



INNOVATING TODAY FOR A SUSTAINABLE TOMORROW

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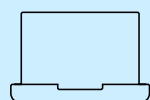
Innovating Today for a Sustainable Tomorrow

Sustainability for us has always been intertwined with responsible innovation. For over three decades, we have aligned our operations with environmental and social priorities, creating tangible, long-term impact on multiple fronts.

Through judicious investments in technology and process efficiency, we have scaled clean energy adoption, reduced our carbon footprint, conserved natural resources and curbed waste across sites.

In doing so, we have created value beyond products, strengthening partnerships, enhancing brand trust and deepening stakeholder engagement.

By consistently innovating with purpose, we continue to transform today's ideas into solutions that build a smarter, safer, and more sustainable tomorrow.



For more details visit
www.hikal.com

ABOUT THE REPORT

We are proud to present our third Sustainability Report, which reaffirms our commitment to responsible and transparent business practices across environmental, social and governance (ESG) dimensions. This report provides a comprehensive account of the progress we have made, the targets we aspire to and the strategic initiatives we have undertaken to further integrate sustainability into our operations. It builds upon the disclosures of our previous reports, reflecting our continued focus on creating long-term value for all stakeholders.

Reporting Scope and Boundary

This Report covers operations at all our facilities, including Bengaluru, Panoli, Taloja and Mahad, as well as Pune R&T and corporate offices and headquarters throughout the reporting period.

Reporting Period

1st April 2024 to 31st March 2025

Standards and Framework

Our sustainability reporting is aligned with recognised global standards and disclosures.



Global Reporting Initiative (GRI)



United Nations Global Compact (UNGC)



Sustainability Accounting Standards Board (SASB)

UNGC Alignment

We endorsed and became signatories to the UNGC programme, which is a key initiative to align our sustainability efforts with global standards and best practices. We are committed and aligned to fundamental responsibilities in four areas:

ENVIRONMENT

LABOUR

HUMAN RIGHTS

ANTI-CORRUPTION

Reporting Suite

Our sustainability Reporting suite consolidates our environmental, social and governance (ESG) performance. It should be read in conjunction with the Annual Report, to gain a full understanding of our governance, financial and sustainability performance.



Hikal AR 2025

Assurance

The Board has evaluated the contents presented in the Report. The Board is of the opinion that the Report addresses material topics influencing Hikal's value creation and provides a comprehensive account of our sustainability performance.

Feedback

Please direct any feedback or inquiries regarding this report to info@hikal.com

Winning Approach

Our Winning Approach is based on four strategic pillars that enables sustainable growth.

- Leading with Innovation
- Elevating Customer Satisfaction
- Maximising Stakeholder Value
- Aligning with Global Frameworks and Standards

UN SDG Alignment



Year in Review

Financial

INR 18,598 Million
REVENUE

INR 3,335 Million
EBITDA

INR 12,622 Million
EQUITY

Non-Financial



77%

TOTAL RENEWABLE ENERGY CONSUMPTION



38.30%

TOTAL REDUCTION IN SCOPE 1 AND 2 EMISSIONS SINCE BASE YEAR 2022-23



78%

WASTE RECYCLED



44,521 Hours

SKILL UPGRADATION TRAINING



34,204 Hours

EHS TRAINING



235,600

CSR BENEFICIARIES



27.3%

WOMEN DIRECTORS



55%

INDEPENDENT BOARD OF DIRECTORS



Zero

COMPLAINTS RELATED TO CONFLICT OF INTEREST



B

CDP SCORE-CLIMATE CHANGE



UNGC
COMMITTED



Bronze
ECOVADIS 2024

"We have always considered sustainability a core lever of growth. In keeping with this, during the reporting year, we continued to invest in future-ready technologies, resource efficiency and community upliftment. Our overarching objective is to strike a balance between profitable growth and meaningful impact. By aligning business growth with environmental stewardship and stakeholder well-being, we continued to reinforce Hikal's role as a conscientious corporate citizen."

→ **Jai Hiremath**
Executive Chairman



Envisioning a
Better Tomorrow

Dear Stakeholders,

It is a pleasure to share with you the significant strides that we have made on the ESG front during 2024-25 – a year of momentum, transformation and deeper alignment with our purpose. As we navigated a dynamic global environment marked by economic shifts and evolving regulations, we also ensured that environmental, social and governance principles remained at the heart of every strategic and operational decision.

We have always considered sustainability a core lever of growth. In keeping with this, during the reporting year, we continued to invest in future-ready technologies, resource efficiency and community upliftment. Our overarching objective is to strike a balance between profitable growth and meaningful impact. By aligning business growth with environmental stewardship and stakeholder well-being, we continued to reinforce Hikal's role as a conscientious corporate citizen.

During the year, we advanced operational excellence while strengthening our scientific and technological capabilities. From adopting cleaner technologies to prioritising employee health and safety, every initiative was designed to integrate responsibility into every fabric of our business. These actions have enhanced our resilience and helped us keep up with evolving industry trends and global climate ambitions.

Our efforts received notable recognition, including a Bronze Medal from EcoVadis at the organisation level and our inclusion in the CDP B List for Climate Change.

During the year, we also submitted our United Nations Global Compact (UNGC) Communication on Progress (CoP) and completed BRSR limited assurance, reaffirming the transparency and rigour of our disclosures. Additionally, we initiated comprehensive Scope 1, 2, and 3 GHG emission accounting, a critical step toward our near-term Science Based Targets initiative (SBTi) goals to be formalised by 2025-26. Implementation of this roadmap is already underway, underscoring our commitment to embedding ESG principles into every aspect of our value chain and driving measurable progress in energy efficiency, resource conservation and carbon reduction.

Commitment to Environmental Stewardship

We recognise that protecting the planet is fundamental to building a resilient business. This is why environmental stewardship for us has been more about a collective mindset and less about a compliance exercise. In line with our decarbonisation strategy, we continued to advance our energy transition.

During the reporting year, we sourced 77% of our total electricity consumption from renewables, which led to an annual reduction of 30,377.49 MT CO₂e and savings of nearly INR 133.98 million.

Investments in efficiency-enhancing technologies, such as automatic vertical plate filters, electrically operated diaphragms and water-based PU paints, reduced emissions,

optimised resources and improved process safety.

Water and waste management remained integral to our sustainability roadmap. This year, we achieved a 6% reduction in freshwater consumption and recycled 78% of our total waste, reusing 8% of it through circular practices, as compared to the previous year. These achievements are in line with our 2027-28 targets of reducing water consumption by 15%, with the baseline being 2024-25. By embedding ESG considerations into technology selection for upcoming projects, we are laying the groundwork for more resource-efficient manufacturing and advancing our commitment to green chemistry.

We also commissioned a Zero Liquid Discharge (ZLD) facility at our Pune Research and Technology Centre, which enhanced water recycling rates and reduced freshwater consumption. Our eco-friendly canteen, Sangam, constructed using sustainable materials, further demonstrated how employee well-being and environmental stewardship can go hand in hand. Together, these initiatives showcase how environmental stewardship is embedded across both our operations and culture.

Equally important has been the role of our people in delivering on our sustainability commitments.

Through campaigns like #PledgeforGreenChange, our employees became 'plant parents,' sharing their stories of environmental stewardship.

Site-wide Environment Day celebrations and awareness initiatives helped embed sustainability into daily actions.

Uplifting Our People and Communities

Our people remain at the heart of our sustainability agenda. Their safety, well-being and growth remain non-negotiable priorities. This year, we conducted a comprehensive Safety Diagnostic Study with a renowned consultant, which offered us valuable insights into our safety culture, practices and areas for improvement. Complementing this was our 21-day Safety Month campaign, titled 'Our Safety, My Responsibility.' This programme brought awareness to life through engaging skits, demonstrations and team-led activities.

We also invested in building competencies and strengthening capabilities.

A total of 34,204 hours were dedicated to Environment, Health and Safety (EHS) training for both our personnel as well as contract employees, while 44,521 hours were dedicated to skill upgradation.

Importantly, we maintained a record of zero Lost Time Injury Frequency Rate (LTIFR) and zero fatalities, further reaffirming our commitment to workplace safety. Additionally, by ensuring 100% accessibility across facilities for specially abled individuals, we created an inclusive environment where everyone can contribute meaningfully.

Employee recognition and engagement remained central to our culture. Through initiatives such as 'Values Week' and the Chairman's Excellence Awards, we celebrated integrity, collaboration and excellence. Our 12th Quality

Through our flagship CSR programme, Srijan, we extended our impact beyond the workplace. By investing INR 29 million in CSR initiatives, we touched the lives of over 2.35 lakh beneficiaries through projects focused on education, healthcare and livelihoods. Key projects included upgrading school infrastructure, offering career mentoring for underprivileged girls and widening access to healthcare for marginalised communities.

Week, themed 'Quality Means Excellence,' encouraged innovation and continuous improvement across sites. Our Ojas wellness programme continued to promote the physical and mental well-being of our workforce. Other activities, including yoga and Zumba sessions, sports tournaments and more, boosted employee morale and inclusivity.

Diversity and inclusion continued to be a strategic focus. Platforms like the Hikal Women's Forum provided mentorship and collaboration opportunities for our women employees, enabling them to advance professionally while contributing to the organisation's progress. These efforts, coupled with broader cultural programmes, have helped foster equity, inclusion and empowerment in the workplace.

Through our flagship CSR programme, Srijan, we extended our impact beyond the workplace.

By investing INR 29 million in CSR initiatives, we touched the lives of over 2.35 lakh beneficiaries through projects focused on education, healthcare and livelihoods.

Key projects included upgrading school infrastructure, offering career mentoring for underprivileged girls and widening access to healthcare for marginalised communities. We also contributed through blood donation drives, ambulance donations, watershed development and plastic waste reduction along pilgrimage routes. These initiatives reflect our holistic approach to sustainability—one that uplifts communities, nurtures ecosystems and strengthens social resilience.

A Culture Rooted in Ethics

Trust and credibility are built on strong governance. At Hikal, we have always prioritised integrity, transparency and accountability across all operational levels.

Our governance framework reflects our dedication to inclusion and diversity, with women and Independent Directors constituting 27.3% and 55% of our Board, respectively.



By ensuring independence at the Board level, robust compliance mechanisms and strict adherence to global standards, we uphold the principles of the UNGC and uphold ethical business practices across the geographies where we operate. These efforts have enabled us to maintain our record of zero incidents of corruption and zero complaints related to conflicts of interest, reaffirming stakeholder confidence in the Company.

Shaping a Sustainable Future

Looking ahead, we see immense opportunities to leverage Hikal's differentiated capabilities, expanding regulatory pipeline and enduring customer partnerships to deliver lasting value. By fostering a culture of safety across operations, we will continue to ensure that employees and processes align with ESG objectives, while innovation-led initiatives prepare us for a future of meaningful impact.

We aim to deepen investments in R&D, renewable energy, water optimisation and waste reduction to strengthen our sustainability framework.

Project Pinnacle interventions will serve as catalysts in scaling responsible practices across operations and products, ensuring that sustainability is both systemic and measurable.

Our vision extends beyond immediate performance metrics. It is about preparing for a future where climate resilience, social inclusion and ethical governance define corporate success. We believe that by continuing to innovate responsibly, empower our people and engage with communities, Hikal can deliver

outcomes that create value across economic, environmental and social dimensions.

On behalf of the Board and the leadership team, I extend my sincere gratitude to our employees, customers, partners, investors and communities for their continued trust and support. Together, we will embrace change with purpose, celebrate progress in every form and build a resilient, greener future, positioning Hikal as a beacon of responsible growth in the years to come.

Warm regards,

Jai Hiremath
Executive Chairman



We partner with leading global players in Pharmaceuticals, Biotech, Agrochemicals, Animal Health and Speciality Chemicals. Through innovative active ingredients, precision-crafted intermediates and advanced Research and Technology (R&T) services, we deliver sustainable, high-value solutions that meet the evolving needs of our customers.

Vision

To be the leading global fine chemical company to the Pharmaceutical, Crop Protection and Speciality Chemicals Industries.

Mission

To create value through superior, chemical products and operate as a responsible company. Building trust and respect of our customers, shareholders and employees using science, technology and sustainable processes in harmony with the environment.

Motto

Just the right chemistry



Core Values

CUSTOMER ORIENTED	INNOVATIVE	QUALITY FOCUS
INTEGRITY	TRANSPARENCY	

Cultural Pillars

SUSTAINABILITY	FLEXIBLE	TEAMWORK
OWNERSHIP	RELIABLE	

Key Business Segments

01

Pharmaceuticals

Product Offerings

- Contract development and manufacturing
- APIs and Intermediates
- Food ingredients and additives

1,600 m³

MANUFACTURING CAPACITY

INR 11,680

Million

REVENUE

02

Animal Health

Product Offerings

- Animal Health APIs and Intermediates
- Animal Health Contract Development and Manufacturing

10+

ANIMAL HEALTH FOCUSED APIS

57

DEDICATED R&T RESOURCES IN 4 DEDICATED LABS

03

Crop Protection

Product Offerings

- Crop protection companies for custom synthesis and custom manufacturing of intermediates and active ingredients

2,500 m³

MANUFACTURING CAPACITY

INR 6,917

Million

REVENUE

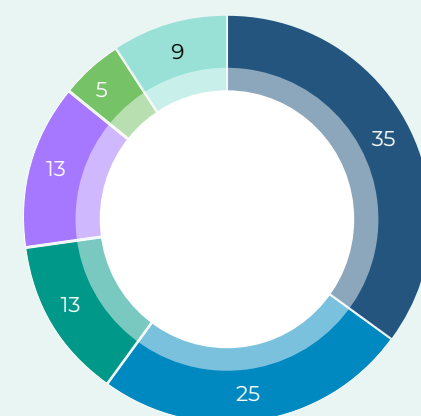
Leveraging our strength in integrating scientific expertise with precision, we deliver reliable, purpose-driven solutions worldwide. We operate five manufacturing sites and a world-class R&T centre, serving both domestic and global markets (the Americas, Europe, Middle East & Africa, Asia and Australia) through offices in the USA, Europe, India and Japan.

Five
MANUFACTURING FACILITIES

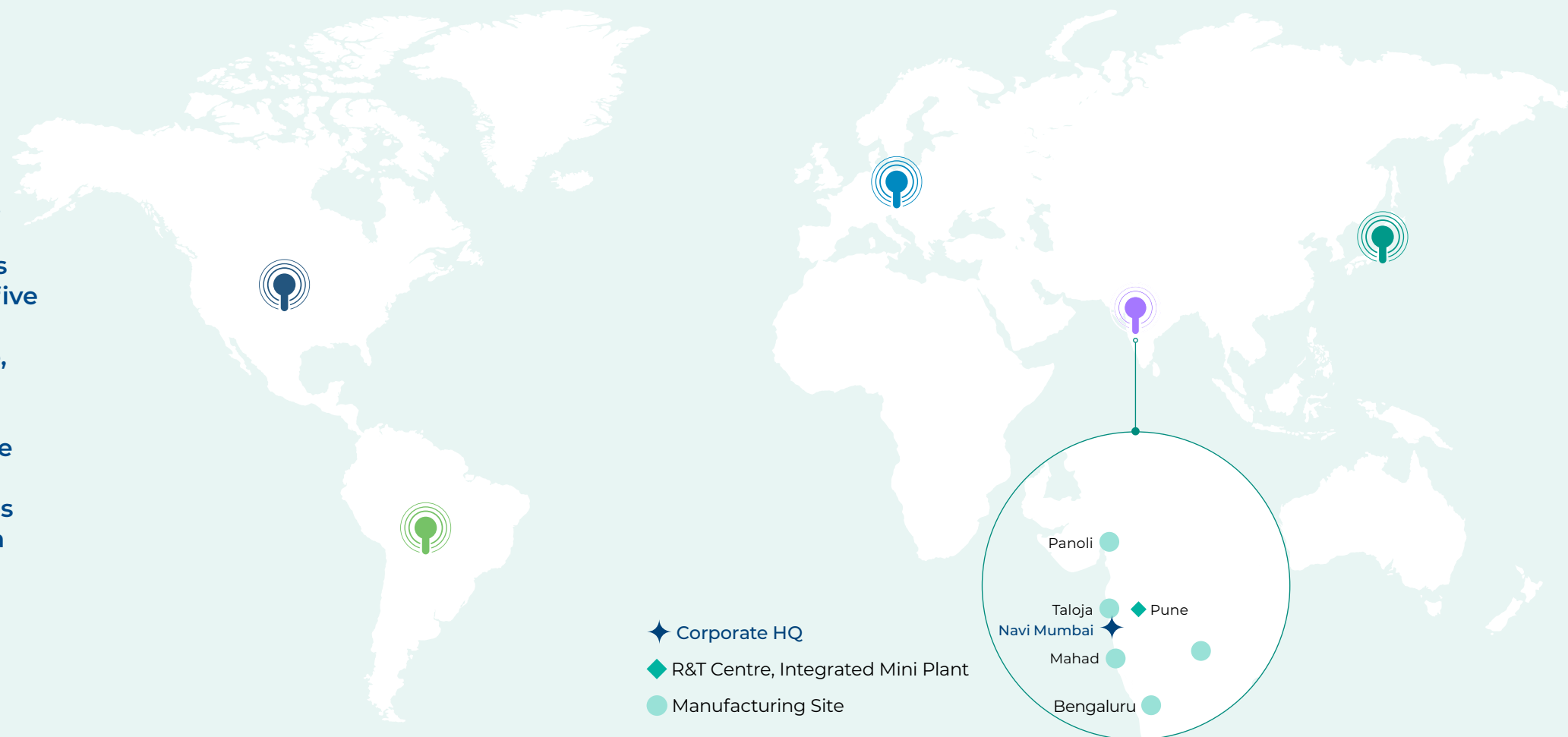
3,000+
EMPLOYEES
(~360 R&T EMPLOYEES)

24
PRODUCTION BLOCKS

Revenue Mix Across Market (%)



- North America
- European Union
- Japan
- India
- Latin America
- Rest of the World



Pharmaceuticals

Jigani Unit 1, Bengaluru, Karnataka

- US FDA-approved API and Advanced Intermediates Manufacturing Site
- cGMP Multipurpose API Facilities

762 m³
TOTAL REACTOR VOLUME

Jigani Unit 2, Bengaluru, Karnataka

- Scale-up and Launch Plant
- Multipurpose and multiproduct cGMP Facility — APIs and Intermediates

93 m³
TOTAL REACTOR VOLUME

Panoli, Gujarat

- Acquired Manufacturing Site from Novartis in 2000
- US FDA-approved Site for KSMs and APIs
- Four Multipurpose Facilities

742 m³
TOTAL REACTOR VOLUME

Crop Protection

Mahad, Maharashtra

- First Manufacturing Facility of Hikal
- Specialty Chemicals, Fungicides, Herbicides, and Intermediate Manufacturing Site

549 m³
TOTAL REACTOR VOLUME

Taloja, Maharashtra

- Commissioned in 1997 in Technical Collaboration with Innovator company
- Fungicides, Insecticides, and intermediates Manufacturing Site

593 m³
TOTAL REACTOR VOLUME

Panoli, Gujarat

- Acquired Manufacturing Site from Novartis in 2000
- Specialty Chemicals, Insecticides, Fungicides and Intermediates Manufacturing Site

720 m³
TOTAL REACTOR VOLUME

ESG STRATEGY

Strategic Priorities

Environment

→ Decarbonisation → Material Circularity → Water Management

Decarbonisation

- Target to reduce Scope 1 and 2 emissions by 30% by 2027-28 (vs 2022-23); in line with SBTi
- Completed Scope 3 emissions inventory calculation
- SBTi target under development
- Increase the share of RE by 80% by 2027-28 (vs 2022-23:56.4%)
- Calculate product-level carbon footprint for four products by 2025-26
- Achieve EcoVadis Gold rating by 2025-26
- Increase total waste recycle rate to 80% by 2027-28 (vs 2022-23)

Water Management

- Reduce water consumption rate by 15% by 2027-28 (vs 2022-23)

Social

→ Health and Safety → Diversity and Inclusion → Customers Community Relations

Health and Safety

- Ensure adherence to the zero-fatalities & zero LTIFR target

Diversity and Inclusion

- 22% women in corporate (2023-24) and plan to increase this percentage significantly over next 5 years

Customers Community Relations

- Aim to benefit 2,50,000 individuals through CSR initiatives by 2024-25

Governance

→ Governance and Anti-Corruption → Fair Sourcing → Transparency and Risk Management

Governance and Anti-Corruption

- 100% Compliance with all applicable regulatory requirements
- 100% Commitment to zero instances of corruption and conflict of interest

Contributing
to a Sustainable
Future

WINNING APPROACH

Our Winning Approach is based on four strategic pillars that enables sustainable growth and excellence.

1. Leading with Innovation

Innovation is central to our growth strategy, with 4-5% of annual sales channelled into R&T. This drives advancements in active pharmaceutical ingredients (APIs), active ingredients (AIs) and intermediates. Our R&T division is developing safe and cost-effective processes for complex chemistry and generic molecules.

2. Maximising Stakeholder Value

We focus on long-term growth, transparency, responsibility and delivering value to all stakeholders for sustained success. Through continuous, transparent dialogue, we actively gather and integrate stakeholder feedback into our business decisions.

3. Elevating Customer Satisfaction

We deliver innovative solutions, respond swiftly to customer concerns and continuously improve product quality. Our commitment extends to fair sourcing and equitable pricing, while our data protection measures ensure customer information remains secure, fostering trust and enduring stakeholder relationships.

4. Aligning with Global Frameworks and Standards

We strive to align our operations with internationally recognised standards and frameworks like the Global Reporting Initiative (GRI) Standards, the United Nations Global Compact (UNGC) Principles, the United Nations Sustainable Development Goals (UNSDGs) and IFC performance standards.

Pioneering a
Better
Tomorrow

A Journey of Innovation and Growth

Over the years, we have stayed true to our commitment to embedding responsible practices across our operations and value chain. We have gone beyond compliance and focused on leading with integrity, reducing our environmental impact and delivering long-term value.

2009-10

Introduced triple bottom-line performance disclosure

2011-12

- India's first 'Responsible Care' certified custom manufacturing life sciences company
- First Indian company certified by Rx-360 for world-class quality standards in the pharmaceutical and biotechnology supply chain

2012-13

- First life sciences company to receive the Aditya Birla Award for 'Best Responsible Care Company' in India
- The Panoli facility obtained US FDA certification

2013-15

Implemented a cogeneration plant at API facility to generate power and steam

2015-16

Revamped CSR policy, crafting a comprehensive plan for 'Srijan', for CSR activities

2016-17

Achieved 3.5% reduction in total water consumption through condensate reuse

2017-18

Initiated the adoption of solar power at our production facilities

2018-19

- Received multiple awards, including the 'Significant Achievement in HR Excellence' from the Confederation of Indian Industry (CII)
- Received the 'ET Now CSR Leadership Award' from the World CSR Congress for outstanding corporate social responsibility practices

2019-20

- Certified as a 'Great Place to Work' and ranked 84th among India's top 100 companies.
- Started investing in Zero Liquid Discharge (ZLD) units
- Implemented the 'Wealth from Waste' programme

2020-21

- Dedicated 150 million to improve effluent treatment capabilities
- Investments in energy-saving projects surpassed 12 million

2021-22

- Entered into power purchase agreements (PPAs) for wind and solar energy
- 29% of energy consumption across facilities sourced from renewable energy

2022-23

- Created a corporate-level sustainability governance programme
- Published the first Sustainability Report

2023-24

- Endorsed and became signatories to UNGC programme
- 61.7% of total energy requirement met from renewable sources



WWF India Recognition

Chairman acknowledged for Hikal's contributions to the Nature Guardian Programme



Employer of the Year — India HR Summit & Awards

Supportive and Inclusive Workplace – Employee Empowerment



TISS Leapvault CLO Awards 2024

Gold: Skill Development Initiative Silver: Employee Engagement Initiative – Innovative Programmes, Capability Building and Higher Engagement



ET NOW Best Organisations for Women — 5th Edition

Shortlisted (For strong female representation, anti-harassment policies, women-centric benefits, CSR initiatives, diversity targets and leadership programmes)



People Business

Top 50 Companies with Great Managers – Leadership Development, Managerial Excellence



WOW Workplace Award 2025 — Manufacturing & Allied

Recognition Based on Employee Testimonials – Jombay AI-driven Engagement Framework

WINNING APPROACH

Leading with Innovation

[Back to the 'Winning Approach'](#)

We invest in cutting-edge research and advanced manufacturing processes while integrating green chemistry across our operations. Meanwhile, we continuously enhance our capabilities to stay ahead of evolving industry needs. These efforts enable us to expand our global footprint, forge new partnerships and deliver sustainable solutions that create lasting value for our customers.

Collaborative Research and Partnership

Our R&T division partners with global leaders in pharmaceuticals, animal health and specialty chemicals to develop scalable, cost-effective and safe processes for NCEs and generic molecules.

Participation in Agri-Business Summit

Our team participated in two key Agri-Business Global Trade Summits in Florida and Panama City, engaging with global leaders in Agri business and strengthening our commitment to co-creating impactful solutions with the wider agri-business community.

Convention on Pharmaceutical Ingredients

Team Hikal participated in CPHI Japan and China, and CPHI Worldwide (Milan), gaining valuable networking exposure and industry insights. These global platforms enabled us to connect and collaborate with leading professionals across the pharmaceutical sector.

Product Stewardship

We are a Responsible Care® accredited company, and we manage chemicals safely and sustainably across their lifecycle. We embed green chemistry principles, prioritise safe handling and disposal, and design products with minimal environmental impact. This commitment ensures regulatory compliance, strengthens customer trust, and aligns our innovation with global standards for safety, sustainability and performance.

Research and Innovation

We invest in research and technology, process innovation and product development to stay ahead in a dynamic global landscape. Initiatives like HiBEX and Project Pinnacle help us create customer-centric, cost-efficient solutions, expanding our presence in markets such as Japan, Latin America and the Middle East.

We also offer life cycle management for existing products, adding value for our clients worldwide. With ongoing investments in cutting-edge equipment and new laboratory infrastructure, we continue to enhance our capabilities and deliver science-led, scalable innovations that improve productivity and profitability.

Participation in the Chemical Industry Trade Show

Our team participated in Chemspec Europe, a leading trade show for the chemical industry. Our team connected with customers, partners and industry leaders while exploring innovative solutions, emerging trends and growth opportunities in specialty chemicals and allied sectors.

Collaboration with MGM University

We partnered with MGM University under NEP 2020 to strengthen industry-academia collaboration. The collaboration includes joint R&D, Industry 4.0 technologies, skill development, internships and apprenticeships. The initiative aims to equip students with practical experience and support employability through tailored programmes and ongoing engagement.



Commitment to Excellence

Our production sites maintain rigorous compliance with international regulatory standards, including those set by the US FDA, PMDA, EDQM, ANVISA and other global authorities, demonstrating our commitment to quality, safety and operational excellence.

Showcasing Our Research and Technology Infrastructure

15

SYNTHETIC LABORATORIES

4

INSTRUMENTATION LABS

6

PROCESS IMPROVEMENT LABS

1

KILO LAB

1

HIGH-PRESSURE LAB

1

EFFLUENT TREATABILITY LAB

1

INNOVATION LAB

1

SOLID STATE LAB

1

SIMULATION LAB

1

PROCESS SAFETY LAB

Our New Process Safety Lab

We have inaugurated a state-of-the-art Process Safety Lab at our Pune R&T site, strengthening in-house capabilities for identifying and mitigating process risks during development and scale-up. Equipped with advanced tools such as RC1, HF-Cal, DSC and GEK, the lab allows early detection of thermal and reactive hazards. This enables the design of robust engineering controls, supporting safer commercial-scale operations. The initiative reflects our deep commitment to safety, reliability and operational excellence across the value chain.

Differentiated Offerings

ROUTE SCOUTING	ANALYTICAL METHOD DEVELOPMENT
SMALL SCALE SYNTHESIS	PROCESS ENGINEERING
PROCESS DEVELOPMENT	TECHNOLOGY DEVELOPMENT
SCALE-UP SUPPORT	LIFECYCLE EXTENSION

Embedding Green Chemistry

Our R&T centre actively integrates green chemistry principles into process development, with a sharp focus on enhancing yields and improving throughput. We use advanced tools like Design of Experiments (DoE), process

simulation and mechanistic analysis to optimise development and facilitate efficient scale-up. Waste treatability assessments are embedded in all lab reports before commercialisation. We are the only Indian member of the

American Chemical Society's Green Chemistry Pharma Roundtable Institute (ACS GCPRI), which further affirms our leadership in green chemistry.

Principles of Green Chemistry

Prevent Waste

Use Renewable Feedstocks

Maximise Atom Economy

Increase Energy Efficiency

Use Catalysts, Not Stoichiometric Reagents

Use Safer Solvents/ Reaction Conditions

Analyse in Real Time to Prevent Pollution

Design Less Hazardous Chemical Syntheses

Minimise the Potential for Accidents

Design Safer Chemicals and Products

Design Chemicals and Products that Degrade After Use

Avoid Chemical Derivatives

Championing Clean Tech for Sustainable Water Management

At the ESG Cleantech Summit and Awards, our ESG Head, Mansukh Patel, shared critical insights on the transformative role of clean technology in fostering industrial sustainability. Drawing from Hikal's

pharmaceutical operations in water-stressed Bengaluru, he illustrated how precision-driven operational controls and advanced water technologies are reshaping our approach to resource management.

New Brand Launches

We introduced our two new sub-category brands under the Hikal banner. This marks an important step forward in deepening our connection with customers and strengthening our presence across key categories.



HiZenn represents our Personal Care portfolio, embodying purity, balance and nurturing care. It reflects a commitment to gentle yet effective solutions that protect and restore — inspired by the unconditional care of a mother.



HiFend represents our new identity in the Biocides category, symbolising strength, safety and reliability. It is a name customers can trust for assured protection and consistent performance.



Showcasing Innovation at In-Cosmetics Asia

We participated in In-Cosmetics Asia, a premier event for personal care ingredients in the Asia-Pacific region. Held in Thailand, the event was attended by GM – Marketing & Business Development (Personal Care) and BU Head – Speciality Chemicals & Crop, highlighting our commitment to innovation and growth in the personal care segment.

"Building on strong momentum and strategic partnerships, we are making significant headway in shaping the future of our products. We are advancing high-value molecules, expanding our pipeline and pioneering early-stage development to deliver differentiated solutions, meet rising global demand and consolidate our position as a trusted, innovation-driven partner."

Anish Swadi

Senior President
Animal Health and Business Transformation

WINNING APPROACH

Maximising Stakeholder Value

Back to the 'Winning Approach'

Stakeholder engagement is a strategic driver of our growth. Through ongoing and meaningful dialogue, we capture valuable insights, anticipate emerging challenges and align our operations with evolving stakeholder expectations and sustainability priorities.



Our Stakeholders

Our stakeholders include employees, customers, investors, regulators and communities, whose perspectives help us make responsible decisions, as well as strengthen our commitment to sustainable growth and long-term value creation.

Stakeholder Engagement Process

01

Stakeholder Identification

We identify stakeholders as individuals, groups, or institutions that can influence or are influenced by our operations

02

Stakeholders Classification

We classify stakeholders into internal (e.g., employees, management) and external (e.g., customers, investors, regulators) groups based on their relationship with our organisation

03

Engaging with Stakeholders

We engage with our stakeholders through approaches tailored to each group

Stakeholder Engagement

Investors*

- Analyst meets and management interactions
- Quarterly earnings call, financial reports and presentations
- Annual general meetings (AGMs)
- Annual Reports
- Official communication channels: advertisements, publications, websites and social media

Customers*

- Customer meetings
- Official communication channels: advertisements, publications, websites and social media
- Conferences and events
- Customer feedback and satisfaction survey

Employees*

- Timely internal communications
- Capability development programmes
- Performance appraisal
- Grievance redressal mechanisms
- Wellness programmes

Mode of Engagement

- Deliver superior returns by optimally utilising resources
- Company's capital should grow, and operations should expand
- Effective governance
- Transparency/visibility of the business operation
- Effective risk management

- Provide best-in-class products and services
- Quality
- Compliance and consistency
- Timely delivery
- Technical support
- Competitive pricing
- Increased focus on sustainability

- Satisfaction and motivation
- Fair wages and rewards, improved work-life balance
- Regular training and skill development
- Career growth
- Safe and secure work environment
- Healthy workplace

Stakeholder Expectations and Concerns

- Sustainable growth and returns
- High standards of corporate governance and risk management

- Timely delivery
- Wide range of high-quality products that meet customer requirements
- Competitive pricing
- Easy availability through a large distribution network
- Post-sales support

- Satisfaction and motivation
- Fair wages and rewards
- Improved work-life balance
- Regular training and skill development
- Career growth
- Safe and secure work environment
- Healthy workplace

Frequency of Engagement - * Continuous engagement

	Value Chain Partners*	Communities*	Government and Regulators*
Mode of Engagement	<ul style="list-style-type: none"> → Supplier development initiatives → Vendor assessment and review → Training workshops and seminars → Supplier audits → Official communication channels: advertisements, publications, websites and social media 	<ul style="list-style-type: none"> → CSR partnerships → Community welfare programmes → Meetings and briefings → Training and workshops → Impact assessment surveys → Official communication channels: advertisements, publications, websites and social media → Complaints and grievance mechanism 	<ul style="list-style-type: none"> → Statutory compliance filings and meetings → Official communication channels: advertisements, publications, websites and social media → Phone calls, emails, and meetings → Regulatory audits/ inspections
Stakeholder Expectations and Concerns	<ul style="list-style-type: none"> → Nurturing mutually beneficial relationships, built on trust and reliability, leading to shared success → Ethical business practices 	<ul style="list-style-type: none"> → Infrastructure development → Funding for community programmes and livelihood programmes → Contribution to the local economy 	<ul style="list-style-type: none"> → Compliance with laws and regulations Transparency and ethical conduct → Collaboration on policy development → Contribution to economic development → Commitment to environmental and social responsibility
Key Outcomes	<ul style="list-style-type: none"> → Timely payment → Continuity of orders → Capacity building → Transparency 	<ul style="list-style-type: none"> → Infrastructure development → Funding for community development → Training and livelihood programmes → Contribution to the local economy 	<ul style="list-style-type: none"> → Aligning with the government to support economic development → Continued contribution to the exchequer

Frequency of Engagement - * Continuous engagement

Media and Analysts*
<ul style="list-style-type: none"> → Press releases, media interviews, email advisories → Website management → Social media posts and updates
<ul style="list-style-type: none"> → Accurate and timely information → Transparency and openness → Access to key executives and experts → Regular updates on the Company's performance and strategic initiatives → Insight into industry trends and company positioning
<ul style="list-style-type: none"> → Positive media coverage and analyst reports → Enhanced corporate reputation and public image → Improved investor confidence and market perception



"A disciplined approach to innovation, customer focus, and transparency continues to guide our growth. We remain committed to developing efficient, sustainable solutions while engaging constructively with all stakeholders to ensure progress that endures and value that compounds over time."

Sameer Hiremath

Vice Chairman and Managing Director

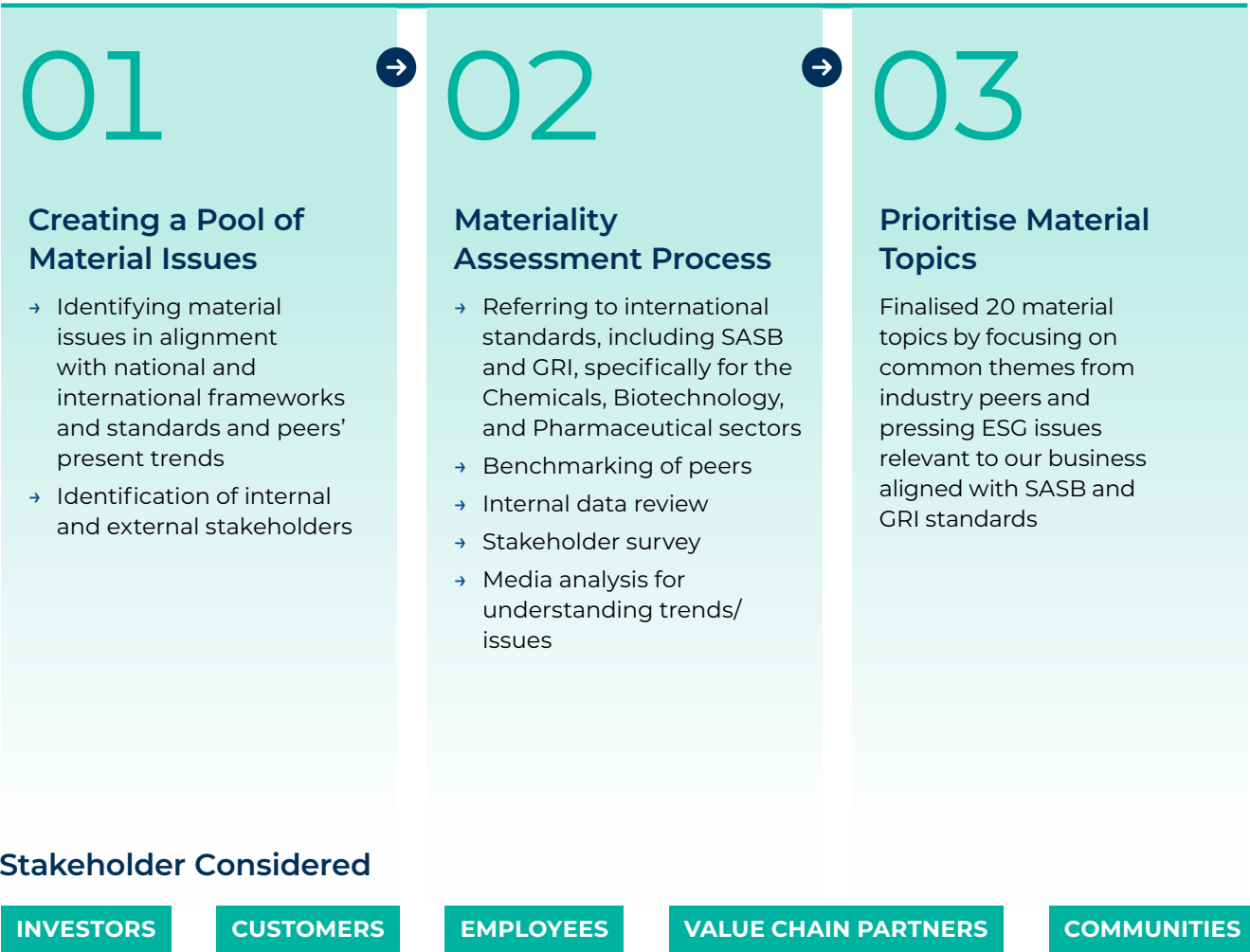
Materiality Assessment

Mapping our material topics is central to shaping our sustainability strategy. It helps us focus on the most relevant environmental, social and governance (ESG) issues across our operations and value chain, ensuring alignment

with business priorities and stakeholder expectations. In 2021-22, we undertook a comprehensive materiality assessment to determine the issues most relevant to both our business and stakeholders.

This process highlighted priority issues, evaluated emerging risks and opportunities, and guided the strategic deployment of resources, all while strengthening our commitment to overarching sustainability goals.

Materiality Assessment Process






Materiality Matrix





Management of Material Topics

ENVIRONMENT		
1 ENERGY EFFICIENCY AND CARBON EMISSIONS		
Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
<div>Pose both risks and opportunities. Inaction to curb emissions can lead to regulatory penalties and reputational harm, while proactive efforts to reduce emissions and increase efficiency can enhance our brand reputation, increase competitiveness and reduce costs.</div> <div>Read more Page 49</div>	<div>→ Optimisation of production processes to enhance efficiency</div> <div>→ Upgradation of equipment and machinery to minimise energy wastage</div> <div>→ Power Purchase Agreements with solar power developers</div> <div>→ Signing agreements for hybrid renewable energy projects</div>	<div>→ Customers</div> <div>→ Communities</div> <div>→ Government and Regulators</div>
<div>UN SDG Alignment</div> <div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div></div>		




2 AIR POLLUTION

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Air pollution invites regulatory pressures, fines and reputational damage. Reducing emissions offers opportunities to enhance brand value, attract eco-conscious customers, increase competitiveness and support environmental commitments. Read more Page 53	<ul style="list-style-type: none"> → Real-time monitoring of emissions → Using advanced technologies to reduce emissions at the source → Engaging approved laboratories to conduct regular air quality assessment 	<ul style="list-style-type: none"> → Communities → Government and Regulators
UN SDG Alignment   		

3 WASTE MANAGEMENT

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Inadequate waste management can cause environmental damage, health hazards and regulatory non-compliance, leading to penalties and reputational harm. Read more Page 54	<ul style="list-style-type: none"> → Adhering to the R³ principle of waste management → Handing over e-waste & plastic waste to authorised recyclers → Disposing of hazardous waste responsibly 	<ul style="list-style-type: none"> → Communities → Government and Regulators
UN SDG Alignment  		

4 WATER AND EFFLUENT MANAGEMENT

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Insufficient water availability can disrupt our operations and increase costs. Effective water management offers financial and environmental benefits. Read more Page 56	<ul style="list-style-type: none"> → Implementing Zero Liquid Discharge (ZLD) systems → Enhancing steam recovery processes to improve water efficiency → Operating Effluent Treatment Plants (ETPs) at all manufacturing facilities 	<ul style="list-style-type: none"> → Communities → Government and Regulators
UN SDG Alignment   		

5 GREEN CHEMISTRY

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Embracing green chemistry opens doors to new markets and reduces risks associated with hazardous substances. Read more Page 20	<ul style="list-style-type: none"> → Incorporating green chemistry across product development → Investing in safe, responsible operations → Collaborating with industry partners to drive green chemistry innovations 	<ul style="list-style-type: none"> → Customers → Communities → Government and Regulators
UN SDG Alignment   		

6 BIODIVERSITY PROTECTION




Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Pollution caused by our operations can impact ecological balance; hence, addressing these risks is essential to protect biodiversity and promote responsible practices. Read more Page 57	<ul style="list-style-type: none"> → Plantation drives → Employee awareness initiatives → Monitoring effluent and air emissions from our factories 	<ul style="list-style-type: none"> → Communities → Government and Regulators
UN SDG Alignment  		

SOCIAL



7 DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Diversity and inclusion present a key opportunity, driving innovation, widening talent pools, boosting engagement and enhancing reputation, leading to long-term success. Read more Page 61	<ul style="list-style-type: none"> → Empowering women through dedicated platforms → Ensuring merit-based promotions → Hosting the Hikal Women's Forum to support women 	<ul style="list-style-type: none"> → Employees
UN SDG Alignment   		



8 EMPLOYEE WELL-BEING, BENEFITS AND RETENTION

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Focusing on employee well-being and benefits enhances employee satisfaction, retention, engagement and productivity. Read more Page 63	<ul style="list-style-type: none"> → Offering various employee benefit schemes → Hosting employee wellness programmes → Organising medical health camps 	<ul style="list-style-type: none"> → Employees
UN SDG Alignment   		







9 EMPLOYEE TRAINING AND SKILL DEVELOPMENT

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Training and skill development increase the satisfaction level, attract top talent, leading to talent retention and long-term success. Read more Page 70	<ul style="list-style-type: none"> → Conducting regular town hall meetings → Carrying out targeted training programmes for employee upskilling 	<ul style="list-style-type: none"> → Employees
UN SDG Alignment  		

10 OCCUPATIONAL HEALTH AND SAFETY (OHS)

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Neglecting OHS compliance can lead to accidents, injuries and illnesses, affecting employee well-being and incurring legal liabilities and reputational damage. Read more Page 73	<ul style="list-style-type: none"> → Implementing proactive safety measures → Conducting regular HIRA assessments → Deploying dedicated EHS teams at all sites 	<ul style="list-style-type: none"> → Employees
UN SDG Alignment  		

11 HUMAN RIGHTS AND COMMUNITY RELATIONS

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Respecting human rights and addressing grievances are crucial. Community development initiatives, such as education and skills training, enhance reputation and foster community support. Read more Page 79	<ul style="list-style-type: none"> → Conducting human rights due diligence with support from an independent agency → Establishing a formal grievance redressal mechanism → Organising awareness sessions on human rights for employees 	<ul style="list-style-type: none"> → Employees → Communities → Value Chain Partners
UN SDG Alignment      		

GOVERNANCE

12 ETHICAL BUSINESS PRACTICES AND GOVERNANCE

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Ethical business practices build trust, enhance reputation, ensure compliance and promote stakeholders' trust, leading to responsible growth. Read more Page 85	<ul style="list-style-type: none"> → Training for employees on business ethics → Ensuring board independence → Implementing the Code of Conduct, Whistle-blower Policy and other governance policies 	<ul style="list-style-type: none"> → Customers
UN SDG Alignment   		

13 RISK MANAGEMENT AND BUSINESS CONTINUITY

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Poor risk management may result in operational disruptions. Risk assessment and management bolster organisational resilience. Efficient business continuity planning ensures long-term growth. Read more Page 34	<ul style="list-style-type: none"> → Having a dedicated Risk Management Committee → Regularly assessing key risks → Developing and monitoring risk mitigation plans 	<ul style="list-style-type: none"> → Investors
UN SDG Alignment  		

14 SUSTAINABLE SUPPLY CHAIN

Risk/Opportunity	Strategic Initiatives	Stakeholder Impacted
Prioritising supply chain sustainability boosts competitiveness, meets consumer demand, minimises environmental impact, ensures compliance and builds enduring supplier partnerships. Read more Page 44	<ul style="list-style-type: none"> → Implementing a Green Supply Chain Policy across our value chain → Evaluating suppliers based on ESG performance criteria → Prioritising local procurement 	<ul style="list-style-type: none"> → Investors → Customers → Value Chain → Partners
UN SDG Alignment  		

15 DATA INTEGRITY AND SECURITY

Risk/Opportunity

Protecting data integrity and security is critical to safeguarding our assets and customers' trust. Breaches can lead to financial losses, reputation damage and legal issues.

➤ Read more Page 45

Strategic Initiatives

- Implementing multi-layered cybersecurity solutions across IT systems
- Providing data security training to employees

Stakeholder Impacted

- Investors
- Customers

UN SDG Alignment



16 PRODUCT QUALITY, SAFETY AND LABELLING

Risk/Opportunity

Ensuring product quality and safety, along with proper labelling, prevents defects, legal risks and reputational harm while building compliance and consumer trust.

➤ Read more Page 42

Strategic Initiatives

- Labelling all products with detailed, accurate information
- Providing comprehensive product information
- Training employees on product safety

Stakeholder Impacted

- Customers

UN SDG Alignment



17 SUSTAINABLE FINANCIAL PERFORMANCE

Risk/Opportunity

Integrating sustainability into financial strategies improves reputation and attracts investors. It ensures long-term viability competitiveness while creating value for stakeholders.

➤ Read more Page 93

Strategic Initiatives

- Investing in clean energy solutions
- Identifying opportunities to reduce environmental impact and investing in them

Stakeholder Impacted

- Investors

UN SDG Alignment



18 RESEARCH AND INNOVATION

Risk/Opportunity

Investing in research and innovation boosts efficiency, creates business opportunities, enhances our technological edge and meets evolving market demands.

➤ Read more Page 18

Strategic Initiatives

- Integrating research and innovation to develop sustainable products
- Adopting environmentally sustainable practices
- Incorporating green chemistry in product and process development

Stakeholder Impacted

- Investors

UN SDG Alignment



19 REGULATORY COMPLIANCE

Risk/Opportunity

Regulatory compliance avoids legal risks and penalties while enhancing trust, operational stability and market access; thereby enabling sustainable business growth.

➤ Read more Page 92

Strategic Initiatives

- Aligning with national and international standards, laws and regulations
- Partnering with government bodies to support regulatory initiatives

Stakeholder Impacted

- Investors
- Customers

UN SDG Alignment



20 CUSTOMER SATISFACTION

Risk/Opportunity

Failing to meet customer expectations may lead to loss of business and harm reputation. Meeting their expectations strengthens trust, drives growth and builds long-term strategic partnerships.

➤ Read more Page 40

Strategic Initiatives

- Maintaining open communication with customers
- Adapting to evolving customer needs
- Collecting regular customer feedback for improvement

Stakeholder Impacted

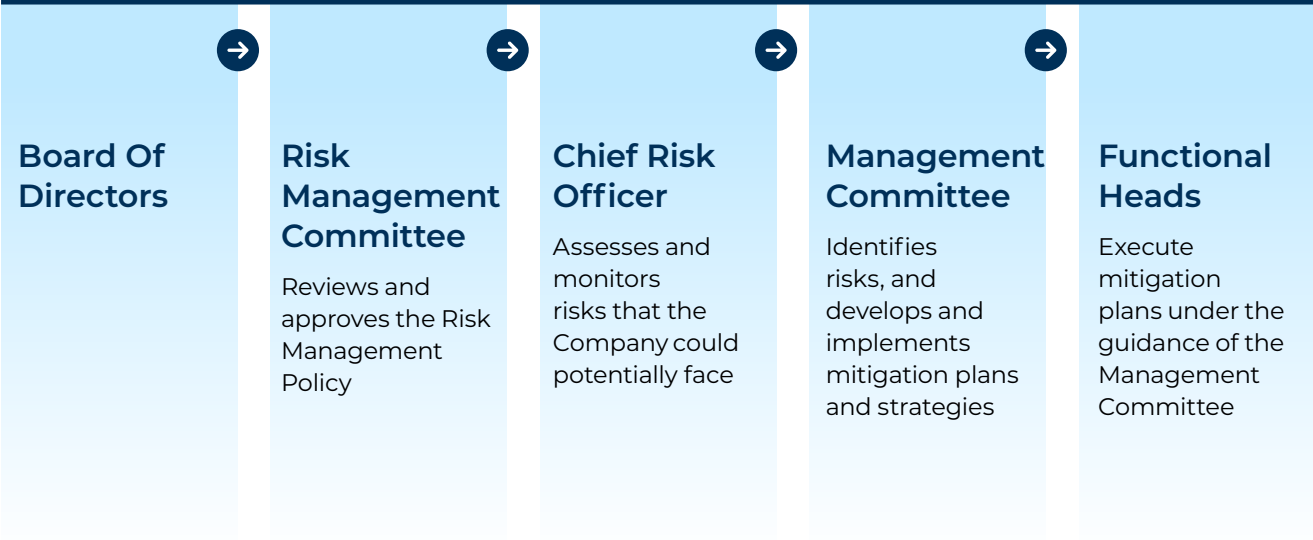
- Customers

UN SDG Alignment

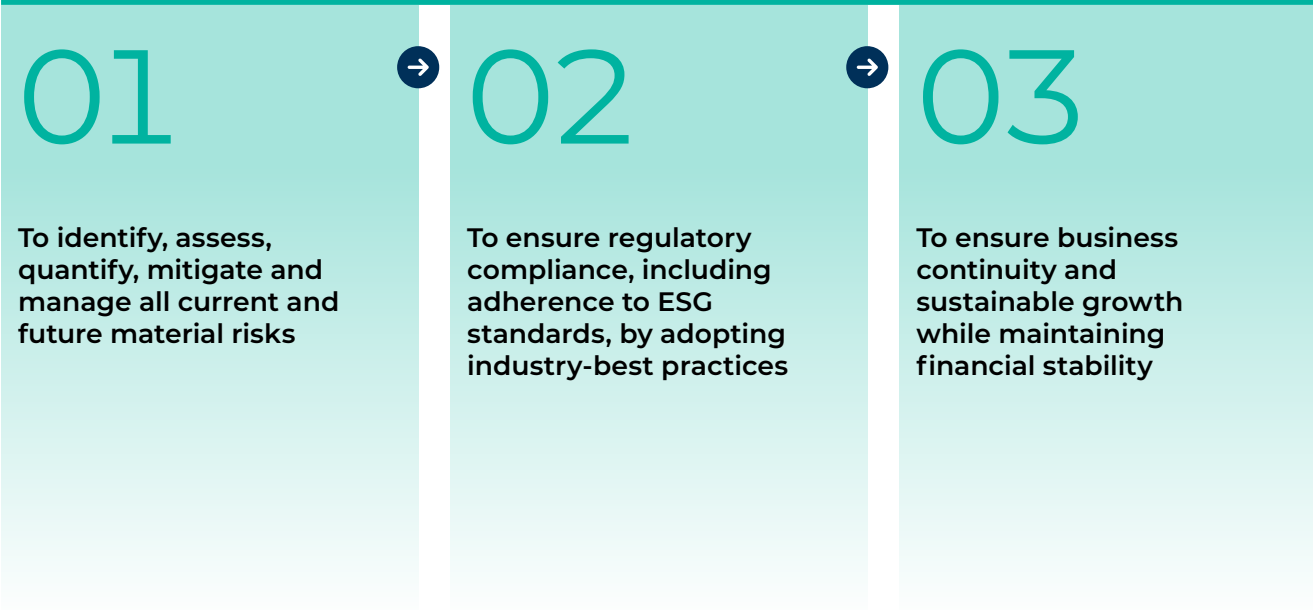


Risk Management and Business Continuity

Our integrated approach to risk management helps us navigate regulatory changes, supply chain disruptions and climate-related risks with resilience. Backed by a robust policy framework tailored to our organisational priorities, we ensure accountability, strengthen compliance and safeguard long-term business sustainability across operations.

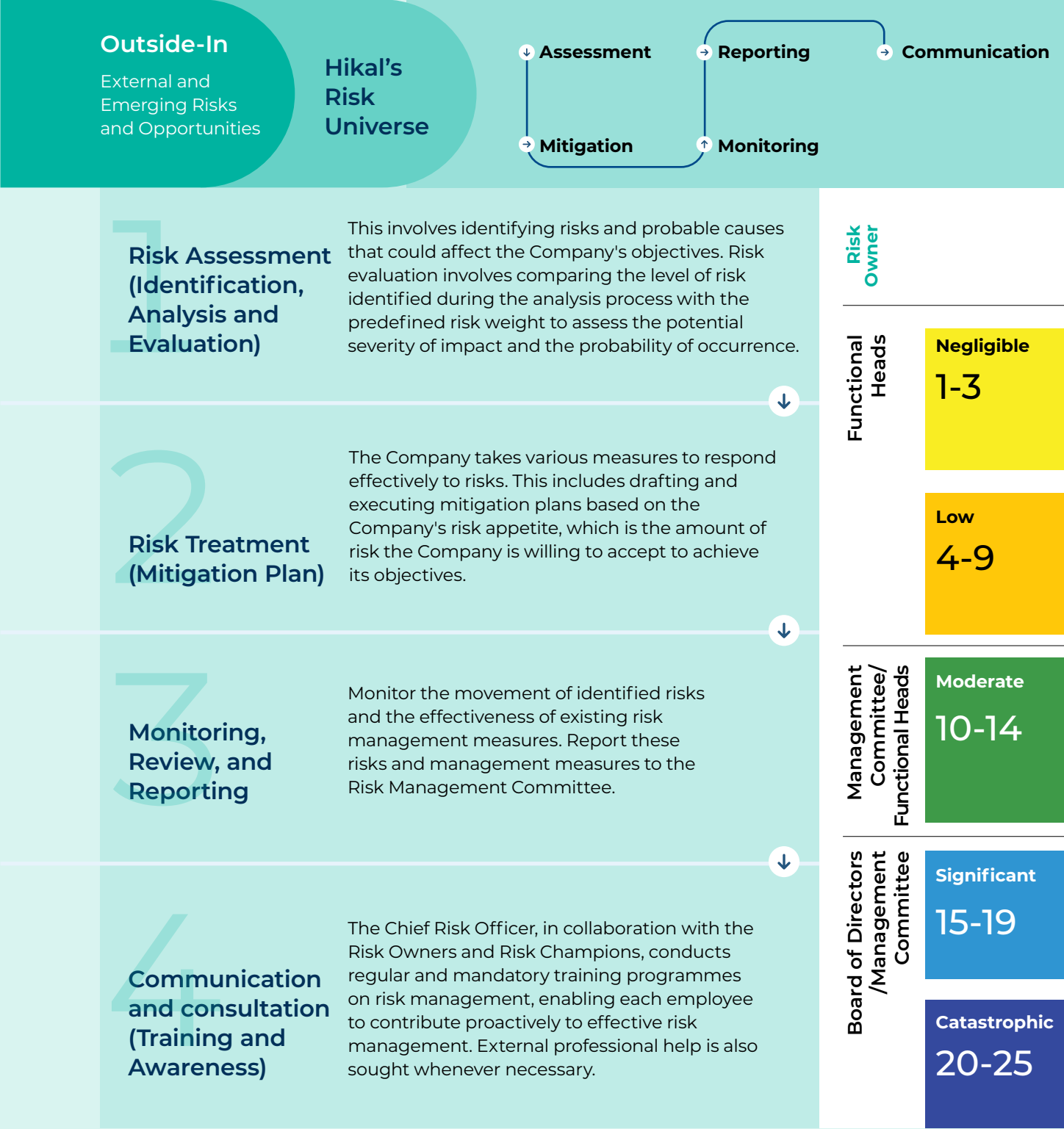


Risk Management Objectives



Risk Management Process

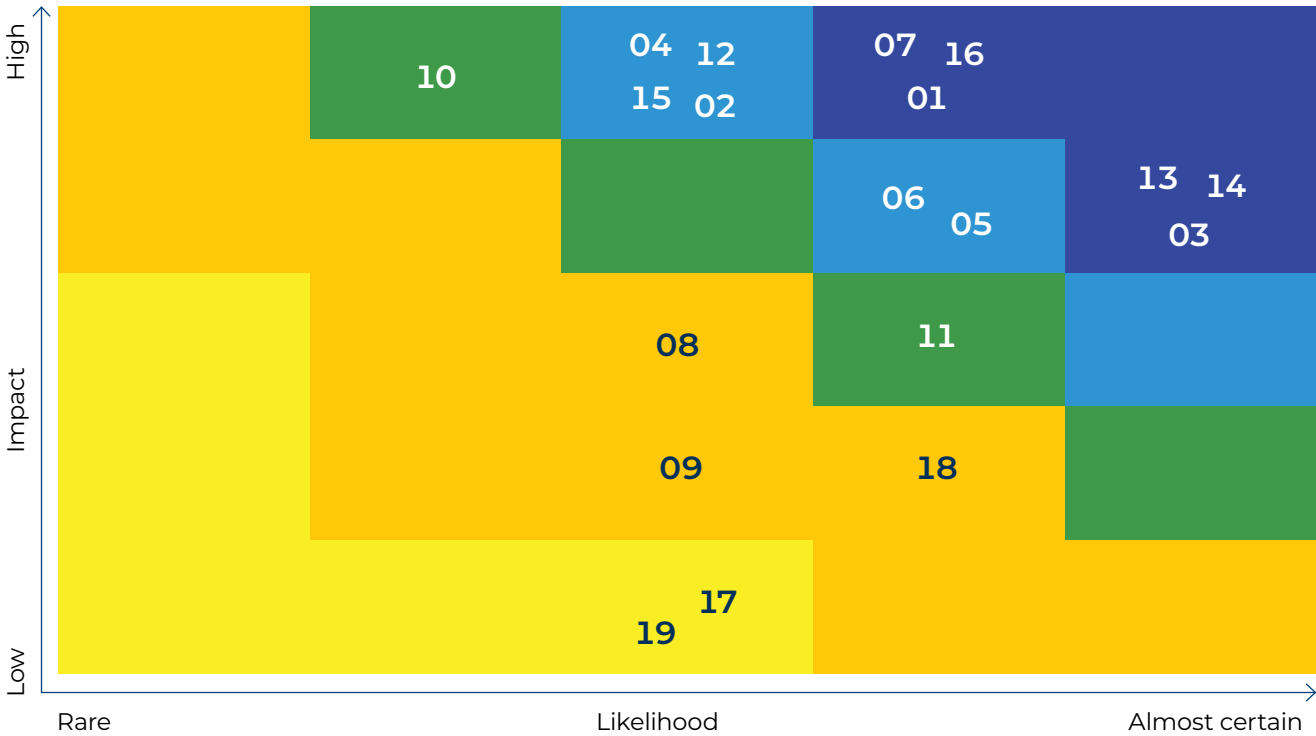
An effective risk management process requires continuous assessment, mitigation, monitoring and reporting of risks across the organisation. At Hikal, all senior executives, under the guidance of the Managing Director, oversee management's processes while identifying, assessing and managing risks. Our risk management process is tailored to our business needs and aligns with global best practices, drawing from ISO 31000 and the COSO ERM frameworks.



Risk Profile

We regularly monitor the identified risks using Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs). In our Group meetings with Risk Champions, we analyse and discuss each risk to encourage ongoing conversations about managing them. We reassess the risks based on feedback from the Management Committee. This continuous evaluation has resulted in Hikal's risk register listing 19 different risks, with six of them rated as catastrophic, six as significant, two as moderate, three as low and two as negligible.

Hikal Risk Map



● Negligible ● Low ● Moderate ● Significant ● Catastrophic

- 01

PCB consents and hazardous waste guidelines
- 02

Unsafe practices
- 03

Frequent USFDA updates
- 04

Regulatory non-compliance
- 05

Increasing competition
- 06

Key products and customers' dependence
- 07

Crisis and Risk Management

08

Natural disaster

09

IT-DRP

10

Geopolitical

11

Monopoly and limited suppliers

12

Dependence on China

13

R&T project timeline and budget

14

Capital project cost and schedule overruns

15

Cyber attack

16

High employee attrition rate

17

Unutilised GST input credit

18

Increasing interest rate

19

Foreign exchange volatility







Risk and Response

Risk Description	Action Taken	Risk Profile
Non-compliance with PCB consent and hazardous waste guidelines	<div>→ Implemented an online monitoring system for effluent and boiler stacks across all Hikal sites</div> <div>→ A digital information board providing updates on environmental and safety issues was installed at the entrance of each facility</div> <div>→ Quarterly EHS compliance audits were conducted of all sites</div>	<div>↓</div> <div>Catastrophic</div>
Unsafe practices and deployment of workforce (Company and Contractor) in non-specified areas leading to accidents	<div>→ Safety programmes, including plant safety inspections, safety meetings, one-minute safety tips and near-miss reporting, have been organised to ensure participation from all employee levels</div> <div>→ Globally Renowned Consultant has been appointed to lead the safety culture transformation initiative</div>	<div>—</div> <div>Significant</div>
Issues arising from USFDA inspection may adversely impact the Company's revenue, reputation etc	<div>→ We are currently reviewing our policies and procedures to ensure that all activities are in full compliance with USFDA requirements, and we expect to receive clearance from them soon</div>	<div>↑</div> <div>Catastrophic</div>
Delays in regulatory approvals and meeting compliance requirements pose challenges to the rapid growth of the business	<div>→ An effective governance system is established, ensuring that compliance status is regularly updated to the relevant authorities and corrective actions are taken promptly</div>	<div>↓</div> <div>Significant</div>
Challenge in achieving revenue growth from non-Gaba products	<div>→ The pharmaceutical business has expanded geographically. We have initiated transactions with numerous new customers over the past two years</div>	<div>—</div> <div>Significant</div>
Difficulty in achieving revenue growth from existing products and meeting budgeted targets for new products	<div>→ We have strengthened several processes, including KAM, customer feedback, customer risk assessment and Salesforce utilisation, to address this risk</div>	<div>—</div> <div>Significant</div>

Risk Profile: ↑ Increase in Risk Profile ↓ Decrease in Risk Profile — Same as last year

Risk Description	Action Taken	Risk Profile
Crisis and Risk Management	→ A crisis communication plan was implemented, and training was given to all concerned, including business unit heads	 Catastrophic
Risk of business loss due to natural disasters	→ On-site emergency plans were evaluated for all locations. Identified gaps were addressed. The effectiveness of on-site emergencies is ensured through periodic mock drills → In addition, capital expenditures were allocated to each site to enhance preparedness for handling potential flood situations	 Low
Lack of Disaster Recovery Plan (DRP) leading to revenue and productivity loss	→ An IT DRP drill is conducted at regular intervals → The process is set up to store PLC programme backup in the cloud → The DR system for the ERP application has been developed	 Low
Business uncertainty or loss of receivables due to transacting business in countries where political and economic conditions threaten trade	→ The Credit Insurance Policy was renewed with an adequate amount of coverage → The Company implemented its Revised Credit Policy → The Company engages in secured transactions with high-risk countries	 Moderate
Monopoly/limited suppliers for raw materials	→ Alternate vendors were developed to mitigate risk and reduce prices → We have nearly eliminated our reliance on monopolistic suppliers in the Crop division	 Moderate
Any geographic risk in China may significantly affect Hikal's operation	→ We are working to develop alternative vendors outside China whenever possible. Additionally, we are closely monitoring geopolitical shifts and ensuring our operations continue uninterrupted	 Significant
Develop new (modified) products or services within the anticipated timeline and budget (R&T)	→ The timesheet application has been developed, and the deployed resources' timing is logged in the timesheet → The Company is streamlining the process of estimating project costs	 Catastrophic

Risk Profile:  Increase in Risk Profile  Decrease in Risk Profile  Same as last year

Risk Description	Action Taken	Risk Profile
Project Costs and Schedule Overruns	→ The Company emphasises its 'Be one team' philosophy, and all relevant departments work in proper coordination while following standard processes. Periodic project workshops are conducted to prepare mitigation strategies for identified project risks → The Company ensures that budget revisions comply with the requirements of the DOA	 Catastrophic
Exposure to a cyberattack in the absence of updated security measures	→ We have IT protection systems, including SOC, firewalls, Barracuda, CrowdStrike, patches and Zscaler. The responsible individuals are tasked with monitoring and addressing alerts as a priority for these protection systems	 Significant
Attrition level is high in the junior and middle management cadre due to high demand	→ The Company focuses on three core areas: culture, capability and connection, also known as the 3Cs. The HR department is implementing specific initiatives in each area to ensure maximum impact. The Company has redefined its attrition matrix to control attrition better, resulting in an increased risk rating	 Catastrophic
Unutilised GST input credit in Maharashtra	→ Unused GST input credit is steadily decreasing due to credit allocation to other states and the strict monitoring of sales and purchase transactions	 Negligible
An increase in interest rate will impact profits	→ The interest rate has steadily increased over the past four years; however, it remains more favourable than the market rate. The Company has taken various measures to mitigate interest rate risks, including establishing relationships with new lenders to obtain competitive rates, ensuring sufficient line availability across all lenders, negotiating more favourable terms and pricing, and exploring alternative financing sources	 Low
The adverse impact due to Foreign Exchange Volatility	→ The Treasury Department monitors Forex's position daily and reports to the Board every quarter	 Negligible

Risk Profile:  Increase in Risk Profile  Decrease in Risk Profile  Same as last year

WINNING APPROACH

Elevating Customer Satisfaction

Back to the 'Winning Approach'

At Hikal, customer satisfaction begins with understanding their needs and delivering solutions that truly matter. We engage closely with our customers, respond proactively to feedback and build lasting partnerships grounded in trust, ensuring excellence at every stage of our journey together.

Product Integrity and Customer Trust

We uphold product integrity by adhering to stringent safety standards, regulatory compliance and ensuring full supply chain traceability. Regular engagement with customers helps us understand evolving expectations and deliver tailored solutions that address specific technical and operational needs. We ensure the consistent delivery of safe, reliable and high-quality products across global markets.

Regulatory Approval

We adhere to stringent global regulatory standards, with approvals from leading agencies such as the US FDA. Our sites are certified under ISO standards, ensuring robust systems for quality, safety and environmental management. Additionally, accreditations from EcoVadis, Responsible Care® and Nicer Globe underscore our commitment to ethical, responsible and sustainable manufacturing across all operations.

Integrated Management Systems Across All Sites:



Customer Engagement

We maintain ongoing engagement with our customers through regular review meetings that focus on product quality, delivery schedules and potential technical enhancements, while also creating avenues for collaboration and innovation. Cross-functional teams work together to ensure that every aspect of project delivery aligns with customer expectations. These interactions enable us to address issues promptly, track progress and exchange feedback in real-time.

Customer Grievance Redressal

Our grievance redressal framework enables customers to raise concerns fairly and transparently. We proactively address issues to ensure customer grievances are resolved, preventing potential loss of business and maintaining our credibility in the market.

Safety Diagnostic Study

We partnered with, a specialised safety consulting firm, to drive a transformation in its safety culture. As part of this initiative, a comprehensive 'Safety Diagnostic Study' was launched across all sites. The study included a web-based Safety Climate Survey, inviting all employees to actively participate and share their perspectives.

Customer-Centric Approach

We provide tailored solutions through custom synthesis, contract research and manufacturing from GMP-compliant facilities. Our world-class APIs, intermediates and crop protection products, including insecticides, fungicides, herbicides and biocides, meet rigorous US, European and Japanese standards. Our R&T Centre excels in complex chemistries and high-potency development. Partnering closely with clients, we co-create innovative solutions that boost competitiveness, accelerate market readiness and ensure enduring success across global industries.



Regulatory Approval



Delivering Quality with Responsibility

We take a holistic approach to customer satisfaction by embedding responsibility into every stage of our value chain. From fair sourcing and sustainable packaging to product integrity and transparent pricing, we prioritise practices that build trust, support communities and ensure that quality is delivered with accountability and care.

Fair Sourcing

We champion inclusive and responsible sourcing by prioritising partnerships with local and micro, small and medium enterprises (MSMEs). This strategy makes our supply chain more resilient and agile, while also driving regional economic development and reducing our environmental footprint.

10%

INPUT MATERIALS SOURCED FROM MSME PARTNERS

Product Quality, Safety and Labelling

We prioritise excellence in product quality, regulatory compliance and accurate labelling. All finished goods are dispatched with regulatory-compliant labels and detailed Safety Data Sheets (SDS), ensuring safe handling and usage across the value chain. Formal quality agreements are in place with customers, which ensures access to comprehensive technical documentation. Customer feedback is systematically gathered and reviewed to monitor satisfaction levels and identify areas for continuous product improvement. Employees are also given training to follow labelling standards.



Quality Week: Celebrating Excellence

With the theme "Quality Means Excellence," Hikal's 12th Quality Week was a dynamic celebration of our commitment to quality, innovation and continuous improvement. Quality Week was celebrated across all sites, and as part of it, a series of activities were conducted.



Creative Expression – Over 260 slogans, posters, calligraphy and skits showcased employee perspectives on quality and excellence.



Commitments to Quality – Employees pledged personal ownership of quality, with commitments displayed across sites as daily reminders.



Knowledge & Awareness – Daily quizzes engaged ~700 employees, achieving 70–80% accuracy and reflecting strong process understanding of SOPs and protocols.



Creative Café – 400–500 employees participated in Creative Café sessions, co-creating solutions to site-specific challenges.



Excellence Storytelling – Narratives and role-plays highlighted real examples of innovation, accountability and continuous improvement.



Global Insights – A special session, "Understanding Quality in Japan", shared learnings on discipline, respect and consistency.

Sustainable Supply Chain

We have instituted a Green Supply Chain Policy that extends across our entire value chain, necessitating all partners to adhere to stringent environmental standards. Our supplier assessment framework integrates key ESG criteria to ensure responsible sourcing. Wherever feasible, we prioritise local procurement, supporting community development and minimising our carbon footprint through shorter supply routes.

Strategy for Sustainable Supply Chain

We are actively investing to develop self-reliance



Supply Chain Challenges

Challenges	Initiatives by Hikal	Ambitions
Geopolitical rifts across the world	Backward Integration <div>→ Initiated backward integration for KSMs and multi-sourcing to mitigate disruption</div>	Ensure scale and the uninterrupted supply of raw materials and finished products, while not compromising security and quality
Concerns of geo-concentration risk	Alternate Source Partnership <div>→ Partnering with suppliers in India, Europe, Japan and Korea to ensure supply security</div>	
Lack of visibility into supply chain	Localisation <div>→ Developing local vendors and providing support on compliance, process efficiency etc</div>	
Increased sustainability focus	Digitised and Integrated Supply chain <div>→ Building real-time network visibility, maintaining safety stocks and using analytics to identify weak links in the supply chain</div>	

Supplier Assessment

We uphold stringent supplier evaluation standards for our critical value chain partners 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 working conditions. To date, no significant actual or potential adverse social impacts have been identified, demonstrating our firm commitment to ethical sourcing.

100%

CRITICAL VALUE CHAIN PARTNERS ASSESSED FOR HEALTH AND SAFETY PRACTICES AND SAFE WORKING CONDITIONS

Assessment of Value Chain Partners

		Value Chain Partners Assessed (%)		
		in 2022-23	in 2023-24	In 2024-25
Human rights criteria	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

Data Integrity and Security

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

- 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



Aligning with Global Frameworks and Standards

Hikal roots its sustainability journey in globally recognised frameworks while aligning closely with India's regulatory expectations, creating a clear and credible pathway for a sustainable tomorrow. This alignment strengthens Hikal's governance structure by reinforcing transparency, ethical conduct, and consistent compliance across operations. It supports the social fabric by shaping fair workplace practices, nurturing employee well-being, and enabling continuous skill development. It guides environmental progress by encouraging resource efficiency, lower emissions, and responsible operational practices. Through this alignment, Hikal translates global principles into tangible, long-term outcomes that strengthen its commitment to a sustainable future.

Environmental Stewardship

→ 48

Social Responsibility

→ 60

Ethical Governance

→ 84

ENVIRONMENT

Environmental Stewardship

[Back to the 'Winning Approach'](#)

At Hikal, we align our operations with Indian standards and global best practices. Our disclosures are aligned with GRI, UNGC, IFC, and ISO 14001, with strict oversight of emissions, waste, and resource use to ensure full regulatory compliance.

Material Topics Covered

- Energy Efficiency and Carbon Emissions
- Air Pollution
- Waste Management
- Water and Effluent Management
- Biodiversity Protection

77%
TOTAL RENEWABLE
ENERGY CONSUMPTION

78%
WASTE RECYCLED


BRONZE ECOVADIS 2024

6%
REDUCTION IN WATER
CONSUMPTION

32.59%
REDUCTION IN SCOPE 2 GHG
EMISSIONS SINCE 2022-23

 **B**
CLIMATE CHANGE

52.73%
REDUCTION IN SCOPE 1 GHG
EMISSIONS SINCE 2022-23

Energy Efficiency and Carbon Emissions

We have established a comprehensive energy management strategy that focuses on optimising consumption, minimising waste, and increasing renewable energy integration. Through initiatives like solar and wind projects, alongside upgrading boiler burners and enhancing chillers, we are actively lowering our carbon footprint while continuously improving operational efficiency.

INR 7.84
Million
YEARLY INVESTMENTS IN
ENERGY EFFICIENCY AND
PROCESS OPTIMISATION
MEASURES

INR 133.98
Million
YEARLY SAVINGS DUE TO
INVESTMENTS IN ENERGY
EFFICIENCY

36,210.31 MT CO₂e
NET EMISSIONS REDUCTION SINCE 2022-23



ENVIRONMENT

Energy Efficiency

Our Corporate-level Energy Conservation Committee (EnCon) spearheaded multiple initiatives to improve energy efficiency across Hikal's operations during the reporting year. Major efforts

included streamlining production processes and implementing key upgrades to equipment and machinery for reducing energy wastage and boosting operational efficiency. Advanced energy

management systems were also deployed across sites to monitor and optimise consumption in real time. These concerted efforts resulted in tangible energy savings.

Energy Consumption (GJ)

	2022-23	2023-24	2024-25
Total energy consumption (RE+Non-RE)	1,414,586.09	1,420,655.49	1,347,981.2
Total energy consumed from renewable sources	797,758.73	877,228.61	1,038,458.5
Energy intensity per rupee of turnover (total energy consumed/revenue from operations) (GJ/INR million)	69.93	79.61	72.5

Energy Efficiency Measures

Crop Protection Division

- At Taloja, our HT capacitor capacity was expanded from 450 to 600 KVAR, enhancing power efficiency, lowering energy costs and augmenting voltage stability
- At Taloja, transformer voltage was reduced from 415V to 405V, leading to energy conservation and enhanced power quality
- At Taloja, a cooling water supply line was established in the pilot plants, eliminating the need for a separate cooling tower and saving power by stopping Pump P-2910

Pharmaceutical Division

- At Jigani 1, Bengaluru, energy conservation measures were implemented to improve the boiler's steam-to-fuel ratio from 3.85 to 3.95, saving 697 MT of fuel
- At Jigani 1, Bengaluru, the cogeneration boiler efficiency was improved, reducing LSHS boiler operating hours, saving 292.39 MT of furnace oil
- At Jigani 2, Bengaluru, the MS-FRP impeller of VUE-5001 (39,000 CFM) was replaced with a new PP-FRP impeller, minimising power consumption

Pune Research and Technology (R&T)

- Installation of the hot water system to replace the indirect hot water system with steam heating
- Installation of VFD in fume hood exhaust blower and controlling fume hood shutter opening to reduce draft flow of air to curb energy consumption

Cost Savings Through the Adoption of Alternative Energy Sources



INR 27.03 Million INR 53.5 Million



INR 23.80 Million INR 29.65 Million

Carbon Emissions

We closely monitor emissions across all manufacturing locations while adopting cleaner technologies. Several measures, including the adoption of biofuel boilers, real-time emission tracking, were implemented, resulting in a reduction of 30,377.49 MTCO₂e (Total scope 1&2) emissions in 2024-25 compared to the previous reporting year.

GHG Emissions (MTCO₂e)

	2022-23	2023-24	2024-25
Scope 1 emissions	26,793.24	21,410.71	12,664.34
Scope 2 emissions	67,737.30	67,287.01	45,655.89
Scope 3 emissions	-	1,38,471.19	1,91,158.53
	2022-23	2023-24	2024-25
Total Scope 1 and Scope 2 emissions per rupee of turnover (Metric tonnes of CO ₂ equivalent/ INR million)	4.67	4.97	3.1
Total Scope 3 emissions per rupee of turnover (Metric tonnes of CO ₂ equivalent/ INR million)	-	7.76	10.27

ENVIRONMENT

Decarbonisation Roadmap

We have formulated a comprehensive decarbonisation strategy in line with our target to reduce 30% of Scope 1 and 2 emissions by 2027-28 against 2022-23 base year. Targeted interventions across our Crop Protection and Pharmaceutical divisions have been initiated to accelerate progress towards this climate commitment.

Phase 1	Phase 2	Phase 3
Initiation Programme <ul style="list-style-type: none">→ Baselineing for GHG 1 and 2→ Material Topics Identification→ GHG Reduction Targets (SBTi)→ Deployment of ESG Platform→ Evaluation of ESG Readiness and Performance vs Peers <div>✓ Completed</div>	Programme Governance <ul style="list-style-type: none">→ Baselineing for GHG Scope 3→ Signatory to SBTi→ Setting Scope 1 and Scope 2 Emissions Targets based on Phase 1 Findings→ Design of Decarbonisation Pathway→ Energy Efficiency Audit→ Renewable Energy Integration→ Accounting of Scope 3 Emissions <div>→ Ongoing</div>	Actions and Impact <ul style="list-style-type: none">→ Submission of SBTi Targets→ Deployment of Energy-saving Project→ Public Goals (Carbon neutrality, SBTi and RE100, among others)→ Verified Emissions Reductions→ Renewable Energy and Cleantech (PPA/VPPA) <div>↑ To commence</div>

Renewable Energy

We have partnered with solar developers through Power Purchase Agreements and implemented a hybrid wind-solar project. Currently, the Mahad, Taloja and Panoli plants are using renewable energy for their operations. Concurrently, we are converting our low-sulphur heavy stock boiler to use biomass briquettes derived from agricultural residues and wood waste. This transition marks a pivotal shift to renewable biomass, strengthening our commitment to sustainable, eco-friendly fuel sources in operations.



2.9 MW	8 MW
RENEWABLE ENERGY CAPACITY OF PANOLI UNIT	RENEWABLE ENERGY CAPACITY OF TALOJA UNIT
3 MW	INR 91.5 Million
RENEWABLE ENERGY CAPACITY OF MAHAD UNIT	TOTAL COST SAVING*

*on account of renewable energy use in Mahad, Taloja and Panoli plant



Air Pollution

We follow a technology-driven approach to controlling air emissions, using real-time monitoring systems to ensure compliance with stringent environmental standards.

Our Efforts to Reduce Air Pollution Include:

Dual Approach to Air Quality Monitoring: We follow a comprehensive internal and external monitoring strategy to manage air quality. Internally, advanced online instruments like Continuous Air Quality Monitoring Systems (CAQMS) continuously track emissions and key air quality parameters. Externally, MoEF-approved laboratories conduct assessments to ensure environmental oversight and compliance.

Emission Control Systems in Operations: We have implemented robust emission control systems for boilers, diesel generators and scrubbers,

including bag houses for boiler stacks to reduce particulate matter. These comprehensive measures ensure compliance with environmental regulations and maintain high standards of operational performance.

Reducing Diesel Dependency: We have strategically introduced express feeder systems across all industrial units to drastically decrease reliance on diesel generators and associated emissions. This initiative maintains a reliable power supply while reaffirming our commitment to advancing a low-emission, sustainable operational framework.

Air Emissions (MT)

	2023-24	2024-25
SOx	39.90	18.79
NOx	85.9	8.62



Waste Management

We follow rigorous procedures for handling hazardous, non-hazardous, e-waste and biomedical waste, with strict adherence to regulatory requirements. Our specialised laboratory undertakes advanced treatability studies, while systematic audits facilitate continuous optimisation, optimising resource efficiency and minimising environmental impact across operations.

78%
WASTE RECYCLED

8%
WASTE REUSED

Waste Generated by Type (MT)

	2022-23	2023-24	2024-25
E-waste	8.84	3.23	2.35
Plastic waste	142.31	208.74	208.62
Bio-medical waste	0.06	0.06	0.017
Other non-hazardous waste	3,043.32	5,137.67	6,089.38
Other hazardous waste	57,693.74	57,438.13	52,535.58

Waste Recycled/Reused/Recovered (MT)

	2022-23	2023-24	2024-25
Re-used	2,399.20	3,984.00	4,712.2
Recycled	32,255.08	37,865.45	41,353.7
Other recovery option	64.64	1,839.00	0
Total waste recycled/reused/recovered	34,718.92	43,688.45	46,065.9

Waste Collection and Disposal

We have established a comprehensive waste management system across all facilities, supported by dedicated teams for effective execution. All waste is collected, segregated, stored, transported and disposed of in compliance with applicable regulations and industry best practices. It is systematically segregated into recyclable and non-recyclable categories.

Circular Waste Management

Our 'Wealth from Waste' programme embraces the 3R (reduce, recycle and reuse) principle. We collaborate with the cement industry to recycle waste through co-processing and have implemented systems to recover and reuse organic solvents within the same process. Our dedicated lab conducts waste treatability studies to transform by-products into valuable intermediates. Furthermore, we continue to reuse internal plastic materials, thereby reducing hazardous waste and the usage of virgin plastic.

Responsible Waste Disposal

Non-hazardous waste is disposed of responsibly through incineration and landfilling in compliance with environmental guidelines, mitigating any potential harm. Hazardous waste is managed through authorised recyclers and Common Hazardous Waste Treatment, Storage and Disposal Facilities (CHW-TSDF), ensuring safe and compliant disposal. All E-waste is sold to authorised vendors, while plastic waste is recycled through approved recyclers.

Sustainable Packaging

Packaging waste from raw and in-process materials is sent to authorised plastic recyclers or CHW-TSDFs. To reduce packaging waste, we have transitioned from drums to ISO-standard tankers, minimising our environmental footprint and improving transport efficiency. As an importer, we comply with EPR regulations and have secured the required statutory licence.





Water and Effluent Management

Responsible water management is central to our operations. We leverage a range of cutting-edge technologies, including Zero Liquid Discharge (ZLD) and steam recovery, to minimise our freshwater consumption and reinforce responsible water stewardship across our operations.

572,783 KL

WATER FOOTPRINT

6%

REDUCTION IN FRESHWATER CONSUMPTION COMPARED TO 2023-24

Water Consumption (kL)

	2022-23	2023-24	2024-25
Total water consumption	1,065,241.50	609,607.50	572,783

Water Intensity (kL/INR Million)

	2022-23	2023-24	2024-25
Water intensity per rupee of turnover (total water consumption/revenue from operations)	52.66	34.16	30.8

Water Conservation and Recycling Initiatives

- Multi-effect evaporators installed at pharma sites
- Process water is recycled for washing at Crop Protection sites
- Reverse osmosis (RO) system at ETP outlet water
- Optimising processes to minimise water consumption per batch
- Reducing the amount of boiler and cooling tower blowdown through a water treatment regimen



Zero Liquid Discharge

We are aiming to achieve a 2% reduction in water footprint through Zero Liquid Discharge (ZLD), steam recovery and advanced effluent treatment. ZLD systems are operational at three of our five manufacturing sites. Recently, we have implemented a ZLD system at our Research and Technology (R&T) facility in

the Pune plant. Our ZLD facilities integrate primary, secondary (ETP/MBR) and tertiary (MEE/MVRE with ATFD and RO) treatment, enabling the reuse of treated effluent for utilities. Additionally, Sewage Treatment Plants (STPs) recycle wastewater which is further used for gardening and cooling tower water make-up.

Biodiversity Protection

We safeguard biodiversity through targeted measures such as establishing green belts, conducting thorough ecological impact assessments, collaborating with local stakeholders and carefully selecting sites away from sensitive habitats.

Green Belt Development and Ecological Assessments: We have developed a thriving green belt adjacent to our chemical manufacturing facility, providing a vital refuge for diverse flora and fauna. Comprehensive ecological impact studies, conducted with specialised agencies, guide our efforts to ensure no adverse effects on IUCN-listed species or sensitive habitats.

Biodiversity Conservation near Sensitive Areas: Given the ecological sensitivity near Bannerghatta National Park, we actively engaged with local stakeholders to preserve the surrounding ecosystem. In line

with Environmental Clearance recommendations, we have also applied for a No Objection Certificate from the Forest Department for our Jigani, Bengaluru, unit.

Strategic Site Planning: Our manufacturing sites are situated within designated industrial estates, intentionally away from critical wildlife habitats. This deliberate site selection, coupled with ongoing ecological monitoring and assessments by accredited agencies, ensures that industrial growth does not affect natural ecosystems.



#PledgeForGreenChange: World Environment Day

We observed World Environment Day as a week-long celebration (June 3-7, 2024), in line with our commitment to environmental stewardship. Team members across all sites came together in a spirited demonstration of our collective responsibility towards the planet.

The week commenced with an oath-taking ceremony. As part of the #PledgeForGreenChange campaign, employees received saplings and pledged to nurture them as 'plant parents.'

Tree plantation drives added vibrancy to our premises, while creative contests, ranging from poster-making to plant displays, sparked awareness. Interactive quizzes and plant care workshops further inspired reflection and action.

The week-long activities embodied Hikal's belief that environmental stewardship begins with personal accountability, and that small, consistent actions can together create lasting impact.



"I was given my tiny Marble Money plant in the office, and I named it 'Ava'."

"Ava quickly became my morning ritual. Ensuring it had water and adjusted to sunlight. Caring for Ava brought unexpected joy in my life. The routine brought a calming rhythm to my day. Now with our garden and a few indoor plants joining Ava, my home feels lively, warm, vibrant, and cozy. Being a plant parent has filled my space—and heart—with green happiness."

Akshata Kurien
IT Service Desk Analyst



SOCIAL

Social Responsibility

[Back to the 'Winning Approach'](#)

We foster an inclusive and empowering workplace guided by the UNGC Labour Principles and IFC Performance Standards on Labour and Working Conditions, while adhering to ISO 45001 and Responsible Care certifications. A strong culture of safety is upheld through rigorous protocols and continuous training. This is complemented by our prudent investments in employee growth and well-being. With zero tolerance for discrimination, we foster a conducive work environment. Furthermore, through our Srijan initiative, we extend this commitment to our local communities.



Material Topics Covered

Diversity, Inclusion and Equal Opportunities

Employee Well-being, Benefits and Retention

Employee Engagement, Training and Development

Occupational Health and Safety

Human Rights and Community Relations

44,521 Hours
SKILL UPGRADATION TRAINING

34,204 Hours
EHS TRAINING

Zero
LTI FREQUENCY RATE

235,600
CSR BENEFICIARIES

Diversity, Inclusion and Equal Opportunities

At Hikal, nurturing a diverse, inclusive and equitable workplace is a top priority. We strive to ensure that every employee feels respected, valued and empowered to succeed. We recognise and celebrate the unique strengths that different genders, age groups and backgrounds bring to our organisation.

7%
WOMEN EMPLOYEES IN
TOTAL WORKFORCE

Zero
SEXUAL HARASSMENT
COMPLAINTS REGISTERED



SOCIAL

Inclusive Workplace

Diversity and inclusion are core elements of our workplace culture. This is clearly demonstrated at our Pune R&T Centre, which has one of the highest representations of women across the organisation. Women hold significant roles at all levels, including leadership positions on the Site Management Committee. We strictly abide by our Code of Conduct, viewing any undue influence on decisions as a serious ethical violation.

Hikal's Women's Forum

Our Women's Forum is a collaborative platform that empowers female employees through mentorship, advocacy and mutual support. These gatherings feature engaging activities, training sessions and awareness talks, creating a safe and supportive space for learning. It encourages both personal and professional growth through collaboration. The Women's Forum conducts monthly meetings across all units, aiming to build trust and strengthen team spirit among female employees.

Women's Day Celebration

Women's Day was celebrated with a week of inspiring sessions, joyful gatherings, and our first multi-site women's outing. The celebrations concluded with a company-wide Diversity & Inclusion webinar, reaffirming our commitment to equity, empowerment, and meaningful recognition.

Celebrating International Men's Day

International Men's Day was celebrated at our Pune R&T and CBD sites to recognise the dedication of our male colleagues. Female team members shared appreciation through cards and gifts, reinforcing our inclusive, respectful workplace culture.

MD Connect

MD Connect is our platform for direct employee engagement with our Managing Director. In an event at the Panoli unit, the MD interacted with female employees, listened attentively to their concerns and encouraged open dialogue.

Preventing Sexual Harassment

We implement a strict Anti-Sexual Harassment Policy, aligned with POSH guidelines, to ensure a safe and respectful workplace. Our Internal Complaints Committee addresses concerns in a confidential and fair manner, reflecting a zero-tolerance approach to discrimination. To reinforce awareness, this year, we conducted a virtual POSH workshop led by our in-house trainer, educating employees on workplace behaviour, legal provisions and extended scenarios. Active employee participation enhanced understanding of rights and responsibilities.



Employee Well-being, Benefits, and Retention

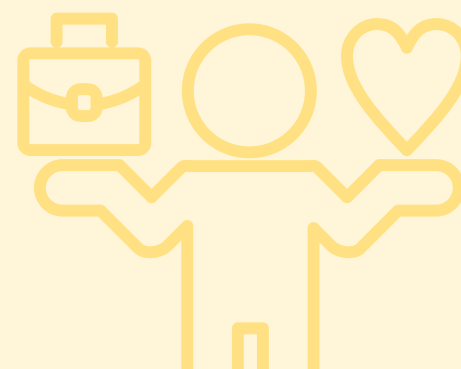
To ensure the holistic well-being of our employees, we promote health and wellness through various programmes and focused training initiatives. Our efforts are centred on maintaining a supportive work environment.

100%
OF EMPLOYEE COVERED
IN WELL-BEING MEASURE

100%
OF OUR UNITS
WITH EMPLOYEE
ENGAGEMENT PLAN

Employee Well-being and Engagement Initiatives

- **Ojas** - Employee Wellness Programme
- **Parigyaan** - Employee Recognition
- **Uday** - Employee Engagement Programme



SOCIAL



Ojas – Employee Wellness Programme

Through this initiative, we seek to ensure the holistic well-being of our workforce. We conduct numerous wellness activities like yoga, Zumba, stress relief sessions and health awareness programmes, urging our team members to prioritise self-care.

Initiatives Under Ojas in 2024-25

Awareness Sessions on Ergonomics

As part of the OJAS initiative under our Employee Wellness Programme, our Taloja site hosted a Health Awareness Session on posture and ergonomics, led by Dr. Nehal Pandey from Fortis Hospital. A follow-up session by Dr. Mohit was also conducted during the Safety Week to encourage workplace wellness practices.

Awareness Sessions on Cancer and Tuberculosis

As part of our ongoing commitment to employee health, Hikal's Taloja site hosted Health Awareness Sessions on cancer and tuberculosis in collaboration with

Sanjeevan Life Beyond Cancer. Attended by 70 employees, the expert-led sessions emphasised the significance of screening, early detection, prevention and timely treatment to support more informed health management.

Stress Management Session

Our Mahad plant partnered with Neulife Medicorp to organise a three-day half-yearly Medical Health Camp focused on enhancing employee well-being. A total of 190 employees participated, undergoing routine clinical examinations.

Zumba Dance Session

Regular Zumba dance wellness sessions are held across our sites, including the ones at Bengaluru, Taloja and CBD, to promote physical and mental well-being. Tailored especially for female employees, these sessions support heart health, relieve stress and create a lively, positive atmosphere that enhances overall employee happiness, engagement and workplace morale.



Uday - Employee Engagement Programme

As part of Uday, we organise employee engagement activities, such as festive celebrations, sports, collaboration workshops, town halls and movie days. These shared experiences strengthened bonds, enhanced workplace culture and aligned employees with our values and vision.

Initiatives under Uday in 2024-25

Celebrating Festivals

Under the Uday programme, vibrant celebrations of festivals such as Gudi Padwa, Ganesh Chaturthi, Independence Day, Diwali, and Dussehra were held across sites, enriching employee engagement and unity. Traditional décor, regional cuisine, and cultural activities fostered camaraderie, honoured our rich heritage, and created memorable shared experiences across the organisation.

Movie Days

As part of our ongoing employee engagement efforts, a Movie Day was curated for teams from the Taloja and CBD sites. The event offered a delightful escape from routine, with employees and their families enjoying a popular film, light refreshments, and meaningful interactions, nurturing a vibrant and connected workplace culture.

Town Hall Meetings

These serve as a platform for transparent communication and collective engagement. During these meetings, updates on plant operations, key initiatives and training programmes are shared, while our leadership team addresses employee queries and outlines future priorities. These sessions also recognise achievers through Parigyaan and celebrate birthdays, nurturing a rewarding culture.

Celebrating Sportsmanship Across Hikal Sites

Hikal's Sports Week 2024 brought employees together in a vibrant display of teamwork, camaraderie and competitive spirit. From indoor games at Panoli and CBD to outdoor cricket at Pune R&T and tug of war at Taloja, each event fostered unity, energy and the enduring spirit of 'One Hikal.'

Cricket: A Celebration of Team Spirit

Cricket tournaments across Hikal sites infused Sports Week 2024 with energy, excitement and spirited teamwork. A special inauguration at Pune R&T set the tone for thrilling matches, while friendly games at Taloja and Panoli fostered unity, competitive spirit and unforgettable moments that strengthened bonds across teams.





Parigyaan – Employee Recognition Programme

Parigyaan is our flagship recognition programme that celebrates individuals who demonstrate strong dedication, performance and impact. By fostering a culture of appreciation and excellence, it strengthens employee engagement across the organisation. During the past year, numerous awards were conferred across locations to honour exceptional contributions that advanced our collective goals and values.

Awards under Parigyaan

SPOT AWARD

DEPARTMENT OF THE MONTH

EMPLOYEE OF THE MONTH

LAB OF THE YEAR

TEAM OF THE MONTH

RISING STAR OF THE MONTH

Initiatives under Parigyaan in 2024-25



Chairman's Excellence Award

The Chairman's Excellence Awards made a remarkable comeback in a virtual format, connecting Hikalites across locations to celebrate exceptional achievements. The event recognised excellence through eight individual awards, six Cultural Pillar Brand awards and 170 Team Excellence awards, reflecting our culture of appreciation and commitment to inspiring performance across the organisation.



Jigani 2
AWARDED BEST
MANUFACTURING SITE

170
Individuals
IN 9 TEAMS AWARDED
CULTURAL PILLAR BRAND
AMBASSADOR

6 Individuals
AWARDED FOR TEAM
EXCELLENCE

8 Individuals
AWARDED FOR
INDIVIDUAL EXCELLENCE

Awards at Town Hall Meeting

Town hall meetings were conducted across sites to promote open communication and collaboration. As part of the Parigyaan programme, employees were recognised through awards like Rising Star, Innovation Award,

Safety Champion and Team Excellence. Select locations also celebrated employees who achieved Lean Six Sigma Yellow Belt certifications, reinforcing continuous improvement.



Employee Benefits

Hikal prioritises employee well-being through comprehensive benefits. From comprehensive medical insurance for employees and families to transport facilities, each offering supports a healthier, more secure work environment. We also provide annual health check-ups, parental leave support, and performance-linked incentives to foster security and motivation.

Employee Retention

To build a strong talent pipeline, we prioritise retaining our team members while also conducting talent evaluations through detailed technical questionnaires and assessing each employee's competencies. Continuous training is provided to help employees enhance their knowledge and capabilities. We seek feedback to improve the work environment, foster ongoing development and drive inclusive, collaborative growth.

Employee Engagement

"Employee Hour" initiative is organised across multiple sites to encourage open dialogue between employees and senior leadership in a relaxed, informal setting. These sessions help new joiners understand Hikal's values, culture and strategic priorities, while offering a platform to share feedback. This initiative supports smoother onboarding, strengthens engagement and fosters a collaborative work environment.

Talent Evaluation

The Business Excellence and HR teams conduct a focused talent evaluation through a detailed technical questionnaire. This exercise enables employees to refresh and expand their knowledge while offering insights into their technical strengths. The initiative supports continuous learning and career development, forming a key part of Hikal's broader talent evaluation and capability-building framework.

Value Week

Hikal's 9th Values Week, held from July 8-12, 2024, brought together employees across all sites to honour our core values and culture pillars. With the theme 'Values Drive Excellence', the week featured enthusiastic participation, meaningful engagements and community-focused initiatives. From recognising long-term contributions and nurturing team bonds to promoting sustainability and social engagement, the week was a powerful testament to how values truly drive excellence at Hikal. It united Hikalites through purpose, pride and performance.

Glimpse from our Site offices

CBD Office

At the CBD office, Values Week was brought to life through high-impact engagement and strong employee participation. Daily value-themed activities fostered camaraderie, while creative initiatives like Cheers from Peers reinforced a culture of recognition and respect.

Pune R&T

Pune R&T embraced the week with a focus on innovation, empathy and teamwork. Employees shared personal experiences of value-based leadership, while a blood donation drive, voluntary contributions and a plantation initiative demonstrated collective compassion and civic responsibility.

Panoli

Panoli blended creativity with purpose and impactful community outreach. Artistic expression thrived in the Wealth from Waste and Hikal's Got Talent events, while an emotionally resonant visit to an old age home by women employees demonstrated empathy in action.

Taloja

Taloja demonstrated a strong commitment to sustainability and innovation. Employees and their families took part in a Wealth from Waste initiative, creating art from recyclables, while a tree plantation drive underscored our dedication to environmental stewardship.

Jigani Units 1 & 2 (Bengaluru)

At Jigani, the focus was on cultivating team synergy and environmental care. A green belt plantation drive around the site served as a tangible expression of our sustainability goals, while high-energy team-building activities reinforced trust and interdepartmental coordination.

Mahad

At Mahad, the celebration revolved around unity, growth and environmental responsibility. Employees participated in meaningful plantation activities and showcased remarkable creativity in various contests.





Employee Training and Skill Development

We conduct diverse upskilling and reskilling programmes, driving the technical and behavioural growth of our workforce. These initiatives aim to enhance individual performance, advance professional development and ensure our employees contribute effectively to our long-term success.

102.82%*
OF EMPLOYEES PROVIDED TRAINING ON SKILL UPGRADATION

100%
OF EMPLOYEES PROVIDED TRAINING ON HEALTH AND SAFETY MEASURES

*The skill upgradation 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.

Employee Training and Development

We prioritise capability building through structured learning interventions that support career progression and enhance employee satisfaction. Our development framework includes access to platforms such as LinkedIn Learning, enabling employees to deepen functional expertise and strengthen leadership competencies, aligned with evolving business needs and individual growth aspirations.



Training and Development Programmes 2024-25

Interpersonal Effectiveness and Productivity Training

A site-wide workshop on Interpersonal Effectiveness and Productivity empowered employees with essential skills to elevate communication, assertiveness and time management. Through interactive sessions, participants learnt to navigate diverse personalities, engage in active listening and resolve conflicts constructively, gaining actionable strategies to enhance productivity, confidence and cultivate a positive, collaborative work culture.

Speech Crafters Session

At our CBD site, the L&OD team launched a structured programme to help employees overcome stage fright and enhance public speaking skills. Participants delivered speeches on chosen topics, assessed by expert judges. A tiered badge system was introduced to celebrate their progress, encouraging continual communication excellence.

Knowledge Sharing Session

Our R&T team has enhanced its bi-monthly Knowledge Sharing Sessions to support continuous learning. Recent sessions, led by the DQA team, covered topics such as regulatory compliance, ALCOA+ documentation principles and nitrosamine impurities, promoting technical excellence, cross-functional collaboration and a strong culture of knowledge exchange.

Employee Orientation Programme

As part of our Learning and Development efforts, a 'Neev' Employee Orientation Programme welcomed six new joiners. Site HR Head Vishal Patil encouraged open dialogue and feedback, with employees sharing improvement ideas, reinforcing our culture of collaboration, continuous learning and shared ownership for growth.

Learning and Development - LinkedIn Learning

We prioritise Learning and Development to strengthen workforce capabilities. In partnership with LinkedIn, we offer curated courses aligned with our operational needs, covering diverse topics from Construction Safety to Public Speaking. These targeted learning initiatives help bridge skill gaps, enhance technical and soft skills and ensure our employees remain equipped to meet evolving industry standards with confidence.

Objective

- To Build Critical Skills
- Learner Engagement
- To Support Leadership Development
- To Promote Career Development and Retention

45,028
TOTAL VIDEO VIEWS

75%
ENROLLED FOR CONSTRUCTION SAFETY COURSE

100%
REPEAT LEARNERS

4.9%
AVERAGE COURSE RATING

We partnered with LinkedIn to offer targeted training programmes that cater to both technical and non-technical skill development. A brief overview of the key courses and employee engagement trends is provided below.



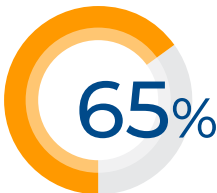
SOCIAL

Popular Technical Courses and Participation

Construction Safety

This course enhanced awareness of safety protocols and regulatory compliance.

Participation



Rating



Construction Management: Safety and Health

This programme provided advanced safety management skills crucial for operational excellence and personal development.

Participation



Rating



Occupational Safety and Health

This course delivered essential knowledge on workplace safety, contributing to a stronger compliance culture and increased adoption of preventive measures.

Participation



Rating



Building Soft Skills for Holistic Development

We introduced Public Speaking, Quality Management and Project Management programmes to enhance the interpersonal skills of our personnel. While these courses were well-received, participation was lower, indicating a preference for technical content.

Our Top Courses with Ratings

Courses	Platform Rating (out of 5)
Construction Industry: Safety	4.7
Construction Management: Safety and Health	4.8
Occupational Safety and Health: Slips, Trips, and Falls	4.7
Hazard Communications	4.7
Occupational Safety and Health: Working in the Heat	4.6

The data highlights a strong organisational focus on technical upskilling. This insight is shaping our future learning strategies, ensuring a balanced mix of technical mastery and soft skills that supports both individual growth and business goals.

Deepening Engagement through Social Media

Our LinkedIn presence has generated strong engagement, driven by diverse content such as business updates, CSR initiatives and leadership highlights. While activity dipped from September due to fewer posts, we are now focused on revitalising momentum. The way forward includes more frequent business and team updates, richer CSR storytelling and leader-led video series—initiatives designed to sustain high engagement and amplify Hikal's brand visibility across social platforms.



Occupational Health and Safety

We conduct regular training and awareness campaigns to address workplace hazards and ensure strict adherence to safety protocols. We undertake frequent audits and systematically implement all recommendations to strengthen our culture of safety and compliance.

Zero
LTIFR

Zero
TOTAL RECORDABLE
WORK-RELATED INJURIES

34,204
Hours
OF EHS TRAINING
PROVIDED



SOCIAL

Ensuring Employee Health and Safety

We have strengthened our safety culture through the introduction of high-impact initiatives. Our behaviour-based programme 'Surakshapath' has reduced behavioural risks across operations. Complementing this, our One Minute for Safety talks, structured EHS Induction sessions, and weekly wet drills have further strengthened safety awareness and helped embed a proactive, organisation-wide mindset focused on continuous improvement in occupational health and safety practices.



OUR PLATFORMS/ SYSTEMS

mySetu
EHS Portal

Ensuring Employee health and Safety



OUR INITIATIVES

One Minute
Safety Programme

Strengthening Safety through Risk Evaluation

Workplace safety begins with rigorous hazard assessments through HIRA and HAZOP studies for all activities. Dedicated EHS teams oversee the implementation of safety protocols across sites. We also collaborate with accredited labs and leverage our R&T Centre's expertise to ensure full compliance with safety and regulatory standards.

Digital Safety Reporting

We have enhanced our safety systems with the company-wide rollout of the 'mySetu' digital platform, enabling prompt reporting of hazards, near misses and incidents. Each report is analysed for root causes, with corrective actions tracked to closure, driving continuous improvement and strengthening our incident prevention efforts across operations.

Preventive Healthcare

We prioritise employee well-being through comprehensive non-occupational healthcare support, including 24/7 access to on-site medical officers and trained personnel. Regular preventive check-ups and annual health camps are conducted, with all employees covered under group medical and accidental insurance, ensuring a holistic, preventive approach to workplace health and overall employee safety.

Training for Safety Awareness

To enhance safety awareness, we conducted regular training interventions, particularly for shop floor teams. Initiatives such as toolbox talks, safety briefings and one-minute safety sessions were organised to reinforce critical safety protocols. These efforts have deepened employees' understanding, promoted proactive safety behaviour and embedded a strong culture of safety within daily operations across facilities.



Fire Safety Training

At our Jigani (Bengaluru) site, we conducted a comprehensive fire safety training session aimed at equipping employees with the skills to identify fire hazards and implement preventive measures. The training also focused on safe evacuation procedures and effective emergency response. Employees gained confidence in using fire extinguishers and demonstrated improved readiness to handle fire-related incidents.

ERT Training and Mock Drill Session

A fire safety mock drill training session was conducted at the Hikal CBD and Taloja office by an external trainer, in coordination with the EHS Head. Attended by Emergency Response Team members and other staff, the session provided practical training on emergency rescue and evacuation procedures. This initiative strengthened preparedness and ensured all participants are equipped to respond effectively during fire incidents.

One Minute Safety Programme

The One Minute Safety Programme is held at Pune R&T every fourth Saturday, focusing on key safety aspects such as major unsafe acts, unsafe conditions, near misses and incident reporting from the previous month. Amid the pandemic, sessions shifted to Zoom, allowing employees to share their safety experiences and learnings virtually.

SOCIAL

Championing a Culture of Safety: Hikal's 21-Day Safety Challenge

This year, we launched a 21-Day Safety Challenge across all sites, themed 'Our Safety, My Responsibility.' The programme started with a virtual inauguration and aimed to instil a sense of personal ownership when it comes to safety. Each location added its own creative flair, energising teams and reinforcing that safety at Hikal is not an event but a shared, ongoing commitment.



Highlights of the 21-Day Challenge



Safety Skits

It highlighted real-life scenarios and reinforced safe practices in relatable ways



Safety Book

A handy Pocket Safety Book was shared across sites with key safety tips and protocols



Safety Buddy system

The Safety Buddy System was introduced to foster peer accountability and mutual support



PPE Exhibition

PPE exhibition was held to showcase the correct use and significance of personal protective equipment



Fire Safety training

Training sessions on fire safety, ergonomics, mock drills, CPR and hazard identification were conducted



Trainings Conducted during the Safety Month

Basic Life Support Training

Through this training, we aimed to ensure that all our employees are equipped with essential skills to provide basic life support during emergencies. The programme covered key topics such as CPR (Cardiopulmonary Resuscitation), AED (Automated External Defibrillator) usage and basic first aid techniques to enhance confidence and response in critical situations.

Mock Drill

A surprise mock drill was conducted to simulate emergency scenarios and provide

employees with a hands-on experience. The exercise aimed to assess preparedness, reinforce emergency protocols and boost confidence. Participants engaged actively, gaining clearer insight into their roles and improving decision-making skills under pressure to ensure effective response during real-life emergencies.

Report it Right

Under our 'Report it Right' initiative, we organised a focused training session to educate employees on accurately identifying and reporting safety incidents and near misses. The session highlighted the need for timely communication,

root cause analysis and proactive intervention for further fortifying our safety culture and encouraging employees to take ownership of workplace safety.

Machine Safety

A practical session on machine safety was conducted to enhance awareness of operational risks and safe handling practices. Employees were also trained on lockout-tagout procedures, emergency stops and hazard identification, ensuring safe interaction with high-risk machinery across the workplace.





Human Rights and Community Relations

We uphold dignity, fairness and inclusivity across the board, with zero tolerance for discrimination, harassment, or forced labour. Beyond the workplace, our CSR programme 'Srijan' advances community development through well-calibrated initiatives in education, healthcare, environmental sustainability, cultural heritage and employee led outreach.

97.52%

PERMANENT EMPLOYEES
HAVE BEEN PROVIDED
TRAINING ON HUMAN RIGHTS

100%

PERMANENT WORKERS ARE
ASSOCIATED WITH A UNION



Respecting Human Rights

In collaboration with an independent agency, we conduct rigorous human rights due diligence to identify and assess potential risks. Annual audits, led by our Internal Audit and EHS teams, ensure compliance and facilitate timely, effective corrective actions where needed.

Freedom Of Association

We wholeheartedly endorse the freedom of association and the right to establish and join unions in accordance with international labour standards. We believe that employee unions play a vital role in safeguarding the rights and interests of our workforce.

Child Labour, Forced and Compulsory Labour

Our Code of Conduct upholds human rights by promoting equality, respect and dignity. We prohibit discrimination, harassment and all forms of child and forced labour. Our 'No Child or Forced Labour Policy' ensures that no one under 18 is employed and that all work is freely chosen across all sites.



Commitment to Non-Discrimination

We are committed to providing a fair and inclusive workplace where individuals are treated equally, regardless of race, gender, age, religion, disability, or background. We ensure equal opportunities in recruitment, training, promotion, remuneration, and all other aspects of employment, with zero tolerance for discrimination.

Mechanism to Address Grievances

Our grievance redressal framework enables employees and stakeholders to raise concerns fairly and transparently. Policies such as POSH (Prevention of Sexual Harassment) and the Whistle-blower Policy encourage safety, mutual respect and accountability throughout the workplace.

Training on Human Rights

We empower our team members with a clear understanding of human rights and core values. Through focused training, we ensure that every employee is well-informed and aligned with our commitment to respect, equality and dignity, cultivating an organisational culture grounded in integrity and shared responsibility.

SOCIAL

Community Relations

Through our flagship programme Srijan, we create shared value for the communities we serve. Our initiatives are focused on five key pillars: Education, Healthcare, Employee Involvement, Environmental Protection and Heritage Conservation. Partnering with NGOs across sectors, we strive to deliver meaningful, lasting impact for both local communities and the environment.

0.12 Million
STUDENTS BENEFITTED

0.15 Million
PATIENTS BENEFITTED

INR 29 Million
CSR EXPENDITURE

CSR Programme and Intervention Areas



Anahat
Environment and
ecology protection



Medha
Education and skill
development



Kaushalya
Healthcare and
sanitation



Rachna
Protection of
national heritage,
art, and culture



Sampark
Employee
contribution



ANAHAT

Watershed Management Project

To mark World Earth Day 2024, we launched an integrated watershed development project at Pimpalkond village in Mahad taluka in collaboration with a partner NGO. The initiative aims to enhance water availability for agriculture, livestock and household needs, while promoting sustainable water management and long-term access to potable water for the local community.

Sustainable Support for Pilgrims

During the Ambaji Padyatra, in partnership with GPCB Gandhinagar, we set up a sustainability kiosk where used plastic bottles were collected and exchanged for reusable steel bottles. This initiative encouraged clean drinking practices, reduced single-use plastic and ensured that all collected plastic waste was recycled.



MEDHA

Infrastructure Development Work

As part of community development at the Zilla Parishad Primary School in Dattawadi-Nere, we undertook infrastructure upgrades, including the installation of a tin shed, handwash station and cement tank. Additionally, scout uniform accessories were provided to 40 students for the Independence Day parade. These initiatives were well-received by the school staff and parents, reflecting our continued focus on promoting education and student well-being.

Mentorship and Career Counselling

We launched a CSR initiative in Maharashtra to support mentorship and career counselling for 150 underprivileged girls, in partnership with Light of Life Trust and Mentoria. Our CSR Head engaged with students, conducted career assessments and distributed certificates to successful participants. The programme aims to bridge the opportunity gap by equipping young girls with guidance to make informed career choices and build confident futures.



SOCIAL



KAUSHALYA

Ambulance Donation to Mahad-Based Social Organisation

We donated a fully equipped ambulance to a rural healthcare NGO to support emergency medical needs of underprivileged communities, thereby expanding the access to quality healthcare in remote areas.

Blood Donation Camp

A blood donation camp was organised as part of Values Week to promote community welfare and save lives. Employees from all departments participated enthusiastically, reflecting their shared commitment to making a meaningful impact.

Voluntary Donation Drive

In collaboration with a charitable organisation, a voluntary donation drive was organised as part of our Values Week to support underprivileged communities with essential supplies. Our employees participated wholeheartedly, with many going a step further by contributing newly purchased items for donation.

Strengthening Safety Infrastructure

As part of our commitment to safety and dignity, we upgraded facilities at key police stations. This enabled cleaner, more functional spaces. The initiative fostered a more welcoming environment for public interaction while improving the daily working conditions of law enforcement personnel on the ground.

Empowering Families through Autism Awareness

Through the Umeed Parent Programme for Autism, we supported families of children with special needs by providing them with the requisite knowledge, resources and personalised guidance. This initiative helped parents better understand and respond to their children's unique needs.



RACHNA

Marg Foundation

We supported the Marg Foundation in promoting Indian art, culture and heritage through publications, research and education. We widened the access to knowledge and helped preserve traditions, inspiring future generations to pursue arts.

National Centre for the Performing Arts (NCPA)

Our association with the NCPA helped strengthen India's performing arts ecosystem. We supported programmes that bring world-class performances to diverse audiences, preserving classical art forms while encouraging innovation.

Mehli Mehta Foundation

We partnered with the Mehli Mehta Foundation to nurture a love for Western classical music. Through workshops and concerts, the foundation cultivated musical appreciation, discipline and creativity in children.

Zirad Art & Heritage Foundation

We supported the Zirad Foundation in preserving local art, craft and heritage while empowering rural communities. By creating diverse avenues for artisans, we enabled them to sustain their livelihoods, bridge tradition with contemporary relevance and ensure cultural continuity.



SAMPARK

Lunch and Laughter with Old Age Home Residents

As part of a values-led initiative, our women employees visited a local old age home, sharing lunch, laughter and heartfelt conversations with the residents. The activity fostered warmth and connection, while reflecting our commitment to community well-being. This simple yet meaningful gesture embodied compassion and reinforced the importance of giving back and spreading joy.

GOVERNANCE

Ethical Governance

[Back to the 'Winning Approach'](#)

Guided by the OECD Principles of Corporate Governance, we promote transparency, accountability and fairness across operations. Our governance approach is further shaped by NGRBC, GRI, SASB and India's Companies Act, 2013. In alignment with the UNGC Principle on Anti-Corruption, we maintain a zero-tolerance stance towards corruption in all its forms, including extortion and bribery, ensuring our business conduct remains ethical and responsible.

Material Topics Covered

- Ethical Business Practices and Governance
- Governance and Anti-Corruption
- Regulatory Compliance
- Sustainable Financial Performance

55%
INDEPENDENT DIRECTORS

27.3%
WOMEN DIRECTORS

Zero
CASES OF CONFLICT OF INTEREST

Zero
CORRUPTION INCIDENTS REPORTED

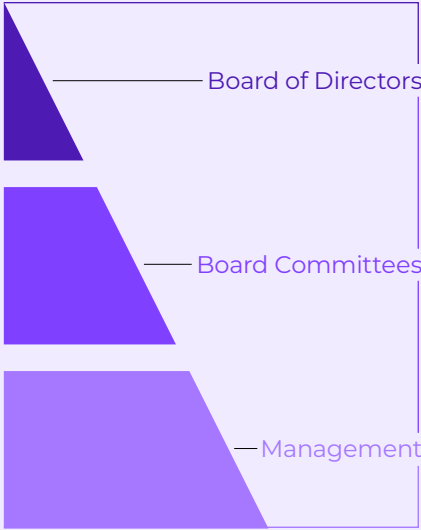


Ethical Business Practices and Governance

We uphold integrity, transparency and accountability across operations. 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.

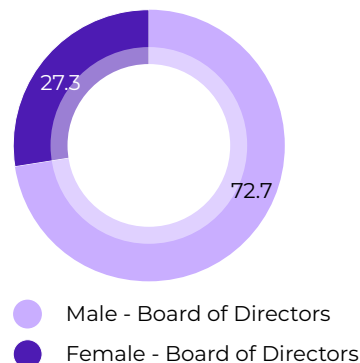
Governance Structure

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.

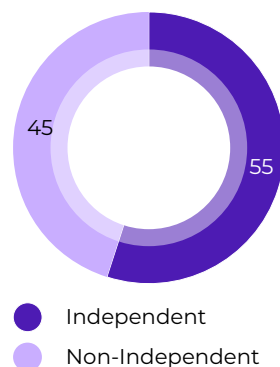


GOVERNANCE

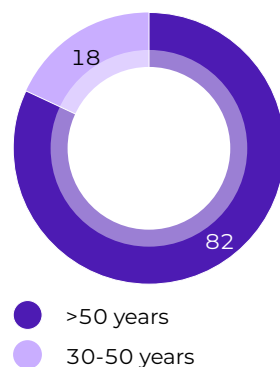
Board Diversity (%)



Board Independence (%)



Board Age Profile (%)



Board of Directors



Jai Hiremath
Executive Chairman

Founder and Executive Chairman with over 42 years of experience in the fine chemicals and pharmaceuticals industry.

Qualification
Chartered Accountant England and Wales, Owner President Management Programme, Harvard University, USA



Sameer Hiremath
Managing Director

Qualification
BE (Chem), MBA & MS (I.T.) – Boston (USA)



Sugandha Hiremath
Non-Executive Director

Qualification
B. Com



Amit Kalyani
Non-Executive Director

Qualification
B.S Mechanical Engineering from Bucknell University, Pennsylvania, USA, Owner President Management Programme, Harvard University, USA



Shivani Sachdeva
Independent, Non-Executive Director

Qualification
MBA, The Wharton School, University of Pennsylvania; B.A. in Economics, Mount Holyoke College (Phi Beta Kappa, Magna Cum Laude, Sarah Williston Scholar)



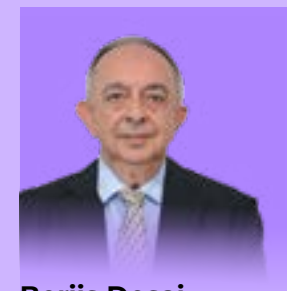
Shrikrishna Adivarekar
Independent, Non-Executive Director

Qualification
Chartered Accountant & Commerce Graduate



Ramachandra Kaundinya
Independent, Non-Executive Director

Qualification
Undergraduate in agricultural sciences from Andhra Pradesh Agricultural University and PG Diploma in Management from IIMA



Berjis Desai
Independent, Non-Executive Director

Qualification
LLB, University of Bombay & LLM Cambridge University, UK and Solicitor



Ravi Kapoor
Independent, Non-Executive Director

Qualification
Alumnus of the Mumbai University



Ranjana S. Salgaocar
Independent, Non-Executive Director

Qualification
Master of Management Studies from Jamnalal Bajaj Institute of Management, Bombay University and is a Gold Medallist in Bachelor of Social Work, Bombay University



Sarangan Suresh
Whole Time Director

Qualification
Postgraduate in Chemical Engineering from Indian Institute of Science Bangalore

- AC Audit Committee
- SRC Stakeholder's Relationship Committee
- NRC Nomination and Remuneration Committee
- CSR Corporate Social Responsibility Committee
- RMC Risk Management Committee
- Chairman
- Member

GOVERNANCE

Management Committee

Jai Hiremath
Executive Chairman



Founder and Executive Chairman with over 42 years of experience in the fine chemicals and pharmaceuticals industry

Qualification
Chartered Accountant England and Wales, Owner President Management Programme, Harvard University, USA

Sameer Hiremath
Managing Director



Qualification
BE (Chem), MBA and MS (I.T.) – Boston (USA)

Anish Swadi
Senior President – Animal Health and Business Transformation



Qualification
Bachelor's degree in international business and finance from Ithaca College, New York, USA and Management Development Programme from the Wharton School

Kuldeep Jain
Chief Financial Officer



Qualification
Chartered Accountant and Member of the Institute of Chartered Accountants of India, New Delhi

Manoj Mehrotra
President – Pharmaceuticals



Qualification
B.Tech (Hons) in chemical engineering from IIT-Kharagpur and an MBA from XLRI, Jamshedpur

Vimal Kulshrestha
President – Crop Protection



Qualification
B. Tech in Chemical Engineering from H.B. Technical Institute, Kanpur and Executive Management from IIM Kolkata

Ratish Jha
President – Human Resources



Qualification
Alumnus of TISS Mumbai. Took business certifications programme from IMD Switzerland, University of Michigan, AOTS Japan, ISB, IIM-A

GOVERNANCE

Ethics and Business Practices

Our leadership team has established a strong policy framework to promote ethical conduct, transparency and sustainability throughout our organisation. Our Code of Conduct and governance policies are also published on our corporate website for quick reference. Every year, our employee completes an online training programme and assessment to ensure thorough understanding of our corporate governance principles.



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](#)

Code of Conduct

Our Code of Conduct applies to Directors, senior management, employees and business partners, providing clear guidelines for ethical behaviour across all situations. It reinforces honesty, integrity and fairness, ensuring that everyone acts consistently with Hikal's values and complies with all applicable laws and regulations.

100%

WORKFORCE TRAINED ON CODE OF CONDUCT

Nomination and Remuneration Policy

Our Nomination and Remuneration Policy governs compensation for Directors, senior management, KMPs and employees in line with the Companies Act 2013 and

SEBI Listing Regulations. It outlines guidelines for committee composition, performance evaluation, board diversity and succession planning as well as rules for removal, retirement and extension of tenure for Directors, KMPs and senior management.

Conflict of Interests

Our Code of Conduct outlines explicit procedures to identify and manage potential conflicts of interest. Each year, board members and senior management affirm their adherence to these standards. Directors are required to avoid any business activities that might conflict with Hikal's interests. A designated compliance officer supports them in navigating complex scenarios.

Zero

CASES OF CONFLICTS OF INTEREST REPORTED

Anti-Corruption Policy

Hikal maintains a zero-tolerance stance on corruption, systematically evaluating all operations for bribery and integrity risks. Mandatory anti-corruption training ensures our employees remain vigilant, identify potential misconduct and adhere to ethical standards.

Zero

CASES OF CORRUPTION REPORTED

Whistle Blower Policy

Our Whistle Blower Policy establishes a confidential, secure avenue for employees and stakeholders to disclose any unethical conduct, legal breaches, or company policy infringements. It empowers individuals to report

concerns safely and without fear of retaliation. Clear procedures for lodging complaints are outlined, and each submission is assured a thorough, impartial investigation.

Community Grievance Redressal Policy

Our Community Grievance Redressal Policy establishes a formal, transparent framework for external stakeholders to voice concerns about our operations. By ensuring clear, accessible reporting channels and committed resolution procedures, the Policy seeks to avert conflicts and nurture trust with communities we engage. Tailored exclusively for external stakeholders, this approach highlights our dedication to equitable, open dialogue and reinforces positive, respectful relationships with all affected stakeholders.

Sexual Harassment Policy

Hikal is dedicated to fostering a safe, respectful and equitable workplace through a robust Sexual Harassment Policy aligned with POSH (Prevention of Sexual Harassment) standards. Our Internal Complaints Committee (ICC) ensures every report is taken seriously, thoroughly investigated with strict confidentiality, and acted upon promptly.

GOVERNANCE

Regulatory Compliance

Ensuring adherence to regulatory norms remains a strategic focus, with concerted efforts to align meticulously with both domestic and international standards. We embrace multi stakeholder collaborations and actively engage in public consultations to stay abreast of evolving regulations.

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.

Furthermore, we 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.

We hold memberships in the following associations:



Sustainable Financial Performance

At Hikal, sustainable financial performance is a central pillar of our long-term strategy. While some perceive environmental initiatives as burdens on resources, we consider them high-return investments—critical drivers of value creation.

Over the past two years, we have invested INR 4 million in clean energy solutions, achieving a net reduction of 30,377.49 MT CO₂e and generating INR 133.98 million in annual savings through energy efficiency. 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 reflects our belief that sustainability and profitability are mutually reinforcing and essential to achieving long-term resilience and success.

Responsible Investment Practices

We uphold sound corporate governance by encouraging transparent and responsible engagements with investors.

By maintaining open dialogue with shareholders, we ensure equal access to information. We actively disclose our governance practices and policies and engage constructively with institutional investors. This helps align long-term value creation with shareholder expectations, contributing to a more transparent, accountable investment environment across our operations and within the broader capital market.

Upholding Shareholder Rights

We uphold shareholders' rights by ensuring fair treatment for all, including minority investors. We provide timely access to information, opportunities to influence key decisions, and effective channels for redress without undue delay or cost. Through preventive safeguards and fair legal mechanisms, we protect against the misuse of shareholder capital.



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