

Leading towards a Sustainable Tomorrow

Material Topics Covered

- Ethical Business Practices and Governance
- Regulatory Compliance Skill Development
- Sustainable Financial Performance
- Sustainable Supply Chain
- Data Integrity and Security
- Product Quality, Safety, and Labelling
- Research and Innovation
- Customer Satisfaction

Highlights for 2024-25

55%
Independent Directors

27.3%
Women Directors

Zero
Corruption incidents reported

Zero
Cases of Conflict of Interest

Contribution to UN SDGs



At Hikal, strong governance is central to our responsible and ethical business conduct. Grounded in principles of fairness, transparency, and integrity, our governance framework enables effective stakeholder engagement, informed decision-making, and long-term value creation, ensuring we remain resilient and responsive in a dynamic operating environment.

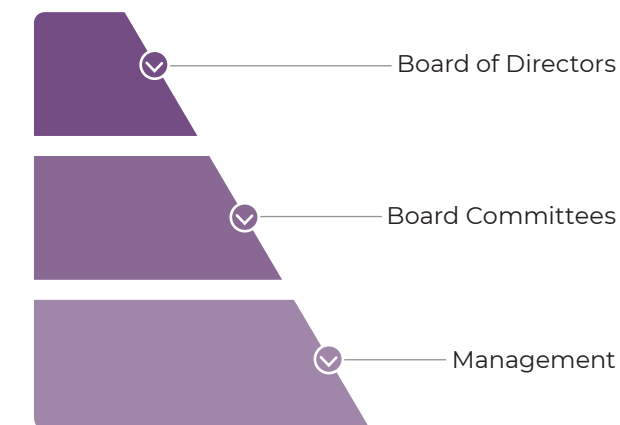
Ethical Business Practices and Governance

At Hikal, ethical business practices form the foundation of our governance framework. We are committed to upholding integrity, transparency and accountability across all levels of operation. Drawing on globally recognised principles, we embed fairness and strong ethical standards into our systems, fostering stakeholder trust, enhancing oversight, and enabling responsible decision-making that supports long-term value creation.

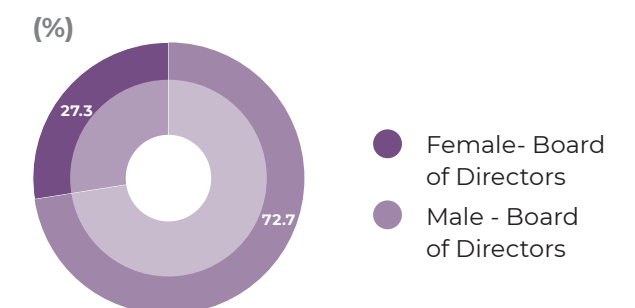
Governance Structure

Our Board of Directors upholds the highest standards of transparency, integrity, and accountability across all levels of the organisation. In parallel, the Management Committee drives the execution of our value-creation strategy, with a clear focus on delivering inclusive and sustainable outcomes for all stakeholders.

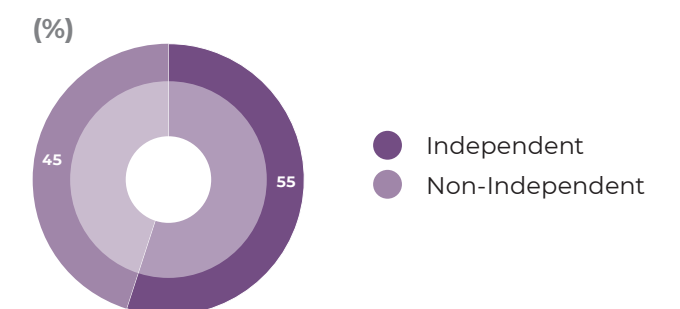
Governance Structure



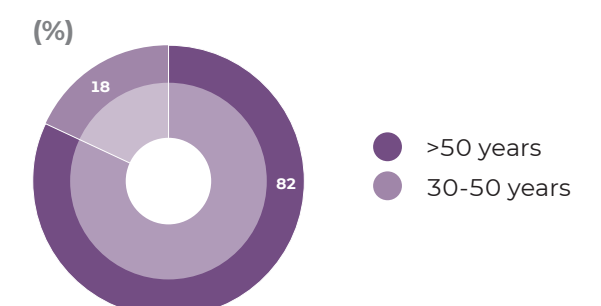
Board Diversity



Board Independence



Board Age Profile




Ethics and Business Practices

Our leadership has established a robust policy framework to promote ethical conduct, transparency, and sustainability throughout our organisation. We adhere to the highest international standards in corporate governance. Each year, every employee completes an online training programme and assessment to ensure a thorough understanding of our corporate governance principles. Externally, our code of conduct and governance policies are openly published on our corporate website.



Our Policies

Whistle Blower Policy	Code of Conduct
CSR Policy	Community Grievance Redressal Policy
Code of Conduct for Board Members and Senior Management	Dividend Distribution Policy
Risk Management Policy	Policy for Determining Material Subsidiary
Related Party Transactions Policy	Remuneration Policy

Click on  for more details

Regulatory Compliance

Regulatory compliance remains a central pillar of our operations, with concerted efforts to align meticulously with both domestic and international standards. By embracing multi stakeholder collaborations and actively engaging in public consultations, we ensure that we play an influential role in shaping the regulatory environment.

Navigating Regulatory Complexity

At Hikal, we align our corporate governance with diverse legal frameworks, including company law, securities regulation, tax, labour, environmental, and data protection laws. We proactively address overlaps and potential conflicts by maintaining a coherent regulatory approach with clearly defined roles across internal functions. We also monitor cross-jurisdictional regulations to avoid regulatory arbitrage and ensure compliance.

Membership with Associations

We are proud to maintain strategic affiliations with premier industry associations, which empower us to actively shape policy frameworks and establish best-practice benchmarks—thus affirming our reputation as a progressive and responsible corporate leader.

We Hold Memberships in the Following Associations:

 Confederation of Indian Industry (CII)	 Indian Merchants Chamber (IMC)	 Indian Chemical Council	 Crop Care Federation of India
 Federation of Indian Chambers of Commerce & Industry (FICCI)	 National Safety Council	 Pesticides Manufacturers & Formulators Association of India (PMFAI)	 Agro Chem Federation of India

Sustainable Financial Performance

At Hikal, sustainable financial performance is a central pillar of our long-term strategy. While some perceive environmental initiatives as burden on resources, we consider them high-return investments—critical drivers of value creation. By purposefully allocating capital to sustainability initiatives, we not only uphold our responsibility to the environment, but also strengthen our competitive and financial standing.

Over the past two years, we have invested INR 4 Million in clean energy solutions, resulting in a meaningful reduction of 30,377 MTCO₂e in greenhouse gas emissions and achieving cost efficiencies totalling INR 91.50 Million by use of renewable energy. These outcomes clearly underscore that our eco-friendly initiatives are not only environmentally responsible but also financially prudent.

Looking forward, we remain committed to identifying innovative opportunities that reduce our ecological footprint while delivering additional financial upside. This steadfast commitment attests to our firm belief that sustainability and profitability are mutually reinforcing and essential to achieving long-term resilience and success for both Hikal and the planet.

Sustainable Supply Chain

We have adopted a Green Supply Chain Policy that applies to all value chain partners, reinforcing our commitment to sustainability. Suppliers are expected to meet defined ESG criteria. We also prioritise local sourcing wherever feasible, promoting environmental responsibility and supporting the well-being of surrounding communities.

Strategy for Sustainable Supply Chain

We are actively investing to develop self-reliance through:

1

Backward Integration

- End-to-end process development
- Technology solution for KSM manufacturing
- Capacity deployment

2

Outsourcing/ Partnership

- Strategic tie-ups
- Tech transfer
- Operational and financial support

3

Local Vendor Development

- Identify right vendors
- Compliance support
- Process support

Supplier Assessment

We uphold stringent supplier evaluation standards for our critical value chain partners in India, with a sharp focus on EHS, quality, and statutory compliance. Through detailed on-site and remote audits, we thoroughly assess our suppliers' ESG performance, ensure respect for human rights, and verify adherence to safe and compliant working conditions. To date, no significant actual or potential adverse social impacts have been identified, demonstrating our firm commitment to ethical sourcing and responsible supply chain governance.

100%

Critical value chain partners assessed for health and safety practices

Assessment of Value Chain Partners (%)

Human rights criteria	2022-23	2023-24	In 2024-25
Child labour	100	100	100
Forced labour/involuntary labour	100	100	100
Sexual harassment	100	100	100
Discrimination at workplace	100	100	100
Wages	100	100	100

100%

Value chain partners assessed for safe working conditions

Data Integrity and Security

We have deployed multi-layered security solutions in our IT systems to safeguard against direct exposure or vulnerabilities to cyber-attacks.

- Email gateway, antivirus, and anti-phishing measures to enhance email security
- Real-time monitoring and defence against known and zero-day attacks with Endpoint Detection and Response (EDR) solution, featuring Advanced Threat Protection (ATP) engines
- Protection against zero-day attacks for all end-user devices and servers with antivirus solutions
- Added security layer for server access with multi-factor authentication utilising OTP
- Ensuring safe internet access with best-in-class web-security solutions

Zero

Data breaches during 2024-25

Product Quality, Safety, and Labelling

We place the highest importance on product quality, safety, and accurate labelling to ensure full compliance and transparency. Employees receive rigorous training and follow strict protocols to uphold these standards.

Every product is clearly labelled in line with statutory and customer requirements, and each consignment includes detailed safety instruction sheets. We maintain quality agreements with customers, offering

comprehensive product information and proactively gathering feedback to enhance satisfaction. Regular evaluation of this feedback helps us continuously improve our services and align with evolving customer expectations.

Research and Innovation

At Hikal, innovation drives our sustained growth and competitive edge. We invest consistently in advanced technologies and manufacturing

to stay ahead in an evolving industry. Through initiatives like HiBEX and Project Pinnacle, we introduce customer-centric products and identify

cost-effective solutions. These efforts have strengthened our presence in global markets, including Japan, Latin America, and the Middle East.

Customer Satisfaction

At Hikal, our business teams engage in regular review meetings with customers to address concerns, explore service enhancements, and strengthen

collaboration. This ongoing dialogue fosters transparency and trust, enabling us to align with evolving customer expectations and industry

dynamics. By maintaining open communication, we ensure that our solutions remain relevant, value-driven, and aligned with our customers' strategic goals.