employees and workers

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures[1]		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,890	2,315	123%#	2,318	123%#	1,816	1,631	89.81%	1,886	103.85%#
Female	154	189	123%#	221	144%#	132	131	99.24%	117	88.64%#
Total	**2,044**	**2,504**	**123%#**	**2,539**	**124%#**	**1,948**	**1,762**	**90.45%**	**2,003**	**102.82%#**
Workers										
Male	988	1,929	195%#	57*	53%	114	114	100%	101	88.60%
Female	68	133	195%#	-	-	-	-	-	-	-
Total	**1,056**	**2,062**	**195%#**	**57***	**53%**	**114**	**114**	**100%**	**101**	**88.60%**

Note: [1]Training sessions focused on health and safety are conducted on the shopfloor through initiatives like safety discussions, and 'one minute for safety' programs. However, the figures mentioned above represent only the formally recorded man days trainings held for permanent employees and workers in FY 2025-26.

The training data exceeds 100% because it includes all employees trained during the year—covering both those who have left the organisation and newly joined staff.

* Skill upgradation training provided to only 108 permanent workers, while health & safety training provided to both permanent as well as contract workers i.e.; 1056 workers in FY 2025-26.

9. Details of performance and career development reviews of employees and worker

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,890	1,890	100%	1,816	1,816	100%
Female	154	154	100%	132	132	100%
Total	**2,044**	**2,044**	**100%**	**1,948**	**1,948**	**100%**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Note: We have considered only permanent employees in the performance review process.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, we have implemented an Occupational Health and Safety Management System aligned with ISO 45001 across all our manufacturing facilities. All five manufacturing facilities and R&T facility are certified under the ISO 45001:2018 Occupational Health and Safety Management System standard.

We remain committed to ensuring safe, healthy, and secure operations across all our sites, including Mahad, Pune, Jigani 1, Jigani 2, Taloja, and Panoli. To strengthen our safety culture and proactively manage occupational health and safety risks, we have implemented several structured initiatives. These include safety culture transformation program designed to reduce behavioural risks and promote safe work practices.

In addition, various safety awareness and preparedness programmes, such as "One Minute for Safety, EHS Induction, and Mock Drills, are conducted regularly to reinforce safety practices and enhance emergency readiness across the workplace.

Emergency contact numbers, exit plans, emergency sirens, fire alarms, safety signage, and evacuation maps are prominently displayed across all locations to ensure effective preparedness and timely response to potential occupational health and safety incidents.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have established robust systems and procedures to identify, assess, and mitigate work-related hazards and risks across our operations. A structured Hazard Identification and Risk Assessment (HIRA) process has been implemented for both routine and non-routine activities, and all associated hazards and risks are identified, assessed, and documented accordingly.

For non-routine activities, we follow a systematic Permit-to-Work (PTW) process supported by activity-specific risk assessments. This ensures that potential hazards are evaluated in advance and appropriate control measures are implemented before the commencement of work.

To effectively manage process-related risks, Hazard and Operability (HAZOP) studies and Pre-Start-up Safety Reviews (PSSR) are conducted during process initiation, modification, or commissioning. In addition, Process Hazard Analysis (PHA) and Job Safety Analysis (JSA) are carried out, wherever applicable, to further strengthen operational and process safety controls.

Each of our facilities has a dedicated Environment, Health and Safety (EHS) team responsible for identifying, assessing, and mitigating risks; monitoring the implementation of safety measures; conducting weekly safety inspections; and providing regular safety-related training to employees and workers. Periodic internal and external audits are also conducted to evaluate the effectiveness of occupational health and safety systems and processes implemented across our facilities.

To enhance inherent safety in infrastructure design and operations, safety-related chemical data is analysed and generated through recognised external and in-house laboratories. The findings are incorporated into facility design and operational controls to ensure safer processes and workplaces.

At our Research & Technology Centre, dedicated personnel are responsible for process safety management. Further, we have established a Process Safety Laboratory at R&T Pune to conduct various safety-related tests, including Differential Scanning Calorimetry (DSC) for new processes. These assessments help ensure that new projects and process developments are designed with inherent safety considerations from the early stages.

Safety review is conducted by Head-Business Unit every month to ensure all the leading and lagging EHS indicators are aligned with the organisational targets.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have implemented a structured near-miss and hazard reporting system through the SUNBPM software platform, which is available across all our sites. The platform enables employees and workers to digitally report work-related hazards and risks, including near misses, unsafe conditions, injuries, incidents, and other safety-related observations.

Each reported incident or safety observation is reviewed through a systematic process, which includes detailed root cause analysis, development and implementation of appropriate corrective and preventive action plans, and monitoring of the effectiveness of the safety measures undertaken. The system also allows employees to track the status of reported issues online until closure using their individual login credentials, thereby promoting transparency and accountability in safety management.

In addition, daily safety briefing sessions and toolbox talks are conducted across all sites. These sessions encourage active participation from workers and employees, enabling them to share observations, suggestions, and improvement opportunities for strengthening workplace safety practices.

Through these initiatives, we continue to foster a culture of proactive hazard reporting, continuous improvement, shared responsibility, and employee involvement in maintaining a safe and healthy workplace.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, we conduct annual medical health check-ups for all permanent employees and contract workers across our facilities. In addition, bi-annual health check-ups are mandatory for employees and workers who are exposed to occupational health risk factors such as heat, noise, and chemicals. During the reporting year, we further strengthened our health surveillance programme by including the Renal Function Test (RFT) as part of the medical assessment for relevant employees and workers.

All our employees and workers have access to non-occupational medical and healthcare services. Our facilities are equipped with onsite medical centres, which provide round-the-clock Outpatient Department (OPD) services. These centres are staffed with qualified medical officers and support personnel to address medical emergencies and provide consultations for non-occupational health concerns.

We also ensure adequate medical and financial protection for our workforce. All employees are covered under group accident and medical insurance policies. Further, across all facilities, we ensure that contractors provide appropriate coverage for their workforce through accident insurance policies, workmen compensation policies, and/or ESIC coverage, as applicable.

Through these measures, we strive to promote employee well-being, ensure timely access to healthcare, and strengthen occupational and non-occupational health support across our operations.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We have implemented a robust safety management system in aligned with ISO 45001:2018 guidelines and principles to ensure a safe and healthy workplace across all facilities. Maintaining the highest safety standards across our facilities is one of our top-most priorities.

- We conduct Industrial Hygiene Exposure Quantitative Assessment, Quantitative Risk Assessment (QRA), Hazard Identification and Risk assessment (HIRA), and implement Hazard operability (HAZOP) techniques to identify the hazards and provide required engineering measures to minimise the risks.

- Before starting any project or activity, we mandatorily conduct HIRA and PSSR (Pre-Start-Up Safety Review), implement safety measures, and provide safety training.
- Toolbox talks are done daily for each shift. Regular site inspections and safety audits are conducted by both internal teams and external auditors to assess the safety readiness at our facilities.
- Mandatory safety training is part of the induction program and periodic refresher training sessions are conducted by internal teams and external experts on various safety and occupational health-related aspects.
- All employees and workers are provided with Personal Protective Equipment (PPE) and safety Supervisors/ Managers regularly oversee activities. Work permits are issued for activities through structured work permit system.
- Pre-employment medical examinations and periodic medical examinations are conducted for employees and workers to identify any occupational disease at the initial stage and provide a necessary course of treatment.
- Safety culture transformation program is implemented to reduce the behavioural risk of the employees.
- Recognition programs are in place to reward individuals and teams for exemplary safety practices and contributions.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

Note: We have not received any complaints from employees and workers regarding working conditions and Health & safety-related issues in the reporting period. However, we conduct safety committee meetings regularly at all our sites, where employees/workers share their suggestions for improving the working environment.

14. Assessment for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

We have online software for reporting significant risks or concerns related to health and safety across all sites. It has in-built features of root cause analysis and CAPA provisions. CAPA is regularly identified and closed and records are maintained digitally.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, we have term insurance coverage for both employees and Workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Hikal expects its value chain partners to comply with all applicable labour, tax, social security, and statutory regulations, including the timely deduction and deposit of statutory dues. Compliance requirements are communicated through supplier onboarding processes, contractual agreements, and the Supplier Code of Conduct. The Company undertakes periodic due diligence, reviews statutory compliance documents where applicable, and monitors supplier performance through ESG assessments, audits, and evaluations based on risk. Any identified non-compliance is addressed through corrective action plans and continuous engagement with the concerned value chain partners.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, we provide transition support to facilitate continued employability and effective career transitions resulting from retirement or separation from employment. We periodically conduct skill development and capability-building programs across our locations to help employees enhance their professional competencies and improve future employment opportunities. Additionally, based on business requirements and individual expertise, retired employees may be engaged through retainership arrangements, enabling continued association with the organisation and knowledge sharing.

5. Details on assessment of value chain partners:

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices*	100%
Working Conditions *	100%

* We have defined a supplier evaluation criterion based on which we conduct the assessment of our critical value chain partners that are based in India via onsite and offsite audits. It primarily focuses upon responsible business principles, Environment, Health and Safety (EHS), quality ESG principles and statutory requirements.

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no significant health and safety risks or concerns related to the working conditions of value chain partners reported during the reporting year.

We have a structured process for evaluating EHS risks across our value chain. A cross-functional team comprising representatives from EHS, Quality Assurance, and Production conducts onsite and offsite assessments of value chain partners. Through these assessments, potential EHS risks are identified, and corrective and preventive actions (CAPAs) are jointly developed and tracked to closure in collaboration with the respective partners, ensuring continuous improvement in health, safety, and environmental performance.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

At Hikal, stakeholder engagement is integral to our approach to sustainable growth and long-term value creation. We identify and prioritise our key stakeholder groups through our materiality assessment process, applying two lenses: (i) the degree to which each group influences our business, and (ii) the extent to which they are impacted by, or dependent on, our operations across the value chain. On this basis, our key stakeholder groups are:

- Customers
- Employees
- Investors and shareholders
- Local communities
- Suppliers and value-chain partners
- Government and regulatory authorities
- Academic institutions and industry associations
- Media and analysts

We engage each group through regular, structured and transparent interactions tailored to their specific interests and expectations. This enables us to gather feedback, address concerns, foster collaborative relationships and incorporate stakeholder perspectives into our decision-making. Through continuous engagement, we strengthen trust, proactively manage risks, and keep our business strategy aligned with stakeholder priorities and our sustainability objectives.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement, including key topics and concerns raised
Customers	No	• Customer meetings • Official channels: advertisements, publications, website, social media • Conferences and events • Customer feedback and satisfaction surveys	Ongoing; annual satisfaction survey	• Timely delivery • Wide range of high-quality products meeting requirements • Competitive pricing • Availability through a wide distribution network • Post-sales support

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement, including key topics and concerns raised
Employees	No	• Internal communications • Capability-development programmes • Performance appraisal • Grievance-redressal mechanisms • Wellness programmes • Town Hall meetings • MD & CEO Connect • Women's Forum	Ongoing; quarterly Town Halls	• Job satisfaction and motivation • Fair wages and rewards • Work-life balance • Training and skill development • Career growth • Safe, secure and healthy workplace
Investors and Shareholders	No	• Analyst meets • Quarterly earnings calls, financial results and presentations • AGM and Annual Report • Official channels: website, publications	Quarterly (results); annually (AGM); need-based	• Sustainable growth and returns • High standards of corporate governance and risk management
Community	Yes	• CSR partnerships and welfare programmes • Meetings and briefings • Training, workshops and impact-assessment surveys • Official channels; advertisements, publications, website, social media • Complaints and grievance mechanism	Ongoing/need-based	• Infrastructure development • Funding for community development • Training and livelihood programmes • Contribution to the local economy
Suppliers and Value-Chain Partners	No	• Supplier-development initiatives • Vendor assessment and review • Training workshops and seminars • Supplier audits • Official channels	Ongoing; periodic audits/onboarding	• Timely payment • Continuity of orders • Capacity building • Transparency and responsible sourcing
Government and Regulators	No	• Statutory compliance filings and meetings • Regulatory audits and inspections • Phone, email and meetings • Official channels	As required/need-based	• Alignment with government priorities to support economic development • Continued contribution to the exchequer • Regulatory compliance

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement, including key topics and concerns raised
Institutions and Industry Bodies	No	• Conferences and industry forums • Joint R&D initiatives • Internship opportunities for students	Need-based/periodic	• Exchange of knowledge • Collaboration in R&D • Industry exposure for students
Media and Analysts	No	• Press releases, media interviews and email advisories • Website management • Social-media posts and updates	Event-based; quarterly (results)	• Effective communication • Accountability and transparency • Brand-image building

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder consultation on economic, environmental and social (EES) topics is led by our site heads and business leaders, who engage internal and external stakeholders through formal and informal channels. Internally, platforms such as Town Hall meetings, functional reviews and “MD & CEO Connect” sessions with the Managing Director provide structured opportunities for open dialogue and feedback. Externally, we engage community representatives, regulatory bodies, suppliers and customers through periodic consultations, surveys and collaborative forums.

Insights and feedback from these interactions are systematically consolidated and reviewed by management, and material matters are escalated to the Board of Directors and its relevant Committees:

- Stakeholders’ Relationship Committee – stakeholder and shareholder matters;
- Corporate Social Responsibility Committee – community engagement and CSR; and
- Risk Management Committee – ESG and business risks.
- Audit Committee

This ensures the Board remains informed of stakeholder expectations and emerging ESG risks and opportunities, enabling it to integrate these perspectives into strategic decision-making.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation directly supports the identification and management of environmental and social topics. As part of our materiality assessment, management evaluates inputs from internal and external stakeholders alongside industry benchmarks and global sustainability standards (including the GRI Standards) to determine and prioritise our key ESG topics. The insights gathered are systematically integrated into our policies, programmes and strategic planning, and we continue to enhance our processes based on stakeholder suggestions.

Illustrative instances of stakeholder inputs being incorporated into our policies and activities:

- Employee feedback through Town Halls, MD & CEO Connect and engagement surveys has informed our people initiatives — capability development, wellness, safety programmes, and grievance redressal.
- Community consultations and impact-assessment surveys have shaped the design and focus of our CSR programmes in education, healthcare, livelihood and environmental conservation.

- Customer and supplier engagement has strengthened our focus on product quality and safety, responsible sourcing and supplier capacity building.
- Regulatory and investor engagement has reinforced our emphasis on compliance, corporate governance and ESG disclosure.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

Our CSR strategy is focused on creating equitable opportunities for vulnerable and marginalised communities. In FY 2025-26, our CSR initiatives were designed to directly benefit these groups, reaching approximately 24,736 lives at the national and local level. We concentrated our efforts on:

- **Education:** Enhancing learning environments by supporting teaching resources, distributing educational materials, and enabling digital access for underserved students.
- **Healthcare and Livelihood:** Providing medical and livelihood support to individuals facing critical health and socio-economic challenges — including persons with disabilities, widows and patients — and extending infrastructure support to public institutions to improve service delivery.
- **Environmental Responsibility:** Advancing environmental awareness and conservation through community-based programmes and partnerships.

All projects were implemented in collaboration with credible NGOs and local stakeholders to ensure contextual relevance, transparency and long-term sustainability.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	2,044	1,478	72%	1,948	1,900	97.54%
Other than permanent	33	24	73%	26	25	96.15%
Total Employees	**2,077**	**1,502**	**72%**	**1,974**	**1,925**	**97.52%**
Workers						
Permanent	108	31	29%	114	113	99.12%
Other than permanent	948	110	12%	1,507	1,250*	82.95%
Total Workers	**1,056**	**141**	**13.35%**	**1,621**	**1,363**	**84.08%**

Note:

- The employee count of 2,077 is the closing (year-end) headcount, and
- The 2,539 man days include training provided to employees who left during the year.
- The organisation delivered 2,539 employee-training days, equivalent to 124% of one employee-training day relative to its year-end workforce.
- The ratio exceeds 100% because training records include employees who left during the year as well as new hires who underwent induction or role-specific training.
- *This data represents the total of all the training given to all workers and not just limited to human rights training to 'other than permanent workers; therefore, the percent coverage is high. This reporting cycle onwards, the percent coverage is specific to human rights training.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,890	Nil	Nil	1,890	100%	1,816	Nil	Nil	1,816	100%
Female	154	Nil	Nil	154	100%	132	Nil	Nil	132	100%
Other than Permanent										
Male	27	Nil	Nil	27	100%	21	-	-	21	100%
Female	6	Nil	Nil	6	100%	5	-	-	5	100%
Workers										
Permanent										
Male	108	Nil	Nil	108	100%	114	-	-	114	100%
Female		Nil	Nil			0	-	-	0	-
Other than Permanent										
Male	880	880	100%	Nil	Nil	1,453	1,453	100%	-	-
Female	68	68	100%	Nil	Nil	54	54	100%	-	-

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages

	Male		Male	
	Number	Median remuneration/ salary/wages of the respective category in ₹	Number	Median remuneration/ salary/wages of the respective category in ₹
Board of Directors (BoD)	8*	16,50,000	3	13,00,000
Key Managerial Personnel	5	1,34,00,000	0	NA
Employees other than BoD and KMP#	1,883	6,00,000	154	5,15,930
Workers#	108	8,18,604	0	0

Note: As of the end of FY 2025-26, the Board comprised 7 members. One Independent Director resigned from the Board with effect from October 1, 2025.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	7%	6%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resources serves as the designated focal point for addressing human rights concerns, impacts, or issues caused by or contributed to by the business. The HR function is responsible for receiving, reviewing, and addressing human rights-related grievances, coordinating with relevant departments, and ensuring appropriate remediation measures are implemented. This mechanism supports our commitment to respecting human rights and providing an accessible channel for reporting and resolving concerns in a fair and timely manner.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a structured mechanism in place to address human rights-related grievances. This includes a formal grievance redressal process with defined procedures, responsibilities, and timelines for effective resolution. Supporting frameworks such as the Prevention of Sexual Harassment (POSH) Policy, Whistleblower Policy, and Code of Conduct further reinforce our commitment to protecting the rights of employees and other stakeholders. These mechanisms are designed to ensure confidentiality, protection against retaliation, and impartial investigation of concerns. Oversight is provided by the Management Committee, which monitors the resolution process and ensures that grievances are addressed promptly, fairly, and in accordance with our ethical standards and legal requirements.

Hikal's Grievance Redressal Policy: https://www.hikal.com/uploads/documents/HikalGrievanceRedressalPolicy-Rev1.pdf

Hikal's POSH Policy: https://www.hikal.com/uploads/documents/SHWWPolicyRev-Hikal.pdf

6. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We maintain robust mechanisms to safeguard individuals who raise concerns related to discrimination, harassment, or other workplace misconduct. Our Grievance Redressal Policy, Prevention of Sexual Harassment (POSH) Policy, and Whistleblower Policy establish clear procedures for confidential reporting, impartial investigation, and timely resolution of complaints. These policies strictly prohibit retaliation and ensure that no adverse action is taken against complainants, witnesses, or individuals participating in an investigation.

All complaints are treated with the highest level of confidentiality, with access to sensitive information limited to authorised personnel involved in the grievance-handling process. We actively foster a culture of trust and transparency by encouraging employees to speak up without fear and by regularly raising awareness of their rights and the available grievance redressal mechanisms.

During FY 2025–26, no complaints related to harassment or discrimination were reported across the organisation.

9. Do human rights requirements form part of your business agreements and contracts?

Human rights requirements are integrated into our contractual agreements with contractors, vendors, and suppliers. These agreements include explicit provisions prohibiting the use of child labour and mandating compliance with all applicable legal and statutory requirements under Indian law. Contractors are also required to uphold confidentiality obligations and comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In addition, our Supplier Code of Conduct and Responsible Sourcing Policy form an integral part of supplier engagement and contractual arrangements. These frameworks outline expectations regarding ethical business practices, respect for human rights, environmental stewardship, and regulatory compliance. Through their implementation, we reinforce our commitment to responsible sourcing and sustainable supply chain management, while promoting accountability and responsible business conduct throughout our value chain.

10. Assessments for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

No issues related to above-mentioned aspects were identified during the assessment period.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Not applicable, as such grievances or complaints were received during the reporting year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

In line with our commitment to ethical business practices and responsible value chain management, the Company conducted a comprehensive Human Rights Due Diligence (HRDD) Assessment during 2024. The assessment was undertaken in accordance with internationally recognised standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, reinforcing our commitment to identifying, preventing, and addressing potential human rights impacts across our operations and business relationships The scope of the assessment encompassed:

- On-site evaluations at three manufacturing facilities, namely Jigani Unit 1 (Karnataka), Panoli (Gujarat), and Taloja (Maharashtra), as well as the Corporate Office.
- Review of internal policies, procedures, and management systems relating to labour practices, occupational health and safety, non-discrimination, employee welfare, and freedom of association.
- Employee and subcontractor engagement through interviews and consultations, along with verification of supporting documentation, including wage records, working hours, statutory compliance records, and grievance redressal mechanisms.
- Assessment of key governance frameworks and controls, including the Code of Conduct, Policy on the Prohibition of Child Labour and Forced Labour, Supplier Code of Conduct, Recruitment and Subcontractor Management Policies, and the Whistleblower and Grievance Redressal Mechanisms.

The primary objective of the HRDD assessment was to identify, evaluate, and mitigate potential human rights risks across our operations. The assessment findings provided valuable insights that enabled us to further strengthen our due diligence processes, enhance contractor oversight, and reinforce compliance with applicable legal, regulatory, and ethical standards.

Based on the assessment outcomes, targeted improvement measures have been integrated into our human rights management approach to strengthen governance, risk monitoring, and stakeholder engagement practices. Our Corporate and Site Human Resources teams continue to play an active role in monitoring compliance, tracking corrective actions, and promoting awareness of human rights responsibilities across the organisation.

To further strengthen human rights and business ethics across the organisation, Hikal initiated the SMETA (SEDEX Members Ethical Trade Audit) 4 pillars audits. Subsequently, Jigani 1 unit was audited in FY 2025-26 and its compliance report is available on SMETA website. All other units are in implementation phase, for which the audit is scheduled in FY 2026-27.

Through these efforts, we remain committed to fostering a safe, inclusive, and respectful workplace while upholding internationally recognised human rights principles throughout our operations and value chain.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, we are committed to fostering an inclusive workplace that enables equal access and opportunities for all employees and visitors. To support accessibility for differently abled individuals, our facilities are equipped with essential infrastructure designed to enhance mobility and ease of movement.

Accessibility features such as ramps at key entry points and handrails along staircases have been installed across our workplaces to facilitate safe and convenient access. These measures help create a more accessible and supportive environment, enabling individuals with diverse mobility needs to navigate our facilities with greater independence and comfort.

We continue to assess opportunities to further strengthen accessibility across our operations as part of our broader commitment to diversity, equity, inclusion, and employee well-being.

4. Details on assessment of value chain partners:

We are conducting the assessment of our critical value chain partners that are based in India. The assessment cover aspects related to human rights, business integrity, Environment, Health, and Safety (EHS), ESG Principles and statutory compliance. Also, as per our code of conduct, we expect our suppliers to adhere with the principles of human rights.

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Child labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- Retention of any original documents	100%

Note: The above-mentioned values are limited to critical business value chain partners that are based in India.

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

No risks identified for the subjects mentioned in the Question 4, during the audit.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameters	Units	FY 2025-26	FY 2024-25
From renewable sources			
Total electricity consumption (A)	Giga Joules (GJ)	210,134.7	188,455.1
Total fuel consumption (B)	GJ	840,041.3	850,003.4
Energy consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	**1,050,176.1**	**1,038,458.5**
From non-renewable sources			
Total electricity consumption (D)	GJ	1,81,061.4	196,764.2
Total fuel consumption (E)	GJ	114,057.9	112,758.6
Energy consumption through other sources (F)	GJ	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	GJ	**295,119.3**	**309,522.7**
Total energy consumption (A+B+C+D+E+F)	GJ	**1,345,295**	**1,347,981.2**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/₹ million	78.5	72.5
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/USD million	1,597.76	1,477.1
Energy intensity in terms of physical output	GJ/MT	119.06	116.4

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, external third-party assessments and audits are conducted by accredited certification bodies. Sustain Right conducts audits.

2. Does the entity have any sites/facilities identified as the designated consumers (DCs) under Performance, Achieve and Trade (PAT) Scheme of the Government of India? yes (Y/N) If, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable, since we do not have any site as the designated consumers (DCs) under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameters	Units	FY 2025-26	FY 2024-25
Water withdrawal by source			
(i) Surface water	kilolitre (kL)	Nil	Nil
(ii) Groundwater	kilolitre (kL)	Nil	Nil
(iii) Third party water (Industrial Estate MIDC/GIDC)	kilolitre (kL)	7,94,508.10	897,997
(iv) Seawater/desalinated water	kilolitre (kL)	-	Nil
(v) Others	kilolitre (kL)	25,590.00	Nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	kilolitre (kL)	8,20,098.10	897,997
Total volume of water consumption (in kilolitres)	kilolitre (kL)	5,10,513.10	572,783
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	kL/₹ million	29.81	30.8
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	kL/USD million	606.32	627.7
Water intensity in terms of physical output	kL/MT	45.18	49.5

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, external third-party assessments and audits are conducted by accredited certification bodies. Sustain Right conducts audits.

4. Provide the following details related to water discharged:

Parameters	Units	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment			
To Surface water			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
To Groundwater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
To Seawater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
Sent to third parties			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Tertiary treatment	kilolitre (kL)	3,09,585*	325,214
Others			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – ZLD		1,04,439#	
- With treatment - Tertiary treated water from ETP being used for utilities such as cooling towers.	kilolitre (kL)	79,620#	
- STP tertiary treated water used for landscaping, road washing purposes	kilolitre (kL)	15,202#	110,334#
- With treatment - (RO reject only filtration treatment for landscaping purposes)	kilolitre (kL)	9,617#	
Total water discharged	kilolitre (kL)	3,09,585*	435,548

#We have reported the water recycling and reused via the Zero Liquid Discharge plant (ZLD)/treated water via EYTP/STP in utilities.

*Treated water discharged in CETP

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, external third-party assessments and audits are conducted by accredited certification bodies. Sustain Right conducts audits.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented a Zero Liquid Discharge (ZLD) mechanism at three of our five manufacturing facilities and Research & Technology (R&T) facility in Pune.

Our ZLD infrastructure comprises primary treatment, secondary treatment through Effluent Treatment Plants (ETPs)/Membrane Bioreactors (MBR), followed by Multiple Effect Evaporation (MEE)/Mechanical Vapor Recompression Evaporation (MVRE) and Agitated Thin Film Dryers (ATFD). Reverse Osmosis (RO) systems are used for tertiary treatment, enabling the reuse of treated effluent for utility applications. These facilities are also equipped with Sewage Treatment Plants (STPs), and treated wastewater is reused within the premises for purposes such as gardening and cooling tower make-up.

At the remaining manufacturing facilities, ETPs and STPs have been installed to treat effluents and wastewater in accordance with applicable regulatory requirements. Treated water is reused internally to the maximum extent feasible, and any surplus treated water is discharged responsibly in compliance with statutory norms.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

We monitor air emissions across all our sites in accordance with applicable statutory requirements. Emission monitoring is conducted by laboratories approved by the respective State Pollution Control Boards to ensure compliance with regulatory standards. The concentrations of all monitored parameters remain within the prescribed permissible limits. Air emission data and compliance reports are submitted periodically, including annual disclosures, to the respective Pollution Control Boards as required under applicable environmental regulations. Regular monitoring and reporting support our commitment to environmental stewardship and continual improvement in air quality management.

Parameter	Please specify unit	FY 2025-26 (Current Financial Year	FY 2024-25 (Previous Financial Year)
NOx	(tonnes/year)	3.96	3.68
SOx	(tonnes/year)	4.68	4.49
Particulate matter (PM)	(tonnes/year)	6.33	4.95

Note: While the data was tracked during FY 2024–25, it could not be disclosed in the BRSR due to data consolidation and validation constraints during the reporting cycle. Accordingly, this BRSR includes the air emissions data for both FY 2024–25 and FY 2025–26.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameters	Units	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	11,261.57	12,664.34
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	42,448.85	45,655.89
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/ INR million	3.1	3.1
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Metric tonnes of CO_2 equivalent/ USD million	63.7	63.9
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent/ Metric tonnes	4.7	5.0

Note: Scope 1 and 2 emissions intensity, per unit of physical output, has decreased due to the transition from natural gas and fuel oil to purchased briquette-generated steam, and increased renewable electricity procurement.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, external third-party assessments and audits are conducted by accredited certification bodies. Sustain Right conducts audits.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Hikal has been following a systematic approach towards energy conservation program. EnCon (Energy Conservation) committee has been constituted at the corporate level in the year 2021 and Energy Conservation Policy is reviewed regularly. The EnCon Committee drives the initiatives for conservation of energy and natural resources across the Company for achieving long-term sustainability.

CROP Business:

The following energy saving initiatives have been implemented at Taloja, Mahad and Panoli site of Crop Business:

- **Taloja Plant**
  - Use of solar electrical power through open access. Solar units consumed in FY2025-2026 are 1,13,84,382 kWh which resulted in savings of ₹ 1,81,31,719.
  - Increase in share of briquette fuel and reduced use of LSHS: Reduction in LSHS consumption for year 2025-26 was approx. 5,19,499 kg which resulted in saving of ₹ 86,91,021.
  - Use of turbine for cogeneration of electricity using high pressure steam from briquette boiler resulted in saving of 91,880 kWh & ₹ 10,88,488 in FY 2025-26

- **Panoli Plant**
  - Elimination of CHW supply pump (P-155018) which resulted in stoppage of one pump and yearly saving of 79368 kWh energy & ₹ 6,82,565.
  - Power saving of 291060 kWh achieved through compressed air supply from crop Utility to MPAH Plant resulting in saving of ₹ 27,91,858.
- **Pune R&T Facility**
  - Replacement of 100 CFL lights with LED lights. 36W CFL lights replaced with 18W LED lights reduced to 6480 kWh for year which resulted in saving of ₹ 64,800.
  - Hot oil circulation pump impeller size trimmed from 160mm to 141mm to achieved desired flow reduced 4608 kwh for year which resulted saving of ₹ 46,080.
- **Mahad Plant**
  - Briquette boiler Steam Fuel Ratio (SFR) was improved through briquette quality and temperature control in the boiler operation which resulted in the briquette quantity saving of 62124 Kg annually and corresponding saving was ₹ 5,89,564.
  - Use of Solar electrical power through open access for Mahad Unit. Solar units consumed in FY2025-2026 are 49,12,612 kWh which resulted in saving of ₹ 206 lakhs.

Crop Business (Total Investment and Savings):

Total Investment – No capex investment in Y2025-2026. Total Yearly Savings - ₹ 128.64 lakh

PHARMA Business

The following energy saving initiatives have been implemented at Panoli and Jigani 1 & 2 sites of Pharma Business:

- **Jigani 1**
  - Site renewable power consumption increased to 86 % (Solar, Wind power, and Cogen boiler power (73% v/s 86%))
  - Used turbine for cogeneration of electricity using high pressure steam from briquette boiler resulted into 4382422 kWh & ₹ 41,63,514 saving in this year – Jigani 1
  - Increased the efficiency of brine chilling plants BRU-1114 and BRU-1402 in utility-01 & BRU-1111 and BRU-1113 in utility-02 which resulted in 603900 kWh & ₹ 44,65,714 saving.
- **Jigani 2**
  - Discounted Energy Rate/Rebate Scheme Benefit achieved ₹ 3758870 saving in FY 2025-2026
  - VFD installed for PB 02 exhaust blower achieved 129600 kWh and ₹ 10,10,880 saving.
  - Energy efficient motion sensor installation at employee canteen, OHC and EHS office achieved 4723 kWh and ₹ 64471 saving.

Pharma Business (Total Investment and Savings):

Total Investment - ₹ 6.17 lakh and Total Yearly Savings - ₹ 92.99 lakh

9. Provide details related to waste management by the entity, in the following format:

Parameters	Units	FY 2025-26	FY 2024-25
Total Waste generated			
Plastic waste (A)	Metric tonnes	310.87	208.62
E-waste (B)	Metric tonnes	0.55	2.35
Bio-medical waste (C)	Metric tonnes	0.022	0.017
Construction and demolition waste (D)	Metric tonnes	0.00	0
Battery waste (E)	Metric tonnes	0.66	8.363
Radioactive waste (F)	Metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G)	Metric tonnes	42,896.80	52,535.58
Other Non-hazardous waste generated (H)	Metric tonnes	4,989.97	6,089.38
Total (A+B + C + D + E + F + G + H)	Metric tonnes	**48,198.87**	**58,844.31**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	Metric tonnes/₹ million	2.81	3.2
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	Metric tonnes/ USD million	57.24	64.5
Waste intensity in terms of physical output	Metric tonnes/ Metric tonnes	4.26	5.1
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	Metric tonnes	35,516.45[1]	41,353.7
(ii) Re-used	Metric tonnes	1,203.77	4,712.2
(iii) Other recovery operations	Metric tonnes	0	0.0
Total	Metric tonnes	**36,720.22**	**46,065.9**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	Metric tonnes	1,734.28[2]	2,389.9
(ii) Landfilling	Metric tonnes	9,744.38	10,384.8
(iii) Other disposal operations	Metric tonnes	0.00	0.0
Total	Metric tonnes	**11,478.66**	**12,774.7**

[1]Battery waste (0.66 MT) is included in the 'recycled' component of the hazardous waste.

[2]Biomedical waste (0.022 MT) is included in the 'safely disposed' component of the hazardous waste.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, external third-party assessments and audits are conducted by accredited certification bodies. Sustain Right conducts audits.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a pharmaceutical and specialty chemicals manufacturing company, responsible waste management is a key element of our environmental stewardship strategy. Our waste management practices are continuously strengthened and aligned with our broader circular economy objectives. Guided by the principles of Reduce, Reuse, and Recycle (3R), we have established comprehensive standard operating procedures for the segregation, handling, storage, treatment, and disposal of hazardous waste, non-hazardous waste, e-waste, and biomedical waste.

Dedicated teams at each manufacturing facility oversee waste management activities to ensure segregation at source and compliance with applicable regulatory requirements and industry best practices. Hazardous waste generated through operations is managed responsibly through authorised recyclers, co-processing/

pre-processing in the cement industry, and Common Hazardous Waste Treatment, Storage and Disposal Facilities (CHWTSDFs). In parallel, 100% of e-waste is channelled through authorised recyclers, while plastic waste is recycled through approved waste management partners.

Non-hazardous waste streams, including scrap metal, wood waste, glass, paper, cardboard, and other recyclable materials, are also diverted to authorised recyclers, supporting resource recovery and minimising landfill disposal. Fly ash generated from our briquette boilers is recycled through brick manufacturing.

We continue to drive process improvements aimed at waste reduction and resource efficiency. Additionally, a dedicated laboratory conducts waste treatability studies to identify innovative waste minimisation opportunities. Through process optimisation, certain by-products have been successfully converted into valuable intermediates, significantly reducing the generation of hazardous organic waste. We are also upgrading our effluent treatment facilities to enhance wastewater treatment efficiency and increase water recycling and reuse capabilities.

Regular inspections and assessments of waste management infrastructure are conducted to identify opportunities for improvement and strengthen environmental performance. Furthermore, the “Wealth from Waste” initiative has been introduced to promote innovative approaches for waste reduction, recycling, and reuse, fostering resource efficiency and supporting our commitment to sustainable operations and circularity.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Jigani Unit	Manufacturing of pharmaceuticals	Yes. In line with the conditions stipulated in the Environmental Clearance (EC), the Company has submitted an application to the Forest Department for obtaining the No Objection Certificate (NOC) from Bannerghatta National Park and continues to actively follow up on the approval. Additionally, the Company has established measures and processes to mitigate potential impacts on the surrounding ecology.

The Company has established robust processes and implemented appropriate pollution control measures to minimise any adverse impact on the surrounding ecology. A dedicated team ensures the effective operation of pollution control systems, adherence to Zero Liquid Discharge (ZLD) practices, and environmentally sound waste management, in compliance with applicable statutory requirements and industry best practices.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

No environmental impact assessments (EIA) was conducted in the reporting year.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all applicable environmental laws and regulations.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress

For each facility/plant located in areas of water stress, provide the following information:

I. **Name of the area:** Jigani, Bangalore (Unit 1 & 2)

II. **Nature of operations:** Manufacturing of pharmaceuticals

III. Water withdrawal, consumption, and discharge in the following format:

Parameters	Units	FY 2025-26	FY 2024-25
Water withdrawal by source			
(i) Surface water	kilolitre (kL)	**Nil**	Nil
(ii) Groundwater	kilolitre (kL)	**Nil**	Nil
(iii) Third party water	kilolitre (kL)	2,07,873	192,815
(iv) Seawater/desalinated water	kilolitre (kL)	**Nil**	Nil
(v) Others	kilolitre (kL)	**Nil**	Nil
Total volume of water withdrawal (i + ii + iii + iv + v)	kilolitre (kL)	**2,07,873**	**192,815**
Total volume of water consumption	kilolitre (kL)	2,07,873	192,815
Water intensity per rupee of turnover (Water consumed/ turnover)	(In kL/₹ million)	22.17	19.99
Water discharge by destination and level of treatment			
Into Surface water			
- No treatment	kilolitre (kL)	**Nil**	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	**Nil**	Nil
Into Groundwater			
- No treatment	kilolitre (kL)	**Nil**	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	**Nil**	Nil
Into Seawater			
- No treatment	kilolitre (kL)	**Nil**	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	**Nil**	Nil
Sent to third-parties			
- No treatment	kilolitre (kL)	**Nil**	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	**Nil**	Nil
Others- Total water Recycled			
- No treatment	kilolitre (kL)	**Nil**	Nil
- With treatment – Tertiary treatment	kilolitre (kL)		96,598
- With treatment – ZLD (as detailed below)	kilolitre (kL)	98108	
With treatment - Tertiary treated water from ETP being used for utilities such as cooling towers.	kilolitre (kL)	73,289	
STP tertiary treated water used for landscaping, road washing purposes	kilolitre (kL)	9,617	
c. With primary treatment - (RO reject only filtration treatment for landscaping purposes)	kilolitre (kL)	15,202	
Total water discharged		**0**	**0**

Note: We have maintained zero liquid discharge status at our Jigani Units. After the tertiary treatment of effluent, the treated water is used for utility and cooling tower make up process. Domestic wastewater is treated separately in Sewage Treatment Plant and is used for gardening purposes. RO reject after filtration is used for road washing and landscaping.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, external third-party assessments and audits are conducted by accredited certification bodies. Sustain Right conducts audits.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameters	Units	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	2,17,144.57	1,91,158.09
Total Scope 3 emissions per rupee of turnover	$MTCO_2e$/ INR Million	12.68	10.27
Total Scope 3 emissions per physical output	$MTCO_2e$/MT	19.22	16.52

Note: Total Scope 3 GHG emissions for FY 2025–26 increased by 14% compared to FY 2024–25. This increase is primarily attributable to a more comprehensive, activity-based GHG inventory. During the reporting year, Hikal adopted a more granular methodology, relying on actual activity data and improved data availability across Scope 3 categories, resulting in enhanced accuracy and completeness of the emissions inventory.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Hikal's Jigani Units (1&2) are the Company's only facilities located in proximity to the Bannerghatta National Park, an ecologically sensitive area. Recognising the importance of conserving local biodiversity, the Company has implemented focused initiatives to protect and enhance the surrounding ecosystem while ensuring environmentally responsible operations.

Hikal supported the restoration of Konasandra Lake and Yallammanadoddi Lake through lake clean-up activities, removal of invasive vegetation, and plantation of approximately 200 saplings. The Company has also developed a Miyawaki forest near Harapanahalli Temple, Jigani, in collaboration with M/s Twin Glacier Foundation, comprising 4,000 trees, 1,000 shrub saplings, and 350 bamboo grasses to promote native biodiversity, and contributing to the green cover of the area.

These initiatives, together with ongoing environmental management practices, reflect Hikal's commitment to habitat restoration, biodiversity conservation, and responsible stewardship of ecologically sensitive landscapes.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Renewable energy transition	Implemented solar and wind energy at Mahad, Taloja, Panoli, and Jigani in FY 2024-25, through power purchase agreements.	Cost savings in FY 2025-26 Panoli – ₹ 24.83 million Taloja – ₹ 19.22 million Mahad – ₹ 20.60 million Jigani 1 – ₹ 88.92 million
2	Energy efficiency measures	Replacement or maintenance of pumps, retrofitted lighting, optimised voltage, and automated systems across Crop and Pharma sites.	Achieved annual operational savings of ₹ 22.17 million
3	Process optimisation measures	Improved boiler steam-to-fuel ratio, compressed air supply and installed flash steam recovery systems at Taloja, Jigani, Mahad, and Panoli.	Mahad: ₹ 5,89,564 Panoli: ₹ 34,74,423

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

We have established a comprehensive Business Continuity and Emergency Response Framework to ensure operational resilience across our facilities. Supported by a structured SOP, the framework identifies critical processes, assesses potential risks, and outlines contingency measures to minimise disruptions and maintain business continuity. Clear roles, responsibilities, and communication protocols enable effective and coordinated response during emergencies. The SOP is reviewed biannually, or whenever required, to address emerging risks and changing operational needs. In addition, each site maintains customised emergency response plans supported by regular employee training, awareness programs, and statutory mock drills, ensuring preparedness, regulatory compliance, and continuous improvement in emergency management capabilities.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No such incident took place in the reporting year FY 2025-26. We continue to engage with suppliers, contractors, and business partners through our Supplier Code of Conduct and Responsible Sourcing Policy, which promote responsible environmental practices, regulatory compliance, and sustainable resource management. Regular assessments and monitoring mechanisms are in place to identify and mitigate potential environmental risks across the value chain. These proactive measures help strengthen environmental performance and support our commitment to sustainable and responsible business operations.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

During the reporting period, we did not undertake a specific assessment of environmental impacts arising from the operations of our value chain partners. However, we have established a supplier evaluation framework through which critical suppliers are assessed against defined criteria covering statutory compliance, Environment, Health and Safety (EHS) requirements, ESG principles, and quality standards. This evaluation process helps promote responsible business practices, identify potential risks, and encourage alignment with our sustainability expectations across the value chain. We remain committed to strengthening supplier engagement and enhancing environmental due diligence practices as part of our ongoing efforts toward sustainable supply chain management.

8. How many Green Credits have been generated or procured?

a. By Listed Entity

Not applicable

b. By the Top Ten (in terms value of purchases and sales, respectively) value chain partners

Not applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations: 10

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to:

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1.	Indian Chemical Council (ICC)	National
2.	Employers Federation of India (EFI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Indian Merchants Chamber (IMC)	National
5.	Crop Care Federation of India	National
6.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
7.	National Safety Council	National
8.	Pesticides Manufacturers & Formulators Association of India (PMFAI)	National
9.	Agro Chem Federation of India	National
10.	CHEMEXCIL	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

We work closely with various trade and industry associations on topics related to governance, policy reforms and sustainable business principles.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Results communicated in public domain (Yes/No)
Nil	Nil	Nil	Nil	Nil	Nil

During the period, the Company has not undertaken any SIA.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

Our Grievance Redressal policy and Whistle-blower policy have defined mechanisms for addressing concerns/ complaints raised by the external stakeholder in a time-bound manner. We maintain confidentiality during the investigation process and ensure protection of the complainant. There is zero tolerance to retaliatory behaviour as mentioned in our Code of Conduct. However, no such concern was reported during the financial year 2025-26.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	22.01%	10%
Directly from within India	72.34%	69%

Note:

1. We evaluate the vendor based on merits that are defined in our procurement policy and we provide equal opportunities to all the vendors/suppliers irrespective of geographical boundary.

2. The Company primarily sourced its raw materials from within India, accounting for 72.34% of total procurement, while 27.66% was sourced from outside India to meet specific operational requirements.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	29%	17%
Semi-urban	16%	58%
Urban	49%	25%
Metropolitan	7%	-

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

No negative social impacts were identified through the Social Impact Assessments conducted for CSR projects during the reporting period. Accordingly, no specific mitigation actions were required. The Company continues to monitor its CSR initiatives through periodic reviews, stakeholder feedback and implementation partner updates to ensure that the projects deliver intended positive outcomes for the beneficiary communities.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not applicable.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

Yes. While Hikal does not have a standalone preferential procurement policy specifically for suppliers comprising marginalised or vulnerable groups, these principles are embedded in the Company's Supply Chain SOP. The SOP promotes fair, transparent, and non-discriminatory procurement practices, providing equal opportunities to all eligible suppliers, including local and MSME vendors. It also encourages responsible sourcing by integrating ESG considerations into supplier selection and evaluation, promoting supplier diversity, supporting local communities, and encouraging fair labour practices across the value chain.

(b) **From which marginalised/vulnerable groups do you procure?**

Local, diverse and underrepresented suppliers including those across gender, disability, ethnicity, religion, or socio-economic backgrounds such as MSME, organisations led by women, PwD or other marginalised or vulnerable sections.

(c) **What percentage of total procurement (by value) does it constitute?**

22%

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable.

6. **Details of beneficiaries of CSR Projects:**

S. No	CSR Projects	No. of persons benefitted from CSR project
1	Remuneration of teachers salary of a nearby govt school in Karnataka	150
2	Support to Sneha Bharti Education society with grocery items for the mentally challenged students	100
3	Support to IAHF for Upcycle with Hikal initiaitive (Taloja, Mahad, Pune, CBD)	10,000
4	Support to Marg Foundation	200
5	Support to WWF Nature Guardian Program	1,000
6	Support to one session at Literature Live! The Mumbai LitFest 2025	300
7	Support to one session at Literature Live! The Mumbai LitFest 2024	300
8	CSR support to Zirad Art & Heritage Foundation (ZAHF)	1,000
9	Support to Saundarya Natya Kala Foundation	1,000
10	Support to the Anglo-Scottish Education Society for their 165's year	300
11	Support to Mehli Mehta Music Foundation	250
12	Support to Salam Bombay for 3D printers deployment project	200
13	Infrastructure improvement at ZP school Kamble Tarf Birwadi	120
14	Support to to IAHV for infrastructure improvement at New English School, Village Turbhe, Tal. Poladpur, Dist. Raigad	200
15	Infrastructure Development in ZP School Chochinde, Mahad, Raigad	140
16	Support to Aai day care sanstha Sponsorship of 15 Students & Special teacher	200
17	Empowerment of girls through MHHAP in Taloja	500
18	CSR support to Center of Development studies and Action for the deployment of solar panels in Mangnur Village	2,000
19	Shed Installation at Aai Day Care Sanstha, Pen	350
20	Support to Vishakha BAA foundation to school shade	220
21	Support to IAHV for MHHAP program	500
22	Support to Ambaji Yatra	2,200
23	Support to Vishakha BAA foundation to support Bharuch police station	2400
24	Support to IAHV towards development of ponds to Increase the availability of water for the local communities	1,106

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Although Hikal operates exclusively in the B2B segment and does not sell products directly in the retail market, the Company has established a robust customer complaint management system to ensure timely and effective resolution of customer concerns.

All customer complaints are logged through a structured process and assigned to a designated investigator for detailed assessment. A systematic root cause analysis is conducted to identify the underlying cause, following which appropriate corrective and preventive actions (CAPA) are implemented to address the issue and minimise recurrence. The findings, along with the actions taken, are communicated transparently to the customer within defined timelines. The complaint management process is regularly monitored to drive continuous improvement, strengthen product quality, and enhance customer satisfaction.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Yes, all our products are properly labelled with adequate details in accordance with the applicable statutory and customer requirements. We provide safety data sheets which contain all the necessary information mentioned above.

3. Number of consumer complaints in respect of the following:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other*	20	1	Under Investigation	34	4	Nil

*Customer Complaints

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Hikal has a defined policy to address cybersecurity and data privacy risks, which is accessible to all employees through the internal portal. As part of ongoing efforts to enhance information security, implementation of the ISO 27001:2022 standard for Information Security Management Systems (ISMS) is currently underway.

To strengthen cybersecurity and safeguard against potential threats, a multi-layered IT security architecture has been deployed. This includes an email Security gateway, Anti-spam, and anti-phishing solutions, along with Endpoint Detection and Response (EDR) systems equipped with Advanced Threat Protection (ATP) engines. End-user devices and servers are protected with antivirus software and zero-day attack prevention. Data encryption and MDM to protect mobile devices.

Multi-factor authentication (MFA) with one-time password (OTP) verification is enabled for all servers, and advanced web security solutions are in place to ensure secure internet access. SOC & SIEM solution for pro-active alert monitoring enables Hikal to resolve issues before they impact the Business.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Not applicable

   There are zero breaches, zero vulnerability exploits, and zero regulatory inquiries

7. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches:** Nil
   b. **Percentage of data breaches involving personally identifiable information of customers:** Nil
   c. **Impact, if any, of the data breaches:** Nil

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   We have a dedicated page on our Company's website that provide information about the products and services. The website links for Pharmaceuticals and Crop Protection products are:

   Pharmaceuticals: https://www.hikal.com/page/apis-and-intermediates

   Crop Protection: https://www.hikal.com/page/overview#capabilities

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   We have quality agreements in place with our customers through which we share detailed information about our products. Each consignment is labelled appropriately and includes relevant safety instructions and product information, in line with applicable statutory requirements.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   This requirement is not directly applicable to us, as we operate exclusively through B2B sales and do not sell products directly in the retail market. However, we have established mechanisms to proactively inform our customers about any significant changes or potential risks that could disrupt the supply of essential services. Notably, during the financial year 2025–26, no such instances were reported.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes, we ensure that all our products are appropriately labelled in accordance with applicable statutory requirements, along with any specific customer requirements. We are committed to maintaining transparency and providing relevant product information. Additionally, each consignment includes safety instruction sheets to support the safe handling and use of our products.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, our entity actively engages in gathering consumer feedback to assess satisfaction levels across our key products, services, and operational locations. We conduct regular evaluations of customer feedback forms to gain insights into their experiences and expectations. Additionally, our business teams hold periodic review meetings with major clients to address any concerns and collaboratively identify opportunities for service enhancement. This structured approach enables us to continuously improve and align our offerings with customer need.

List of Abbreviations

1. BRSR- Business Responsibility and Sustainability Report
2. BSE- Bombay Stock Exchange of India Limited
3. CHWTSDF- Common Hazardous Waste Collection, Treatment, Storage & Disposal Facilities
4. EHS- Environment, Health, and Safety
5. ERM- Enterprise Risk Management
6. EPR- Extended Producer Responsibility
7. ESG- Environmental, Social, and Governance
8. ISO- International Organisation of Standardisation
9. KPIs- Key Performance Indicators
10. NGRBC- National Guidelines on Responsible Business Conduct
11. NSE- National Stock Exchange of India Limited
12. OHS- Occupational Health and Safety
13. OHC- Occupational Health Centres
14. POSH- Prevention of Sexual Harassment
15. PwD- Persons with Disability
16. R&T- Research and Technology
17. SBTi- Science Based Targets initiative
18. UNGC- United Nations Global Compact
19. SMETA- Sedex Members Ethical Trade Audit
20. SEDEX- Supplier Ethical Data Exchange